



SOMBOON
ADVANCE TECHNOLOGY

Annual Registration Statement Annual Report 2023 (Form 56-1 One Report)

Somboon Advance Technology Public Company Limited



Drive Business → toward a Sustainable Future



SMART PEOPLE



BUSINESS TRUST



GROWTH SOCIETY

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Mr. Sansern Wongcha-um

Chairman of the Board

Ms. Napatsorn Kitaphanich

President

Message of the Board of Directors

In the fiscal year 2023, Somboon Advance Technology Public Company Limited (“the Company”) encountered a series of challenges amidst a backdrop of global economic uncertainties. Thailand’s gradual economic recovery juxtaposed with ongoing geopolitical tensions, notably the unresolved conflicts in the Russia-Ukraine and Israeli-Palestinian regions, contributed to market volatility and heightened concerns over fluctuating product and raw material prices. Furthermore, the automotive sector witnessed a transformative shift towards electric vehicles, attracting new entrants and reshaping industry dynamics, thereby impacting automobile production within Thailand.

Against this backdrop, Thailand’s Gross Domestic Product (“GDP”) saw modest growth of approximately 1.9%, falling short of earlier projections. Notably, automobile production declined to 1.83 million vehicles,

marking a 3% decrease from the previous year, divided into 717,424 units produced for domestic sale, a decrease of 19%, and 1,117,539 units produced for export, an increase of 12% from previous year. This reduction can be attributed to various factors, including intensified competition from imported electric vehicles and their encroachment on the domestic market share.

Despite these formidable challenges, the Company leveraged its over six-decade-long expertise and executed a strategic plan aimed at sustaining sales momentum while optimizing operational efficiency. Initiatives such as technology-driven production enhancements, including automation systems and machinery upgrades, alongside a concerted effort towards energy conservation and renewable resource utilization, underscored the Company's commitment to resilience and adaptation.

As a testament to these endeavors, the Company achieved commendable financial performance in 2023, with total income reaching Baht 9,201 million, reflecting a 1% increase over the previous year, and net profits totaling Baht 979 million, representing a 4% year-on-year rise.

Moreover, in line with its forward-looking approach, the Company intensified its focus on innovation and technology, particularly within the automotive parts and agricultural machinery segments, while also venturing into new business domains. The establishment of Somboon Advance Agriculture Co., Ltd. ("SAA") exemplifies the Company's strategic pivot towards leveraging technological prowess to tap into burgeoning industries.

Beyond technological advancement, the Company remains steadfast in its commitment to nurturing a cadre of adept and conscientious professionals, or "Smart People," who follow the organizational culture in order to drive the organization towards "Business Trust" that is a stable and conducts business with efficiency and good quality. Concurrently, efforts to foster corporate governance and social responsibility initiatives, aimed at "Growth Society" cultivating environmentally sustainable communities and enhancing quality of life, underscore the Company's holistic approach to growth.

🌀🌀 In expressing gratitude, the Board of Directors extends heartfelt appreciation to shareholders, partners, customers, and stakeholders, as well as the dedicated executives and employees whose unwavering support has been instrumental in navigating through challenges. With a steadfast commitment to prudent business practices, social responsibility, and environmental stewardship, the Company remains steadfastly poised for sustainable growth despite prevailing uncertainties. 🌀🌀

commendable financial performance in 2023



total income reaching

9,201

MB.

representing
year-on-year rise

1%



net profits

979

MB.

representing
year-on-year rise

4%

Vision and Mission

Vision

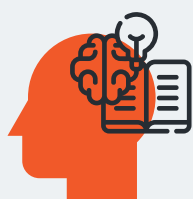


To be a trusted partner

with leading engineering products and solutions
that harmonizes the use of advanced technology
with social and environmental sustainability



Mission



SMART PEOPLE



BUSINESS TRUST



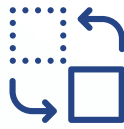
GROWTH SOCIETY

- 1** Deliver reliable products and services with competitive prices to our customers
- 2** Innovate and apply advanced technology to accelerate change in our core businesses
- 3** Grow business with our partners and deliver our promise
- 4** Enhance capabilities of our organization and people to adapt to changes in business context
- 5** Commit to optimize resource and protect environment and promote living quality of people in society

SAT SMART CULTURE



● Spirit of Commitment,
Integrity & Ethic



● Agility



● Think Customers,
Think Value

 SMART



● Mastery of
Learning & Applying
Technology



● Respect Others
and Value Diversity



Company's General Information



Company's Name

Somboon Advance Technology
Public Company Limited



Company Limited Business

Holding company by investing and holding shares in other companies and having the policy for the main business such as automotive manufacturing, agricultural machinery and robot and automation system



Registered Capital

425,193,894 Baht



Paid-up Capital

425,193,894 Baht



Company's Registration

0107547000664



Head Office and Plant

215 Moo 2, Debaratna Road,
Tambol Bangchalong, Amphur
Bangplee, Samutprakarn Province

7/389 Moo 6 Tambol Mabyangporn,
Amphur Pluakdaeng, Rayong Province



Telephone

02-080-8123



Website

www.satpcl.co.th

References

Securities Registrar

Thailand Securities Depository Company Limited
93, 14th Floor, The Stock Exchange of Thailand Building,
Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand

Telephone: 02-009-9999

Auditor

KPMG Phoomchai Audit Limited
Empire Tower 1 South Sathon Road, Yannawa Sub-District, Sathorn,
Bangkok 10120, Thailand

Telephone: 02-677-2000

Financial Highlight

For the Fiscal year ended December 31

	Consolidated Financial Statements			Separate Financial Statements		
	2023	2022	2021	2023	2022	2021
Stock Data						
Par value (Baht)	1.00	1.00	1.00	1.00	1.00	1.00
Book value (Baht) *	19.50	18.70	17.97	12.40	12.18	12.16
Earning per share (Baht) *	2.30	2.21	2.24	1.71	1.54	1.59
Operating						
Sales revenue	9,089,398	8,931,372	8,598,180	0	0	2,700,082
Total income	9,201,308	9,093,388	8,727,221	1,102,980	1,015,761	3,305,578
Net profit	966,267	935,755	955,213	729,015	653,151	676,995
Balance Sheet (Thousand Baht)						
Current assets	5,697,924	5,830,403	5,542,888	1,040,247	1,001,441	1,624,015
Total assets	10,401,479	10,350,803	9,830,107	5,424,082	5,325,143	5,911,962
Current liabilities	1,769,121	2,054,232	1,892,112	61,000	58,087	678,715
Total liabilities	2,108,405	2,384,508	2,187,699	150,915	144,776	743,172
Paid-up capital	425,194	425,194	425,194	425,194	425,194	425,194
Shareholders' equity	8,289,901	7,950,507	7,642,409	5,273,167	5,180,367	5,168,790
Financial Ratio						
Returns on shareholders' equity (%)	11.89%	12.00%	13.01%	13.95%	12.62%	13.50%
Returns on fixed assets (%)	45.44%	46.18%	47.20%	1,195.84%	1,115.58%	155.91%
Returns on assets (%)	9.31%	9.27%	10.17%	13.56%	11.62%	11.78%
Gross profit (%)	18.19%	18.09%	19.25%	66.26%	64.15%	24.81%
Current assets ratio to items of current liabilities (times)	3.22	2.84	2.93	17.05	17.24	2.39
Liquidity ratio to liabilities (times)	2.65	2.33	2.39	13.77	13.69	1.66
Debt ratio to shareholders' equity (times)	0.25	0.30	0.29	0.03	0.03	0.14



Part 1



Business Operation
and Operating Results

1. Organizational structure and operation of the group of companies

1.1 Policy and business overview

History

Somboon Advance Technology Public Company Limited (the “Company” or “SAT”) was established on 14 September 1995, registered share capital of Baht 80 million, to engaged in the manufacturing of automotive parts with the Axle Shaft as its main product. In 2004, the Company was increased its registered share capital to be Baht 226 million by offering share to existing shareholders; and transformed to Public Company and listed on the Securities Exchange of Thailand since on 31 January 2005 with a registered share capital of Baht 300 million divided into 300 million ordinary shares with a par value of Baht 1 per share. Currently, the Company has a registered share capital of Baht 425,193,894.



On 1 January 2022, the Company had restructured to be a holding company under the resolution of the Extraordinary Meeting of Shareholder No. 1/2021 on 9 September 2021.



The company’s head office is located at 215 Moo 2 Debaratna Road, Bangchalong, Bangplee, Samutprakarn.

1.1.1 Business Goal and Strategy

The automotive industry in both Thailand and globally is undergoing a transition from Internal Combustion Engine Vehicles (ICE) to Electric Vehicles (EV). This transformation is driven by external factors such as the emergence of new electric vehicle manufacturers, engineering and design changes in electric vehicles, and supportive policies for electric vehicles by various countries including Thailand and countries which are export destination from Thailand. Thai government has launched initiatives such as the 30@30 policy, which aims to produce electric vehicles accounting for 30% of total vehicle production by the year 2030. Additionally, tax policies of Thailand were announced in 2022 and further measures to support the use of electric vehicles were approved in 2023 to stimulate continuous expansion in the electric vehicle industry in Thailand. These policies include reductions in excise tax and import duties, among others.

Somboon Advance Technology Public Company Limited, one of the major manufactureres of automotive parts in Thailand, has recognized the opportunities and risks posed to the organization by the aforementioned external factors. This has led to the necessity of adapting the organization’s direction while maintaining the continuity of vision and mission, as follows:

Vision



To be a trusted partner

with leading engineering products and solutions
that harmonizes the use of advanced technology
with social and environmental sustainability



The mission is divided into 5 key points, each aimed at addressing the stakeholders’ interests in the company as follows:



Under the aforementioned vision and mission, the company is committed to fostering sustainable growth, with long-term objectives set for an average annual revenue growth of 7-8%. It steadfastly operates under the philosophy of the “Somboon Triple Bottom Line,” ensuring readiness to swiftly adapt to the rapidly changing business environment.

long-term objectives set for an average annual revenue growth of

7–8%

Following the strategic review in 2023, and the alignment with the vision, mission, and long-term objectives, the management emphasizes the current business, particularly in manufacturing automotive components for existing customers. This entails delivering quality products at competitive prices and continuously developing technology to reduce costs and meet customer demands. Simultaneously, the company is executing strategies to expand the business in both the electric vehicle industry and other sectors, such as agricultural machinery and robotics and automation systems. This expansion is facilitated through innovation and modern technology development in collaboration with partners, aiming to diversify our business portfolio, generate new revenue streams, and mitigate risks in our current automotive business operations.

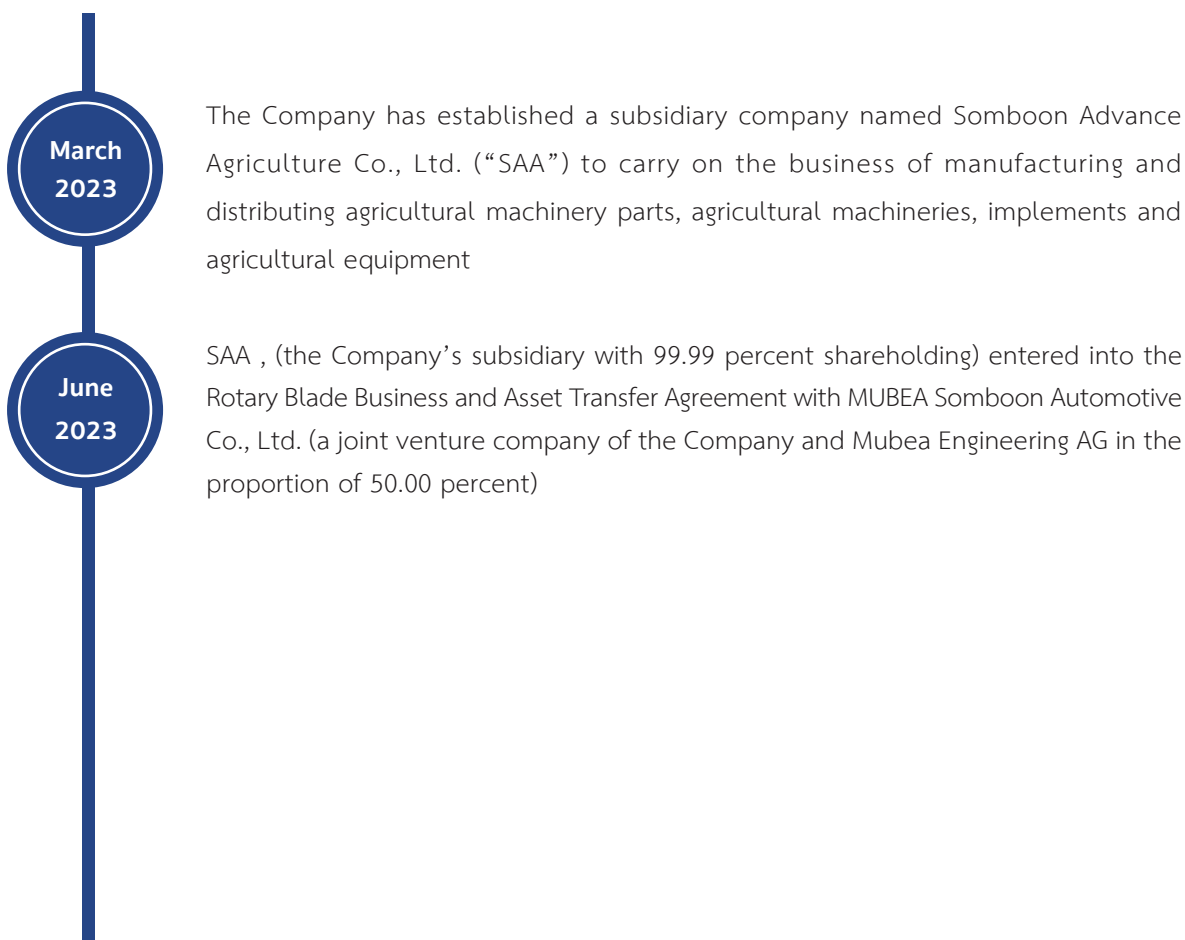
To ensure that the company's operations achieve the set goals and objectives, the company has established the following strategies and operational approaches

1. In response to changing external factors and structural shifts in the automotive industry, which have intensified price competition, combined with customer demands for reduced costs in automotive parts, the company has initiated adjustments with a focus on developing cost competitiveness throughout the value chain. This includes enhancing the efficiency and interconnectedness of manufacturing processes through the use of modern technologies and automated production systems, changing to more cost-competitive raw material sources, reducing energy usage by updating related equipment, and modifying some manufacturing methods to use less energy. The installation of Solar Cell systems is also pursued, alongside encouraging employee participation in process development and continuous improvement. Furthermore, the company manages customer relationships at all levels to monitor changes in customer needs and build confidence, aiming to maintain its primary customer base continuously. The company also plans to explore opportunities to enter the supply chains of new customers and generate revenue from new products to achieve the set sales targets. Additionally, reducing the environmental impact of automotive part production is emphasized, such as decreasing electricity and water usage, waste, and greenhouse gas emissions, to balance technology use and environmental impact reduction.
2. Electric vehicles represent a significant shift in Thailand's automotive industry, as evidenced by the sales figures in 2023, and align with government policies committed to supporting the production and use of zero-emission electric vehicles. This is part of the broader Carbon Neutrality policy aimed at positioning Thailand as a leader in ASEAN for reducing carbon dioxide emissions into the atmosphere, using sustainable development as a key force to drive the country's economy. Therefore, to develop growth opportunities in line with ESG trends and government policies, in 2023, the company continues to focus on balancing modern technology with social and environmental sustainability. This includes adjusting strategies by accelerating the development of partnerships to find and create business opportunities in the electric vehicle industry, focusing on the development of design and new products that align with these changes. In 2023, Somboon Tron Energy Co., Ltd, a joint venture between Somboon Advance Technology Public Co., Ltd. and Tron Energy Technology Co., Ltd. (Tron E), with shareholdings of 60% and 40% respectively, successfully delivered electric three-wheeled vehicles to European markets through collaboration with partners.

3. The company prioritizes expanding into new industries and business models, with a focus on developing the agricultural machinery business. It has developed a prototype of agricultural machinery and conducted real-use testing with customers and direct feedback from farmers to refine the products to suit agricultural practices in Thailand.
 - 3.1 On March 23, 2023, Somboon Advance Technology Public Co., Ltd. established a subsidiary, Somboon Advance Agriculture Co., Ltd., holding 99.99% of the shares to operate in the production and sale of agricultural machinery parts, agricultural machinery, implements, and equipment.
 - 3.2 On June 6, 2023, Somboon Advance Agriculture Co., Ltd. signed a Rotary Blade Business and Asset Transfer Agreement with Mubea Somboon Automotive Co., Ltd., a joint venture with Mubea Engineering AG, holding a 50% stake, to operate in the production of agricultural machinery parts, implements, and equipment. The asset and business transfer under this agreement have been completed.
4. For the robotics and automation business, the company has focused on continuously developing its customer base, including managing relationships to build confidence with clients. Furthermore, the company plans to expand its business and revenue into new industries to diversify its business group and promote the adoption of modern technology, ensuring the company's sustainability in the long run.

1.1.2 Material changes and developments

Year 2023



August
2023

1. The Company entered into a share purchase agreement with Mubea Engineering AG (“Mubea”) for selling ordinary shares of MUBEA Somboon Automotive Co., Ltd. (“MSA”) in the amount of 701,000 shares (representing 10 percent) to Mubea. As a result, the Company and Mubea will hold 40 and 60 percent of the total issued and sold of MSA, respectively.
2. The company received a sign “Private Sector Moral Health Learning Center” is one of 23 organizations from all over the country that have been selected as private sector moral health learning centers to become a learning space organized by the Center for Morality Promotion (Public Organization) and the Thai Health Promotion Foundation (ThaiHealth), under the cooperation project to strengthen the mechanism to promote moral health organizations in the private sector

September
2023

SFT, SBM received the honorary award “CSR-DIW CONTINUOUS AWARD 2023”

October
2023

Awards from the Ministry of Labour

- SFT received the 2023 National Outstanding Prototype Enterprise for Safety, Occupational Health and Work Environment (Gold Level), for 3 consecutive years
- SFT received the 2023 Thailand Labour Management Excellence Awards on Employee relations and benefit, for 6 consecutive years

November
2023

The Company head office address has been changed to 215 Moo 2, Debaratna Road, Tambol Bang Chalong, Amphur Bangplee, Samut Prakarn Province. 10540

The Company received awards from the Stock Exchange of Thailand (SET) together with Money and Banking Magazine:

- Sustainability Awards of Honor
- Be chosen to be listed as “Sustainable Shares” or Thailand Sustainability Investment (THSI)

December
2023

1. The Company received 2023 CAC Change Agent Award 5th from the Thai Private Sector Collective Action Against Corruption (CAC)
2. SFT, SBM, ICP received Amata Best waste management Award 2023 from Amata City Rayong, Industrial Estate.

January
2024

SBM, ICP received Green Star Award 2023 from The Industrial Estate Authority of Thailand

Awards from Customers and external organizations for 2023



- **THCC QCC 34th Activity 2023**
: HMMT (SFT)
- **THCC S-SFM 2023 :**
HMMT (SFT)
- **THCC QA Improvement 18th Activity 2023 :**
HMMT (SFT)
- **Golden Award, Thailand Quality Prize Award 2023:**
Technology Promotion Association (Thai-Japan) (SBM)
- **Certificate ISLP 5th Place, Isuzu Supplier Lean Production (ISLP):**
ISUZU (SBM)
- **1st Place Winner Award :**
THCC QA Improvement G.5:
HINO (SBM)
- **4th Place Winner Award :**
THCC QCC G.B:
HINO (SBM)
- **Bronze Award, Kaizen Community 2023:**
KUBOTA (SBM)
- **Bronze Award, Thailand Kaizen Award:**
Technology Promotion Association (Thai-Japan) (ICP)

Year 2022



The Company had restructured business to be a holding company.



The Company received the certificate of ethical role model according to the Promotion Program of Virtue Community, Organization, District and Province from Samutprakarn Provincial Cultural Office

May
2022

The Company and Tron Energy Technology Co., Ltd. (“Tron-e”) had established joint venture company named Somboon Tron Energy Co., Ltd. to carry on business of import, research, analyzing, designing, developing, and distributing of electric car driving platform, instant electric cars and battery modules, including but not limited to electric trucks, electric buses, autonomous bus, electric three wheelers and electric vehicles.

June
2022

Awards from the Ministry of Labour:

- SFT Zero, Accident Campaign 2022, Basic Level for 1st year
- SFT received the 2022 Thailand Labour Management Excellence Awards on Employee relations and benefit, for 5 consecutive years
- SBM received the 2022 Thailand Labour Management Excellence Awards on Employee relations and benefit, for 14 consecutive years
- ICP received the 2022 Thailand Labour Management Excellence Awards on Employee relations and benefit, for 10 consecutive years
- SFT received the 2022 National Outstanding Prototype Enterprise for Safety, Occupational Health and Work Environment (Gold Level), for 2 consecutive years

July
2022

Certificates from Thailand Greenhouse Gas Management Organization (Public Organization)

- The Company received Carbon Footprint Certification.
- ICP received Carbon Footprint Certification.
- SBM received Carbon Footprint Certification.
- SFT received Carbon Footprint Certification.
- ICP received Carbon Footprint of Circular Economy Product Certification.
- SBM received Carbon Footprint of Circular Economy Product Certification.

August
2022

1. The Company received 2022 Moral Award for the community and honest from Center for Morality Promotion (Public Organization)
2. SFT, SBM received the 2022 CSR-DIW Continuous Awards from Ministry of Industry

September
2022

1. The Company received the certificate entering Project “To promote reduction of greenhouse gas by science-based target: SBT from Thailand Greenhouse Gas Management Organization (Public Organization)
2. The Company received Trophy for the Corporation and Dual Vocational System Management with Center Dual Vocational at North Eastern Region 3

November
2022

1. The Company received awards from the Stock Exchange of Thailand (SET) together with Money and Banking Magazine:
 - Sustainability Awards of Honor
 - Be chosen to be listed as “Sustainable Shares” or Thailand Sustainability Investment (THSI)
2. 2022 CAC Change Agent Award 4th from the Thai Private Sector Collective Action Against Corruption (CAC)
3. 2022 Investors’ Choice Award 4 from Thai Investor Association

December
2022

SFT Amata Best Waste Management Awards 2022 Platinum Con. (Excellence)

Awards from Customers and external organizations for 2022



**The 1st Runner – up
(Group A) of MCC – QCC
Presentation Contest of 2022:**
MCC (SFT)

**The 5th Safety Activity
2022 (Level A):**
THAI HINO CO-OPERATION
CLUB (SFT)

Bronze Award Certificate:
Technology Promotion
Association (Thailand-Japan)

The Winner (Group B):
MCC (SBM)

Year 2021

July
2021

SAT1, SAT2 received the Certificate of Honor in zero accident campaign 2021 – bronze level from the Ministry of Labour

September
2021

1. The Extraordinary General Meeting of Shareholders No. 1/2021 approved the business restructure of the Company by changing the nature of business from an operating company to a holding company and transferring partial business to Somboon Forging Technology Co., Ltd.
2. SAT2 received the certificate of the standard on Prevention and Solution to Drug Problems in the Establishment from Rayong Province

October
2021

1. Awards from the Ministry of Labour

- SAT1 received the 2021 National Outstanding Prototype Enterprise for Safety, Occupational Health and Work Environment (Gold Level), for 4 consecutive years
- SAT1 received the 2021 Thailand Labour Management Excellence Awards on Employee relations and benefit, for 16 consecutive years
- SAT2 received the 2021 National Outstanding Prototype Enterprise for Safety, Occupational Health and Work Environment (Gold Level) for 2 consecutive years
- SFT received the 2021 National Outstanding Prototype Enterprise for Safety, Occupational Health and Work Environment (Gold Level) for the 1st year
- ICP1 received the 2021 Thailand Labour Management Excellence Awards on Employee relations and benefit, for 12 consecutive years
- ICP2 received the 2021 Thailand Labour Management Excellence Awards on Employee relations and benefit, for 9 consecutive years
- SBM received the 2021 Thailand Labour Management Excellence Awards on Employee relations and benefit, for 13 consecutive years

2. Awards from the Ministry of Industry

- SAT1, SAT2, and SBM received the 2021 CSR-DIW Continuous Awards
- ICP2 received certification on drug management system in workplace – the 3rd level under the white factory project

November
2021

1. SAT received awards from the Stock Exchange of Thailand (SET) together with Money and Banking Magazine:
 - Sustainability Awards of Honor
 - Outstanding Investor Relations Awards
 - Be chosen to be listed as “Sustainable Shares” or Thailand Sustainability Investment (THSI)
2. The Company received the certificate of ethical role model according to the Promotion Program of Virtue Community, Organization, District and Province from Samutprakarn Provincial Cultural Office

December
2021

1. Bangkok Spring Industrial Co., Ltd. (“BSK”), a subsidiary company whose 99.99 percent of the total issued shares are held by the Company, sell its shares in Nippon Kikai Engineering Co., Ltd. (“NKE”) (in total 268,100 shares or equivalent to 50.99 percent of total issues shares in NKE)
2. The Company received the 2021 CAC Change Agent Award from the Thai Private Sector Collective Action Against Corruption (CAC)
3. SAT received the 2021 Best Organization to Support Disabled Persons Awards from the Ministry of Social Development and Human Security
4. SAT2 received the 2021 Thailand Labour Management Excellence Awards on Employee relations and benefit, for 4 consecutive years from Ministry of Labour
5. SFT received the 2021 Amata Best Waste Awards (Platinum Level (P1)) from Amata City Industrial Estate, Rayong Province.

Awards from Customers and external organizations for 2021



**The 4th Safety Activity
2021 (Level A):**
THAI HINO
CO-OPERATION
CLUB (SFT)

**Thailand Quality Prize
Award 2021:**
Technology
Promotion Association
(Thailand-Japan) (SBM)

**2018-2022 Supplier
Evaluation Score Both
Quality & Delivery 100
Points:**
ISUZU (SAT)

1.1.3 Spending on the raised fund

-None-

1.1.4 Obligations to which the Company has committed in the registration statement for securities offering

-None-

1.2 Nature of Business

1.2.1 Income structure

The Company and subsidiaries' income structures in 2021, 2022 and 2023 can be classified as followings;

Unit : million baht

Products	Operated by	% of share holding	Financial statement 2023		Financial statement 2022		Financial statement 2021	
			Income	%	Income	%	Income	%
Axle shaft *	SFT	99.99	3,002	33	2,829	31	2,460	28
Disc& Drum Brake	SBM	99.99	1,833	20	1,730	19	1,613	19
Parts of Agriculture Machinery	SBM	99.99	1,441	16	1,707	19	2,045	24
Income from sales of other products and services **			2,813	30	2,665	29	2,480	28
Total income from sales and services			9,089	99	8,931	98	8,598	99
Other incomes***			112	1	162	2	129	1
Total income			9,201	100	9,093	100	8,727	100

- Note : 1. * Originally, the axle shaft production line was operated by SAT Company. From the restructuring of SAT to a Holding Company in 2022, the axle shaft production line was operated by SFT Company.
2. * Income from sales of other products and services such as hub, spring shaft, valve, push rod, brackets and other products. The total number of products is more than 20 items including income from joint venture Company that are consolidated into the financial statements.
3. ** Other incomes is income that is not generated from direct product sales, for example, revenue from scrap sales and income from dividends received from joint ventures companies, etc.
4. Revenue by product in 2022 is updated data.

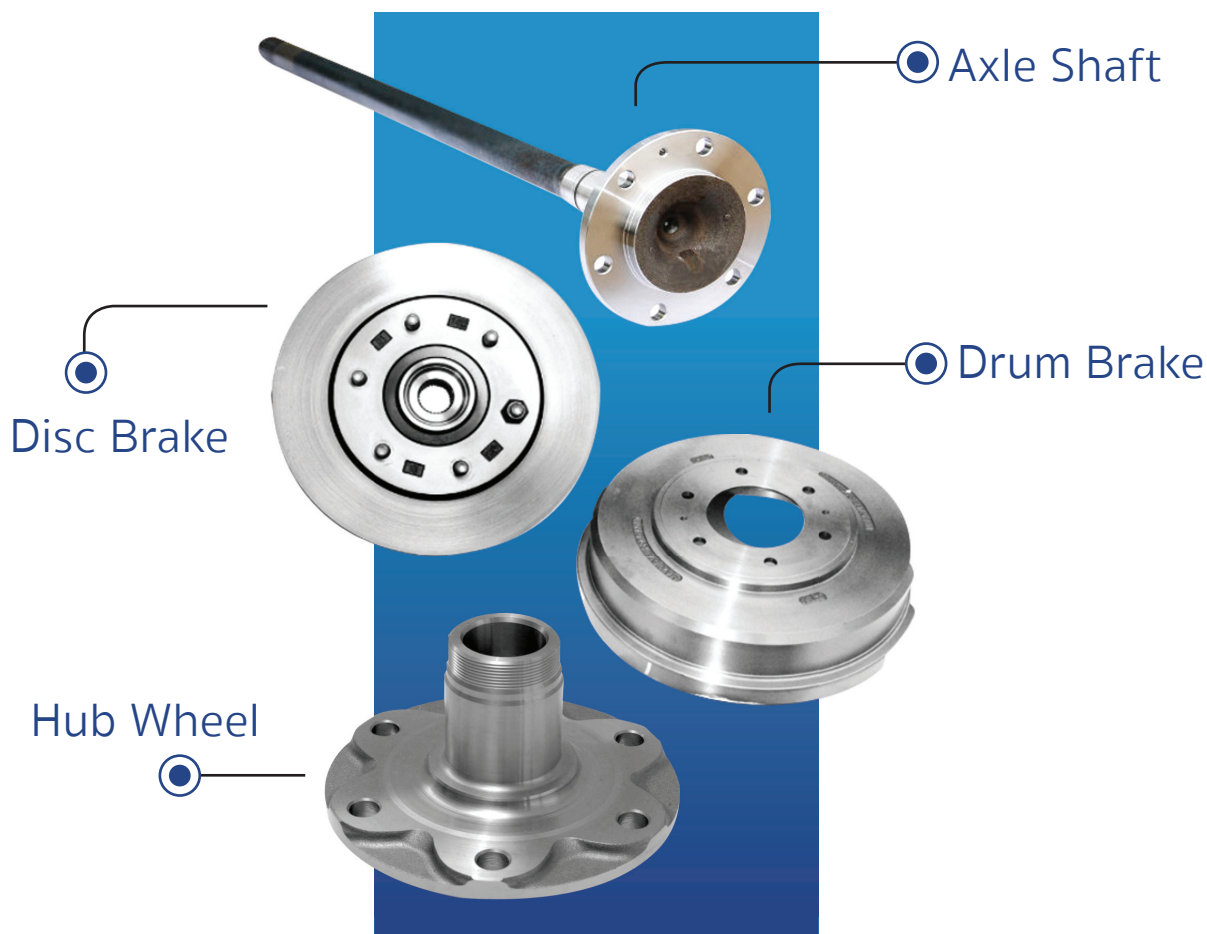
1.2.2 Products Information

Products of the Company and Its Subsidiaries

Company	Main Product(s)	Vehicle Type(s)	Main Customer(s)
Somboon Forging Technology Co., Ltd. (SFT)	Axle Shaft	Pickups	Mitsubishi Motors
	End Rear Housing	Pickups	(Thailand) Co., Ltd.
	Bearing Housing	Pickups	Toyota Motor Thailand Co., Ltd.
	Intermediate Shaft	Pickups	Isuzu Motors Company
	Output Shaft	Pickups	(Thailand) Limited
	Hub Front Wheel	Pickups & Passenger Cars	Siam Kubota
	Pulley	Passenger Cars	Corporation Co., Ltd.
	Trunnion Shaft	10-Wheeler Trucks	BorgWarner PDS (Thailand)
			Limited
			Hino Motors Manufacturing
Somboon Malleable Iron Industrial Co., Ltd. (SBM)	Disc Brake	Pickups	Mitsubishi Motors
		& Passenger Cars	(Thailand) Co., Ltd.
	Drum Brake	Pickups	Honda Automobile
		& Passenger Cars	(Thailand) Co., Ltd.
	Exhaust Manifold	Pickups	Hino Motors Manufacturing
		& Passenger Cars	(Thailand) Co., Ltd.
	Fly wheel	Pickups	Isuzu Motors Company
		& Passenger Cars	(Thailand) Limited
	Bracket	Pickups	Suzuki Motor (Thailand) Co., Ltd.
		& Passenger Cars	Toyota Motor Thailand Co., Ltd.
	Differential Carrier	Pickups	Siam Kubota Corporation Co., Ltd.
			GKN Driveline (Thailand) Ltd.
	Differential Case Set	Pickups	
	Gear Box	Tractors	
	Housing Fly Wheel	Tractors	

Company	Main Product(s)	Vehicle Type(s)	Main Customer(s)
International Casting Products Co., Ltd. (ICP)	Disc Brake	Pickups & Passenger Cars	Mitsubishi Motors (Thailand) Co., Ltd.
	Drum Brake	Pickups & Passenger Cars	Honda Automobile (Thailand) Co., Ltd.
	Exhaust Manifold	Pickups & Passenger Cars	Hino Motors Manufacturing (Thailand) Co., Ltd.
	Flywheel	Pickups & Passenger Cars	Isuzu Motors Company (Thailand) Limited
	Bracket	Pickups & Passenger Cars	Suzuki Motor (Thailand) Co., Ltd.
	Differential Carrier	Pickups	Toyota Motor Thailand Co., Ltd.
	Camshaft	Pickups	Siam Kubota Corporation Co., Ltd.
	Case Set	Pickups	GKN Driveline (Thailand) Ltd.
	Gear Box	Tractors	
	Housing Fly Wheel	Tractors	
	Tooling, Jig Fixture, and Mold	Internal Use	

The Products manufactured by the Company and its subsidiaries are as follows:



1

Axle Shaft



Axle Shaft is one of the main products of the Company and its subsidiaries. It is mainly manufactured by SAT and generated about 36 percent of the 2023 total sales revenue of the Company and its subsidiaries. Presently, the Company is the first and the largest manufacturer of the Axle Shaft in Thailand. The product is compatible with 1-ton pickups and large trucks.

An Axle Shaft is a steel shaft that connects from the rear differential to the rear wheel plate on both the left and the right sides of the vehicle to deliver power from the rear differential. This part is designed to use with pickup trucks.

Main customers who have purchased this product are mostly original equipment manufacturers (OEMs), which includes Mitsubishi Motors (Thailand) Co., Ltd., Isuzu Motors Company (Thailand) Limited, Toyota Motor Thailand Co., Ltd., Hino Motors Manufacturing (Thailand) Co., Ltd., and Siam Kubota Corporation Co., Ltd. Moreover, the Products have been exported to Dana (South Africa), Spicer Axle South Africa (SASA), PT. INTI Ganda Perdana (IGP), Indonesia, and DANA INCORPORATED, USA.



Disc Brake is one of the main products of the Company and its subsidiaries. It is mainly manufactured by SBM. The Disc Brake is a cast iron plate that squeezes the brake pads attached to the brake rod, which holds the front of a disc plate, to stop the wheels from rotating when the brake pedal is pressed. Disc brakes are usually applied to front-wheel drive vehicles. However, some car models can apply disc brakes for all four wheels of the vehicles.



Drum Brake is one of the main products of the Company and its subsidiaries. It is mainly manufactured by SBM. The Drum Brake is another type of brake system which uses brake shoes fitted with brake linings that press against the 'drums' from the inside to stop the wheels from rotating (usually applied to rear wheels).

In 2023, the Company and its subsidiaries have generated 21 percent of the total revenue from Disc Brake and Drum Brake sales. Much of the sales are contributed to the fact that the products can be applied to both pickup trucks and passenger cars. Main customers who have purchased these products are OEMs of automotive operators, which includes Honda Automobile (Thailand), Co., Ltd., Mitsubishi Motors (Thailand) Co., Ltd., Isuzu Motors Company (Thailand) Limited, etc. Additionally, SBM has formulated Sales and Purchase Agreements (SPAs) with these customers annually, which are automatically renewed each year for the duration of the vehicle model's life.



Hub Wheel is one of the main products of the Company's two subsidiaries, SFT and SBM. SFT's Hub Wheels are designed for use with passenger cars and pickup trucks, while SBM's Hub Wheels are designed for use with commercial trucks. The Company and its subsidiaries have generated 7 percent of the total revenue of Hub Wheel sales in 2023.

The Hub Wheel is the fastening part between the axle and the wheel, which rotates wheel bearings placed on the wheel axis to transmit power from the drivetrain to the wheels. The product can be used in both passenger cars and commercial cars. The main customer of this product for the Company and its subsidiaries is Hino Motor Manufacturing (Thailand) Co., Ltd. And Toyota Motor Thailand Co., Ltd.,

In addition to the above-mentioned products, the Company and its subsidiaries also distribute various other crucial vehicle components, including Trunnion Shafts, Brackets, Differential Carrier and other casting products for use in both the automotive industry and the agricultural machinery industry. These products are distributed by SBM and ICP which, among others, add up to a total of over 20 products on the catalog.

Marketing Strategies and Target Customers

1. Marketing Strategies

The Company has been engaging in the automobile parts manufacturing business for more than 61 years. The Company and its subsidiaries are highly respected and trusted by customers for their commitment to customer satisfaction first and foremost as well as their effective marketing strategies that are employed continuously. One of these strategies is the QCDEM strategy, with details as follows:

Q



Quality

Quality of Products. The Company and its subsidiaries strive to manufacture quality products that meet international standards, with certifications of IATF 16949 and ISO 14001 as proof of this commitment.

C



Cost

Costs that can meet the needs of the competitive market. The Company and its subsidiaries have efficient cost management and cost improvement policies to maintain a competitive cost level in the market.

D



Delivery

On-time delivery. The Company and its subsidiaries have developed an efficient logistics system through implementing the Enterprise Resource Planning System (ERP) which allows the Company to meet the customers' demands for a 100 percent on-time delivery.

E



Engineering

Engineering Capabilities. The Company and its subsidiaries strive to expand their engineering capabilities in various fields such as designs, tooling manufacturing, and continuous engineering assessment methods. Moreover, the Company and its subsidiaries have also formed a business partnership with the Technical Assistance (TA) from Japan, which will ensure that the products are manufactured with excellent quality constantly through intensive technology knowledge.

M



Management

Management Capabilities. The Company and its subsidiaries possess management capabilities that can meet the rising competition in the business as well as the current economic conditions by employing new and innovative concepts and having an efficient Risk Management Department which improves itself constantly.

2. Target Customers

Original Equipment Manufacturers (OEMs)



The current main customers consist of Japanese automakers within Thailand, which include Mitsubishi, Toyota, Honda, Isuzu, Nissan, and Hino, among others, as well as international customers such as South Africa, Indonesia, and the United States. The Company and its subsidiaries have a policy of increasing customer satisfaction by focusing primarily on the “QCDEM” strategy as detailed above. Currently, the sales volume is approximately 85 percent of total sales revenue.

Replacement Equipment Manufacturers (REMs)



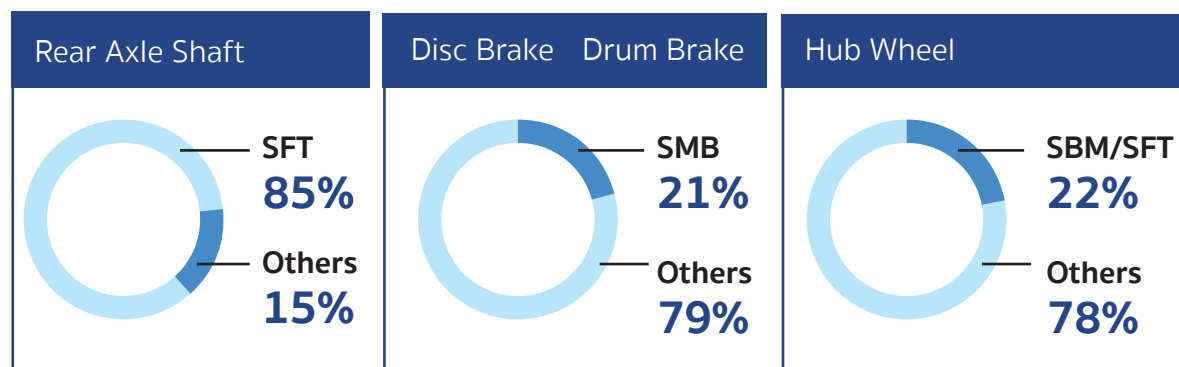
The Company and its subsidiaries have conducted business with customers who are major spare parts suppliers which have a long history and are well-known among retail spare parts stores in Thailand, such as Yong Ki Co., Ltd. One of the main products distributed in the REM market is the Trunnion Shaft. Currently, the sales volume is approximately 0.1 percent of total sales revenue.

Agricultural Machine Manufacturers



The Company and its subsidiaries have expanded their business from the automobile parts industry to engage in the agricultural machinery market, which is highly relevant to the agricultural industry – one of the crucial industries of Thailand. A major customer that the Company and its subsidiaries have conducted business with is Siam Kubota Corporation Co., Ltd., which the Company and its subsidiaries have assembled farm tractors and harvesters under the KUBOTA trademark for distribution. Currently, the sales volume is approximately 15 percent of total sales revenue.

1.2.3 Market Share



1.2.4 Policy research and development

In 2023, the company has expenses for research and development. Using advanced technology to improve the production process along with material development for current products and to prepare for new products in the future. Using a total budget of 20 million baht, which is divided into types of research and development as follows:

1. Innovative research and development. The objective is to apply research and development results to operations, such as developing lightweight structures for electric 3-wheelers, applying natural materials from hemp fibers to parts in electric 3-wheelers, improving the quality of materials together with the improvement of forming process and appropriate heat treatment. Product testing with specially designed equipment. To gain specialized knowledge able to create sustainable competitiveness.
2. Experimental development. It is a systematic application of knowledge to develop and apply on raw materials production process and product testing in order to improve products and to control costs to be competitive while still being able to build confidence in product quality both in steel and cast iron product groups, such as reducing raw material costs for forged parts. By changing the source of raw materials or developing raw materials together with steel manufacturers. Along with improving the internal production process to support the selection of raw materials with more variety in quality, improving the quality of the natural frequency of brake disc products. Through production process design and automatic inspection, etc.

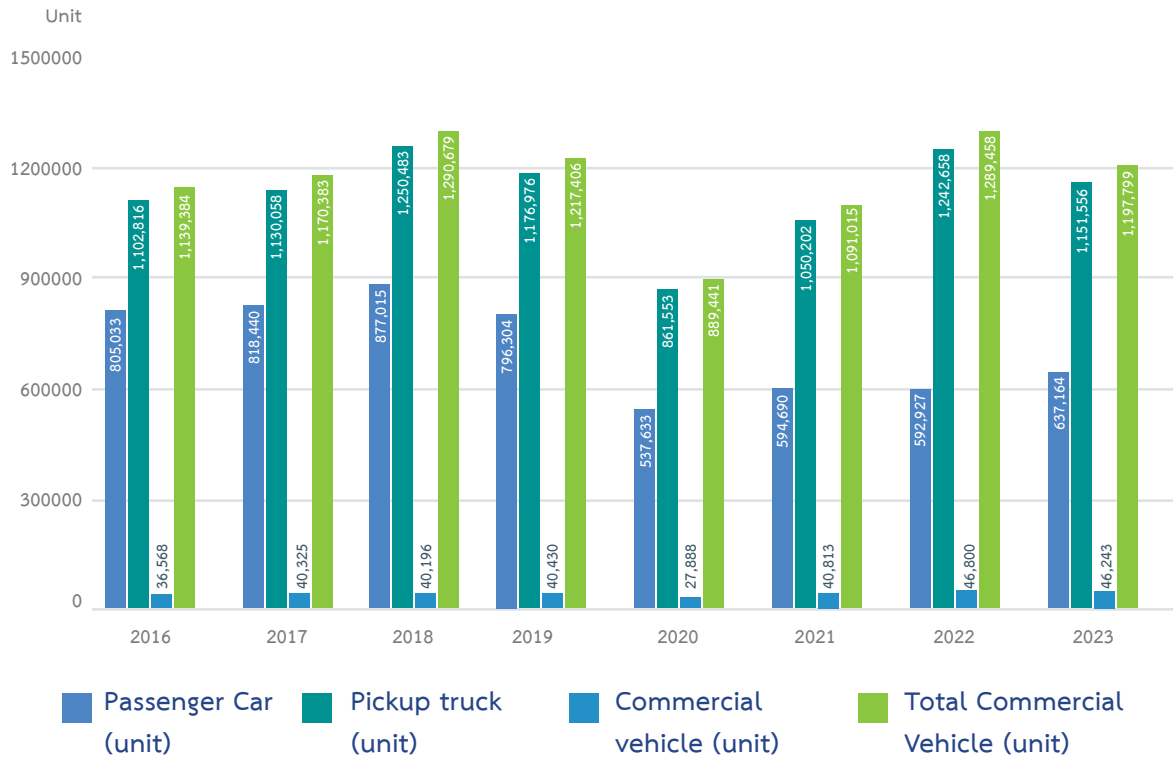
Business process innovations for sustainability

Somboon Advance Technology has been committed to enhancing the Company's innovation competency to improve business operations and processes, by cultivating an innovative culture among employees and fostering joint ventures to develop innovative products and work processes. The Company aims to promote innovative management to respond to market-focused business while maintaining competitiveness, and to generate appropriate economic, social, and environmental benefits. (as detail specified in the Sustainability Report)

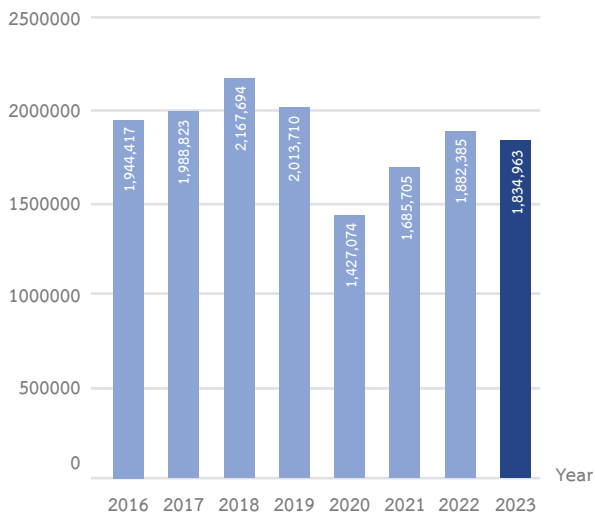
1.2.5 Industrial Conditions and Competition

In 2023, the Company's vehicle production was at 1,834,963 units, decreasing by 3 percent from 2022. The production is divided into domestic sales of 717,424 units (decreasing by 19 percent from previous year) and exports of 1,117,539 units (increasing by 12 percent from previous year). Overview of the Thai automotive industry shrunk than the target set by the Federation of Thai Industries (FTI) at the beginning of the year. Thailand's production output was 1.95 million units, which later was reduced to 1.9 million units and 1.85 million units, respectively, divided into 800,000 units for domestic sales and 1.05 million units for exports. Impacted by various factors in adjusting production. Domestic sales decreased because imports of EV cars were increasing. The sale of pickup trucks has decreased. Overall, the economy has increased interest rates. And the high cost of living has resulted in the domestic economy still not recovering much. This causes financial institutions to be strict in approving car loans due to high levels of household debt.

