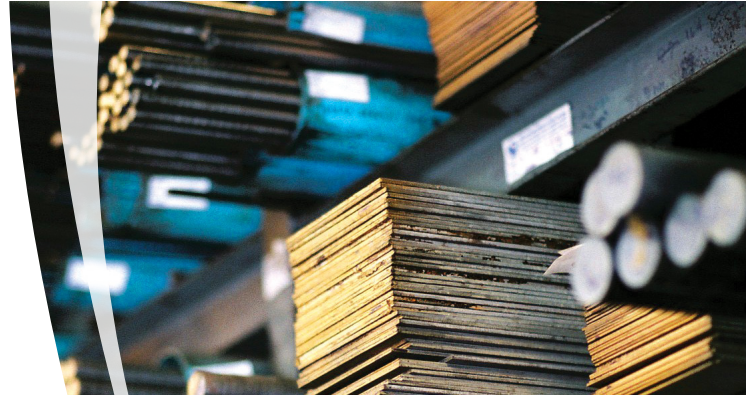




สหมิตรเครื่องกล
SAHAMIT MACHINERY

Annual Report 2020



SMIT AIMS TO BE THE LEADING FULL-SERVICE IMPORTER AND DISTRIBUTOR OF SPECIAL STEELS, MACHINE TOOLS, TOOLING, PULP AND PAPER, MACHINERY AND EQUIPMENT FOR WOOD INDUSTRY, AND ELECTRICAL ENGINEERING.

SPECIAL STEEL



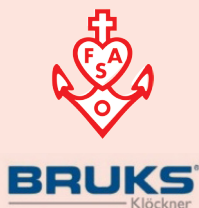
MACHINE TOOLS



TOOLING



WOOD



PAPER



ELECTRIC



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Dear Shareholders,

Since early 2020, the coronavirus developed into a global pandemic. It has directly and indirectly affected overall sectors around the world, resulting in a wide range of industries performances sharply declined. Many small, medium, and large corporate clients have struggled to survive in the crisis by re-structuring their business, as reducing costs, reducing manpower and / or reducing their working hours so they can continue the business. It is one of the most severe economic downturns in the history of Thailand and overall global business operation. Until now, it has no signs of ending any time soon.

However, there is still good signal from the electronic components industry and auto parts sectors which increased in Q4 of 2020, allowing several companies are slowly reopening their plants and trying to resume operations gradually, with an attempt to bring back normalcy.

The company remains committed to creating long-term sustainable value for all stakeholders. Although, some workforce structure and working schedule have been adjusted to suit the amount of work which declined and avoid unnecessary expenses in these unpredictable times and the extent of the economic impact of the pandemic is still uncertain, but we still retained all our employees together. Because we believe that our effective employees are one of the most key factors to supporting a sustainable growth of the company in the future.

The 2021 will be our 48th anniversary with our honor and pride. We would like to extend our gratitude to all shareholders, customers, business partners and other stakeholders for continuous support and trust in our company. We will continue conduct the business with good governance for the highest benefits of all stakeholders and society.

On behalf of the Board of Directors

Chaisilp Tamesirichai

Chairman of the Board

Sahamit Machinery Public Company Limited

Phut Sorayarnthanawut

Managing Director

Sahamit Machinery Public Company Limited

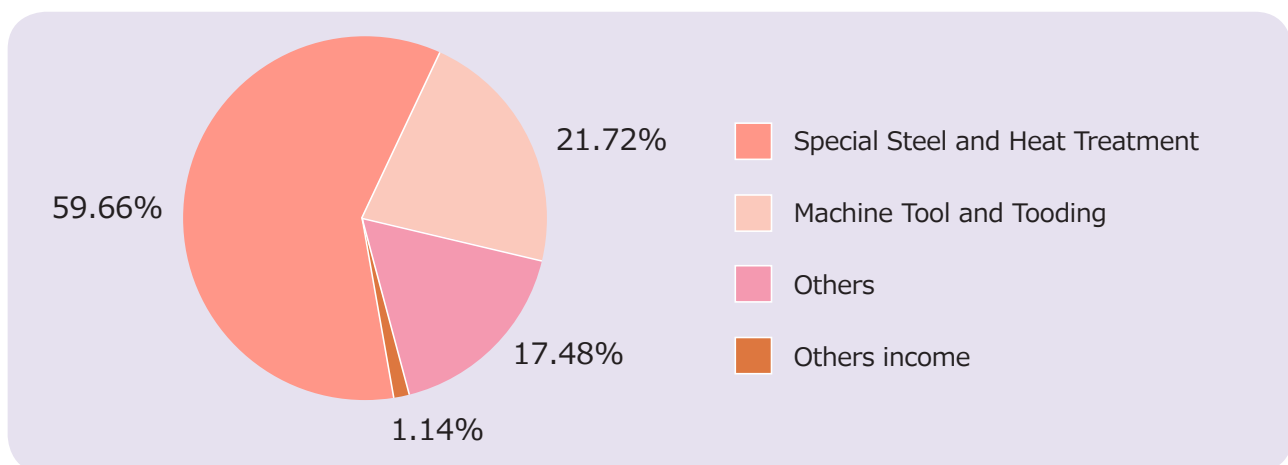
FINANCIAL INFORMATION

	2020	2019	2018	Unit
Total assets	2,589.64	2,491.76	2,611.14	Million Baht
Total liabilities	271.22	233.17	349.26	Million Baht
Total shareholders' equity	2,318.42	2,258.59	2,261.88	Million Baht
Total revenue	1,690.04	2,044.46	2,345.84	Million Baht
Net profit	147.32	182.21	263.48	Million Baht
Book value per share	4.37	4.26	4.27	Baht
Earnings per share	0.28	0.34	0.50	Baht
Dividend per share	0.30	0.34	0.36	Baht
At the closed price	3.90	3.76	5.90	Baht
Net profit margin	8.72	8.91	11.23	%
Return on equity	6.44	8.06	11.84	%
Return on asset	5.80	7.14	10.18	%
Dividend Yield	8.21	9.57	6.10	%
Debt to Equity ratio	0.12	0.10	0.15	Times
Employees	485	515	532	Persons

Revenue Structure	2020		2019		2018	
Unit: Million Baht	amount	%	amount	%	amount	%
Special Steel and Heat Treatment	1,008.21	59.66	1,208.50	59.11	1,335.12	56.92
Machine Tools and Tooling	366.99	21.72	493.13	24.12	663.90	28.30
Others*	295.49	17.48	310.70	15.20	313.23	13.35
Other Income**	19.35	1.14	32.13	1.57	33.59	1.43
Total income	1,690.04	100.00	2,044.46	100.00	2,345.84	100.00

Remarks: *Others include Products in Machinery and Equipment for Wood Industry, Paper and Electrical Engineering sectors

**Other Income includes commission and gain on disposal of assets.



*** Investors can study additional details of the issuer from the Company's Annual Information Disclosure Form (Form 56-1) on the SEC's website: www.sec.or.th or the Company website: www.sahamit.co.th

VISION, MISSION, BUSINESS OBJECTIVE AND BUSINESS'S STRATEGY

Vision:

SMIT aims to be the leading full-service importer and distributor of Special steels, Machine tools, Tooling, Machinery and Equipment for Wood Industry, Paper, and Electrical Engineering sectors.

Mission:

- Only provide World Class Standard & State of the Art Technology products and services
- Continuous development to enhance the potential of the organization and human resource
- One Stop Services / Integrated Solution
- Maintain good relationships and good cooperate governance with all Stakeholders

Business Objective:

The Company's business objective is to be the leading full-service importer and distributor of Special Steels, Machine tools, Tooling, Pulp and Paper, Machinery and Equipment for Wood Industry, and Electrical Engineering to Thailand's high growth industrial sectors.

Business's Strategy:

To achieve, the Company has implemented strategies to add value to its products as follows:

- To provide the top quality of products and services
- To professionally developing the skills and knowledge of product
- To provide One Stop Services to the customer
- To maintain a reliable partnership relationships among the stakeholders



Sahamit Machinery PCL. (SMIT) was established on 7 June 1973 with an initial capital of Baht 80,000 to import and distribute materials, machinery and appliances for industries. The company commenced its operation as an importer and distributor of paper and paper machineries and equipments and later expanded its business to other business groups to support Thailand's industrial growth. Currently, the company covers 5 major product groups:

- 1) Special Steel
- 2) Machine Tools and Tooling
- 3) Paper
- 4) Machinery and Equipment for Wood Processing
- 5) Electrical Engineering

Moreover, we also focus on an excellent before and after sales service supported by an efficient team to add value to our products consists of

- Fully integrated Pre-finishing service to make the rough raw material ready for use.
- The Heat Treatment services using state-of-the-art machinery and technology.
- Provide consulting service for selection, installation and maintenance of the machine and spare parts.
- Paper Cutting and Slitting Services
- Custom made Abrasive Conversion Services
- Industrial Knife Production for wood and paper industries, in cooperation with Toyo Knife Company Limited, Japan.

HISTORY AND MAJOR DEVELOPMENT



- 1973** Established with Baht 80,000 capital as a supplier of raw materials, machinery and equipment for industrial sectors.
- 1990** Constructed the first warehouse in Sathupradit, Bangkok.
- 1993** Constructed Headquarter office in Bangkok.
- 1994** Became a public company and raised registered capital to 140 million baht.
- 1995** Increased registered capital from 140 million to 160 million baht; bought a plot of land in Bangpakong to constructed a warehouse and a steel facility center, as well as, constructed the second warehouse in Sathupradit, Bangkok.
- 1999** Constructed the first and second warehouses in Bangpakong to operate steel's pre-finishing and paper slitting facilities.
- 2000** Bought the third Sathupradit warehouse for paper stock.
- 2002** Constructed the third warehouse in Bangpakong for abrasive converting facility.
- 2004** Raised registered capital to Baht 550 million.
- 2005** Listed in the Stock Exchange of Thailand (SET) on 18 May 2005.
- 2006** Began to operate the heat treatment plant in Bangpakong. On 29 November 2006, H.R.H. Princess Maha Chakri Sirindhorn graciously presided over the grand opening ceremony.
- 2007** Constructed the Industrial Knife Production plant in Bangpakong in cooperation with Toyo Knife Company Limited, Japan and expand ed the capacity of the heat treatment plant.
- 2008** Constructed the fourth warehouse in Bangpakong for Steel's stock and expanded Sathupradit Warehouse for Electrical Engineering's workshop.
- 2010** Constructed the fifth warehouse in Bangpakong for Steel's stock and for future expansion of the Industrial Knife Production and the heat treatment's capacity.
- 2015** Constructed the fourth warehouse in Sathupradit, Bangkok for Steel stock.
- 2018** Invested in new machines and equipment to support the heat treatment service and purchase land in Bang Pakong District in order to expand facilities and warehouses.
- 2019** Installed solar rooftop to generate clean energy for plant operation in order to improve efficiency and decrease electricity costs while become a part to reduce the impact of environment and climate change.

BOARD OF DIRECTORS



Mr. Chaisilp Tamesirichai
Chairman of the Board



Mr. Prasong Srithornratkul
Vice-Chairman of the Board



Mr. Phut Sorayarnthanawut
Director
Chairman of Risk Management
Sub-Committee

BOARD OF DIRECTORS



Mr. Thana Senavattanakul
Director



Mr. Pornsin Thaemsirichai
Director



Mr. Pichai Nithivasin
Director



Mr. Charndej Tamesirichai
Director

BOARD OF DIRECTORS



Ms. Piyanuch Tamesirichai
Director
Risk Management Sub-Committee



Ms. Piyaporn Srithornratkul
Director
Risk Management Sub-Committee
Nomination and Remuneration
Committee



Ms. Prangtip Sivaruk
Director
Risk Management Sub-Committee



Gen. Vapirom Manasrangsi
Independent Director
Chairman of the Audit Committee

BOARD OF DIRECTORS



Mr. Karun Kittisataporn

Independent Director
Audit Committee

Chairman of The Nomination and
Remuneration Committee



Mr. Prayoon Vivetpuvanonth

Independent Director
Audit Committee



Mr. Chayakorn Limsiripan

Independent Director
Audit Committee
Nomination and Remuneration
Committee



Mr. Kriangkrai Boonkittichareon

Independent Director

1. Special Steel

Product	<ul style="list-style-type: none"> • Special Tool Steel • Machinery and carbon steel • Aluminum alloy • Metal Band Saw Blades • Injection Pins for Plastic Mould
Service	The company provides fully-integrated cutting services such as Vertical & Horizontal Milling Machine, Surface Grinding Machine for making finishing plate for moulds and dies, and the Heat Treatment service as well.

2. Machine Tools and Tooling

Product	<ul style="list-style-type: none"> • High quality electrical discharge machine (CNC Machine) & Automation • Wide range of milling cutters and inserts for milling in almost any work material • Digital Readout, Measuring Equipment • Tool Holders for various machines
Service	The company provides assistance, training and maintenance services, using high quality spare parts and qualified professional engineering teams.

3. Paper

Product	<ul style="list-style-type: none"> • Newsprint for newspapers, printing and writing paper • Paper cutting and slitting machines • Machinery, accessories, forming fabric felt, canvas, refiner plate, and chemicals for pulp and paper industry
Service	The company provides slit reels to standard sizes and converted reams of paper as per customers' requests.

4. Machinery and Equipment for Wood Processing

Product	<ul style="list-style-type: none"> • Abrasive paper, abrasive cloth and abrasive fiber • Self manufactured and imported Industrial knives • Tapioca saw blades • Edge banding and wrapping materials for furniture • Brand new and used woodworking machineries for the panel and furniture industry
Service	The company provides slit and jointed abrasives to various sizes ordered by industrial customers, as well as consulting services for machine selection.

5. Electrical Engineering

Product	<ul style="list-style-type: none"> • Computer Substation Control System • Electrical Meter, Measuring Center • Low-voltage Switch Gear
Service	The company offers before and after sales services including consultation and training, systems design and integration, installation and commissioning.



Heat Treatment Services

Heat Treatment is the company's new service to fulfill the one stop service strategy and add value to our products by using the latest technology available to serve customers.

Type of Services: Vacuum Quenching, Low Pressure Allnit® Nitriding, Carburizing, Carbonitriding, Normalizing, Annealing, Oil Quenching and others.

- **Vacuum Quenching Furnaces**

Vacuum Furnaces from France for demanding gas quenching thanks to the rotative cooling ensuring an excellent uniformity. Automatic process for a perfect reproducibility of the result. For hot work tool steel, cool work tool steel, high speed steel, etc.

- **Vacuum Tempering and Allnit® Nitriding Furnaces**

Allnit® Nitriding is a thermochemical heat treatment for steels surface hardening within vacuum furnace at low pressure.

- **Atmosphere Controlled Furnaces**

Atmosphere Controlled Furnaces sealed quench and automatic controlled by PLC. This furnace is suitable for different treatment: Carburizing, Carbonitriding, oil quenching, annealing of carbon steel, low alloy steel and cast iron parts.

- **Overview of Mould and Dies Industry**

The mould and dies industry is one of the supportive industry and the essence of industrial manufacturing, as it plays a supportive role to other industries, such as, automobile industry, electronic industry and plastic industry. Therefore, the demand growth is relevant to the growth or deteriorates of the manufacturing industry and the overall industry in Thailand.

Special steel, machine tools and tooling are crucial for the production of moulds, dies, tools and parts for most of the manufacturing industry so the demand of such products are directly related to the incline or decline of the overall economy.

SMIT stands out as a leader in the sector since the Company provides full range of products and services that serve the need of the manufacturing industry, to include special steel, machine tools, tooling and services.

- **Overview of Paper Industry**

Demand for printing and writing paper declined mainly due to the growth of digital media, particularly in the areas of promotional materials and magazines. Meanwhile, demand for packaging paper, paperboard, kraft paper and coated paper continued to increase which grew moderately in line with regional economic expansion and a growth in export-oriented manufacturing.

The Company provides wide range of products for paper manufacturers, imports and distributes paper products, converting machine and also provide services with extensive experience professional team together with the best quality products, the Company is considered good potential comparing to the competitors.

- **Overview of Wood and Furniture Industry**

It is considered a mild competition in this industry since it is the competition among many retail importers. At the present, there is no direct competitor to SMIT since it provides a wide range of and services to serve all level of customers. In addition, SMIT also provides a custom-sized abrasive upon customers' requirements.

- **Overview of Electrical Industry**

Demand for the electrical products is relevant to the condition of the manufacturing industry and the energy consumption. SMIT provides high quality electrical products at a reasonable price, mainly serve the industrial sectors. The Company not only provides various electrical products but also provides the system integration services, to include electrical engineering design, product sourcing, installation and testing, and other post-sales services. Although the market is very competitive but with the extensive experience professional engineering team together with the best quality products, the Company is considered good potential comparing to the competitors.

Product and Service Placement

The Company imports its products directly from the world leading manufacturers. At the present, the Company has strong relationship with approximately 80 suppliers. The Company is also an exclusive agent for most of the suppliers. However, the Company continues to source and market the new products to increase the marketing opportunities.

Product and Service Placement

The Company imports its products directly from the world leading manufacturers. At the present, the Company has strong relationship with approximately 80 suppliers. The Company is also an exclusive agent for most of the suppliers. However, the Company continues to source and market the new products to increase the marketing opportunities.

Risk factors that may affect the business operation, financial status and company's performance are categorized as follow:

- **Risk from price fluctuation of both products and raw materials**

Price fluctuation of both products and raw materials relevant to demand and supply in the market. It is a risk that may affect the Company's performance and cause it to be unable to achieve its objectives. The fluctuation is a result of direct and indirect changes in economic, social, and competition factors, as well as other changes occurring domestically and overseas.

With more than 45 years of experience, the Company understands the price cycle of products will be relevant to demand and supply. The Company made major effort to manage this risk by having a sufficient inventory of the products and raw materials, also adjusted the price to reflect the world market price. Our main product, special steel has special specifications which is use particularly in the mould-making and tooling industry. Having a sufficient inventory ready to be dispatched to customer, resulted in the bargaining power with the buyers. Adjusted higher price did not influence any declining in the total revenue of the Company. Moreover, the Company can maintain the gross profit from selling our products.

- **Risk factors from Agency's stability**

Since SMIT's core business is importer and distributor of industrial products, the Company may have to face the change of manufacturer's policy to change agency agreement, appoint new agent or make direct sale to customer. However, because of the Company strong after sales service, we still continuously get contact renewal. The Company precedes the strategy plan to add more varieties of product and service, appropriately manage the proportion of sale and service receiving from each products to balance allocation in order to diversify the risk.

- **Foreign Exchange Rate Fluctuation**

Most of the products the Company distributed are from imports. The Company may suffer from the fluctuation of the foreign exchange rate. However, the Company purchases products from various countries at the same time, and have opportunities to select the currency for the payment, such as, Euros, Dollars, or Yen. The Company does not rely on the only one currency which reduces the risk from the fluctuation of the foreign exchange rate. By using the Forward Contract and paying off some trading liabilities to some suppliers before due time are the tools that SMIT uses to manage risks.

- **Risk from Accounts Receivables**

As of 31 December 2020, the Company has total accounts receivable of 367.25 million Baht or 21.98 % of Total Sales. The average collections in 2020 equal to 80 days, and has the short-term accounts receivable of 358.65 million Baht or 97.66% of net accounts receivable. The company may have the risk in collections from accounts receivable. If the accounts receivable has problem in their business operations, it may affect the company's liquidity in terms of working capital and the business performance.

However, the Company has a strictly credit-check policy. Each customer must pass the credit-check prior to credit granted. The Company regularly performs and follows the customer's financial status. Moreover, the Company has set up the uncollectible debt policy when the customer has the overdue balance or when it detects that the customer will have problem in payment. The company sells mainly to the industrial manufacturers which has low rates of uncollectible debt. The Company has approximately more than 2,000 customers, there are no accounts receivable who has the credit balance more than 5% of the total Sales. This spreading of the accounts receivable results in decreasing risk from accounts receivables.

SHAREHOLDING STRUCTURE AND DIVIDEND PAYMENT POLICY

Shareholders: Top 10 shareholder's lists as of December 31, 2020, 2019 and 2018 are as follows:

As of December 31, 2020				As of December 31, 2019				As of December 31, 2018			
No.	Name	Number of Shares	%	No.	Name	Number of Shares	%	No.	Name	Number of Shares	%
1	Group "Mr.Chaisilp Tamesirichai"			1	Group "Mr.Chaisilp Tamesirichai"			1	Group "Mr.Chaisilp Tamesirichai"		
	- Mr.Chaisilp Tamesirichai	43,469,346	8.20		- Mr.Chaisilp Tamesirichai	43,603,346	8.23		- Mr.Chaisilp Tamesirichai	43,499,346	8.21
	- Mrs.Jirawan Tamesirichai	5,940,000	1.12		- Mrs.Jirawan Tamesirichai	5,940,000	1.12		- Mrs.Jirawan Tamesirichai	5,940,000	1.12
	- Ms.Piyanuch Tamesirichai	15,410,100	2.91		- Ms.Piyanuch Tamesirichai	15,400,100	2.91		- Ms.Piyanuch Tamesirichai	15,382,100	2.90
	- Ms.Nuttaporn Tamesirichai	23,950,400	4.52		- Ms.Nuttaporn Tamesirichai	23,950,400	4.52		- Ms.Nuttaporn Tamesirichai	23,950,400	4.52
	- Mr.Vorarit Tamesirichai	11,319,000	2.14		- Mr.Vorarit Tamesirichai	11,311,600	2.13		- Mr.Vorarit Tamesirichai	11,020,000	2.07
	Total	100,088,846	18.89		Total	100,205,446	18.91		Total	99,791,846	18.82
2	Group "Mr.Prasong Srithornratkul"			2	Group "Mr.Prasong Srithornratkul"			2	Group "Mr. Prasong Srithornratkul"		
	- Mr.Prasong Srithornratkul	42,878,936	8.09		- Mr.Prasong Srithornratkul	42,878,936	8.09		- Mr.Prasong Srithornratkul	42,878,936	8.09
	- Ms.Piyaporn Srithornratkul	25,458,900	4.80		- Ms.Piyaporn Srithornratkul	25,458,900	4.80		- Ms.Piyaporn Srithornratkul	25,458,900	4.80
	- Ms.Piyamol Srithornratkul	27,960,000	5.28		- Ms.Piyamol Srithornratkul	27,312,800	5.15		- Ms.Piyamol Srithornratkul	27,227,000	5.14
	Total	96,297,836	18.17		Total	95,650,636	18.04		Total	95,564,836	18.03
3	Group "Ms.Prangtip Sivaruk"			3	Group "Mrs.Suwanna Sivaruk"			3	Group "Mrs.Suwanna Sivaruk"		
	- Ms.Prangtip Sivaruk	34,640,000	6.54		- Ms.Prangtip Sivaruk	34,310,300	6.47		- Ms.Prangtip Sivaruk	34,000,000	6.41
	- Ms.Sasirat Sivaruk	30,040,900	5.67		- Ms.Sasirat Sivaruk	30,040,900	5.67		- Ms.Sasirat Sivaruk	29,965,200	5.65
	- Mrs.Suwanna Sivaruk	17,878,072	3.37		- Mrs.Suwanna Sivaruk	17,858,072	3.37		- Mrs.Suwanna Sivaruk	17,815,572	3.36
	Total	82,558,972	15.58		Total	82,209,272	15.51		Total	81,780,772	15.42
4	Group "Mr.Pornsir Thaemsirichai"			4	Group "Mr.Pornsir Thaemsirichai"			4	Group "Mr.Pornsir Thaemsirichai"		
	- Mr.Pornsir Thaemsirichai	12,600,000	2.38		- Mr.Pornsir Thaemsirichai	12,600,000	2.38		- Mr.Pornsir Thaemsirichai	12,600,000	2.38
	- Mrs.Montanut Thaemsirichai	5,400,000	1.02		- Mrs.Montanut Thaemsirichai	5,400,000	1.02		- Mrs.Montanut Thaemsirichai	5,400,000	1.02
	- Mr.Pornprasong Thaemsirichai	10,155,500	1.92		- Mr.Pornprasong Thaemsirichai	10,155,500	1.92		- Mr.Pornprasong Thaemsirichai	10,155,500	1.92
	Total	28,155,500	5.32		Total	28,155,500	5.32		Total	28,155,500	5.32
5	Mr.Chaisit Wiriyaemattakul	18,614,900	3.51	5	Mr.Chaisit Wiriyaemattakul	19,350,000	3.65	5	Mr.Chaisit Wiriyaemattakul	19,400,000	3.66
6	Mr.Chatrit Sophonpanich	14,400,000	2.72	6	Mr.Chatrit Sophonpanich	14,400,000	2.72	6	Mr.Chatrit Sophonpanich	14,400,000	2.72
7	Mrs.Suchada Lisawattarakul	10,476,600	1.97	7	Mrs.Suchada Lisawattarakul	10,476,600	1.97	7	Mrs.Suchada Lisawattarakul	10,376,600	1.96
8	Bangkok Bank PLC.	10,000,000	1.89	8	Bangkok Bank PLC.	10,000,000	1.89	8	Bangkok Bank PLC.	10,000,000	1.89
9	Mr.Prayut Mahakitsiri	6,788,574	1.28	9	Mr.Prayut Mahakitsiri	6,788,574	1.28	9	Mr.Prayut Mahakitsiri	6,788,574	1.28
10	Mr.Thana Senavattanagul	6,192,000	1.17	10	Mr.Thana Senavattanagul	6,025,000	1.14	10	Mr.Thana Senavattanagul	4,903,000	0.93
	Total	66,472,074	12.54		Total	67,040,174	12.647		Total	65,868,174	12.44
11.	Others	156,426,772	29.50	11	Others	156,738,972	29.57	11	Others	158,838,872	29.96
	Total paid-up registered capital	530,000,000	100.00		Total paid-up registered capital	530,000,000	100.00		Total paid-up registered capital	530,000,000	100.00