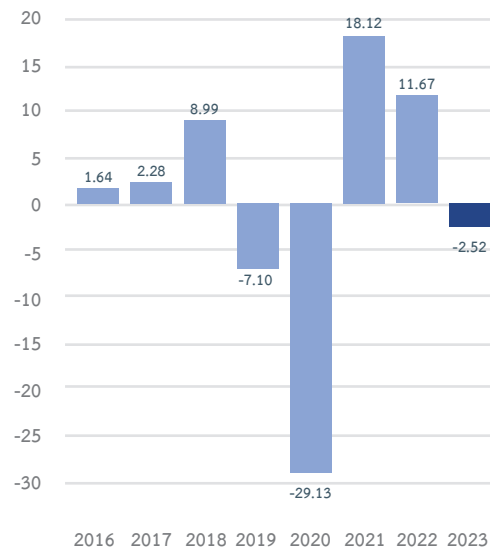
Vehicle Production in Thailand



Total (unit)



Growth (%)



Source: Thai Automotive Industry Association (TAIA)

On the cost side in domestic, the increase in fuel prices, electricity charges, inflation rates, and the depreciation of Thai Baht have continuously pushed up trading costs. In addition, the domestic sales of EV car have increased towards in 2023. The government has promoted and supported electric vehicles, providing consumers with opportunities to receive discounts. Moreover, various car brands, such as Neta, Changan, GAC Aion, Wuling and Hyundai have entered the Thai market and gained positive responses from domestic consumers.

The industrial trend and competitive landscape in the future

Year 2024 have been preliminary assessed by the Federation of Thai Industries. For the production of automobiles in the year 2024, the estimated quantity will be 1.90 million units, divided into 1.15 million units for export and 750,000 units for domestic sales, with supporting factors. Since Thailand is a production base for pickup trucks for export to more than one hundred countries around the world, it may not be affected much by the economic slowdown. Moreover, the shortage of semiconductor parts has greatly eased, causing production for export to increase. Including investing in the production of electric vehicles in the country. This creates a connection to the industry's supply chain. However, it should still monitor risks to domestic sales, including household debt, which remains at a high level coupled with an increase in interest rates. This will affect the car leasing interest and financial institutions to be strict in approving car loans due to high levels of household debt. Also still need to closely monitor the slowdown of the world economy. In addition, conflicts between countries may expand and increase in many areas, which will have an effect.

1.2.6 Raw Materials and Services

The primary raw material used in the Company and its subsidiaries' production lines are steel, which is divided into the following:

- (1) (1) Steel purchased from overseas. The Company and its subsidiaries will purchase steel that cannot be produced within Thailand directly from international manufacturers or place an order through domestic distributors. Steel belonging to this category includes a high carbon steel round bar, spring steel flat bar, spring steel round bar, or any other type of steel that the customers determined. The purchased steel will be carefully specified from selected source manufacturers to control the steel quality. Steel belonging to this type approximates about 60 – 70 percent of total primary raw material.
- (2) (2) Steel produced domestically. Steel scrap is another important raw material that is purchased from domestic operators and customers who are also automakers and/or owners involved in the automobile business. Steel belonging to this type approximates about 30 – 40 percent of total primary raw material.

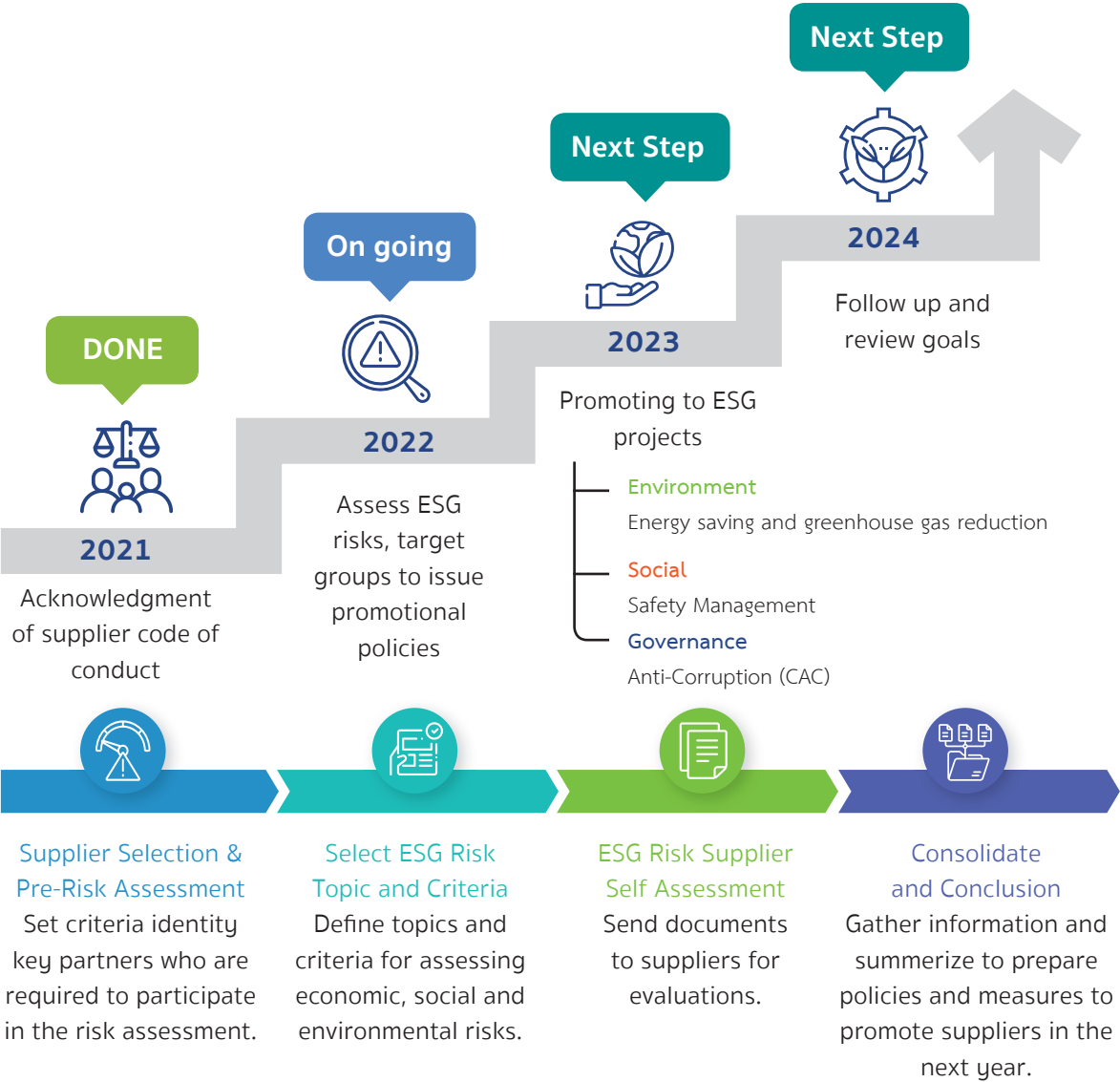
The Company is constantly forming new partnerships with domestic and international steel manufacturers to reserve raw materials of good quality as specified by customers. This is to ensure that the cost used to restock raw materials remains competitive in the market and offer alternative and diverse steel sources for potential customers looking for a more competitive steel price.

As a result, the Company has more options to procure raw materials to meet customers' needs and in turn, increase its competitiveness in the market both in terms of quality and price. The Company continues to foster business relationships and product developments with its current partners. In addition to raw material quality and options, the Company is also interested in improving its product quality, lowering its costs, and reducing environmental impact, which is achieved by taking social responsibility and participation into account. Additionally, the Company constantly exchanges information and requests technical support from local and international manufacturers affiliated with the Company to ensure that the Company can anticipate new trends in the market and adjust its strategies accordingly. This ensures that the Company does not suffer from the raw material shortage issue which can negatively affect the Company's performance. Finally, the Company has established anti-corruption policies and employed them in conjunction with material procurement policies and the declaration of intent to the company's trading partners clearly acknowledged.

In terms of good governance in terms of society and environment The Company has conducted an ESG risk assessment with the target group in order to issue a policy to promote It plans to conduct risk assessments from 2022 and will start implementing ESG promotion programs in 2023, focusing on three key areas:



And after implementation, there is a plan to monitor and review the goals in 2024.



Undeleted tasks

-None-

1.2.7 Capacity

Companies and Subsidiaries There is capacity and capacity load classified by product as follows:

product	company	Capacity year 2023		Capacity year 2022		Capacity year 2021	
		Unit	Rate % Use of force	Unit	Rate % Use of force	Unit	Rate % Use of force
Axle Shaft	SFT	4,566,839	76	4,566,839	76	3,760,000	73
Turning Product Range (For Auto Part)	SBM	4,796,269	77	5,309,355	75	5,309,355	82
Turning Product Range (For Agriculture Machinery Part)	SBM	2,576,774	65	2,576,774	75	2,489,055	92
Casting Product Range (For Auto Parts and Agricultural Machinery Part)	ICP	55,820 (Tons)	93	54,351 (Tons)	97	53,784 (Tons)	100
General Forging Part	SFT	3,688,825	58	3,190,000	61	3,147,000	50
Trunnion Product Range	BSK	-	-	2,243 (Tons)	96	-	-

- Remark
- Capacity is calculated from Operation Time 500 hours per month, except for Axle Shaft products and General Forging at 550 hours per month.
 - SBM3 P1 Split in Section To 2 Parts Group Agricultural Machinery and Auto Parts
 - Casting capacity calculated from Operation Time 564 hours per month
 - Bangkok Spring Industrial Co., Ltd. ("BSK") starts production on 1 April 2021, ends production 31 January 2022

1.2.8 Operating Fixed Assets

Operating Fixed Assets for the Company and subsidiaries as at 31 December 2023 Details are as below:

Operating Fixed Asset (Unit : Million Baht)	Proprietary Right	Net Book Value As at 31 December 2023	Type of Ownership or Obligation
Land			
Tambon Bangchalong, Amphur Bangplee, Samutprakarn			-
1. 112-1-33 Rai	Owner	155.21	
Tambon Tasit, Amphur Pluak Daeng, Rayong			
1. 21-3-76.9 Rai	Owner	38.39	
Tambon Mapyangporn, Amphur Pluak Daeng, Rayong			
1. 83-3-99.7 Rai	Owner	143.24	
2. 16-2-20 Rai	Owner	33.21	
3. 63-3-71.2 Rai	Owner	108.67	
4. 22-3-0.8 Rai	Owner	47.01	
5. 6-1-2.9 Rai	Owner	13.71	
Buildings and other constructions	Owner	637.15	-
Machinery and factory equipment	Owner	1,687.41	-
Office furniture, fixtures and equipment	Owner	33.21	-
Vehicle	Owner	19.38	-
Right-of-use assets	Owner	339.45	-
Total		3,256.03	

1.2.9 Investment Policy and Management in Subsidiaries, Associates and Joint Ventures

Subsidiaries

The Company has long-term investments in subsidiaries, the four subsidiaries are auto parts manufacturers. The other company is to Import, research, analyze, design, develop, and sell electric car propulsion structures, electric cars, and batteries. The Board of Directors' meeting, held on 23 March 2023, approved the Company to establish a new subsidiary, Somboon Advance Agriculture Co., Ltd., which has an authorized share capital of 50,000 ordinary shares at the par value of Baht 100 per share. The subsidiary has registered with the Ministry of Commerce on 7 April 2023. In May 2023, the subsidiary registered additional ordinary shares of 150,000 shares, with a par value of 100 per share. The company has invested amounting to Baht 20 million and has a shareholding of 99.99%.

As at 31 December 2023, Investments in subsidiaries are summarized as follows:

Direct Subsidiaries	Type of Business	Investment proportion	Paid-up Capital (Million Baht)	Investment value under the cost method
SBM	Manufacture and sale of auto parts	99.99	500.00	875.99
BSK	Manufacture and sale of auto parts and rent of real estate	99.99	130.00	519.99
ICP	Manufacture and sale of auto parts	99.99	785.00	796.03
SFT	Manufacture and sale of auto parts	99.99	1,600.00	1,600.00
STRON	Import, research, analyze, design, develop, and sales of electric car propulsion structures, electric cars, and batteries	60.00	50.00	30.00
SAA	manufacturing and distributing agricultural machinery parts, agricultural machineries, implements and agricultural equipment	99.99	20.00	20.00
Total				3,842.01

Currently, the Company has long-term investments in 6 subsidiaries. After the public offering and being listed on the Stock Exchange of Thailand, the Company still has the policy to maintain the shareholding ratio in these 6 subsidiaries.

Since the Company invests 99.99 percent, and 60 percent of each subsidiary's total shares stated above, the Company is able to control management and set the direction of the subsidiaries to be in line with the Company's. Currently, the Board of Directors of subsidiaries has 4 - 8 persons, the Company assigned the directors to manage these companies as follows;

Subsidiary companies	Investment proportion	Co-authorized directors
SBM, BSK, ICP, SFT	99.99	1. Mr. Yongyuth Kitaphanich
		2. Mr. Yongkiat Kitaphanich
		3. Ms. Napatsorn Kitaphanich
STRON	60.00	1. Ms. Napatsorn Kitaphanich
SAA	99.99	Under common control

In addition, SAT, BSK and SBM allowed one representative committee to sit in the BOD of the associates, joint ventures, and other related companies, all 4 companies as follows:

Associates and Joint Ventures

As at 31 December 2023, The Company and its subsidiaries have investments in associates and joint ventures as follows:

Associates	Type of Business	Paid-up Capital (Million Baht)	Ownership Interest (%)	Investment value using the cost method (Million Baht)	Investment value using the equity method (Million Baht)
Yamada Somboon Company Limited	Manufacture and sale of auto parts	150.00	20.00	30.82	508.26
Tsuchiyoshi Somboon Coated Sand Company Limited	Manufacture and sale of plastic coated sand and dry sand	72.00	21.25	15.30	48.78
Total				46.12	557.04

Joint Ventures	Type of Business	Paid-up Capital (Million Baht)	Ownership Interest (%)	Investment value using the cost method (Million Baht)	Investment value using the equity method (Million Baht)
Mubea Somboon Automotive Company Limited	Manufacture and sale of auto parts	701.00	40.00	280.40	361.87
Somboon Siasun Tech Company Limited	Provide service and consultation in system design including engineering system and automation system integration development	30.00	50.00	15.00	4.11
Total				295.40	365.98

As of 31 December 2023, Yamada Somboon Company Limited has an investment value under the equity method of 508.26 million Baht and a share of profit for 2023 of 11.74 million Baht. The information is calculated from the financial statements for the year ended 31 December 2023, which were prepared by the management and not audited by the auditor.

As of 31 December 2023, Tsuchiyoshi Somboon Coated Sand Company Limited has an investment value under the equity method of 48.78 million Baht and a share of profit for 2023 of 2.66 million Baht. The information is calculated from the financial statements for the year ended as of 31 March 2023, audited by the auditor of Tsuchiyoshi Somboon Coated Sand Company Limited and the financial statements for the nine months ended as of 31 December 2023, which were prepared by the management and not audited by the auditor.

As of 31 December 2023, Mubea Somboon Automotive Company Limited has an investment value under the equity method of 361.87 million Baht and a share of profit for 2023 of 43.90 million Baht. The information is calculated from the financial statements for the year ended 31 December 2023, which were prepared by the management and not audited by the auditor.

As of 31 December 2023, Somboon Siasun Tech Company Limited has an investment value under the equity method of 4.11 million Baht and a share of loss for 2023 of 2.33 million Baht. The information is calculated from the financial statements for the year ended 31 December 2023, audited by the auditor of Somboon Siasun Tech Company Limited.

Related Companies

As of 31 December 2023, the subsidiary has other long-term investments in related companies with details as follows:

Related Companies	Business	Paid-up Capital (Million baht)	Ownership Interest (%)	Investment Value (million baht)
Nisshinbo Somboon Automotive Company Limited	Manufacture and sale of auto parts such as brake system	732.60	2.90	21.25
Somboon Somic Manufacturing Company Limited	Manufacture and sale of auto parts such as ball joint, bows, and Tie Rod End	300.00	1.80	5.40
Tron Energy Technology Company Limited	Manufacture and sale of electric vehicle platform, battery pack, electrical system integration, and automotive automatic system	5,416.00	0.83	45.10
Total				71.75

1.3 Shareholding Structure

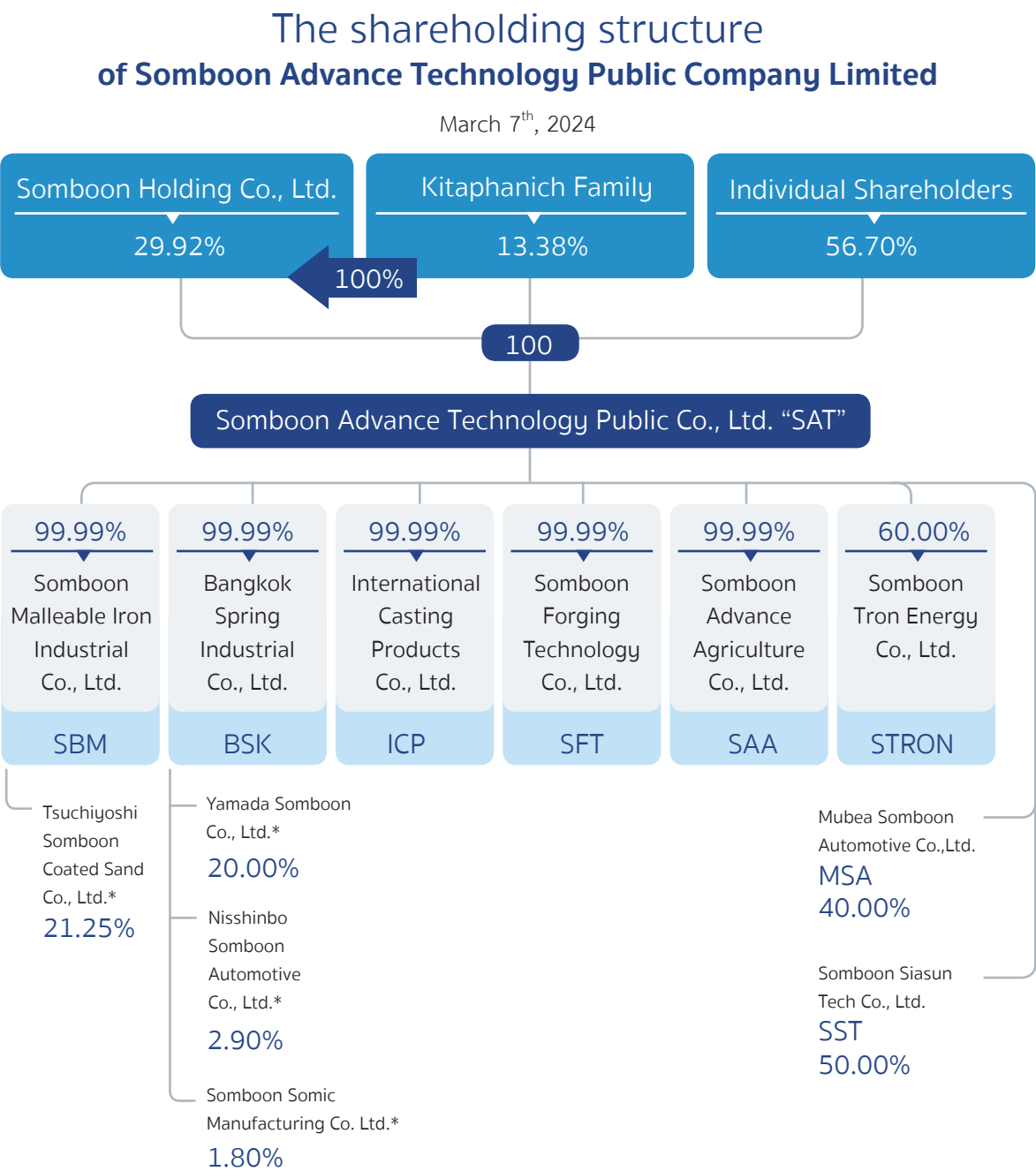
1.3.1 Shareholding structure of the group of companies

Somboon Advance Technology Public Company Limited is a holding company which have income by holding shares in other companies, the Company holds shares in the subsidiaries which manufacture automotive and agricultural machinery's part. The Company has policy to allocate and diversify asset and to find opportunity in the new business in addition to the automotive manufacturing for the sustainable growth.

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

The operation of each company in the group has the policy to grow together with customers, focus on creating values to the organization and stakeholder with differential products. In term of operation, each company shall operate its business in the business unit ("BU"). The Board of Directors shall

stipulate the overall policy to be applied to each company in the group which all executives in each function shall directly report to the President. Each company has set goal, strategy and follow up with the result by the Executive Meeting regularly.



Remark : 1. * No persons who may have conflict of interest are holding shares in the related companies exceeding 10%.
 2. Somboon Advance Agriculture Co., Ltd. ("SAA") has been registered as a juristic person on April 7, 2023

1.3.2 In the case where a person with a potential conflict of interest holds shares of a subsidiary or associated company at an amount exceeding 10

-None-

1.3.3 Shareholders

The major shareholders of the Company as of March 7, 2024 are as follows:

	Shareholders	Amount	Percentage
1.	SOMBOON HOLDING COMPANY LIMITED	127,202,750	29.92
2.	KITAPHANICH FAMILY	56,885,637	13.38
3.	THAI NVDR COMPANY LIMITED	33,135,942	7.79
4.	KRUNGSRI DIVIDEND STOCK FUND	8,886,700	2.09
5.	KKP LONG TERM EQUITY DIVIDEND FUND	6,361,700	1.50
6.	ALLIANZ AYUDHYA ASSURANCE PUBLIC COMPANY LIMITED	4,800,000	1.13
7.	BBHISL NOMINEES LIMITED	2,663,500	0.63
8.	Mr. SOMPONG PHAOENCHOKE	2,479,400	0.58
9.	KKP EQUITY RETIEMENT MUTUAL FUND	2,435,000	0.57
10.	BUALUANG THAI EQUITY SUPER SAVINGS FUND	2,370,000	0.56
11.	Mr. SIRAPHOP CHUENGSAARN	2,220,500	0.52

Limitation of Foreign Shareholder

The foreign shareholders can hold the shares of the company not exceeding 49 percent of total issued and paid-up shares. As of March 7, 2024 the foreign shareholders held 3.73 percent of total shares.

1.3.4 Comparison of company size in relation to core business operations, others company, and company size according to rules and regulation

Somboon Advance Technology Public Company Limited is a holding company currently having all subsidiaries and all associated companies as follows:

Company	Authorized share capital (Million Baht)	Investment proportion (Percentage)	Type of Business	Type of business as defined by the SEC	Size of Subsidiary to Holding Company Size*
SFT	1,600.00	99.99	Manufacture and sale of auto parts	Company operating core business	28.08
SBM	500.00	99.99	Manufacture and sale of auto parts	Company operating core business	29.02
ICP	785.00	99.99	Manufacture and sale of auto parts	Company operating core business	22.27

Company	Authorized share capital (Million Baht)	Investment proportion (Percentage)	Type of Business	Type of business as defined by the SEC	Size of Subsidiary to Holding Company Size*
BSK	130.00	99.99	Manufacture and sale of auto parts and rent of real estate	Company operating core business	10.93
SAA	20.00	99.99	manufacturing and distributing agricultural machinery parts, agricultural machineries, implements and agricultural equipment	Company operating core business	0.71
STRON	50.00	60.00	Import, research, analyze, design, develop and sale of electric car propulsion structures, electric cars and batteries	Subsidiary company	0.70
MSA	701.00	40.00	Manufacture and sale of auto parts	Associate company	N.A.
SST	30.00	50.00	Provide service and consultation in system design including engineering system and automation system integration development	Associated company	N.A.

Remark : *The size of the subsidiary to the size of the holding company is calculated on an asset basis. By dividing the total assets of the subsidiaries before deducting inter-company transactions by the total assets of the consolidated financial statements at the end of 2023

1.4 Amounts of registered capital and paid-up capital

1.4.1 Common shares

The Company has a registered share capital of Baht 425,193,894, of which Baht 425,193,894 have been fully paid, divided into 425,193,894 ordinary shares with a par value of Baht 1 per share.

1.4.2 Other types of shares which different rights or conditions than ordinary shares

-None-

1.4.3 Shares or Convertible Securities of the Company for underlying securities to issue Thai Trust Fund

-None-

1.5 Issuance of other securities

1.5.1 In the case where the Company issued convertible securities

-None-

1.5.2 In the case where the Company has instrument securities

-None-

1.6 Dividend policy

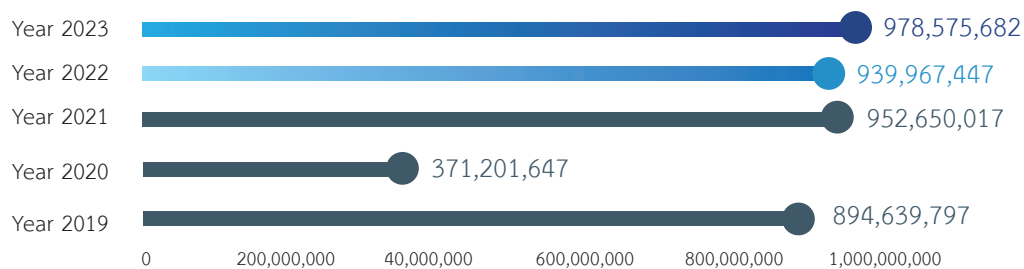
The Company has a policy to allocate the annual profit for the annual dividend distribution, taking into account the following conditions:

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

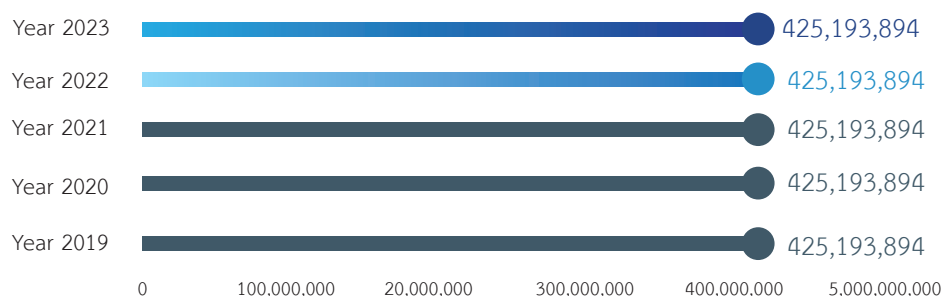
Subsidiaries policy dividends will be determined by the factors mentioned above as well.

Details of the dividend in the past 5 years

Net profit (Baht)

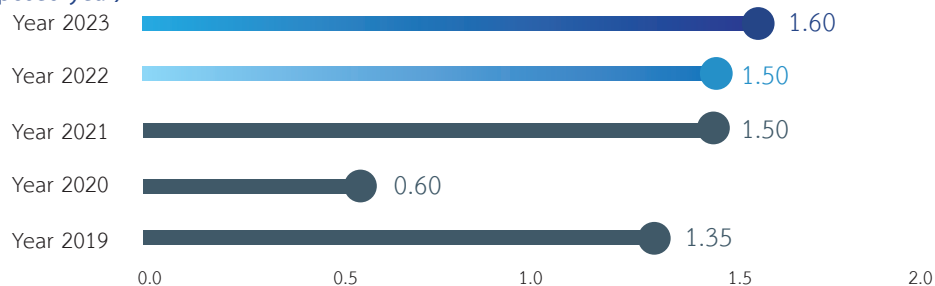


Number of shares



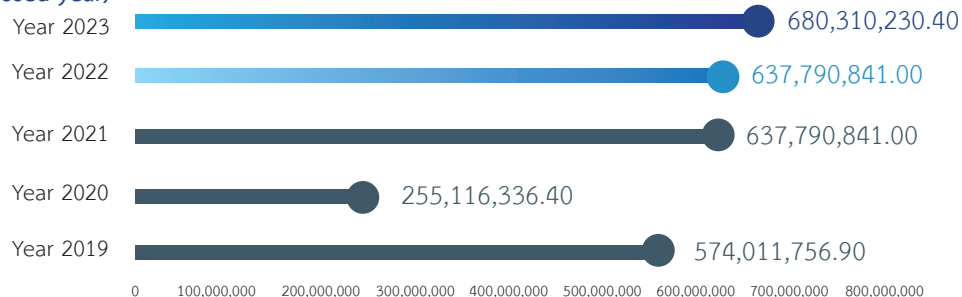
Dividend payout rate per share (Baht : Share)

(Proposed year)



Total amount of dividend (Baht)

(Proposed year)



Dividend payout against net profit after tax (Percentage)



2. Risk Management

The company is aware of various risk factors in its operations amid the rapidly changing business environment, which may impact the company's business objectives.

Systematic risk management that is integrated with strategic planning and business plan, is a critical ongoing process undertaken by the company to control and mitigate risks as well as potential impacts on the organization.

2.1 Risk Management Policy and Plan

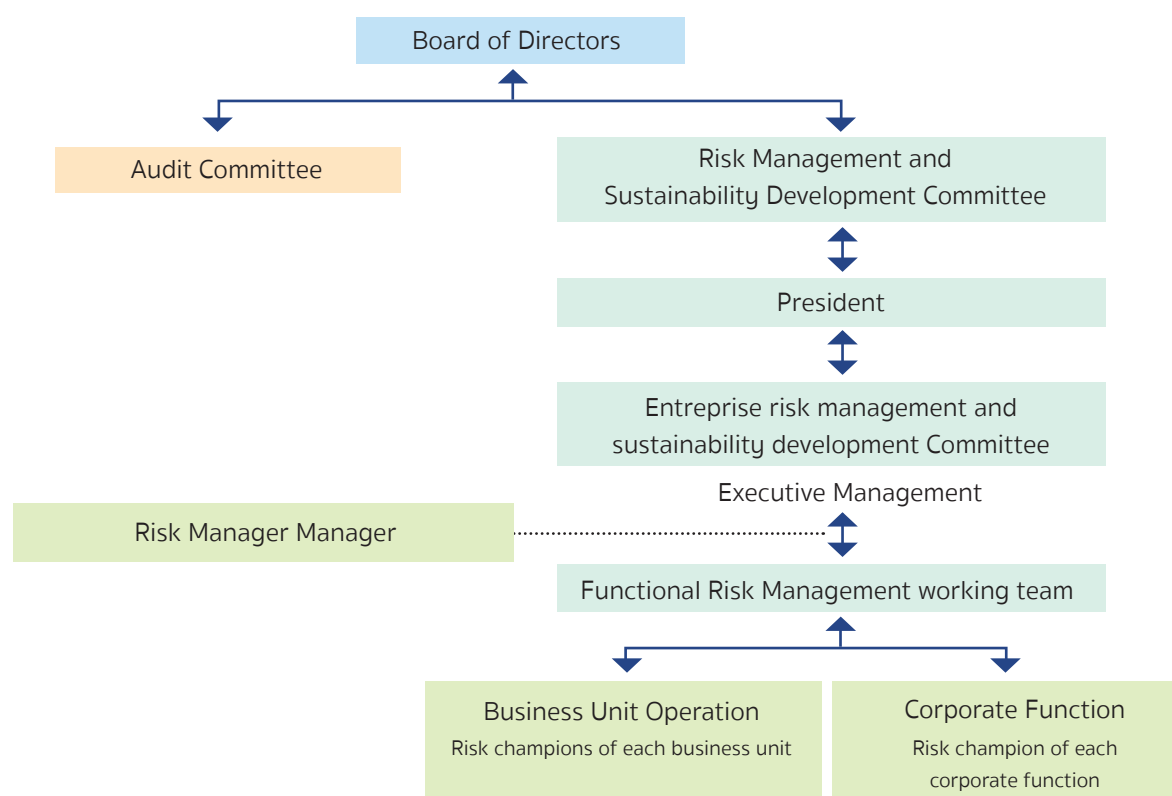
The company employs a risk management framework in accordance with the international standard of The Committee of Sponsoring Organizations of the Treadway Commission (COSO), which aligns with the principles of good corporate governance and supports the integration of risk management into the organizational culture.

Risk Management Structure

The company is well aware of the uncertainties that may arise from both internal and external business factors, including risks related to environmental, social, and governance (ESG) issues. Therefore, the Board of Directors has appointed a "Risk Management and Sustainability Development Committee."

The Risk Management and Sustainability Development Committee is responsible for setting the direction, policies for risk management, and sustainability development of the company to align with its strategies and business objectives. It aims to adequately and appropriately meet the expectations of all stakeholders, driving the organization to create value and achieve sustainable growth.

The structure of risk management is as follows:



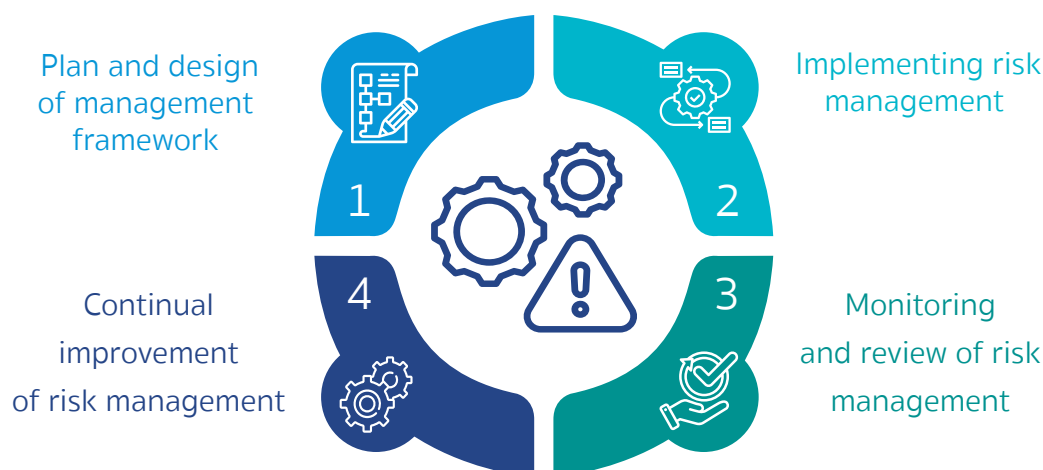
Remark : The Risk Management Manager operates under the Department of Corporate Strategy and Sustainability Development.

1. The Board of Directors (BOD) oversees the company's operations according to its risk management policies and strategies and has the authority to approve the organization's Risk Appetite.
2. The Risk Management and Sustainability Development Committee (Risk & SD) reviews the organization's risk management policies and acceptable risk appetite, presenting them to the Board of Directors for approval. The committee establishes an organization-wide risk management structure, has the power to appoint the Enterprise Risk Management and Sustainability Development Committee (ERM) at the executive level, and provides guidance and monitors the performance of this committee to strengthen the organization's risk management system.
3. The Enterprise Risk Management and Sustainability Development Committee (ERM & SD) is tasked with setting corporate-level risk management strategies and acceptable risks for consideration by the Risk Management and Sustainability Development Committee. They outline processes and measures for managing corporate-level risks, oversee risk reviews and reporting to the Audit Committee, and have the authority to appoint the Functional Risk Management working team (FRM) as appropriate.
4. The Functional Risk Management working team (FRM) are responsible for identifying, assessing risks, and developing functional-level risk management plans. They also designate responsible individuals and monitor and report on operational risk management performance to ensure compliance with company policies.
5. The Audit Committee supervises and evaluates the effectiveness of the organization's risk management operations. It reviews risk management practices and offers recommendations to the Board of Directors and the Risk Management and Sustainability Development Committee for improvements in the organization's overall risk management.

Risk Management Culture

The company's encourages the development of a risk management culture across all levels of the organization, instilling a consciousness among executives and employees alike about the significance of risk management. This culture pervades the entire organization and is sustained over time, ensuring that risk management practices are carried out effectively and efficiently. The Company's risk management policy is communicated across the company through our internal website, accessible to all employees.

The company lays the foundation for systematic risk management by adhering to international standards, in order to apply risk management systems effectively and efficiently to business operations. Through the efforts of various committees, the company can promptly identify business risks or opportunities as they arise and devise practical risk management strategies. The framework for risk management is as follows:



1 Plan and design of management framework

- Gola and objective and Key KPLs
- Risk Appetite
- Policies
- Business Units/ Committee /Reporting
- roles and responsibilities
- Skills/ Staff

2 Implementing risk management

- Identify an incident
- Evaluate risks
- Operating the risk management plans

3 Monitoring and review of risk management

- Monitor the risk management operations
- Report the findings
- Communicate and develop skills for staff

4 Continual improvement of risk management

- Evaluate the findings based on the systematic framework
- Review the plans
- Improve the systems
- Review the risk management policy and the acceptable level of risk (Risk Appetite) annually, and communicate this to executives, employees at all levels, and all units across the organization. This is to ensure that both management and employees are aware of the potential risks, the impacts arising from those risks, the importance of risk management, and their shared responsibility towards risk. Additionally, integrate the risk management policy into daily operations, using it as a guideline for decision-making and planning.
- Integrate risk assessment is mandated alongside the formulation of strategic plans and the evaluation of overall organizational risk profiles. This is to encourage a thorough understanding of the Risk Appetite across various functional lines, facilitating informed assessment, planning, and management.
- Apply the result of Maturity Assessment for organizational risk management to ensure ongoing and efficient implementation.
- Promote the integration of operational lines by following the Three Lines of Defense approach to mitigate risks, reduce operational errors, and to support the organization's strategic objectives and enhancing stakeholder confidence.

- Define guidelines to develop Risk Champions for each operational line, representing their units in coordinating and monitoring the implementation of risk management plans.
- Advocate for policies that foster the development of skills, knowledge, and understanding of risk management, emphasizing the importance of related certifications to ensure competent and effective advice is provided to the management and staff.
- Continuously improves and refines its risk information database, providing a robust platform for the collection, monitoring, analysis, and reporting of data, ultimately facilitating effective risk management decisions.

2.2 Risk Factors Affecting the Company's Business Operations

2.2.1 Risks to the Company or Group's Business Operations

The company conducts a comprehensive analysis and assessment of the environment, considering both internal and external factors, the organization's goals, and strategies, as well as economic trends, industry dynamics, technological advancements, competitors, and other global, regional, and national trends. This thorough planning process aims to identify and evaluate significant risks that could impact operations and the achievement of the organization's objectives. Subsequently, the company formulates a risk management plan to mitigate the potential impacts of these risks, grounded in a well-defined risk management framework that is consistent with commitment to sustainable business development. In the year 2023, the company has evaluated and established critical risk management plans as follows:

Strategic risks

(1) Industry Competitive Risk

The automotive industry faces increasing competitive pressure, significantly influenced by competition with component manufacturers in low-cost countries. These manufacturers benefit from lower raw material costs due to in-country steel resources and labor advantages, enabling them to offer more competitive pricing.

Risk Management

The company is prepared and actively manages risks to mitigate impacts by sourcing and developing raw materials in collaboration with partners. The company also ensures product quality by integrating technology and automation to reduce waste and enhance production efficiency, thus maintaining cost competitiveness. Furthermore, the company is committed to managing and fostering trustful relationships with customers at all levels, maintaining enduring associations with all customer groups. Continuous monitoring of customer needs and seeking business opportunities for new product expansion are critical to our strategy. These measures are in place to mitigate the aforementioned risks and to ensure business performance aligns with ongoing business plans.

(2) Investment Expansion Risk

The company has expanded investments into the automotive components and electric vehicle system platforms, as well as into the development, production, and distribution of mechanical machinery and agricultural equipment, aligning with the set goals and strategic directions. This move represents a significant pathway to fostering new business development and growth. The investments and

operations of the associated joint ventures and subsidiaries have underlying risks, as they are in the early stages of project or business development. There are various uncertainties and challenges that the company must manage, including equipment procurement, partner management, capital management, investment costs, sourcing project managers, and knowledgeable and skilled workers. Other factors include the impact of climate change on testing in the agricultural machinery sector. These risk factors could potentially impact the performance of new business development projects, deviating from the objectives and targets.

Risk Management

The company has measures to manage these potential risks by recruiting knowledgeable, capable, and experienced individuals and appointing company representatives to serve as directors in joint ventures. This ensures close monitoring and review of operations and regular meetings between the company's senior management and partners. Additionally, there is a focus on developing expertise in engineering and modern technology to enhance the company's capabilities.

Furthermore, the company conducts thorough feasibility studies and evaluates the investment value while considering all internal and external factors comprehensively. This is to define the structure and policies for the joint ventures and subsidiaries, considering potential opportunities and risks. There is an ongoing development of tools to monitor the status of investments and to provide progress reports to the board of directors continuously. The company also establishes high control standards to ensure that investments and operations are efficient and achieve the set goals.

Operational risks

(1) Risk from Declining Production in the Pickup Truck and Agricultural Machinery Sectors Due to Economic Factors

The country's economic situation is experiencing a slowdown, with household debt remaining at consistently high levels. Additionally, a significant number of vehicles, particularly pickup trucks, are being repossessed due to owners' inability to make payments. These factors have prompted banks to tighten credit issuance, especially for auto loans, affecting the public's purchasing power and consequently decreasing domestic automotive production volumes.

Risk Management

The company is aware of the potential impacts of such risks and has adjusted its production to align with changing demands. It seeks new sales channels by increasing export opportunities, expanding the product range in current markets, and entering new countries. These strategies aim to mitigate potential operational impacts arising from these risks.

(2) Risk of Succession Planning for Key Positions

The company recognizes the importance of managing risks associated with developing successors for key positions. It has developed a succession plan to ensure business continuity should key personnel retire, transfer, resign, become incapacitated, or pass away. Without prior planning, the interruption of operations, decision-making, and subsequent business performance may occur.

Risk Management

The company manages this risk by structuring the organization to support efficient operations and by considering manpower planning. The key process is the establishment of a Succession Planning for

Management and Critical Positions. The company conducts a Competency Gap Analysis to develop the identified successors through an Individual Development Plan (IDP), both short-term and long-term, to bridge the competency gaps identified in the assessment. This ensures seamless and smooth business operations.

(3) Cyber Security Risks

The ease and speed of technological advancements in accessing information pose risks to the security of the company's information systems. Without adequate protective measures, the company could face damage to its image, reputation, and stakeholder confidence.

Risk Management

The company prioritizes data security, including all stakeholders' information within the value chain. It has implemented a cybersecurity policy and information technology system, conducting risk assessments based on main customer assessments. There are emergency plans for IT systems and measures for managing, monitoring, and assessing risks, such as conducting Cyber Security Maturity Risk assessments using the NIST Framework. The importance of Cyber Security is communicated through the official "Somboon" Line account, and personnel are assigned to assess and monitor risks with Key Risk Indicators evaluated monthly. These findings are presented at the organizational risk committee meetings for evaluation and consideration.

Financial risk

(1) Raw Material Price Volatility

The volatility of raw material prices, especially the price of steel which is a principal component in the manufacturing process, poses a risk that affects the uncertainty in selling prices and the overall profitability.

Risk Management

The company has established a strategy to manage the risk associated with the volatility of raw material prices. This includes considering provisions for product price adjustments in sales contracts in line with changing costs and conforming to industry standards. The company engages in ongoing negotiations with customers for the contractual periodic adjustment of selling prices. Additionally, efforts are made to source and develop new raw material supplies to mitigate the impact of price volatility.

Compliance Risks

(1) Readiness to Comply with Changing Standards and Regulations

The business is subject to continually evolving standards, regulations, and measures, such as the new financial reporting standard TFRS 17 on insurance contracts, which will come into effect on January 1, 2025, or the preparation for the implementation of the sustainability disclosure standards IFRS S1 and S2. These represent challenges that the company must be prepared to comply with in a manner that the related disclosure and reports are verifiable, comparable, comprehensive, and consistent.

Risk Management

The company has measures in place to manage these risks by regularly reviewing and studying all relevant business regulations. This includes training employees on these changes and developing policies to accommodate various new standards, appointing responsible individuals, and establishing

working groups as necessary. Additionally, for sustainability data, the company is enhancing its database capabilities by implementing an ESG Data Platform to improve the efficiency of data retrieval, access, and compilation for the company's ESG information management.

Environmental, Social, and Governance (ESG) Risks

The company has adopted sustainable business practices, especially in the area of ESG, which encompasses environmental management, social responsibility, and good governance as strategic risk management tools to ensure stakeholder confidence. The company has identified the following risk factors and actions:

(1) Climate Change Risk

The global recognition and the perceived impacts of climate change have been underscored at international meetings such as the 28th Conference of the Parties to the UN Framework Convention on Climate Change (COP28) held in Dubai, United Arab Emirates, in late 2023. The focus on climate change and the agreement on transitioning away from fossil fuels were key outcomes.

In Thailand, the El Niño phenomenon in 2023 led to higher temperatures, along with a reduction in water storage compared to previous years and erratic rainfall patterns, impacting agricultural yields and potentially altering the production volumes in the agricultural machinery sector.

Risk Management

The company acknowledges the significance of this risk and aims to be part of the solution to climate change issues, with the goal of reducing greenhouse gas emissions, taken actions to combat global warming, and continuously managed energy, such as using clean energy sources like solar cells, improving the use and maintenance of existing machinery, and applying digital technology to enhance energy efficiency. These initiatives are part of the mechanism to reduce greenhouse gas emissions

In terms of agricultural tractor components production, the company has adjusted its production processes to be more flexible, including planning for raw material preparation, production planning, and inventory management, to promptly and efficiently adapt to changing situations.

(2) Human Rights Risk

The company is committed to equitable and fair treatment of its workforce, adhering to international labor standards, the Thai Labor Protection Act, and Thai labor standards, as well as other relevant laws and regulations. With the company's diverse workforce and multiple regional offices, it manages information dissemination and creates an environment that promotes cooperation and mutual understanding.

Risk Management

The company and the group acknowledge and respect human rights in all aspects of every individual, as well as society and communities, according to the laws of the country and international agreements to which each country is bound. The company evaluates and acts in accordance with the law, continuously applying international human rights principles, such as the Thai Labour Standard TLS 8001-2020, the United Nations Guiding Principles on Business and Human Rights (UNGP), and the Guide

to Human Rights Impact Assessment and Management (HRIAM). It reviews and enforces human rights policies and has various channels for receiving complaints, such as suggestion boxes and company whistleblower systems. To date, no issues have been identified.

(3) Supplier Risk

With the business philosophy of “Somboon Triple Bottom Line” which include “Smart People, Business Trust, and Growth Society”, the company promotes and develops suppliers to follow the company’s sustainable business practices. Despite these efforts, leading suppliers to declare their intent to follow the Thai private sector’s collective action against corruption (CAC) remains a challenge in implementing tangible business practices. Moreover, the company assesses supplier risks through the Functional Risk Management (FRM) process of the procurement unit.

Risk Management

The company prioritizes efficient supply chain management and integrates sustainable development practices throughout the supply chain. It has continuously provided knowledge and communicated ethics to suppliers participating in collective action against corruption (CAC). The company also has a plan to promote this by starting with target suppliers for declaration. Additionally, the company conducts initial environmental, social, and good governance risk assessments and communicates with suppliers according to the code of conduct and guidelines for suppliers. The company also prepares training and economic risk assessments for suppliers through its annual supplier conference, which aims to elevate suppliers to grow sustainably together.

Emerging Risk

(1) Supply Chain Risk

The ongoing geopolitical conflicts, such as the war between Russia and Ukraine, and tensions between Israel and Hamas, impact the company’s strategies and operations. For instance, there can be shifts in energy and fuel prices, increased transportation costs, and delays in shipping that may exceed deadlines. Trade measures between the U.S. and China directly affect the automotive industry’s supply chain and, consequently, the automotive component manufacturers in Thailand. An analysis of the impact of such events on critical suppliers, particularly steel used in production, can be concluded that there was no impact from these incidents that would cause disruption to relevant transportation route in supply chain.

Risk Management

The company closely monitors and keeps abreast of news related to these risk factors. Comprehensive impact analyses, both internal and external, are conducted, including the management of measures to mitigate potential impacts. For example, with longer transit time due to shipping lines rerouting to avoid the Red Sea, the company has adjusted its policy by appropriately increasing overseas inventory levels to meet customer demands and diversifying transportation routes to ensure timely response to customer needs.

2.2.2 Investment Risks for Security Holders

(1) The risk of uncertainty in the expected returns to investors

The share price depended is contingent upon the company's performance and its long-term growth, which could be influenced by various factors such as:

- The production volumes of automobiles in Thailand
- The production volumes of agricultural machinery in Thailand
- Changes in policies, laws, regulations, or conditions affecting the automotive and agricultural machinery industries
- Increases in production costs due to rising raw material and energy prices
- Economic conditions, crises, and unusual situations, such as the slowdown of the Thai economy impacting domestic demand and automobile production, and the Red Sea crisis directly affecting the export of automotive components abroad

These factors may impact the company's operations and stock price.

(2) The risk that dividend payments may not meet investors

Expectations depends on several factors, such as maintaining sufficient reserves for business operations, regular investment budgets, and reserves for business expansion. These factors could affect the level of cash available for dividend payments to shareholders. However, the company has a policy to pay dividends of no less than 30% of net profits after deducting various types of reserves as required by law and company regulations.

2.2.3 Risks of Investing in Foreign Securities (In cases where the issuer is a foreign company)

-None-

3. Business sustainability development

3.1 Sustainability Management Policies and Goals

**The company is committed to the philosophy of
“Somboon Triple Bottom Line”**

in business operations, which consists of development in line with the principles of ESG (Environmental, Social, and Governance)



Sustainability Framework

The company integrates practices following the sufficiency economy philosophy, standards, and international sustainability and social responsibility criteria with the vision, mission, and strategy. This framework includes:



Review of Sustainability Policy

The company studies and monitors global trends that affect the organization in economic, social, and environmental aspects. In 2023, the company reviewed the sustainability policy for 2023 - 2026 to address key business issues, improve efficiency in achieving goals, and align with the current operational context of the company.

Integrating SDGs into Sustainability Development

The company integrates seven directly related Sustainability Development Goals (SDGs) into its operational strategy across the business chain to enhance positive impacts and minimize negative effects from its operations.



In 2023, the company announced the establishment of the Risk Management and Sustainability Development Committee, which includes the as one of members. The primary responsibilities are as follows:

- Define the direction, policies, and approaches for risk management and sustainable development of the company.
- Monitor the performance of risk and sustainability initiatives.
- Review reports and suggestions concerning risk and sustainability.
- Recommend risk management and sustainability management strategies to the Board of Directors.

The Risk Management and Sustainability Development Committee is scheduled to meet four times per annum to monitor the company's sustainability performance and review reports and suggestions related to risk and sustainability, reporting to the Board of Directors.



Monitoring and Operational Performance Results

The company has an efficient system for monitoring sustainability development performance using Key Performance Indicators (KPIs) that align with sustainability goals and policies. These are analyzed and reported regularly to the Sustainability Development Committee to track progress. The results are as follows:

KPI 2023

Goal | Actual



Environment

	1 Reduce CO ₂ GHG intensity Scope 1+2 20% @2026 (TonCO ₂ eq/Tons production reduction 30% @2030)	11%	19.9%
	• Absolute	11%	30.5%
	• Intensity		
	2 Reduce Energy intensity and absolute energy 5% @2026 (GJ/Tons production)	4%	8.3%
	3 Reduce Industrial Waste 4% @2026 (Tons waste/Tons Production)	2.5%	4.5%
	4 Reduce Water intensity 3% @2026 (m ³ / Tons Production)	1.5%	23.6%



Social

	1 Good deeds participation	100%	98%
	2 Training Hours:	10 Hrs./Head	13.5 Hrs./Head
	3 Safety Management LTIFR	0	0.17
	4 Employee Engagement	Survey 2024	
	5 complaint on human rights violations	0	0
	6 Create value for society	0.50% of Net Profit	1.00% of Net Profit



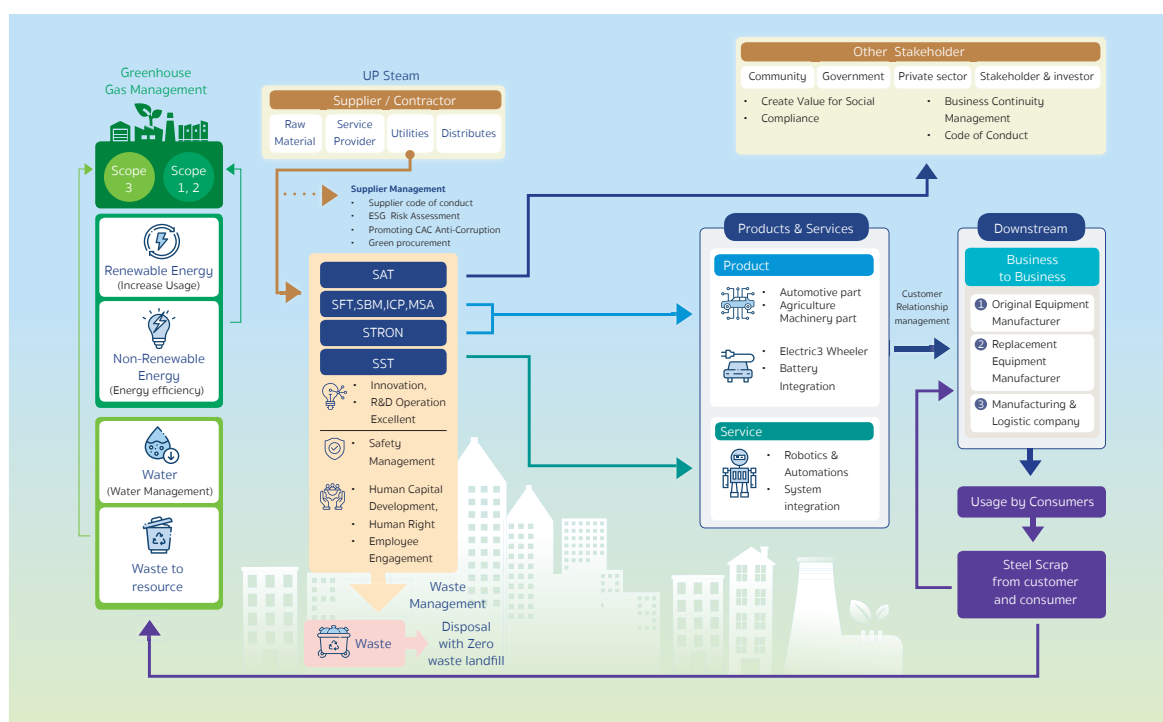
Good Governance

	1 Customer satisfaction	100%	96.5%
	2 BCP 100% Mock Drill	100%	100%
	3 CyberSecurity Level	80%	92%
	4 QCC/Kaizen Participation	100%	100%
	5 Anti-corruption Supplier Commitment with SAT (New Supplier)	100%	100%
	6 Anti-corruption Supplier Commitment with CAC (Focus Group)	100%	100%
	7 ESG Supplier Risk assessment (Focus Group)	100%	100%
	8 Employee code of conduct	100%	100%
	• MGR Level (Training & Pass Test)	100%	89%
	• Operation Level (Training)		
	9 Compliance	100%	100%

3.2 Managing Impact on Stakeholders in the Business Value Chain

The company is committed to sustainably managing the value chain by utilizing the concept of impact assessment throughout the product lifecycle. It considers risks and opportunities to improve and meet the needs of stakeholders. The company has established various policies to accommodate expectations at different levels and channels, including collaborative development with customers in both the Automotive and Non-Automotive sectors to expedite adaptation to diverse and challenging demands.

The company also supports a circular economy policy by increasing the use of recycled steel as a primary raw material and cooperates with partners to promote using more recycled materials. Additionally, the company advocates for green procurement policies that consider environmental impacts and anti-corruption efforts, by encouraging suppliers to declare commitment with CAC (Collective Action Against Corruption) and emphasizing human rights protection by not purchasing materials from sources that have human rights violations. This approach aims to create shared value in the value chain and ensure that suppliers understand the policies promoted by the company through annual supplier meetings.



The Organizational Value Chain

Stakeholder Analysis Management

The company prioritizes the involvement of all stakeholder groups, operating according to the AA1000SES stakeholder engagement standard to define the management plan for stakeholder expectations and respond to key expectation issues. The process includes:

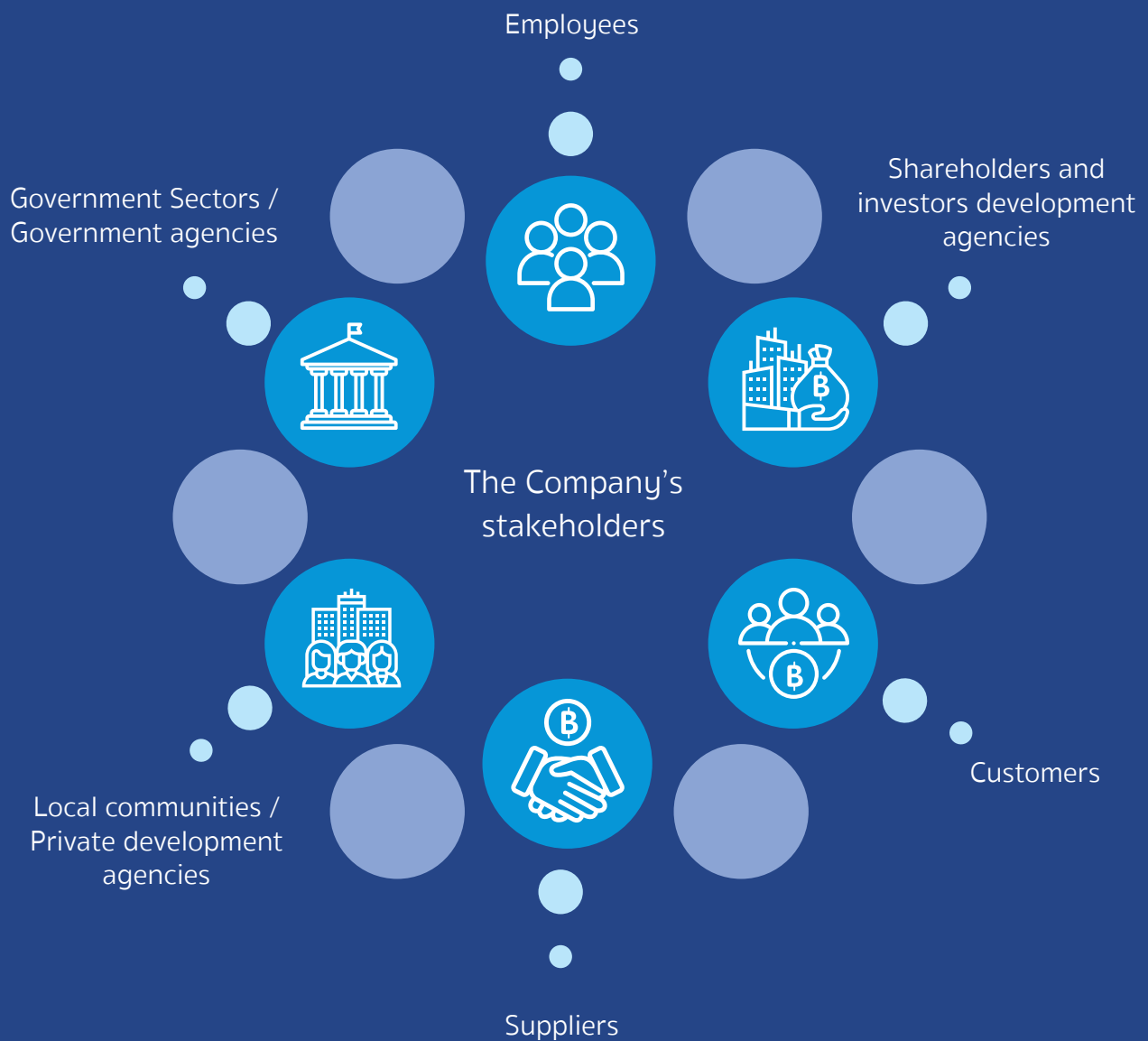


key units must identify stakeholders considering significant relevance such as responsibility, influence, relationship, etc.	prioritize relationships by considering the influence of stakeholders on the business operations and the impacts from the company's operations to those stakeholders.	define action plans in the form of a master plan for sustainability development according to the priority, and carry out actions through appropriate channels and frequency.	monitor the progress through the SD Roadmap and report the results to the Sustainability Development Committee at executive level and to the company's board.
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The company has applied this process to manage stakeholder engagement effectively, managing expectations and responding to stakeholders efficiently, thus enhancing the company's credibility in business operations. Emphasis is placed on value creation and transparent management, leading to sustainable development throughout the value chain as follows:

1. Stakeholders and Materiality Prioritization

The stakeholders of the company include individuals who are positively or negatively impacted by the company's operations or those who may influence the business operations. Stakeholders are categorized into six main groups: employees, shareholders and investors, customers, partners, the community, private development agencies, governmental and regulatory bodies. Prioritization of stakeholder groups is conducted to ensure appropriate engagement strategies with stakeholders as follows:



2. Stakeholder needs or expectations, as well as the actions taken in response.

Stakeholders	Needs or expectations	Actions in Response	Communication and engagement channels
Employee 	• Potential for career advancement • Fair compensation and benefits • Workplace safety and a pleasant working atmosphere • Equal treatment of employees • Data Privacy protection	• Conduct individual competency development programs. • Establish a welfare committee. • Create a policy and an EHS Committee comprised of employer and employee representatives. • Form a business continuity management committee to be responsible for issuing policies and guidelines for employees, during the COVID-19 outbreak. • Develop SAT culture to lead everyone in the same direction. • Implement a policy to ensure adherence to the PDPA principles.	• Direct communication from senior management to employees through a quarterly panel discussion • Quarterly communication through the forum that allows Executive Management to communicate to the management level. • Employee Committee, Welfare Committee and Safety Committee meetings • Annual two-way performance appraisal • Social Media Communication platforms including Line Chat (SAT Group, Somboon Group) and Facebook page (Somboon Group page) • Biannual employee engagement surveys - We Care • Internal and external websites of the Company • Complaint channels https://www.satpcl.co.th/en/corporate-governance/whistleblowing-notice-policy

Stakeholders	Needs or expectations	Actions in Response	Communication and engagement channels
Shareholders and investors development agencies 	• Good returns • Business development in terms of technologies to tackle to business disruption • Responsibilities on environmental, social and governance (ESG) , including risk management	• Appropriate dividend payment to shareholders • Developing business opportunities for growth • Implement good corporate governance principles in business operations by incorporating risk management and business continuity management. • Management and development of the organization for sustainable growth by integrating ESG development principles into the corporate strategy.	• Annual General Meeting for shareholders • Opportunity Day via the Stock Exchange of Thailand • Company visit. • Annual report • Sustainability report • Company website • Complaint channels https://www.satpcl.co.th/en/corporate-governance/whistleblowing-no-tice/whistleblowing-notice-policy
Customers 	• Efficient, quality and on time production and delivery • Managing the production line and implementing risk prevention measures against business interruptions • Reduce the environmental impact of products while providing social value to customers • Compliance with guidelines and value chain requirements. • Data security and privacy	• Continuously developing raw materials and production processes to enhance cost competitiveness • Implementation of Safety Shop Floor Management with regular meetings to report and monitor key performance indicators in the production line • Planning to ensure business continuity (BCP Plan). • Research and Development of products to meet the demands of environmentally friendly automotive technology. Request carbon footprint certification to confirm the accuracy of the data. • Social activities with customers • PDPA compliance policy	• Collaborative activities in product development to meet the needs of consumers, society, and the environment. • Collaboration in the development process for resource efficiency • Annual customer satisfaction survey • Annual customer policy acknowledgment meeting • Joint social responsibility management • Participation in customer-community activities • Sustainability report • Company website • Complaint channels https://www.satpcl.co.th/en/corporate-governance/whistleblowing-no-tice/whistleblowing-notice-policy

Stakeholders	Needs or expectations	Actions in Response	Communication and engagement channels
Suppliers 	• Mutual potential development and business growth • Business Code of Conduct, Transparency and Equality	• Development of a code of conduct for supplier and standardization of procurement policies • Projects for training and development of supplier • Equality treatment for all supplier, as stated in the Business Code of Conduct	• Annual supplier meeting • Joint effort in the development of efficient use of resources in the production process • Supplier site visit • Sustainability report • Company website • Complaint channels https://www.satpcl.co.th/en/corporate-governance/whistleblowing-no-tice/whistleblowing-notice-policy
Local communities / Private development agencies 	• Promoting career development and education in order to sustainably strengthen the community • Good environmental campaigns without impact on the communities • Supports during the COVID-19 crisis	• Implementation of projects to create more jobs and expand educational opportunities in the communities, such as hiring people with disabilities and opening an elderly school • Educational campaigns such as scholarships and bilateral projects for student internships • Compliance to the EIA measure to promote CSR-DIW activities • Community support projects during the COVID-19 crisis • Donations to the underprivileged • An affordable electric wheelchair prototype project for people with disabilities.	• Community seminars and meetings based on EIA and CSR-DIW principles • Community needs surveys conducted on the ground. • Monitoring Governance Agencies across channels • Participation in project meetings led by the company to ensure sustainability
Government Sectors / Government agencies 	• Compliance with public rules, regulations and laws • Cooperation in the projects of government agencies and the public sector • Social and environmental responsibility	• Ensuring adherence to rules, regulations, and laws by implementing the ISO14001 system framework • Collaboration in government activities and ongoing support for public-sector social activities such as CSR-DIW activities	• Monitoring government policies across channels • Meetings with government agencies • Sustainability report • Company website

3.3 Environmental Dimension of Sustainability Management

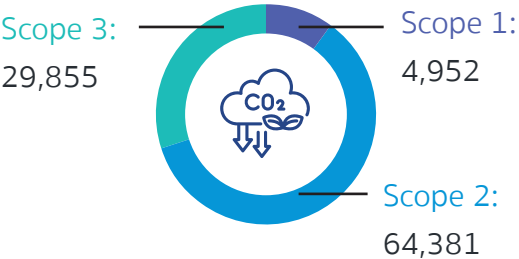
The company emphasizes addressing climate change issues, by focusing on reducing greenhouse gas emissions from the production process. The company also focuses on controlling energy usage and promotes the use of alternative energy, such as installing Solar Rooftop systems to increase the use of clean energy and reduce the organization’s energy demand. In addition to responding to climate change, the company also emphasizes efficient use of resource for future sustainability and reducing waste from the production process, including recycling waste for maximum benefit. In 2023, the company was able to achieve its environmental goals as planned.

- **Climate Change Management and Energy Management**

Given the challenge of global warming as a significant global issue, the company places a strong emphasis on environmental and energy management to cope with and promote long-term sustainability. With the situation of energy scarcity and the dependence on resources from abroad causing domestic energy prices to soar, affecting production costs, the company has policy to promote the reduction of greenhouse gas emissions, aiming for a 30% reduction by 2030 from the baseline data in 2018.

The company focuses on the use of renewable energy in its operations to drive efficient energy usage and maximize benefits. Additionally, it pays attention to factors affecting overall climate change and has conducted carbon footprint assessments to identify key points of greenhouse gas emissions within the organization. This preparation and planning are crucial steps towards achieving the company’s environmental goals and enhancing long-term sustainability.

Greenhouse Gas Emissions



Decreasing the number of greenhouse gases per production quantity
(TonsCO₂eq/ Tons Production Unit)

Target 2023	Performance 2023
11%	30.5%

1. Renewable Energy Utilization

The company continues to utilize renewable energy, alongside setting goals to increase the proportion of renewable energy usage to meet the target of 10% by 2030. Currently, the company’s renewable energy usage accounts for 5% of the total electricity consumption. In 2023, the company used renewable energy generated from Solar Cells across all companies, totaling 21,474 GJ or 5,965 MWh, saving costs by 9.18 million THB, or reducing greenhouse gas emissions by 3,155 TonCO₂eq. Moreover, in 2024, the company plans to initiate an additional renewable energy project which is the installation of a Solar Cellat SFT-2 with a capacity of 540 MWp. This project is expected to reduce greenhouse gas emissions by 368 TonCO₂eq annually, saving an estimated 0.28 million THB in costs.

2. Efficient Energy Use in Manufacturing Processes

The company has installed high-efficiency equipment to reduce electricity consumption, replacing devices that operate below 80% efficiency and consume a lot of electricity. Examples include the installation of high-efficiency motors (Dust Collector system) at ICP-2 with a capacity of 200kW, the installation of VSD pumps for the Cooling Tower system at ICP-2, and the installation of VSD compressors at SFT. Overall, these initiatives have reduced energy consumption by 343 MWh, equivalent to reducing greenhouse gas emissions by 692.1 TonCO₂eq, saving costs of 1.45 million baht. Additionally, these measures help to foster awareness and encourage employee participation in energy conservation within the company continuously.

Decreasing the number of energy consumption per production quantity (GJ/ Tons Production Unit)



Target 2023

4%

Performance 2023

8.3%

3. Promoting the Use of Environmentally Friendly Power Sources

Currently, the company is expanding the use of electricity from private power plants generated from natural gas and connecting to a Green Grid mix system. In 2023, this enabled a reduction of greenhouse gas emissions by 14,517 TonCO₂eq, cumulatively contributing to a total reduction of 22,651 TonCO₂eq in greenhouse gas emissions.

4. The company is committed to encouraging its business partners to increase the use of recycled materials.

This is in line with the objective of maximizing the value of existing resources. In the casting business group, 100% recycled materials are used. This is a result of efficient casting operations along with maintaining production quality control standards allowing such high volume of production with recycled material. For the hot forging business group, which uses steel round bars in its processes, pushing partners to increase the proportion of recycled materials, currently at 10%, is crucial. Promoting and participating in development with partners is another mission that the company will continue to pursue in the future.



5. To ensure efficient business operations and to obtain carbon credit certification

the organization has considered implementing energy-saving projects such as renewable energy initiatives from business groups, energy efficiency enhancement projects in buildings, industrial wastewater management, and the reduction, and absorption of greenhouse gases from forestry and agriculture. These plans are in place to apply for carbon credit certification through the T-VER (Thailand Voluntary Emission Reduction Program). Additionally, the company recognizes the importance of collecting operational data, including carbon footprint and carbon credits. Thus, it has developed data collection through a platform, encouraging relevant employees within the organization to have knowledge and participate in these operations.

- **Sustainable Water Management**

The company has set a policy for sustainable development, emphasizing the efficient use of water resources and has set a target to reduce water usage within the organization. This includes fostering employee participation in continually reducing water usage in manufacturing processes to ensure value optimization within the company group. This applies especially to casting and hot forging business groups, particularly in processes that significantly use water. The company has developed and improved methods to reduce water usage, such as using soft water instead of RO (reverse osmosis) water in the sand preparation process which must meet water quality standards, using wastewater from the RO process for tree watering, and reducing water usage in the die washing process. In 2023, the company was able to reduce water usage by 21,663 cubic meters per year, amounting to a 27% reduction in water usage per production unit compared to 2018.

- **Waste Management and Promotion of Circular Economy**

The company is committed to maximizing the use of existing resources for the highest benefit by managing waste to be reused and has set targets to reduce waste from manufacturing processes through the 3R principle: Reduce usage, Reuse, and Recycle waste. Beyond applying the 3R principle, the company also promotes the reuse of scrap metal, a by-product of the company's manufacturing processes, as raw materials in the smelting process. This initiative supports the circular economy within the country, reducing waste, costs, energy usage, and greenhouse gas emissions. In 2023, the company was able to use 49,597 tons/year of recycled metalsteel scrap in its production process, accounting for 54% of the total steel raw material used in all plants, and reduced the amount of waste dispos externally by 473 tons/year, equating to waste management costs of 487,560 baht/year. Overall, the company managed to reduce industrial waste per ton of production by 9% compared to 2018.

Decreasing the number
of water consumption
per production
quantity (m³/ Tons
Production Unit)



Target 2023

1.5%

Performance 2023

23.6%

Decreasing the amount
of industrial waste
disposed per production
quantity (Tons waste/
Tons Production Unit)



Target 2023

2.5%

Performance 2023

4.5%

3.4 Social Dimension of Sustainability Management

The company is committed to caring for both the internal community, including employees, and the external community, including local communities, youth, the elderly, and the underprivileged. For internal community, emphasis is placed on developing the potential and skills of employees through the company's learning center to enhance their competitiveness. The company also promotes employee participation in social activities, prioritizes the safety and health of employees, and respects diversity for sustainable growth.

Furthermore, the company aims to create opportunities and support community development, addressing societal needs by establishing networks with educational institutions and promoting sustainable development. This is to ensure that the community grows alongside the company, with a commitment to social and community responsibility. The company is dedicated to sustainable business practices, focusing on responding to and addressing community issues, to be recognized and create shared benefits with all stakeholders.

- **Employee Engagement and welfare**

The company recognizes that personnel are the primary stakeholder of the organization. Employee engagement directly influences work outcomes therefore, the company prioritizes developing engagement and maintaining continuous care for employees to encourage their involvement and growth alongside the organization. This prepares them for changes and builds competitive abilities for the future.

The company's approach to fostering employee engagement aims to develop and maintain positive relationships between employees and the organization, enhancing job satisfaction, performance, and reducing turnover rates. This encompasses various management aspects, including:

- Learning and development, providing opportunities for professional growth and essential skills development for the job.
- Communication, promoting open communication and employee participation through various channels.
- Benefits and rewards, offering competitive welfare and benefits within the same industry to meet employee needs.
- Recognition and compensation, providing appropriate recognition and rewards through performance evaluation systems.
- Work environment, creating a pleasant and safe working environment.

Implementing these strategies strengthens the bond and builds a corporate culture where everyone is involved and grows together with the organization, forming a vital foundation for sustainable development.

- **Human Resource Development**

The company drives its human resource development strategy to align with the company's business strategy by establishing a knowledge management system and internal training courses covering from Core courses, Specialty courses specific to professions, Practical courses for engineers (Engineering Capability courses), and promoting the development of Management Skills for the Talent group.

The company has policies for developing desired organizational behaviors, referred to as Culture, in terms of Competencies and the development of Skills through Individual Development Plans (IDP), divided as follows:

- Talent Group, to develop management skills and for future growth.
- Engineering Group, with knowledge and capabilities in engineering and technology.
- Production Support Group, focusing on becoming a capable team emphasizing the development of interpersonal skills (Soft Skills) and job-specific skills (Hard Skills).
- Production Group, which must have competencies according to professional standards designed and developed by the company's internal processes.

- **Promoting Employee Participation in Social Activities**

The company is committed to driving social sustainability strategy by encouraging employees to participate in social and environmental activities. The company supports employees in applying their knowledge, abilities, potential, and skills to create value for the community and society. In 2023, the company reviewed its strategy and management approach for social activities, focusing more intensely on encouraging employee participation. It transitioned from a system of collecting good deeds hours to an effective outcome measurement system, which is employee participation in social activities.

The social activities organized by the company are based on the needs of the community and align with the interests of employees. The company's approach to social activities is divided into three directions:

Training Hours Average



Target 2023

10 hours

Performance 2023

13.5 hours

Environmental Activities



The company is committed to building a sustainable organization that cares for the environment and promotes employee involvement in maintaining the balance of nature. This policy focuses on supporting employees to participate in environmental activities, hoping to inspire them to take part in environmental conservation and contribute to a sustainable future.

Sharing Knowledge with Stakeholders



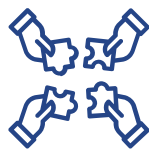
The company has a policy to encourage employees to share knowledge with stakeholders, such as customers, partners, and community societies. This policy reflects the company's commitment to creating sustainability and added value for society. Sharing knowledge not only provides stakeholders with more information and understanding about the business and its social and environmental impacts but also helps build a positive relationship between the company and the community.

Blood Donation



The company supports employees in social activities through blood donation, creating value and aiding humanity significantly. In collaboration with the Thai Red Cross Society, the company organizes blood donation events for employees regularly every year, which has been ongoing for 24 years. In 2023, employees, executives, and partners of the company collectively participated in blood donation, totaling 203 people, resulting in 141,050 cc of blood collected. This reflects the company's commitment to supporting good deeds and sharing with the community.

Employee's Participation in Voluntary Activities



Target 2023
100%

Performance 2023
98%

• Occupational Health and Safety Management

The company prioritizes creating a safe work environment and promoting good health for all employees by developing personnel and a culture of safety in the workplace. It focuses on ensuring that employees have the skills, knowledge, and awareness about safety and good working conditions through various activities, such as:

- KY (Kiken Yoshi) Ability activities promote employees' understanding and identification of hazards in the workplace to effectively prevent them.
- Hazard Identification (Complete Check, Completely Find Out: CCCF) helps employees identify dangers from their tasks and propose solutions.
- Promoting Safety Behavior (Behavior Based Safety: BBS) encourages safe behavior and reduces risky behaviors in the workplace.
- Safety Shop floor Management involves executives at all levels in surveying work areas to cover every area, aiming for one survey per week.

Additionally, there are other safety-promoting activities, such as safe driving campaigns and abstaining from alcohol during the Buddhist Lent, to create a safe and efficient work environment for everyone.

Indicator Loss Time Injury Frequency rate



Target 2023
0

Performance 2023
0.17

- **Human Rights**

The company is committed to protecting and promoting human rights in all aspects of its operations. Human rights are fundamental rights that everyone should have from birth, and equality is a basic principle in building a society and a good working environment. Working collaboratively with all stakeholders in managing diverse issues helps reduce risks that may lead to human rights violation, whether they are creating a safe work environment, treating partners equitably, or controlling pollution that may affect communities. The company focuses on ethical conduct and respecting rights of every individuals, aiming to create a better world for all involved. The company truly adheres to human rights principles, adhering to key standards such as the United Nations Guiding Principles on Business and Human Rights (UNGP) and the Human Rights Impact Assessment and Management (HRIAM) guidelines, along with recommendations from the Stock Exchange of Thailand. The company has adopted these standards to develop a comprehensive human rights due diligence process.

In 2023, the company reviewed and updated its human rights policy to appropriately respond to current needs and situations, reflecting its commitment to protecting and promoting human rights in all areas of operation. The company considers human rights issues related to stakeholders comprehensively, with the following approaches in human rights operations:

- Treat everyone equally according to human rights principles, without discrimination.
- Avoid forced labor within the company's supply chain, such as child labor, foreign labor, or forced overtime.
- Treat the organization's stakeholders equally, whether they are customers or partners.
- Respect the rights of customers, not violating their personal data.
- Respect the rights of partners, treating them fairly and promoting their adherence to human rights principles.
- Respect the rights of the community, listening to their opinions, supporting their participation, and not obstructing access to natural resources and the environment.

- **Creating Value for the Community**

The company is committed to creating sustainable social value. In 2023, to meet the needs of society and communities, the company implemented responsible and diverse projects and activities covering various groups, including local communities, youth, the elderly, disabled, and other disadvantaged groups in society. It supported both short-term and long-term projects to achieve social objectives. Additionally, it encouraged employees to volunteer and participate in social activities.

In 2023, the company undertook the following projects and activities:

- Educational projects: The company focused on developing skills of students and interns skills to prepare them for the labor market, especially in the automotive industry, one of the key industries of Thailand. The company also created educational opportunities and supported learning that leads to career creation, aiming to reduce social inequality through educational opportunities.

- Projects for nearby communities: The company implemented projects that respond to the needs of nearby communities with activities focused on community development in various aspects, such as environmental improvement, hiring disabled individuals from the community, establishing learning activity centers for the elderly, and supporting local traditions to strengthen and promote sustainable development in the community.
- Projects for society: The company carried out projects with broad social impact through business-related processes. Projects implemented include donating electric wheelchairs for disabled people to enhance their mobility and improve their quality of life, and developing agricultural equipment focused on increasing efficiency and effectiveness for farmers while also helping to reduce air pollution from agricultural practices.

These initiatives demonstrate the company's dedication to creating sustainable social value to support community growth and promote sustainable development in society.

Create Value for
Society of Net Profit



Target 2023

0.5%

Performance 2023

1.0%

4. Management Discussion and Analysis: MD&A

4.1 Explanation and Aanalysis of the Financial Position and Performance

Overview of operation

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

Profit and loss analysis

Profit Analysis

In 2023 and 2022, the total revenues of the Company and its subsidiaries were Baht 9,201 million and Baht 9,093 million, respectively, an increase of Baht 108 million or 1% from the same period last year. The revenue from the sale of goods and rendering of services was Baht 9,089 million, an increase of Baht 158 million or 2% from the last year. The revenue from selling goods and rendering services increased from 2022 due to an increase of additional sales from new orders, while the production volume of the automotive industry and the agriculture products from domestic and overseas was decreasing.

Cost and Expense Analysis

- Cost of Goods Sold and Rendering of Services

In 2023 and 2022, the cost of goods sold was Baht 7,436 million and Baht 7,316 million, respectively, an increase of Baht 120 million or 2 % from the same period last year while comparing the proportion to sales, it decreased by 0.1% was principally driven by receiving compensation for electricity and controllable manufacturing cost

- Selling and Administrative Expenses

In 2023 and 2022, Selling and Administrative Expenses were Baht 686 million and Baht 731 million, respectively, a decrease of Baht 45 million or 6% are mainly from the control of administrative expenses. Even though the company has increased expenses from the 2 new subsidiaries totaling Baht 37 million.

- Corporate income tax

In 2023, the company has corporate income tax amounting to Baht 167 million, an increase of Baht 27 million or 19% mainly from an increase in operating profit and tax benefits from promotional certificates have decreased.

- Profit from operating

The company's operating profit, excluding share of profit from investment in associates, financial cost, and corporate income tax in 2023 in the amount of Baht 1,079 million, increased by Baht 40 million from last year or 4% mainly from increasing in sales and control manufacturing costs and selling expenses.

- Net Profit

The company's net profit is the amount of Baht 966 million, which increased by Baht 30 million or 3% from the previous year mainly from increasing in sales and controlling manufacturing costs and selling expenses.

Financial position analysis

Asset

As of 31 December 2023, total assets were at Baht 10,401 million, an increase of Baht 50 million or 0.5% from 31 December 2022, due to the increase in cash at banks and short-term investment of Baht 178 million, Investment in Bonds and Mutual fund of Baht 149 million, and fixed assets – net of Baht 42 million while decreasing in trade accounts receivable of Baht 267 million and cash received from short-term loan to a related company of Baht 50 million.

- Trade customers

The Company has net trade receivables as of 31 December 2023 in the amount of 1,378 million baht and as of 31 December 2022 for the amount of 1,645 million baht, which increased by 267 million baht. The average debt collection period was 64 days.

- Investments

The Board of Directors' meeting, held on 23 March 2023, approved the Company to establish a new subsidiary, Somboon Advance Agriculture Co., Ltd., which has an authorized share capital of 50,000 ordinary shares at the par value of Baht 100 per share. The subsidiary has registered with the Ministry of Commerce on 7 April 2023. In May 2023, the subsidiary registered additional ordinary shares of 150,000 shares, with a par value of 100 per share. The company has invested amounting to Baht 20 million and has a shareholding of 99.99%.

From the consolidated financial statements as of December 31, 2023, the Company's investments can be summarized as follows:

Investment type	Company name	Amount (million Baht)
Associated	1. Yamada Somboon Co., Ltd	557
	2. Tsuchiyoshi Somboon Coated Sand Co., Ltd	
Joint venture	1. Mubea Somboon Automotive Co., Ltd.	366
	2. Somboon Siason Tech Co., Ltd.	
Related	1. Nisshinbo Somboon Automotive Co., Ltd	98
	2. Somboon Somic Manufacturing Co., Ltd	
	3. Tron Energy Technology Co., Ltd	
Bonds		149
Total		1,170

On 31 August 2023, the Company sold the investment in Mubea Somboon Automotive Co., Ltd. in the amount of 701,000 shares (representing 10%) to Mubea Engineering AG in the total sell amount of Baht 83.32 million and recognized loss on sale of investment in consolidated financial statements amounting to Baht 4.6 million, as a result, the Company has a shareholding of 40% in Mubea Somboon Automotive Co., Ltd.

- Property, plant and equipment

The Company's property, plant and equipment as of 31 December 2023 is the amount of Baht 3,256 million, and as of 31 December 2022 is the amount of Baht 3,213 million, increased by Baht 43 million or 1% due to depreciation on the period for the amount of 498 million baht. The Company and its subsidiaries have made additional investments totaling Baht 541 million in the production line to improve productivity.

Liabilities

As of 31 December 2023, total liabilities were at Baht 2,108 million, an increase of Baht 276 million from 31 December 2022, which is mainly from the increase in accounts payable of Baht 220 million. Account payable – purchasing of assets of Baht 60 million and accrued corporate income tax of Baht 5 million while increasing from the provision of employee benefit of Baht 13 million.

Part of shareholders

- Capital structure

The Company's shareholders' equity as of 31 December 2023, shareholders' equity was at Baht 8,293 million, an increase of Baht 327 million from Baht 7,966 million as of 31 December 2022, which is an increase from net profit from operations for the year.

The company's profit appropriation in 2023 includes dividends for 2023 operating at the rate of 1.60 baht per share, totaling Baht 680 million. The interim dividends at the rate of Baht 0.38 per share, amounting to Baht 162 million were paid in September 2023. Therefore, the remaining dividends of Baht 1.22 per share, in amounting to Baht 518 million will be paid to shareholders in May 2024.

The Company's profit appropriation in 2022 includes dividends for 2022 operating at the rate of 1.50 baht per share, totaling 638 million baht. The interim dividends at the rate of Baht 0.38 per share, amounting to Baht 162 million were paid in September 2022. Therefore, the remaining dividends of Baht 1.12 per share, in amounting to Baht 476 million will be paid to shareholders in May 2023

Analysis of Cash Flow Statement

According to the consolidated financial statements as of 31 December 2023 and of 31 December 2022, the company's net cash inflow from operating activities is Baht 1,409 million and Baht 1,216 million (respectively). The company's net cash outflow from investing activities is Baht 680 million and Baht 171 million (respectively), this is the result of the investment in the production line, to enhance production capacity of Baht 597 million, investment in Bonds of Baht 148 million and received of short-term loan to related company of Baht 50 million.. Net cash outflow from financing activities is Baht 654 million and Baht 648 million(respectively), which is the result of the total cash dividend paid for the amount of Baht 637 million and paid of lease liabilities of Baht 16 million.

4.2 Factors or events that may affect financial status.

Somboon Advanced Technology Public Company Limited is one of the major suppliers of automotive parts and agricultural machinery in Thailand for both domestic and international OEMs. Therefore, external factors affecting the automotive and agricultural machinery industries have an impact on the company's operations and performance, such as the volume of automotive production in Thailand and the production volume of tractors in Thailand, etc.

According to the Federation of Thai Industries (FTI), it was reported that in 2023, the estimated total car production of all types was 1.84 million units, a decrease of 2% compared to the previous year. The production of 1-ton pickup trucks was 0.96 million units, decreasing by 11% compared to the previous year. These factors affect the company's revenue and profit due to financial institutions being cautious in lending, as the ratio of household debt to GDP and the proportion of non-performing loans have significantly increased from the previous year, coupled with the slowing trend of the Thai economy.

The agricultural machinery sector has been affected by the El Niño drought, considered the most severe drought in 70 years. This has resulted in the water levels in the main dams for agriculture not reaching 50% of the dams' capacity. Thailand has over 75% of its agricultural area outside the irrigated zones, so the water shortage has led to decreased agricultural production and, consequently, reduced demand for agricultural machinery as well.

Furthermore, geopolitical conflicts, including the ongoing unrest in Russia and Ukraine, and the disturbances between Israel and Hamas, have significantly impacted the global economy, especially fuel prices used in electricity production. This has led to increased production and transportation costs. The company has implemented various strategies to manage these rising costs.

In this regard, the company has strategies and measures to mitigate risks, including continuous monitoring of both external and domestic factors, to prepare for impacts and factors that may affect the company's operations in the future. Specifically, adjusting the production line to accommodate changes in customers' car production volumes during each period, and the company has strategies to continuously seek production part sales to fill in since the previous year. As a result, the company's sales in 2023 increased compared to 2022, while the main industries of automotive and agricultural machinery experienced contraction.

In the long term, the growth trend of electric vehicles (EVs) is a significant factor stimulating the automotive industry. The government has issued policies to propel the EV industry, setting a goal for EV production to account for 30% of total car production by 2030, along with various tax policies to encourage the Thai EV market. The National Electric Vehicle Policy Committee (EV Board) approved Phase 2 or EV 3.5 support measures for a period of 4 years (2024-2027) and extended the registration period for EV 3.0 until January 2024 to promote continuous expansion of the EV industry. Automakers from China, the United States, and Korea, at the 40th Motor Show from November 30 to December 11, 2023, received more than 54,000 bookings, a 33% increase from the Motor Show in 2022. Particularly, Chinese car brands, focusing on the EV market, accounted for more than 40% of all bookings, demonstrating the positive consumer response to the introduction of electric vehicles.

To create opportunities for growth, the company continues strategies related to the electric vehicle business from 2022 under the joint venture Somboon Tron Energy, delivering electric three-wheeled vehicles to customers in 2023 as planned. The company closely monitors, evaluates, and analyzes changing situations while improving and developing more efficient production costs to remain competitive. This includes managing sustainable relationships with customers at all levels, actively seeking business opportunities, business partners, additional industries, and achieving performance according to the business plan.

Furthermore, with the increasing competition in the global automotive industry, customers are signaling pressure to reduce production costs. Consequently, the company must enhance its cost competitiveness to meet customer demands while maintaining appropriate quality. This includes investing in technology and modern robotics to boost production efficiency, developing ways to reduce raw material costs, and investing to improve energy efficiency in the production line.

For the agricultural sector, the company has identified opportunities for long-term business development, as agriculture remains a crucial part of the economy, contributing 8.8% to Thailand's GDP. However, the use of machinery and equipment is still less compared to competing countries. Coupled with the trend of labor shortages in agriculture due to the shift towards an aging society, this leads to an increased future demand for agricultural machinery and equipment. On April 6, the company established Somboon Advance Agriculture to operate in the agricultural machinery, implements, and agricultural equipment business.

In terms of ESG factors, the challenge of reducing greenhouse gas emissions to align with customer policies and global trends continues this year. Additionally, the United Nations has passed a resolution for all countries to collectively set targets to reduce greenhouse gases to control global temperatures from rising beyond 1.5 - 2°C. Thailand has announced a policy for carbon neutrality by 2050 and aims to achieve Net Zero greenhouse gas emissions by 2065, prompting the automotive and automotive parts manufacturing industry in the country to adjust and issue policies consistent with ESG factors in the automotive industry.

Customers have started to require the company to have strategies and activities to reduce greenhouse gases. The Company has been continuously operating to reduce energy and greenhouse gases, setting a goal to reduce greenhouse gases by 30% by 2030, in line with the United Nations and customers. The company has also been able to reduce greenhouse gases more than the target reduction for 2023, which aimed for an 11% reduction compared to the greenhouse gas emissions of the base year 2018.