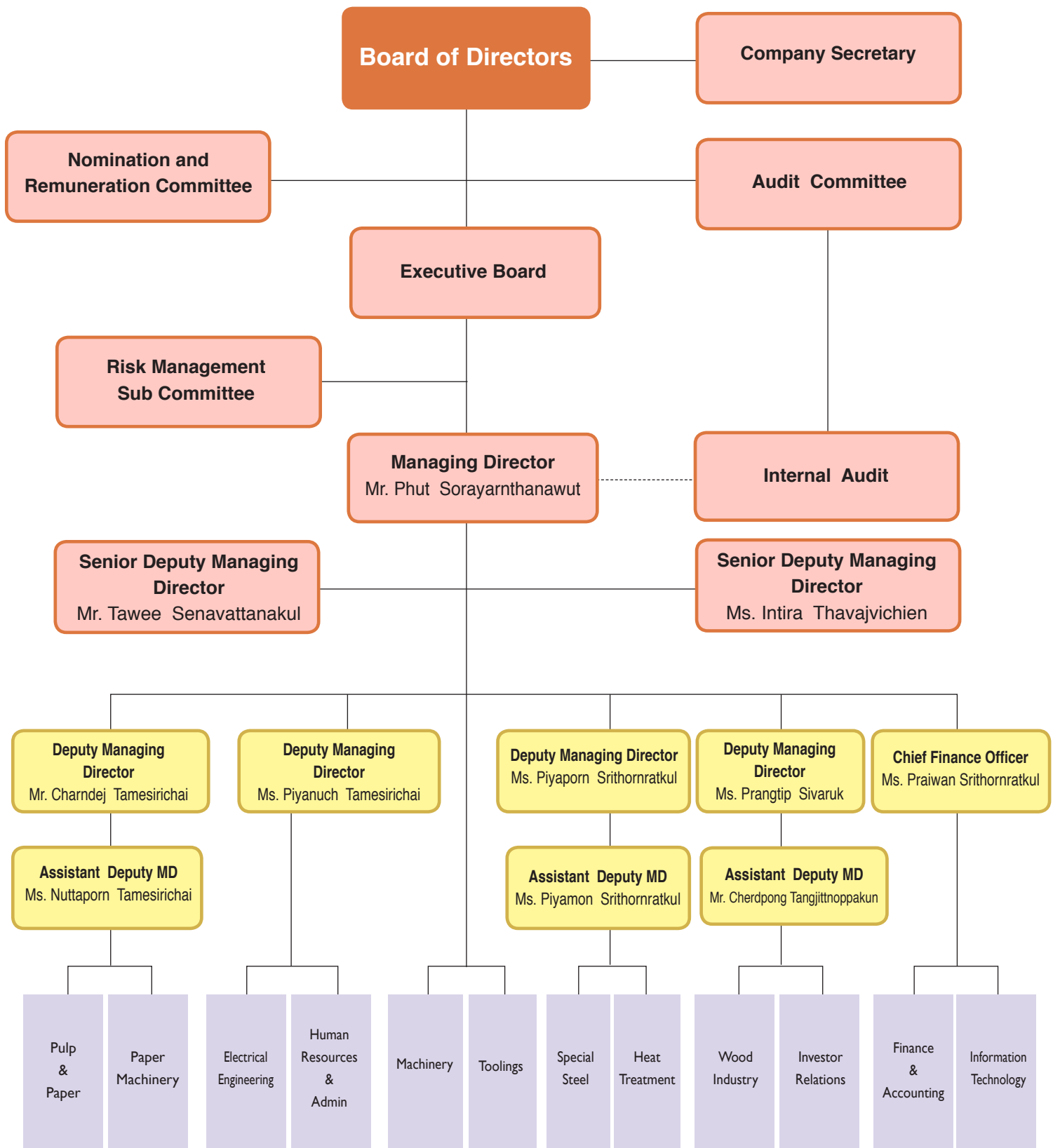
Source: Thailand Securities Depository Co., Ltd. (TSD)

Dividend Payment Policy

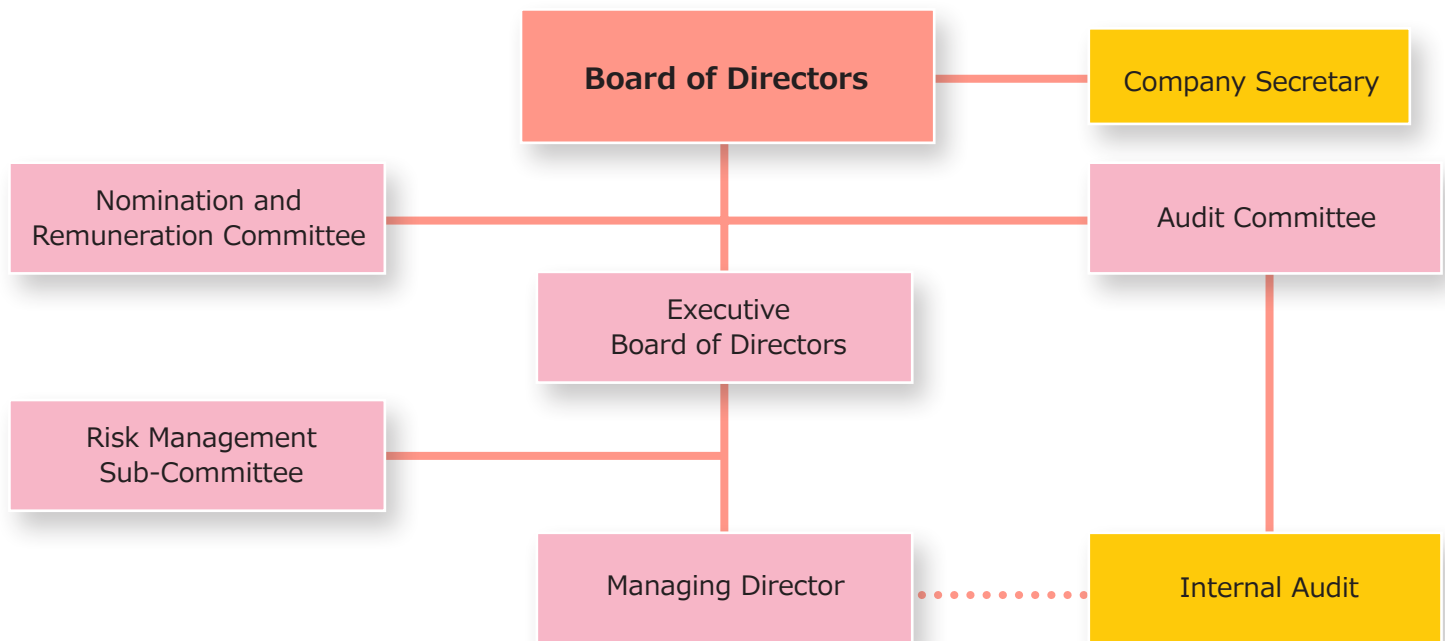
Sahamit Machinery PCL has a policy to pay a dividend at the rate not less than 40 percent of the annual net profit after tax, legal reserves and reserves for future expansion (if any)

Year	Net profit	Dividend per Share	Total Amount (Unit : Baht)	Dividend Payout Ratio (%)	Dividend Yield (%)
2019	182,207,853.64	0.32	169,600,000	93.08	9.57
2018	263,484,901.70	0.36	190,800,000	72.41	6.10
2017	242,450,679.53	0.36	190,800,000	78.70	5.22

ORGANIZATION CHARTS



MANAGEMENT STRUCTURE



The Company's directors structure comprises of 5 sets: the Board of Directors, the Executive Board, the Audit Committee, Nomination and Remuneration Committee and the Risk Management Sub-Committee.

The Board of Directors Total 15 members (As of December 31, 2020) as the following:

Name			Position
1.	Mr. Chaisilp	Tamesirichai	Chairman of the Board
2.	Mr. Prasong	Srithornratkul	Vice-Chairman of the Board
3.	Mr. Pichai	Nithivasin	Director
4.	Mr. Thana	Senavattanagul	Director
5.	Mr. Pornsin	Thaemsirichai	Director
6.	Mr. Phut	Sorayarnthanawut	Director
7.	Mr. Charndej	Tamesirichai	Director
8.	Ms. Piyanuch	Tamesirichai	Director
9.	Ms. Piyaporn	Srithornratkul	Director / Nomination and Remuneration Committee
10.	Ms. Prangtip	Sivaruk	Director
11.	Mr. Kriangkrai	Boonkittichareon	Independent Director
12.	Gen. Vapirom	Manasrangsi	Independent Director Chairman of the Audit Committee
13.	Mr. Karun	Kittisataporn	Independent Director Audit Committee Chairman of the Nomination and Remuneration Committee
14.	Mr. Chayakorn	Limsiripan	Independent Director Audit Committee Nomination and Remuneration Committee
15.	Mr. Prayoon	Vivetpuvanonth	Independent Director Audit Committee

List of Authorized Signatories on behalf of the Company

The list of authorized directors to sign any commitment binding the Company are Mr. Chaisilp Tamesirichai, Ms. Piyanuch Tamesirichai whoever or Mr. Prasong Srithornratkul, Ms. Piyaporn Srithornrutkul whoever or Ms. Prangtip Sivaruk or Mr. Phut Sorayarnthanawut, any 2 directors jointly sign and affix the Company's seal.

Authorities and Responsibilities of the Company's Board of Directors

The Board of Directors is responsible for the management of the Company in accordance to the law, the Company's objectives, regulations, and to carry out all lawful shareholders meeting resolutions with utmost care and honesty in order to preserve Company's benefits. The summary of the Board of Directors' roles and responsibilities is as follows:

1. To hold, on an annual basis, a general shareholders meeting within 4 months prior to the end of the Company's accounting period.
2. To hold a Board of Directors meeting at least once every 3 months.
3. To prepare an audited statements of financial position and an audited statement of comprehensive income for the Company as at the last day of the Company's accounting period and forward them for approval to the shareholders.
4. The Board of Directors may authorize one or more directors or appoint a third party representative to act, under the supervision of the Board, on behalf of the Board for a specified time period that the Board deems reasonable. Such authorization may be revoked or amended or the appointed third party be changed as the Board of Directors sees fit. In doing so, the Board of Directors may choose to authorize the Executive Board to act on behalf of the Board of Directors whereby the details of the authorization are in accordance with the authorities and responsibilities of the Executive Board. Such authorization to act on behalf of the Board of Directors must not be allow the Executive Board to approve of a transaction that can result in a gain or benefit to the Executive Board or a third party who has a conflict of interest with the Company or its affiliate unless the approval of the transaction in question follows the policies and guidelines already approved by the Board of Directors.
5. To set mission, vision, objectives, directions, policies, plans and budgets with regular monitoring and review in each fiscal year for the Company and to oversee the management practice performed by the Executive Board to ensure that it follows the policies set forth except for transactions requiring prior approval from the shareholders meeting, namely raising of new capital, decrease of capital, issuance of bonds, sale or transfer of ownership of the Company whether in whole or in significant part to a third party, purchase or assumption of ownership of another company, amendment made to the Company's prospectus or regulations, etc. Moreover, the Board of Directors is responsible to ensure that the Company strictly abides by the Stock Exchange laws and regulations regarding connected transaction, purchase or sale of crucial asset that are governed by the rules and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) or laws related to the Company's business.
6. To review the Company's management structure, appoint the Executive Board, committee chairperson or other committee as needed.

7. To ensure that the operating results are within the plan and budget at all times in accordance with the Company's goal and strategy which disclosed in Management's Clarification and Analysis (MD&A) in an annual report.
8. A director shall not engage in a business that is similar to or in competition with the Company's operations, enter into a partnership or limited partnership, assume a position of a director of a private company or other type of company operating a similar business to or is in competition with the Company's business whether such undertaking is for the benefit of the director or others unless such engagement is disclosed at the shareholders meeting prior to the appointment of the position.
9. The Directors shall immediately disclose to the Company of any benefits, whether direct or indirect, derived from a contract into which the Company enters or the decrease or increase in shareholding of the Company or its affiliates.

Each year the board evaluated its works according to the applicable SET evaluation criteria.

Also, there were evaluations of directors in groups and individually including the subcommittee. The board considered the evaluation results and put forward recommendations for improvement.

Board of Directors Meeting

1. The Meeting of Board of Directors shall be held at least 6 times per year and shall be annually scheduled with agendas in advance.
2. Each Board meeting should be attended by no less than three-quarters of the Board. The same applies to the number of directors in attendance for each voting agenda item.
3. The directors should attend no less than 75% of the total Board meetings held annually.

The Executive Board Total 7 members (As of December 31, 2020) as the following:

Name		Position
1. Mr. Chaisilp	Tamesirichai	Chairman of Executive Board
2. Mr. Prasong	Srithornratkul	Vice-Chairman of Executive Board
3. Mr. Phut	Sorayarnthanawut	Managing Director
4. Mr. Charndej	Tamesirichai	Deputy Managing Director
5. Ms. Piyanuch	Tamesirichai	Deputy Managing Director
6. Ms. Piyaporn	Srithornratkul	Deputy Managing Director
7. Ms. Prangtip	Sivaruk	Deputy Managing Director

Duties and Responsibilities of the Executive Board

The Executive Board has the authorities, roles and responsibilities to manage the Company under its usual course of business. The Executive Board is to establish Company's policies, business plans, Management structure and its authorities, guidelines to business operations according to varying stages of the economy to be presented to the Company's Board of Directors for approval or comments, as well as to ensure that the Company's operating results and its audited results adhere to the Company's policies. The authorities, roles and responsibilities can be summarized as follows:

1. To operate and manage the business of the Company according to the given objectives, regulations, policies, guidelines, rules, mandates, and all resolutions of the Board of Directors meeting and/or the resolutions reached at the shareholders meeting.
2. To review and establish policies, directions, strategies, operating plans for the Company, formulate financial plans, human resource budgets, invest in information technology, to grow and promote the business while ensuring that the duties performed by the appointed personnel adhere to the set goals.
3. To review the annual budget allocation as presented by the Management before subsequently presenting it to the Board of Directors for approval. In doing so, the Executive Board is authorized to review and approve the amendments to the annual budget between Board of Directors meetings and to present the changes to the Board of Directors at the next meeting held.
4. To review and approve payments in the course of conducting Company's usual business such as purchase of an asset, purchase of a vehicle, provided that the transaction amount is not greater than Baht 50 million.
5. To approve the payment for necessary investment included in the annual budget as directed by the Company's Board of Directors or provided that the transaction has already been approved in theory by the Board of Directors.
6. To review and approve the borrowing of funds, obtainment a credit line, issuance of debt instruments, and to issue a loan collateral or to seek a loan of any type on behalf for the Company.
7. To act as a panel of management advisors with regards to the financial, marketing, human resource management, and other operating policies.
8. To establish the organization structure, the authorities to manage the Company as well as authorities to appoint, hire, and transfer personnel, establish compensation guidelines, remunerations, bonuses for executives, as well as lay off personnel.
9. The Executive Board is authorized to delegate one or more executive or another person to act on its behalf under the Executive Board's supervision or to delegate to the said person the power deemed appropriate by the Executive Board for a time period specified by the Executive Board whereby the Executive Board has the right to revoke, amend, change the delegate or the delegated power as it sees fit.
10. To carry out other businesses as directed by the Executive Board on a case-by-case basis.

The authorities granted to the Executive Board do not include the power to approve any transaction that may pose a conflict or a transaction from which the Executive Board or a person connected to the Executive Board may gain a benefit or that there is a benefit in conflict with that of the Company or its affiliate. According to the the regulations of Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), such transactions require an approval from the Board of Directors at a Board of Directors meeting and/or the shareholders meeting as per the Company's regulations and related laws.

Chairman

Name		Position
Mr. Chaisilp	Tamesirichai	Chairman

Duties and Responsibilities of the Chairman

1. Call Board meetings, Chairman Board meetings and shareholders' meeting, and set meeting agenda in collaboration with the Vice-Chairman and Managing Director.
2. Approve for Board Meetings, attend Board meetings and shareholders' meetings, ensure efficient meetings in compliance while encouraging directors and shareholders to express their independent views with information duly provided.
3. Encourage and support the Board to work to their utmost ability, based on their duties and responsibilities under corporate governance.
4. Supervise and follow up the work of the Board and the committee to ensure that objectives are reached.
5. Cast a decisive vote in Board meetings in case of equal votes of both sides.

Managing Director

Name		Position
Mr. Phut	Sorayarnthanawut	Managing Director

Duties and Responsibilities of the Managing Director

1. To be designated as authorized person in administering the Company's business and/or day-to-day operation to be in line with the policies, business strategies, objectives, business plans, financial goals and budgets of the Company as authorized by the Board of Directors and/or resolutions of the Shareholders' Meeting.
2. To prepare business plans and to assign management authority as well as set the business operation and annual budgets for the approval from the Board of Directors and to report the business progress according to the plans and budgets as approved to the Board of Directors.
3. To form an effective management team and organization structure in line with the Executive Board of Director's guideline including selecting, training, hiring, and firing the employees which are not high ranked executives at management level and to be assigned as authorized signatory of the Company's employment contract.
4. To monitor and report situation and position of the Company and to propose alternatives and strategies in accordance to policies and market situation.
5. To manage and control all areas of operation for the Company, including risk management, internal control, business operations and support functions and human resources.
6. To represent the Company and to be designated as authorized person in liaising with government agencies and other organizations.
7. To oversee communication activities with the public, stakeholders, customers and staff members in order to promote image and reputation of the Company
8. To ensure good corporate governance.
9. To consider all contracts regarding day-to-day operation, to give advice about the related matters to the Board of Directors and/or the Executive Board of Directors and/or person in charge to make the conclusion.
10. To be responsible and designated as assigned or according to policies assigned by the Board of Directors.

MANAGEMENT STRUCTURE

The Managing Director may sub-delegate and/or delegate specific tasks to others. The sub-delegation and delegation is to be within the limit of the issued power of attorney letter and/or according to rules and regulations, or orders specified by the Board of Directors. However, the delegation of power or responsibilities of the Managing Director shall not provide Managing Director or person delegated to approve any transaction in which he or any person who may have a conflict of interest (as defined by Notification of the Securities and Exchange Commission and Notification of the Capital Market Supervisory Board) would have an interest or might have any other conflict of interest with the Company, its subsidiaries, unless such approval is in accordance with the policy and criteria approved by the Board of Directors.

Board of Director and Executive Managements' share lists as of December 31, 2020, 2019 and 2018 are as follows:

No.	Name	Position	As of December 31, 2020		As of December 31, 2019		As of December 31, 2018	
			Number of Shares	%	Number of Shares	%	Number of Shares	%
1.	Mr. Chaisilp Tamesirichai	Chairman of the Board and Executive Board	43,469,346	8.20	43,603,346	8.23	43,499,346	8.21
2.	Mr. Prasong Srithornratkul	Vice-Chairman of the Board Executive Board	42,878,936	8.09	42,878,936	8.09	42,878,936	8.09
3.	Mr. Pichai Nithivasin	Director	2,672,464	0.50	2,672,464	0.50	2,672,464	0.50
4.	Mr. Thana Senavattanakul	Director	6,192,000	1.17	6,025,000	1.14	4,670,800	0.88
5.	Mr. Pornsin Thaemsirichai	Director	12,600,000	2.38	12,600,000	2.38	12,600,000	2.38
6.	Mr. Kiangkrai Boonkittichareon	Independent Director	36,000	0.01	36,000	0.01	36,000	0.01
7.	Gen. Vapirom Manasrangsi	Independent Director, Chairman of the Audit Committee	-	-	-	-	-	-
8.	Mr. Karun Kittisataporn	Independent Director, Audit Committee, Chairman of the Nomination and Remuneration Committee	146,200	0.03	146,200	0.03	146,200	0.03
9.	Mr. Chayakorn Limsiripan***	Independent Director, Audit Committee	4,917,000	0.93	4,917,000	0.93	4,903,000	0.93
10.	Mr. Prayoon Vivetpuvanonth	Independent Director, Audit Committee	-	-	-	-	-	-
11.	Mr. Phut Sorayanthanawut	Director, Managing Director	3,137,292	0.59	3,137,292	0.59	3,137,292	0.59
12.	Mr. Thawee Senavattanakul	Senior Deputy Managing Director	-	-	-	-	-	-
13.	Mrs. Intira Thavajvichien	Senior Deputy Managing Director	325,786	0.06	441,474	0.08	406,474	0.07
14.	Mr. Charndej Tamesirichai	Director, Deputy Managing Director	-	-	-	-	-	-
15.	Ms. Piyanuch Tamesirichai	Director, Deputy Managing Director	15,410,100	2.91	15,400,100	2.91	15,382,100	2.90
16.	Ms. Piyaorn Srithornratkul	Director, Deputy Managing Director	25,458,900	4.80	25,458,900	4.80	25,458,900	4.80
17.	Ms. Prangtip Sivaruk	Director, Deputy Managing Director	34,640,000	6.54	34,310,300	6.47	34,000,000	6.41
Total			191,884,024	36.21	191,627,012	36.16	189,791,512	35.80

The Audit Committee Total 4 members (As of December 31, 2020) as the following:

Name		Position
1. Gen. Vapirom	Manasrangsi	Independent Director / Chairman of the Audit Committee
2. Mr. Karun	Kittisataporn	Independent Director / Audit Committee
3. Mr. Chayakorn	Limsiripan	Independent Director / Audit Committee
4. Mr. Prayoon	Vivetpuvanonth	Independent Director / Audit Committee

The Company's Audit Committee consists of 4 independent Audit Committee whose independence can be defined according to the definition of an independent committee as follows

1. holding shares not exceeding one per cent of the total number of voting rights of the company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director;
2. neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the company, its parent company, subsidiary, affiliate, same-level subsidiary or juristic person who may have conflicts of interest unless the foregoing status has ended not less than two years prior to the date of application filing with the Office;
3. not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the company or its subsidiary;
4. not having a business relationship with the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, in the manner which may interfere with his independent judgement, and neither being nor having been a major shareholder, non-independent director or executive of any person having business relationship with the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years prior to the date of application filing with the Office.

The term 'business relationship' aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the applicant or his counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the applicant or twenty million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Act of Listed Companies Concerning the Connected Transactions mutatis mutandis. The combination of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences;

5. neither being nor having been an auditor of the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and not being a major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years from the date of application filing with the Office;

6. neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and neither being nor having been a major shareholder, non-independent director, executive or partner of the professional advisor unless the foregoing relationship has ended not less than two years from the date of application filing with the Office;
7. not being a director who has been appointed as a representative of the company's director, major shareholder or shareholders who are related to the company's major shareholder;
8. not having any characteristics which make him incapable of expressing independent opinions with regard to the company's business affairs.