4.3 Financial Highlights

Table 1 – 1 Consolidated Statement of income

Unit: Thousand Baht

Details	Consolidated financial statements		
	2023	2022	2021
Income			
Revenue from sale of goods and rendering of services	9,089,398	8,931,372	8,598,180
Net foreign exchange gain	5,634	(7,671)	9,482
Dividend income	11,045	9,052	3,080
Other income	93,551	149,967	116,480
Total income	9,201,308	9,093,388	8,727,221
Expenses			
Cost of sale of goods and rendering of services	7,436,352	7,315,802	6,943,351
Selling and administrative expenses	685,892	738,459	736,946
Losses on disposal of investment in subsidiary	-	-	11,501
Total expenses	8,122,244	8,054,261	7,691,798
Profit before financial costs and income tax expense	1,079,064	1,039,127	1,046,924
Financial costs	(1,609)	(1,978)	(5,790)
Share of profit of joint venture and associates accounted for using the equity method	55,979	38,266	84,340
Tax expense	(167,167)	(139,659)	(158,760)
Profit for the year	966,267	935,755	955,213
Operating profit ¹	1,068,019	1,030,075	1,043,844

Note : ¹ Operating profit equals to earnings before finance costs and tax expense excluding share of profit from associates and dividend income

Table 1 – 2 Separate Statement of income

Unit: Thousand Baht

Details	Separate Statement of income		
	2023	2022	2021
Income			
Revenue from sale of goods and rendering of services	-	-	2,700,082
Dividend income	797,498	689,545	235,500
Gain on business restructuring	-	-	182,379
Other income	49,998	73,577	176,399
Net foreign exchange gain	104	342	11,218
Total income	1,102,980	1,015,761	3,305,578
Expenses			
Cost of sale of goods and rendering of services	-	-	2,030,233
Selling and administrative expenses	370,634	363,822	511,049
Total expenses	372,131	364,134	2,543,946
Profit before financial costs and income tax expense	732,346	651,938	764,296
Financial costs	(1,498)	(313)	(2,664)
Tax expense	1,833	(1,525)	(84,637)
Profit for the year	729,015	653,150	676,995
Operating profit ¹	(65,151)	(37,607)	346,417

Note : ¹ Operating profit equals to earnings before finance costs and tax expense excluding share of profit from associates and dividend income

Table 2-1 Consolidated statement of financial position

Unit: Thousand Baht

Details	Consolidated financial statement		
	2023	2022	2021
Assets			
Current Assets			
Cash and cash equivalents	3,313,777	3,135,944	2,998,530
Trade accounts receivable	1,377,931	1,645,389	1,531,158
Inventories	821,870	775,557	593,652
Other receivables	184,344	223,510	219,546
Short-term loans to related parties	-	50,000	200,000
Total current assets	5,697,924	5,830,403	5,542,888
Non-current assets			
Investments under the equity method	923,014	956,839	938,990
Other non-current financial assets	247,340	98,524	92,483
Property, plant and equipment	3,256,032	3,213,120	3,069,095
Other non-current assets	277,171	251,917	186,652
Total non-current assets	4,703,556	4,520,400	4,287,220
Total assets	10,401,479	10,350,803	9,830,107
Liabilities			
Current liabilities			
Short-term loans from financial institutions	-	-	-
Trade accounts payable	1,084,782	1,335,355	1,227,744
Current portion of long-term loans	14,396	13,338	12,548
Other current liabilities	669,945	705,538	651,820
Total current liabilities	1,769,121	2,054,231	1,892,112
Non-current liabilities			
Other Long-term loans	19,322	23,393	18,407
Other Non-current liabilities	319,961	306,883	277,180
Total Non-current liabilities	339,284	330,276	295,587
Total Liabilities	2,108,405	2,384,508	2,187,699

Unit: Thousand

Details	Consolidated financial statement		
	2023	2022	2021
Equity			
Authorized share capital	425,194	425,194	425,194
Issued and paid-up share capital	425,194	425,194	425,194
Premium on ordinary shares	716,443	716,443	716,443
Retained earnings	7,148,264	6,808,869	6,500,772
Total equity	8,289,901	7,950,507	7,642,409
Non-controlling interests	3,173	15,788	-
Total equity	8,293,074	7,966,295	7,642,409
Total liabilities and equity	10,401,479	10,350,802	9,830,107

Table 2 – 2 Separate statements of financial position

Unit: Thousand

Details	Separate financial statements		
	2023	2022	2021
Assets			
Current assets			
Cash and cash equivalents	839,992	795,121	580,634
Trade accounts receivable	-	-	544,319
Inventories	-	-	-
Short-term loans to related parties	90,000	110,000	400,000
Other receivables	110,255	96,320	99,062
Total current assets	1,040,247	1,001,441	1,624,015
Non-current assets			
Investments under the equity method.	4,137,412	4,187,512	4,157,512
Other non-current financial assets	144,606	45,108	45,108
Property, plant and equipment	69,020	57,367	63,348
Other non-current assets	32,796	33,717	21,978
Total non-current assets	4,383,835	4,323,703	4,287,946
Total assets	5,424,082	5,325,143	5,911,962
Liabilities			
Current liabilities			
Short-term loans from financial institutions	-	-	-
Trade accounts payable	-	-	402,627
Current portion of long-term loans	11,993	1,583	4,762

Unit: Thousand

Details	Separate financial statements		
	2023	2022	2021
Other current liabilities	49,007	56,504	271,326
Total current liabilities	61,000	58,087	678,715
Non-current liabilities			
Other Long-term loans	12,205	2,688	3,513
Other Non-current liabilities	77,710	84,001	60,944
Total Non-current liabilities	89,915	86,689	64,457
Total Liabilities	150,915	144,776	743,172
Equity			
Authorized share capital	425,194	425,194	425,194
Issued and paid-up share capital	425,194	425,194	425,194
Premium on ordinary shares	716,443	716,443	716,443
Retained earnings	4,131,530	4,038,730	4,027,153
Total equity	5,273,167	5,180,367	5,168,790
Total liabilities and equity	5,424,082	5,325,143	5,911,962

Table 3 Statement of cash flows

Unit: Thousand Baht

Details	Consolidated Financial statements			Separate financial statement		
	2023	2022	2021	2023	2022	2021
Cash flows from operating activities	1,409,359	1,215,825	1,379,065	(87,802)	(52,060)	508,644
Cash flows from investing activities	(679,580)	(171,743)	(1,267,937)	537,659	819,544	(5,212)
Cash flows from financing activities	(654,524)	(647,687)	(489,988)	(649,624)	(632,909)	(475,832)
Net increase (decrease) in cash and cash equivalents	75,135	396,395	(378,860)	(199,768)	134,575	27,601
Cash and cash equivalents at 1 January	1,998,049	1,601,653	1,980,513	584,954	450,379	422,778
Cash and cash equivalents at 31 December	2,073,183	1,998,049	1,601,653	385,186	584,954	450,379

Table 4 Important financial ratios for Consolidated Financial statements

Ratios	Consolidated Financial statements		
	2023	2022	2021
Liquidity Ratio			
Liquidity Ratio	3.22	2.84	2.93
Quick Ratio	2.65	2.33	2.39
Operating Cash Flow to Debt Ratio	0.80	0.59	0.73
Account Receivable Turnover Ratio	6.01	5.62	6.28
Average Collection Period (days)	60	64	57
Inventory Turnover Ratio	9.31	10.69	11.99
Average Turnover Period (days)	39	34	30
Account Payable Turnover Ratio	6.15	5.71	6.31
Average Payment Period (days)	59	63	57
Cash Conversion Cycle (days)	40	35	30
Profitability Ratio			
Gross Profit (%)	18.19%	18.09%	19.25%
Operating Profit Margin (%)	12.47%	12.04%	12.96%
Other Profit Margins (%)	1.20%	1.75%	1.42%
Operating Cash Flow to Net Profit Ratio (%)	124.34%	113.40%	123.80%
Net Profit Margin (%)	10.50%	10.29%	10.95%
Return on Equity (%)	11.90%	12.00%	13.01%
Efficiency Ratio			
Return on Total Assets Ratio (%)	9.31%	9.27%	10.17%
Return on Fixed Assets Ratio (%)	45.44%	46.18%	47.20%
Total Assets Turnover Ratio	0.89	0.90	0.93
Leverage Ratio			
Interest-Bearing Debt to Equity Ratio	0.00	0.00	0.00
Debt to Equity Ratio	0.25	0.30	0.29
Times Interest Earned (TIE) Ratio	980.57	687.97	266.61
Cash Ratio	1.12	0.99	1.79
Dividend Payout Ratio (%)	69%	67%	67%

Ratios	Consolidated Financial statements		
	2023	2022	2021
Growth Ratio			
Sale Growth Rate (%)	1.77%	3.88%	46.16%
COGS Growth Rate (%)	1.65%	35.36%	39.11%
Selling and Administrative Expense Growth Rate(%)	-6.14%	-0.84%	19.74%
Net Profit Growth Rate (%)	3.26%	-2.04%	154.88%

Table 5 Important financial ratios for Separate financial statement

Ratios	Separate financial statement		
	2023	2022	2021
Liquidity Ratio			
Liquidity Ratio	17.05	17.24	2.39
Quick Ratio	13.77	13.69	1.66
Operating Cash Flow to Debt Ratio	-1.44	-0.90	0.75
Account Receivable Turnover Ratio	-	-	5.60
Average Collection Period (days)	-	-	64
Inventory Turnover Ratio	-	-	30.12
Average Turnover Period (days)	-	-	12
Account Payable Turnover Ratio	-	-	5.39
Average Payment Period (days)	-	-	67
Cash Conversion Cycle (days)	-	-	9
Profitability Ratio			
Gross Profit (%)	-	-	24.81%
Operating Profit Margin (%)	-	-	28.21%
Other Profit Margins (%)	-	-	15.63%
Operating Cash Flow to Net Profit Ratio (%)	-	-	66.78%
Net Profit Margin (%)	66.10%	64.30%	20.48%
Return on Equity (%)	13.95%	12.62%	13.50%
Efficiency Ratio			
Return on Total Assets Ratio (%)	13.56%	11.62%	11.78%
Return on Fixed Assets Ratio (%)	1,195.84%	1,115.58%	134.80%
Total Assets Turnover Ratio	0.21	0.18	0.58

Ratios	Separate financial statement		
	2023	2022	2021
Leverage Ratio			
Interest-Bearing Debt to Equity Ratio	0.00	0.00	0.00
Debt to Equity Ratio	0.03	0.03	0.14
Times Interest Earned (TIE) Ratio	-56.39	-152.77	223.68
Cash Ratio	-0.13	-0.07	1.11
Dividend Payout Ratio (%)	99.52%	91.00%	91%
Growth Ratio			
Sale Growth Rate (%)	-	-100.00%	43.26%
COGS Growth Rate (%)	-	-100.00%	33.54%
Selling and Administrative Expense Growth Rate (%)	1.87%	-28.81%	52.63%
Net Profit Growth Rate (%)	11.62%	-3.52%	65.16%

5. General information and other material facts

5.1 Other material facts

General Information of the subsidiaries

Companies/Address of Head Office	Business Details	Capital (Million Baht)	Paid-up Capital (Million Baht)	Par Value (Baht)	Shareholding Ratio (%)
1. Somboon Forging Technology Co., Ltd. 300/10 Moo 1 Eastern Seaboard Industrial Estate (Rayong), Tambol Tasit, Amphur Pluakdaeng, Rayong Province	To manufacture automotive part such as axle shaft and hub wheel	1,600	1,600	100	99.99
2. Somboon Malleable Iron Industrial Co., Ltd. 112 Moo 2, Bangna – Trad Road, Tambol Bangchalong, Amphur Bangplee, Samutprakarn Province	To manufacture automotive part such as disc brake and drum brake) and agricultural machinery	500	500	250	99.99
3. International Casting Products Co., Ltd. 7/137 Moo 4, Amata City Industrial Estate, Tambol Mabyangporn, Amphur Pluakdaeng, Rayong Province	To manufacture casting products for automotive such as disc brake, drum brake and casting products for agricultural machinery	785	785	10	99.99
4. Bangkok Spring Industrial Co., Ltd. 112 Moo 2, Debaratna Road, Tambol Bangchalong, Amphur Bangplee, Samutprakarn Province	To lease or to rent out property, invest in other companies and manufacture automotive parts	130	130	250	99.99
5. Somboon Tron Energy Co., Ltd. 112 Moo 2, Debaratna Road, Tambol Bangchalong, Amphur Bangplee, Samutprakarn Province	To carry on business of import, research, analyzing, designing, developing, and distributing of electric car driving platform, electric vehicle and battery	50	50	100	60
6. Somboon Advance Agriculture Co., Ltd. 112 Moo 2, Debaratna Road, Tambol Bangchalong, Amphur Bangplee, Samutprakarn Province	To carry on business of manufacturing and distributing agricultural machinery parts, agricultural machineries, implements and agricultural equipment	20	20	100	99.99

5.2 Legal disputes

As of 31 December 2023, the Company, its subsidiaries, and related companies have neither significant legal dispute affecting to the Company's business nor negative impacts on the Company's assets amounting to more than 5 percent of shareholder's equity.

5.3 Secondary market

-None-

5.4 Financial institution with regular contact

-None-



COMPLIANCE



REGULATIONS

RULES



Part 2

Corporate Governance

6. Corporate Governance Policy

6.1 Overview of the Policy and Guidelines

1. Structure of the Board of Directors

1.1 Diversity of the Structure of the Board of Directors

The Board of Directors has established the policy of the diversity of the Board of Directors, provided that it shall consist of a variety of genders, skills, professions and elements of the Board of Directors's competency (Skill Matrix), such as engineering, factory management, accounting, finance, management, business management etc. and comprise of at 1) least three non-executive directors with work experience in the company and knowledge about the company's business, 2) one director with legal experience and 3) one director with accounting and auditing, finance, capital management, civil society, community enterprise, natural resources and environment. Also, the Board of Directors shall consist of independent directors who must be independent according to the specified qualification of the independent directors defined by Somboon Group, which is consistent with and more intense than those specified in the Announcement of the Capital Market Supervisory Board as shown on page 121 and there are at least one-third of the entire Board of Directors and not less than three persons. Currently, the number of independent directors of Somboon Group have exceed the number of independent directors required by law.

As of 31 December 2023, the Board of Directors comprises of ten members as follows:

First-Last Name			Position
1.	Mr. Sansern	Wongcha-um	Independent Director/ Chairman of the Board of Directors
2.	Mr. Yongyuth	Kitaphanich	Director/ Vice Chairman of the Board of Directors
3.	Mr. Sobson	Ketsuwan	Independent Director/ Chairman of the Executive Board
4.	Mr. Paitoon	Taveebhol	Independent Director / Chairman of the Audit and Corporate Governance Committee/ Member of the Nomination and Remuneration Committee
5.	Dr. Suthad	Setboonsarng	Independent director/ Chairman of the Risk Management and Sustainability Development Committee/ Member of the Audit and Corporate Governance Committee/ Member of the Nomination and Remuneration Committee
6.	Mr. Prayong	Hirunyanich	Independent director/ Chairman of the Nomination and Remuneration Committee/ Member of the Executive Board/ Member of the Risk Management and Sustainability Development Committee
7.	Dr. Somchai	Harnhirun	Independent director/ Member of the Audit and Corporate Governance Committee/ Member of the Risk Management and Sustainability Development Committee
8.	Mr. Nontigorn	Kanchanachitra	Director
9.	Mr. Yongkiat	Kitaphanich	Director/ Vice Chairman of the Executive Board
10.	Ms. Napatsorn	Kitaphanich	Director / President

Remark : 1. Dr. Somchai Harnhirun was appointed as a director with effective from April 20, 2023, and was appointed as an independent director with effective from July 27, 2023.

2. Mr. Sobson Ketsuwan was appointed as an independent director with effective from May 11, 2023, replacing the vacant position of Mr. Ajarin Sarasas who passed away.

3. Mr. Nontigorn Kanchanachitra was appointed as a director with effective from October 1, 2023, replacing the vacant position of Dr. Panja Senadisai who passed away.

The Chairman of the Board of Directors is an independent director.

The Board of Directors has at least one female director.

The Board of Directors consists of 90% of non-executive directors and 9 of them are non-executives (6 independent directors and 3 non-executive directors).

The Board of Directors consists of 60% of independent directors and 1 executive director, which is completely under the Board of Directors' structure, and there is no directors holding positions in more than 5 listed companies.

1.2 Criteria and procedures for nomination and appointment of directors:

In the event that the Company's directors are vacated, the Nomination and Remuneration Committee will be responsible for selecting and recruiting qualified persons who has an experience, knowledge and ability to benefit the Somboon group and deserve to be nominated as directors, independent directors or audit committee's member in order to present to the Board of Directors' Meeting and the Shareholders' Meeting to consider for the appointment of the director according to the Company's Articles of Association.

Subject to the structure of the Board of Directors, it shall nominate those who will serve as directors, provided that this is an important factor to help increasing the efficiency and performance of the Board of Directors. To recruit and select the directors, it will consider the elements according to the Board Skill Matrix in order to determine the qualifications, knowledge, skills and experience required for such nominated directors, and the Board of Directors will consider the necessary skills that are lacking in the Board of Directors regardless of the gender, age, education history, professional experience, skills and knowledge to serve as directors in order to ensure that the Board of Directors will perform more efficiently and be in line with business strategies, and support the composition of the entire Board of Directors to be completed in terms of knowledge, competency, experience and diversity dimensions that contribute to the most efficient work, as well as without prohibited characteristics under the law and good corporate governance principles. Also, Director Pool shall be applied in order to help considering the nomination of new directors.

In addition, the Company has given shareholders the right to nominate a person deemed qualified to be elected as a director of the Company by announcing on the Company's website. However no shareholder has nominated a person to be elected as a director of the Company.

The Nomination and Remuneration Committee moderates the qualifications and suitability of applicants. Nominees or directors who are due to issue the agenda by presenting their opinions to the Board of Directors to approve the proposed shareholders' meeting to be elected as directors by considering the following qualifications:

Qualifications of directors: Persons who hold director positions must be knowledgeable, competent and ready to perform their duties and have at least the following qualifications:

- (a) Qualified and not of prohibited characteristics as defined in Public Companies Laws and shall not have a characteristic that implies a lack of appropriateness to be trusted to manage the Company from shareholders as announced by the Securities and Exchange Commission.
- (b) Have specialized knowledge, skills, profession, experience and expertise, especially in relation to the production of automotive parts, agricultural machinery, future automotive technology and international trade depending on the suitability of the company's situation during that time according to the structure of the diversity of the Board of Directors. The nomination and appointment of directors is based on knowledge and competency and use the diversity criteria for consideration.
- (c) Be fully dedicated, especially in making important decisions and protecting the interests of the Company, and attending the Board of Directors' meeting and shareholders' meetings every time, unless the force majeure is occurred.
- (d) Be virtuous, ethical and have an additional qualification required by law or as appropriated of the Board of Directors;



Qualifications and skills that the Board of Directors must have, which are essential and beneficial to corporate governance that will enable the Company to grow according to the strategic plan and goals, are as follows:

1. Administration and Business Management
2. Factory Management/Engineering/Automotive
3. Strategic Planning
4. Related Laws and Regulations
5. Human Resource Management
6. Sales - Marketing
7. Account - Audit
8. Finance - Capital Management
9. Civil society, Community Enterprise, Natural Resources, Environment and Sustainable Development
10. Information and Digital Technology
11. Agricultural machinery
12. Joint Ventures, Mergers and Acquisitions and International trade
13. Others

Knowledge/Experience/Expertise



1.3 The Chairman of the Board of Directors is a different person to the President.

The Board of Directors determine that the Chairman of the Board of Directors shall be a different person to the President and their role, power and duties shall be clearly separated, and it shall appoint an independent director to be the Chairman of the Board of Directors, Chairman of the Executive Board and Chairman of any Sub-Committee.

Mr. Sansern Wongcha-um, the independent director, is the Chairman of the Board of Directors and Ms. Napatsorn Kitaphanich is the President.

1.4 Director's tenure at other companies

To lead to performance the corporate governance efficiently, the Board of Directors has established a policy on the number of companies in which each director can become a director. as follows:

- (1) The number of listed companies in which each director can hold director positions shall not exceeding 5 companies.

Performance: In 2023, there is no directors who served as directors in listed companies more than 5 companies.

- (2) No executive directors have been held as directors in other listed companies outside the business group more than 2 companies.
- (3) Directors and executives of the Company has never been an employee or partner of an external auditing company used by the Company in the past two years.
- (4) To be a director at other companies of the President and executive of the Company: The President and executive of the Company can serve as directors in other companies but shall be approved by the Board of Directors.

1.5 Term of Director

- (1) At every annual general meeting, the directors shall leave their positions at a one-third rate, with the longest-in-position directors leaving their positions first. If the number of directors who are divided directly into three parts is not, the directors shall issue the closest number to the one-third section, and the Company's Regulations Article 18.
- (2) The term of independent directors shall be defined for up to 9 years without conditions to start from 1 January 2015 onwards.

2. Supervisory Duties

2.1 Roles of the Chairman of the Board of Directors

The Chairman of the Board of Directors plays an important role in overseeing and encouraging the Board of Directors to perform its duties to the fullest according to the direction and strategy as set out for the best interests of the Company and its all shareholders. The Chairman of the Board of Directors plays a leading role in the Board of Directors. Duties of the Chairman of the Board of Directors are as follows:

1. Supervise, monitor and ensure that the performance of the Board of Directors' is effective and achieves its core objectives and goals.
2. Maintain and promote ethics and good corporate governance.
3. Set the agenda of the Board of Directors' meeting by discussing with the President and have measures to ensure that important matters are contained in the agenda.
4. Allocate sufficient time to the Board of Directors' meetings for Management to propose matters, and for the directors to fully discuss important issues.
5. To build up the relationship between the executive directors and non-executive directors and between the Board of Directors and management.

2.2 The Board of Directors prepares corporate governance policy.

Overview of corporate governance policies and practices

The Board of Directors has established a "Corporate Governance Policy" to promote corporate governance principles in accordance with international standards of good corporate governance for listed company of the Stock Exchange of Thailand and the Securities and Exchange Commission, as

well as the criteria set forth in the Corporate Governance Report of Thai Listed Companies (CGR) and the ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard), to serve as a guideline for directors, executive and employees of the Company in conducting business operation. It is recognized that conducting business operations under the principles of good corporate governance is a management system that promotes fairness, transparency, generate returns and long-term value added for shareholders. Moreover, it instills confidence in all stakeholders and facilitates sustainable development. Therefore, it is necessary to review policies annually to ensure their appropriateness to changes in business operations.

The Board of Directors focuses on conducting business with transparency, morality, ethics and integrity on the basis of “Code of Conduct” and apply it as a good practice of directors, executives and employees of Somboon Group at all levels in order to develop the organization to be good governance and to develop people to be good, smart and have knowledge and morality as well as to protect environment and benefit of whole stakeholders and society which will lead to the social responsibility through the SBG’s philosophy “Somboon Triple Bottom Line” and be a truly sustainable organization.

The Board of Directors requires regular monitoring of compliance with corporate governance policies and practices. The company has also publicized all employees’ corporate governance policies and practices through both internal information systems (Intranet) and has been shown to the public through the company’s website, <https://www.satpcl.co.th> under the theme Corporate Governance.

Also, the company establish the Code of Conduct and review it annually to take it as a guideline for executives and employees to work and perform their duties with integrity, virtuous, socially responsibility, irrelevant in politics, taking into account of all stakeholders, irrelevant to human rights violations, anti-corruption, non-infringement of third party’s intellectual property right by having the activities as below:

Performance in the year 2023

1. Communication and reporting to the Board of Directors achieved 100% through the board meetings.
2. Conducting training on Code of Conduct, as well as anti-corruption, along with testing the knowledge of executives in the level of manager and assistant general manager and above, totaling 115 people, achieved 100%, signed, acknowledged, and complied with the training program.
3. Providing training through the course. “Ethics...And Corporate Sustainability” for new executives and employees at all levels to understanding of Code of Conducts achieved 100%
4. Organize a caravan of corporate culture and ethics with organizational sustainability for 1,813 employees of all levels.
5. There have been no violations of corporate governance practices.

In 2023, the Board of Directors supervised and monitored the directors, executives and employees at all levels to follow good corporate governance principles and Code of Conducts by taking into the consideration of the stakeholders in all areas and created value for the business, environment and social sustainability and received the assessment’s result on corporate governance and awards as follows:

1. The company was evaluated from the Corporate Governance Report of Thai Listed Companies Project (CGR) as one of 782 listed companies rated “Excellent CG Scoring” for 2023 from the Thai Institute of Directors Association (IOD), with Excellent score in all categories.



2. Awards from the Stock Exchange of Thailand
 - Sustainability Awards of Honor
 - Selected to be listed as “Sustainable Shares” or Thailand Sustainability Investment (THSI)

In addition, the Company has adhered to good corporate governance principles to reflect that all entities of the Company and its subsidiaries implemented the policies and guidelines as set out by the Board of Directors

2.3 Supervision of subsidiaries and Joint Venture Companies

The Company has supervision of Somboon Group. The Board of Directors is responsible for overseeing, supervision, management of the business of subsidiaries and joint venture companies and establish measures to monitor the management of subsidiaries and joint venture companies in accordance with the company’s Articles of Associations, provided that any transactions or any action of the subsidiaries or joint venture companies must be approved by the Board of Directors of the Company or the Shareholders’ Meeting.

The Board of Directors will monitor the Board of Directors and executives of its subsidiaries and joint venture companies to comply with their duties and responsibilities under the laws, Company’s Articles of Associations and policies, and also have the internal control system, risk management system and anti-corruption system, as well as to establish the appropriate, efficient and sufficient monitoring measures to ensure that the performance of subsidiaries and joint venture companies are implemented according to the plan, budget and company’s Policy (Supervision details specified in Section 8 Clause 8.1.3 Supervision of subsidiaries and Joint Venture Companies Page 147

2.4 Supervisory Operations

1. The Board of Directors holds a regular review of the scopes, roles and authorities of company’s directors and subsidiaries’ directors at least once a year.
2. In 2021, the change of the Company’s Vision and Missions was approved by the Board of Directors in the board meeting and became effective on January 1, 2022. During the year 2023, the Board of Directors has entrusted executive management with reviewing strategies and planning in each function to align with the vision, mission, and company goal, as well as adopting the strategy to implement at the management level. To ensure that all management and employees are in the same direction toward a common goal, the Company has established the guidelines as follows:
 - 1) Determine the Company’s vision, mission, strategies, goals, business plans, and budgets by having independent opinions from the Board of Directors and senior executives at a regular annual workshop.

- 2) Regularly follow up on strategic progress to ensure that the management follows the business plan and direction. The management level holds Executive Strategic Committee meetings every quarter and reports progress to the directors at an appropriate frequency.
- 3) Organize independent discussions in which management can express their opinions in order to establish an organizational direction and framework as well as to prepare for and deal with changing economic conditions.
- 4) Provide suggestions, opinions, and organizational management guidelines for the development of a detailed work plan that meets the Company's objectives.
- 5) Communicate policies, goals, and operational trends to all levels of employees throughout the organization. The Top-Management Communication Activity (TCA) is held four times a year for management communication. The biannual "Chab Khao Kui Kan" activity led by the Presidents serves as a forum for employees communication.
- 6) Monitor the management's strategic results on a quarterly basis.

The Board of Directors and top management jointly determine strategic directions aimed at increasing competitiveness in the current business groups of automotive parts and agricultural machinery production in order to retain current customers, such as developing more efficient production processes in terms of quality and cost, reducing energy and resource consumption, and improving engineering capabilities. The emphasis is also on expanding the Company's adjacent and complimentary business, such as EV, agricultural machinery, and robotics and automation. The Company's goal is total income growth while adhering to the Somboon Triple Bottom Line principle, which focuses on growing the business while creating value for its major stakeholders.

3. The implementation of SAT's strategies is monitored by the Board of Directors. A review of the management's operational results, performance, and importantly the strategic plan and financial targets, is on the agenda for monthly meetings. This is to ensure that the executions are in line with the planned strategies, which are as follows:
 1. Current business operation plan
 - 1.1 Analyze external factors and industry for cope with business uncertainty, which has an impact on the overall performance of the Company.
 - 1.2 Prioritize cost competitiveness improvement in order to prepare for face competitive conditions in the future.
 - 1.3 Regularly monitor the evolving trends of technologies and movement of competitors.
 - 1.4 Conduct product research and development to gain a competitive advantage through collaboration with customers and partners.
 - 1.5 Enhance the efficiency of the Company's production processes by investing in automation systems while maintaining the quality and standards that customers expect.
 - 1.6 Continuously implementing the "Somboon Triple Bottom Line" principle to reduce environmental impact, resource usage, and greenhouse gas emissions while also developing nearby communities.

2. Action Plan for New Business Operation
 - 2.1 Develop business opportunities by building partnerships, such as development of joint venture in the EV industry.
 - 2.2 Develop further and expand additional businesses in affiliated companies, such as expanding into the agricultural machinery business, peripheral equipment and agricultural equipment.
 - 2.3 Collaborate with partners to create prototypes and test them in order to address customer pain points.
 - 2.4 Study and develop new business models that can leverage existing businesses to align with changing external factors, as well as solutions for building a new ecosystem.
3. The Company's Internal Management
 - 3.1 Review and adjust organizational structures, as well as use technology to reduce costs and improve workflow efficiency.
 - 3.2 Prepare the organization's readiness and strengthen employees' competencies to adapt to business transformations and be fully prepared for industry rapid changes.
 - 3.3 Provide opportunities for employees to contribute to the development of innovations and improvement of work processes.
 - 3.4 Develop employee measures and policies, especially succession plans for management and other key positions, to ensure seamless operations.
 - 3.5 Encourage participation and employee engagement, which demonstrate their motivation and commitment to working toward organizational goals.

2.5 Internal Control and Risk Management

1. The Board of Directors manages to have an internal control system that covers all aspects of finance, operation to be in accordance with laws, regulations, and relevant regulations, including providing adequate and appropriate risk management. As well as establish a mechanism for checking and balance that is effective enough to operate, including taking care of assets by establishing an internal audit department under the supervision of Assistant General Manager - Internal Audit Department is Mr. Wasumeth Kullachote; who is an independent agency that reports directly, to the Audit and Corporate Governance Committee and prepares the Audit Committee Report to reveal the number of Audit Committee meetings in that year and has been assessed Review the internal control system related transactions consideration for the nomination Termination of the auditor financial report review Determine risk management policies. Overseeing compliance with regulations and policies and has the conclusions and approval of the Audit Committee on the overall operations in various fields.
2. The Board of Directors has established a risk management policy and has an adequate risk management system and to monitor risk management regularly, therefore, a Risk Management Committee was established. To consider the risk factors and key risk management approaches to achieving the strategic goals of the organization, carefully considering every risk in both quality and quantity with the best suggestion to protect and preventive risk from the current situation reporting to the Board of Directors.

2.6 The Company provides responsible person or regulatory agency.

The Company established the Compliance Department in order to oversee and supervise overall compliance activities and to promote the Corporate Governance. Accordingly, the Company has appointed Mr. Wasumeth Kullachote as Assistant General Manager - Compliance Department starting from 1 July 2021.

The Compliance Department is responsible for overseeing, promoting, and exercising the Company's Compliance together with Corporate Governance matters as follows:

- (1) To promote and communicate Corporate Governance Policy and the Code of Conduct thoroughly.
- (2) To study, review, and update corporate governance guidelines and Code of Conduct in accordance with applicable laws, regulations, rules and announcements of the Stock Exchange of Thailand and the Securities and Exchange Commission along with the best practices for the leading organizations.
- (3) To ensure an adequacy of the Company's compliance with laws and applicable regulations, Corporate Governance requirements, the Code of Conduct, and Anti-corruption policy and to ensure that the implementations of the Company's business operations are properly applied to these principles, by reporting to the Board of Directors quarterly through the Audit and Corporate Governance Committee.
- (4) To perform other actions as assigned by the Audit and CG Committee.

2.7 Scheduling meetings in advance and in the past year there have been more than 6 meetings / proportions of board attendances.

The Board of Directors schedules meetings of the General and Subordinate Committees in advance of the year, which will consider the schedule of meetings during the month of September - October every year. The meeting is held more than six times each year, as well as special meetings as needed. Both agenda to know and to consider for discussion and share opinion. The supporting documents must be sufficiently complete and delivered to the directors at least 7 days in advance to allow the directors to have sufficient time to study the information before attending the meeting, and on the day of the meeting, the President must allocate time so that all committee members can freely discuss and express their opinions and the Chairman will process the opinions, summarize the priorities obtained from the meeting, with the preparation of the minutes of the meeting on a case-by-case basis by the Secretary of the Board of Directors. After receiving the meeting's approval, the documents will be stored at the Company Secretariat, 2nd Floor, Building 11, Head Office (Attendance details specified in Section 8.1.2 Attendance of the Board of Directors page 143)

In 2023, the entire Board of Directors attended 100% of the total number of meetings both Physical Meeting and E-Meeting.

Duty of the Board of Directors in 2023

Q1

1. To consider the schedule and agenda of the Annual General Meeting of Shareholders
 - To consider and approve the record date to determine the list of shareholders eligible for the 2023 annual meeting and the right to receive dividends.
 - To consider and acknowledge the company's performance
 - To approve and propose the AGM to approve the financial statements ended 31 Dec 2022
 - To consider and acknowledge the interim dividend payment
 - To consider and approve the allocation of profit from annual performance
 - To consider and approve the appointment of directors in place of those retiring by rotation
 - To consider and approve the appointment of new director
 - To consider and approve the remuneration of directors
 - To consider and appoint an auditor and determine the annual audit remuneration
2. To consider the financial statements and performance of the previous year
3. To consider and acknowledge the performance of the Audit and Corporate Governance Committee in the previous year
4. To consider and approve the director remuneration
5. To acknowledge the performance of the corporate strategy
6. To follow up the Company's ESG strategy
7. To approve the criteria of 2023 KPI Bonus for employee
8. To evaluate the results in order to pay the bonus of the President.
9. To appoint the company secretary
10. To approve investment plan
11. To arrange the Meeting of Non-Executive Director
12. To acknowledge annual self-evaluation result of the Board of Directors

Q2

1. To arrange the 2023 Annual General Meeting of Shareholders
2. To approve the appointment of directors to return in the sub-committee
3. To approve the financial statements and the results of the first quarter
4. To acknowledge the performance of the Audit and Corporate Governance Committee of the first quarter
5. To approve the election of independent directors to replace directors who vacate their positions before the end of their terms
6. To approve investment plan
7. To approve the executive succession plan
8. To approve the appointment of directors of the subsidiaries company
9. To acknowledge the progress report on organizational strategy's

Q3

1. To approve the payment of interim dividend
2. To approve the financial statements and the results of the second quarter.
3. To acknowledge the performance of Audit and Corporate Governance Committee of the second quarter
4. To acknowledge the risk management report of the second quarter
5. To change the sub-committee
6. To adjust the organizational structure in 2023
7. To consider the organizational strategy
8. To appoint the Risk Management and Sustainability Development Committee
9. To recruit directors to replace vacant positions
10. To follow up on operations of subsidiaries and joint venture companies

Q4

1. To appoint executives
2. To Appoint directors of joint venture companies
3. To consider the organizational strategy
4. To approve 2024 budget
5. To approve the financial statement and operating results of the third quarter
6. To acknowledge performance of Audit and Corporate Governance Committee of the third quarter
7. To approve the Meeting schedule of the Board of Director and Sub-Committee in advance
8. To approve the appointment of auditors and determine the remuneration in the year 2024
9. To approve the 2024 manpower and organization structure
10. To approve the bonus payment and annual salary adjustment for employees
11. To approve the renewal of the management service contract (Somboon Holding Company Limited)
12. To arrange the Meeting of Non-Executive Director

2.8 The Company established the quorum policy of two-third

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

2.9 The Board of Directors hold meetings of the Non-Executive Directors without management attending.

The Company has a policy for Non-Executive Directors (NED) to organize their own meeting to discuss on business or outstanding issues without an attendance of management at least once a year.

In 2023, the NED's meeting was arranged 2 times on 23 March 2023 and 14 December 2023, the Chairman of the Board discussed the issues with the Board of Directors in order to brainstorm opinions and gain an understanding of the Company's development guidelines to accommodate changes that will occur in the future.

2.10 The Company discloses the policy President and Executive

1) Criteria and procedures for the nomination of the President and executives

The Company has the criteria and procedures for the nomination of the President and Executives. The Nomination and Remuneration Committee is assigned to be the person in charged to select and nominate the qualified person to be nominated to the Board of Directors to consider an appointment with criteria as follows:

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

2) To establish the Remuneration Policy of the President, including the Performance Evaluation of the President

The remuneration of the President is aimed to reward the success of implementation of short-term and long-term strategies including the performance of the President as assigned by the Board of Directors. The Nomination and Remuneration Committee is assigned to evaluate and present to the Board of Directors for approval by specifying indicators in 4 areas as performance evaluation criteria as follows:

1. Financial Performance
2. Customer Value Proposition
3. Strategic Execution
4. Organization & People Management

The overall evaluation results for 2023 were able to exceed the target by 103%. The evaluation results will be determined as salary increase rates and bonus of the President approved by the Board of Directors (details of remuneration disclosure of CEO specified in Section 2) the total amount of the Executive's Compensation Page 130)

3) The Performance evaluation of Executives

The Board of Directors and the Nomination and Remuneration Committee establish annual measurement of top executive's performance by Key Performance Indicator (KPI) compared with targeted KPI, which relating to compensation rate in accordance with the criteria set by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee will consider the appropriation of such remuneration according to the remuneration structure of the Company compared with 1) remuneration survey from trusted institutions, organizations, and entities; and 2) growth rate of the Gross Domestic Product, inflation rate, and net profit for the past 5 years, as well as based on performance and responsibilities be assigned.

2.11 Establishment of the successor plan of top executives and proposing the implementation guidelines

Establishment of the successor plan for the President and the Vice President is made to ensure that the Company has sufficient knowledgeable and competence executives to perform their duty as follows:

- (1) The Board of Directors has established the executive development plan to provide the successor plan for the President and Vice President in all functions.
- (2) The Nomination and Remuneration Committee has prescribed the knowledge, competency, and experience of each position to select qualified executives according to the requirements and can inherit such roles.
- (3) The President has evaluated the performances, knowledge, and competency of qualified executive compared with required competency to develop the individual development plan to reduce competency gap.
- (4) To assign the Organization Development function to Human Resource Department to monitor on the training to develop knowledge and competence of the successor to the Vice President.
- (5) The President has rotated the duty and responsibilities of the executives and assigns the Vice President to participate in the Executive Board to gain the understandings, experiences, and readiness in the organization administration in the future.
- (6) The President has reported the performance and development result according to the individual development plan of executive to the Nomination and Remuneration Committee twice a year.
- (7) The Nomination and Remuneration Committee has regularly reviewed and summarized the results of the successor plan of the President and the Vice President and report to the Board of Directors twice a year.

In addition, to evaluate of internal successor readiness, in case of unreadiness, the external recruitment shall be considered by criteria as follows:

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

2.12 Governance on internal information

1. The Company has required that the directors, executives, and employees, who are acknowledge significant internal information, which may impact the fluctuation of the trading price of the securities, shall suspend trading of the Company's securities during 1 month prior to the Company's announcement, of its operating information, is made to the public.
2. The directors and executives have the duty to report the trading of the Company's securities/the changes in the holding of the securities, inclusive thereof spouses' and underage children's as well as related persons according to section 59 of Securities and Exchange Act 1992 (2535 B.E.) within 3 business days from the date which the buying, selling, transfer or being transferred have been carried out to the Securities and Exchange Commission. It is also prohibited to trade the Company's securities during the 1-month period prior to the publication of the financial statements (including additional amendments).
3. The directors and executives must report the trading of the Company's securities/the changes in the holding of the securities to the Securities and Exchange Commission as well as noticing the Company at least 1 day in advance prior to the trading of the securities through the supervising and inspection department and report to the inspection and good governance committee every quarter. The inspection and good governance committee will then make a deliberation on the holding of the securities and make a quarterly report to the Board of Directors.

In 2023,

1. No resigned case of non-executive director caused by the corporate governance issues of the Company.
2. The Board of Directors and executives of the Company have no ethical offenses.
3. The Company has no history relating regulatory misconduct of the Securities and Exchange Commission and the Stock Exchange of Thailand.

3. Performance Evaluation of the Board of Directors

The Board of Directors has evaluated its entire performance at least once a year to review whether the governance in various operations is adequate and be used such information supporting the management to enhance and develop management efficiency. The Company also adjust the self-assessment form, according to an example and guideline of the Stock Exchange of Thailand, with appropriation and consistency of characteristics of the Board of Directors; and further inform the Board of Directors of the assessment results analyzed to improve the performance efficiency, by divided into the following: (1) Self-assessment of the entire Board of Directors, (2) Self-assessment of the Directors individually, and (3) Self-assessment of the four sub-committees, namely the Executive Board, the Audit and Corporate Governance Committee, the Nomination and Remuneration Committee, and Risk Management and Sustainability Development Committee. The Board of Directors, therefore, jointly consider the performance evaluation and solve the problem for further improvement and development. (Evaluation details specified in Section 5) The Performance Evaluation of the Board of Directors Page 139)

4. Directors and Executive Development

1. Director Orientation

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

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

In 2023, the company has appointed 1 new director and recruited to replace 2 vacant positions, for a total of 3 persons. To keep up with the current and update information, the Company report and update the new regulation and law such as the corporate governance policies, code of conduct, anti-corruption measures and ASEAN CG Scorecard guidelines that directors should know by providing orientation for new directors. There was a factory visit. Study the production process and arranged meetings between directors and executives to exchange opinions on management.



2. Knowledge Development for Directors and Executives

The Company support the directors and executives to participate in the seminar that will be benefited to perform their duty. The Company Secretary will coordinate with the director to participate in the course provided by Thai Institute of Directors and other institutions including Directors Certification Program (DCP), Directors Accreditation Program (DAP), Audit Committee Program (ACP), and Corporate Governance for Executives (CGE), etc., and attend the seminars organized by the Company between directors and executives to exchange their opinion and enhance knowledge and improve performance.

At present, there are Board members who trained in the following courses related to the duties of directors from IOD:

- Director Certification Program (DCP) with total 6 participants
- Director Accreditation Program (DAP) with total 6 participants

In total, there are 10 participants, accounting for 100 percent of all board members.

In addition, the Company has provided information on useful seminars and training for the Board of Directors. (evaluation details specified in Section (4) Development of knowledge of the Board of Directors and Executives Page 137



6.2 Policies and practices relating shareholders and stakeholders

Section 1 | Rights of Shareholders

The Company emphasizes on the importance of the rights of shareholders by allowing the shareholders to participate in corporate governance and emphasizes on the importance of good practices in the execution of shareholders' meetings regarding (1) the quality of the invitation letter, (2) the quality of the minutes of meeting, (3) the role and attendance of the Chairman and the sub-committee, by preparing the minutes of shareholders' meeting to inform the shareholders of the meeting's resolutions and the accuracy can be reviewed by the channels of the Stock Exchange of Thailand and the Company's website within 14 days from the meeting date. The Company has administered in the category of shareholders' rights as follows:

Operating Year 2023

- 1.1 The shareholders are given the opportunity to propose matters to be included in the meeting's agenda and propose the name of qualified persons to nominate as directors between 28 September 2023 to 31 December 2023 by informing the shareholders through the News System of the Stock Exchange of Thailand as well as published clear instructions and process on the Company's website at www.satpcl.co.th under the Investor Relations section, shareholders information, and select sub-heading "Shareholders' Meeting".
- 1.2 The shareholders are given the opportunity to submit questions related to the agenda of the 2023 Annual General Meeting of Shareholders in advance between 17 March 2023 to 7 April 2023 by informing the shareholders through the news system of the Stock Exchange of Thailand as well as published clear instructions and process on the Company's website at www.satpcl.co.th under the Investor Relations section, shareholders information, and select sub-heading "Submission channels for questions regarding the meeting agenda".
- 1.3 Due to 2023 Annual General Meeting of Shareholders being held through electronic means (E-AGM) in accordance with the Emergency Decree of Electronic Meetings B.E. 2020 and other relevant laws and regulations, the Company used the system for electronic meetings. The Company announced the number and ratio of the shareholders attending the meeting and the proxies attending the meeting, the voting and counting process prior to the shareholders' meeting.

Due to the fact that the 2023 Annual General Meeting of Shareholders was held through electronic media (E-AGM), there will be no voting cards issued to attendees.

The shareholders would be able to cast their votes through the electronic voting system by selecting "Agree," "Disagree," or "Abstain" for each agenda item within the designated time frame of one minute. Shareholders who do not cast their votes or do not press any buttons will be deemed to have voted in favor of the proposed resolution.

The E-AGM allows the shareholders to provide feedback, ask questions, or make relevant comments on each agenda item as appropriate. The shareholders must type their questions in the chat box, and the questions and answers, along with the name of the questioner, are recorded in the minutes of meeting.

- 1.4 To propose the guidelines and procedures for the proposal of the directors' remuneration by explaining the composition and proposed remuneration for the Company's directors of all

arrangements divided into monthly remuneration, meeting allowance, annual remuneration and other privileges for the shareholders consideration on a yearly basis.

- 1.5 To propose the policies, methods, and criteria for the remuneration of the directors in each position for the shareholders' acknowledgement.
- 1.6 The opportunity is given for the shareholders to cast an election vote for a director individually by presenting the name of the director for the shareholders to vote one by one.
- 1.7 The Company has an independent inspector, which is a non-stakeholder, from LS Horizon Limited to attend the meeting. In order to demonstrate transparency and good governance in vote counting for the meeting, the vote counting will be conducted through an electronic media system. Therefore, the Company cannot invite volunteers to witness the vote counting process. Additionally, the E-AGM system that applied by the Company meets the standards to ensure the security as required by law.
- 1.8 In the 2023 Annual General Meeting of Shareholders, the Company has clearly specified the shareholders meeting agenda divided into different categories without any addition to the meeting agenda or changes of important information without noticing the shareholders in advance and the shareholders are given the opportunity to share their views and raise questions at the meeting, in which the details are recorded in the shareholders meeting minutes.
- 1.9 To facilitate the shareholder meetings, the Company provides the opportunity for the shareholders to participate in the meeting through electronic media (E-AGM) in accordance with the Emergency Decree of Electronic Meetings B.E. 2020 and other relevant laws and regulations. The Company has implemented an electronic meeting system and has provided instructions on how to participate in the meeting, ask questions, receive answers, and cast votes to the shareholders through the Guidelines for Attending the Annual General Meeting of Shareholders through Electronic Means (E-AGM).
- 1.10 The Board of Directors altogether does not hold more than 25 percent of the total Company's issued shares.
- 1.11 To promote the ratio of the common shares held by minority shareholders (Free Float) at more than 40% of the total issued shares of the Company.
- 1.12 The shareholders are given the opportunity to connect and communicate among each other without the Company's obstruction or hindrance.
- 1.13 In the event that the shareholders will enter into a shareholder's agreement, the Company will ensure that the agreement between the shareholders does not have a significant impact to the Company or other shareholders.
- 1.14 The Company has utilized technology to facilitate shareholder meetings by providing convenience in verifying shareholder documents and registration using a barcode system, as well as online voting and vote counting systems during electronic shareholder meetings. This ensures fast, accurate, and precise reporting of voting results and meeting proceedings.
- 1.15 The Annual General Meeting of Shareholders
In addition to the fundamental rights of shareholders, in the year 2023, the Company provided various initiatives to promote and exercise the shareholder rights, as follows:

- **To specify the date, time, and location of shareholder meetings**

The company has scheduled an Annual General Meeting of Shareholders once a year, within no more than 4 months from the end of the company's fiscal year. Therefore, the Company held the 2023 Annual General Meeting of Shareholders through electronic means (E-AGM) on April 20, 2023, from 10:00 a.m. to 12:00 p.m. in accordance with the Emergency Decree of Electronic Meetings B.E. 2020 and other relevant laws and regulations.

Before the Meeting Date

1. The Company has facilitated the shareholders by sending the standard proxy form (Form B) along with the invitation letter, which included the instructions and the list of documents/evidence that shareholders need to prepare for the proxy.
2. The shareholders who wish to attend the Annual General Meeting in person or grant proxy to another person to attend the meeting must register through the registration form for the Annual General Meeting of Shareholders through electronic means (E-AGM).
3. Shareholders must follow the guidelines to attend the Annual General Meeting of Shareholders through electronic means (E-AGM).
4. If a shareholder is unable to attend the Annual General Meeting of Shareholders through electronic means (E-AGM), they may grant proxy to another person to attend the meeting and vote on their behalf or appoint an independent director of the Company.
5. The shareholders may submit questions related to the agenda of the meeting in advance by sending such question to email address: nopamas.p@somboon.co.th and/or kannika.i@somboon.co.th

On Meeting Date

The Company has conducted the Annual General Meeting of Shareholders through electronic means (E-AGM) in the following manner:

1. The meeting was conducted in accordance with the agenda specified in the invitation letter.
2. The attendees were given the opportunity to ask questions related to each agenda item through the chat box, as appropriate. The Guideline for Attending the Annual General Meeting of Shareholders through Electronic Means (E-AGM) were provided to the shareholders. The shareholders who had question must type their questions in the chat box.
3. For voting, the shareholders cast their votes on the screen by selecting “agree,” “disagree,” or “abstain” within the time frame specified (1 minute) for each agenda item. The shareholders who did not cast their votes or did not enter their votes into the system would be deemed to have voted in favor.
4. If the shareholders have any technical queries or problems in using the e-meeting system before or during the meeting, the shareholders can contact the contact person through the contact channel given by the Company as informed earlier in the invitation letter.

Section 2 | Equitable Treatment of the Shareholders

The Company has a policy to treat all shareholders equally, regardless of major shareholders, minority shareholders, institutional investors, or foreign shareholders by ensuring that the shareholders have the fundamental rights as required by the law.

Operating Year 2023

- 2.1 The Company has attached a proxy form B. together with the meeting invitation letter, which is a form which enables the shareholders to set their own directions in the vote casting in each agenda, to allow the excused shareholder to authorize an independent director or other persons to attend the meeting and cast a vote on their behalf. It is also published on the Company’s website for the shareholders to download by themselves
- 2.2 The Company has issued a procedure for shareholders meeting attached with the shareholders meeting invitation letter in order for the attending shareholders and/or the proxies (in the cases

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

- 2.3 The Company has held 1 shareholders' meeting is the 2023 Annual General Meeting of Shareholders on 20 April 2023, with 8 directors out of a total of 9 directors presenting at the meeting and has authorized Thailand Securities Depository Co., Ltd., which is the Company's share registrar, to send out the meeting invitation letter in both Thai and English language to the shareholders 26 days in advance, as well as publicized the meeting invitation letter including the supporting documents on the Company's website in both Thai and English language 34 days in advance in order for the shareholders to learn the information prior to the date of the meeting
- 2.4 The Company grants equal voting rights to the shareholders, which is one share per one vote, according to the number of shares held
- 2.5 The Company has no transaction for the financial support to the company which is not the subsidiary or affiliate of the Company
- 2.6 In 2023, the Company did not violate or fail to comply with the criteria related to the share buyback, preventing the shareholders to communicate with each other, or fail to disclose agreements between the shareholders.

Section 3 | Conflict of Interest Prevention

The Company has policies and practices to prevent the use of internal information of the Company without the directors, executives, and employees make transactions that may cause conflicts of interest and take the opportunity to seek personal gain and/or related parties.

Operating in 2023

- 3.1 Buying and selling shares/ holdings of securities of the Company: To establish policies for directors and executives must prepare a report on the purchase and sale of shares/ change of securities holdings to SEC and notify the Company at least 1 day in advance of securities trading through the Company Secretary and report to the Audit and Corporate Governance Committee on a quarterly basis and report to the Board of Directors quarterly.
- 3.2 The Company establishes policies and practices regarding the prevention of the use of internal information to directors, executives and employees acknowledge and comply.

The Board of Directors has established the use of internal information in accordance with the laws and principles of good corporate governance, as defined in writing in the Code of Conduct to prevent the use of information for trading securities of the Company or unlawful exploitation as follows:

1. Directors and executives, including employees who are in positions or lines responsible for internal information or who have access to internal information of the Company cannot purchase or sell the securities of the Company within 1 month prior to the disclosure of quarterly and annual financial statements.

In 2023, the Compliance Department sent an email to relevant persons to inform in advance of the blackout period, and found no evidence that directors, executives, or related employees traded security during the specified period as prohibited by the Company.