Limitations of the Authorities and Responsibilities of the Audit Committee

1. Review the appropriateness of financial reporting system and disclosure of information in its financial statements in accordance with the legally defined Financial Reporting Standards, with transparency, correctness and adequacy.
2. Review the compliance of the Company's Internal Control System and the appropriateness and the effectiveness of the Company's Internal Audit System in accordance with internationally accepted approaches and standards.
3. Review the risk management system to ensure it is appropriate and effective.
4. Supervise the Collective Action Against Corruption CAC policy implementation and regularly report the internal control findings which are related to CAC to The Board of Directors.
5. Provide recommendations in respect of appointment, removal, transfer, or dismissal of the Director of Internal Audit Office.
6. Consider the independence of the Internal Audit Office based upon the execution of work, reports, and line of command.
7. Review the execution of the Internal Audit Office for the performance assessment according to international standards. Approve the internal audit plan, budget and manpower of the Internal Audit Office.
8. Review the Company's compliance with the laws on securities and exchange, Stock Exchange of Thailand requirements and other laws relating to the business of the Company.
9. Consider, select and propose the appointment or discharge an independent person to perform the duties of the Company's auditor and propose the remuneration of the Company's external auditor and evaluate the effectiveness of external auditor's performance.
10. Organize meetings with the Company's external auditor, without the attendance of management, at least once a year.
11. Consider connected transactions or those having possible conflict of interest to ensure compliance with all pertinent laws and requirements of the Stock Exchange of Thailand.
12. Prepare the Committee's reports to be signed by the Chairman of the Committee and disclosed in the Company's annual report.
13. Hire advisors or external personnel in line with the Company's regulations to make comments or give advice as necessary. Summon members of the management or staff to make comments, attend meetings, or provide any documents deemed relevant and necessary.
14. Review the internal procedures concerning incident reports and complaints.
15. Review "The Assessment Form of the Adequacy of the Internal Control System" as audited and assessed by the Internal Audit Office to ensure that the Company has sufficient internal control system and propose to the Board of Directors for consideration.

16. Report its performance to the Board at least four (4) times a year.
17. Annually review its performance.
18. Annually review and reassess the adequacy of this charter and recommend any proposed changes to the Board for approval.
19. Perform other actions as required by law or as assigned by the Board of Directors.

Nomination and Remuneration Committee Total 4 Members (As of December 31, 2020) as the following:

Name		Position
1. Mr. Karun	Kittisataporn	Chairman of the Nomination and Remuneration Committee
2. Mr. Chayakorn	Limpsiripan	Nomination and Remuneration Committee
3. Ms. Piyaporn	Srithornratkul	Nomination and Remuneration Committee
4. Ms. Praiwan	Srithornratkul	Secretary to the Nomination and Remuneration Committee

The Nomination and Remuneration Committee was established by the Board of Directors Meeting on November 7, 2019 to support the good governance of the company. The committee is responsible for setting the company's policy and criteria in the selection of directors and determining the remuneration of the Board of Directors and sub-committees. Also, to recruit, select and nominate the right person to be a director as well as to set the remuneration for a director. This includes working on other assigned tasks and present to the Board of Directors and / or to the Shareholders meeting.

The Nomination and Remuneration Committee members have the office term of three years. Duties and Responsibilities of the Nomination and Remuneration Committee are as follows:

1. Consider the organization structure, qualifications of directors and members of sub-committees appropriate to the Company's business.
2. Consider and specify the qualifications of the person to be a director of the company and sub-committee who suitable for the Company in accordance with the rules specified by The Securities and Exchange Commission, Thailand (SEC)
3. Determine reliable and transparent criteria or methods for a selection and nomination of qualified persons to be new directors or sub-committee of the Company in replacement of those who retired by rotation or in other cases.
4. Recruiting, selecting and proposing suitable persons And deserves to be nominated as a director Committee member To propose to the Board of Directors 'meeting and / or the shareholders' meeting for approval
5. Consider a guideline on determination of remuneration and other benefits to the Board of Directors and members of the sub-committee by setting up fair and reasonable criteria or methods for remuneration payments in accordance with other companies in the same industry.
6. Reporting policies and principles of nomination and remuneration according to the SET guidelines by disclosing them in the company's annual information disclosure (56-1) and annual report.
7. Perform other duties as assigned by the Board of Directors.

Risk Management Sub-Committee Total 5 members (As of December 31, 2020) as the following:

	Name	Position
1.	Mr. Phut Sorayarnthanawut	Chairman of the Risk Management Sub-Committee
2.	Ms. Piyanuch Tamesirichai	Risk Management Sub-Committee
3.	Ms. Piyaporn Srithornratkul	Risk Management Sub-Committee
4.	Ms. Prangtip Sivaruk	Risk Management Sub-Committee
5.	Ms. Praiwan Srithornratkul	Secretary to Risk Management Sub-Committee

Duties and Responsibilities of Risk Management Sub-Committee

1. Develop risk management policies and prescribe management policy framework regarding the overall corporate risk management that covers the Company's major risks and review annually.
2. Consider the risk management manual and approve the risk management annual plan policies.
3. Evaluate and analyze risk management guidelines and tools to ensure that it covers all steps of business operation.
4. Design strategies in line with risk management policies and to evaluate, monitor and control the overall risk at acceptable level.
5. Support and develop the establishment of continual risk management within the Company to be consistent with international standards.
6. Encourage cooperation of overall risk management and review the adequacy of risk management policies and system, as well as effectiveness of the system and policy implementation.
7. Report periodically to the Board of Directors the matters that need improvement to be in line with the prescribed policies and strategies.
8. Assess new risk factor that might have occurs from the new product and/or new business, the corruption risk including guidelines for preventing future risks.
9. Promote and support the risk management as value added process to regular operation.
10. Perform any other tasks as assigned by the Board of Directors.

The Risk Management Sub-Committee is delegated a three-year term and required to be held at least once a year meeting.

Company Secretary

	Name	Position
	Ms. Nuttaporn Tamesirichai	Company Secretary

The Board of Directors appointed Company Secretary on 10 March 2016, whose duties is stipulated in the Securities and Exchange Act B.E. 2535, 4th Amendment Issue B.E.2551 (2008).

Scope of duties of company secretary

The Company designates a company secretary to liaise between directors and management, oversee and coordinate various matters concerning relevant laws and regulations, facilitate compliance with corporate governance principles as well as the rules and notifications of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). The company secretary shall have the following duties and responsibilities as prescribed by the bylaws and the Company.

1. Provide preliminary recommendations to directors concerning legal provisions and the Company's rules and regulations; follow up and ensure proper and regular compliance; and report significant changes to directors.
2. Liaise between directors and management; oversee and coordinate various matters concerning relevant laws and regulations; and ensure that actions are taken in conformity with the Board's resolutions.
3. Organize shareholders meeting and board meeting in accordance with statutory requirements, the articles of association of the Company, and pertinent guidelines.
4. Record minutes of shareholders meeting and board meeting. Follow up and ensure compliance with resolutions of shareholders meeting and board meeting.
5. Oversee disclosure of information and issuance of pertinent reports in accordance with regulations and statutory requirements of the SEC and SET.
6. Prepare and keep the following documents:
 - (a) Directors register;
 - (b) Notices of board meeting, minutes of board meeting, and annual reports;
 - (c) Notices of shareholders meeting and minutes of shareholders meeting.
7. Keep conflict of interest reports submitted by directors or management.
8. Perform other tasks stipulated in notifications of the Capital Market Supervisory Board.
9. Organize a new director orientation program, and promote awareness and understanding of good corporate governance among directors, management and employees.
10. Liaise and communicate with shareholders to ensure that they are informed of shareholder's rights and keep them abreast of the Company's news and development.

Internal Audit Department

Name		Position
Ms. Orathai	Sittiphol	Internal Audit Manager

The Company conducts internal audit to maintain confidence and provide impartial and independent consultation in order to provide added value and improve efficiency and effectiveness of the Company's operation under suitable risk management expenditure. The scope of duties of the Supervisor of the Internal Audit Department is as follows:

1. Supervise internal auditors and ensure that internal audit practices adhere to international professional standards of internal auditing.
2. Define objectives, goals and scope of internal audit as well as develop an annual audit plan to be proposed to the Audit Committee for consideration and approval before the plan is carried out.
3. Develop standard operating procedure and review audit performance to ensure compliance with the stipulated standard operating procedure.
4. Review and approve audit program.
5. Review audit findings report and give recommendations for improvement and corrective actions before presenting a proposal to the Audit Committee and the management.
6. Monitor audit performance to ensure consistency with the audit plan in order to increase performance efficiency of the Internal Audit Department when serving the management.
7. Offer advice, opinions and recommendations for compliance with regulations, operating procedures, internal control and relevant bylaws of audited operating units.
8. Organize training to develop capacities of internal auditors to ensure that they can competently conduct audit according to the objectives, and conduct performance evaluation of internal audit staff.

9. Assume the duties of secretary of the Audit Committee by preparing meeting agenda, collecting information, making a summary of discussion and preparing minutes of meeting as well as informing concerned parties of meeting resolutions. Assist the Audit Committee to ensure that the Committee's practices properly comply with the Charter and mandated responsibilities, and administer audit works according to professional standards to support the Audit Committee's actions.
10. Perform other tasks assigned by the Audit Committee.

Remuneration of the Board of Directors as of 31 December 2020

Name	Position	Remuneration			Attendance Fee						Total (Baht)
		Board	Audit Committee	Nomination and Remuneration Committee	Number of Meeting	Board / AGM	Number of Meeting	Audit Committee	Number of Meeting	Nomination and Remuneration Committee	
1. Mr.Chaisilp Tamesirichai	Chairman of the Board	120,000	-	-	8/8	40,000		-		-	160,000
2. Mr.Prasong Srithornratkul	Vice President and Director	120,000	-	-	8/8	40,000		-		-	160,000
3. Mr.Pornsir Thaemsirichai	Director	120,000	-	-	6/8	30,000		-		-	150,000
4. Mr.Thana Senavattanakul	Director	120,000	-	-	7/8	35,000		-		-	155,000
5. Mr.Pichai Nithivasin	Director	120,000	-	-	7/8	35,000		-		-	155,000
6. Mr.Phut Sorayarnthanawut	Director	120,000	-	-	8/8	40,000		-		-	160,000
7. Mr.Chardej Tamesirichai	Director	120,000	-	-	8/8	40,000		-		-	160,000
8. Ms.Piyanuch Tamesirichai	Director	120,000	-	-	8/8	40,000		-		-	160,000
9. Ms.Piyaporn Srithornratkul	Director, Nomination and Remuneration Committee	120,000	-	30,000	8/8	40,000		-	1/1	5,000	195,000
10. Ms.Prangtip Sivaruk	Director	120,000	-	-	8/8	40,000		-		-	160,000
11. Mr.Kriangrai Boonkitticharoen	Independent Director	120,000	-	-	8/8	40,000		-		-	160,000
12. General Vapirom Manasrangsi	Independent Director, Chairman of the Audit Committee	120,000	240,000	-	7/8	35,000	5/5	25,000		-	420,000
		120,000	240,000	30,000	5/8	25,000	3/5	15,000	1/1	5,000	435,000
13. Mr.Karun Kittisataporn	Independent Director, Audit Committee, Chairman of the Nomination and Remuneration Committee										
14. Mr.Prayoon Viivetpuvanonth	Independent Director, Audit Committee	120,000	240,000	-	7/8	35,000	5/5	25,000		-	420,000
15. Mr.Chayakorn Limpisiripun	Independent Director, Audit Committee, Nomination and Remuneration Committee	120,000	240,000	30,000	8/8	40,000	5/5	25,000	1/1	5,000	460,000
Total		1,800,000	960,000	90,000		555,000		90,000		15,000	3,510,000

The Remuneration of the Board of Directors and Audit Committees as follows;

- 1) The Remuneration of the Board of Directors (Baht / person / year) 120,000 Baht
- 2) The Remuneration of the Audit Committees (Baht / person / year) 20,000 Baht
- 3) The Remuneration of the Nomination and Remuneration Committee (Baht / person / year) 30,000 Baht
- 4) Meeting Allowance (Baht / person / time) 5,000 Baht
(In 2020, there were 7 Board of Directors meetings and 5 Audit Committee meetings and 1 AGM.)
- 5) Other compensation – None

Total remuneration of the Management in 2020

Total remuneration of the Management	34,151,680
Numbers of the Management (person)	10
Monetary remuneration type	Salary and bonus
Other remuneration type	Company car

Audit fee

The Corporate Auditor for the fiscal year ended 31 December 2020 is Ms. Thanyaporn Tangtanopajai Certified Public Accountant, registration number 9169 of Dharmniti Auditing Co., Ltd. The total audit fee is Baht 1,165,000 comprising of the quarterly audit fee of Baht 495,000, annual audit fee of Baht 565,000 and BOI audit fee of Baht 105,000.

Directorships and Executive Development

The company has provided training and human resources development programs for all of its personal through internal and external training. It allows the board to participate in its operations and ventures. Corporate directors and executives have participated in training courses organized by accredited institutions, such as Director Accreditation Program (DAP), and Director Certification Program (DCP) provided by Thai Institute of Directors (IOD), also basic courses for the audit committee, courses offered by the Stock Exchange of Thailand, and cutting-edge management courses offered by other professional institutions.

In 2020, some directors and executives have participated in training courses, for example,

Ms. Piyaporn Srithornratkul (Deputy Managing Director) had attended The Powder Metallurgy and 3D Printing Technologies of National Science and Technology Development Agency (NSTDA)
Ms. Prangtip Sivaruk (Deputy Managing Director) had attended International Trade Law of Thammasat University

Ms. Piyanuch Tamesirichai (Deputy Managing Director) had attended Executive Integrated Medical Management Program
Chulabhorn International College of Medicine, Thammasat University

Mr. Charndej Tamesirichai (Deputy Managing Director) had attended Public Training of The Wisdom Earning Center Co., Ltd.

The Practical Guide New directors are required to complete training and orientation providing important knowledge and skills that are crucial for their directorships. Once there are business expansions or new ventures, the company invites corporate directors to visit the sites and monitor the progress regularly.

Succession Plans

The Board of Directors realizes that succession plans become necessary and important in the event that a Director, Managing Director, Top Executives, or key is unable to perform duties in the position. The Company has prescribed guidelines for succession planning to substitute qualified replacement personnel for Directors, Managing Director, or Top-Executive in order to ensure a smooth transition and continuity of operations, in line with the objectives and policies of the Company, as follows:

1. Analyze and determine the positions that should be planned for the succession, especially for executive-level positions or core positions in order to assign appropriate successors.
2. Determine the recruiting policy and select the candidates from both within and outside the company in order to obtain the qualified and capable replacement personnel which suitable for the position.
3. Implement and develop an appropriate plan for successors by supervision, monitoring and assessment of competence.
4. Explore the eligibility of any potential internal candidates for the position.

DETAILS OF DIRECTORS, EXECUTIVES, PERSONS WITH MANAGERIAL AUTHORITY AND COMPANY SECRETARY

Name	Educational Background	Work Experience	
		Period	Position / Company
Mr. Chaisilp Tamesirichai Age (year), 77 % of share, 8.20 As of 31 December 2019, Number of Shares held by Self: 43,469,346 shares Spouse/Immature Children: 5,940,000 shares / 1.12%	<u>Education</u> - MA. Political Science, Ramkamhaeng University - Certificate MINI MBA, Chulalongkorn University - BA, Ramkamhaeng University - Assumption Commercial College <u>Training</u> - Finance for Non-Finance Directors (FN) (15/2005) - Director Certification Program (DCP) (53/2005) - Director Accreditation Program (DAP) of IOD (26/2004)	1974 - Present 1988 - Present 1976 - Present	<u>Position in listed Company</u> Chairman of the Board of Directors and Executive Board, Sahamit Machinery PCL. <u>Non-Listed Company</u> Director, K.S. Mould Parts Co., Ltd. Director, Sahamit Holding Co., Ltd.
Mr. Prasong Srithornratkul Age (year), 77 % of share, 8.09 As of 31 December 2019, Number of Shares held by Self: 42,878,936 shares Spouse/Immature Children: None	<u>Education</u> - Assumption Commercial College <u>Training</u> - Director Accreditation Program (DAP) of IOD (28/2004)	1974 - Present 1988 - Present 1976 - Present	<u>Position in listed Company</u> Vice-Chairman of the Board of Directors and Executive Board, Sahamit Machinery PCL. <u>Non-Listed Company</u> Director, K.S. Mould Parts Co., Ltd. Director, Sahamit Holding Co., Ltd.
Mr. Thana Senavattanakul Age (year), 79 % of share, 1.17 As of 31 December 2019, Number of Shares held by Self: 6,192,000 shares Spouse/Immature Children: None	<u>Education</u> - Japanese Course, Tokyo - Sahakunsuksa School	1994 - Present 1999 - Present	<u>Position in listed Company</u> Director, Sahamit Machinery PCL. <u>Non-Listed Company</u> Chairman of the Board, Nokhon Luang Paper Co., Ltd.
Mr. Kriangkrai Boonkitticharoen Age (year), 77 % of share, 0.01 As of 31 December 2019, Number of Shares held by Self: 36,000 shares Spouse/Immature Children: None	<u>Education</u> - B.A. Business Administration, Thammasat University <u>Training</u> - Director Accreditation Program (DAP) of IOD (17/2004)	1994 - Present 1990 - Present 1987 - Present	<u>Position in listed Company</u> Independent Director, Sahamit Machinery PCL. <u>Non-Listed Company</u> Chairman of the Board, Reanthongvittaya Co., Ltd. Executive Director, Tata Co., Ltd.

DETAILS OF DIRECTORS, EXECUTIVES, PERSONS WITH MANAGERIAL AUTHORITY AND COMPANY SECRETARY

Name	Educational Background	Work Experience	
		Period	Position / Company
Mr. Pichai Nithivasin Age (year), 77 % of share, 0.50 As of 31 December 2019, Number of Shares held by Self: 2,672,464 shares Spouse/Immature Children: None	<u>Education</u> - Diploma. Business Administration. Golden Gate College, San Francisco, USA <u>Training</u> - Director Accreditation Program (DAP) of IOD (26/2004)	1994 - Present 2015 - Present 1998 - Present 1997 - Present 1996 - Present 1996 - Present 1993 - Present 1989 - Present 1988 - Present 1988 - Present 1988 - Present 1988 - Present 1975 - Present	<u>Position in listed Company</u> Director, Sahamit Machinery PCL. <u>Non-Listed Company</u> Director, BST Specialty Co., Ltd. Director, Bangkok Industrial Gas Co., Ltd. Director, BST Elastomers Co., Ltd. Director, Bangkok Cogeneration Co., Ltd. Director, Bangkok Synthetics Co., Ltd. Director, Polymers Marketing Co., Ltd. Director, B.I.G Marketing Co., Ltd. Executive Director, International Resources Development Ltd. Executive Director, Narai Property Co., Ltd. Executive Director, Narairuamphiphat Co., Ltd. President, Narai Hotel Co., Ltd. Managing Director, Hua Kee Paper Co., Ltd.
Mr. Pornsin Thaemsirichai Age (year), 75 % of share, 2.38 As of 31 December 2019, Number of Shares held by Self: 12,600,000 shares Spouse/Immature Children: 5,400,000 shares / 1.02%	<u>Education</u> - Honorary Ph.D. (Business Administration), Ramkhamhaeng University - MBA. The University of Southern Queensland, Australia - M.S. (Engineering), North Dakota State University, USA - B.E. (Civil Engineering), Chulalongkorn University <u>Training</u> - Director Certification Program (DCP) (50/2004) - Director Accreditation Program (DAP) of IOD (18/2004)	2013 - Present 2004 - Present 2012 - Present 2010 - Present 2007 - Present 2006 - Present 2005 - Present 2003 - Present 1983 - Present 1983 - Present 1983 - Present 2003 - 2016	<u>Position in listed Company</u> Director, Sahamit Machinery PCL. Director and Senior Vice President, Khon Kaen Sugar Industry PCL. <u>Non-Listed Company</u> President, P.M.T. Precious Group Co., Ltd. Chairman, Koh Kong Plantation Co., Ltd. Director, Savannakhet Sugar Corporation Director, Koh Kong Sugar Industry Co., Ltd. President, P.M.T. Commercial Co., Ltd. Managing Director, Khon Kaen Sugar Power Plant Co., Ltd. Director and Senior Vice President, New Kwang Soon Lee Sugar Co., Ltd. Director and Senior Vice President, New Krung Thai Sugar Factory Co., Ltd. Director and Senior Vice President, Tamaka Sugar Industry Co., Ltd. Director, KSL Material Supply Co., Ltd.
Gen. Vapirom Manasrangsi Age (year), 74 % of share, - As of 31 December 2019, Number of Shares held by Self: None Spouse/Immature Children: None	<u>Education</u> - Honorary Ph.D. (Civil Engineering), Burapha University - M.S. (Information Technology), King Monkut's Institute of Technology Ladkrabang - B.S., Chulachomklao Royal Military Academy <u>Training</u> - Director Accreditation Program (DAP) of IOD (26 /2004)	2004 - Present Present	<u>Position in listed Company</u> Independent Director, Chairman of the Audit Committee, Sahamit Machinery PCL <u>Non-Listed Company</u> Project consultants, Her Royal Highness Princess Maha Chakri Sirindorn's Personal Affairs Division

DETAILS OF DIRECTORS, EXECUTIVES, PERSONS WITH MANAGERIAL AUTHORITY AND COMPANY SECRETARY

Name	Educational Background	Work Experience	
		Period	Position / Company
Mr. Karun Kittisataporn	<u>Education</u>		<u>Position in listed Company</u>
Age (year), 73	- M.A. (International Trade), Syracuse University, USA	2019 - Present	Chairman of the Nomination and Remuneration Committee, Sahamit Machinery PCL.
% of share, 0.03	- B.C.A., Victoria University of Wellington, New Zealand	2019 - Present	Chairman of the Board, Bank of Ayudhaya PCL.
As of 31 December 2019,	- Diploma, GATT Commercial Policy Course, Geneva	2019 - Present	Chairman of the Independent Director,
Number of Shares held by Self:	- Diploma, The National Defence Course Class 8,		Central Pattana PCL.
146,200 shares	National Defence College (TNDC 388)	2015 - Present	Chairman of the Nomination and Remuneration Committee / Audit Committee, Central Pattana PCL.
Spouse/Immature Children:	<u>Training</u>	2011 - Present	Independent Director, Central Pattana PCL.
None	- Risk Management Program for Corporate Leaders (RCL) 2019	2009 - Present	Independent Director, Bank of Ayudhaya PCL.
	- IOD National Director Conference 2018 "Rising Above Disruptions: A Call for Action" 2018	2008 - Present	Independent Director / Audit Committee Member, Sahamit Machinery PCL.
	- Board Nomination and Compensation Program (BNCP) 2018	2017 - 2019	Chairman of the Nomination and Remuneration Committee / Risk Management Committee,
	- Krungsri Executive Forum: Leading Organization & People in Digital Age 2018		Khon Kaen Sugar Industry PCL.
	- Future Customer Experience in Financial and Banking Services 2018	2013 - 2017	Corporate Governance Committee,
	- IT Security Trend Update 2018		Khon Kaen Sugar Industry PCL.
	- Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance 2017	2012 - 2017	Audit Committee, Khon Kaen Sugar Industry PCL.
	- Strategic IT Governance (for non-IT) 2017	2010 - 2019	Independent Director, Khon Kaen Sugar Industry PCL.
	- Cyber Resilience Leadership 2017	2010 - 2017	Nomination and Remuneration Committee,
	- Director Briefing "Sleeping Giants of Succession" 2017		Khon Kaen Sugar Industry PCL.
	- Training on International Financial Reporting Standard 9 (IFRS9) PWC Thailand 2016	2008 - 2019	Chairman of the Nomination and Remuneration Committee, Bank of Ayudhaya PCL.
	- CyberSecurity Awareness Training for Senior Executive 2016	2019 - Present	<u>Non-Listed Company</u>
	- Anti-Corruption for Executive Program (ACEP) 2013	2019 - Present	Vice - Chairman, Committee 6, Council of State
	- Monitoring the Internal Audit Function (MIA) 2013	2016 - Present	Chairman, Krungsri Foundation
	- Monitoring the Quality of Finance Reporting (MFR) 2011		Member of Committee on International Economic Policy
	- Finance Institutions Governance Program (FGP) 2011	2016 - 2021	Director, Krungsri Foundation
	- Audit Committee Program (ACP) 2009	2017 - 2021	Member of ASEAN Association, Thailand
	- Finance Statements for Directors (FSD) 2009	2008 - 2017	Chairman of the Executive Board, The Support Arts and Craft International Centre of Thailand
	- Role of the Compensation Committee (RCC) 2008		
	- Director Certification Program (DCP) 2006		

DETAILS OF DIRECTORS, EXECUTIVES, PERSONS WITH MANAGERIAL AUTHORITY AND COMPANY SECRETARY

Name	Educational Background	Work Experience	
		Period	Position / Company
Mr. Chayakorn Limsiripan Age (year): 51 % of Share: 0.93 As of 31 December 2019, Number of Shares held by Self: 4,917,000 shares Spouse/Immature Children: None	<u>Education</u> - M.B.A., Finance, Clark University, USA - B.A. Management, Assumption University <u>Training</u> - Director Accreditation Program (DAP) of IOD (155 /2018)	2019 - Present 2018 - Present 2016 - Present 2012 - Present 2007 - Present 2007 - Present	<u>Position in listed Company</u> Nomination and Remuneration Committee, Sahamit Machinery PCL. Independent Director / Audit Committee, Sahamit Machinery PCL. <u>Non-Listed Company</u> Director, P J L Property Co., Ltd. Managing Director, Krel Co., Ltd. Director, TQP Co., Ltd. Director, Thaiqualitycom Co., Ltd.
Mr. Prayoon Vivetpuvanonth Age (year), 76 % of share, - As of 31 December 2019, Number of Shares held by Self: None Spouse/Immature Children: None	<u>Education</u> - MBA. Sasin Graduate Institute of Business Administration of Chulalongkorn University - Barrister, The Thai Bar - B.L, Thammasat University - B. Acc, Thammasat University. <u>Training</u> - Director Accreditation Program (DAP) of IOD (35/2005)	2005 - Present 2000 - 2004 Present	<u>Position in listed Company</u> Independent Director and Audit Committee, Sahamit Machinery PCL. Director and Audit Committee, Banpu Plc. <u>Non-Listed Company</u> Executive Director, Wiwechpattana Rice-Mill Co., Ltd.
Mr. Phut Sorayanthanawut Age (year), 58 % of share, 0.59 As of 31 December 2017, Number of Shares held by Self: 3,137,292 shares Spouse/Immature Children: None	<u>Education</u> - B.Eng, King Mongkut's University of Technology Thonburi - MMP 61 Faculty of Accounting, Chulalongkorn University <u>Training</u> - Director Certification Program (DCP) of IOD 227/2016 - Risk Management Program for Corporate Leaders (RCL) of (IOD) (1/2015) - Director Accreditation Program (DAP) of IOD 109/2014	2016 - Present 2015 - Present 1985 - 2015	<u>Position in listed Company</u> Director and Managing Director, Sahamit Machinery PCL. Chairman of the Risk Management Sub-Committee, Sahamit Machinery PCL. Assistant to President, Sahamit Machinery PCL.
Mr. Thawee Senavattanagul Age (year), 70 % of share, - As of 31 December 2019, Number of Shares held by Self: None Spouse/Immature Children: None	<u>Education</u> - Assumption Commercial College	1975 - Present	<u>Position in listed Company</u> Senior Deputy Managing Director, Sahamit Machinery PCL.