2. The directors and the first 4 executives of the Company wishing to trade securities must notify the Company at least 1 day in advance of trading securities through the Company Secretary and be responsible for reporting changes in securities holdings to the SEC within 3 business days from the date of the change via the SEC's website and the Company Secretary Department to report to the Audit and Corporate Governance Committee and report to the Board of Directors.

In 2023, the director and executives conducted a total of 1 transaction. Upon fact determination, it found that this transaction was fully complied with the Company's policy.

- 3.3 The Company has focused on the use of internal data and preventing the use of internal data for own gain and/or related parties or conduct business competing with the Company or related businesses.

The Company has conducted training on the use of internal information of the Company and preventing the use of internal data for own gain and/or related parties through the "Ethics...with Corporate Sustainability" course for new executives and employees at all levels to gain an understanding of the Code of Conduct as follows:

1. Director, executives and employees must keep confidential information and/or internal information of the Company.
2. Director, executives and employees must not disclose confidential information and/or internal information of the Company or to use for your own gain, or any other person, directly or indirectly.
3. Director, executives and employees shall not purchases, shares/ holdings of securities of the Company by using confidential information and/or internal information and/or enter in legal transaction by using confidentiality and/or internal information of the Company that may cause direct or indirect damage to the Company.

Guidelines : Directors and executives acknowledge their duty to report changes in securities holdings, including spouses and minor to the Company, as well as to report to the SEC under Section 59 of the Securities and Exchange Act B.E. 2535 (1992).

In 2023, we has performed as follows:

- (1) Conducting training on Code of Conduct, as well as anti-corruption, along with testing the knowledge of executives in the level of manager and assistant general manager and above, totaling 115 people, achieved 100%, signed, acknowledged, and complied with the training program.
 - (2) Providing training through the course. "Ethics...and Corporate Sustainability" for new executives and employees at all levels to understanding of Code of Conducts achieved 100%
 - (3) Organize a caravan of corporate culture and ethics with organizational sustainability for 1,813 employees of all levels.
- 3.4 The Board of Directors establishes the criteria for the Directors of the Company, subsidiaries and executives reporting on the conflict of interest transaction of themselves and related persons under Section 89/14 of the Securities and Exchange Act B.E. 2535 (1992), upon first time in office and require a review of the report every year and/or every time the information is changed by submitting the report to the Compliance Department within 7 business days.

- 3.5 In the event of a connected transaction that is deemed to be subject to the approval of shareholders in accordance with the rules of the SET and SEC. Before entering in the transaction, the Company shall disclose the details and reasons for the transaction to the shareholders before entering to the transaction every time.
- 3.6 The Company establishes a policy for the related transactions to be considered and approved by the Board of Directors, and in 2023 there are no the related transactions that may cause significant conflicts of interest.
- 3.7 The related transaction will process with fairness and under market price and will be the normal as business standard practice. In 2023 the Company has no the related transactions that is not comply with the rule of related transaction.
- 3.8 Prevention of conflicts of interest
The Company has the policy that the directors, executives and staff shall not use the opportunities from their status in the Company to acquire personal interests eventually imposes the practices as follows.
 1. They shall avoid a transacting having involvement with themselves which may cause the conflict of interest to the company.
 2. In case such transacting is needed for the Company's interest it shall be carried out as if a transacting with an outsider having trade agreement reasonably same as transacting contracts in general over a trading negotiation authority with no influence from being directors, executives or related persons and not participating in a consideration for approval including having to comply the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission on the transaction information disclosure and connected transactions.

In 2023, the Company found no conflict-of-interest acts and we has performed as follows:

- (1) The company has not found any actions that constitute a conflict of interest
- (2) Conducting training on Code of Conduct, as well as anti-corruption, along with testing the knowledge of executives in the level of manager and assistant general manager and above, totaling 115 people, achieved 100%, signed, acknowledged, and complied with the training program
- (3) Providing training through the course. "Ethics...and Corporate Sustainability" for new executives and employees at all levels to understanding of Code of Conducts achieved 100%
- (4) Organizing a caravan of corporate culture and ethics with organizational sustainability for 1,813 employees of all levels
- (5) Monitoring the directors, executives, and employees to prepare the 2023 conflict of interest report to prevent conflicts of interest, with a 100% completion rate via the system

Section 4 | Role of Stakeholders

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

Operating Year 2023

- 4.1 The Company has prepared a sustainability report in accordance with the frame by Global Reporting Initiative (GRI) both in Thai and English language which is separated from the annual report and the Company has published the mentioned sustainability report on the Company's website.
- 4.2 The Company has issued policies and procedure regarding safety and hygiene in the workplace as well as a disclosure on the statistics of accidents or the rate of absence and the occupational illness rate (the details are in the sustainability report).
- 4.3 The Company has established policies and procedures as follows: (1) the Company's business operations do not involve in human rights violations (2) fair and responsible practices towards customers, competitors, and business partners including selection processes for suppliers and creditors, guarantee condition, capital management and actions taken in cases of debt default; and (3) non-infringement of intellectual property rights and copyrights (detailed in the Code of Conduct).
- 4.4 The Company has established policies and practices concerning all stakeholders, such as shareholders, employees, customers, partners, creditors, and competitors, clearly and concentrated with the guidelines of safety, occupational health, environment, community, and society, as well as a variety of social activities (details are provided in the Code of Conduct).
- 4.5 The Company has established the Personal Data Protection Policy on its website to demonstrate transparency in its operations and stated in the Code of Conduct. The Company is committed to taking responsibility and providing protection for the personal data of all parties involved, including shareholders, company personnel, customers, business partners, and external parties. The Data Protection Officer has responsibility to manage with operational guidelines in line with the Personal Data Protection Act (PDPA), covering the following details (the details are in the Code of Conduct).



Collected
Personal Data



Collection Source
of Personal Data



Objective and
Legal Basis



Disclosure of
Personal Data



Retention Period



Rights of Data
Subject



Security of Personal
Data Storage



Linkage to website,
product and external
services



Contact

Employees

4.6 The Company has issued policies and procedures regarding the employees' remuneration and benefits which are inconsistent with the Company's operational performance as follows:

- 1) The Company is committed to paying fair compensation as well as providing fair benefits to the employees, suitable to the economic conditions and incoherent with the law and the compensation paid by other competitive companies in the same industry
- 2) The Company provides opportunities for all employees to demonstrate their full capabilities and have an evaluation system through individual scorecards (KPIs) that are linked to annual business plans and short- and long-term strategy goals and the Company shall determine the appropriate returns and create motivation in a form of the annual merit increase, bonus for the employee who work and support the business plan and the short-term and long-term strategy
- 3) The Company provides welfare which responds to the basic needs of employees such as provident fund, meal allowance, diligence allowance, providing scholarships for employees, employee uniforms, shuttle bus, and various other financial support for employees, etc.

Fair Remuneration

The Company has set the starting rate by taking into account the minimum wage required by law and calculating an additional 1.5% of the minimum wage in each area. The Company then proceeds to adjust the employees' entry remuneration rate according to their qualifications and fields used in the work operation in accordance with the specific requirements of the position, including various fields of study divided according to position specific qualifications (Job Family). In the case where the minimum wage or entry wage is adjusted, the company will consider adjusting the impact in descending order (Compression Adjustment) in order to alleviate the disparity from the results of the said minimum wage and starting wage adjustments between new employees and current employees.

To provide appropriate welfare to the employees and other supports

The employees of the Company also receive other welfare to reduce the cost-of-living burden and improve the quality of life for the employees and extend to their families, which will result in an improvement of the employee's work performance and their way of life, as follows.

- The Company provides (plain) rice for the employees at every meal
- Increase the lunch allowance and control the food cost to remain lower than the market price
- Infirmary service and scheduled doctor's service
- Employees' health insurance and life insurance by arranging an annual health check for the employees including group health insurance and group accident insurance
- The Company has adjusted the health insurance to include employees' families
- Employees' children's education funds support and financial support in the event of the death of the employee, the employee's spouse, or the employee's parents
- The employees are given the opportunity to express their opinions through the internal suggestions channel
- To provide transportation for the employee
- Establish a provident fund with the aim of encouraging employees to have savings for use after retirement, which is part savings from employees and part contributions from the company
- Arrange for a funeral association, in order to accumulate the monthly money of the association members for the death of the employee, the employee's spouse, the employee's parents or spouse in addition to the death benefit.

The Provident fund

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

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

The policies and procedures regarding the development of knowledge and potential of employees

The Company has issued policies and procedures regarding the development of knowledge and potentials of employees at every level by building an education center for the companies in the Somboon Group (Somboon Learning Academy: SLA), which was established in 2014 (2557 B.E.), to develop and enhance the competency of employees at every level of the Company as well as create people to achieve the goals is to operate under the philosophy of “Somboon Triple Bottom Line” with important mission as follows;

1. Develop and enhance the ethics and morals including knowledge and skills in terms of quality, safety, technology, administration, and capabilities according to their career path.
2. Reinforce healthy people’s behavior to be consistent with the corporate culture.
3. Develop and improve trading partners in terms of procedures and business ethics.
4. To be the learning center of the community, students, and university students through activities and various projects

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



2022
Success Indicator

11.96

2023
Success Indicator

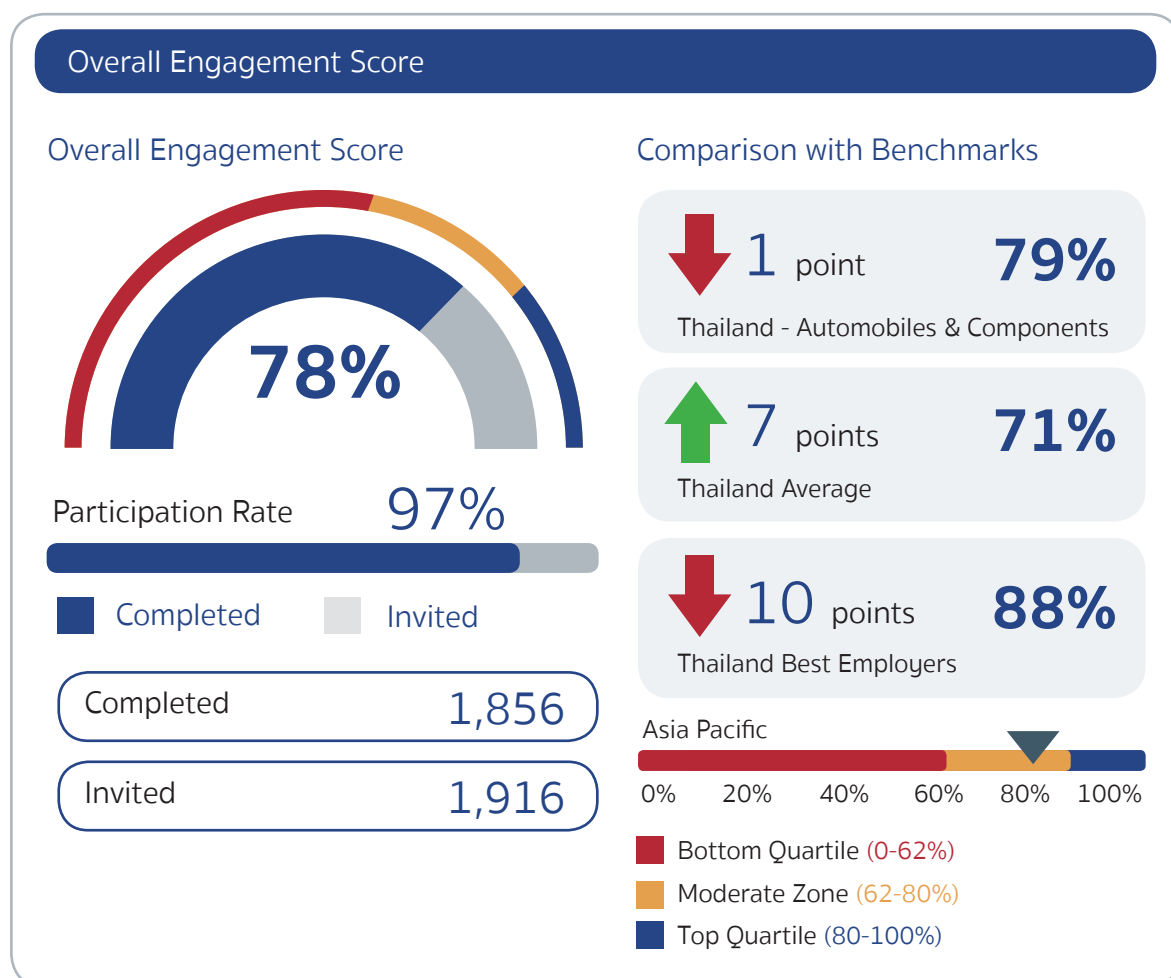
13.52

Execution plan and result of employee satisfaction improvement

The Company decided to change the survey to an employee engagement survey which has been introduced by the outsourcing company with expertise and international tools (KINCENTRIC) so that the survey results can be compared with other leading companies. The survey is set to take place twice a year.

The result of the employee engagement survey in 2022 - 2023 is 78 percent which is higher than Thailand's average of around 71 percent but lower than the average level of employee engagement score of Thailand – Automobiles & Components about 79 percent and is 10 percent below the average of the best leading companies.

Hence, the Company analyzes the result to find out what is the engagement drivers for the improvement model of employee engagement score continuously especially in the critical & talented employees.



- 4.7 The Company has provided fair employment conditions for its employees and the policy to provide employees with short-term and long-term remuneration, such as the appropriate salaries and bonuses based on employees' performance and the results of the Company's performance, as well as the Provident Fund for employees.
- 4.8 The Company has a policy and complies with the practice of labor fairly, placing importance on treating employees with fairness and respect individuality, and human dignity under the principles of international human rights and good ethical standards to bring peace in society to the Company with sustainable growth. The Company has established the Employee Relations Department responsible to preparing the operational plans, arranging activities, and communicating relevant news and information to employees on a regular basis.

Customer

- 4.9 The Company has a policy and play the importance on creating value and growing together with customers, as well as being a trusted partner to be the factor contributing to the success of the Company's business. The Company shall be sincere and courtesy towards customers, and intend to seek the efficient ways to fulfill customer needs and comply with the agreed conditions upon the customers or the creditors strictly, due to the best interest of the Company based on fairness principle according to terms and conditions mutually agreed to conduct business together including maintaining customer personal information in accordance with the Personal Data Protection Act. (PDPA) (Details in the sustainability report).

Partner and/or Creditor

- 4.10 The Company has a policy to ensure that the trading partners will be treated equally, fairly and based on fairness for both parties, avoiding situations that can cause conflict of interest as well as adhering to the commitment, providing information, accurate reports and strictly comply with the various conditions as agreed with the trade partners. If any of the conditions cannot be fulfilled, the Company must notify the trade partners in advance to jointly consider on a solution.

Trade partners selection criteria covering 6 aspects are as follows:

- 1) Financial status
 - 2) Expertise and experience
 - 3) Technical abilities
 - 4) Complaint's history
 - 5) Conflict of interests / connected transaction
 - 6) Anti-corruption policies and quality policies (Details in the sustainability report)
- 4.11 The Company has a strict compliance policy with the conditions, contracts and obligations as agreed with the creditors, whether in terms of objectives of the expense, repayment, quality assurance of the collateral and other matters which have been agreed with the creditors. If any of the conditions cannot be fulfilled, the Company will notify the creditors promptly to jointly consider on a solution. The Company is committed to maintain a sustainable relationship with the creditors and convey a mutual trust.

The Company has established a guideline in capital management to build a strong stability and prevent the Company from being in a difficult situation in creditors' debt repayment and attach importance to the management of financial liquidity by making debt repayment plan to the creditors and prepared to repay debt to the creditors by the due time.

Nonetheless, the Company's directors attach importance to the monitoring, planning and control of financial liquidity to be suitable with the Company's financial activities by having a process to evaluate the ability of debt repayment and the liquidity to prevent significant risks from all dimensions, both under normal conditions and under crisis.

Business competitors

- 4.12 The Company has a policy and practice with the competitor to be equal with a commitment to conduct business with transparency and integrity under the laws and regulations regarding trade competition practices. The Company will compete with fairness without taking advantage over the competitors and the Company shall not violate the trade secrets or confidential information of competitors by improper means.

In 2023, the Company has complied with the policy of fair competition towards competitors, and there is no disputes with the trade competition.

Community and Society

- 4.13 The Company has promoted to live together with the community and society with happiness, The Company focus on creating opportunities for education and career development for youth and disadvantaged person, particularly in vocational education to have knowledge for self-reliance and the ability to stand on their own. Additionally, the Company aims to work together with the community and promote various community activities both nearby and far away under the Company's policy in accordance with the direction of development of the government and the community for the sustainable development of quality of life and economy of the community. (as detail specified in the Sustainability Report)
- 4.14 The Company has promoted the use of resources with efficiency and worthiness and directed employees to be definitely attentive and perform duties with consciousness by taking into account the safety and environment, encouraging stakeholders of the Company to participate in the developments of the community and societies and still adhering to and develop the practical performance towards the stakeholders continuously by revealing accident statistics, rate of strike and illness rate of work. (as detail specified in the sustainability report)
- 4.15 To establish policies and procedures on anti-corruption prevention measures on receiving and giving of gifts or other benefits to persuade the other party to commit a wrongful act and cause a conflict, by revealing the practical guidelines to the Company's trading partners' general acknowledgement, as well as establish a procedure to assess risks from corruption, supervising, control, monitoring and evaluation. In this matter, the Company had organized a training session for the employees and trading partners to create awareness regarding the policies and procedures in the practice of anticorruption. Moreover, the Company has a procedure to manage complaints regarding a possibility of a wrongful act and has a guideline in the protection of the employees or the informant of such behavior.
- 4.16 To support the employees to exercise their political rights in neutrality.
- 4.17 In order to lead to a serious practice, the Company has organized a preparation of a manual on "Code of Conduct" as a discipline in which the directors, executives and all employees must strictly adhere to. If there is a violation or non-compliance, it will be considered as a violation of discipline in accordance with the personnel management regulations.
- 4.18 The Company is consideration of the equal rights and morality in accordance with human rights by treating the employees in the same way as other stakeholders.

Section 5 | Disclosure and transparency

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

Operations in 2023

- 5.1 To submit the financial report quarterly and annually, which are certified unconditionally by auditor, to the Securities and Exchange Commission / Stock Exchange of Thailand within the specified period. The Company has no history of being ordered to amend financial report from the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 5.2 The Company provide and disclose the Management Discussion and Analysis (MD&A) comparing to the previous year and if there is any change, the Company shall explain the reason.
- 5.3 The Company appointed the certified auditor by the 2023 Annual General Meeting of Shareholders. All auditors' qualifications had qualified with the requirements of the Stock Exchange of Thailand and the audit fee for the year 2023 was 480,000 Baht, an increase from 2022. Also, none of the auditors provide other services to the Company or have any relationship or interest in or with the Company or its subsidiaries, executives or major shareholders and any related persons.
- 5.4 To disclose the information in Annual Report and the Company's website such as shareholder structure, information of director and executives, vision and mission, nature of business operation, corporate governance policy, corporate social responsibility policy, financial statement and analysis from the analyst and institutions, annual report, sustainability report, annual registration statement, shareholder's meeting, names of major shareholders, news informed to SET and news from printing media
- 5.5 To disclose the criteria on directors and executives' remuneration.
- 5.6 To disclose the roles and duties of the Board of Directors and the sub-committees, as well as the number of meeting and each meeting attendance records in the past year including professional training program and development consecutively.
- 5.7 To disclose the information regarding directors and executives' shareholding in the Company and specify the policy for directors and executives to report on the followings.
 - (1) To acquire and dispose of the Company's share under the policy : Directors and executives shall be responsible to report the trading of the Company's securities/the changes in the holding of the securities each time they are acquired and disposed to the Office of Securities and Exchange Commission and notify the Company at least 1 day prior conducting the securities' acquired or disposed share to Compliance Department, the Audit and Corporate Governance Committee and report to the Board of Directors.

- (2) Report on Interests of Directors and Executives: The Company establishes the policy for directors and executives to prepare the Report on Interest of Directors and Executives to prevent the conflicts of interest of directors and executives by Compliance Department and report to the Audit and Corporate Governance Committee quarterly. The Audit and Corporate Governance Committee will consider the Related Parties Transaction and the Report of Interests, and report to the Board of Directors quarterly.
- 5.8 The Board of Directors established the policy to prevent the use of internal information by prohibiting to take the opportunity or information received from being in the position of executive director or employee for personal gain or to operate the business that competes with the Company or related the Company's business as well as not using the internal information to acquire or dispose the Company's share for personal gain or disclose the internal information to others for the benefit to acquire or dispose the Company's share and not to acquire, dispose, or transfer shares in advance at least 1 month before the operation result and/or internal information disclosed to public by news system of SET. In addition, the directors and executives must report the trading of the Company's securities/the changes in the holding of the securities to the Office of Securities and Exchange Commission according to Section 59 of the Securities and Exchange Act. B.E. 2535 (1992)
- 5.9 The Board of Directors has specified the principle for the directors of the Company, subsidiaries, and executive to report on their conflict of interest and related person according to the Section 89/14 of the Securities and Exchange Act B.E. 2535 (1992) and require revising the report every year and/ or any change every time by sending to Compliance Department within 7 working days. The Company has also required the employee of the Company and its subsidiaries at the management level, the manager up level and related employees in manager down level considered by Vice President in each division to provide such report of the conflict of interest according to the Corporate Governance Policy.

In 2023, there were the report of 138 persons in total and the results shows that there were no executives, employee and related persons involved with the interest and entering transaction with the Company and its subsidiaries and then report to the Audit and Corporate Governance Committee for further informing to the Board of Directors for acknowledgement.

- 5.10 The Company has the Investor Relation Section the caretaker is Ms. Kansiri Thongkam to be the channel to communicate all information and question to respond to investor queries via the email address: ir@somboon.co.th and telephone number 02-080-8275.

Investor Relationships

The top executives of the Company pay an important role in the investor relations by participating in the meeting, giving information, and exchanging opinions with the shareholders, the investors the analyst and the reporter regularly. The Company has established the Investor Relations Department since registering in the Stock Exchange of Thailand so that the shareholders, the investors, the analyst, the reporter and general interested people can quickly access to the Company's information. The

Company's information is correct, complete, clear, and up-to-date especially the significant information that would affect the share price of the Company. Moreover, such information can be used for decision-making for effective investment which would affect the true value of the Company.

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

The COVID-19 pandemic has begun since 2019 and the situation recovered in 2022. The company has arranged activities for stakeholders both online and onsite according to the current government and company's measure to the situation. The activities in 2023 are as follows:

1. To present the information to investors (Road Show) communicating to both domestic and foreign investors for 4 times.
2. 4 Quarterly Analyst Meetings to clarify the performance result.
3. To conduct the Company's Site Visit or to discuss with the executives of the Company (Company Visit) and conference calls from the analysts and investors from both domestic and foreign institutes for 16 times.
4. To present the information in the Opportunity Day organized by the Stock Exchange of Thailand for 4 times.
5. To publish news to mass media and the Executives have interviewed to the domestic newspaper for 2 times.
6. To publish Press Releases when the Company had the investment activities or significant business activities and publish company snapshot quarterly.
7. To give information and answer questions of the investors and press regularly via email at ir@somboon.co.th and telephone no. 02-080-8275.

6.3 Business Ethics

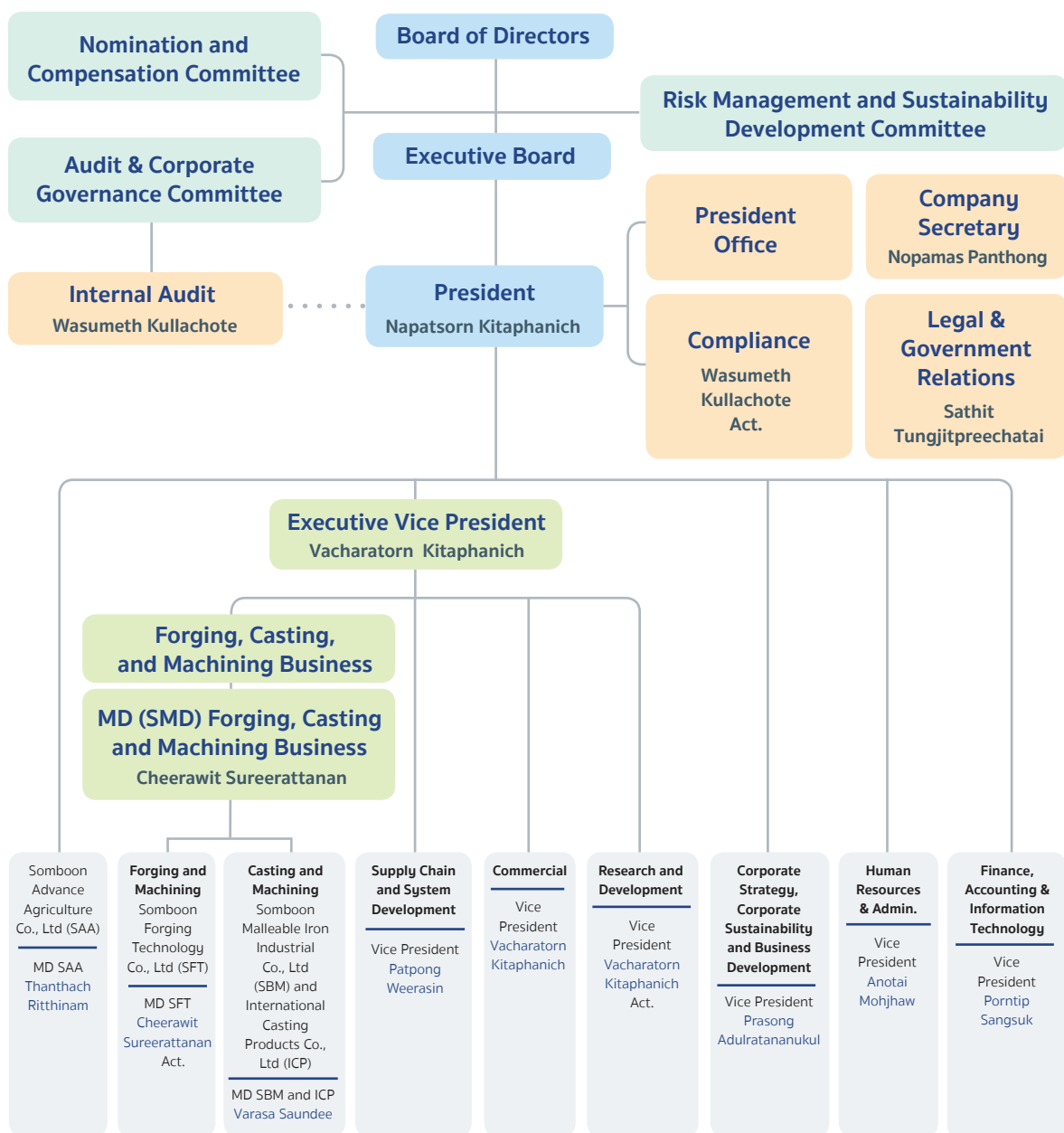
The Board of Directors has created the Corporate Governance Policy and the Code of Conduct, and it is required that both manuals are to be revised yearly to be consistent with the business context and related law, rules, and regulations, and publish on the Company's website under the corporate governance section, in both Thai and English, according to the Corporate Governance Code (CG Code) by the Securities and Exchange Commission and Thai Institute of Directors Association, including international guidelines such as ASEAN CG Scorecard, etc.

6.4 Major changes and developments of Policy, Practice, and System of Corporate Governance for the past year

In 2023, the Board of Directors has undertaken a review of policies, guidelines, and Code of Conduct to be aligned with business context, related law, rules, and regulations. The contents of the Business Ethics Manual are still consistent with current operations, laws, rules and regulations, but there have been improvements in the section for reporting, complaints and suggestions by improving the details of channels for reporting complaints and the list of new company directors.

7. Corporate governance structure and significant information related to the Board of Directors, subcommittees, executives, employees and others

7.1 Corporate Governance Structure



7.2 Information on the Board of Directors

The Company's management structure consists of the Board of Directors and 4 Sub-committees which are Executive Board, Audit and Corporate Governance Committee, Nomination and Remuneration Committee and Risk Management and Sustainability Development Committee.

7.2.1 Elements of the Board of Directors

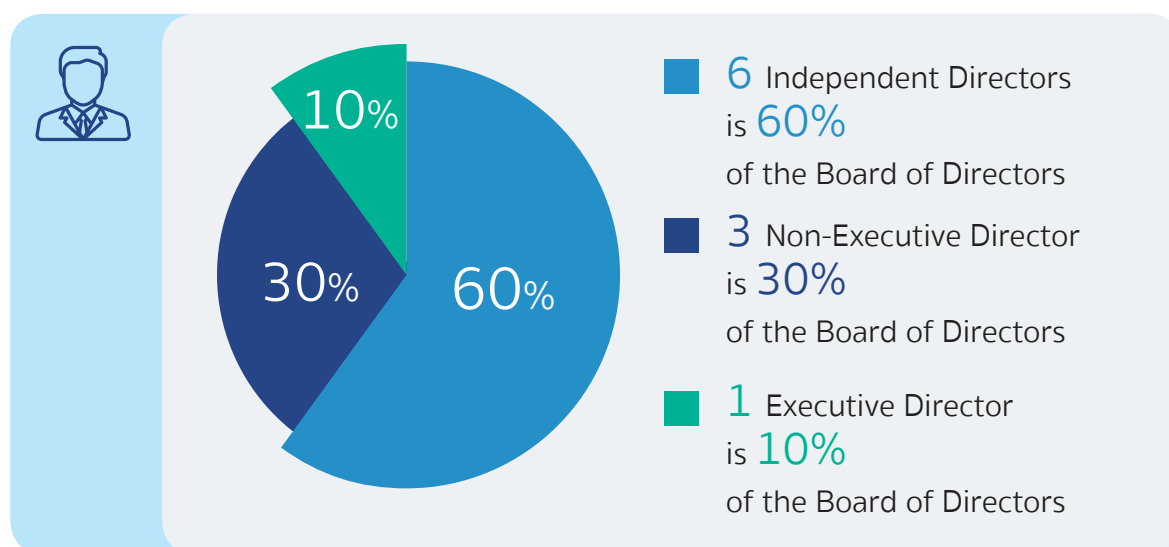
The Articles of Association of the Company is prescribed the elements of the Board of Directors that:

- The number at least 5 directors and not less than half of the total number of directors must be resident in country

However, the current structure of Directors has consisted of 10 persons which are 1 Executive Director and 9 Non-Executives Directors (of these are 6 Independent Directors).

Independent Director is 60 % of the Board of Directors, which consists of;

- | | |
|----------------|--------------|
| 1. Mr. Sansern | Wongcha-um |
| 2. Mr. Sobson | Ketsuwan |
| 3. Mr. Paitoon | Taveebhol |
| 4. Dr. Suthad | Setboonsarng |
| 5. Mr. Prayong | Hirunyawanch |
| 6. Dr. Somchai | Harnhirun |



7.2.2 The information on each director and controlling person

December 31, 2023

Name		Position
1.	Mr. Sansern Wongcha-um	Independent director/ Chairman
2.	Mr. Yongyuth Kitaphanich	Director/ Vice Chairman
3.	Mr. Sobson Ketsuwan	Independent director/ Chairman of the Executive Board
4.	Mr. Paitoon Taveebhol	Independent director/ Chairman of the Audit and CG Committee/ Member of the Nomination and Remuneration Committee
5.	Dr. Suthad Setboonsarng	Independent director/ Chairman of the Risk Management and Sustainability Development Committee/ Member of the Audit and CG Committee/ Member of the Nomination and Remuneration Committee
6.	Mr. Prayong Hirunyanich	Independent director/ Chairman of the Nomination and Remuneration Committee/ Member of the Executive Board/ Member of the Risk Management and Sustainability Development Committee
7.	Dr. Somchai Harnhirun	Independent director/ Member of the Audit and CG Committee/ Member of the Risk Management and Sustainability Development Committee
8.	Mr. Nontigorn Kanchanachitra	Director
9.	Mr. Yongkiat Kitaphanich	Director/ Vice Chairman of the Executive Board
10.	Ms. Napatsorn Kitaphanich	Director/ President

Remark : 1. Dr. Somchai Harnhirun was appointed as a director with effective from April 20, 2023, and was appointed as an independent director with effective from July 27, 2023.

2. Mr. Sobson Ketsuwan was appointed as an independent director with effective from May 11, 2023, replacing the vacant position of Mr. Ajarin Sarasas who passed away.

3. Mr. Nontigorn Kanchanachitra was appointed as a director with effective from October 1, 2023, replacing the vacant position of Dr. Panja Senadisai who passed away.

Authorized Directors

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

7.2.3 Scope of Powers and Duties of the Board of Directors

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

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

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

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

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

16. Authorization of power and duties to the Chairman, the President, or any Director, including the revision of the said power and duties authorization, however, this must not be in contradiction with the criteria and requirements of the Stock Exchange and Securities and Exchange Commission and related laws.
17. The appointment and the determination of authority of the Sub-committee.
18. To monitor and supervise the business management in accordance with the good corporate governance principle.
19. To appoint the director in subsidiaries.
20. Approval to change and modify the organization structure in Vice President Level up.
21. To enter into the agreement in relation to management or Consulting agreement or technical assistance agreement in connection with core business of the Company.
22. Any other actions to be in accordance with laws, objectives, Articles of Association and resolutions of the meeting of shareholders.

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

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

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

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

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

The Role of Chairman

The Chairman has an important role in overseeing and encouraging the Board of Directors to perform their duties to the fullest in accordance with the established directions and strategies for the best interests of the Company and its shareholders. The Chairman plays a leadership role of the Board of Directors, namely:

1. To supervise, monitor, and ensure that the Board of Directors' duties are effective and achieve the main objectives and goals.
2. To oversee and promote good corporate governance and ethics
3. To set the agenda of the Board of Director's meeting by discussing with the President and having measures to ensure that important matters are included on the agenda.
4. To allocate sufficient time for the Board of Director's meeting for the management to propose the matters, and the Directors will discuss the important issues in full and encourage the Directors to exercise cautious discretion and independent opinion.
5. To strengthen good relationships between the Executive Director and the Non-Executive Directors, and between the Board of Directors and management.

Tenure Committee

The Board of Directors consists of person with knowledge and competency. Each of them has term for 3 years and the term of Independent Directors not exceeding 9 years, starting from 1 January 2015 onwards.

Name			Year of appointment	Year of the latest election (2023)	Type of Director	Nomination/ Appointment to be director in 2024	Next due for Appointment
1.	Mr. Sansern	Wongcha-um	2008	2023	Chairman/ Independent Director	No	2026
2.	Mr. Yongyuth	Kitaphanich	2004	2022	Non-Executives	No	2025
3.	Mr. Sobson	Ketsuwan	2023	-	Independent Director	No	2026
4.	Mr. Paitoon	Taveebhol	2008	2023	Independent Director	No	2026
5.	Dr. Suthad	Setboonsang	2018	2021	Independent Director	Yes	2024
6.	Mr. Prayong	Hirunyanich	2017	2022	Independent Director	No	2025
7.	Dr. Somchai	Harnhirun	2023	-	Independent Director	No	2026
8.	Mr. Nontigorn	Kanchanachitra	2023	-	Non-Executives	Yes	2024
9.	Mr. Yongkiat	Kitaphanich	2004	2021	Non-Executives	Yes	2024
10.	Ms. Napatsorn	Kitaphanich	2004	2022	Executive Director	No	2025

Remark :

1. Dr. Somchai Harnhirun was appointed as a director with effective from April 20, 2023, and was appointed as an independent director with effective from July 27, 2023.
2. Mr. Sobson Ketsuwan was appointed as an independent director with effective from May 11, 2023, replacing the vacant position of Mr. Ajarin Sarasas who passed away. The term is equal to the remaining term of Mr. Ajarin Sarasas.
3. Mr. Nontigorn Kanchanachitra was appointed as a director with effective from October 1, 2023, replacing the vacant position of Dr. Panja Senadisai who passed away. The term is equal to the remaining term of Dr. Panja Senadisai.

7.3 Information on subcommittees

The Sub-committees consist of:

1. Executive Board

3 non-executive directors (2 independent directors) and 1 executive and a Chairman of Executive Board an independent director, consists of

Name		Position
1.	Mr. Sobson Ketsuwan	Chairman
2.	Mr. Yongkiat Kitaphanich	Vice Chairman
3.	Mr. Prayong Hirunyawonich	Director
4.	Ms. Napatsorn Kitaphanich	Director

The Executive Director holds a term for 3 years.

Ms. Nopamas Panthong is a secretary of Executive Board with effective from March 23, 2023.

Scope of Powers and Duties of the Executive Board

1. Audit

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

2. Approve or not approve

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

3. Follow and supervisory the operations

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

4. Report to Board of Directors

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

5. Perform any acts designated by the Board of Directors

2. Audit and Corporate Governance Committee

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

Name		Position
1.	Mr. Paitoon Taveebhol	Chairman
2.	Dr. Suthad Setboonsarng	Director
3.	Dr. Somchai Harnhirun	Director

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

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

Mr. Wasumeth Kullachote is a secretary of secretary of the Audit and Corporate Governance Committee.

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

Audit

1. Review financial reports against the accounting standard and ensure adequate disclosure.
2. Review the internal control and internal audits to ensure suitability and effectiveness; consider independency of the Internal Audit Unit.
3. Review the Company's performance against the law on securities and stock exchange, Stock Exchange's requirements, or applicable laws.
4. Review related-party transactions or any actions with potential conflicts of interests against applicable rules and ordinances.
5. Review the suitability and adequacy of risk management of the Company.
6. Consider, select, nominate, appoint, terminate and propose Company external auditor emolument; determine auditor independency; hold a meeting with auditors at least once a year without management participation.
7. Concur with appointment, transfer, terminate and laurels of the Chief of Internal Control Unit; consider concurring with plans, budgets and manpower of the Unit.
8. Furnish a corporate governance report of the Audit and Corporate Governance Committee inside the Company's annual report, signed by the Chairman of Audit and Corporate Governance Committee and containing at least the following key attributes:

- (1) Accuracy and reliability of the financial report.
 - (2) Adequacy of the internal control.
 - (3) Compliance with the law on securities, SET requirements or applicable laws.
 - (4) Auditors' fitness.
 - (5) Transactions with potential conflicts of interests.
 - (6) Audit Committee meetings and attendance of individual members.
 - (7) Opinions or notices arising out of performing duties.
 - (8) Any other matters the shareholders and general investors should know.
9. In performing its duties, the Audit and Corporate Governance Committee is empowered to invite the management or pertaining staff of the Company to give opinions, join a meeting, or submit documents deemed relevant or necessary.
 10. Have power to hire a consultant or third parties to provide opinions or consultancy in case of necessity, the expenses borne by the Company
 11. Consider and review the scope of powers and duties and responsibilities and evaluate the Audit Committee's performance regularly on a yearly basis.
 12. Perform any acts designated by the Board of Director and already approved by the Audit and Corporate Governance Committee.
 13. Report the Audit Committee's performance to the Board of Directors every quarter.
 14. Conduct an audit and report the preliminary audit to the SEC Office and auditors. In case the Audit Committee is informed by the auditors of any reasonably suspicious events, action must be taken within 30 days from its receipt of such notification.

Corporate Governance

1. Acknowledge a copy of report of Company's directors and executives regarding their or other related persons' conflicts of interests in relation to the business management of the Company or its subsidiaries, subject to the criteria, conditions and methods stipulated under the Capital Market Commission's notifications.
2. Review the corporate governance policy and code of conduct; monitor compliance with the policy regularly at least once a year.
3. Consider appointing working team to undertake supporting corporate governance and business ethics as appropriate.
4. Review the self- evaluation form in relation to Anti-Corruption of the Company according to the Private Sector Collective Action Coalition against Corruption Project.

3. Nomination and Remuneration Committee for Directors and Executives

Consists of all independent directors

Name		Position
1.	Mr. Prayong Hirunyawanch	Chairman
2.	Mr. Paitoon Taveebhol	Director
3.	Dr. Suthad Setboonsarng	Director

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

Dr. Anotai Mohjhaw is a secretary of the Nomination and Remuneration Committee until October 31, 2023.

Scope of Powers and Duties of the Nomination and Remuneration Committee

Nomination

1. To formulate policies for submission to the Board of Directors as follows.
 - 1.1 Policy, criteria and method for nomination of the directors and president.
 - 1.2 Policy, criteria and method for payment of remunerations and other benefits to the Board of Directors, subcommittees and president.
2. To select and nominate the persons with suitable qualifications to the Board of Directors as follows.
 - 2.1 Directors
 - 2.2 Subcommittee members of various sub-committee assigned with authority, duty and responsibility directly from the board of directors of the company.
 - 2.3 President and vice president. For the vice president position, the president is required to make an initial screen before submission is made to the Nomination and Remuneration Committee for approval and to the board of directors for consideration.
3. To supervise the board of directors of the company to ensure that its size and components are suitable to the organization, including adjustment in response to the changing environment.
4. To monitor the preparation of the succession plan for the president and vice president for submission to the board of director of the company for consideration at least twice a year.
5. To submit a performance report to the board of directors once a year.
6. To perform any acts designated by the board of directors.

Remuneration

1. To supervise directors and president to ensure that their remuneration is suitable to their duties and responsibilities assigned.
2. To determine guideline, present and approve the performance evaluation on the directors and president for adjustment of remuneration and bonus payment annually.
3. To submit a performance report to the board of directors once a year.
4. To perform any acts designated by the board of directors.

4. Risk Management and Sustainability Development Committee

The Board of Directors appointed the Risk Management and Sustainability Development Committee on September 28, 2023, which consists of 4 directors, 3 of whom are independent directors and 1 executive director, with the chairman being an independent director.

Name		Position
1.	Dr. Suthad Setboonsarng	Chairman
2.	Mr. Prayong Hirunyawanch	Director
3.	Dr. Somchai Harnhirun	Director
4.	Ms. Napatsorn Kitaphanich	Director
5.	Mrs. Kasamon Kittiampon	Adviser

The Risk Management and Sustainability Development Committee holds a term for 3 years.

Ms. Patcharapa Kitaphanich is a secretary of the Risk Management and Sustainability Development Committee.

Scope of Powers and Duties of the Risk Management and Sustainability Development Committee

1. Establish policies and frameworks for risk management policy, corporate social responsibility, and sustainability development of the company.
2. Determine the procedures, processes, and scope of responsibilities for risk management and sustainability development.
3. Monitor, evaluate, provide recommendations, and support operations to achieve objectives, considering the impact on all stakeholders.
4. Convene committee quarterly meetings to review operations.
5. Report operational results to the Company's Board of Directors at least once a year.
6. Perform other tasks as assigned by the Company's Board of Directors.

7.4 Information on executives

7.4.1 Names and positions of the highest ranking executive

Management consists of

Name			Position
1.	Ms. Napatsorn	Kitaphanich	President
2.	Mr. Vacharatorn	Kitaphanich	Executive Vice President Acting Vice President - Commercial and Vice President - Research and Development
3.	Dr. Cheerawit	Sureerattanan	Senior Managing Director for Forging, Casting & Machining Business
4.	Mr. Patpong	Weerasin	Vice President - Supply chain & System Development
5.	Mr. Thanthach	Ritthinam	Vice President – Agriculture Business Group and Managing Director SAA
6.	Dr. Anotai	Mohjhaw	Vice President - Human Resources and General Affair
7.	Mr. Varasa	Saundee	Managing Director SBM&ICP
8.	Mr. Prasong	Adulratananukul	Vice President -Corporate Strategy, Sustainability Development and Business Development and Managing Director STRON
9.	Mrs. Pornpip	Sangsuk	Vice President-Finance, Accounting & Information Technology

- Note :
1. Mr. Prasong Adulratananukul holds the position as Vice President -Corporate Strategy, Sustainability Development and Business Development since May 1, 2023 and hold the position as Managing Director STRON, effective November 1, 2023
 2. Mrs. Pornpip Sangsuk changed the position name to Vice President-Finance, Accounting & Information Technology from July 1, 2023
 3. Mr. Patpong Weerasin changed the position name to Vice President - Supply chain & System Development From August 1, 2023
 4. Mr. Vacharatorn Kitaphanich changed the position name to Executive Vice President From August 1, 2023
 5. Dr. Anotai Mohjhaw, Vice President - Human Resources and General Affair has resigned from the company effective November 1, 2023

Scope of Powers and Duties of the President

1. To prepare the policy, business conduct strategy guidelines, target, work plan and annual budget of the company and subsidiaries submitted to the Board of Directors for the Approval.
2. To undertake in accordance with the policy, business conduct strategy guidelines, target, work plan and annual budget of the company and subsidiaries as approved by the Board of Directors.
3. To report the monthly and quarterly business performance of the company and subsidiaries in comparison
4. To approve the expenses and investment capital that are not in the annual budget for not exceeding one million baht on each occasion but the report has to be made to the Board of Directors for acknowledgement.

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

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

7.4.2 Remuneration policy for executive directors and executives

1) The Remuneration of Management Policy and Payment Criteria

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

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

2) Total amount of the remunerations of executive directors

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

Units : Baht	Number of executives	Y 2023	Number of executives	Y 2022
Salary	10	36,584,170	8	32,637,133.34
Bonus	10	14,656,572	7	13,270,091
Total	10	51,240,742	8	45,907,224.34

Remark : In 2023, the Management consisted of 10 executives which are Ms. Napatsorn Kitaphanich, Dr. Anotai Mohjhaw, Dr. Cheerawit Sureerattanan, Mr. Patpong Weerasin, Mr. Vacharatorn Kitaphanich, Mr. Thanthach Ritthinam Mr. Varasa Saundee, Mrs. Porntip Sangsuk, Mr. Prasong Adulratananukul and Mr. Sophon Chatvattananon

2. Other remunerations

Contributions to the Provident Fund

In 2023, the Company paid the following contributions to the Company's executives:

Units : Baht	Number of executives	Y 2023	Number of executives	Y 2022
Provident Fund	8	1,505,056.20	7	1,348,569.60

Remark : In 2023, the Management consisted of 8 executives which are Ms. Napatsorn Kitaphanich, Dr. Anotai Mohjhaw, Mr. Patpong Weerasin, Mr. Vacharatorn Kitaphanich, Mr. Thanthach Ritthinam Mr.Varasa Saundee, Mrs. Porntip Sangsuk, and Mr. Sophon Chatvattananon

7.5 Information on employees

1. Number of employees

Number of employees as at December 31, 2023 and at December 31, 2022 of the Company and its subsidiaries are as follows;

Company	Number of (people)			
	December 31, 2023		December 31, 2022	
	Male	Female	Male	Female
1. Somboon Advance Technology Public Company Limited	70	85	80	74
2. Somboon Malleable Iron Industrial Company Limited	743	104	694	113
3. Bangkok Spring Industrial Company Limited	2	1	1	-
4. International Casting Products Company Limited	552	53	555	57
5. Somboon Forging Technology Company Limited	462	64	474	61
6. Somboon Advance Agriculture Company Limited	20	3	-	-
Total	1,849	310	1,804	305
Amount of Employee by type of employment	Male	Female	Male	Female
Employee	1,775	306	1,691	304
Subcontract	74	4	113	1

Remark : Disabled people are not included / Sub Contract

Number of employees as at December 31, 2023 and at December 31, 2022 of the Company and its subsidiaries can be classified by the primary work as follows:

Department	Number of (people)	
	December 31, 2023	December 31, 2022
1. Production Department/ Engineering Laboratory-Jig Shop	1,273	1,257
2. Engineering Department	95	91
3. Maintenance/Warranty/ Planning	363	334
4. Warehouse Sourcing and Procurement	151	160
5. Human Resources and Administration (including individual BU)	65	66
6. Finance and Accounting	41	39
7. Sales and Marketing	23	21
8. Quality Development/ Product Development/ Development Pprocess	20	25
9. Management/ Operations Management	73	60
10. Information Technology Department / Division BPI	14	13
11. Others (CSBD/Legal/SEE/Audit/BOI/SQMR)	41	43
Total	2,159	2,109

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

2. Remunerations of employees

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

Units :Baht	Y 2023		Y 2022	
	Number of employees	Baht	Number of employees	Baht
Salary	2,207	620,775,598	2,139	589,160,120
Bonus	2,070	197,279,707	1,975	213,907,379
Total		818,055,306		803,067,499

The proportion of female employees to male employees is 14.75% female, 85.25% male.