DETAILS OF DIRECTORS, EXECUTIVES, PERSONS WITH MANAGERIAL AUTHORITY AND COMPANY SECRETARY

Name	Educational Background	Work Experience	
		Period	Position / Company
Mrs. Intira Thavajvichien Age (year), 69 % of share, 0.06 As of 31 December 2019, Number of Shares held by Self: 325,786 shares Spouse/Immature Children: None	<u>Education</u> - Oswestry College of Further Education, U.K.	1974 - Present	<u>Position in listed Company</u> Senior Deputy Managing Director, Sahamit Machinery PCL.
Mr. Charndej Tamesirichai Age (year), 50 % of share, - As of 31 December 2019, Number of Shares held by Self: None Spouse/Immature Children: None	<u>Education</u> - B.A. Tenri University <u>Training</u> - Public Training of The Wisdom Earning Center Co., Ltd. - Director Certification Program (DCP) of IOD 228/2016	2016 - Present 2016 - Present 1997 - 2015	<u>Position in listed Company</u> Director and Deputy Managing Director, Sahamit Machinery PCL. Manager, Sahamit Machinery PCL
Ms. Piyanuch Tamesirichai Age (year), 48 % of share, 2.91 As of 31 December 2019, Number of Shares held by Self: 15,400,100 shares Spouse/Immature Children: None	<u>Education</u> - MBA, General Management, Strayer University, Maryland - BBA, General Management, George Washington University At Mount Vernon College <u>Training</u> - Executive Integrated Medical Management Program Chulabhorn International College of Medicine, Thammasat University Class 4 - Top Executive Program of Capital Market Academy Class 27 - Top Executive Program in Commerce and Trade (TEPCoT) 10 - Director Certification Program (DCP) of IOD 249/2017 - Global Business Leaders Program (GBL 2) - Director Accreditation Program (DAP) of IOD 132 /2016 - Risk Management Program for Corporate Leaders (RCL) of IOD 5/2016 - Financial and Fiscal Management Program for Senior Executive (FME 3) - Thammasat Leadership Program 7	2016 - Present 2015 - Present 2002 - 2015	<u>Position in listed Company</u> Director and Deputy Managing Director, Sahamit Machinery PCL. Risk Management Sub-Committee Member, Sahamit Machinery PCL. Manager, Sahamit Machinery PCL.

DETAILS OF DIRECTORS, EXECUTIVES, PERSONS WITH MANAGERIAL AUTHORITY AND COMPANY SECRETARY

Name	Educational Background	Work Experience	
		Period	Position / Company
Ms. Piyaporn Srithornratkul Age (year), 47 % of share, 4.80 As of 31 December 2019, Number of Shares held by Self: 25,458,900 shares Spouse/Immature Children: None	<u>Education</u> - M.B.A., Specialist in Finance, California State University, USA - B.B.A., Faculty of Commerce and Accountancy, Chulalongkorn University <u>Training</u> - The Powder Metallurgy and 3D Printing Technologies of National Science and Technology Development Agency (NSTDA) - Board Nomination and Compensation Program (BNCP) 2019 - Director Accreditation Program (DAP) of IOD 138 /2017 - Professional Designation in Database Management System, University of California, Los Angeles (UCLA), USA - Middle Management Leadership, Dale Carnegie Training Saint John's Management Center - Mini Metallurgy Engineering, King Mongkut's University of Technology Thonburi National Metal and Materials Technology Center (MTEC)	2019 - Present 2016 - Present 2015 - Present 2003 - 2015	<u>Position in listed Company</u> Nomination and Remuneration Committee, Sahamit Machinery PCL. Director and Deputy Managing Director, Sahamit Machinery PCL. Risk Management Sub-Committee Member, Sahamit Machinery PCL. Manager, Sahamit Machinery PCL.
Miss Prangtip Sivaruk Age (year), 45 % of share, 6.54 As of 31 December 2017, Number of Shares held by Self: 34,640,000 shares Spouse/Immature Children: None	<u>Education</u> - Master of Public and Private Management, (M.P.P.M.) NIDA - M.S. Business Administration, San Francisco State University, San Francisco, USA - B.A. Sukothai Thammarat University - B.A. Kasetsart University, second class honor <u>Training</u> - International Trade Law of Thammasat University - Chief Transformation Officer Program (CTO) of SET 2019 - Director Certification Program (DCP) of IOD 227/2016 - Risk Management Program for Corporate Leaders (RCL) of IOD 1/2015 - Director Accreditation Program (DAP) of IOD 109 /2014	2016 - Present 2015 - Present 2004 - 2015	<u>Position in listed Company</u> Director and Deputy Managing Director, Sahamit Machinery PCL. Risk Management Sub-Committee, Sahamit Machinery PCL. Manager, Sahamit Machinery PCL.

DETAILS OF DIRECTORS, EXECUTIVES, PERSONS WITH MANAGERIAL AUTHORITY AND COMPANY SECRETARY

Name	Educational Background	Work Experience	
		Period	Position / Company
Ms. Praiwan Srithornratkul Age (year) : 48 % of Share : - As of 31 December 2019, Number of Shares held by Self : 10,000 Shares Spouse/Immature Children: None	<u>Education</u> - M.Acc., Chulalongkorn University - B.B.A. Rajamangala University of Technology <u>Training</u> - Training Course for Internal Audit of Certificate By Federation of Accounting Professions	2019 - Present 2018 - Present 2004 - 2018	<u>Position in listed Company</u> Secretary of Nomination and Remuneration Committee, Sahamit Machinery PCL. Chief Financial Officer, Sahamit Machinery PCL. Internal Audit Manager, Sahamit Machinery PCL.
Ms. Nuttaporn Tamesirichai Age (year), 44 % of share, 4.52 As of 31 December 2019, Number of Shares held by Self: 23,950,400 shares Spouse/Immature Children: None	<u>Education</u> - M.B.A., Marymount University, Arlington, VA - B.B.A., Strayer University, Maryland <u>Training</u> - Company Secretary Program (CSP) By IOD 73/2016 - Property & Asset Management for Family Business Program	2016 - Present 2009 - 2015	<u>Position in listed Company</u> Assistant Deputy Managing Director and Company Secretary, Sahamit Machinery PCL. Assistant Manager, Sahamit Machinery PCL.

DETAILS OF DIRECTORS, EXECUTIVES, PERSONS WITH MANAGERIAL AUTHORITY AND COMPANY SECRETARY

THE POSITIONS OF DIRECTORS, EXECUTIVES, PERSONS WITH MANAGERIAL AUTHORITY OF SAHAMIT MACHINERY PUBLIC COMPANY LIMITED AS OF DECEMBER 31,2019

Name	SMIT	Sahamit Holding Co.,Ltd.	K.S.Mould Parts Co.,Ltd.	Nakhon Luang Paper Co.Ltd.	Tata Co.,Ltd.	Reanthongvittaya Co.,Ltd.	Hua Kee Paper Co.,Ltd.	Narai Hotel Co.,Ltd.	B I G Marketing Co.,Ltd.	BST Specialty Co.,Ltd.	Bangkok Industrial Gas Co.Ltd.	Tamaka Sugar Co.,Ltd.	New Krung Thai Sugar Factory Co.,Ltd.	New Kwang Soon Lee Sugar Co.,Ltd.	Khon Kaen Sugar Power Plant Co.,Ltd.	KSL Material Supplies Co.,Ltd.	Khon Kaen Alcohol Co.,Ltd.	Koh Kong Sugar Industry Co.Ltd	Savannah Sugar Corporation	P.M.T Precious group Co.,Ltd.	P.M.T Commercial Co.,Ltd.	Khon Kaen Sugar Industry PCL.	Bank of Ayudhya PCL.	Central Pathan PCL.	Krel Co.,Ltd.	TQP Co.,Ltd.	Thaquallycom Co.,Ltd.	P J L Property Co.,Ltd.	Wiwachpattana Rice-Mill Co.,Ltd.
1. Mr.Chaisilp Tamesirichai	X,D,EM	D,EM	D																										
2. Mr.Prasong Srithornratkul	D,EM	D,EM	D																										
3. Mr.Thana Senavattanakul	D			X																									
4. Mr.Pichai Nithivasin	D						EM	X	D	D																			D
5. Mr.Pornsin Thamesirichai	D										D,EM	D,EM	D,EM	MD	D	EM	D	D	X	D,EM	X								
6. Mr.Kriangrai Boonkitticharoen	ID				EM	X																							
7. Gen.Vapirom Manasrangsi	ID,AM																												
8. Mr.Karun Kittisataporn	ID,AM																				X	ID,AM							
9. Mr.Chayakorn Limsiripan	ID,AM																							MD	D	D	D		
10. Mr.Prayoon Vivetpuvanonth	ID,AM																											X	
11. Mr.Phut Sorayanthanawut	EX,MD																												
12. Mr.Charndej Tamesirichai	D,EX																												
13. Ms.Piyanuch Tamesirichai	D,EX																												
14. Ms.Piyaporn Srithornratkul	D,EX																												
15. Ms.Prangtip Sivaruk	D,EX																												

Remark : Symbol Abbreviation Position X = President, D = Director, EM = Executive Committee, AM = Audit Committee,
ID = Independent Director, MD = Managing Director, A = Advisor, EX = Executive

Sahamit Machinery Public Company Limited has complied with the good corporate governance principles in its management policy in accordance with the Stock Exchange of Thailand's Code of Best Practices for Directors of Listed Companies to ensure that the business is conducted effectively and transparency, accountability, and fairness to all stakeholders. The Company complies with the good governance operating guidelines follows:

RIGHTS OF SHAREHOLDERS AND EQUITABLE TREATMENTS OF SHAREHOLDERS

1. The company provides shareholders, prior to a meeting, with information on the date, time, venue, and all agenda items with complete support data concerning issues to be decided. A notice of a meeting and support document are sent to shareholders at least 7 days in advance. The notice of shareholders meeting 2020 is posted on the company's website so that shareholders can study all the information prior to receiving the notice in documentation.
2. The company's website where shareholders and those interested may download financial information, company profile, and meeting information is www.sahamit.co.th. Inquiries may be Email to info@sahamit.co.th.
3. The invitation to the Annual General Meeting contains information and guidelines for the shareholders relevant to the meeting including voting procedure. In case the company shareholders cannot personally attend the meeting, the Company shareholders may use the proxy form provides as attachment or may download from the Company's website to appoint the Audit Committee members, Board of Directors, or any persons to be the shareholder's proxy to attend and vote in the Annual General Meeting of Shareholders. The Company also gives right to the shareholders arrive late to vote for the agenda that have not been voted by the time the shareholders attend the meeting unless the shareholders' meeting has disagreed.
4. The Company held the Annual General Meeting 2020 on July 23, 2020, there were 14 members of the Board of Director attended the meeting (from the total members of the Board of Directors: 15 members). Shareholders were given opportunities to directly ask the Company Directors and Committees any relevant questions. The Company does not deprive its shareholders of access to company information. For instance, all important information is included in distributed notices without any last-minute addition of agendas or changes in important matters. Shareholders who arrive late are always allowed to attend meetings.
5. The Company allows shareholders to propose matters to be included in a meeting's agenda, prior to the meeting, with requirements and procedures. For instance, there must holding minimum shares not less than 500,000 shares and continuously held those shares for one year by the date when the shareholder proposes the agenda. A meeting agenda is presented in detail. Criteria for approving or rejecting proposed matters as part of meetings' agendas are stated clearly. There are channels and periods of time for accepting shareholders' proposals. After proposals are accepted, the board of directors' meeting will consider and select the proposals. Shareholders will be informed about the board's meeting decision and reasons in detail regarding the proposals through the shareholders' meeting. In 2020, shareholders

did not propose any additional matters to be included in shareholders' meeting agendas. Besides, the Company has given an opportunity for shareholders to submit their opinions or questions concerning agenda in the 2021 Annual General Meeting of Shareholders to the Company's Board of Directors prior to the meeting via email: info@sahamit.co.th.

6. In the 2020 AGM, the chairman informed company shareholders about procedures relevant to the meeting including voting procedure. Shareholders were given opportunities to express their opinions and ask questions. There were inquiries about the Company's financial statement and operating results. Shareholders voted on an individual director. Voting cards were used in case of disagreement over the meeting agenda. The meeting was recorded on video.
7. In minutes of the 2020 Annual General Meeting of Shareholders, list of directors who attend and did not attend the meeting were shown. Summaries of clarifications, questions, answers, opinions, voting procedure, and vote count were provided. Regarding disagreement, the meeting resolution was presented along with the total of votes in favor/ against and no vote. The minutes were posted on the company website within 14 days after the AGM.
8. Regarding the use and protection of inside information, the Company has established measures to prevent the use of inside information by directors, management, and employees for abusive self-dealing. (Details are shown in The Use and Protection of Inside Information Section.)
9. The Company requires that a director must not operate or have any position in any ordinary partnership, or be a general partner in limited partnership, or be a director in any other limited company or public company limited that operates businesses of the same nature and that is the company's direct and indirect competition, unless the information about their positions is disclosed before the appointment. Directors must inform the company immediately about their direct and indirect conflicts of interest arising in any company contracts done between fiscal years, or due to change in their acquisition of shares or debentures of the company or its subsidiaries between fiscal years. The Company encourages its directors, management and those related to the board to disclose information about their conflicts of interest as part of the board's meeting agendas. Directors who have conflicts of interest in any issues being considered are not allowed to vote on those particular issues.

ROLES OF STAKEHOLDERS

The Board of Directors accounts for stakeholders' rights and interests by establishing guidelines for addressing the needs of each group mutually sustainable interest. In Practice, the Company applies the Corporate Governance in its business administration of which the practical guidelines are stated in its Code of Business Conduct booklet by focusing on business responsibilities in 4 core areas: human rights, labor, the environment and anti-corruption.

Rights of shareholders: Relevant policies are defined in "Rights of Shareholders and Equitable Treatments of Shareholders" section.

Rights of employees: The Company's employees are an extremely valuable asset and they make essential contributions to the Company's achievement of its goals. As a result, it is Company policy to treat employees fairly in all respects including employment opportunity, remunerations, promotion and professional development. The Company has established the following guidelines for its practice toward employees:

- 1) To treat employees fairly and courteously while paying due respect to individuality and human dignity
- 2) To provide fair remunerations
- 3) To maintain a work environment that does not endanger employees' life or property
- 4) To carry out all professional appointments, rewards and disciplinary actions in good faith on the basis of competence, capability and suitability
- 5) To give priority to skill and knowledge development on a regular and equitable basis
- 6) To listen to opinions and recommendations based on employees' professional competence
- 7) To comply with all employee-related laws, rules and regulations
- 8) To avoid any unfair action that may affect employees' job security or harass or psychologically threaten the employees

Besides, the Company encourages the acquisition of knowledge through internal and external trainings so as to cope the future growth. The Company establishes a provident fund for employees to provide employees with financial security and stability.

Rights of customers: The Company is operating under the international standard of ISO 9001:2008 and AS9100c to bring about the highest satisfaction in terms of quality of products, punctual delivery and would class services. To protect trade secrets of each customer has been our priorities to ensure long-term relationship.

Customer satisfaction is of great importance to the Company's success. SMIT intends to respond to customer's demands effectively and efficiently and to continuously improve this response. Its policies and practice guidelines are as follows:

- 1) To deliver quality products and services which meet customer's expectations at a fair price
- 2) To provide advice regarding the efficient use of Smit 's products and services for the customer's maximum benefit
- 3) To give accurate, adequate and timely information about its products and services to customers without exaggeration that may lead to misunderstanding about the quality, quantity or condition of such products or services
- 4) To deal with customers in a polite and efficient way and to gain their trust. To set up a system and process where customers can place complaints regarding the quality, quantity or safety of SMIT 's products and services, as well as the speed of response and delivery
- 5) To safeguard customer confidentiality and to refrain from abusing it for personal interest or for the interest of other parties

Rights of business partners: The Company has a policy to treat its trading partners with equality and fairness, by taking into consideration the Company's interest and on the basis mutual benefit. In addition, it intends to avoid circumstances that may lead to a conflict of interest. It makes efforts to comply with all contractual obligations, provide reliable information and accurate reports, confer or negotiate for solutions to problems on the basis of following guidelines:

- 1) The Company shall not demand, receive or pay any improper benefits to its trading partners.
- 2) Fairly treats all partners with business ethics and strictly complies with agreements or conditions mutually agreed upon.
- 3) If any particular condition cannot be met, the Company will notify customers immediately to jointly seek solutions on a rationality basis.

Rights of Creditors: The Company has earned trusts among its creditors by operating with ethics as well as complying with the terms of loan and the rightful duties as of borrowers.

Rights of the community and society: The Company observes legal rights of the communities it operates and it strictly acts to comply with other related laws such as environmental law and factory act. The Company is well aware of significance of the communities and provides supports by sponsoring, developing infrastructure, and promoting social activities that bring understanding and sustainable development to the community.

SAFTY HEALTH AND ENVIRONMENT

The Company is committed to conducting business with workplace safety, occupational health and environmental conditions in accordance with the following guidelines:

- 1) The Company shall comply with all legislations and regulations relating to safety, occupational health and environmental requirements in all locations in which the Company operates.
- 2) The Company shall constantly ensure that its working environment is safe for the life and property of its employees.
- 3) Executives and staff must commit to and undertake all activities aimed at promoting the quality of workplace safety, occupational health and the environment.

The Company always realizes the importance of all stakeholders as mentioned. Moreover, it values all suggestions, opinions, and comments that enable development and improvement of the Company operation. All stakeholders can contact the Company's management, the head of internal audit committee, the head of human resource department, or the chairman of audit committee to report improper incidents, complain, request for clarifications or correction, or make any suggestions (Whistle Blowing Policy) by emailing: ia@sahamit.co.th, or faxing the internal audit office at (0) 2295 1020.

In the previous year, there was no wrongdoing reported to the Company. Details information regarding procedure to report wrongdoing is provided in the Company's Corporate Governance Manual, under the heading Reporting misconduct, fraud, and non-compliance to Code of Business Ethics.

DISCLOSURE OF INFORMATION AND TRANSPARENCY

The Company's Board of Directors have recognized the importance of the responsibility for disclosure of both financial and non-financial information specified in the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand as well as any other relevant information to be disclosed correctly, accurately, on a timely basis and transparently through easy-to-access channels that are fair and trustworthy. The followings are Company practices:

1. Disclosure of the information in 56-1 form and annual report both Thai and English languages through various information channels such as company website, www.sahamit.co.th and the Stock Exchange of Thailand (SET) website, www.sec.or.th. There are also updates related news to the Company on the website to facilitate decision-making of those involved.
2. In the previous year, the Company's disclosure of information and transparency were approved by the Securities and Exchange Commission and the SET, as its practice was in accordance with disclosure requirements.
3. In the 2020 annual report, the Company's board of directors' roles and responsibilities together with those of its committees are disclosed. Also, company policies on remuneration payment for directors and managements, a summary of Company governance, policies on the environment and society, the company practices and a summary of company business ethics.
4. A statement of the board of directors' responsibilities concerning the Company's financial report is provided alongside the auditor report in the Company annual report. The contents include the certification that the Company's financial statements are fairly presented in accordance with generally accepted accounting principles and regulations. The statement is signed by the Company chairman.
5. Contents of the Company's website consist of corporate governance and results of practices in line with Company policies, business ethics, ownership structure, board structure, vision/missions, policies on the environment and society, annual report, financial statement, news and updates in both Thai and English.
6. The Company is well aware of the importance of disclosing information to investors with accuracy, transparency, and accessibility. The Company set up investor relations division to coordinate communications between the Company, investors, and shareholders can be reached by email info@sahamit.co.th or contact Miss Prangtip Sivaruk Tel. 66 (0) 2295 1000-8 ext. 1515

RESPONSIBILITIES OF BOARD OF DIRECTORS

1. The structure of the board consists of 10 directors which 5 of them are independent directors, one of third (1/3) of the board. The number of directors was appropriated to current business size. The Company's directors possess qualifications in various fields, such as skills and expertise in accounting, finance, governance, production, purchasing, international trade and internal audit. Detailed biographies, qualifications, experiences, and ownership of directors are included in Form 56-1.
2. The Company's Chairman of the Board and the Managing Director is not the same person. The Company has clearly defined and divided the duties and authorities of these 2 roles. The Company has 7 individual executive directors to suitable balance the authorities. Beside

the regular business transaction, all other issues will be taken into consideration of the board of directors (comprises of 4 Audit Committee).

3. The Company's Audit Committee Board consists of 4 independent directors. Qualifications of audit committee members are in line with relevant SET requirements and Mr. Prayoon Vivetpuvanonth, one of the members, possesses sound knowledge, understanding, professional experiences in accounting and finance and internal audit. In 2018, the committee had 5 meetings, and reports on their works were regularly completed.
4. The board of directors has not appointed the nomination and remuneration committee and risk management committee since the board has reviewed that in reference with the current size and the organization structure, the Company is still not necessary to set up these committees. However, the board of directors (comprises of 5 independent directors or one third (1/3) of Company directors) are responsible for setting the suitable remuneration of the board of directors and the management with clearly and transparency. The remuneration of the board of directors is benchmarking with the same industry together with the performance of the Company and later present to the AGM for approval. The remuneration of the management is being set by the knowledge, ability, responsibility, together with the performance of the individual. Regarding the risk management, the board of directors (comprises of 5 independent directors or one third (1/3) of Company directors) are responsible for reviewing and assessing the overall risk of the Company i.e. risk of the product price fluctuation, risk of the exchange rates fluctuation, risk of the account receivables, as well as planning and setting risk management policy to minimize the risk at the lowest possibility.
5. It is required that during the annual general meeting, one third (1/3) of Company directors resign. The directors that stay longest in term will have to resign and may be reappointed for another term if the AGM approves. Each director's term is about three years.
6. The board requires that a director must not operate or have any position in any ordinary partnership, or be a general partner in limited partnership, or be a director in any other limited Company or public Company limited that operates businesses of the same nature and that is the Company's direct and indirect competition, unless the information about their positions is disclosed in the annual general meeting before the appointment. The requirement is applied to Company executives as well. To ensure that directors have sufficient time to perform their duties, the board has set a limit of five board seats in publicly-listed companies, which an individual director can hold simultaneously. None of the Company directors serves as directors of more than 5 listed companies.
7. The roles, duties and responsibilities of the board of directors, the executive board, the audit committee and are clearly divided.
8. The Company has set visions, missions, strategies, goals, business plans and budgets, along with monitoring the work of the management to be in accordance with the designated business plans and budgets. Moreover, the Company have been governed an internal control system, an internal audit, and risk management with effectiveness and efficiency.
9. The board of directors has realized the importance of the good corporate governance, which is an important factor for maximizing business success aiming to bring about the best benefit to shareholders, and all stakeholders. The board of directors has announced and enhanced

the use of the Good Corporate Governance guideline to give appropriate guideline for the related parties to follow.

10. The board of directors has set a written ethics and codes of business conduct for the Company's directors and employees, which cover key matters, such as honesty, integrity, conflicts of interest, and compliance with laws. Compliance to the codes is monitored, and penalties are defined. Each year the Company's human resources department evaluates, reviews, and revises the codes of conduct.
11. Conflicts of Interest Prevention, The board of directors thoroughly considers and deals with transactions with (potential) conflicts of interest. The audit committee considers related-party transactions according to the SET legislation and procedure. Stakeholders in transactions are not allowed to decide on those particular transactions, which are fully and accurately disclosed in annual reports and from 56-1.
12. Efficient Administrations and Internal Control, the Company's internal control unit has been formed to ensure effective operations, accurate and reliable information, compliance with legislation, efficient and effective use of Company resources, and protection and Company assets. The Company internal audit provides analyses, audits, evaluations, advice, and recommendations to support Company activities. The audit committee independently reviews and audits adequacy and efficiency of the Company's internal control and internal audit once a year. The opinions on the Company internal control system are included in the annual report.
13. For the board meeting, the board sets the board meeting schedules for the whole year and notify each director in advance so that each member of the board can manage time to attend meetings which have at least 4 board meetings within a year (in every 3 months), and 1 additional meeting one month before the Annual General Meeting of Shareholders. Each director individually should attend at least 75% of all the board meetings held during the year. Occasionally, special meetings need to be called because of an urgent or special matter. In board meetings, the chairman, managing director, and secretary set the board meeting agenda together and ensure that all important issues are included. Each member of the board should be free to propose an issue for a meeting agenda. Prior to each meeting, the board secretary should distribute a complete set of supporting documents which is sent to the Board of Directors at least five business days in advance of the board meeting to allow the Board an opportunity to properly review the agenda before the meeting.
14. Minutes of the board of directors' meetings include such important matters as dates, times, names of directors who are present and absent, summaries of proposals, summaries of discussions and remarks, resolutions, opinions from directors who disagree, names of people preparing minutes, and names of those approving minutes. The minutes are bound and easy to retrieve. They cannot be changed. Numbers of the board meetings and attendance are disclosed.
15. The board of directors has appointed Ms. Nuttaporn Tamesirichai as the Company's Secretary to sets the board of directors' meetings, other director's meeting as well as the AGM. The Company's Secretary is responsible for providing minutes of the board of directors' meetings, minutes of the AGM, Annual report and filing all documents requires by law.

SUPERVISION OF USE OF INSIDE INFORMATION

The Company prohibits its directors and the Management from using inside information concerning important matters including trading of securities before publication for personal gains. Preventive measures against the use of inside information by the directors and the management are as follows:

1. The Company informs executives about their obligation to disclose security holdings and changes of the holdings of themselves, their spouses, and their children who have not yet attained the majority according to the Securities and Exchange Act B.E. 2535, article 59 and statutory penalty, article 275.
2. Circular notices are sent to executives advising those who receive important inside information that affects prices of securities not to trade Company securities within that one month (except in case of necessity) and not to disclose the important inside information before the Company financial statements or the particular information is publicized.
3. Should there be any changes in security holdings of the Company's directors and executives, the changes must be reported to the board of directors in security holdings matter on the agenda.
4. Important inside information and confidential documents saved as hard copies or soft files are protected and access is limited to top executives only when necessary. If any inside information needs to be disclosed to Company employees, the employees will be informed properly about the limitation of the use of that information. An employee who discloses Company confidential information will be penalized.
5. To monitor irregularity in Company operating results, random examination is done to security trade, the Company's information system and outside information sources.

INTERNAL CONTROL

The Company has continuously focusing on an efficient internal control system in which is an important mechanical tool to support the management in decreasing business risk, to ensure the effectiveness of the business transaction, to appropriately allocate the resources and to accomplish the designated goal. Moreover, it helps to protect the loss of possession or fraud and enhance the accuracy and accountability of the financial report. The internal audit, under supervision of the Audit Committee, has independence to operate and audit the internal control system in accordance with general standards and followed annual audit plan written based on the principle of risk base auditing. This is to ensure the efficiency, the effectiveness and the continuous improvement of the Company's internal control system.

In accordance with the Board of Directors meeting no. 2/2020, also attended by the Audit Committee, held on March 12, 2020, which the Board of Directors considered that the sufficiency of the Company's the internal control system of the Company was adequate, fairly established and appropriate to the Company's business. There also was no significant weakness of internal control which would negatively affect and accuracy and reliability of financial statement and the efficiency and effectiveness to achieve the business goals.

RISK MANAGEMENT

The Company acknowledges that risk management is an essential element in the framework of good corporate governance, and an integral part of good management practice. The Company recognizes that the aim of risk management is not to eliminate risk totally, but rather to provide the structural means to identify, prioritize and manage the risks involved in all our activities. It requires a balance between the cost of managing and treating risks and the anticipated benefits that will

be derived. The Company's Risk Management Committee set the risk management policy and process for the management to execute. The management team is responsible for identifying risk factors and planning effective control systems. By considering the risk factors, the management can develop a better business model and control system that will enable it to manage risk at an acceptable level. The Risk Management Sub-Committee develops, reviews and improvements the risk management manual and framework to ensure all business units implement the controls consistently.

In order that, the Company's Risk Management Sub-Committee shall review and assess annually its performance and report the results to the Board. There are 5 Steps of Risk Management Process as following:

1. Establish the risk context for the identification and analysis of the risks facing the company.
2. Identify the risks which could cause a loss or disruption to the business which can classified into different 5 main types.
 - 2.1 Financial Risk
 - 2.2 Operational Risk
 - 2.3 Regulatory Risk
 - 2.4 Strategic Risk
3. Analyze, evaluate and measure the risks. This involves analyzing the likelihood and consequences of each identified risk and deciding which risk factors will potentially have the greatest effect and should, therefore, receive priority with regard to how to be managed. It is about considering the options for treatment and selecting the most appropriate method to achieve the desired outcome.
4. Treat and Mitigate the risks. If management considers a risk to be significant, an action plan is developed to mitigate and/or reduce the risk to a more acceptable level. The action plan stipulates who is responsible for taking action, what kind of action needs to be taken and it also includes a time frame within which a risk needs to be reduced or mitigated.
5. Monitor & Reviews. It is to assesses the effectiveness of its Risk Management Framework through a well-structured continuous improvement process to ensure risks and controls are continually monitored and reviewed.

The Audit Committee of Sahamit Machinery Public Company Limited currently comprises entirely of 4 Independent Directors: General Vapirom Manasrangsri as the Chairman of Audit Committee, Mr. Karun Kittisataporn, Mr. Prayoon Vivetpuvanonth and Mr. Chayakorn Limpsiriphan as members of the Audit Committee with profound experience in accounting, financial, administration and economics.

The Audit Committee has performed duties independently in accordance with the scope of responsibility assigned by Board of Directors and the Charter of the Audit Committee, which has been reviewed at least annually. In 2020, the Audit Committee held 5 meetings. In every meetings, Internal Auditors, External Auditors and the Company's executive managements have participated. All meeting results were reported to the Board of Directors for acknowledgment, which can be summarized as follows:

1. Review of financial reports: The Audit Committee reviewed 2020 quarterly and annually financial statements by inquiring the auditor about the accuracy of the financial statements, Important Adjusting Entries, Accounting estimates which affecting the financial statements, appropriateness of accounting records, inspection scope including the disclosure of information correctly, completely, sufficiently and independently of the auditor. Besides, the Audit Committee held an independent meeting with the external auditor without the presence of management so as to freely and independently.

The Audit Committee deemed the financial report for 2020 were duly prepared in accordance with accounting standard requirement under generally accepted accounting principles, accurate, adequate, reliable and beneficial for financial statements user.

2. Review of internal control effectiveness: The Audit Committee reviewed effectiveness of the Company's internal control systems and internal audit procedures for each quarter by using the evaluation form of the internal control system of the Securities and Exchange Commission, there is no significant issues had been detected. The Audit Committee has reported the evaluation of the effectiveness of the internal control system to the Board of Directors on a yearly basis.

The Audit Committee agreed that the Company's internal control system was appropriate, adequate and effective for its businesses.

3. Oversight of internal audit: The Audit Committee reviewed and approved annual audit plan and the independence, appropriateness, adequate of resources related to the Audit performance including corporate governance of internal audit to be effective, efficient and conformed to the approved plan as well as acknowledged the audit report and continuous improvement the internal audit quality to ensure that the Company's internal audit system were appropriate, efficiency and effective.

The Audit Committee agreed that internal audit system of the company were appropriate, adequate and effective. The annual audit plan is conform to the company's objectives and risks.

4. Review of risk management: The Company has a Risk Management Sub-Committee, responsible for considering the risk management policy, risk management framework and measures to reduce the impact of risks as well as reviewing, evaluating and reporting the Company's risk management to the Board of Directors and the Audit Committee. In addition, the Audit Committee regularly reviewed the plan and risk management report and makes recommendation to ensure that risk management of company were appropriate, effective and comply with international standard.

The Audit Committee agreed that the Company has effective risk management which appropriate to the situation and current business environment

5. Review of Corporate Governance: The Audit Committee reviewed to ensure that Company performance conforms to the law on securities and stock exchange, Stock Exchange's requirements, or laws related to securities business as well as the implementation of anti-corruption policy by preparing the channels for receiving complaints about corruption and business ethics violations by providing protection to the complainant or the whistleblower appropriately.

The Audit Committee agreed that the Company has continuously developed good corporate governance. Compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand, and laws related to the business operations of the company appropriately.

6. Review of connected transactions or the transactions that may lead to the conflicts of interest: The Audit Committee reviewed the connected transactions and the conflicted transactions between the Company and related parties in order to comply with principles of fairness, transparency, adequate information disclosure and the Company's best interests, as well as in compliance with the regulation of The Securities and Exchange Commission and The Stock Exchange of Thailand.

Based on reviews, the Audit Committee agreed that the connected transactions and the conflicted transactions were normal business transaction undertaken for the Company's benefit, along with adequate data enclosure.

7. Consideration for Selection and Nomination of the Auditor and Determination of Remuneration for the Auditor for 2021: The Audit Committee evaluated the previous performance of Dharmniti Auditing Company Limited as the Company's auditor for the year 2020 by taking into account independence, previous performance, knowledge, capabilities and experience of the auditors in auditing the business of the company with reviewed its relevant remunerations. The Audit Committee is satisfied performance and independence of the external auditors as well as the appropriateness of the audit fee.

Thus, the audit committee agreed to propose the matter to the Board of Directors to consider and seek approval of the 2021 Annual General Meeting of shareholders for re-appointment of Dharmniti Auditing Company Limited to be auditor of the Company for another year.

Gen. Vapirom Manasrangsi
Chairman of the Audit Committee

RELATED PARTY TRANSACTIONS

In the year 2020, the Company disclosed related party transactions that might be conflicts of interest in notes to the audited financial statement as follows:

Relationship	Description	Transaction	Transaction amount and balance (Unit: Thousand Baht)		
			2020	2019	2018
1. KS Mould Part Co., Ltd. Is a manufacturer of ejector pins. It is the joint venture between Kanzaki Mfg Co., Ltd. and Sahamit Holding Co., Ltd. holding shares by 24.48% and 60.08% respectively.					
(1) Executives of the Company which are Mr. Chaisilp Tamesirichai and Mr. Prasong Srithornratkul are also the directors and shareholders in Sahamit Holding Co., Ltd.	The Company is a distributor of ejector pin for KS Mould Part since the Company was appointed to be a sole distributor in Thailand.	Buy	60,674	82,518	97,164
		Accounts Payable	9,607	10,539	16,091
(2) Sahamit Machinery PCL is a shareholder of KS Mould Part with the shares of 10.93% of registered capital.	The Company sold its products to KS Mould Part.	Sell	57,797	33,174	51,263
		Accounts Receivable	1,768	6,004	3,601
2. Rien Thong Wittaya Co., Ltd. is a manufacturer and distributor of books, files, also provides the paper cutting services.					
Mr. Kriangkrai Boonkitticharoen is the President of Reanthongvittaya Co., Ltd. and a director of Sahamit Machinery PCL.	The Company sold paper to Reanthongvittaya Co., Ltd. at market price	Sell	194	288	326
		Accounts Receivable	-	36	49
3. Khon Khaen Sugar PCL is a manufacturer of sugar and other related business.					
Mr. Pornsin Tamesirichai is a co-sign director of Khon Khaen Sugar PCL. and a director of Sahamit Machinery PCL.	The Company sold spare parts and chemical products for Khon Khaen Sugar PCL.	Sell	1,139	4,536	5,887
		Accounts Receivable	258	2,441	1,665
4. Bangkok Industrial Gas Co., Ltd. is a distributor of Nitrogen Gas					
Mr. Pichai Nithivasin is a director of Bangkok Industrial Gas Co., Ltd., and a director of Sahamit Machinery PCL.	The company bought Nitrogen gas to be use in the Heat Treatment Plant at market price.	Buy	2,570	3,002	3,071
		Accounts Payable	440	416	525
5. Hua Kee Co., Ltd. is the distributor of paper products					
Mr. Pichai Nithivasin is a Managing Director of Hua Kee Co., Ltd., and a director of Sahamit Machinery PCL.	The company sold paper for the manufacturing plant to Hua Kee Co., Ltd.	Sell	604	634	1,035
		Accounts Receivable	37	37	135
6. P.M.T. Comercial Co.,Ltd. is a service apartment					
Mr. Pornsin Tamesirichai is a director of P.M.T. Commercial Co.,Ltd. and a director of Sahamit Machinery PCL.	The company sold electrical device to be install in the P.M.T. Comercial Co., Ltd.'s Building.	Sell			
		Accounts Receivable	791	1,761	-
			-	-	-

Necessity and reasonability on related transaction Related transaction during the past year for business operation of company and its subsidiaries by policies of entered into those transaction in order for highest benefit of company in term of policies and set up the price as considering from market price or in accordance with agreement. In addition, mentioned transaction has been considered by Audit Committee on fairness and reasonable.

Procedure of approval on transaction Normal business transactions and trade agreements with commercial terms shall act in the same situation by bargaining power without influence of their position on Director, Executive or related person. By this, management division needs to report every business transaction to Board of Directors for acknowledgement on quarterly basic. Abnormal business transaction, unless size of transaction doesn't need to be approved from Shareholders meeting (as provision from The Stock Exchange of Thailand) then need consideration from Board as prior first entity and size of happened transaction will be under authority to approve then approval of this transaction will ended as this stage as Audit Committee will be join in these consideration (stakeholders not attend and vote in the meeting). Moreover, if the sizes of transaction more than authority from Board can approve then Board will conclude the resolution and propose to shareholders meeting for approval. Board of Directors will consider on transaction which may have conflict of interest or related transaction or transactions appropriately through moderation from Audit Committees for entries criteria defined by Stock Exchange of Thailand, The Securities and Exchange Commission and Capital Market Supervisory as well as disclosure of transaction that may have conflict of interest to public with ensure accuracy and completeness.

Related party transactions in the future will be conducted as part of the normal course of business with neither special favors nor transfers of benefits between the Company and its subsidiaries or any related person. The Company strictly follows the regulations of the Stock Exchange of Thailand (SET) and other regulatory authorities related to related party transactions, based on reasonableness, appropriateness and fairness, and for the utmost benefit of all shareholders and stakeholders together with the Company's good corporate governance policy.

CORPORATE SOCIAL RESPONSIBILITIES (CSR)

The Company is strongly committed to operating its businesses responsibly. The Company's corporate social responsibility (CSR) programs are created to continuously support the local communities and the environment that surrounds them. The Company believes in respecting human rights and the protecting the interests of its stakeholders including the society and the country at large, through ethical practice and transparent operations.

The Company is determined to advance its business ethically and responsibly. Its commitment towards stakeholders, communities, society, and environments are detailed as follow:

- 1. Corporate Governance:** The Company aims to become part of a leading organization in Thailand. To this effect, it looks to promote sustainable growth, to build good reputation and credibility amongst its investors and other stakeholders, to adopt ethical business practices and to strictly follow good corporate governance guidelines.
- 2. Respect for Human Rights:** The Company supports the principle of human rights. To this effect, it will conduct activities that support human rights and the right to freedom. The Company believes in the principle of equality and will not tolerate discrimination of race, age, and gender. It is also against the use of child labor and any form of corruption.
- 3. Fair Employee Treatment:** The Company will give fair compensation to its employees at the level that is appropriate to the industrial environment of Thailand and any changes in the organizational structure will be done responsibly and in accordance with the law of Thailand. The Company created an Employee Benefit Committee so that its employees can participate in the management of the benefits.
- 4. Adopt Good Business Ethics:** The Company intends to conduct its operations ethically, in compliance with the law and societal practice, and remain politically neutral.
- 5. Customer and Supplier Care:** The Company place great importance in producing high quality sugar that is safe for human consumption. It also aims to continuously provide good service to its customers and suppliers and hope that in return, the Company will receive the same high quality and service from them and therefore able to build a longstanding relationship.
- 6. Environment Friendly:** The Company gives precedence to environment protections. We bring in the principles of decreasing polluting waste from sources and apply it to the company's waste disposal management. This results in polluting waste being brought back to reuse or to sell as raw materials for other productions. This is to minimize the impact on the environment and surrounding communities.

The Company continuously focuses on promoting and supporting activities for the benefit of society and the environment, especially educational and community development support as the following:

1. The Company provides educational funds to the neighboring community school and supports funds for social and religious activities continually every year.
2. The Company donated our products for educational purposes as education materials to support students to improve their skills and bring more professional experience from the real devices.
3. The company supports projects of the public sector in various fields, such as supporting the activities of the elderly clubs in Bangpakong Phromthep Rangsan Subdistrict Municipality, Public benefit organization, etc.
4. The company promotes the knowledge and skills development in order to improve our employee performance including training on safety and health at work for our employees, for example, training for fire drills And fire evacuation drills, training for the development of ISO quality management systems, training for electrical safety and helping people suffering from electrical hazards, training for safety personnel Management and supervisor level from the Association for Safety and Health at Work etc.

The Company intends to operate its business with a sense of honesty, transparency and is in accordance with good corporate governance principles. Therefore, the Company had set the Anti-Corruption Policy in written document as practice guideline for transparent and sustainable operations with approval from the Board, to ensure that the business activities which might be potentially involved to corruption will be carried out care and diligence. The Company support and encourage the employees at all levels to realize the importance of countering corruption and raise their awareness in this respect by communicating anti-corruption policies and practice guidelines to employees along with notifying policies to employees to make them understand and adopt these guidelines in all business activities. (The Anti-Corruption Policy is available download on SMIT website: www.sahamit.co.th)

On 12 March 2014, the Company had participated in the Project of Private Sector Collective Action Against Corruption (CAC) by signing in the Declaration of Intent in which the participants members have policies against all forms of corruption and anti-bribery management system. In 2017, the Company was first certified as the CAC membership and the certificate was valid for three years. In 2020, the company has been recertified by the Private Sector Collective Action Coalition Against Corruption Council (CAC) for two consecutive terms. Being recertified by CAC is proven that the company's intention of conducting its business with adherence to good corporate governance, business ethics and transparency as well as all stakeholders are respected and treated equally.

MANAGEMENT'S CLARIFICATION AND ANALYSIS

Financial Performance

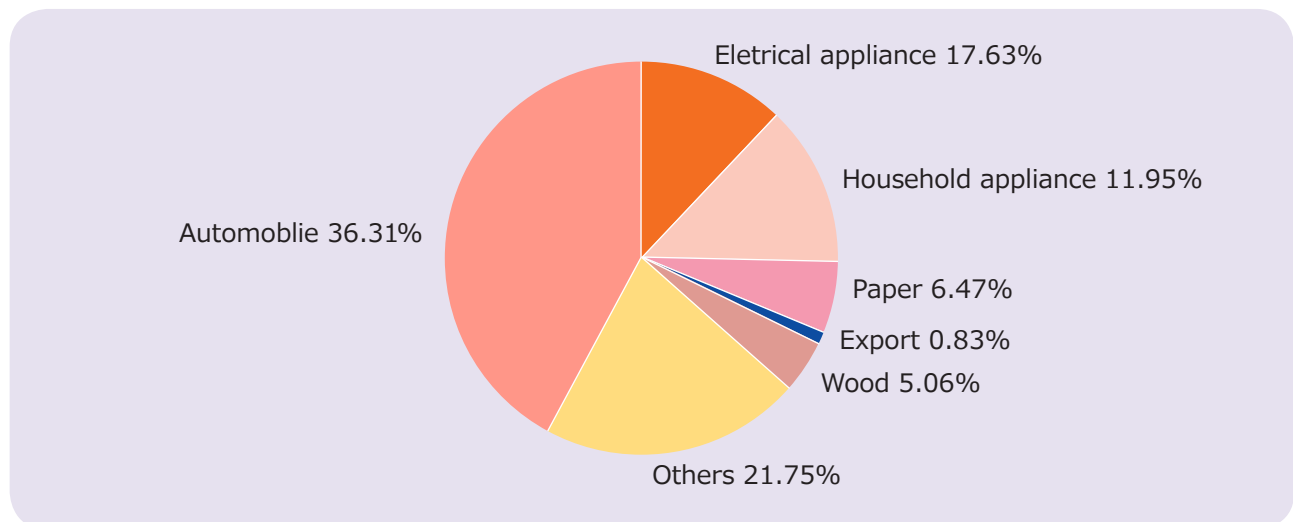
Overall performance of 2020, Total Revenue was Baht 1,690.05 million, Baht 354.41 million, decreased from the previous year's revenue of Baht 2,044.46 million or 17.34 percent due to Covid-19 related impacts. It has directly and indirectly affected overall sectors around the world, resulting in a wide range of industries performances sharply declined. Many small, medium, and large corporate clients have struggled to survive in the crisis by re-structuring their business, as reducing costs, reducing manpower and / or reducing their working hours so they can continue the business. It is one of the most severe economic downturns in the history of Thailand and overall global business operation.