3. Other remunerations

Contributions to the Provident Fund

In 2023, the Company paid the following contributions to the Company's employees:

Units : Baht	Y 2023		Y 2022	
	Number of employees	Baht	Number of employees	Baht
Provident Fund	1,302	18,365,256.46	1,342	19,450,472.24

The proportion of employees who have contributed to the Company's provident fund is 54% of the total employees.

Remark : In 2023, the number of MSA, SST and STRON employees are not included.

7.6 Other significant information

The Company Secretary

The Board of Director's meeting No.3/2023 had the resolution to appoint Ms. Nopamas Panthong, Assistance General Manager- Company Secretary, to be Company Secretary, effectively on March 23, 2023, to perform the duties according to the law and Securities and Exchange Act, Section 89/15 and 89/16 as follows:

- (1) To be center of document in document preparation and filing
- (2) To provide director registration, invitation notice, shareholder meeting 's minutes, the board of directors' meeting minutes
- (3) To arrange shareholder meeting, director meeting in compliance with law and coordinate and follow up to be applied with the resolution of meeting
- (4) To provide the report on interest filed by a director or an executive
- (5) To arrange activities between directors and executives for good relationships
- (6) To disclose information in responsible part to the Stock Exchange of Thailand
- (7) Others business assigned by the Board of Directors

Biographies

Ms. Nopamas Panthong

Education Background

Master of Economics (Business Economics) National Institute of Development Administration (NIDA)
Bachelor of Economics Thammasat University

Qualification: Have knowledge and understanding of the company's business, experienced in strategic planning and investor relations. Have good human relations.

Training Program:

- Professional Development Program for Company Secretary 2023 by the Thai listed Companies Association

The person assigned to take direct responsibility for accounting supervision

The person assigned to direct responsibility to oversee the accounting of the Company is Mrs. Porntip Sangsuk, Head of Accounting, Costing and Budgeting. More details are shown in the executive history in attachment 1.

Heads of the Internal Audit

The person assigned to be the head internal audit of the Company is Mr. Wasumeth Kullachote, Assistant General Manager – Internal Audit and Compliance, effective on 1 July 2021. There is an independent department that reports directly to the Audit and Corporate Governance Committee. More details of head internal audit of the Company are shown in attachment 3.

Heads of the Compliance Units

The person assigned to be the head compliance of the Company is Mr. Wasumeth Kullachote, Assistant General Manager – Internal Audit and Compliance, effective on 1 July 2021. More details of head compliance of the Company are shown in attachment 3.

Head of the Investor Relations

The person assigned to be the head investment relation is Ms. Kansiri Thongkam, Manager – Investment Relation, to communicate a wide range of communication and respond to inquiries from investors and mass media through E-mail: ir@somboon.co.th, by telephone 0-2080-8275, or by the Company's website www.satpcl.co.th

Auditor Remuneration

The Company appoints the auditors from KPMG Phoomchai Audit Limited to be the Company's auditor by approval of the 2023 Annual General Meeting of the Shareholders which considered and viewed that the auditor has qualifications meet the requirement of regulations of the Stock Exchange of Thailand, which the remuneration for the year 2023 amounts to Baht 480,000 which increased from the year 2022. The auditors do not receive any other non-audit fee from the Company. None of the above auditors provides other services to the Company or has any relationship and/or conflict of interest with the Company/ its subsidiaries/ executives/ major shareholders or any related person of such persons.

With respect to the 4 subsidiaries i.e. (1) Bangkok Spring Industrial Company Limited (2) Somboon Malleable Iron Industrial Company Limited (3) International Casting Products Company Limited and (4) Somboon Forging Technology Company Limited, appoint of auditors of KPMG Phoomchai Audit Limited to be the Company's auditors for the year 2023 being the same audit firm as the Company, the remuneration for these 4 companies are collectively Baht 3,125,000, which includes the audit work relating to the BOI promoted business. The auditors do not receive any other non-audit fee from the Company.

8. Corporate Governance Performance Report

8.1 Summary of the performance of the Board of Directors in the past year

8.1.1 Nomination, development and evaluation of the performance of the Board of Directors

(1) Independent Director

The definition of “Independent Director” is as follows:

- (1) Holding no more than 0.5% of the total voting shares of the Company, the company, the subsidiary. The company shares, major shareholders or the controlling authority of the authorized person, including the shareholding of the relevant persons of the independent director.
- (2) Not be or have been a director who is involved in management Employees, employees, consultants with regular salary, or controlling authority of the company, the company, the subsidiary. Associates, subsidiaries of the same order Major shareholders or of the authorized person’s control unless they are cleared. As a result of this nature, it has been at least 2 years prior to the date of application for permission to the office. Such prohibited characteristics do not include cases where independent directors have been public servants or advisors of government offices that are major shareholders or controlling authority of the Company.
- (3) Not a person with a blood relationship or by legal registration in a manner that is parents, spouses. Siblings and children, as well as spouses of children of other directors, executives, major shareholders, controlling authorities, or persons who will be proposed as directors. Executives or controlling authorities of the Company or its subsidiaries
- (4) No or ever have a business relationship with a licensor, a large company, a subsidiary Associates, major shareholders or controlling authority of the Company In a manner that may impede the use of their independent judgment, including not being or has been an implicit shareholder or controlling person of a person with a business relationship with a company, a major company, a subsidiary. Unless the company has been removed from such characteristics at least 2 years prior to the date of filing an application for permission to the Office of a non-auditor of the Company. Subsidiaries Associates Legal entities that may have conflicts

Business relations in accordance with paragraph one, including the transaction of trades that are normally done for business purposes. Renting or renting a property List of assets or services, or providing or receiving financial assistance by receiving or lending guarantees Assets are collateral liabilities, as well as other similar circumstances, resulting in the company or its counterparties. There is a debt obligation to be paid to the other party,

from 3% of the company's net tangible assets or 20 million baht or more, whichever is lower. The calculation of such debt obligations is based on the method of calculating the value of connected items in accordance with the Notification of the Capital Market Supervisory Board on the rules for intertwined transactions. However, in determining the debt obligations, count the debt obligations incurred during the 1 year prior to the date of business relationship with the same person.

- (5) Not be or have been an auditor of a company, a major company, a subsidiary Associates, major shareholders or controlling persons of the Company and are not implicit shareholders. The supervisor or partner of the audit office, which has the auditor of the company, the company, the subsidiary, the subsidiary. Unless the nomination of directors and senior executives has been removed from such characteristics at least two years prior to the date of filing the application for permission to the Office of the Board of Directors. SEC
- (6) Not be or have been a professional service provider, including providing services as legal advisors or financial advisors, which receive service fees in excess of 2 million baht per year from the company, the subsidiary. Associates, major shareholders or controlling authority of the licensee and are not implicit shareholders. Unless you have been removed from such characteristics at least 2 years prior to the date of application to the office.
- (7) Not to be a director appointed to represent the Directors of the Company. Major shareholders or shareholders who are related to major shareholders
- (8) Not operate in the same condition and be a competition that implies the business of the Company or its subsidiaries, or is not a partner with implications in the partnership or as a member of the participating directors. Employees, employees, consultants who receive regular salaries or hold more than 1% of the total voting rights of other companies, which operate the same and competitive business implicit to the company's business or its subsidiaries.
- (9) There are no other characteristics that make it impossible to provide an independent opinion on the Company's operations.
- (10) Set an independent director term for no more than 9 years starting from January 1, 2015.

(2) Nomination of directors

In 2023, The Nomination and Remuneration Committee for Directors and Executives and the Board of Directors had considered and selected suitable people to support the expansion and growth of the Company. Therefore proposed to the 2023 Annual General Meeting of Shareholders to consider appointing Dr. Somchai Harnhirun as the new director and as a result, the number of directors in the Board of Directors would increase from 9 directors to 10 directors in total.

In addition, 3 directors who completed their terms at the 2023 Annual General Meeting of Shareholders were also considered to return to directorship as independent directors for another term. The detail as follows:

- | | | |
|----------------|------------|----------------------|
| 1. Mr. Sansern | Wongcha-um | Independent Director |
| 2. Mr. Ajarin | Sarasas | Independent Director |
| 3. Mr. Paitoon | Taveebhol | Independent Director |

The Company provided the shareholders with an opportunity to nominate qualified persons for the appointment as directors in accordance with the nomination procedures via the Company's website from 29 September 2022 to 31 December 2022. However, no shareholders nominated any person for the appointment as directors.

During 2023, the Nomination and Remuneration Committee for Directors and Executives and the Board of Directors considered selecting suitable persons to replace 2 vacant director positions, as follows:

- | | | | |
|----|---------------|----------------|----------------------|
| 1. | Mr. Sobson | Ketsuwan | Independent Director |
| 2. | Mr. Nontigorn | Kanchanachitra | Director |

However, this is Criteria and procedures for the nomination of independent directors reported under Section 2 Corporate Governance Topic 1.2 Criteria and procedures for nomination and appointment of directors Page 86

(3) Senior Executive Recruitment

The Nomination and Remuneration Committee considers the criteria and procedures for recruiting qualified persons to hold top executive positions and nominates people deemed appropriate. With reasons for the Board of Directors to consider the appointment further. In recruitment, we consider screening the recruitment of qualified persons. Have knowledge, skills and experience that are beneficial to the company's operations and understand the company's business well and manage to achieve its objectives. Goals set by the Board of Directors

In recruiting senior executives the administration has recruited, recruited and nominated qualified persons. Appropriate qualifications, skills and experience that benefit the Company's operations and proposed to the Nomination and Remuneration Committee and the Board of Directors, which in 2023, the Company appointed a new executive, Mr. Prasong Adulratananukul as the position, Vice President -Corporate Strategy, Sustainability Development and Business Development on May 1, 2023.

However, this is Criteria and process for recruitment Report under Section 2 Corporate Governance Topic 2.10 The company discloses the policy President and Executive Page 97

(4) Development of Knowledge of Directors and Executives

The Board of Directors and senior executives attach importance to participating in courses related to the development of knowledge and ability to perform director duties regularly. The Company's directors have been trained with the Thai Institute of Directors Association (IOD) in courses related to the performance of director duties 100% of the total number of directors, with IOD courses being Directors Certification Program (DCP) were 6 people accounting for 60% of total number of directors, Directors Accreditation Program (DAP) were 6 people accounting for 60% of the total number of directors, as well as attendances in more details, shown in detail of the director's history in Attachment 1.

In 2023, the Company had directors and senior executives trained in the post-formula. As follows

Directors			Training courses/Seminars/ Activities
1.	Mr. Sansern Wongcha-um	Chairman of the Board of Directors	- Organization Strategy Workshop - Special lecturer : Geosocial Based Sustainable Development Program, Maejo University
2.	Mr. Yongyuth Kitaphanich	Vice Chairman	Organization Strategy Workshop
3.	Mr. Sobson Ketsuwan	Chairman of the Executive Committee	Organization Strategy Workshop
4.	Mr. Paitoon Taveebhol	Chairman of the Audit and Governance Committee	- Organization Strategy Workshop - Engaging Board in ESG: The Path to Effective Sustainability - National Director Conference 2023: Delivering Net Zero Together - CAC National Conference 2023: lic-Private Collaboration: A Strong Collective Action Against Corruption
5.	Dr. Suthad Setboonsarng	Chairman of the Risk Management and Sustainability Development Committee	Organization Strategy Workshop
6.	Mr. Prayong Hiranyavanich	Chairman of the Nomination and Remuneration Committee	Organization Strategy Workshop
7.	Dr. Somchai Harnhirun	Independent Director	Organization Strategy Workshop
8.	Mr. Nontigorn Kanchanachitra	Director	Corporate strategy, Risk management and Sustainable Development
9.	Mr. Yongkiat Kitaphanich	Vice Chairman of the Executive Committee	Organization Strategy Workshop
10.	Ms. Napatsorn Kitaphanich	Director	- Organization Strategy Workshop - CEO CLUB No. 3/2023 on the topic “Riding the Waves of Mega Trends

Executives			Training courses/Seminars/ Activities
1.	Mr. Vacharatorn Kitaphanich	Executive Vice President	• TLCA Executive Development Program 2023 • The 7habits of highly effective people
2.	Dr. Cheerawit Sureerattanan	Senior Managing Director for Forging, Casting & Machining Business	• The 7habits of highly effective people
3.	Mr. Patpong Weerasin	Vice President - Supply chain & System Development	• Value Creation & Innovation for Professionals and Sustainability • The 7habits of highly effective people
4.	Mr. Thanthach Ritthinam	Vice President – Agriculture Business Group	• The 7habits of highly effective people
5.	Mr. Varasa Saundee	Managing Director SBM&ICP	• The 7habits of highly effective people

(5) Performance Evaluation of the Board of Directors

Rule

To comply with good corporate governance principles. The Board of Directors holds an evaluation of the Board of Directors' performance in both form(1) Self-assessment of the entire board of directors (2) Self-assessment of directors individually (3) Self-assessment of sub-committees By using the Committee's self-assessment guidelines. From the Stock Exchange of Thailand to adapt to suit the characteristics and structure of the Board of Directors. To serve as a framework for the performance of the Board of Directors and to encourage joint consideration of the work and operations.

Process

The Company holds an annual evaluation of the board's performance every year. To evaluate the performance of the previous year. The Company Secretary will submit such assessment form to each director to conduct both individual and individual (self-assessment) forms to bring the results of the assessment to the Board of Directors and bring recommendations to improve the effectiveness of the Board of Directors.

Self-Assessment Process – the entire Board of Directors/the Sub Committee	Self-Assessment Process - Individual Directors
Performance Evaluation of The Board of Directors’ entire board of directors The assessment is divided into 6 main topics according to the Stock Exchange of Thailand guidelines. as follows 1. Structure and qualifications of the Board of Directors: consists of a variety of directors. Proportion of Directors Qualifications of each sub-committee 2. Roles, duties and responsibilities of the Board of Directors: Consists of the use of sufficient time to consider important matters. Items with conflicts of interest, internal control system, risk management 3. Board meeting: Includes: Schedule meetings in advance for the whole year, document quality There is sufficient information to make decisions of the directors. 4. Performing duties of directors: Includes: Regular attendance Free expression 5. Relationship with management: It consists of allowing for discussions. Allow participation in troubleshooting 6. Self-development of directors and executive development: Includes role understanding Knowledge of the company’s business encourages directors to attend training, succession plans, etc. The criteria for self-assessment - the entire Board of Directors/ the Sub Committee are as follows: 1. The Board of Directors approves and reviews the evaluation form to ensure accuracy, completeness and compliance with the criteria set by the regulatory authorities. 2. The Company Secretary concludes and analyzes the results of the Performance Assessment of the Board of Directors and reports the results of the analysis from the assessment to the Board of Directors. 3. The Company Secretary leads the analysis and additional opinions to inform and improve the performance of the Board of Directors. 4. To the result of evaluation to discuss in the Board’s meeting.	Individual evaluation of the performance of the Board of Directors, divided into three main topics. as follows 1. Features of the Board of Directors: Variety of Boards Approval for the performance of duties of directors 2. Roles, Duties and Responsibilities: Independence of Directors Adequate commentary and participation Internal control system and risk management Disclosure 3. Meetings: Meetings, meeting comments Studying the data in advance 4. Other comments that are condescending to the administration Manage organizations With self-assessment guidelines - Individual Directors as follows: 1. The Board of Directors approves and reviews the evaluation form to ensure accuracy, completeness and compliance with the criteria set by the regulatory authorities. 2. Individual directors are self-assessing to express their views on the roles of directors. independence Management Structure Knowledge development and opinions on organizational management 3. The Company Secretary is the summary and analysis of the evaluation results and reports to the Board of Directors to improve the performance of the Board of Directors. 4. To the result of evaluation to discuss in the Board’s meeting.

In 2023, the Company assessed the performance of the Board of Directors. (1) Self-assessment of the entire board of directors, (2) self-assessment of directors individually, (3) self-assessment of the four sub-committees: the Executive Committee, the Audit and Governance Committee, the Nomination and Remuneration Committee and the Risk Management and Sustainability Development Committee.

(1) Self-assessment results of the entire board of directors for the year 2023

The average score of 2.87 is quite good.

Assessment topic	Average
• Structure and qualifications of directors	2.86
• Roles, Duties and Responsibilities of Directors	2.87
• Board meeting	2.89
• Performing duties of the Board of Directors	2.90
• Management relations	2.93
• Self-improvement and management	2.77

Comments/Remarks in addition to self-assessment: The evaluation results were at a very good level in every topic. However, the Board of Directors is focused on supervising, monitoring to be consistency with the strategy SBGP of the Company especially to keep the sale and finding new automotive part in the automotive industry and agricultural machinery including to entering the business of automation system and Electric-3 wheelers and prepare the employee for such new business.

(2) Results of individual self-assessment of directors for the year 2023

The average score of 2.86 is quite good.

Assessment topic	Average
• Structure and qualifications of directors	2.83
• Board meeting	2.86
• Roles, Duties and Responsibilities of Directors	2.89

Comments/Remarks from the Evaluation: The Board of Directors allowed individual directors to comment, give opinion, provide feedback for useful and important issues in managing the business especially Strategy B and G to speed up and enhance the human resource potential including to manage the subsidiaries and joint venture company to be high efficiency.

(3) Self-assessment results of the Sub-Committee for the year 2023

3.1 The Executive Board

averages 2.84 is quite good.

Assessment topic	Average
• Structure and qualifications of directors	2.70
• Board meeting	2.88
• Roles, Duties and Responsibilities of Directors	2.93
• Self-improvement	2.88

Comments/Remarks from the Evaluation found that the Executive Board focus on the consideration, scrutinize in the investment projects to develop technology, improve the product efficiency, reduce costs and save energy and take care of environment and safety and to suggest for joint venture company management.

3.2 The Audit and Corporate Governance Committee

averaged 2.98 is quite good.

Assessment topic	Average
• Structure and qualifications of directors	3.00
• Roles, Duties and Responsibilities of Directors	2.94
• Board meeting	3.00

Comments/remarks in addition to the evaluation: The Audit and Corporate Governance Committee had expressed its opinion and provided feedback on the accuracy, completeness and reliable of the financial report and review internal control system, internal audit, risk management, good corporate governance in compliance with the law

3.3 The Nomination and Remuneration Committee

averaged 2.73 is quite good.

Assessment topic	Average
• Structure and qualifications of directors	3.00
• Roles, Duties and Responsibilities of Directors	2.87
• Board meeting	2.33

Comments/Remarks from the Evaluation: The Nomination and Remuneration Committee focused on stating the policy, nomination and selection the executives to propose to the Board of Directors. To concentrate on the director, executive and employee development according to the strategy plan and succession plan of senior executives of the Company.

3.4 The Risk Management and Sustainability Development Committee
averaged 2.86 is quite good.

Assessment topic	Average
• Structure and qualifications of directors	2.78
• Roles, Duties and Responsibilities of Directors	2.87
• Board meeting	2.93

Comments/Remarks from the Evaluation: The Risk Management and Sustainability Development Committee focused on reviewing Risk Appetite to be consistent with strategic plans and business goals according to changing circumstances including reviewing the organization's sustainability policy.

8.1.2 Attendance and remuneration of individual committees

Attendance of the Board of Directors

The Board of Directors has scheduled a full-year schedule of board of directors' meetings and sub-committees, which will consider the schedule for the meeting from September to October of each year, with more than six meetings held each year, as well as holding special meetings as needed, with each meeting setting out a clear agenda, both agendas to consider, to be informed, to discuss and express their opinions, to have sufficient documentation and to submit to the directors at least 7 days in advance, so that the directors have sufficient time to study the information before attending the meeting, and at the meeting the Chairman has allocated time so that all directors can discuss and express their opinions freely, and the Chairman will codify the opinions and summarize the issues obtained from the meeting. The minutes of the meeting are prepared in writing by the Secretary of the Board of Directors, after the meeting is approved, and will be stored at the Company Secretary's Office. 2nd Floor, Building 11, Head Office.

In 2023, the Board of Directors held a total of 12 meetings which were in physical meetings and electronic meetings and there were 2 Non-Executive Directors meetings on March 24, 2023 as electronic meeting and the physical meeting on December 14, 2023. This was a meeting where the Chairman of the Board of Directors discussed issues with the Board of Directors in order to brainstorm opinions and understand the Company's future development plans to accommodate future changes.

Details of each director's attendance the summary are as follows:

Name	Position	The Board of Directors Total 12 times		The Executive Board Total 11 times	The Audit and Governance Committee Total 7 times	The Nomination and Remuneration Committee Total 3 times	The Risk Management and Sustainability Development Committee Total 1 time	The Non- executive Directors' Meeting Total 2 times	Percentage of attendance at the Board of Directors meeting
		Physical Meeting	Electronic Meeting						
1. Mr. Sansern Wongcha-um	Independent Director/ Chairman of the Board of Directors	12/12						2/2	100
2. Mr. Yongyuth Kitaphanich	Director / Vice Chairman	12/12							100
3. Mr. Sobson Ketsuwan	Independent Director / Chairman of the Executive Committee	7/7		6/7				1/1	100
4. Mr. Paitoon Taveebhol	Independent Director / Chairman of the Audit and Governance Committee/ Member of the Nomination and Remuneration Committee	7/12	5/12		7/7	3/3		2/2	100
5. Dr. Suthad Setboonsamg	Independent Director/ Chairman of the Risk Management and Sustainability Development Committee/ Member of the Audit and Governance Committee / Member of the Nomination and Remuneration Committee	11/12	1/12		7/7	2/2	1/1	2/2	100
6. Mr. Prayong Hirunyanich	Independent Director / Chairman of the Nomination and Remuneration Committee/ Executive Director/ Member of the Risk Management and Sustainability Development Committee	12/12		11/11		2/2	1/1	2/2	100
7. Dr. Somchai Harnhirun	Independent Director / Member of the Audit and Governance Committee/ Member of the Risk Management and Sustainability Development Committee	7/8	1/8		3/3		1/1	1/1	100
8. Mr. Nontigorn Kanchanachitra	Director/ Vice Chairman of the Executive Committee	3/3							100
9. Mr. Yongkiat Kitaphanich	Director/ Vice Chairman of the Executive Committee	12/12		11/11					100
10. Ms. Napatsorn Kitaphanich	Director/ President	12/12		11/11			1/1		100

Details of each director's attendance the summary are as follows:



The entire board of directors
attends meetings **100%**

Each director attends
100%
of the total meeting

Details of meeting attendance of directors retiring during 2023 (total 2 persons)

First-Last Name	Position	The Board of Directors Total 12 times		The Executive Board Total 11 times	The Audit and Governance Committee Total 7 times	The Nomination and Remuneration Committee Total 3 times	The Risk Management and Sustainability Development Committee Total 1 time	The Non-executive Directors' Meeting Total 2 times
		Physical Meeting	Electronic Meeting					
1. Mr. Ajarin Sarasas	Independent Director/ Chairman of the Executive Board/ Member of the Nomination and Remuneration Committee		2/4	2/3		1/1		0/1
2. Dr. Panja Senadisai	Independent Director/ Chairman of the Audit Committee/ Member of the Nomination and Remuneration Committee	1/6	5/6		4/4	1/1		1/1

Remark : 1. Mr. Ajarin Sarasas passed away on 23 April 2023.
2. Dr. Panja Senadisai passed away on 26 June 2023.

Remuneration of Directors

Policy and Criteria for Remuneration of the Board of Directors

The Board of Directors has established policies and criteria for remuneration of directors. Divided into 3 parts: 1) monthly remuneration, 2) meeting allowance, 3) Annual remuneration based on responsibility, suitability and compliance with performance. The Company's performance and the performance of the Board of Directors and comparative data are based on other companies in the same industry with similar business sizes and characteristics. As well as overall performance and economic conditions. Remuneration structure of directors and sub-directors, including the Survey of Directors' Remuneration of The Thai Institute of Directors (IOD) and the Stock Exchange of Thailand. The directors assigned to the duties and responsibilities are increasing. More compensation will be paid for the duties and responsibilities assigned.

In 2023, the Nomination and Remuneration Committee and the Board of Directors presented to the AGM to approve the 2023 remuneration of directors on April 20, 2023.

1. Monthly recurring and meeting allowances

Monthly remuneration paid (Baht)		Meeting Allowance / Time (Baht)				
Position	Board of Directors	The Board of Directors	The Executive Board	The Audit and Governance Committee	The Nomination and Remuneration Committee	The Risk Management and Sustainability Development Committee
1. Chairman	45,000	63,000	45,000	45,000	45,000	45,000
2. Vice Chairman	31,250	43,750	37,500	-	-	-
3. Director	25,000	35,000	30,000	30,000	30,000	30,000

2. Monetary compensation for the year ended 31 December 2023

Monetary remuneration of the Board of Directors in the form of meeting allowances monthly and annual remuneration totaling 16,342,750 baht. Details are as follows:

Board of Directors		Remuneration year 2023 (Baht)	Monthly remuneration and meeting allowance (Baht)					Total Remuneration (Baht)
			The Board of Directors	The Executive Board	The Audit and Governance Committee	The Nomination and Remuneration Committee	The Risk Management and Sustainability Development Committee	
1. Mr. Sansern Wongcha-um		990,330	1,422,000					2,412,330
2. Mr. Yongyuth Kitaphanich		737,457	918,250					1,655,707
3. Mr. Sobson Ketsuwan		311,622	515,000	270,000				1,096,622
4. Mr. Paitoon Taveebhol		622,514	790,000		255,000	105,000		1,772,514
5. Dr. Suthad Setboonsarng		622,514	825,000		210,000	60,000	45,000	1,762,514
6. Mr. Prayong Hirunyanich		622,514	825,000	330,000		90,000	30,000	1,897,514
7. Dr. Somchai Harnhirun		349,936	550,000		90,000		30,000	1,019,936
8. Mr. Nontigorn Kanchanachitra		116,220	180,000					296,220
9. Mr. Yongkiat Kitaphanich		622,514	760,000	412,500				1,795,014
10. Ms. Napatsorn Kitaphanich		622,514	760,000					1,382,514
							Total	15,090,885

Remark : 1. Annual remuneration is calculated based on 2023 performance paid in 2024.

2. Dr. Somchai Harnhirun was appointed as a director with effective from April 20, 2023, and was appointed as an independent director with effective from July 27, 2023.
3. Mr. Sobson Ketsuwan was appointed as an independent director with effective from May 11, 2023, replacing the vacant position of Mr. Ajarin Sarasas who passed away.
4. Mr. Nontigorn Kanchanachitra was appointed as a director with effective from October 1, 2023, replacing the vacant position of Dr. Panja Senadisai who passed away.

Details of remuneration of directors retiring during 2023

Board of Directors	Remuneration year 2023 (Baht)	Monthly remuneration and meeting allowance (Baht)					Total Remuneration (Baht)
		The Board of Directors	The Executive Board	The Audit and Governance Committee	The Nomination and Remuneration Committee	The Risk Management and Sustainability Development Committee	
1. Mr. Ajarin Sarasas	151,980	145,000	90,000		30,000		416,980
2. Dr. Panja Senadisai	229,885	395,000		180,000	30,000		834,885
Total							1,251,865

Remark : 1. Mr. Ajarin Sarasas passed away on 23 April 2023.
2. Dr. Panja Senadisai passed away on 26 June 2023.

3. Other compensation

No other benefits In addition to monthly regular compensation Meeting allowances and annual compensation

8.1.3 Supervision of subsidiaries and associates

The Board of Directors has mechanisms for maintaining that it can oversee the management and responsibility of the operating of subsidiaries and associates to maintain the interests of the Company's investments in accordance with the Company's regulations. as follows

1. The Company has authorized to appoint and send a person to represent the Company as a director. Executives or regulators approved by the Board of Directors' Meeting
2. Determine the qualifications of the Board of Directors and executives of the subsidiary shall be in accordance with the requirements.

Related of The Securities and Exchange Commission and the Stock Exchange of Thailand

3. Define the scope of the director's duties and responsibilities. and executives representing companies, subsidiaries and associates.
4. Monitor and provide board members and executives of subsidiaries and associates. To comply with legal duties and responsibilities Regulations and Policies of the Company
5. Any transaction or action of a subsidiary or associate, such as capital increase, capital reduction, dividend payment, etc., or items deemed material, and if entered into the transaction will have a significant impact on the financial position and performance of the subsidiary must be approved by the Board of Directors or the Shareholders' Meeting.
6. Determine the direction of the subsidiary's strategy, policies and business plan to comply with the company's direction.
7. To provide subsidiaries with internal control systems, risk management systems and systems. Prevent fraud, including requiring appropriate monitoring measures to monitor the performance of subsidiaries and associates. Efficient and concise enough to ensure that the actions of subsidiaries and associates are implemented according to the budget plan. Company Policy
8. Report the company's earnings and operations connected transactions of subsidiaries, as well as acquisition or disposition of property; In particular, important items that may have a significant impact on the financial position and performance of subsidiaries and any other items other than the subsidiary's business list will have a significant impact on the subsidiary.

9. Not allow executives, employees, employees or assignees of the Company and its subsidiaries, as well as spouses and underage children of such persons, use the internal information of the subsidiary. Whether it is derived from any act of duty or in any other way that has or may have a significant impact on the subsidiary for the benefit of oneself or others, directly and/or indirectly, and whether it is returned or not.
10. To take care to disclose important information under the corporate governance.

Agreement between the company and other shareholders to manage subsidiaries and associates

-None-

Director Remuneration of the Subsidiaries as the main business

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

List of Directors		2023 Remuneration (Baht)
1.	Mr. Yongyuth Kitaphanich	180,000
2.	Mr. Yongkiat Kitaphanich	122,000
3.	Mrs. Kasamon Kittiampon	122,000
4.	Ms. Napatsorn Kitaphanich	112,000
5.	Mr. Patpong Weerasin	92,000
6.	Dr. Cheerawit Sureerattanan	92,000
7.	Mr. Vacharatorn Kitaphanich	10,000
8.	Mrs. Porntip Sangsuk	10,000

Remark : Mr. Vacharatorn Kitaphanich and Mrs. Porntip Sangsuk held positions as directors on November 2, 2023.

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

List of Directors		2023 Remuneration (Baht)
1.	Mr. Yongyuth Kitaphanich	180,000
2.	Mr. Yongkiat Kitaphanich	122,000
3.	Mrs. Kasamon Kittiampon	122,000
4.	Ms. Napatsorn Kitaphanich	112,000
5.	Dr. Cheerawit Sureerattanan	92,000
6.	Mr. Varasa Saundee	92,000
7.	Mr. Vacharatorn Kitaphanich	10,000
8.	Mrs. Porntip Sangsuk	10,000

Remark : Mr. Vacharatorn Kitaphanich and Mrs. Porntip Sangsuk held positions as directors on November 2, 2023.

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

List of Directors		2023 Remuneration (Baht)
1.	Mr. Yongkiat Kitaphanich	180,000
2.	Mr. Yongyuth Kitaphanich	122,000
3.	Mrs. Kasamon Kittiampon	122,000
4.	Ms. Napatsorn Kitaphanich	112,000
5.	Dr. Cheerawit Sureerattanan	92,000
6.	Mr. Varasa Saundee	92,000
7.	Mr. Vacharatorn Kitaphanich	10,000
8.	Mrs. Porntip Sangsuk	10,000

Remark : Mr. Vacharatorn Kitaphanich and Mrs. Porntip Sangsuk held positions as directors on November 2, 2023.

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

List of Directors		2023 Remuneration (Baht)
1.	Mr. Yongyuth Kitaphanich	180,000
2.	Mr. Yongkiat Kitaphanich	122,000
3.	Mrs. Kasamon Kittiampon	122,000
4.	Ms. Napatsorn Kitaphanich	112,000
5.	Dr. Anotai Mohjhaw	82,000
6.	Mr. Vacharatorn Kitaphanich	10,000
7.	Mrs. Porntip Sangsuk	10,000

Remark : 1. Mr. Anotai Mohjhaw resigned from his directorship effective November 1, 2023.
2. Mr. Vacharatorn Kitaphanich and Mrs. Porntip Sangsuk held positions as directors on November 2, 2023.

8.1.4 Monitoring compliance with corporate governance policies and practices

The Company is edging good corporate governance by having defined relevant policies and practices in its policy with good corporate governance and business ethics and work practices. As well as encouraging real action to build trust with all stakeholders.

In the past year, The Company has been monitored to ensure compliance with good corporate governance, covering important issues including 1) taking care environment and safety 2) secure information technology, which the follow-up results showed that the Company had fully pursued the guidelines of each issue. In addition, the company has followed up to achieve compliance with good corporate governance. as follows:

Conflict of interest prevention

The Company sets policies that do not allow directors. Executives and employees to take advantage of directorship Executives or employees of the Company seek personal interests and/or related parties. In business ethics and work practices as follows

1. Avoid transactions related to yourself and/or related parties that may cause conflicts of interest to the Company.
2. In the event that the transaction is required, for the benefit of the Company, make the transaction as if making a transaction with a third party with a trade agreement in the same way that the Vigneault should act with the general parties with the power of trade bargaining without influence to be a director. Executives or related persons and must not be involved in the approval and are obliged to: Comply with the requirements of the SET and the Securities and Exchange Commission. In regards to the disclosure of connected transactions
3. It must be prepared to prepare a report of their own interests and related persons. Under Section 89/14 of the Securities and Exchange Act In 1992, the report was reported upon taking office for the first time and required a review of the report every year and/or every time the information was changed, sending a report to the Supervisory and Audit Department within 7 working days and reporting it to the Audit and Governance Committee quarterly. The Audit and Governance Committee will review the linkage and report on the interests and report it to the Board of Directors quarterly.

This has expanded to employees at the management level of the company and its subsidiaries, from the manager level of the department or above, and the employees involved in the lower level of the manager.

In 2023 A total of 138 were reported the conflict of interest form. The survey showed that there were no executives, employees and individuals involved. Have a stake and make transactions with companies and subsidiaries. And report to the Audit and Governance Committee to inform the Board of Directors' meeting.

Use of internal information for exploitation

The Board of Directors establishes a policy to prevent the use of internal data by imposing measures prohibiting the use of opportunities or information obtained by directors. Executives or employees in exploiting themselves or doing business that compete with related companies or businesses, including not using internal information for their own benefit in trading the Company's shares or providing internal information to other parties for the sake of trading the Company's shares, in the Company's Business Ethics Manual.

1. No trading of securities for at least 1 month before the Company's performance data and/or internal information are made public through the News System of the Stock Exchange of Thailand, and directors and executives must report the share buy-to-sell/ Change of securities holdings To the Office of the Board of Directors SEC under Section 59 of the Securities and Exchange Act B.E. 2535 (1992)

However, this is The Supervision and Audit Department has announced the suspension of trading of the Company's securities through the Company's internal email channels for directors. Executives and employees are informed all over the quarter to ensure that directors Executives and employees are informed of the rules and comply. If any such action is found, it shall be deemed to be in violation of company regulations.

In 2023, No director, executive and employee traded security in the period 1 month prior to the announcement of its operating results or internal information.

2. Assign directors The Company's first four executives wishing to trade securities must notify the company to truly. At least 1 day in advance of trading securities through the Company Secretary and is responsible for reporting changes in securities holdings. To the SEC within 3 business days from the date of the change via the SEC's website and the Secretariat, report to the Audit and Governance Committee and report it to the Board of Directors.

In 2023, one executive trading securities and he informed the Company 15 days in advance before trading, he informed SEC within 3 business days from the date of the trading via the SEC's website.

Anti-corruption

The Board of Directors is committed to conducting business with integrity, fairness, and good corporate governance as well as combating corruption to be a truly transparent organization. Therefore, the Board of Directors have stipulated the supporting a long-term plan for moral of organization since 2010 through a CG guideline with the "Ethics, Corporate Governance, and Sustainability of Organization" session to enhance the employee's Anti-corruption awareness and promote the Anti-corruption initiatives.

The Company was one of the first 27 organizations in Thailand to announce its intention to fight with corruption, and was one of the first nine organizations to be approved by the Thai Private Sector Collective Action against Corruption (CAC) on July 29, 2013. In early 2023, the Company successfully renewed and received a certificate to certify the 3rd renewal of membership of CAC continuously to commit and promote its transparent business. To lead to an effective reduction in corruption, the Company also continues to expand this practice against all forms of corruption to its business network and push its partners into an anti-corruption partnership.

In addition to its intention to fight with corruption, the company does not accept all forms of corruption, whether directly or indirectly, and has policies / requirements / practices against corruption of the Group as follows:

Principal

1. Directors, Executives and Employees of the Somboon Group must not accept all forms of corruption directly or indirectly, including giving and receiving gifts, receptions, income, donations and other benefits to themselves from individuals who involve business with the Company.
2. To publish and communicate the Anti-corruption policy and related guideline to all employees, business partners, customers and stakeholders, and the Anti-corruption policy, with related practices and requirements, would be regularly reviewed and updated at least once a year in order to comply with laws and regulations as well as business practice or any change.

Roles and Responsibilities

1. The Board of Directors is responsible for overseeing the overall anti-corruption initiatives, establishing policies, supervising the Company's activities and ensuring an adequate anti-corruption support system to fight against corruption.

2. The Audit Committee is responsible for overseeing the internal audit system, especially the internal controls concerning the corruption risk, together with the whistleblowers handling, a result of investigation, and a result of monitoring of compliance with policies to ensure the internal control system is adequate, efficient and effective.
3. Directors, Executives and Employees have duties and responsibilities to implement this policy thoroughly, define and support to establish the proper work system needed to combat the corruption, and communicate to employees and stakeholders.
4. The Internal Audit Department is responsible for reviewing a risk assessment of the organization 's corruption risks as well as ensuring that the Company has established the appropriate control system to efficiently control the risks. Company's Venders are treated fairly and correctly, in line with the policy. This includes promoting anti-corruption guidelines and reporting the results of the review to the Audit Committee in a regular basis. Furthermore, when detecting any significant impact issue, a result of the review must be urgently reported to the Executive, the Audit Committee or the Board of Directors.

Practice Guidelines

1. Director Executives and Employees must comply with the Anti-corruption policies and ethics and the related practices, and must not involve in corruption, directly or indirectly.
2. When seeing or finding any corruption conducted in a relation to the Company / subsidiaries, all employees do not neglect or ignore, and they have to report to the supervisor or responsible person. If you have any question, consulting your supervisor or designated person responsible for business ethics compliance through the designated channels.
3. The Company will provide a fairness and will protect all employees who refuse the corruption or report any corruption issue related to the Company and its subsidiaries in accordance with the company's protection of complainants or whistle-blowing protection practice.
4. Those who commit corruption are considered unethical acts of the Company, which must be considered disciplinary penalties in accordance with the Company's work regulations and also punished by law if an act is illegal.
5. The Company and subsidiaries recognize an importance of the Anti-corruption policy including disseminating and educating all persons who must perform duties in relation to the Company and its subsidiaries.
6. The Company is committed to developing and creating "Somboon Smart People" to have good conscience and good behave as a good citizen of society and the nation, and the Company has also created an anti-corruption culture that does not accept all forms of corruption.

Principles and procedures for assessing corruption risks

The Company established an assessment of corruption risk separately from its enterprise risk assessment in conjunction with Risk Management department and Internal Audit department to collaborate with various departments to identify corruption risks associated with the operation of all potential aspects of the business, as well as gather such risk levels to consider finding processes for preventing and investigating corruption risks efficiently.

In addition, the Internal Audit reviews the adequacy of controls over corruption risk for Company's activities, analyzes the channels and opportunities for corruption, and assesses the opportunities and consequences involved, according to the level of the assessment of opportunities and impacts as per the Corporate Risk Management Manual. Moreover, the risk assessment results are annually reviewed, and the key result of a review would be incorporated into the annual internal audit plan.

The Board of Directors requires a monitoring of approach to the implementation of anti-corruption policies as follows

1. Conduct a survey for the possible "Conflict of Interests" of Directors and the first top-4 Executives levels, as required by law, and also expanded the survey to executives at all levels including employees who may have conflicts of interest that would lead to corruption.
2. Determine the whistleblowing channels and whistleblower protection measures on the Company's website and communicate to employees at all levels to make complaints and whistleblowers, and to be disciplined and dutiful to employees.
3. Require Compliance Department to review the corruption risks and coordinate with Internal Audit Department for the review in accordance with the annual Internal Audit plan.
4. Those who commit corruption are considered unethical issue for the Company, which must be considered disciplinary penalties according to the regulations set by the Company and punished by law in case that the act is illegal.
5. Promote Corporate Governance (CG) knowledge through the curriculum "Ethics, Corporate Governance, and Corporate Sustainability" for all and new employees to understand business ethics, CG, work practice, Anti-corruption policy and relevant guidelines for receiving or providing items/ other benefits of Somboon Group.
6. Prepare cognitive CG tests for business ethics, work practices, and anti-corruption through the Company's Intranet system to assess the employees' knowledge and understanding for developing the business ethics and work practices, as well as raising awareness of all forms of anti-corruption.

Practice Guidelines for receiving items or other benefits

- (1) Executives and employees are prohibited from receiving, providing any benefit including financial support from or to customers, vendors or stakeholders who do business with the Company.
- (2) If there is a request for any support in the form of money or items can be made in the form of an organization with the organization, and this must be approved by authorized Directors or President only.
- (3) Gift, item, or small benefit, during traditional business occasions or general festivals, is allowed when value of such received items/benefits must not exceed 2,000 baht, and/or it is necessary to maintain good relationships among individuals and organizations.
- (4) To receive any other items or benefits, this requires the Senior Executive as an organization representative in process and later must submit the received items to the Company Secretary's Office within 5 working days from the date of receipt of any other items/benefits.
- (5) Except for traditional festival gift, employees can receive it with a value not exceeding 500 baht (such as key chains, calendars, paper notebooks, etc.), and the executive as a representative of the receiving and must report to the Office of the Company Secretary in writing.

- (6) To prevent any conflict of interest, the Company does not allow employees to receive any other items or benefits directly. The senior executive (or below 1 step down level) could accept or receive any other items or benefits and the business unit must report this as required immediately.

Practice Guidelines for providing items or other benefits

- (1) To prevent any corruption issue, providing gifts / items / benefits on the occasion of traditional festivals, the Company should conduct the providing such gifts / items from the pre-approved supply list that is set a price or value not exceeding 2,000 baht as usual.
- (2) Assign senior Executives as an organization representative to provide any other items or benefits.

Operating Year 2023

1. The Company formulates strategies for raising its good Corporate Governance, Risk management, other Responsibilities to the related stakeholders and society based on knowledge of virtues, as one of the six main missions of the organizational strategy to ensure sustainable business growth in accordance with the Sufficiency Economy Philosophy and to build good immunity in business operations and encourage employees at all levels throughout the organization to develop their knowledge and understand their duties with responsibility, careful, honesty, honesty.
2. The Company promotes CG knowledge in various training/seminars, workshops and other activities under the master plan to contribute to the good corporate culture to promote and cultivate corporate ethics as follows
 - 2.1 The Company defines the “Ethics, Corporate Governance, and Corporate Sustainability” course with a strong focus on the Company’s policies, ethics and work consciousness, morality, honesty, integrity, adherence to accountability for oneself and others, and a conscience of anti-corruption for all employees and newly entered employees at all levels to gain an understanding of the company’s principles of good corporate governance and business ethics, and to lead the organization to become a “transparent and quality organization” that can be monitored in all processes. In 2023, CG training sessions were completely conducted for all new employees. Also, the Company provided an executive CG training with testing to all Management levels.
 - 2.2 To ensure management’s sufficient compliance knowledge for the Corruption policy, the Company conducted all Executives self-learning and reviewed their knowledge of the anti-corruption and the Corporate Governance (CG) through the Company’s Intranet test system. It was found that all Executives have a good understanding of the Company’s Anti-corruption and CG.
 - 2.3 The Board of Directors has a policy to encourage the partners and related stakeholders by formulating business enrichment strategies, from the beginning of the Thai Private Sector Collective Action against Corruption (CAC) Project, to ensure that the Supply Chain process is truly transparent as well as the Company has expanded its network of declarations to suppliers by promoting their understanding and seeing the importance of combating corruption to continuously expand Thailand’s private anti-corruption network.

- 2.4 Reporting the progress of the implementation of anti-corruption and compliance roadmap with corporate governance principles to the Board of Directors through the Audit and Governance Committee every quarter.
- 2.5 The Board of Directors had improved the whistle blower process for allowing all employees and stakeholders to whistleblowing of illegal or corruption conducted with the goals for
 - (1) providing clear whistle blower channels
 - (2) solving the reported issues timely and effectively
 - (3) reviewing the fact finding (if any)

by assigning the Company Secretary or/and the Compliance Department as a Company's business ethics complaints handling unit.

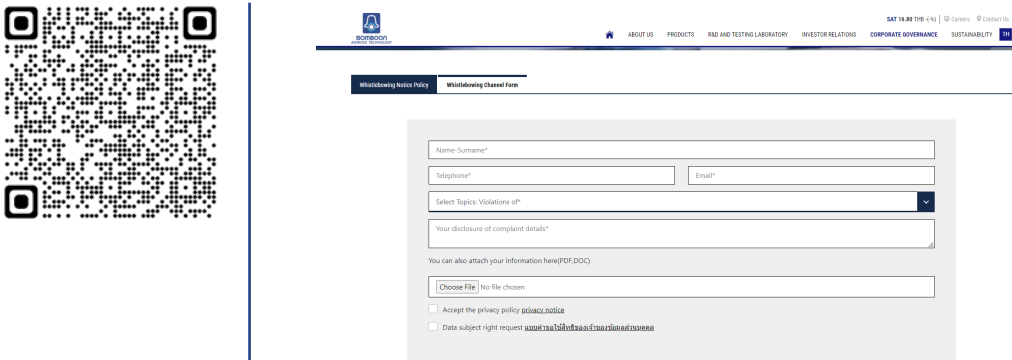
In 2023, the company has no business ethics complaint or corruption issue reported.

Channels for complaints and whistleblowing report

The Company has revised its complaints handling, together with whistleblowing process, for better implementation and more systematic report channels available as follows:

Company Website

link : Business Ethic Complaint / Whistleblowing (SAT) (satpcl.co.th)



Channels for complaints and whistleblowing via emails of independent directors

- | | |
|-----------------------------|--|
| 1. Mr. Sansern Wongcha-um | Email : sansern.w@somboon.co.th or |
| 2. Mr. Paitoon Taveebhol | Email : ptaveebhol@somboon.co.th or |
| 3. Dr. Suthad Setboonsarng | Email : suthad.set@somboon.co.th or |
| 4. Mr. Prayong Hirunyawanch | Email : prayongh@somboon.co.th or |
| 5. Mr. Sobson Ketsuwan | Email : sobson.k@somboon.co.th or |
| 6. Dr. Somchai Harnhirun | Email : somchai.har@somboon.co.th or |
| 7. Company Secretary | Email : nopamas.p@somboon.co.th
or Phone No. 02-080-8271 |
| 8. Compliance | Email : wasumeth.kul@somboon.co.th
or Phone No. 02-080-8143 |

Or send mail by post to Company Secretary, Building 2, 1st Floor, Somboon Advance Technology Plc., address No. 215 Moo 2, Debaratna Road, Tumbol Bangcholeng, Amphoe Bang Phli, Samut Prakan 10540

- 2.6 The Company has annually announced “No Gift Policy” – to provide any form of no gift policy to reduce the risks that may be caused by giving and receiving gifts and to establish good business norms to avoid any conflict of interest and to prevent any corruption.



The operation of the expansion of the anti-corruption network with the Thai Private Corruption Coalition of the Somboon group

The Company has required all of its partners to sign a declaration of intent to fight corruption with the Somboon Group, and in 2023, the Company set out a plan and anti-corruption target, allowing partners with a total of 10 million baht or more to participate in the declaration of intent with the Thai Private Anti-Corruption Coalition.

Results of declaration of intent with partners with CAC



Target
13 companies

Operating performance
13 companies **100%**

On December 7, 2023, the Thai Private Sector Anti-Corruption Coalition (CAC) presented the Change Agent Award 2023 to companies that are a force for expanding the transparency network to the Thai Private Sector Anti-Corruption Coalition (CAC).



Promotion of training

The company continues to promote knowledge to trading partners in order to expand the network of anti-corruption projects and to make trading partners conscious and see the importance of anti-corruption in order to promote all stakeholders sectors, to be responsible to themselves and society and grow sustainably together by publicizing and inviting business partners to attend training with CAC. The objectives are (1) To have a transparent operating system within the organization. (2) To have work standards that are acceptable to major trading partners and foreign trading partners. (3) To reduce the risk of corruption by conducting seminars on online format.

Timeline Somboon Group

Year
2010

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



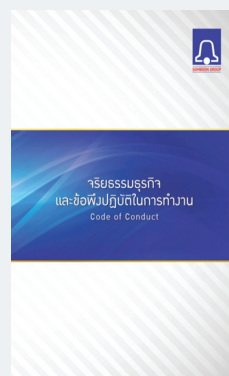
Year
2011

- Provided trainings to the Board of Directors and top executives.



Year
2012

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



Year
2013

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



Year
2014

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



Year
2015

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



Year
2016

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



Year 2017

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



Year 2018

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



Year 2019

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



Year 2020

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



Year 2021

- Supplier have focused priority and joined the declaration of anti-corruption intentions with CAC. 13 companies
- The Thai Private Sector Anti- Corruption Coalition (CAC) has awarded the Change Agent Award 2021 to companies that are a force in expanding the transparency network to the CAC.
- In the situation of the Coronavirus 2019 (COVID-19), the Company continues to promote knowledge with its suppliers. To understand and focus on anti- corruption by public relations, invite supplier to participate in CAC training in the online seminar via WebEx system for 5 courses.



Year 2022

- Supplier have focused priority and joined the declaration of anti-corruption intentions with CAC 14 companies.
- The Thai Private Sector Anti-Corruption Coalition (CAC) has awarded the Change Agent Award 2022 to the Company that is a force in expanding the transparency network to the CAC.
- In the situation of the Coronavirus 2019 (COVID-19), the Company continues to promote knowledge with its suppliers. To understand and focus on anti- corruption by public relations, invite supplier to participate in CAC training in the online seminar via WebEx system for 7 courses



Year
2023

- Supplier have focused priority and joined the declaration of anti-corruption intentions with CAC 13 companies.
- The Thai Private Sector Anti-Corruption Coalition (CAC) has awarded the Change Agent Award 2023 to the Company that is a force in expanding the transparency network to the CAC.



Year
2024

Target

The supplier which have purchase amount to 10 million baht must declare their intentions against corruption with CAC.



Report on securities holdings of directors and executives

Name – Last Name		Number of ordinary shares As of March 7, 2024	Shareholding Characteristics	Number of shares held Non-ordinary shares
1. Mr. Sansern	Wongcha-um	-	-	-
2. Mr. Yongyuth	Kitaphanich	37,986	Direct	-
3. Mr. Sobson	Ketsuwan	44,000	Direct	-
4. Mr. Paitoon	Taveebhol	-	-	-
5. Dr. Suthad	Setboonsarng	-	-	-
6. Mr. Prayong	Hirunyawanich	-	-	-
7. Dr. Somchai	Harnhirun	-	-	-
8. Mr. Nontigorn	Kanchanachitra	-	-	-
9. Mr. Yongkiat	Kitaphanich	3,330,600	Direct	-
		489,743	Indirect (Spouse)	-
10. Ms. Napatsorn	Kitaphanich	2,911,590	Direct	-
11. Dr. Cheerawit	Sureerattanan	-	-	-
12. Mr. Patpong	Weerasin	250	Direct	-
13. Mr. Thanthach	Ritthinam	6,150	Direct	-
		45,000	Indirect (Spouse)	-
14. Dr. Anotai	Mohjhaw	-	-	-
15. Mr. Varasa	Saundee	5,475	Direct	-
16. Mr. Vacharatorn	Kitaphanich	2,100,000	Direct	-
17. Mr. Prasong	Adulratananukul	-	-	-
18. Mrs. Porntip	Sangsuk	-	-	-

Report on changes in securities holdings of directors and executives

Name – Last Name		Common Shares (Shares)		
		7 Mar 24	9 Mar 23	Number of shares changed (increase/decrease)
1. Mr. Sansern	Wongcha-um			-
2. Mr. Yongyuth	Kitaphanich	37,986	37,986	0
3. Mr. Sobson	Ketsuwan	44,000	44,000	0
4. Mr. Paitoon	Taveebhol	-	-	-
5. Dr. Suthad	Setboonsarng	-	-	-
6. Mr. Prayong	Hirunyawonich	-	-	-
7. Dr. Somchai	Harnhirun	-	-	-
8. Mr. Nontigorn	Kanchanachitra	-	-	-
9. Mr. Yongkiat	Kitaphanich	3,820,343	3,820,343	0
10. Ms. Napatsorn	Kitaphanich	2,911,590	2,911,590	0
11. Dr. Cheerawit	Sureerattanan	-	-	-
12. Mr. Patpong	Weerasin	250	250	0
13. Mr. Thanthach	Ritthinam	51,150	51,150	0
14. Dr. Anotai	Mohjhaw	-	-	-
15. Mr. Varasa	Saundee	5,475	5,475	0
16. Mr. Vacharatorn	Kitaphanich	2,100,000	1,100,000	1,000,000
17. Mr. Prasong	Adulratananukul	-	-	-
18. Mrs. Porntip	Sangsuk	-	-	-

8.2 Report of the Audit and Corporate Governance Committee

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

In 2023, the Audit and Corporate Governance Committee meetings were held in a total of 7 meetings and regularly reported to the Company's Board of Directors the operational results every quarter. Each member of the Audit and Corporate Governance attended the meetings detailed as follows:

Mr. Paitoon	Taveebhol	Chairman of Audit and Corporate Governance Committee	attending 3/3 meetings
		Member of Audit and Corporate Governance Committee	attending 4/4 meetings
Dr. Panja	Senadisai	Chairman of Audit and Corporate Governance Committee	attending 4/4 meetings
		Member of Audit and Corporate Governance Committee	attending 7/7 meetings
Dr. Suthad	Setboonsarng	Member of Audit and Corporate Governance Committee	attending 3/3 meetings
		Member of Audit and Corporate Governance Committee	

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

Review of Correction, completeness and credibility of financial report

The Audit and Corporate Governance Committee had reviewed the financial statement in each quarter and the annual financial statement of year 2023 as well as important accounting policy, proper disclosure, and significant financial results to ensure that the financial report was prepared in according to accounting standard specified by the federation of accounting professions and to ensure that sufficient information of the Company was sufficiently and timely disclosed.

Review of Adequacy and effectiveness of the internal control system, internal audit, risk management and good corporate governance

The Audit and Corporate Governance Committee had reviewed adequacy and effectiveness of the internal control system, the company risk management, and the corporate governance activities based on key audit results reported by internal audit department and external auditor. In addition, the Committee had also discussed the key issues with the Managements with providing recommendations to the Managements. Consequently, the Audit and Corporate Governance Committee had the opinion that the internal control system of the company is adequate and effective.

The Audit and Corporate Governance Committee had reviewed and approved the annual internal audit plan which was applied to the risk-based approach, reviewed the key audit results, and discussed with the head of internal audit regularly. Thus, the Audit and Corporate Governance Committee had an opinion that internal audit is an independent party to execute its works. The Audit and Corporate Governance Committee has continuously supported the improvement of internal auditors' competencies by developing the various professional and individual training courses as well as pursuing the professional certificate to increase professional knowledge and required skills to meet the International Internal Audit Professional Standard.

In addition, the Audit and Corporate Governance Committee has promoted the Corporate Governance and continuously monitored a progress of the implementations of Corporate Governance, social responsibility, human right, sustainable business operations, and environmental management to ensure the company's Corporate Governance (CG) is consistent with the CG Code for Thai listed companies. Furthermore, there was proper supervision to ensure that the company has efficient and effective risk management system through a review of the risk management results reported by the Management in last year in order to provide Managements with recommendations and various risk viewpoints.

Supervision of Anti-Corruption

The Company has received a certification to be a member of Thai Private Sector Collective Action against Corruption (CAC) in fighting corruption and corruption in 2013, and successfully renewed and received a certificate to certify the 3rd renewal of membership of CAC continuously in January 2023. The Audit and Corporate Governance Committee has given priority to supervision of fighting corruption by assigning the Internal Audit to review the operations related to possible corruption risks, and the Committee has strongly supported business partners to be a part of CAC Change Agent against corruption and to participate with CAC SME activities continuously.

Review of Related Parties Transactions or Items that may lead to Conflict of Interest

The Audit and Corporate Governance Committee had reviewed the financial statements and important financial activities between the Company and the subsidiaries or joint venture company, and also reviewed the related parties transactions or activities that might have Conflict of Interest to ensure that all are in compliance with laws and regulations of the Stock Exchange of Thailand. The Audit and Corporate Governance Committee has agreed that related parties transactions would be normal business practice with generally accepted trading condition, reasonableness, fairness and also provide the highest benefits to the Company.

Consideration, selection, proposition, and suitability of Auditor

The Audit and Corporate Governance Committee had evaluated an independence of Auditor and their work performance in 2023. The overall work performance was in a good level and the Auditor had appropriate independence. The Audit and Corporate Governance Committee had discussed with Auditor without the presence of the Management two times in 2023 to acquire the independent opinions from the auditors.

As for consideration for selecting and appointing the Auditor for the year 2024, the Audit and Corporate Governance Committee had considered the auditor's previous work performance, audit scope, work experience, knowledge, ability, credibility, sufficiency of work resource and a proper independence of auditor with comparing to related cost for the year 2023. Therefore, the Audit and Corporate Governance Committee agreed to propose the appointment of KPMG Phumchai Audit Co., Ltd. as the Company's auditor for the year 2024 to the Board of Directors for consideration and approval, which shall be presented in the General Meeting of shareholders.

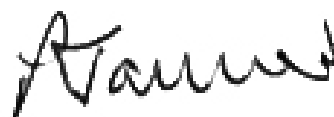
Review of Compliance with the laws of stock and stock exchange, specification of stock exchange and other related business laws

The Audit and Corporate Governance Committee had reviewed the company operations to ensure that its business activities were in compliance with laws, the regulation of the Stock Exchange of Thailand and the other related business laws, together with ensuring an update of the compliance policy regularly. The Audit and Corporate Governance Committee saw that the Company was strictly in compliance with laws, the regulations of the Stock Exchange of Thailand and the other applicable laws.

Opinion and overall observation from performing the duties according to the charter of the Audit Committee

The Audit and Corporate Governance Committee had evaluated their own duties and performance for each member for the year 2023 by assessing the overall duties and the specific duties including 1) a review of the company's financial statement to ensure that the statements are correct and reliable. There was a proper information disclosure, 2) a review of adequacy of company internal control system as well as the effectiveness of internal audit function, 3) consideration of related parties transactions or items that may lead to conflict of interest, 4) consideration to select and appoint the Company's auditor, 5) a review of the company's compliance with laws, regulations of the stock exchange of Thailand and other applicable laws related to company business, and 6) reporting the Audit and Corporate Governance Committee duties.

In 2023, the Audit and Corporate Governance Committee had overall opined that the Committee has executed their duties and responsibilities as specified in the AC Charter completely by using the knowledge, competencies, carefulness, and the Committee had sufficient independence to execute these duties for the benefit of all stakeholders equally.



Mr. Paitoon Taveebhol

Chairman of the Audit and
Corporate Governance Committee

8.3 Summary of the results of duty performance of subcommittees

Report of the Nomination and Remuneration Committee of Directors and Executives

As a result of 2023, Mr. Atcharin Sarasas and Dr. Panja Senadisai, Member of the Nomination and Remuneration Committee/ Independent Director, have passed away. Consequently, various positions have a vacancy in the sub-committee. The Nomination and Remuneration Committee therefore proposes the appointment of Mr. Prayong Hirunyanich to be appointed as a Chairman of the Nomination and Remuneration Committee and Dr. Suthad Setboonsarng to be appointed as a member of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee consists of 3 directors, all are independent directors, with Mr. Prayong Hirunyanich, acting as chairman of the Nomination and Remuneration Committee. The independent directors serving on the Nomination and Remuneration Committee are Mr. Paitoon Taveebhol and Dr. Suthad Sethbunsang, with a term of office of 3 years.

In 2023, the Nomination and Remuneration Committee held a total of 3 meetings. The details of the meetings attended by the Nomination and Remuneration Committee are as follows:

Mr. Prayong	Hirunyanich	Chairman of Nomination and Remuneration Committee of Directors and Executives	attending	2/2	meetings
Mr. Paitoon	Taveebhol	Member of Nomination and Remuneration Committee of Directors and Executives	attending	3/3	meetings
Dr. Suthad	Setboonsarng	Member of Nomination and Remuneration Committee of Directors and Executives	attending	2/2	meetings
Dr. Panja	Senadisai	Member of Nomination and Remuneration Committee of Directors and Executives	attending	1/1	meetings
Mr. Ajarin	Sarasas	Member of Nomination and Remuneration Committee of Directors and Executives	attending	1/1	meetings

With all directors attending every meeting to monitor and consider the important matters assigned by the Board of Directors, which are set out in the Charter of the Nomination and Remuneration Committee.

1. Review the roles, duties and responsibilities of the Board of Directors and Remuneration
2. Review the policies related to recruitment and remuneration, including the following key criteria:
 - 2.1 Criteria and Process of Nomination of Directors and appoint executives.
 - 2.2 Select and nominate qualified persons as directors to be presented to the Board of Directors.
 - 2.3 Criteria for adjusting wage rates and incentives in accordance with and reflecting actual performance and appropriate for economic conditions and industry trends

- 2.4 Review the remuneration structure and other benefits of directors In accordance with the responsibilities and duties of the directors.2.5.1
- 2.5 Review of directors' remuneration policies and guidelines Considering:
 - 2.5.1 Responsibilities and performance of the Board of Directors
 - 2.5.2 Comparative data referring to other companies in the same industry, including the Survey of Directors' Remuneration of the Thai Institute of Directors Association (IOD)
- 2.6 Promote, support and allow small shareholders to take part in overseeing the business and comment on the business operations. Nomination of agenda and nomination of persons to be directors On behalf of the directors who have completed the term in advance for the 2024 Annual General Meeting of Shareholders for at least 90 days from September 28, 2023 to December 31, 2023 via the Company's website.



Mr. Prayong Hirunyawanich

Chairman of the Nomination and
Remuneration Committee

Report of the Executive Board

The Executive Board consists of 4 directors which have two independent directors, one non-executive director and one executive director and Mr. Sobson Ketsuwan, Independent Director, serves as the Chairman of the Executive Board and the Executive Board's directors are Mr. Yongkiat Kitaphanich, Mr. Prayong Hiranyavanich and Ms. Napatsorn Kitaphanich with three-years term.

Mr. Sobson Ketsuwan takes the position of independent director and Chairman of the Executive Board on May 11, 2023 in place of Mr. Ajarin Sarasas who passed away.

In 2023, the Executive Board held a total of 11 meetings to scrutinize and consider the important matters assigned by the Board of Directors.

1. To review roles duties and responsibilities of the Executive Board
2. To approve policy, direction business strategy and management structure, rule in the business operation and following up the organization strategy
3. To approve the business plan and 2023 budget
4. To approve the investment projects in accordance with the authority and responsibilities of the Executive Board for 3 projects
5. To open and close bank account of the company and the subsidiaries
6. To follow up the cash management of the companies in Somboon Group
7. To follow up the cost reduction plans and optimize the production efficiency of the companies in Somboon Group with efficiency and meet the target
8. To monitor risk management in the 1st and 2nd quarters, including environment and safety in compliance with the laws of the companies in Somboon Group
9. To monitor monthly financial performance and operating results of subsidiaries and joint ventures
10. To monitor monthly market sales and trend
11. To consider and endorse the improvement of the authority manual and procurement manual



Mr. Sobson Ketsuwan

Chairman of the Executive Committee

Report of the Risk Management and Sustainability Development Committee

The board of directors approved the establishment of the Risk Management and Sustainability Development Committee on September 28, 2023, consisting of four members, including three independent directors, one executive director, and one committee advisor. Dr. Suthad Setboonsarng serves as the chairman. The committee members are Mr. Prayong Hirunyawach, Dr. Somchai Harnhirun, Ms. Napatsorn Kitaphanich, and the advisor Mrs. Kasamon Kittiampon. The committee is scheduled to meet at least four times a year.

In 2023, the Risk Management and Sustainability Development Committee held a total of 1 meeting, on November 9, 2023, attended by all committee members. The meeting outcomes were as follows:

1. Review the roles, duties, and responsibilities of the committee to ensure alignment with other committees.
2. The risk management operations in 2023 successfully managed risks according to goals. However, risks associated with orders from major customer orders and personnel procurement remain areas to monitor in 2024.
3. Operations concerning sustainable development in all three aspects - environmental, social, and governance - achieved mostly all the targets, with environmental initiatives exceeding goals.
4. For 2024, due to high economic uncertainty, closer monitoring is necessary, especially due to changes in the automotive industry and the economy's recovery capabilities.
5. Regarding sustainable development in 2024, there's an emphasis on improving reporting methods to align with standards for more effective communication of the company's operations.
6. The meeting discussed long-term directions, goals, suitable management systems, and resources required for implementation.

Remark: The Risk Management and Sustainability Development Committee was established in September 2023, consolidating various tasks into a single framework for more effective management.



Dr. Suthad Setboonsarng

Chairman of the Risk Management and
Sustainability Development Committee

8.4 Report on the Board of Directors' responsibilities to financial reports

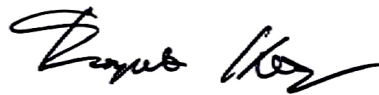
Management has prepared annual financial statements ended December 31, 2023 in accordance with generally accepted accounting standards, adopting appropriate policies and regularly adhering to the financial statements, as well as carefully and reasonably discretion in the preparation of financial statements, as well as adequate disclosure of important information in the notes to the financial statements.

The Board of Directors recognizes the responsibility for effective supervision of financial reports. The Audit and Governance Committee, consisting of qualified persons, is appointed to take care of the quality of financial reports in full. Appropriate policies are implemented and practiced regularly, as well as reviewing the Company's adequate and appropriate internal control system and jointly assessing the Company's risks. To prevent or reduce the potential risk of fraud or irregular conduct with a significant and sufficient basis to maintain the Company's assets.

From the above practices and supervisions The Refore, the Board of Directors is of the opinion that the financial statements of Somboon Advance Technology Public Company Limited as of December 31, 2023 have accurately expressed their financial position and performance. Reliable, in accordance with generally accepted accounting standards and practices in accordance with applicable laws and regulations.



Mr. Sansern Wongcha-um
Chairman of the Board of Director



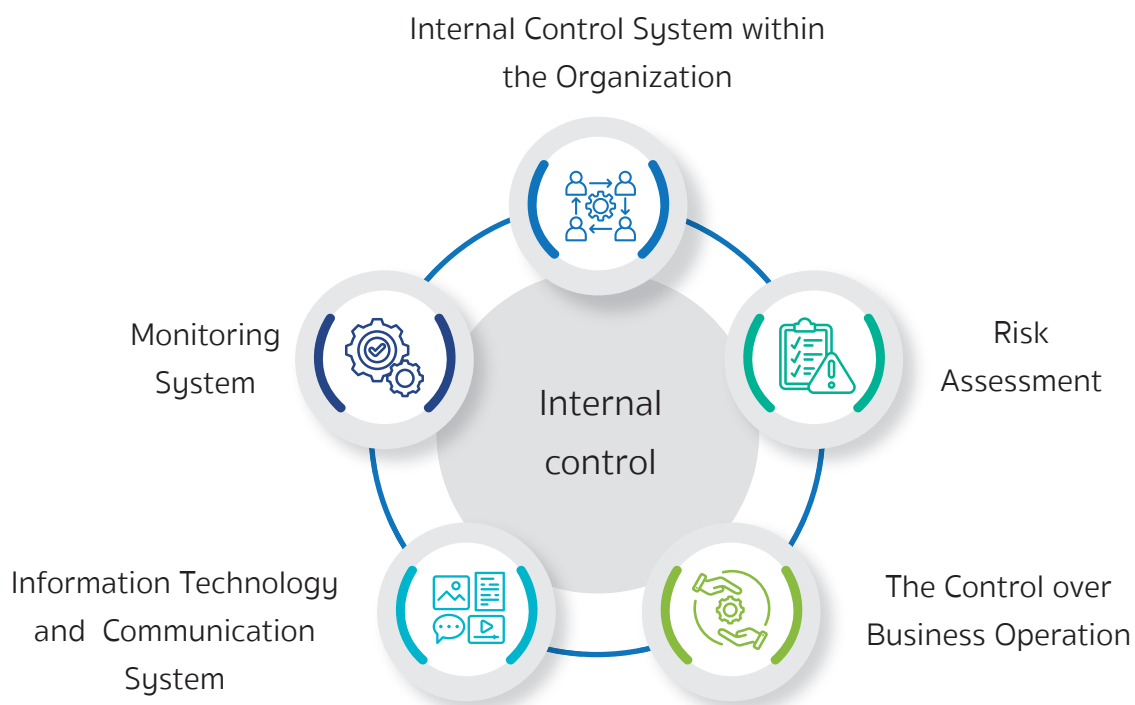
Ms. Napatsorn Kitaphanich
President

9. Internal control and related parties transactions

9.1 Internal control

In the Board of Directors Meeting, there were 3 directors of the Audit and Corporate Governance Committee joining the Meeting to express opinion on the adequacy, efficiency, and effectiveness of internal control system by referring to “Evaluation form of the adequacy and effectiveness of internal control system” of the Office of Security and Exchange Commission, Thailand.

The Audit and Corporate Governance Committee has reported the summary of key audit issues and recommendations which focused on the process efficiency and control improvement. Also, there is an audit follow-up process to monitor the proper and prompt correction actions and report to the Company Board of Directors regularly. From the review, the Company has sufficient internal control system, and it arranged sufficient personnel to develop the proper internal control systems and operate the internal system efficiently in order to eliminate risks timely and efficiently, to safeguard the property of the company and its subsidiaries, and to prevent a transaction that might have Conflict of Interest. The key details of the Company’s internal controls are as follows:



1. Internal Control System within the Organization

The Company has determined the clear business operation goals, and they could be measured by monitoring them with annual budget business utilization, the clear indicators in creating the value-added to shareholders and enhancing the ability and quality of personal life as well as promoting and monitoring a progress of the process in developing corporate governance, social responsibilities, human right policy, sustainable business operations, and environmental management. The Company would strongly respond to the expectations of customers, including the design and product development along with responsibility to environmental-friendly. In addition, the Company also pays its incentive reward to personnel by considering from the achievement of the business target of personal indicator and profit of the company in order to create the benefit in the development of work operation quality.

Regarding to the Corporate Governance of the Company, the structure of the organization's good governance consists of the Board of Directors and sub-committees, including Executive Board of Directors, Audit and Corporate Governance Committee, Nomination and Remuneration Committee and Risk Management and Sustainability Development Committee. Each committee is responsible for shareholders on the business operation of the company and oversee the Management so that the business operating would be meet the business target, create the optimized benefit to shareholders, to be in the good ethic frame, be responsible to society, continuously promote and follow up the progress of the good business governance development process and social responsibility, a review of CG manual and Code of Conducts, and also provide the update and proper guideline and other necessary suggestions for further improvement. In this year, the Company has received awards which are Thailand Sustainability Investment (THIS) and SET Sustainability Award of Honor and CSR-DIW Continuous 2023 from Department of Industrial Works.

To strongly combat with the Anti-Corruption, the Company was one of the first 27 organizations in Thailand to announce its intention to fight with corruption and was one of the first-nine organizations to be approved by the Thai Private Sector Collective Action against Corruption (CAC) to be a certified membership of Thai CAC in 2013. Furthermore, in early 2023, the Company successfully renewed and received a certificate to certify the 3rd renewal of membership of CAC continuously to commit and promote our transparent business. In addition, the Company has expanded this action to important suppliers of the Company. The Company had evaluated the corruption risks and review the operation inside the company according to the Anti-corruption policy in order to ensure that the Company has effective activities in the fraud protection and the corruption prevention.

2. Risk Assessment

The company has specified the risk management policy as important policy and appointed the Risk Management and Sustainability Development Committee. to oversee an evaluating the risk factor from the outside and inside affecting the target and business operation of the company and specify responsible persons for risk management implementation from various work units to timely assess the risks that might affect the business operation and business target of the company and also arrange a follow-up process of risk managements of various units in every quarter.

3. The Control over Business Operation

The Board of Directors had appointed 4 sub-committees consisting of the Executive Board of Directors,

the Audit and Corporate Governance Committee, Nomination and Remuneration Committee and Risk Management and Sustainability Development Committee. The 4 groups of sub-Committees had performed the work under the scope or assigned duties in order to sufficiently monitor the Executive and the business operations.

Moreover, the Audit and Corporate Governance Committee has reviewed and approved the annual audit plan in order to cover all key company risks and to response to the the Company which makes the stakeholders to ensure that there was sufficient control of the business operating on the finance, day-to-day operation, compliance with laws and regulations, rule, regulation as well as the Anti-corruption. The Audit and Corporate Governance Committee has considered the important audit results with the improvement needed, reported by the internal audit, and proposed the Executives to resolve and report the results of the corrective action and preventive actions to the Committee.

In case of entering into a transaction which might lead to the Conflict of Interest between companies and the business or related people with the Company, the transaction must go through the review by the Audit Committee and approval by the BOD as per the required regulation to consider that transaction is reasonable and no conflict of interest as normal business by considering the highest benefit of the company and shareholders and such transaction must be publicly disclosed in compliance with the law.

The Company has committed to develop its production process in order to meet the international standard and to focus on workplace safety and good environment. The Company has certified the quality management system “IATF 16949” and “ISO 14001” which has separate section from the production line to perform of the duty of inspecting and follow-up to comply with rule and specification regularly. As for our business on finance, purchase and procurement, Executives and staff members must execute their transactions to comply with the “Authority Table” and “Procurement Control Manual” specified in writing with clearly stated the criteria, condition and the power of approval to pay and carefully entering in procurement contract in order to prevent fraud transactions.

4. Information Technology and Communication System

To propose the matters for the Board of Directors to consider, the Company has timely arranged all sufficient important information for the Board of Directors to use in the decision-making, by preparing analytical report , comparing to principle and reasons along with supported documents, and sending such information to the Board of Directors in advance at least 7 days. In addition, there is a Company Secretary to provide information as well as recommendations on the regulation and various rules or other best practices of the Board of Directors. A Company Secretary also coordinates with the Management for the resolution of the Board of Directors, preparing and keeping relevant documentations, including a Registry of Director, Board of Directors’ Meeting Appointment Letter, Minutes of the Meeting of the Board of director, shareholder meeting appointment letter and Minutes of shareholder meeting, so that shareholders could verify the suitability in the performing their duties of Directors.

As for the filing of accounting records and other accounting documentations, the Company would retain the documentation or files completely in every category for reference and traceback, and there was no concern issue with Auditors in this matter.

The Audit and Corporate Governance Committee has considered, along with an Auditor, Internal Audit and other responsible Managements, in making the financial statement of the company in every quarter in order to ensure that the company has properly applied the accounting policy, according to the general accounting principle and suitable with the business type, and the Company publicly disclosed all suitable information required by the law.

5. Monitoring System

The Company has monitored its business operation whether it meets the target by the Board of Directors. In 2023, the BOD Meetings were held in the total of 12 times, and the Executive Board Director Meetings were held 11 times in order to monitor the Company's performance and its operation results and also compare to the approved strategy, work plan and the project schedule in the annual business plan and timely solve problems that might happen or revise the business plan to consistent with the situation change or when facing that the operation performance result is different from the set-up target. The responsible Management is required to propose the revised plan or related corrective actions to the BOD. In addition to business plan, Managements are responsible for sufficient supervision of their internal control system, and there is Internal Audit Department to evaluate an adequacy and efficiency of the internal control system established by the Company, and to directly report the key result of review to the Audit and Corporate Governance Committee.

9.2 Related party transactions

The Company and its subsidiaries related transactions with person(s) who would have been involved in the dispute during the year 2023, 2022 and 2021 were as follows;

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

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price/ Necessity
		2021	2022	2023	
The Company ownership interest 99.99%	List of ordinary transactions				
	1. SAT sold Semi-finished products to SBM	168.48	-	-	Market price
	2. SAT received a management fee from SBM	39.50	70.80	70.80	Price was close to the Cost/ Services for SBM
	3. SAT Dividends received from SBM	-	279.99	122.00	
	4. SAT received utilities payment from SBM	2.53	1.92	0.69	Price was close to the Cost/ Services for SBM

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

Bangkok Spring Industrial Co., Ltd. (BSK)

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price/ Necessity
		2021	2022	2023	
The Company ownership interest 99.99%	List of ordinary transactions				
	1. SAT paid utilities fee to BSK	6.06	4.58	2.67	Price was close to the Cost/ SAT used utilities of BSK
	2. SAT paid rental fee and service fee to BSK	2.95	2.95	12.70	Market price
	3. SAT received utilities payment from BSK	0.41	0.10	-	Price was close to the Cost/ BSK used utilities of SAT
	4. SAT disposal of asset to BSK	91.13	-	-	Market price
	5. SAT received a management fee from BSK	3.71	8.40	8.4	The price was close to the Cost/ Services for BSK

Remark : Item 1 - 5 are the items indicated in the notes to the financial statement.

International Casting Products Co., Ltd. (ICP)

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price/ Necessity
		2021	2022	2023	
The Company ownership interest 99.99%	List of ordinary transactions				
	1. SSAT sold scraps material to ICP	7.55	-	-	Market price/ to increase income to SAT by selling scraps material which was normal loss from the production
	2. SAT received a management fee from ICP	33.56	61.20	61.20	Price was close to the Cost/ Services for ICP
	3. SAT Dividends received from ICP	235.49	337.55	235.50	
	4. SAT received other services from ICP	1.60	1.34	1.54	Price was close to the Cost

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

Somboon Forging Technology Co., Ltd. (SFT)

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price/ Necessity
		2021	2022	2023	
The Company ownership interest 99.99%	List of ordinary transactions				
	1. SAT was the short-term loan lender of SFT	200.00	60.00	-	According to a loan agreement
	2. SAT received interest of loan from SFT	4.49	4.34	0.40	According to a loan agreement
	3. SAT received a management fee from SFT	6.78	108.00	108.00	Price was close to the Cost/ Services for SFT
	4. SAT Dividends received from SFT	-	71.99	440.00	-
	5. SAT invested in addition shares of SFT	1,250.00	-	-	At par value
	6. SAT disposal of asset to SFT	1,050.07	-	-	Market price
	7. SAT sale goods to SFT	178.14	-	-	Market price

Remark : Item 1 - 7 is the items indicated in the notes to the financial statement.

Somboon Tron Energy Co., Ltd. (STRON)

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price/ Necessity
		2021	2022	2023	
The Company holds shares 60.00%	List of ordinary transactions				
	1. SAT had management agreement with STRON	-	3.25	1.80	According to the agreement/ provide management service
	2. SAT had a service agreement with STRON	-	4.54	4.54	According to the agreement/ provide management service
	3. SAT received interest loan from STRON	-	-	1.47	According to a loan agreement

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

Somboon Advance Agriculture Co., Ltd. (SAA)

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price/ Necessity
		2021	2022	2023	
The Company holds shares 99.99%	List of ordinary transactions				
	1. SAT had a management agreement with SAA	-	-	3.50	According to the agreement/ provide management service
	2 SAT received interest loan from SAA	-	-	0.57	According to a loan agreement
	3. SAT received other services from SAA	-	-	1.47	Price was close to the Cost

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

Tsuchiyoshi Somboon Coated Sand Co., Ltd.

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price/ Necessity
		2021	2022	2023	
The Company ownership interest by Somboon Malleable Iron Industrial Co., Ltd. (SBM) 21.25%	List of ordinary transactions				
	1. ICP purchased dry sand from Tsuchiyoshi Somboon Coated Sand Co., Ltd.	47.39	41.43	32.86	Market price/ purchase from time to time in the production.

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

Mubea Somboon Automotive Co., Ltd. (MSA)

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price/ Necessity
		2021	2022	2023	
The Company holds shares 40.00%	List of ordinary transactions				
	1. SAT was the short-term loan lender of MSA	200.00	50.00	-	According to a loan agreement
	2. SAT had a management service agreement with MSA	12.34	8.51	8.05	According to the agreement/ provide management service
	3. SAT received interest of loan from MSA	5.44	2.92	0.58	According to a loan agreement
	4. SAT received other income from MSA	1.22	1.18	1.17	Price was close to the Cost/ MSA used utilities of SAT
	5. BSK had land and building lease agreement with MSA	4.68	1.35	1.10	According to the agreement/ renting land and building
	6. BSK received utilities payment from MSA	2.18	2.42	0.14	Price was close to the Cost/ MSA used utilities of BSK
	7. BSK sale goods to MSA	140.15	14.47	-	Market price

Remark : Item 1 - 7 is the items indicated in the notes to the financial statement.

Somboon Siasun Tech Co., Ltd. (SST)

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price/ Necessity
		2021	2022	2023	
The Company holds shares 50.00%	<u>List of ordinary transactions</u>				
	1. SAT had management service agreement with SST	-	3.75	2.76	According to the agreement/ provide management service

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

Yongkee Co., Ltd.

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price/ Necessity
		2021	2022	2023	
Common shareholder of the Company	List of ordinary transactions				
	1. BSK, SAT and SFT sale of goods to Yongkee Co., Ltd.	14.02	3.44	4.54	Approximate market prices/ sales as the normal business

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

Somboon Holding Co., Ltd. (SBH)

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price/ Necessity
		2021	2022	2023	
Major shareholders of the Company holding 30% of shares	List of ordinary transactions				
	1. BSK received utilities fee from Somboon Holding Co., Ltd.	0.15	0.16	0.10	Price was close to the Cost/ SBH used utilities of BSK
	2. SAT had a management service agreement with Somboon Holding Co., Ltd.	15.00	15.00	15.00	According to the provider's actual cost allocated to the services/ considering mainly on the long-term expertise in managing automotive manufacturing parts.

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



Part 3

Financial Statements

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

Financial statements for the year ended

31 December 2023 and Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Somboon Advance Technology Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Somboon Advance Technology Public Company Limited and its subsidiaries (the “Group”) and of Somboon Advance Technology Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2023, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2023 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Valuation of inventories

Refer to Note 3(g) and 7 to the financial statements.

The key audit matter

Financial performance of the Group is mainly dependent upon the automotive market and car manufacturers. Sales volume of each product of the Group depends on demand of each car model which can vary. Fluctuations on sale of car manufacturers and changing in the technology for car manufacturing of each model may result in slow-moving inventories especially supplies and spare parts for machinery. The management has to use judgment in order to set up policy for allowance for decline in value for each aging of inventories.

I focused on valuation of inventories because this account is significant. Also, the allowance for decline in value of inventories subject to significant estimation and judgment of the management. Therefore, I considered this matter as key audit matter.

How the matter was addressed in the audit

Our audit procedures performed included:

- inquiring of the management in order to understand the Group's policy relating to estimation of allowance for decline in value of inventories;
- assessing the reasonableness of management's assumptions use for the above estimation by considering the historical data and inventory turnover analysis;
- testing the inventory aging report by, on a sampling basis, inspecting supporting documents to assess an appropriateness of aging classification as well as testing the calculation of allowance for decline in value whether it is in accordance with the Group's policy;
- assessing adequacy of disclosures in the financial statements according to TFRSs.

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.
- I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



(Songchai Wongpiriyaporn)
Certified Public Accountant
Registration No. 10996

KPMG Phoomchai Audit Ltd.
Bangkok
21 February 2024

Somboon Advance Technology Public Company Limited and its Subsidiaries
Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2023	2022	2023	2022
		<i>(in Baht)</i>			
Current assets					
Cash and cash equivalents	5	2,073,183,376	1,998,048,701	385,186,086	584,954,217
Other current financial assets	20	1,240,594,295	1,137,896,671	454,806,142	210,166,792
Trade accounts receivable	4, 6	1,377,931,392	1,645,389,591	-	-
Other receivables	4	184,344,478	223,510,364	110,255,227	96,319,794
Short-term loans to related parties	4, 20	-	50,000,000	90,000,000	110,000,000
Inventories	7	821,870,005	775,557,655	-	-
Total current assets		5,697,923,546	5,830,402,982	1,040,247,455	1,001,440,803
Non-current assets					
Investments in associates	8	557,040,335	544,524,945	-	-
Investments in subsidiaries	9	-	-	3,842,011,723	3,822,011,902
Investments in joint ventures	8	365,973,368	412,313,763	295,399,900	365,499,900
Other non-current financial assets	20	247,339,994	98,523,850	144,606,391	45,107,524
Investment properties	10	58,561,500	58,561,500	-	-
Property, plant and equipment	11	3,256,032,200	3,213,119,825	69,020,137	57,366,753
Goodwill		17,934,556	17,934,556	-	-
Intangible assets		33,574,923	25,952,718	15,454,519	13,938,499
Deferred tax assets	17	60,158,784	53,275,511	14,533,860	16,575,289
Other non-current assets		106,939,883	96,193,182	2,808,019	3,202,821
Total non-current assets		4,703,555,543	4,520,399,850	4,383,834,549	4,323,702,688
Total assets		10,401,479,089	10,350,802,832	5,424,082,004	5,325,143,491

The accompanying notes are an integral part of these financial statements.

Somboon Advance Technology Public Company Limited and its Subsidiaries
Statement of financial position

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity		2023	2022	2023	2022
		<i>(in Baht)</i>			
Current liabilities					
Trade accounts payable	4, 20	1,084,781,668	1,335,355,318	-	-
Other payables	4, 12, 20	521,877,306	491,644,214	48,429,132	51,616,458
Accounts payable - purchase of assets		73,037,928	133,859,824	578,271	4,887,329
Current portion of lease liabilities		14,395,523	13,338,321	11,992,984	1,583,333
Corporate income tax payable		75,029,045	80,033,974	-	-
Total current liabilities		1,769,121,470	2,054,231,651	61,000,387	58,087,120
Non-current liabilities					
Lease liabilities		19,322,193	23,393,544	12,205,022	2,687,913
Non-current provisions for employee benefits	13	318,829,475	305,814,494	76,561,240	82,915,990
Other non-current liabilities		1,131,909	1,068,450	1,148,701	1,085,222
Total non-current liabilities		339,283,577	330,276,488	89,914,963	86,689,125
Total liabilities		2,108,405,047	2,384,508,139	150,915,350	144,776,245
Equity					
Share capital					
Authorised share capital					
(425,193,894 ordinary shares, par value at Baht 1 per share)		425,193,894	425,193,894	425,193,894	425,193,894
Issued and paid-up share capital					
(425,193,894 ordinary shares, par value at Baht 1 per share)		425,193,894	425,193,894	425,193,894	425,193,894
Premium on ordinary shares		716,443,452	716,443,452	716,443,452	716,443,452
Retained earnings					
Appropriated					
Legal reserve	14	55,671,181	55,671,181	42,671,181	42,671,181
Unappropriated		7,070,675,543	6,731,784,788	4,088,178,305	3,996,058,719
Other components of equity		21,916,864	21,413,353	679,822	-
Equity attributable to owners of the parent		8,289,900,934	7,950,506,668	5,273,166,654	5,180,367,246
Non-controlling interests		3,173,108	15,788,025	-	-
Total equity		8,293,074,042	7,966,294,693	5,273,166,654	5,180,367,246
Total liabilities and equity		10,401,479,089	10,350,802,832	5,424,082,004	5,325,143,491

The accompanying notes are an integral part of these financial statements.

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

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2023	2022	2023	2022
		<i>(in Baht)</i>			
Income					
Revenue from sale of goods	4, 15	9,089,397,822	8,931,372,337	-	-
Management fee income	4, 15	1,680,000	2,996,910	255,380,000	252,296,910
Net foreign exchange gain		5,634,493	-	103,878	341,937
Dividend income	4, 8, 9	11,045,250	9,051,958	797,497,783	689,545,209
Other income	4	93,550,876	149,966,577	49,998,498	73,576,604
Total income		9,201,308,441	9,093,387,782	1,102,980,159	1,015,760,660
Expenses	16				
Cost of sale of goods	4	7,436,352,384	7,315,802,385	-	-
Distribution costs	4	114,493,026	200,600,587	-	-
Administrative expenses	4	571,398,780	530,187,469	370,633,677	363,822,185
Net foreign exchange loss		-	7,670,880	-	-
Total expenses		8,122,244,190	8,054,261,321	370,633,677	363,822,185
Profit from operating activities		1,079,064,251	1,039,126,461	732,346,482	651,938,475
Finance costs		(1,609,405)	(1,978,478)	(1,498,070)	(312,603)
Share of profit of joint ventures and associates accounted for using equity method		55,978,795	38,266,220	-	-
Profit before income tax expense		1,133,433,641	1,075,414,203	730,848,412	651,625,872
Tax (expense) income	17	(167,167,125)	(139,659,031)	(1,833,345)	1,524,991
Profit for the year		966,266,516	935,755,172	729,015,067	653,150,863
Basic earnings per share	18	2.30	2.21	1.71	1.54
Profit attributable to:					
Owners of the parent		978,575,682	939,967,447	729,015,067	653,150,863
Non-controlling interests		(12,309,166)	(4,212,275)	-	-
Profit for the year		966,266,516	935,755,172	729,015,067	653,150,863

The accompanying notes are an integral part of these financial statements.

Somboon Advance Technology Public Company Limited and its Subsidiaries
Statement of comprehensive income

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
<i>Note</i>	2023	2022	2023	2022
	<i>(in Baht)</i>			
Profit for the year	966,266,516	935,755,172	729,015,067	653,150,863
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Gain on measurement of financial assets	1,144,330	-	849,777	-
Income tax relating to items that will be reclassified subsequently to profit or loss	(213,031)	-	(169,955)	-
Total items that will be reclassified subsequently to profit or loss	931,299	-	679,822	-
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Gain (loss) on investments in equity instruments designated at FVOCI	(534,735)	6,040,617	-	-
Gain (loss) on remeasurements of defined benefit plans	13 (2,982,192)	(9,783,344)	190,640	(15,363,349)
Income tax relating to items that will not be reclassified subsequently to profit or loss	148,472	1,160,509	(38,128)	3,072,670
Total items that will not be reclassified subsequently to profit or loss	(3,368,455)	(2,582,218)	152,512	(12,290,679)
Other comprehensive income (expense) for the year, net of tax	(2,437,156)	(2,582,218)	832,334	(12,290,679)
Total comprehensive income for the year	963,829,360	933,172,954	729,847,401	640,860,184
Total comprehensive income attributable to:				
Owners of the parent	976,444,477	937,385,229	729,847,401	640,860,184
Non-controlling interests	(12,615,117)	(4,212,275)	-	-
Total comprehensive income for the year	963,829,360	933,172,954	729,847,401	640,860,184

The accompanying notes are an integral part of these financial statements.

Consolidated financial statements

The accompanying notes are an integral part of these financial statements.

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

Consolidated financial statements									
	Note	Retained earnings			Other components of equity			Total equity	
		Issued and paid-up share capital	Shares premium	Legal reserve	Unappropriated	Fair value reserve	Equity attributable to owners of the parent		Non-controlling interests
(in Baht)									
Year ended 31 December 2023									
Balance at 1 January 2023									
Transactions with owners, recorded directly in equity									
Distributions to owners of the Company									
19		-	-	-	(637,050,211)	-	(637,050,211)	-	
		-	-	-	(637,050,211)	-	(637,050,211)	(637,050,211)	
Changes in ownership interests in subsidiary									
Acquisition of non-controlling interests from acquisition of subsidiary									
9		-	-	-	-	-	-	200	
		-	-	-	-	-	-	200	
Total changes in ownership interests in subsidiary									
		-	-	-	(637,050,211)	-	(637,050,211)	(637,050,011)	
Total transactions with owners, recorded directly in equity									
Comprehensive income for the year									
		-	-	-	978,575,682	-	978,575,682	(12,309,166)	
		-	-	-	(2,634,716)	503,511	(2,131,205)	(305,951)	
		-	-	-	975,940,966	503,511	976,444,477	(12,615,117)	
		-	-	-	-	-	-	963,829,360	
Balance at 31 December 2023									
		425,193,894	716,443,452	55,671,181	7,070,675,543	21,916,864	8,289,900,934	3,173,108	
								8,293,074,042	

The accompanying notes are an integral part of these financial statements.

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of changes in equity

	Note	Separate financial statements					Total equity
		Issued and paid-up share capital	Share premium	Retained earnings		Unappropriated	
				Legal reserve <i>(in Baht)</i>			
Year ended 31 December 2022							
Balance at 1 January 2022		425,193,894	716,443,452	42,671,181	3,984,480,979		5,168,789,506
Transaction with owners, recorded directly in equity							
<i>Distributions to owners of the Company</i>							
Dividends to owners of the Company	19	-	-	-	(629,282,444)		(629,282,444)
<i>Total distributions to owners of the parent</i>		-	-	-	(629,282,444)		(629,282,444)
Total transaction with owners, recorded directly in equity		-	-	-	(629,282,444)		(629,282,444)
Comprehensive income for the year							
Profit		-	-	-	653,150,863		653,150,863
Other comprehensive income		-	-	-	(12,290,679)		(12,290,679)
Total comprehensive income for the year		-	-	-	640,860,184		640,860,184
Balance at 31 December 2022		425,193,894	716,443,452	42,671,181	3,996,058,719		5,180,367,246

The accompanying notes are an integral part of these financial statements.

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

	Note	Issued and paid-up share capital	Share premium	Separate financial statements			Other components of equity	Total equity
				Legal reserve	Unappropriated (in Baht)	Fair value reserve		
Year ended 31 December 2023								
Balance at 1 January 2023		425,193,894	716,443,452	42,671,181	3,996,058,719	-	-	5,180,367,246
Transaction with owners, recorded directly in equity								
<i>Distributions to owners of the Company</i>								
Dividends to owners of the Company	19	-	-	-	(637,047,993)	-	-	(637,047,993)
<i>Total distributions to owners of the parent</i>		-	-	-	(637,047,993)	-	-	(637,047,993)
Total transaction with owners, recorded directly in equity		-	-	-	(637,047,993)	-	-	(637,047,993)
Comprehensive income for the year								
Profit		-	-	-	729,015,067	-	-	729,015,067
Other comprehensive income		-	-	-	152,512	679,822	-	832,334
Total comprehensive income for the year		-	-	-	729,167,579	679,822	-	729,847,401
Balance at 31 December 2023		425,193,894	716,443,452	42,671,181	4,088,178,305	679,822	-	5,273,166,654

The accompanying notes are an integral part of these financial statements.