Total Revenues

The revenues of 2020 are mainly as follows,

- Revenues from sales and services were Baht 1,670.70 million equal to 98.86 percent of total revenue.
- Commissions were Baht 8.97 million equal to 0.53 percent of total revenue.
- Dividend received was Baht 4.37 million equal to 0.26 percent of total revenue.
- Gain on Exchange rates was Baht 2.32 million equal to 0.14 percent of total revenue.
- Gain on disposal of assets and other income was Baht 3.69 million equal to 0.22 percent of total revenue.

The company major group of customers could be divided into the following sectors:



In 2020, the main sources of income still derived from Special Steel and Heat Treatment with total sales of Baht 1,008.21 million, equal to 59.66 percent of total revenue. Besides, the Machine tools and tooling's revenue was Baht 366.99 million, equal to 21.72 percent of total revenue.

Total Expenses

In 2020, Total Expense was Baht 1,514.57 million equal to 89.74 percent of Total Revenue, amount to Baht 302.80 million or 16.66 percent decreased from the previous year.

- Cost of sales and services were Baht 1,140.80 million with a decrease of Baht 252.32 million or 18.11 percent from the previous year.
- Selling expenses were Baht 212.19 million with a decrease of 30.28 million or 12.49 percent from the previous year.

MANAGEMENT'S CLARIFICATION AND ANALYSIS

- Administrative Expenses were Baht 118.79 million with a decrease of 22.37 million or 15.85 percent from the previous year.
- Management benefit expenses were Baht 38.53 million with a decreased of THB 2.09 million or 5.15 percent from the previous year.
- Unrealised loss from revaluation of fair value of financial assets were Baht 1.26 million.
- Financial costs were Baht 1.39 million with an increase of Baht 0.16 million or 13.01 percent from the previous year.

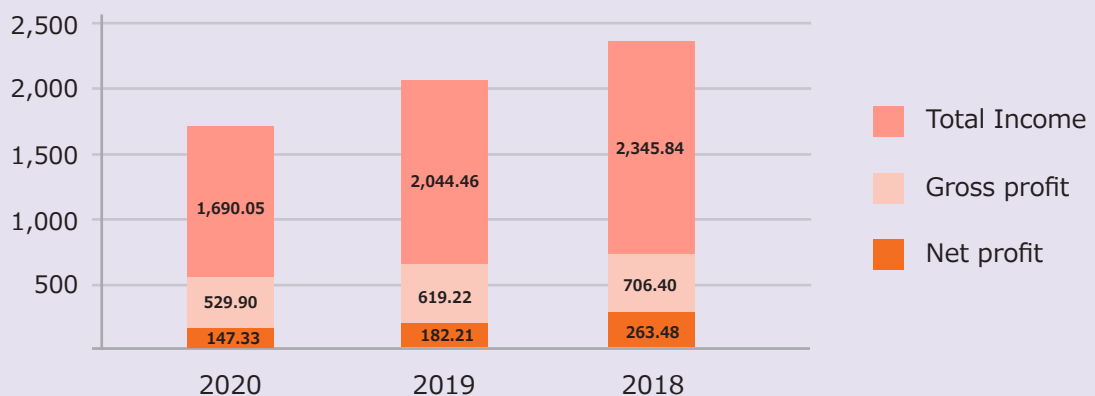
The cost of sales and services decreased related to the decreasing in sales and services. Moreover, the administrative expenses also decreased which resulted from some workforce structure and working schedule have been adjusted to suit the amount of work which declined and avoid unnecessary expenses, but we still retained all our employees together because we believe that our effective employees are one of the most key factors to supporting a sustainable growth of the company in the future.

Net Profit

Net profit for the year 2020 was 147.33 million baht or equivalent to the net profit margin of 8.72 percent, decreased from the previous year which had a net profit of 182.20 million baht, equivalent to a decrease of 34.87 million baht or 19.14 percent. An obvious reason for a decline in operating profit is a decline in sales because of Covid-19 related impacts, which made many organizations in the industrial and service sectors failed to meet their targets growth. Entrepreneurs and the public are more careful with their spending.

The drop in net profits came from lower sales resulting from the COVID-19 virus outbreak, which made the expansion of both the industrial and service sectors failing to meet the target. Entrepreneurs and the public are more careful with their spending.

However, considering the proportion of revenue and profitability, the company still has good gross profit. As shown in the graph below. This is because the company's products and services are unique, good quality, are in demand in the market. The company is able to meet the needs of customers and set the selling price according to the appropriate market price.



Financial status

As of December 31, 2020, SMIT had the Total Asset of Baht 2,589.64 million with a decrease of Baht 97.88 million or 3.93 percent from the previous year.

The Total Asset comprised of

1. Current Asset of Baht 1,663.20 million, an increase of Baht 57.20 million or 3.56 percent from the previous year.
2. Non-Current Asset of Baht 926.45 million, an increased of Baht 40.69 million or 4.59 percent from the previous year.

Other current financial assets as of December 31, 2020 was Baht 406.18 million. SMIT current investments were consisted of Investment in available for sale securities both unit trust open-end fired income fund and equity that gave better return than savings.

Accounts Receivable as of December 31, 2020 was Baht 367.25 million or 21.98 percent of total sales with an increased of Baht 2.02 million or 0.55 percent from the previous year. The less-than-3-month accounts receivable was Baht 358.65 million or accounted to 97.66 percent of total accounts receivable. Average collection period was 80 days, comparing to 73 days of the previous year.

However, the company had very tight and conservative policy to check customer's condition before giving out the credit. In 2020, the Company had the provision for the accounts receivable of Baht 14.80 million or 4.03 percent of the total Accounts Receivable.

Inventory as of December 31, 2020 was Baht 838.61 million which represented a decrease of 14.07 percent or Baht 137.29 million from 2019, which is a decline in almost all product groups in accordance with the inventory management plan to be suitable for the needs of the market.

The Company had invested for common stocks of K.S. Mould Parts Co., Ltd. amount of 127,300 shares at Baht 450 per share, hold 10.93 percent of the paid-up capital. Total investment was Baht 57.41 million. K.S. Mould Parts Co, Ltd. also provided a better performance which the company received the dividend in the amount of Baht 4.37 million in the year 2020.

Property, plant and equipment and other assets as of December 31, 2020 was Baht 866.32 million with an increase of Baht 40.77 million or 4.94 percent from the previous year.

Capital structure

The Company's capital structure in 2020, total liability was Baht 271.22 million with an increase of 16.32 percent or Baht 38.05 million. The current liability was Baht 172.03 million or 63.43 percent of total liability, mostly from trust receipts payable Baht 105.00 million, other-account payable Baht 36.13 million and advance payment from goods and services Baht 13.31 million, equal to 56.94 percent of total liability.

The total equity was Baht 2,318.42 million comprised of the paid – up capital of Baht 530 million, surplus capital of THB 262.26 million, premium on treasury shares of Baht 12.95 million, surplus on land revaluation of Baht 200.92 million with an increase of Baht 75.83 million or 60.62 percent from the previous year. The company has estimated a fair value of its land by an independent appraiser, necessary to revalue all items every five years. The retained earnings was Baht 1,257.29 million. The total equity was increased by 2.65 percent or Baht 59.83 million from the previous year due to the decreased of operating profit margin.

In 2020, the Company paid the dividend from the performance result for the last six month of 2018, totaling Baht 106.00 million combine with the interim dividend payment for the first six months of the the 2019 operating results, totaling Baht 53.00 million. The refore, the total amount of dividend proposed for full year 2020 was Baht 159.00 million.

The Debt-to-Equity ratio was calculated to be 0.12 times, in comparison with 0.10 times in 2019.

REPORT OF THE BOARD OF DIRECTOR'S RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Board of Directors is responsible for the company's financial statements and other information as shown in the annual report. Such financial statements are prepared in accordance with the generally accepted accounting principles and other reporting requirements, significant information to support the financial statements are also adequately provided.

In this matter, the board of directors has appointed an audit committee which consists of four independent directors who are responsible for the quality of the financial statements and the internal control system. The remarks of the audit committee are included in its report that already exists in the annual report of the company.

The board of directors opines that overall internal control system is satisfactory and can create the credulity towards the financial statements of the company as of December 31, 2020.

Mr. Chaisilp Tamesirichai
Chairman of the Board

To The Shareholders and Board of Directors of
 Sahamit Machinery Public Company Limited

Opinion

I have audited the financial statements of Sahamit Machinery Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2020, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Sahamit Machinery Public Company Limited as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Inventory and the allowance for diminution in value of inventory

The Company's inventories as at December 31, 2020 amounted to Baht 838.61 million or 32.38% of total assets which is a significant amount to the financial statements. The Company has disclosed the accounting policy for inventories and detailed inventories are disclosed in the notes to the financial statements in Notes 11. Inventories are stated at the lower of cost or net realizable value, whichever is lower. The management must exercise judgment in determining the amount of allowance for diminution in value of slow-moving or obsolete inventories in each product life group which the management has determined higher percentage in accordance with product life and provided an individual detailed analysis of obsolete stock. Therefore, the internal control on inventories, existence and measurement of inventories are significant risk that requires special attention in the audit.

Risk response by the auditor

With respect to my audit method on such matter, I regularly tested the internal control relating to the inventory cycle throughout the year, tested the method of inventory cost calculation, observed the inventory count, and assessed the effectiveness of the inventory count. Furthermore, I audited the inventory aging analysis report preparation, analyzing and comparing information of period held and movement of inventory to identify the product group with an indication of slower than usual turnover, inquired and considered the reasonableness of the method used by the management in determining the net realizable value by auditing

supporting evidence which represents the use of judgment and best estimate of the management, especially the percentage used in calculating the allowance for diminution in value of inventory in each product life group according to each product group. I tested the net realizable value from the latest selling products and after the financial statement date. I paid attention to the adequacy of information disclosure related to the accounting policy and the amount in respect of the recognition of the allowance for diminution in value of inventory.

Emphasis of matter

I draw attention to Note 4 to the financial statements. Due to the impact of COVID-19 pandemic, in preparing the financial statements for the year period ended December 31, 2020, the Company has adopted the Accounting Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation" announced by the Federation of Accounting Professions. My conclusion is not qualified in respect of this matter.

Other Information

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Ms.Thanyaphorn Tangthanopajai

(Ms.Thanyaphorn Tangthanopajai)
Certified Public Accountant
Registration No.9169

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 25, 2021

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

ASSETS

		Baht	
	Notes	2020	2019
CURRENT ASSETS			
Cash and cash equivalents	8	35,838,823.73	30,756,405.10
Current investments	5	-	222,359,302.94
Trade and other receivables	5, 6, 9	381,441,627.40	376,136,647.07
Other current financial assets	5, 10	406,175,646.67	-
Inventories	11	838,614,468.36	975,896,800.17
Other current assets		1,127,023.10	854,518.29
Total current assets		1,663,197,589.26	1,606,003,673.57
NON-CURRENT ASSETS			
Fixed deposit using for guarantee	15	650,787.75	645,034.23
General investments	5	-	57,407,130.63
Other non-current financial assets	5, 12	57,407,130.63	-
Property, plant and equipment	13.1, 13.2	866,327,837.62	825,551,351.89
Other non-current assets		2,061,318.96	2,156,400.04
Total non-current assets		926,447,074.96	885,759,916.79
TOTAL ASSETS		2,589,644,664.22	2,491,763,590.36

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

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht	
	Notes	2020	2019
CURRENT LIABILITIES			
Trade payables	6	105,003,580.71	102,596,594.83
Other payables		36,133,805.59	21,755,677.98
Cash received in advance from sales and services		13,307,279.20	12,321,638.73
Income tax payable		9,519,377.61	14,435,734.98
Other current liabilities		8,066,048.64	6,466,149.85
Total current liabilities		172,030,091.75	157,575,796.37
NON-CURRENT LIABILITIES			
Deferred tax liabilities	14	25,972,580.06	10,765,148.65
Employee benefit obligations	16	73,219,657.97	64,833,542.97
Total non-current liabilities		99,192,238.03	75,598,691.62
TOTAL LIABILITIES		271,222,329.78	233,174,487.99
SHAREHOLDERS' EQUITY			
Share capital			
Authorized share capital			
550,000,000 shares, Baht 1.00 par value each		550,000,000.00	550,000,000.00
Issued and fully paid-up			
530,000,000 shares, Baht 1.00 par value each		530,000,000.00	530,000,000.00
Surplus capital			
Premium on common stocks		262,262,300.00	262,262,300.00
Premium on treasury shares		12,951,122.72	12,951,122.72
Retained earnings			
Appropriated			
Legal reserves	17	55,000,000.00	55,000,000.00
Unappropriated	5	1,257,285,909.32	1,273,290,953.34
Other components of equity	5	200,923,002.40	125,084,726.31
Total shareholders' equity		2,318,422,334.44	2,258,589,102.37
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,589,644,664.22	2,491,763,590.36

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

		Baht	
	Notes	2020	2019
REVENUES			
Sales and services	6, 25	1,670,696,156.63	2,012,336,470.44
Other income			
Commissions		8,972,408.55	13,831,339.76
Dividend income		4,370,102.73	4,377,102.73
Gain on exchange rate	24.3	2,315,127.04	2,310,412.76
Gain on disposal of assets		1,060,633.00	5,739,132.97
Others		2,629,672.05	5,864,052.45
Total revenues		1,690,044,100.00	2,044,458,511.11
EXPENSES			
Cost of sales and services	6	1,140,803,011.05	1,393,115,551.93
Selling expenses		212,185,299.14	242,468,540.82
Administrative expenses		118,790,944.04	141,155,770.98
Management benefit expenses	6	38,530,789.00	40,617,178.00
Unrealised loss from revaluation of fair value of financial assets		4,255,811.70	-
Total expenses		1,514,565,854.93	1,817,357,041.73
Operating Income		175,478,245.07	227,101,469.38
Finance costs		1,394,811.42	1,226,590.44
Income before income tax expenses		174,083,433.65	225,874,878.94
Income tax expenses	18	26,763,885.39	43,667,025.30
Income for the year		147,319,548.26	182,207,853.64
Other comprehensive income :-			
Item that will not be reclassified to profit or loss in subsequent periods			
Gain on land revaluation - net of income tax		77,103,448.80	-
Actuarial loss from defined benefit plans- net of income tax		-	(5,649,990.38)
		77,103,448.80	(5,649,990.38)
Item that may be reclassified subsequently to profit or loss			
Unrealized gain (loss) on changes in the fair value of available-for-sale investments - net of income tax		-	351,121.32
		-	351,121.32
Other comprehensive income for the year		77,103,448.80	(5,298,869.06)
Total comprehensive income for the year		224,422,997.06	176,908,984.58
Basic earnings per share (Baht per share)			
	21	0.28	0.34

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

		Baht								
		Share capital issued and fully paid-up	Premium on common stocks	Premium on treasury shares	Retained earnings		Other components of equity			Total shareholders' equity
					Appropriated	Unappropriated	Surplus on land revaluation	Unrealized gain (loss) on changes in value of availablefor- sale investments	Total	
					- Legal reserves					
Notes										
Beginning balance as at										
January 1, 2019		530,000,000.00	262,262,300.00	12,951,122.72	55,000,000.00	1,276,933,090.08	123,819,553.60	914,051.39	124,733,604.99	2,261,880,117.79
Dividend payment	20	-	-	-	-	(180,200,000.00)	-	-	-	(180,200,000.00)
Total comprehensive										
income for the year		-	-	-	-	176,557,863.26	-	351,121.32	351,121.32	176,908,984.58
Ending balance as at										
December 31, 2019		530,000,000.00	262,262,300.00	12,951,122.72	55,000,000.00	1,273,290,953.34	123,819,553.60	1,265,172.71	125,084,726.31	2,258,589,102.37
Impact of first-time										
adoption of new										
accounting standards	5	-	-	-	-	(4,324,592.28)	-	(1,265,172.71)	(1,265,172.71)	(5,589,764.99)
Ending balance as at										
January 1, 2020 -										
restated		530,000,000.00	262,262,300.00	12,951,122.72	55,000,000.00	1,268,966,361.06	123,819,553.60	-	123,819,553.60	2,252,999,337.38
Dividend payment	20	-	-	-	-	(159,000,000.00)	-	-	-	(159,000,000.00)
Surplus on land revaluation	13	-	-	-	-	-	77,103,448.80	-	77,103,448.80	77,103,448.80
Total comprehensive										
income for the period		-	-	-	-	147,319,548.26	-	-	-	147,319,548.26
Ending balance as at										
December 31, 2020		530,000,000.00	262,262,300.00	12,951,122.72	55,000,000.00	1,257,285,909.32	200,923,002.40	-	200,923,002.40	2,318,422,334.44

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Baht	
	2020	2019
<u>Cash flows from operating activities :</u>		
Income for the yea	147,319,548.26	182,207,853.64
Adjustments to reconcile income for the year to net cash provided by (used in) operating activites :		
Depreciations	69,531,862.23	67,330,608.51
Allowance for doubtful accounts (reversal)	1,609,677.13	(1,373,999.77)
Bad debts	652,606.73	302,456.76
Gain on disposal of other current financial assets	(2,049,494.95)	(3,311,288.44)
Loss from other current financial assets measured at fair value	4,255,811.70	-
Gain on disposal of fixed assets	(1,092,180.41)	(5,739,132.97)
Unrealized (gain) loss on exchange rates	(489,713.93)	67,043.82
Employee benefit expenses	7,305,527.00	19,539,925.00
Loss on land revaluations	778,611.00	-
Dividend income	(4,370,102.73)	(4,377,102.73)
Interest income	(49,564.66)	(84,321.65)
Interest expenses	1,394,811.42	1,226,590.44
Income tax expenses	26,763,885.39	43,667,025.30
Income from operating before changes in operating assets and liabilities	251,561,284.18	299,455,657.91
(Increased) decreased in operating assets		
Trade and other receivables	(14,589,627.17)	90,053,484.63
Inventories	137,282,331.81	123,393,819.97
Other current assets	(272,504.81)	857,705.65
Other non-current assets	95,081.08	45,012.16
Increased (decreased) in operating liabilities		
Trade payables	2,931,856.55	(106,947,434.97)
Other payables	14,378,127.61	(9,014,326.47)
Cash received in advance	985,640.47	(16,191,038.75)
Other current liabilities	577,238.31	1,789,416.19
Cash generated from operations	392,949,428.03	383,442,296.32
Payment for employee benefit obligation	(313,600.00)	(470,667.00)
Payment for income tax	(34,351,232.30)	(52,897,181.23)
Net cash provided by operating activities	358,284,595.73	330,074,448.09

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

STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2020

	Baht	
	2020	2019
<u>Cash flows from investing activities :</u>		
Cash paid for other current financial assets	(580,228,933.00)	(314,994,910.59)
Cash received from sales other current financial assets	395,228,933.00	281,658,408.01
Increased in fixed deposit using for guarantee	(5,753.52)	(5,696.49)
Dividend income from investments	4,370,102.73	4,377,102.73
Cash paid for purchase of the fixed assets	(15,278,023.62)	(126,177,231.73)
Cash received from sales of the fixed assets	1,662,556.07	7,041,787.74
Cash received from interest income	49,564.66	84,321.65
Net cash used in investing activities	(194,201,553.68)	(148,016,218.68)
<u>Cash flows from financing activities :</u>		
Increased (decreased) in overdrafts from financial institutions	-	(2,557,037.27)
Proceed form short-term loans from financial institutions	163,840,928.52	318,922,982.92
Repayment of short-term loans from financial institutions	(163,840,928.52)	(318,922,982.92)
Cash paid for dividend	(159,000,000.00)	(180,200,000.00)
Cash paid for interest expenses	(623.42)	(3,598.44)
Net cash used in financing activities	(159,000,623.42)	(182,760,635.71)
Net increased (decreased) in cash and cash equivalents	5,082,418.63	(702,406.30)
Cash and cash equivalents at the beginning of year	30,756,405.10	31,458,811.40
Cash and cash equivalents at the end of year	35,838,823.73	30,756,405.10

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

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. GENERAL INFORMATION**(a) Address and legal status**

Sahamit Machinery Public Company Limited was registered under Thai law on June 7, 1973 and converted from the Company under the provision of the Civil and Commercial Code to be a Company in accordance with the Public Company ACT B.E.2535 on November 21, 1994. The office is located at 42, 48 Soi chokchaijongjumroen, Rama 3 Road, Bangpongpan, Yannawa, Bangkok, 10120.

(b) Nature of the Company's operations

The Company's main areas of business are an importer and distributor of product groups consisting of the distributor of special steel for the production of tools, spare parts and moulds, and provider of heat treatment service, distributor of machines for the production of moulds and other machines for steel products, the distributor of paper products, pulp, chemical and machines for the paper industry, the distributor of machineries and equipments for wood and furniture industry, industrial knife production and electrical engineering products.

2. CORONAVIRUS DISEASE 2019 PANDEMIC

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries as a whole. The situation affects the results of operations of the Company recognition and measurement of assets and liabilities in the financial statements. Nevertheless, the management will continue to monitor the ongoing development and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgment respect of various issues as the situation has evolved.

3. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES**3.1 Basis for preparation of the financial statements**

The financial statements have been prepared in accordance with the financial reporting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from such financial statements in Thai language.

3.2 Revenues and expenses recognition

The Company recognized revenue from sale of goods at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

The Company has recognized other service income that is related to the sale of products when the work is finished and issued the invoice.

The revenue from providing equipment maintenance service is recognized by the period of service in the service agreement on an accrual basis.

The Company recognized service revenue over time when services have been rendered considering the stage of completion. The stage of completion is assessed by reference to surveys of work performed.

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

When the outcome of a service rendering contract cannot be estimated reliably, service revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

The Company recognizes other income and expenses on an accrual basis.

3.3 Cash and cash equivalents

Cash and cash equivalents consist of cash and deposits at financial institutions with an original maturity of 3 months or less and excluded cash at banks which are used for guarantee.

3.4 Trade receivables and allowance for doubtful account

Accounting policies adopted January 1, 2020

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at its present value.

Trade and other receivables are stated at the amount expected to be collectible, The Company apply the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company have identified the GDP, the unemployment rate and the consumer price index of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The impairment losses are recognised in profit or loss within administrative expenses.

For the year period ended December 31, 2020, the Company does not consider the forward-looking results regarding macroeconomic factors to calculate credit losses.

Accounting policies adopted before January 1, 2020

The Company provides allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of all receivable. The estimated losses are based on historical collection experience and a review of the current status of the existing receivables.

3.5 Financial assets and financial liabilities

Accounting policies adopted January 1, 2020

Classification and measurement of financial assets

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company classify its debt instruments in the following categories:

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

The Company reclassify debt instruments when and only when its business model for managing those assets changes.

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

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

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

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

- Amortized cost: A financial assets will be measured at amortized cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.
- FVOCI: A financial assets will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognized on other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Dividends from such investments continue to be recognized in profit or loss when The Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Classification and measurement of financial liabilities and equity

Financial instruments issued by The Company must be classified as financial liabilities or equity securities by considering contractual obligations.

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

At initial recognition, The Company measure financial liabilities at fair value. The Company reclassify all financial liabilities as subsequently measured at amortised cost, except for derivatives.

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Recognition and derecognition

The Company shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, The Company become party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which The Company commit to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and The Company have transferred substantially all the risks and rewards of ownership of the financial assets.

Impairment

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not measured at fair value through profit or loss (FVPL). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted by the approximate effective interest rate of the financial assets as at the acquisition date. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Accounting policies adopted before January 1, 2020

Current investments as the investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded as a separate item in shareholder's equity.

The fair value of marketable securities is based on the latest bid price of the last working day of the period. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

Investments in non-marketable equity securities are general investments, which are stated at cost net from allowance on impairment (if any).

On disposal of an investment, the difference between the net proceeds and the book value of the investment is recognized as income or expense in the statement of comprehensive income. The Company used for computation the cost of investments by the weighted average method.

3.6 Inventories

Inventories are stated at the lower of cost or net realizable value. Costs is calculated as follows :-

Finished goods - weighted average method

Work in process - weighted average method

Raw materials and supplies - weighted average method

The cost of inventories comprises all costs of purchase and costs of conversion include an appropriate share of production overheads based on normal production capacity.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

The Company has provided allowance for value decrease from inventory are slow moving at the end of the period.

3.7 Property, plant and equipment and depreciation

Land is stated at fair value, based on valuations by external independent appraiser, the Company has a policy to review the appraised value of assets every 5 years.

Buildings and equipment are stated at cost net of accumulated depreciation and allowance for impairment (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company (if any).

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Depreciation is calculated by cost less residual value on the straight-line method over the estimated useful lives of the assets as follows :-

	Years
Buildings	20
Improvements	10
Machinery and equipment	5-15
Furniture, fixtures and office equipment	3-5
Vehicles	5

The depreciation charge has to be determined separately for each significant part of an asset. Depreciation is included in determining income.

The Company reviews the residual value and useful life of an asset at least at each financial year-end.

Borrowing costs directly attribute to the acquisition or construction of an asset that necessarily takes long time to put in ready to use or available for sale state are capitalized as part of the cost of the respective asset until that asset condition is ready for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs arising from such borrowing.

3.8 Rubber trees plantation costs

Cost of rubber trees plantation is stated at cost less accumulated amortization. The amortization of rubber trees plantation cost is calculated by the straight-line method over the estimated useful life of 15 years.

Expenses related to rubber trees plantation, fixing and infilling mature harvesting are recorded as expenses in the statements of comprehensive income in full amount.

No amortization is provided on rubber trees plantation costs that are not ready to harvest.

3.9 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3.10 Impairment of assets non financial asset

Property, plant and equipment and other assets are reviewed for impairment whenever events or changes in circumstances indicated that the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the statements of comprehensive income. Impairment loss is reversed to other income wherever there is any indication that the impairment loss recognized may no longer exists or may have decreased.

3.11 Foreign currency transactions

Transactions in foreign currencies are converted into Thai Baht at the exchange rates ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currencies at reporting date are converted into Thai Baht at the exchange rates ruling at that dates unless hedged by forward

foreign exchange contracts, in which case, the rates specified in such forward contracts are used. Gains and losses on exchange are recognized in current operations.

3.12 Derivatives and hedging activities

Accounting policies adopted January 1, 2020

Derivatives are initially recognized at fair value as at the date a derivative contract is entered into and are subsequently remeasured at fair value. The profit or loss from revaluation is considered as fair value through profit or loss. However, if the derivative meets the conditions to hold as a hedge, the recording of the revaluation profit or loss depends on the type of hedging item.

3.13 Provisions

A provision is recognized in the financial statements when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3.14 Treasury shares

Treasury shares are stated at cost and presented as a deduction from shareholders' equity. Gains on disposal of treasury shares are determined by reference to the carrying amount and are presented as premium on treasury shares. Losses on disposal of treasury shares are determined by reference to the carrying amount and are presented in premium on treasury share and retained earnings, consecutively.

3.15 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

The Company records income tax expense based on the amount currently payable under the Revenue Code at the income tax rates 20% of profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax. The tax privileges include exemption from income tax on profits from the promoted activities.

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Company expects to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled,

based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

3.16 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses, commission, welfare, contributions to the social security fund and provident fund are recognized as expenses when incurred.

Post-employment benefit (Defined contribution plans)

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognized as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments to employees upon retirement under the Company's article and labor law. The Company treated these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, using the projected unit credit method. Such determination is made based on assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates.

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in other comprehensive income statements.

3.17 Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect amounts reported in the financial statements and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for doubtful accounts

In estimating the allowance for doubtful debts of accounts receivables, it requires using judgment in measuring expected credit losses taking into account of the payment history and past credit losses to reflect present information and prediction on the macroeconomic factor.

Allowance for declining in value of inventory

The determination of allowance for declining in the value of inventory, requires management to make judgements and estimates of the loss expected to occur. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense. The provision for obsolete slow-moving and deteriorated inventory, is estimated based on the approximate useful life of each type of inventory. The allowance for diminution in value of inventory

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as determined is compared with the original balance in the books of account and the increase or decrease in the allowance for diminution in value of inventory will be recognized as cost of sales and service in profit or loss.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review the estimated useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record the impairment loss when it is determined that the recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Fair valuation of financial assets and derivatives

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company use judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 24.5

4. FINANCIAL REPORTING STANDARDS THAT BECAME EFFECTIVE IN THE CURRENT PERIOD

During the period, the Company has adopted the revised and new financial reporting standards, interpretations and the accounting guidance, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

Financial reporting standards related to financial instruments:

A set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TAS 32	Financial Instruments: Presentation
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

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These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective is cancelled.

TFRS 16 Leases

TFRS 16 Leases supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

This TFRS does not have any impact on the financial statements of the Company.

The Company has adopted TFRSs related to financial instruments and TFRS 16 the first-time in its financial statements by applying modified retrospective approach of adoption of which the cumulative effect as an adjustment to the retained earnings as at January 1, 2020 and the comparative information was not restated. The cumulative effect of the change is described in Note 5 to the financial statements.

Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation"

The Federation of Accounting Professions announced Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation". Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Company has selected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where use a simplified approach to determine expected credit losses.
- To measure the fair value of investments in unquoted equity instruments using the fair value as at January 1, 2020.

5. CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

As described in Note 4 to the financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting

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policies due to the adoption of these standards are presented as follows:

	Baht		
	As at December 31, 2019	TFRS 9	As at January 1, 2020
Statement of financial position			
Assets			
Current investments	222,359,302.94	(222,359,302.94)	-
Trade and other receivables	376,136,647.07	(6,987,206.24)	369,149,440.83
Other current financial assets	-	222,359,302.94	222,359,302.94
General investments	57,407,130.63	(57,407,130.63)	-
Other non-current financial assets	-	57,407,130.63	57,407,130.63
Liabilities and Shareholders' equity			
Liabilities			
Deferred tax liabilities	10,765,148.65	(1,397,441.25)	9,367,707.40
Shareholders' equity			
Unappropriated	1,273,290,953.34	(4,324,592.28)	1,268,966,361.06
Other components of equity	125,084,726.31	(1,265,172.71)	123,819,553.60

5.1 Financial instruments

The total impact on the retained earnings as at January 1, 2020 is as follows:

	Baht
Unappropriated retained earnings as at December 31, 2019	1,273,290,953.34
- Increase in loss allowance for trade and other receivables	(5,589,764.99)
- Fair value measurement of investment in unit trusts	1,265,172.71
	(4,324,592.28)
Unappropriated retained earnings as at January 1, 2020 - TFRS 9	1,268,966,361.06

Adjustment to unappropriated retained earnings from adoption of TFRS 9 on January 1, 2020 - net of income tax

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Classification and measurement

On January 1, 2020 (the date of initial application), the Company's management has assessed which business models applied to the financial assets and liabilities held by the Company and has classified the financial assets and liabilities as below.

	Baht				
	FVPL	Fair value - Derivatives	FVOCI	Amortized cost	Total
Financial assets as at January 1, 2020					
Cash and cash equivalents	-	-	-	30,756,405.10	30,756,405.10
Trade and other receivables	-	-	-	358,243,382.46	358,243,382.46
Other current financial assets	222,359,302.94	-	-	-	222,359,302.94
Fixed deposit using for guarantee	-	-	-	645,034.23	645,034.23
Other non - current financial assets	-	-	57,407,130.63	-	57,407,130.63
Other non - current assets	-	-	-	143,013.74	143,013.74
	222,359,302.94	-	57,407,130.63	389,787,835.53	669,554,269.10
Financial liabilities as at January 1, 2020					
Trade payables	-	-	-	102,596,594.83	102,596,594.83
Other payables	-	-	-	21,755,677.98	21,755,677.98
Other current liabilities	-	-	-	6,466,149.85	6,466,149.85
	-	-	-	130,818,422.66	130,818,422.66

Other current financial assets were the investment in debt instruments amounted Baht 222.36 million that previously classified as available-for-sale investments measured at fair value through other comprehensive income.

As at January 1, 2020, the Company had opted to assign such investments as investments measured at fair value through comprehensive income.

Impairment of financial assetsTrade receivables

The Company applies the simplified approach to measuring expected credit losses, which use a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles, the corresponding historical credit losses experienced and the impact of potential factor to the expected loss rates.

On that basis, the loss allowance for trade receivables was as follows:

	Baht					
	Not yet due	Up to 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total
As at January 1, 2020						
Gross carrying amount	210,273,105.74	134,980,514.84	8,944,165.98	5,732,900.66	8,221,054.65	368,151,741.87
Loss allowance	(326,957.89)	(1,008,024.89)	(945,937.58)	(3,336,463.78)	(8,221,054.65)	(13,838,438.79)
	209,946,147.85	133,972,489.95	7,998,228.40	2,396,436.88	-	354,313,303.08

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The loss allowance for trade receivables as at December 31, 2019 is reconciled to the opening loss allowance for trade receivables as at January 1, 2020 as follows:

	Baht
<u>Loss allowance for trade receivables</u>	
As at December 31, 2019	6,851,232.55
Amounts restated through opening unappropriated retained earnings	6,987,206.24
Opening loss allowance as at January 1, 2020	<u>13,838,438.79</u>

6. RELATED PARTIES TRANSACTIONS

The Company has certain transactions with related parties. These related parties are related through common shareholdings and/or directorships. The effects of these transactions are reflected in the accompanying financial statements on the basis determined by the Company and the parties concerned.

For the years ended December 31, 2020 and 2019, the significant transactions with related parties can be summarized as follows :-

<u>Related companies</u>	<u>Pricing policy</u>	Baht	
		2020	2019
<u>Sales</u>			
K.S Mould Parts Co., Ltd. (Common directorships)	Market Price	57,796,850.18	33,174,129.94
Reanthong Wittaya Co., Ltd. (Common directorships)	Market Price	193,654.00	287,756.00
Khon Kaen Sugar Industry Pcl. (Common directorships)	Market Price	1,138,899.75	4,536,002.28
Hua Ki Paper Co., Ltd. (Common directorships)	Market Price	603,700.00	634,455.00
P.M.T. Commercial Co., Ltd. (Common directorships)	Market Price	791,192.00	1,760,720.00
<u>Purchases</u>			
K.S Mould Parts Co., Ltd. (Common directorships)	Market Price	60,673,723.70	82,517,746.85
Bangkok Industrial Gas Co., Ltd. (Common directorships)	Market Price	2,570,291.04	3,002,384.33

The outstanding balances as at December 31, 2020 and 2019, are as follows :-

	Baht	
	2020	2019
<u>Trade receivables - Related companies</u>		
K.S Mould Parts Co., Ltd.	1,767,604.75	6,004,046.01
Reanthong Wittaya Co., Ltd.	-	36,398.19
Khon Kaen Sugar Industry Pcl.	257,843.00	2,440,550.16
Hua Ki Paper Co., Ltd.	37,236.00	37,236.00
<u>Trade payables - Related companies</u>		
K.S Mould Parts Co., Ltd.	9,606,666.89	10,539,153.07
Bangkok Industrial Gas Co., Ltd.	440,489.57	416,435.97

Management benefit expenses

Management benefit expenses represents the benefits paid to the Company's management such as salaries and related benefit including the benefit paid by other means. The Company's management is the persons who are defined under the Securities and Exchange Act.

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For the years ended December 31, 2020 and 2019, management benefit expenses as follow :-

	Baht	
	2020	2019
Management benefit expenses		
Short-term employee benefits	37,661,680.00	37,406,380.00
Post-employment benefits - Past	-	2,420,237.00
Post-employment benefits - current	869,109.00	790,561.00
	<u>38,530,789.00</u>	<u>40,617,178.00</u>

7. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

On January 1, 2020 (the date of initial application of new financial reporting standards), the Company's management have assessed which business models applied to the financial assets and liabilities and have classified the financial assets and liabilities as below. The disclosure for balances as at January 1, 2020 has been disclosed in Note 5 and have classified the financial assets and liabilities as at December 31, 2020 below :-

	Baht				
	FVPL	Fair value - Derivatives	FVOCI	Amortized cost	Total
Financial assets as at December 31, 2020					
Cash and cash equivalents	-	-	-	35,838,823.73	35,838,823.73
Trade and other receivables	-	-	-	367,253,669.31	367,253,669.31
Other current financial assets	406,175,646.67	-	-	-	406,175,646.67
Other current asset	-	-	-	650,787.75	650,787.75
Fixed deposit using for guarantee	-	-	57,407,130.63	-	57,407,130.63
Other non - current financial assets	-	-	-	143,013.74	143,013.74
	<u>406,175,646.67</u>	<u>-</u>	<u>57,407,130.63</u>	<u>403,886,294.53</u>	<u>867,469,071.83</u>
Financial liabilities as at December 31, 2020					
Trade payables	-	-	-	105,003,580.71	105,003,580.71
Other payables	-	-	-	36,133,805.59	36,133,805.59
Other current liabilities	1,022,660.48	-	-	7,043,388.16	8,066,048.64
	<u>1,022,660.48</u>	<u>-</u>	<u>-</u>	<u>148,180,774.46</u>	<u>149,203,434.94</u>

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of :-

	Baht	
	2020	2019
Cash in hand	380,068.35	363,321.36
Cash at bank - current accounts	24,928,017.73	19,778,572.47
Cash at bank - saving accounts	10,530,737.65	10,614,511.27
Total	<u>35,838,823.73</u>	<u>30,756,405.10</u>

Saving accounts are carrying interest at the floating rates which are set by the banks.

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9. TRADE AND OTHER RECEIVABLES

Trade and other receivables consisted of :-

	Baht	
	2020	2019
<u>Trade receivables</u> , classified by age analysis :-		
- <u>Domestic</u>		
Not yet due	214,748,795.53	210,273,105.74
Overdue :		
Not over 3 months	138,657,284.25	134,980,514.84
Over 3 - 6 months	9,073,875.51	8,944,165.98
Over 6 - 12 months	5,543,274.67	5,732,900.66
Over 12 months	8,781,889.44	8,221,054.65
Total	376,805,119.40	368,151,741.87
- <u>Foreign</u>		
Not yet due	5,244,059.10	3,134,561.31
Overdue :		
Not over 3 months	-	795,518.07
Total	5,244,059.10	3,930,079.38
Total trade receivables	382,049,178.50	372,081,821.25
<u>Less</u> Allowance for doubtful accounts	(14,795,509.19)	(6,851,232.55)
Total trade receivables - net	367,253,669.31	365,230,588.70
<u>Other receivables</u>		
- Advance payable	216,045.11	1,421,556.15
- Prepaid expenses	2,019,844.99	1,873,287.71
- Cash deposit for goods	11,952,067.99	7,611,214.51
Total	14,187,958.09	10,906,058.37
Total trade and other receivables - net	381,441,627.40	376,136,647.07

As at December 31, 2020 and 2019, the movements of allowance expected credit losses are as follows :-

	Baht	
	2020	2019
Beginning balance	6,851,232.55	8,527,689.08
Impact of first-time adoption of new accounting standards (Note 5)	6,987,206.24	-
Increase (decrease) during the period	1,609,677.13	(1,373,999.77)
Bad debts written off during the period	(652,606.73)	(302,456.76)
Ending balance	14,795,509.19	6,851,232.55

As at December 31, 2020 and 2019, the Company had installment receivable less than 12 months in the amount of Baht 10.87 million and Baht 4.56 million, respectively. That installment receivable was classified by age in trade receivables-domestic not yet due.

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10. OTHER CURRENT FINANCIAL ASSETS

As at December 31, 2020 and 2019 , details of other current financial assets are as below:-

	Baht	
	2020	2019
Investment in available-for-sale securities		
Unit trusts - open-end fixed income fund	332,832,421.41	145,782,926.46
Unit trusts - open-end equity fund	24,998,777.18	24,998,777.18
Equity	49,996,133.41	49,996,133.41
Total	407,827,332.00	220,777,837.05
Add Unrealized gain (loss) on changes in the fair value of financial assets	(1,651,685.33)	1,581,465.89
Investment in available-for-sale securities - at fair value	406,175,646.67	222,359,302.94
Total other current financial assets	406,175,646.67	222,359,302.94

During the current period, the Company had disposed of investment units, which had fair value totaling Baht 395.23 million, and had a profit from the disposal of such investment amounting to Baht 2.05 million. The Company had stated in the statement of comprehensive income.

11. INVENTORIES

Inventories consisted of :-

	Baht	
	2020	2019
Inventories	767,206,186.32	927,520,436.33
Work in process	6,740,785.26	4,008,927.28
Raw materials and supplies	30,631,223.41	21,056,756.02
Goods in transit	41,336,273.37	30,610,680.54
Total	845,914,468.36	983,196,800.17
Less Provision for the decline in value of inventory	(7,300,000.00)	(7,300,000.00)
Inventories - net	838,614,468.36	975,896,800.17

12. OTHER NON - CURRENT FINANCIAL ASSETS

As at December 31, 2020 and 2019, details of other non - current financial assets are as below:-

Company's name	business	Relation	Paid up	Shareholding	Fair	Dividend received	
			share capital	percentage		value	during the year
					Cost value		
			(Thousand Baht)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
K.S Mould Parts Co., Ltd..	Sale / produce of mould parts, ejector pins and rednering Ion-Nitriding service	Direct holding	116,519	10.93	57,407	57,407	4,370
							2020
							2019

NOTES TO INTERIM THE FINANCIAL STATEMENTS

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13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of :-

13.1 Property, plant and equipment for operations consisted

	Baht			
	Balance per book as at December 31, 2019	Additions	Deductions	Transferred in (Transferred out) Balance per book as at December 31, 2020
<u>At appraised</u>				
Land and improvements				
- Cost	287,274,811.96	-	-	287,274,811.96
- Surplus on land revaluation	154,774,442.00	89,426,675.00	-	244,201,117.00
- Loss on land revaluation	(20,063,224.68)	(15,110,000.00)	10,849,225.00	(24,323,999.68)
Total land and improvements - at appraised value	421,986,029.28	74,316,675.00	10,849,225.00	507,151,929.28
<u>At cost</u>				
Buildings and improvements	319,126,964.43	69,000.00	-	319,195,964.43
Machinery and equipment	755,095,165.60	8,226,395.81	(732,642.65)	763,295,310.72
Furniture, fixtures and office equipment	47,942,067.67	388,945.14	(5,376,997.11)	42,954,015.70
Vehicles	122,635,169.97	3,293,850.46	(6,604,990.67)	119,324,029.76
Assets in progress	1,029,405.30	3,299,832.21	-	3,622,845.55
Total buildings and equipment - at cost	1,245,828,772.97	15,278,023.62	(12,714,630.43)	1,248,392,166.16
Total	1,667,814,802.25			1,755,544,095.44
<u>Less Accumulated depreciation</u>				
Buildings and improvements	239,356,034.90	10,638,418.16	-	249,994,453.06
Machinery and equipment	488,557,759.51	48,777,876.36	(463,041.06)	536,872,594.81
Furniture, fixtures and office equipment	42,634,472.54	2,511,229.54	(5,353,433.76)	39,792,268.32
Vehicles	103,015,183.41	7,604,338.17	(6,327,779.95)	104,291,741.63
Total	873,563,450.36	69,531,862.23	(12,144,254.77)	930,951,057.82
Property, plant and equipment - net	794,251,351.89			824,593,037.62

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	Baht			
	Balance per book as at December 31, 2018	Additions	Deductions	Transferred in (Transferred out) Balance per book as at December 31, 2019
<u>At appraised</u>				
Land and improvements				
- Cost	236,495,172.79	38,000,000.00	-	- 274,495,172.79
- Surplus on land revaluation	154,774,442.00	-	-	- 154,774,442.00
- Loss on land revaluation	(20,063,224.68)	-	-	- (20,063,224.68)
Total land and improvements - at appraised value	371,206,390.11	38,000,000.00	-	- 409,206,390.11
<u>At cost</u>				
Land improvement	12,625,000.00	154,639.17	-	- 12,779,639.17
Buildings and improvements	311,424,217.29	1,652,816.95	-	- 6,049,930.19 319,126,964.43
Machinery and equipment	708,893,940.89	2,462,932.06	(24,164,020.86)	- 67,902,313.51 755,095,165.60
Furniture, fixtures and office equipment	48,388,576.24	1,947,814.98	(2,569,924.23)	- 175,600.68 47,942,067.67
Vehicles	118,384,451.82	9,317,278.89	(5,066,560.74)	- 122,635,169.97
Assets in progress	2,515,500.00	72,641,749.68	-	- (74,127,844.38) 1,029,405.30
Total buildings and equipment - at cost	1,202,231,686.24	88,177,231.73	(31,800,505.83)	- 1,258,608,412.14
Total	1,573,438,076.35			- 1,667,814,802.25
<u>Less Accumulated depreciation</u>				
Buildings and improvements	228,865,097.98	10,490,936.92	-	- 239,356,034.90
Machinery and equipment	465,417,880.36	46,015,009.19	(22,875,130.04)	- 488,557,759.51
Furniture, fixtures and office equipment	42,034,920.26	3,155,724.56	(2,556,172.28)	- 42,634,472.54
Vehicles	100,412,794.31	7,668,937.84	(5,066,548.74)	- 103,015,183.41
Total	836,730,692.91	67,330,608.51	(30,497,851.06)	- 873,563,450.36
Property, plant and equipment - net	736,707,383.44			- 794,251,351.89

In December 2020, the Company's land was revalued by an independent appraiser. The Company adjusted the results on the appraisal in the financial statements for the year ended December 31, 2020, This resulted in an additional surplus on land revaluation of Baht 89.43 million (Baht 71.54 million, net from income tax) and was credited to "Surplus on land revaluation" as shown under the "Shareholders' Equity" in the statement of financial position. And it had resulted in additional loss on land revaluation (net from reversal of loss on land revaluation) of Baht 4.26 million and was debited to "Loss on land revaluation" in the statement of comprehensive income.

The "Surplus on land revaluation" is not available for dividend distribution.

The fair value of land was revalued by an independent appraiser using the market comparable approach that reflects recent transaction prices for similar properties with fair value hierarchy in level 2 as described in note 24.5.

As at December 31, 2020 and 2019, the Company had the fixed assets have been fully depreciated which are still in use as follows :-

NOTES TO INTERIM THE FINANCIAL STATEMENTS

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	Baht	
	2020	2019
<u>At cost</u>		
Buildings and improvements	144,965,641.25	136,671,711.28
Machinery and equipment	210,279,015.11	188,629,269.83
Furniture, fixtures and office equipment	34,062,979.69	36,175,183.82
Vehicles	81,308,552.10	81,501,291.19
Total	470,616,188.15	442,977,456.12

13.2 Land for rubber trees plantation consisted of :-

	Baht	
	2020	2019
Land for rubber trees plantation - at cost	34,782,164.47	34,782,164.47
<u>Less</u> Loss on land revaluation	6,952,635.53	(3,482,164.47)
Land for rubber trees plantation - at appraised value	41,734,800.00	31,300,000.00
Rubber trees plantation costs	1,918,305.22	2,013,386.30

The Company had utilized such land for rubber trees plantation. In December 2020, the Company had revalued its land as stated in Note 13.1. As a result, there was a capital surplus from land revaluation in the total amount of Baht 10.43 million. The Company was reversal of loss on land revaluation amounted Baht 3.48 million, the balance as capital surplus from land revaluation amounted Baht 6.95 million (net from income tax: Baht 5.56 million) that was credited to "capital surplus from land revaluation" as shown under the "shareholders' equity".

Rubber trees plantation costs consist of the cost of rubber trees and the expenses related to the rubber trees plantation, which were incurred before the trees are extracted as shown under the accounts "other non-current assets" in the statement of financial position.

14. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Changes in deferred tax assets and deferred tax liabilities for the years ended December 31, 2020 and 2019 are summarized as follows :-

	Baht				
	Balance per book as at December 31, 2019	Adjustment from adoption of new TFRS on January 1, 2019 (Note 5)	as at January 1, 2020	Revenue (expenses) during the period	as at December 31, 2020
				In profit or loss	In other comprehensive income
Deferred tax assets :					
Trade receivables	1,370,246.51	1,397,441.25	2,767,687.76	191,414.08	-
Inventories	1,460,000.00	-	1,460,000.00	-	-
Unrealized loss on land revaluation	4,709,077.83	-	4,709,077.83	155,722.20	-
Employee benefit obligations	12,966,708.59	-	12,966,708.59	1,677,223.01	-
Gain (loss) from financial assets measured at fair value	-	-	-	330,337.07	-
Total	20,438,471.23	1,397,441.25	21,903,474.18	2,354,696.36	-
Deferred tax liabilities :					
Gain (loss) from financial assets measured at fair value	316,293.18	(316,293.18)	-	-	-
Investments in available-for- sale securities	30,954,888.40	-	30,954,888.40	-	19,275,862.20
Total	31,183,401.25	(316,293.18)	30,954,888.40	-	19,275,862.20
Net	(10,765,148.65)		(9,051,414.22)		(25,972,580.06)

NOTES TO INTERIM THE FINANCIAL STATEMENTS

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	Baht			
	Balance per book as at December 31, 2018	Revenue (expenses) during the period		Balance per book as at December 31, 2019
		In profit or loss	In other comprehensive income	
Deferred tax assets :				
Trade receivables	1,705,537.82	(335,291.31)	-	1,370,246.51
Inventories	1,460,000.00	-	-	1,460,000.00
Depreciations of fixed assets	5,068,094.58	(5,068,094.58)	-	-
Unrealized loss on land revaluation	4,709,077.83	-	-	4,709,077.83
Employee benefit obligations	7,495,761.00	4,058,450.00	1,412,497.59	12,966,708.59
Total	20,438,471.23	(1,344,935.89)	1,412,497.59	20,506,032.93
Deferred tax liabilities :				
Investments in available-for-sale securities	228,512.85	-	87,780.33	316,293.18
Unrealized gain on land revaluation	30,954,888.40	-	-	30,954,888.40
Total	31,183,401.25	-	87,780.33	31,271,181.58
Net	(10,744,930.02)			(10,765,148.65)

15. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

For the years ended December 31, 2020 and 2019, promissory notes and trust receipts as stated above have interest rates 2.63638 - 4.15275% per annum and 4.9820 - 4.98925% per annum, respectively.

As at December 31, 2020 and 2019, the Company has overdrafts and other credit lines from local financial institutions totaling Baht 1,350.00 million and USD 21.00 million which the overdrafts from a local financial institution guaranteed by fixed deposits in amount of Baht 0.50 million and other credit lines without any collateral.

16. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefits obligations, as follow :-

The statements of financial position

For the years ended December 31, 2020 and 2019

	Baht	
	2020	2019
Defined benefit obligations at January 1,	64,833,542.97	37,478,805.00
Past service costs	-	12,945,549.00
Employee benefit paid by project	(313,600.00)	(470,667.00)
Current service costs and interest	8,699,715.00	7,817,368.00
Actuarial loss from defined benefit plans	-	7,062,487.97
Defined benefit obligations at December 31,	73,219,657.97	64,833,542.97

NOTES TO INTERIM THE FINANCIAL STATEMENTS

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Expense recognized in the statements of comprehensive income

For the years ended December 31, 2020 and 2019

	Baht	
	2020	2019
Past service costs		
Administrative expenses	-	10,525,312.00
Management benefit expenses	-	2,420,237.00
	-	12,945,549.00
Current service costs		
Administrative expenses	6,436,418.00	5,803,815.00
Management benefit expenses	869,109.00	790,561.00
	7,305,527.00	6,594,376.00
Interest on obligation	1,394,188.00	1,222,992.00
Total	8,699,715.00	20,762,917.00

Principal actuarial assumptions at the reporting date

	Percentage	
	For the years ended December 31,	
	2020	2019
Discount rate	2.33	2.33
Salary increase rate	5.00	5.00
Employee turnover rate	0.00 - 24.00	0.00 - 24.00
	(classification of age)	(classification of age)
Mortality rate	100 of Thai mortality table 2017	100 of Thai mortality table 2017

Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2020 are summarized below:

	Baht	
	Employee benefits obligations increase (decrease)	
	1% increase	1% decrease
Discount rate	(7,307,949.00)	8,597,202.00
Salary increase rate	9,003,684.00	(7,780,746.00)
Employee turnover rate	(7,827,728.00)	6,016,960.00
Mortality rate	446,502.00	(442,966.00)

The Labor Protection Act was enacted in the Government Gazette on April 5, 2019, with additional compensation rates for employers terminating employment. For employees who have worked consecutively for 20 years or more, they are entitled to compensation not less than the final rate of 400 days. The Group therefore revised in the project for post-employment benefits plan in 2019 to comply with the revised Labor Protection Act. From the revised of such project, the Group has recognized the increase of the provisions for retirement benefits and past service costs.

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17. LEGAL RESERVE

In compliance with the Public Company Act, B.E.2535 (1992), the Company sets aside a legal reserve for at least 5% of its net profits until the reserve equaled 10% of the authorized share capital. This reserve is not available for dividend distribution.

18. INCOME TAX EXPENSES**18.1 Major components of income tax expenses**

For the years ended December 31, 2020 and 2019 consisted of :-

	Baht	
	2020	2019
Income tax expense shown in profit or loss :		
Current tax expense :		
Income tax expense for the year	29,118,581.75	42,322,089.41
Deferred tax expense :		
Changes in temporary differences relating to the original recognition and reversal	(2,354,696.36)	1,344,935.89
Total	26,763,885.39	43,667,025.30
Income tax expense relation to components of other		
Comprehensive income :		
Deferred tax expense :		
Gain on land revaluation	19,275,862.20	-
Actuarial loss from defined benefit plans	-	(1,412,497.59)
Unrealized gain (loss) on changes in the fair value of available-for-sale investments	-	87,780.33
Total	19,275,862.20	(1,324,717.26)

18.2 A numerical reconciliation between income tax expense and the product of accounting profit multiplied by the applicable tax rate

For the years ended December 31, 2020 and 2019 which are summarized as follows :-

	Baht	
	2020	2019
Accounting profit for the year	174,083,433.65	225,874,878.94
The applicable tax rate	20%	20%
Tax expense at the applicable tax rate	34,816,686.73	45,174,975.79
Reconciliation items :		
Tax effect of expenses that are not deductible in determining tax profit:		
- Expenses not allowed as expenses in determining taxable profit	549,943.03	5,754,806.17
Tax effect of income or profit that are not required in determining taxable profit:		
- Exemption of non-taxable dividend income	(874,020.55)	(874,020.54)
- The exemption of profit of the promoted business (BOI)	(5,553,053.15)	(4,553,028.55)
- Expenses deducted as expenses added in taxable	(2,175,670.67)	(1,835,707.57)
Total reconciliation items	(8,052,801.34)	(1,507,950.49)
Total income tax expenses	26,763,885.39	43,667,025.30

NOTES TO INTERIM THE FINANCIAL STATEMENTS

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18.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate

For the years ended December 31, 2020 and 2019 are summarized as follows :-

	2020		2019	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	174,083,433.65		225,874,878.94	
Tax expense at the applicable tax rate	34,816,686.73	20.00	45,174,975.79	20.00
Reconciliation items	(8,052,801.34)	(4.63)	(1,507,950.49)	(0.67)
Tax expense at the average effective tax rate	26,763,885.39	15.37	43,667,025.30	19.33

19. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and ability to continue its business as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

According to the statements of financial position as at December 31, 2020 and 2019, the Company's debt-to-equity ratios were 0.12:1 and 0.10:1, respectively.

20. DIVIDENDFor the year 2020

At the Board of Directors' Meeting No. 6/2020 held on August 13, 2020, the board approved to pay interim dividends from the operating results for the first six-month period 2020 amounting to Baht 53.00 million at the rate of Baht 0.10 per share.

At the Board of Directors' Meeting No. 3/2020 held on April 23, 2020, it was approved to pay the interim dividends from the Company's earnings as at December 31, 2019 to the shareholders at the rate of Baht 0.20 per share, totalling Baht 106.00 million.

Totalling pay dividende in the year 2020 amounting to Baht 159.00 million.

For the year 2019

At the Board of Directors' Meeting No. 4/2018 held on August 8, 2019, the board approved to pay interim dividends from the operating results for the first six-month period 2019 amounting to Baht 63.60 million at the rate of Baht 0.12 per share.

At the Shareholder's Annual General Meeting for the year 2019 held on April 25, 2019, it was approved to pay dividends for the year ended December 31, 2018 to the shareholders at the rate of Baht 0.22 per share, totalling Baht 116.60 million.

Totalling pay dividends in the year 2019 amounting to Baht 180.20 million.

21. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the income for the year by the number of ordinary shares which are issued and paid-up are as follows :-

	2020	2019
Income for the years (Baht)	147,319,548.26	182,207,853.64
hted average number of ordinary shares (Shares)	530,000,000	530,000,000
Basic earnings per share (Baht per share)	0.28	0.34

NOTES TO INTERIM THE FINANCIAL STATEMENTS

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22. EXPENSE BY NATURE

Significant expenses by nature are as follow :-

	Baht	
	2020	2019
Purchase	689,043,502.71	1,183,752,449.17
Changes in inventory and work in process	141,513,033.87	115,350,846.34
Raw materials and consumables used	53,926,784.00	53,455,803.48
Employee costs	190,568,739.85	219,940,339.00
Management benefit expenses	38,530,789.00	40,617,178.00
Depreciation	69,531,862.23	67,330,608.51
Transportation and gasoline expenses	17,096,447.15	20,582,399.05

23. PROVIDENT FUND

The Company and its employees jointly established a provident fund scheme. Both the employees and the Company contribute to this fund. The fund is managed by the Bank of Ayudhya Public Company Limited and will be paid to the employees upon termination in accordance with the fund's policy. For the years ended December 31, 2020 and 2019, the Company contributed to the fund totaling Baht 1.72 million and Baht 1.55 million, respectively.

24. FINANCIAL INSTRUMENTS**24.1 Financial risk management policies**

The Company is exposed to the risks from changes in the market interest rates, currency exchange rates, and from non-performance of contractual obligations by counter parties. The Company has no policy to speculate in or engage in the trading of any financial derivative instruments.

24.2 Interest rate risk

The interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows. The Company's exposure to interest rate risk relates primarily to its deposits, bank overdrafts, and loans from financial institutions.

Since financial assets are classified as short-term, the Company does not have significant risk from the interest rates.

As for the financial liabilities, the Company's liabilities are mostly short-term with a floating interest rate. The management believes that the interest rates are suitable to the current environment and expects that there should not be any significant fluctuations in the interest rates.

24.3 Foreign currency risk

As at December 31, 2020 and 2019, the Company has significant exchange rate risk related to transactions in foreign currencies. The balances of foreign currency denominated financial assets and liabilities are as follows:

	(Unit: Thousand foreign currency unit)					
	Financial assets		Financial liabilities		Average exchange rate	
	2020	2019	2020	2019	(Unit: Baht per 1 foreign currency unit)	
	2020	2019	2020	2019	2020	2019
EUR	439	469	503	1,160	36.8764	33.7311
USD	1,233	909	1,230	526	30.0371	30.1540
JPY	9,537	12,583	5,545	5,622	0.2907	0.2759
CHF	-	-	2	11	34.0287	30.9530

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Forward foreign exchange contracts

The Company entered into forward foreign exchange contracts to manage exposure to fluctuations in foreign currencies of trade payables and other payables denominated in foreign currencies.

As at December 31, 2020 and 2019, the Company had forward foreign exchange contracts with maturities of less than 1 year as follows:

	Baht	
	Fair value	
	2020	2019
Forward foreign exchange contracts		
USD 1.12 million (29.8035 - 31.20258 Baht per USD 1)	33,230,581.16	-

Net fair values

As at December 31, 2020, the net fair values of open forward foreign exchange contracts were stated as net assets of Baht 1.02 million present within other current liabilities.

The fair value of forward foreign exchange contracts is determined by the market rate of each contract, which is calculated by financial institutions dealing with the Company at the date of the statement of financial position.

24.4 Credit Risk

The Company is exposed to credit risk primarily with respect to its trade accounts receivable. However, due to the large numbers and diversity of the entities comprising the Company's customer base, the Company does not anticipate material losses from its debt collection.

24.5 Fair value

The Company uses the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

Level 1 - Use of quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Use of inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (e.g. prices) or indirectly (e.g. derived from prices).

Level 3 - Use of unobservable inputs such as estimates of future cash flows.

As at December 31, 2020, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :-

	Baht			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other current financial assets				
- Unit trusts	-	406,175,646.67	-	406,175,646.67
Other non-current financial assets				
- General investment	-	-	57,407,130.63	57,407,130.63
Total	-	406,175,646.67	57,407,130.63	463,582,777.30
Financial liabilities measured at fair value				
Forward foreign exchange contracts	-	1,022,660.48	-	1,022,660.48
Total	-	1,022,660.48	-	1,022,660.48

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During the current year, there were no transfers within the fair value hierarchy.

Valuation techniques and inputs of fair value to level 2

The fair value of investments in unit trusts that not listed on the Stock Exchange of Thailand has been determined by using the net assets value per unit as announced by fund manager.

Level 2 non-hedging derivatives measuring fair value comprise the forward foreign exchange contracts which have been calculated using rates quoted by the Company's counterparties as if terminate the contracts as at the statement of financial position date.

Valuation techniques and inputs of fair value to level 3

General investment is an investment that is not listed in the Stock Exchange of Thailand calculated by the fair value valuation method estimated by the entity.

25. PRIVILEGES AND BENEFITS UNDER INVESTMENT PROMOTION

25.1 The Company has been granted of promotional privileges by the Board of Investment under Investment Promotion Act B.E. 2520 for the business of heat treatment, as following :-

Promotion Certificate No.	2229 (2)/2554	1476 (2)/2557	62-0308-1-00-1-0	62-0393-1-04-1-0
Dated	October 7, 2011	November 11, 2013	March 28, 2019	April 23, 2019
Category of promoted operation	Category 4.5 : Heat treatment	Category 4.5 : Heat treatment	Category 4.3 : Heat treatment	Category 4.3 : Heat treatment
Key Privileges and benefits under the promotion certificate				
1. An exemption from payment of income tax commencing from	October 4, 2012 ending October 3, 2020	March 28, 2018 ending March 27, 2024	September 3, 2019 ending September 2, 2022	April 24, 2019 ending April 23, 2022
2. An exemption of income tax for the period of (year)	8 years (not exceed in amount of Baht 75 million)	8 years (not exceed in amount of Baht 74 million)	3 years (not exceed in amount of Baht 74 million)	3 years (not exceed in amount of Baht 7.65 million)

As a promoted company, the Company must comply with certain conditions and restrictions provided under the promotion certificate.

Sales and services for the years ended December 31, 2020 and 2019 consisted of :-

	Thousand Baht					
	2020			2019		
	BOI	Non-BOI	Total	BOI	Non-BOI	Total
Sales and services						
- Domestic	109,480	1,547,435	1,656,915	102,420	1,892,179	1,994,599
- Export	-	13,781	13,781	-	17,738	17,738
Total	109,480	1,561,216	1,670,696	102,420	1,909,917	2,012,337

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25.2 The Company has been granted of promotional privileges by the Board of Investment under Investment Promotion Act B.E. 2520 for the business of international business company, as following :-

Promotion Certificate No.	61-0132-1-00-0-0
Dated	February 2, 2018
Category of promoted operation	Category 7.6 : International business company
Key Privileges and benefits under the promotion certificate	
1. An exemption from import duty for machineries	Must imported by August 2, 2020
2. An exemption from import duty for necessary raw material and matters imported from overseas for export manufacturing.	Not started operation (1 year from first import date)
3. An exemption from import duty for re-export promotional items.	Not started operation (1 year from first import date)

26. SEGMENT INFORMATION

Segment information is presented in respect of the Group's operating segments. The primary format, business segments, is based on the Group's management and the internal reporting structure provided to the chief operating decision maker.

The Company's main business consists of importing and distributing products and are mainly carried on in a single geographic to the domestic area. There are three major business segments : (1) Steel & Heat treatment (2) Machine tools & Tooling and (3) Others consisting of Pulp & paper, Electrical engineering and Machineries and equipment for wood industry.

Segment information's for the year ended December 31, 2020 are as follows :-

	Thousand Baht			
	Steel & Heat treatment	Machine tools & Tooling	Others	Total
Sales and services	1,008,209	366,994	295,493	1,670,696
Gross profit from segment	352,680	88,171	89,042	529,893
Other income	1,279	2,890	8,693	12,862
Net income	353,959	91,061	97,735	542,755
Non segment :				
Other income				6,487
Selling expenses				(212,185)
Administrative expenses				(118,791)
Management benefit expenses				(38,531)
Unrealised loss from revaluation of fair value of financial assets				(4,256)
Finance costs				(1,395)
Income tax expenses				(26,764)
Income for the period				147,320
<u>Statement of financial position as at December 31, 2020</u>				
Trade and other receivables				381,442
Inventories				838,614
Property, plant and equipment				866,328
Total other assets				503,261
Total				2,589,645

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Segment information's for the year ended December 31, 2019 are as follows :-

	Thousand Baht			
	Steel & Heat treatment	Machine tools & Tooling	Others	Total
Sales and services	1,208,501	493,132	310,703	2,012,336
Gross profit from segment	416,316	119,858	83,047	619,221
Other income	8,110	1,268	15,316	24,694
Net income	424,426	121,126	98,363	643,915
Non segment :				
Other income				7,429
Selling expenses				(242,469)
Administrative expenses				(141,156)
Management benefit expenses				(40,617)
Finance costs				(1,227)
Income tax expenses				(43,667)
Income for the period				182,208
<u>Statement of financial position as at December 31, 2019</u>				
Trade and other receivables				376,137
Inventories				975,897
Property, plant and equipment				825,551
Total other assets				314,179
Total				2,491,764

27. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2020 and 2019 are as follows:

	Baht			
	2020			
	Balance as at December 31, 2019	Cash flows Increase*	Cash flows (decrease)*	Balance as at December 31, 2020
Short-term loans from financial institutions	-	163,840,928.52	(163,840,928.52)	-
Total	-	163,840,928.52	(163,840,928.52)	-

	Baht			
	2019			
	Balance as at December 31, 2018	Cash flows Increase*	Cash flows (decrease)*	Balance as at December 31, 2019
Short-term loans from financial institutions	-	318,922,982.92	318,922,982.92	-
Total	-	318,922,982.92	318,922,982.92	-

* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

28. COMMITMENTS AND CONTINGENT LIABILITIES**28.1 Commitment**

As at December 31, 2020, the Company had commitment as follows :-

- The Company had a commitment and obligation to the royalty agreement entered with a company overseas. The Company shall pay a royalty fee at the rate 1.5% of local sales and 1% of export sales.
- The Company has commitment from purchase that has not been delivered for USD 0.43 million and THB 9.80 million.
- The Company had unused letters of credit from a financial institutions amounting to Baht 42.36 million.

28.2 Guarantee

As at December 31, 2020, the Company had guarantee as follows :-

- The Company had letters of guarantee issued by the banks of Baht 8.36 million for guaranteed using electricity and in respect of certain as required in the normal course of the Company's business.

29. FINANCIAL REPORTING STANDARDS THAT WILL BECOME EFFECTIVE IN THE FUTURE

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

Adjustment is reference to the conceptual framework in the financial reporting standards

Several financial reporting standards are reference to "IASC's Framework for the Preparation and Presentation of Financial Statements." The adjustment of reference project on the conceptual framework in the financial reporting standards has updated reference or partial reference adjustment and other to describe clearly whether each document is reference to "the conceptual framework" of which year.

Conceptual Framework for Financial Reporting

The conceptual framework for financial reporting consisted of revised definitions of assets and liabilities. Criteria for recognition assets and liabilities in the financial statements. It also includes the following new principles and guidance:

1. Measurement, including factors that must be considered in selecting the valuation criteria
2. Presentation and disclosure which includes when the income and expenses are classified into other comprehensive income.
3. Reporting entities
4. When the assets and liabilities derecognition from the financial statements

In addition, this Conceptual Framework for Financial Reporting clearly clarifies management's stewardship of the entity's economic resources, prudence, and measurement uncertainty of financial information.

Definition of Business

Business definition revised in the financial reporting standard No. 3 “Business Combination” describes more clearly on definition of business. The objective is for the business to establish that such transaction has to be recorded as “business combination” or “purchase of assets” or not. Adjustments are as follows:

1. Describe clearly on the consideration of “business”, activity group and acquired assets must include input data factor, key process that at least combined will significantly generate outputs.
2. Eliminate the assessment that the market partner can substitute input factor or missing process and generate further outputs from the standards.
3. Add practice guide and example to support understanding and help the company assess whether the key process is acquired.
4. Narrow down the definition of business and definition of outputs by placing interest in the product and service provided to the customer and eliminate the reference on ability to reduce cost from the standards.
5. Add the intention test as an alternative which allows to make assessment easily whether the activity group and acquired assets are business or not.

Definition of significance

The definition of significance resulted in revising the accounting standard No.1 “Presentation of Financial Statements, Presentation of Financial Statements and Accounting Standards No.8 – Accounting Policy, Change of Accounting Estimates and Error and the revision that resulted in other financial reporting standards.

The adjustment creates better understanding of the definition of significance by

1. For the definition to follow the same direction of the financial reporting standards and conceptual framework to avoid the confusion that may arise from the definition difference.
2. Include the requirements together of the accounting standard No.1 “Presentation of financial statements” in the definition for it to become clearer and describe how the materiality can be clearly applied.
3. Applying existing practice guidance of the definition of the materiality in the same place as the definition.

Reform of swap interest rate

The reform of swap interest rate resulted in the adjustment of the financial reporting standards No. 9 financial instruments and financial reporting standards No.7 financial instrument disclosure. Such adjustment has changed the hedge accounting requirements, especially to reduce the impact arising from the uncertainty as a result of the swap interest rate reform such as interbank offer rates-IBORs. In addition, the adjustment requires the business to provide additional information to investors regarding the relation of hedging directly impacted from any uncertainties.

The management of the Company is in the process to assess the impact of these TFRSs to the financial statements in the year when they are adopted.

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30. THAI FINANCIAL REPORTING STANDARD NO.16 "LEASES"

The Federation of Accounting Professions has revised TFRS 16 lease agreements and published in the Government Gazette on January 27, 2021 with the following revisions.

1. The Rent Concessions related to COVID-19, which is effective from June 1, 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications.
2. Added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted.
3. The management of the Company and its subsidiaries are in the process to assess the impact of these TFRSs to the financial statements in the year when they are adopted.

The management of the Company is in the process to assess the impact of these TFRSs to the financial statements in the year when they are adopted.

31. EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors' Meeting No.1/2021 held on February 25, 2021, it had the resolutions as follows:

1. To approve the dividend payment for the year 2020 from the retained earnings-unappropriated of the Company at the rate of Baht 0.26 per share, totaling Baht 137.80 million, net from interim dividend of Baht 0.10 per share. The balance of dividend paid at the rate of Baht 0.16 per share was totaled Baht 84.80 million. The Company will propose for the approval in the Annual General Shareholders' Meeting of 2021.
2. To approve the sale of land for rubber plantation with buildings for 11 plots, total areas 347 rais 3 ngan 16 square wah.

32. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on February 25, 2021.

INVESTOR INFORMATION

Company Name	Sahamit Machinery Public Company Limited
Stock Symbol	SMIT
Established Date	7 June 1973
First Trade Date in SET	18 May 2005
Head Office	42, 48 Soi 53, Rama 3, Bangpongpang Yannawa, Bangkok 10120 Tel: 66 (0) 2295 1000-8, 66 (0) 2295 1901-9 Fax: 66 (0) 2295 1009, 66 (0) 2295 1020
Facility Center	152, 155 Moo 14 Sukhumvit Rd., Bangpakong, Chachoengsao Tel: 66 (0) 3883 2035-8 Fax: 66 (0) 3883 2044-5
Registered Capital	550 million Baht
Paid-up Capital	530 million Baht, Comprised of 530 Million Ordinary shares
Par value	1 Baht par value
Preferred Share	None
Fiscal Year	January 1 – December 31 of each year
Website	www.sahamit.co.th
Contact of Investor Relations	Miss Prangtip Sivaruk Tel: 66 (0) 2295 1000-8 ext.1515 Email: info@sahamit.co.th
Registrar	Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel: 66 (0) 2009 9386 Fax: 66 (0) 2009 9476 TSD CALL CENTER: 66 (0) 2009 9999 Website: http://www.set.or.th/tsd
Auditor	Dharmniti Auditing Company Limited Miss Thanyaporn Tangtanopajai CPA Registration No. 9169 178 Dharmniti Building, 6th Floor Soi Permsap (Prachachuen 20), Prachachuen Road Bangsue, Bangkok 10800 Tel: 66 (0) 2555 0605 Fax: 66 (0) 2555 0666



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