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
	(in Baht)			
<i>Cash flows from operating activities</i>				
Profit for the year	966,266,516	935,755,172	729,015,067	653,150,863
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense (income)	167,167,125	139,659,031	1,833,345	(1,524,991)
Finance costs	1,609,405	1,978,478	1,498,070	312,603
Depreciation and amortisation	503,568,426	514,668,448	26,676,934	20,182,661
Impairment loss of plant and equipment	3,085,797	3,909,919	-	-
Written-off property, plant and equipment	4,475,689	23,086,434	1	-
Interest income	(29,129,179)	(13,010,840)	(10,360,432)	(9,093,512)
(Reversal of) losses on inventories devaluation	1,948,244	(4,978,371)	-	-
Unrealised (gain) loss on exchange	(9,778,078)	10,204,087	8,929	(7,262)
(Gain) loss on disposal of property, plant and equipment	511,564	4,553,930	(456,943)	141,259
(Gain) loss on sale of investment in joint venture	4,593,752	-	(13,216,877)	-
Gain on sale of other non-current financial assets	(7,911,734)	(2,568,949)	(3,665,140)	(563,842)
Share of profit of joint ventures and associates				
accounted for using equity method	(55,978,795)	(38,266,220)	-	-
Dividends income	(11,045,250)	(9,051,958)	(797,497,783)	(689,545,209)
Provisions for employee benefits	36,325,153	31,386,386	8,477,203	8,481,024
	1,575,708,635	1,597,325,547	(57,687,626)	(18,466,406)
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	275,337,605	(124,474,296)	-	544,319,345
Other receivables	46,010,050	5,734,562	(8,873,632)	8,742,094
Inventories	(48,260,593)	(176,927,359)	-	-
Other non-current assets	(10,746,701)	(38,005,144)	394,802	(1,209,417)
Trade accounts payable	(247,654,470)	107,585,032	-	(402,627,415)
Other payables	30,186,785	25,914,153	(3,196,255)	(139,051,427)
Other non-current liabilities	63,458	83,053	63,479	83,054
Net cash generated from (used in) operations	1,620,644,769	1,397,235,548	(69,299,232)	(8,210,172)
Employee benefit paid	(26,292,363)	(11,550,235)	(14,641,313)	(870,920)
Taxes paid	(184,993,406)	(169,860,119)	(3,861,959)	(42,979,264)
Net cash from (used in) operating activities	1,409,359,000	1,215,825,194	(87,802,504)	(52,060,356)

The accompanying notes are an integral part these financial statements.

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of cash flows

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2023	2022	2023	2022
					</

The accompanying notes are an integral part these financial statements.

Somboon Advance Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 21 February 2024.

1 General information

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

Head Office : 215 Moo 2, Debaratna Road, Tambon Bangchalong, Amphur Bangplee, Samutprakarn 10540.

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

The Company’s major shareholders during the financial year were Somboon Holding Company Limited (29.92% shareholding) which was incorporated in Thailand and Kitaphanich family (13.37% shareholding).

The principal activities of the Group are the manufacture of axles and trunnion shafts. Details of the Company’s subsidiaries as at 31 December 2023 and 2022 are given in note 9.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Group’s functional currency. The accounting policies, described in the note 3, have been applied consistently to all periods presented in these financial statements.

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

3 Significant accounting policies

The accounting policies, described belows, have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint ventures.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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

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

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

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

(b) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

(c) Foreign currencies

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date.

Foreign currency differences are generally recognised in profit or loss.

(d) Financial instruments

(d.1) Classification and measurement

Other financial assets and financial liabilities (except trade accounts receivable (see note 3(f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss on the date on which the Group's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(d.2) Derecognition and offset

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

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

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

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

(d.3) Impairment of financial assets other than trade accounts receivable

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

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

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group recognises ECLs for low credit risk financial asset as 12-month ECLs.

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

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

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

(d.4) Write offs

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

(d.5) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which have maturities of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Trade accounts receivable

A trade receivable is recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of finished goods and works in process are calculated using the average cost principle. Raw materials, factory supplies and spare parts for machinery are calculated using the first in first out principle. Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) Investment properties

Investment properties are measured at cost less impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed assets includes capitalised borrowing costs.

No depreciation is charged on freehold land.

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

(i) Property, plant and equipment

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

Subsequent costs

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

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land, assets under construction and spare parts for machinery.

The estimated useful lives are as follows:

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

(j) Goodwill

Goodwill is measured at cost less accumulated impairment losses.

(k) Other intangible assets

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Software licences	3 - 10 years
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(l) Leases

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

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

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

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

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Group considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

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

(m) *Impairment of non-financial assets*

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

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

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss of asset recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) *Employee benefits*

Defined contribution plans

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

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

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

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

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

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

(o) Provisions

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

(p) Fair value measurement

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

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

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

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

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

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received.

(q) Revenue

Revenue from contracts with customers

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

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognise revenue and cost of sales for the estimated products to be returned.

Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

Dividend income

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(r) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

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

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

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

4 Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that is under common control or under the same significant influence as the Group; or a person or entity over which the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making.

Relationships with subsidiaries, associates and joint ventures are described in notes 8 and 9. Other related parties which the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/ nationality		Nature of relationships	
Somboon Holding Company Limited	Thailand		A 29.92% shareholding in the Company	
Yongkee Co., Ltd.	Thailand		A common shareholder of the Company	

Significant transactions with related parties Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in million Baht)</i>			
Subsidiaries				
Dividend income	-	-	797	690
Interest income	-	-	2	4
Management fee income	-	-	253	249
Rental income	-	-	2	2
Other income	-	-	8	8
Rental expense	-	-	13	3
Facilities expense	-	-	3	1
Other expenses	-	-	1	-
Joint ventures				
Sales of goods	-	14	-	-
Rental income	6	3	1	1
Interest income	1	3	1	3
Management fee income	2	3	2	3
Other income	11	11	9	9
Purchase of goods	4	-	-	-
Purchase of assets	20	-	-	-
Rental expense	4	1	-	-
Facilities expense	3	-	-	-
Other expenses	3	-	-	-
Associates				
Purchases of goods	33	41	-	-
Key management personnel				
Key management personnel compensation				
Short-term benefits	66	66	63	65
Long-term benefits	2	3	2	3
Total key management personnel compensation	68	69	65	68

<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
	<i>(in million Baht)</i>			

Other related parties

Sales of goods	5	3	-	-
Rental income	5	4	-	-
Management fee	15	15	15	15

<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			

Trade accounts receivable

Other related parties	537	500	-	-
Total	537	500	-	-

Other receivables

Subsidiaries	-	-	50,112	49,980
Joint ventures	7,615	3,072	4,089	2,326
Other related parties	1,004	859	-	6
Total	8,619	3,931	54,201	52,312

Loans to

Subsidiaries	-	-	90,000	60,000
Joint ventures	-	50,000	-	50,000
Total	-	50,000	90,000	110,000

Short-term loans to related parties carry interest at MMR (Money Market Rate) per annum and maturity date within 6 - 12 months.

<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			

Trade accounts payable

Associates	8,300	8,612	-	-
Total	8,300	8,612	-	-

Other payables

Subsidiaries	-	-	2,792	835
Joint ventures	2,346	1,216	-	1,171
Associates	81	184	-	-
Other related parties	1,337	1,338	1,337	1,338
Total	3,764	2,738	4,129	3,344

(1) *Land and building lease agreements*

A subsidiary has land and building lease agreements with a joint venture for the period of 1 year. The agreement is effective from 1 January 2023 to 31 December 2023. The subsidiary will receive land and building rental fees as stipulated in the agreement. However, the new agreement is currently in process of consideration of conditions and preparation by both parties.

(2) *Management service agreements with subsidiaries and joint venture*

The Company had a management service agreements with subsidiaries and joint venture for the period of 3 years. The agreement is effective from 1 January 2022 to 31 December 2024. Under the terms of the agreement, the Company will provide management services and will receive service fee as stipulated in the agreement.

(3) *Management service agreement with related party*

The Company entered into a management service agreement with a related company whereby the latter will provide consulting services as stipulated in the agreement. The Company is committed to pay annual fees amounting to Baht 15 million, those agreement had expired on 31 December 2023. The Company entered into a renewal agreement and committed to pay annual fees amounting to Baht 15 million. The agreement is effective from 1 January 2024 to 31 December 2026.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Cash on hand and cash at banks	1,638,527	1,607,513	355,186	434,873
Highly liquid short-term investments	434,656	390,536	30,000	150,081
Total	2,073,183	1,998,049	385,186	584,954

6 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2023	2022	2023	2022
		<i>(in thousand Baht)</i>			
Related parties	4				
Within credit terms		573	500	-	-
		573	500	-	-
Other parties					
Within credit terms		1,335,019	1,644,888	-	-
Overdue:					
Less than 3 months		42,375	2	-	-
		1,377,394	1,644,890	-	-
Less allowance for expected credit loss		-	-	-	-
		1,377,394	1,644,890	-	-
Net		1,377,931	1,645,390	-	-

Information of credit risk is disclosed in note 20 (b.1).

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
		<i>(in thousand Baht)</i>		
Finished goods	472,142	455,813	-	-
Work in process	55,353	50,204	-	-
Raw materials	21,617	24,140	-	-
Factory supplies	108,678	111,960	-	-
Spare parts for machinery	218,653	185,288	-	-
Goods in transit	634	1,411	-	-
Total	877,077	828,816	-	-
<i>Less allowance for decline in value</i>	<i>(55,207)</i>	<i>(53,258)</i>	<i>-</i>	<i>-</i>
Net	821,870	775,558	-	-

8 Investments in associates and joint ventures

Consolidated financial statements								
	Type of business	Ownership Interest (%)		Paid-up capital		Cost		Dividend income for the years
		2023	2022	2023	2022	2023	2022	
(in thousand Baht)								
<i>Associates</i>								
Tsuchiyoshi Somboon Coated Sand Co., Ltd.	Manufacture and sale of plastic-coated sand and dry sand	21.25	21.25	72,000	72,000	15,300	15,300	1,530
Yamada Somboon Company Limited	Manufacture and sale of auto parts	20.00	20.00	150,000	150,000	30,818	30,807	375
						<u>557,040</u>	<u>544,525</u>	<u>1,905</u>
								<u>20,418</u>
<i>Joint ventures</i>								
Mubea Somboon Automotive Co., Ltd.	Manufacture and sale of auto parts	40.00	50.00	701,000	701,000	280,400	350,500	-
	Providing service and consultation in system design including engineering system and automation							
Somboon Siasun Tech Co., Ltd.	system integration development	50.00	50.00	30,000	30,000	15,000	15,000	-
						<u>4,107</u>	<u>7,583</u>	<u>-</u>
						<u>365,973</u>	<u>412,314</u>	<u>-</u>
Total						<u>923,013</u>	<u>956,839</u>	<u>20,418</u>

	Ownership Interest		Separate financial statements			
	2023	2022	Paid-up capital		Cost	
			2023	2022	2023	2022
<i>Joint ventures</i>						
Mubea Somboon Automotive Co., Ltd.	40.00	50.00	701,000	701,000	280,400	350,500
Somboon Siasun Tech Co., Ltd.	50.00	50.00	30,000	30,000	15,000	15,000
Total					295,400	365,500

All associates and joint ventures were incorporated and operate in Thailand.

None of the Group's associates and joint ventures are publicly listed and consequently do not have published price quotations.

Material movement Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in million Baht)			

Joint ventures

Sale investment in Mubea Somboon Automotive Co., Ltd. - At cost	88	-	70	-
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Sale of investment in joint venture

In August 2023, the Company entered into a share purchase agreement with Mubea Engineering AG for selling ordinary shares of Mubea Somboon Automotive Co., Ltd., a joint venture of the Company, in the amount of 701,000 shares (representing 10%) in the total sell amount of Baht 83.32 million. The Company recognised loss on sale of investment in consolidated financial statements amounting to Baht 4.6 million and recognised gain on sale of investment in separate financial statements amounting to Baht 13.2 million. Sale of shares was duly completed on 31 August 2023; as a result, the Company has a shareholding of 40% in Mubea Somboon Automotive Co., Ltd.

9 Investments in subsidiaries

	Type of business	Ownership Interest 2023	Interest 2022 (%)	Separate financial statements			Dividend income for the years 2023	2022
				Paid-up capital 2023	Paid-up capital 2022	Cost 2023 (in thousand Baht)		
Direct Subsidiaries								
Somboon Malleable Iron Industrial Company Limited	Manufacture and sale of auto parts	100	100	500,000	500,000	875,989	121,998	279,995
Bangkok Spring Industrial Company Limited	Rent of real estate and investing in other companies	100	100	130,000	130,000	519,989	-	-
International Casting Products Co., Ltd.	Manufacture and sale of auto parts	100	100	785,000	785,000	796,034	235,500	337,550
Somboon Forging Technology Company Limited	Manufacture and sale of auto parts	100	100	1,600,000	1,600,000	1,600,000	440,000	72,000
Somboon Tron Energy Co., Ltd.	Import, research, analyse, design, develop and sale of electric car propulsion structures, electric cars and batteries	60	60	50,000	50,000	30,000	-	-

Separate financial statements					
Type of business	Ownership Interest		Paid-up capital		Dividend income for the years
	2023	2022 (%)	2023	2022 (in thousand Baht)	
Manufacture and sale of auto parts	100	-	20,000	20,000	-
Total			3,842,012	3,822,012	797,498
					689,545

All subsidiaries were incorporated and operate in Thailand.

Material Movement
Year ended 31 December

Separate financial statements	
2023	2022
<i>(in million Baht)</i>	
Establish and invest in Somboon Advance Agriculture Co., Ltd.	20
Establish and invest in Somboon Tron Energy Co., Ltd.	-
	30

Establish and acquisition of additional shares in a new subsidiary

At the Board of Directors' meeting of the Company held on 23 March 2023, the Board of Directors approved the Company to establish a new subsidiary, Somboon Advance Agriculture Co., Ltd., which has an authorised share capital 50,000 ordinary shares at the par value of Baht 100 per share. The Company had invested amounting to Baht 5 million and has a shareholding of 100% in this subsidiary. The subsidiary was registered with the Ministry of Commerce on 7 April 2023.

In May 2023, Somboon Advance Agriculture Co., Ltd. registered additional ordinary shares of 150,000 shares, with a par value of Baht 100 per share. The Company had invested in these additional shares, amounting to Baht 15 million. The proportion of ownership remain unchanged.

Establish and acquisition of investment in a new subsidiary

On 28 January 2022, the Company entered into the joint venture agreement with Tron Energy Technology Co., Ltd. which was incorporated under the law of Taiwan, to established in a new Company, Somboon Tron Energy Co., Ltd., which has an authorised share capital 500,000 ordinary shares at the par value of Baht 100 per share and registered with the Ministry of Commerce on 26 May 2022. The Company has a shareholding of 60% in this subsidiary.

10 Investment properties

Investment properties are land not used in its operation of a subsidiary and were revalued by an independent professional valuer in June 2022, at market comparison approach. The appraised value was Baht 105 million. The fair value for investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

11 Property, plant and equipment

	Consolidated financial statements						
	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Spare parts for machinery
Cost							Total
At 1 January 2022	539,428	1,798,353	8,580,851	190,659	25,632	154,856	11,370,052
Additions	-	22,886	104,989	14,969	21,505	479,722	687,939
Transfers	-	29,396	128,306	1,259	-	(119,285)	-
Disposals	-	(21,383)	(161,493)	(225)	(8,099)	-	(191,200)
At 31 December 2022 and 1 January 2023	539,428	1,829,252	8,652,653	206,662	39,038	515,293	11,866,791
Additions	-	8,156	151,970	4,939	4,336	320,033	552,941
Transfers	-	134,593	387,939	19,440	-	(495,480)	-
Disposals	-	(906)	(129,784)	(4,699)	(526)	-	(135,915)
At 31 December 2023	539,428	1,971,095	9,062,778	226,342	42,848	339,846	12,283,817
Depreciation and impairment losses							
At 1 January 2022	-	1,167,311	6,955,599	162,688	15,359	-	8,300,957
Depreciation charge for the year	-	83,786	402,573	16,293	7,150	-	509,802
(Reversal of) impairment losses	-	(140)	3,310	132	-	400	3,910
Disposals	-	(11,187)	(142,852)	(216)	(6,743)	-	(160,998)
At 31 December 2022 and 1 January 2023	-	1,239,770	7,218,630	178,897	15,766	400	8,653,671
Depreciation charge for the year	-	93,945	377,599	18,753	7,827	-	498,124
Impairment losses	-	687	2,367	32	-	-	3,086
Disposals	-	(461)	(121,958)	(4,551)	(126)	-	(127,096)
At 31 December 2023	-	1,333,941	7,476,638	193,131	23,467	400	9,027,785

Consolidated financial statements

	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Spare parts for machinery	Total
	539,428	589,482	1,419,108	27,765	10,306	514,893	84,257	3,185,239
	-	-	14,915	-	12,966	-	-	27,881
	<u>539,428</u>	<u>589,482</u>	<u>1,434,023</u>	<u>27,765</u>	<u>23,272</u>	<u>514,893</u>	<u>84,257</u>	<u>3,213,120</u>
	539,428	637,154	1,571,647	33,211	8,883	339,446	101,272	3,231,041
	-	-	14,493	-	10,498	-	-	24,991
	<u>539,428</u>	<u>637,154</u>	<u>1,586,140</u>	<u>33,211</u>	<u>19,381</u>	<u>339,446</u>	<u>101,272</u>	<u>3,256,032</u>

Net book value

At 31 December 2022

Owned assets

Right-of-use assets

At 31 December 2023

Owned assets

Right-of-use assets

Separate financial statements									
	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Spare parts for machinery	Total	
Cost									
At 1 January 2022	13,712	73,382	48,732	69,840	14,416	142	-	220,224	
Additions	-	-	913	7,773	8,614	-	-	17,300	
Disposals	-	-	(8,824)	(5)	(7,483)	-	-	(16,312)	
At 31 December 2022 and 1 January 2023	13,712	73,382	40,821	77,608	15,547	142	-	221,212	
Additions	-	28,902	73	1,840	2,423	4,386	-	37,624	
Transfers	-	-	-	704	-	(704)	-	-	
Disposals	-	-	(2,210)	(1,503)	-	-	-	(3,713)	
At 31 December 2023	13,712	102,284	38,684	78,649	17,970	3,824	-	255,123	
Depreciation									
At 1 January 2022	-	56,306	39,064	52,658	8,848	-	-	156,876	
Depreciation charge for the year	-	1,725	4,031	9,587	2,819	-	-	18,162	
Disposals	-	-	(6,631)	-	(4,562)	-	-	(11,193)	
At 31 December 2022 and 1 January 2023	-	58,031	36,464	62,245	7,105	-	-	163,845	
Depreciation charge for the year	-	11,264	1,893	8,673	2,948	-	-	24,778	
Disposals	-	-	(1,163)	(1,357)	-	-	-	(2,520)	
At 31 December 2023	-	69,295	37,194	69,561	10,053	-	-	186,103	

Net book value									
At 31 December 2022									
Owned assets	13,712	15,351	4,357	15,363	4,298	142	-	53,223	
Right-of-use assets	-	-	-	-	4,144	-	-	4,144	
	<u>13,712</u>	<u>15,351</u>	<u>4,357</u>	<u>15,363</u>	<u>8,442</u>	<u>142</u>	<u>-</u>	<u>57,367</u>	
At 31 December 2023									
Owned assets	13,712	13,935	1,490	9,088	3,423	3,824	-	45,472	
Right-of-use assets	-	19,054	-	-	4,494	-	-	23,548	
	<u>13,712</u>	<u>32,989</u>	<u>1,490</u>	<u>9,088</u>	<u>7,917</u>	<u>3,824</u>	<u>-</u>	<u>69,020</u>	

As at 31 December 2023 and 2022, land of the Company and a subsidiary valued at Baht 2.3 million comprises land for which the legal ownership has yet to be transferred which is in accordance with the agreements to purchase and to sell the land.

In 2023, the Group leased a machinery for 3 - 4 years. The Group and the Company leased vehicles for 2 - 4 years. The Company leased building for 3 years. The Group and the Company paid fixed lease payment depends on usage over the lease term.

In 2023, total cash outflow for leases of the Group and the Company were Baht 17.06 million and Baht 2.27 million, respectively (2022: Baht 18.19 million and Baht 3.34 million, respectively).

12 Other payables

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
			(in thousand Baht)		
Related parties	4	3,764	2,738	4,129	3,344
Other parties					
Accrued operating expenses		182,257	214,191	24,759	26,304
Deposits and advances received		98,122	64,499	524	524
Payable to the Revenue Department		30,699	28,869	11,306	12,135
Others		207,035	181,347	7,711	9,309
Total		521,877	491,644	48,429	51,616

13 Non-current provisions for employee benefits

		Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
			(in thousand Baht)		
At 31 December					
Post-employment benefits		293,614	282,169	74,792	81,139
Other long-term employee benefits		25,215	23,645	1,769	1,777
Total		318,829	305,814	76,561	82,916

The Group and the Company operate a post-employment benefits based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

		Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
			(in thousand Baht)		
Present value of the defined benefit obligations					
At 1 January		305,814	276,195	82,916	59,943
Recognised in profit or loss:					
Current service cost		27,794	25,164	6,720	7,107
Past service cost		692	-	45	-
Interest on obligation		7,839	6,222	1,711	1,374
		36,325	31,386	8,476	8,481
Recognised in other comprehensive income:					
Actuarial (gain) loss					
- Financial assumptions		(4,913)	(14,377)	(938)	(2,962)
- Experience adjustment		7,895	24,160	748	18,325
		2,982	9,783	(190)	15,363
Benefit paid		(26,292)	(11,550)	(14,641)	(871)
At 31 December		318,829	305,814	76,561	82,916

		Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
			(%)		
Principal actuarial assumptions					
Discount rate		3.10	2.90	3.10	2.90
Future salary growth		5.00	5.00	5.00	5.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2023, the weighted-average duration of the defined benefit obligation was 8 - 9 years (2022: 8 - 9 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

<i>Effect to the defined benefit obligation</i>	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	<i>(in thousand Baht)</i>			
<i>At 31 December 2023</i>				
Discount rate (0.5% movement)	(12,452)	13,292	(2,300)	2,433
Future salary growth (1% movement)	27,450	(24,427)	5,301	(4,815)
<i>At 31 December 2022</i>				
Discount rate (0.5% movement)	(12,043)	12,881	(2,426)	2,574
Future salary growth (1% movement)	15,806	(12,803)	5,116	(5,656)

14 Legal reserves

Section 116 of the Public Limited Companies Act B.E. 2535 (1992) Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

15 Segment information and disaggregation of revenue

Segment results that are reported to the Group's CODM (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Management determined that the Group has two reportable segments which are the Group's strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, CODM reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- *Segment 1* Axles and trunnion shafts
- *Segment 2* Other auto parts and others

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Consolidated financial statements

<i>Year ended 31 December</i>	Other						Net	
	Axles and trunnion shafts		auto parts and others		Total		Elimination	
	2023	2022	2023	2022	2023	2022	2023	2022
	<i>(in million Baht)</i>							
External revenue from sale of goods and rendering of services	3,852	3,488	5,239	5,446	9,091	8,934	-	9,091
Inter-segment revenue from sale of goods and rendering of services	181	171	2,575	2,688	2,756	2,859	(2,859)	-
Total revenue	4,033	3,659	7,814	8,134	11,847	11,793	(2,859)	8,934
Segment profit from operating activities before income tax	701	541	1,148	1,167	1,849	1,708	(772)	1,077
Unallocated amounts: - Share of profit of joint venture and associates accounted for using equity method								
Profit before income tax							56	38
Segment assets	2,921	3,037	12,113	11,907	15,034	14,944	(4,633)	10,401
Segment liabilities	840	1,128	1,920	1,864	2,760	2,992	(652)	2,108

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

Major customer

Revenues from certain customers of the Group represents approximately Baht 6,350 million (2022: Baht 6,810 million) of the Group's total revenues.

16 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Employee benefit expenses	1,289,911	1,256,479	234,695	237,313
Depreciation and amortisation expenses	503,568	514,668	26,677	20,183
Raw materials and consumables used	4,544,853	4,796,267	-	-
Changes in inventories of finished goods and work in process	(19,725)	(172,979)	-	-
(Reversal of) losses inventories devaluation	1,948	(4,979)	-	-
Utilities expenses	696,117	638,513	4,479	3,031
Repair expenses	390,721	391,014	7,189	6,500
Transportation expenses	123,649	208,651	-	-
Outsource expenses	235,515	215,902	15,504	12,361
Others	355,687	210,725	82,090	84,434
Total expenses	8,122,244	8,054,261	370,634	363,822

The defined contribution plan comprise provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 15% of their basic salaries and by the Group at rates ranging from 3% to 6% of the employees' basic salaries. In 2023, the contributions of Baht 18.5 million and Baht 5.3 million were paid by the Group and the Company, respectively (2022: Baht 16.9 million and Baht 5.5 million, respectively). The provident fund is registered with the Ministry of Finance as juristic entity and is managed by a licensed Fund Manager.

17 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	<u>174,115</u>	<u>160,563</u>	<u>-</u>	<u>-</u>
Deferred tax expense				
Movements in temporary differences	<u>(6,948)</u>	<u>(20,904)</u>	<u>1,833</u>	<u>(1,524)</u>
Total income tax expense	<u>167,167</u>	<u>139,659</u>	<u>1,833</u>	<u>(1,524)</u>

Consolidated financial statements						
	2023			2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<i>Income tax</i>						
			<i>(in thousand Baht)</i>			
Recognised in other comprehensive income						
Financial assets at FVOCI	610	(107)	503	6,040	(1,208)	4,832
Defined benefit plan actuarial gains (losses)	<u>(2,982)</u>	<u>42</u>	<u>(2,940)</u>	<u>(9,783)</u>	<u>2,369</u>	<u>(7,414)</u>
Total	<u>(2,372)</u>	<u>(65)</u>	<u>(2,437)</u>	<u>(3,743)</u>	<u>1,161</u>	<u>(2,582)</u>

Separate financial statements						
	2023			2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<i>Income tax</i>						
			<i>(in thousand Baht)</i>			
Recognised in other comprehensive income						
Financial assets at FVOCI	850	(170)	680	-	-	-
Defined benefit plan actuarial gains (losses)	<u>190</u>	<u>(38)</u>	<u>152</u>	<u>(15,364)</u>	<u>3,073</u>	<u>12,291</u>
Total	<u>1,040</u>	<u>(208)</u>	<u>832</u>	<u>(15,364)</u>	<u>3,073</u>	<u>12,291</u>

Reconciliation of effective tax rate**Consolidated financial statements**

	2023		2022	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		<u>1,133,434</u>		<u>1,075,414</u>
Income tax using the Thai corporation tax rate	20	226,687	20	215,083
Income not subject to tax		(63,757)		(52,133)
Expenses that can be additionally deductible for tax purposes		(18,716)		(23,881)
Share of profit of joint ventures and associates accounted for using equity method		(11,196)		(7,653)
Recognition of previously unrecognised tax losses		-		(4,972)
Current year losses for which no deferred tax asset was recognised		24,105		5,993
Expenses not deductible for tax purposes and others		10,044		7,222
Total	14.75	167,167	12.99	139,659

Reconciliation of effective tax rate**Separate financial statements**

	2023		2022	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		<u>730,848</u>		<u>651,626</u>
Income tax using the Thai corporation tax rate	20	146,170	20	130,325
Income not subject to tax		(159,500)		(137,909)
Expenses that can be additionally deductible for tax purposes		(232)		(66)
Current year losses for which no deferred tax asset was recognised		14,366		5,928
Expenses not deductible for tax purposes and others		1,029		198
Total	0.25	1,833	-	(1,524)

	Consolidated financial statements			
	(Charged) / Credited to			
	At 1	Profit or	Other	At 31
	January	loss	comprehensive	December
		(in thousand Baht)	income	
<i>Deferred tax</i>				
<i>2023</i>				
<i>Deferred tax assets</i>				
Inventories	8,667	1,149	-	9,816
Employee benefit obligations	47,995	6,088	42	54,125
Property, plant and equipment	2,228	764	-	2,992
Total	58,890	8,001	42	66,933
<i>Deferred tax liability</i>				
Financial assets measured at FVOCI	(5,352)	-	(107)	(5,459)
Financial assets measured at FVTPL	(262)	(1,053)	-	(1,315)
Total	(5,614)	(1,053)	(107)	(6,774)
Net	53,276	6,948	(65)	60,159
<i>2022</i>				
<i>Deferred tax assets</i>				
Inventories	8,508	159	-	8,667
Employee benefit obligations	26,930	18,696	2,369	47,995
Property, plant and equipment	-	2,228	-	2,228
Total	35,438	21,083	2,369	58,890
<i>Deferred tax liability</i>				
Financial assets measured at FVOCI	(4,144)	-	(1,208)	(5,352)
Financial assets measured at FVTPL	(83)	(179)	-	(262)
Total	(4,227)	(179)	(1,208)	(5,614)
Net	31,211	20,904	1,161	53,276

	At 1 January	Separate financial statements (Charged) / Credited to		At 31 December
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax				
2023				
Deferred tax assets				
Employee benefit obligations	16,583	(1,233)	(38)	15,312
Property, plant and equipment	25	105	-	130
Total	16,608	(1,128)	(38)	15,442
Deferred tax liability				
Financial assets measured at FVOCI	-	-	(170)	(170)
Financial assets measured at FVTPL	(33)	(705)	-	(738)
Total	(33)	(705)	(170)	(908)
Net	16,575	(1,833)	(208)	14,534
2022				
Deferred tax assets				
Employee benefit obligations	11,988	1,522	3,073	16,583
Property, plant and equipment	-	25	-	25
Total	11,988	1,547	3,073	16,608
Deferred tax liability				
Financial assets at FVTPL	(10)	(23)	-	(33)
Total	(10)	(23)	-	(33)
Net	11,978	1,524	3,073	16,575
Unrecognised deferred tax assets		Consolidated financial statements	Separate financial statements	
		2023	2022	2023
				2022
				(in thousand Baht)
Tax losses	24,105	5,993	14,366	5,928
Total	24,105	5,993	14,366	5,928

The tax losses will expire during 2027. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that there will be sufficient future taxable profit against which subsidiaries can utilise the benefits therefrom.

18 Earnings per share

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in thousand Baht / thousand shares)			
Profit attributable to ordinary shareholders of the Company	978,576	939,967	729,015	653,151
Number of ordinary shares outstanding	425,194	425,194	425,194	425,194
Earnings per share (basic) (in Baht)	2.30	2.21	1.71	1.54

19 Dividends

The shareholders/ Board of Director of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (in Baht)	Amount (in million Baht)
2023				
Interim dividend 2023	10 August 2023	September 2023	0.38	162
Annual dividend 2022	20 April 2023	May 2023	1.12	476
				638
2022				
Interim dividend 2022	10 August 2022	September 2022	0.38	162
Annual dividend 2021	21 April 2022	May 2022	1.10	468
				630

20 Financial instruments

(a) Carrying amounts and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, but does not include fair value information for financial assets and financial liabilities measured at amortised cost.

	Carrying amount		Consolidated financial statement Fair value				
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Total	Level 1	Level 2	Level 3	Total
	(in thousand Baht)						
At 31 December 2023							
Financial assets							
Other financial assets:							
Investment in mutual funds	603,164	-	603,164	-	603,164	-	603,164
Investment in equity securities	-	97,989	97,989	-	-	97,989	97,989
Investment in debt securities	-	149,351	149,351	-	149,351	-	149,351
Total financial assets	603,164	247,340	850,504	-	752,515	97,989	850,504

Consolidated financial statement							
	Carrying amount		Fair value				
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Total	Level 1	Level 2	Level 3	Total
<i>(in thousand Baht)</i>							
At 31 December 2022							
Financial assets							
Other financial assets:							
Investment in mutual funds	305,838	-	305,838	-	305,838	-	305,838
Investment in equity securities	-	98,524	98,524	-	-	98,524	98,524
Total financial assets	305,838	98,524	404,362	-	305,838	98,524	404,362

Separate financial statement							
	Carrying amount		Fair value				
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Total	Level 1	Level 2	Level 3	Total
<i>(in thousand Baht)</i>							
At 31 December 2023							
Financial assets							
Other financial assets:							
Investment in mutual funds	263,832	-	263,832	-	263,832	-	263,832
Investment in equity securities	-	45,108	45,108	-	-	45,108	45,108
Investment in debt securities	-	99,498	99,498	-	99,498	-	99,498
Total financial assets	263,832	144,606	408,438	-	363,330	45,108	408,438

At 31 December 2022							
Financial assets							
Other financial assets:							
Investment in mutual funds	170,167	-	170,167	-	170,167	-	170,167
Investment in equity securities	-	45,108	45,108	-	-	45,108	45,108
Total financial assets	170,167	45,108	215,275	-	170,167	45,108	215,275

Financial instruments measured at fair value

Type	Valuation technique
Investments in unit trusts classified as financial assets measured at FVTPL	The net asset value as of the reporting date.
Investments in non-marketable equity securities	Adjusted net asset value as of the reporting date.
Investments in debt securities as financial assets measured at FVOCI	The net asset value as of the reporting date.

Since the majority of financial assets and liabilities of the Group were short-term. The fair value of financial assets and liabilities is taken to approximate the carrying value as determined in the statement of financial position.

(b) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(b.1.1) Trade accounts receivable

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 15.

The Group limits its exposure to credit risk from trade accounts receivable by establishing a maximum payment period of 3 months. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade accounts receivable are disclosed in note 6.

(b.1.2) Cash and cash equivalents and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Consolidated financial statements					
At 31 December	Carrying amount	1 year or less	Contractual cash flows		Total
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	
			(in thousand Baht)		
2023					
Financial liabilities					
Trade accounts payable	1,084,782	1,084,782	-	-	1,084,782
Other payables	521,877	521,877	-	-	521,877
Accounts payable - purchase of assets	73,038	73,038	-	-	73,038
Lease liabilities	33,718	16,900	10,198	8,537	35,635
	<u>1,713,415</u>	<u>1,696,597</u>	<u>10,198</u>	<u>8,537</u>	<u>1,715,332</u>
2022					
Financial liabilities					
Trade accounts payable	1,335,355	1,335,355	-	-	1,335,355
Other payables	491,644	491,644	-	-	491,644
Accounts payable - purchase of assets	133,860	133,860	-	-	133,860
Lease liabilities	36,732	14,417	10,854	14,026	39,297
	<u>1,997,591</u>	<u>1,975,276</u>	<u>10,854</u>	<u>14,026</u>	<u>2,000,156</u>
Separate financial statements					
At 31 December	Carrying amount	1 year or less	Contractual cash flows		Total
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	
			(in thousand Baht)		
2023					
Financial liabilities					
Other payables	48,429	48,429	-	-	48,429
Accounts payable - purchase of assets	578	578	-	-	578
Lease liabilities	24,198	12,946	11,970	593	25,509
	<u>73,205</u>	<u>61,953</u>	<u>11,970</u>	<u>593</u>	<u>74,516</u>
2022					
Financial liabilities					
Other payables	51,616	51,616	-	-	51,616
Accounts payable - purchase of assets	4,887	4,887	-	-	4,887
Lease liabilities	4,271	1,756	1,756	1,056	4,568
	<u>60,774</u>	<u>58,259</u>	<u>1,756</u>	<u>1,056</u>	<u>61,071</u>

(b.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
United States Dollars				
Cash and cash equivalents	10,515	-	-	-
Trade accounts receivable	65,739	175,917	-	-
Trade accounts payable	(59,156)	(364)	-	-
Other payables	(19)	(1,077)	-	(181)
Net exposure	17,079	174,476	-	(181)
Japanese Yen				
Trade accounts payable	(6,558)	(2,176)	-	-
Other payables	(2,530)	(3,309)	(417)	-
Accounts payable				
- purchase of assets	(10,531)	(557)	-	-
Net exposure	(19,619)	(6,042)	(417)	-
Euro				
Accounts payable				
- purchase of assets	-	(1,630)	-	-
Net exposure	-	(1,630)	-	-

21 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

22 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Capital commitments				
Machinery and equipment	<u>94,969</u>	<u>51,707</u>	<u>-</u>	<u>-</u>
Other commitments				
Short-term lease commitments	40	173	-	-
Service agreement	8,761	-	4,800	-
Unused letters of credit for goods and supplies	52,082	21,246	-	-
Bank guarantees	112,367	93,903	91	53
Total	<u>173,250</u>	<u>115,322</u>	<u>4,891</u>	<u>53</u>

The Group entered into technical assistance agreements with several foreign companies covering assistance of the production processes, whereby the Group is to pay fees at the rate as specified in the agreements. The agreements are valid for 2 - 3 years, expiring in various periods up to 2025, and are renewable for a further 2 - 3 years.

23 Events after the reporting period

Dividends

At the Board of Directors' meeting of the Company held on 21 February 2024, the Board of Directors approved the appropriation of dividends for the year 2023 at the rate of Baht 1.60 per share, totalling Baht 680 million which will be paid from the operation for the year 2023. The interim dividends at the rate of Baht 0.38 per share, in amounting to Baht 162 million were paid in September 2023. Therefore, the remaining dividends of Baht 1.22 per share, in amounting to Baht 518 million will be paid to shareholders in May 2024. The dividends is subject to the approval of the shareholders at the Annual General Meeting.

Attachment

Attachment 1 Detail of Director, Executives, Controlled Person, the person taking the highest responsibility in finance and accounting and the person supervising accounting

Attachment 2 Details of the directors of subsidiaries

Attachment 3 Details of the Heads of the Internal Audit and Compliance

Attachment 4 Details of asset appraisal

Attachment 5 Corporate Governance Policy and Code of Conduct

Attachment 6 Audit and Governance Committee Report

Attachment 7 Audit of the environmental inventory for organizational carbon footprint assessment 2023

Attachment 1

Detail of Director, Executives, Controlled Person, the person taking the highest responsibility in finance and accounting and the person supervising accounting

Board of Director

On December 31, 2023



1 Mr. Sansern Wongcha-um
Independent Director/ Chairman of the Board

2 Mr. Yongyuth Kitaphanich
Director / Vice Chairman

3 Mr. Sobson Ketsuwan
Independent Director/ Chairman of the Executive Board

4 Mr. Paitoon Taveebhol
Independent Director/ Chairman of the Audit and CG Committee/ Member of the Nomination and Remuneration Committee

5 Dr. Suthad Setboonsarng
Independent Director/ Chairman of the Risk Management and Sustainability Development Committee/ Member of the Audit and CG Committee/ Member of the Nomination and Remuneration Committee

6 Mr. Prayong Hirunyawanich
Independent Director/ Chairman of the Nomination and Remuneration Committee/ Member of the Executive Board/ Member of the Risk Management and Sustainability Development Committee

7 Dr. Somchai Harnhirun
Independent Director/ Member of the Audit and CG Committee/ Member of the Risk Management and Sustainability Development Committee

8 Mr. Nontigorn Kanchanachitra
Director

9 Mr. Yongkiat Kitaphanich
Director/ Vice Chairman of the Executive Board

10 Ms. Napatsorn Kitaphanich
Director/ President

Executives



1



2



3



4



5



6



7



8

1 Mr. Vacharatorn Kitaphanich

Executive Vice President and Acting
Vice President - Commercial &
Vice President- Research & Development

2 Dr. Cheerawit Sureerattanan

Senior Managing Director for Forging,
Casting & Machining Business

3 Mr. Patpong Weerasin

Vice President - Supply chain & System
Development

4 Mr. Thanthach Ritthinam

Vice President - Agriculture Business Group
and Managing Director – SAA

5 Mr. Varasa Saundee

Managing Director SBM&ICP

6 Dr. Anotai Mohjhaw

Vice President - Human Resources & General
Affairs (Resigned from the company since
November 1, 2023)

7 Mr. Prasong Adulratananukul

Vice President- Corporate Strategy, Sustainability
Development, and Business Development
and Managing Director – STRON

8 Mrs. Porntip Sangsuk

Vice President - Finance Accounting &
Information Technology

Board of Directors



Mr. Sansern Wongcha-um

Chairman of the Board / Independent Director
(From 24 March 2008 to present)

Age (Year): 76

% Share held: None

Education

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

Training Program

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

Work experience in the last 5 years

Period	Position	Company/ Organization
2008-Present	Chairman/ Independent Director	Somboon Advance Technology Public Company Limited
	Chairman/ Independent Director	Bualuang Securities Public Company Limited
2008-Apr. 2019	Chairman of the Nomination and Remuneration Committee / Independent Director	Deves Insurance Public Company Limited

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

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



Mr. Yongyuth Kitaphanich

Vice Chairman / Authorized Director / Director
(From 21 July 2004 to present)

Age (Year): 72

% Share held: 0.0089%

Education

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

Training Program

- Director Certification Program
- Role of the Chairman

Work experience in the last 5 years

Period	Position	Company/ Organization
2022-Present	Advisor	Somboon Holding Company Limited
2004-Present	Director/ Vice Chairman	Somboon Advance Technology Public Company Limited
2014-Present	Director	International Casting Products Company Limited
2012-Present	Director	Somboon Forging Technology Company Limited
1994-Present	Director	Somboon Malleable Iron Industrial Company Limited
	Director	Bangkok Spring Industrial Company Limited
2004-2022	Director	Somboon Holding Company Limited

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

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



Mr. Sobson Ketsuwan

Chairman of the Executive Board / Independent Director

(From 11 May 2023 to present)

Age (Year): 78

% Share held: 0.01%

Education

- International Senior Management Program (ISMP), Harvard Business School
- M.S. Industrial & System Engineering, University of Southern California
- M.B.A. General Management, University of Southern California
- B.Eng. (Honors) Industrial Eng.Chulalongkorn University

Training Program

- Finance for Non-Finance Directors
- Audit Committee Program
- Director Certification Program

Work experience in the last 5 years

Period	Position	Company/ Organization
May 2023-Present	Chairman of the Executive Board / Independent Director	Somboon Advance Technology Public Company Limited

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

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



Mr. Paitoon Taveebhol

Chairman of the Audit and CG Committee / Member of the Nomination and Remuneration Committee / Independent Director

(From 24 April 2008 to present)

Age (Year): 73

% Share held: -None-

Education

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

Training Program

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

- Chartered Director Program
- Advanced Audit Committee
- Engaging Board in ESG: The Path to Effective Sustainability
- National Director Conference 2023: Delivering Net Zero Together
- CAC National Conference 2023: lic-Private Collaboration: A Strong Collective Action Against Corruption

Work experience in the last 5 years

Period	Position	Company/ Organization
Jul. 2023-Present	Chairman of the Audit and CG Committee / Member of the Nomination and Remuneration Committee	Somboon Advance Technology Public Company Limited
2016-Present	Chairman of the Nomination and Remuneration / Member of the CGR Committee and SD / Member of the Enterprise Risk Policy Committee	KCE Electronics Public Company Limited
2014-Present	Chairman of the Board	ZEN Corporation Group Company Limited
2012-Present	Independent Director / Chairman of the Audit Committee	KCE Electronics Public Company Limited
2012-Present	Independent Director / Member of the Audit Committee	Easy Buy Public Company Limited
2008-Present	Independent Director	Somboon Advance Technology Public Company Limited
2008-Jun. 2023	Chairman of the Nomination and Remuneration Committee / Member of the Audit and CG Committee	Somboon Advance Technology Public Company Limited
2002-2022	Independent Director / Chairman of the Audit Committee/ Chairman of the Risk Policy Committee	Central Pattana Public Company Limited

Number of Listed Company (ies) being in a Position of Director: 3 Companies

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



Dr. Suthad Setboonsarng

Chairman of the Risk Management and Sustainability Development Committee / Member of the Nomination and Remuneration Committee / Member of the Audit and CG Committee / Independent Director

(From 20 April 2018 to present)

Age (Year): 73

% Share held: -None-

Education

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

Training Program

- Director Certification Program # 194/2014
- Boards that Make a Difference # 8/2018

Work experience in the last 5 years

Period	Position	Company/ Organization
Sep. 2023-Present	Chairman of the Risk Management and Sustainability Development Committee	Somboon Advance Technology Public Company Limited
Jul. 2023-Present	Member of the Nomination and Remuneration Committee	Somboon Advance Technology Public Company Limited
Apr. 2018-Present	Independent Director/Member of the Audit and CG Committee	Somboon Advance Technology Public Company Limited
2013–Present	Chairman	NawaChiOne Foundation
2014–2023	Independent Director/ Member of the Audit Committee	Banpu Public Company Limited
2021–2022	Chairman	International Rice Research Institute (IRRI) Los Banos, the Philippines
2014–2022	Board of Trustees	International Rice Research Institute (IRRI) Los Banos, the Philippines
2015–2020	Chairman of the Audit Committee/ Member of Risk Oversight Committee	Bank of Thailand
2015–2020	Director	Cambodia Development Research Institute (CDRI)

Number of Listed Company (ies) being in a Position of Director: 2 Companies

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



Mr. Prayong Hirunyawanich

Chairman of the Nomination and Remuneration Committee / Member of the Risk Management and Sustainability Development Committee / Member of the Executive Board / Independent Director

(From 23 April 2019 to present)

Age (Year): 72

% Share held: -None-

Education

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

Training Program

- Director Accreditation Program

Work experience in the last 5 years

Period	Position	Company/ Organization
Sep. 2023-Present	Member of the Risk Management and Sustainability Development Committee	Somboon Advance Technology Public Company Limited
Jul. 2023-Present	Chairman of the Nomination and Remuneration Committee	Somboon Advance Technology Public Company Limited
2019-Present	Independent Director	Somboon Advance Technology Public Company Limited
2017-Present	Member of the Executive Board	Somboon Advance Technology Public Company Limited
2012-Present	Executive Committee	Anti-Corruption Organizations of Thailand
2012-2021	Independent Director	Zafco FTZ Co., Dubai

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

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



Dr. Somchai Harnhirun

Member of the Risk Management and Sustainability Development Committee / Member of the Audit and CG Committee / Independent Director

(From 27 July 2023 to present)

Age (Year): 66

% Share held: -None

Education

- Ph.D. (Economics), Concordia University, Canada
- Master degree M.A. (Industrial Economics), National Institute of Development Administration
- Master of Economics Queen's University, Canada
- Bachelor degree in Economics Thammasat University

Training Program

- Director Accreditation Program #79/2009
- Executive Course Capital Market Academy (Class 25)
- Business Revolution and Innovation Network
- Energy science courses for senior executives #7
- Senior executives Thammasat Leadership Program #4
- Top Executive Program in Commerce and Trade
- National Defence College 2009

Work experience in the last 5 years

Period	Position	Company/ Organization
Sep. 2023–Present	Member of the Risk Management and Sustainability Development Committee	Somboon Advance Technology Public Company Limited
Jul. 2023–Present	Independent Director/ Member of the Audit and CG Committee	Somboon Advance Technology Public Company Limited
2023–Present	Director	Interhides Public Company Limited
2023–Present	Independent Director / Member of Audit Committee	Pacific Pipe Public Company Limited
2022–Present	Independent Director	Delta Electronics (Thailand) Public Company Limited
2022–Present	Independent Director / Chairman of Nomination and Remuneration Committee	Synnex (Thailand) Public Company Limited
2019–Present	Present Member of the Senator	Senator
2017–2019	Deputy Minister of Industry	Ministry of Industry

Number of Listed Company (ies) being in a Position of Director: 5 Companies

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



Mr. Nontigorn Kanchanachitra

Director

(From 1 October 2023 to present)

Age (Year): 68

% Share held: -None-

Education

- Ph.D Degree : Honorary Doctorate of Business Administration, Human Resource Management, Donburi Rajabhat University
- Master Degree: Master of Public Administration, Middle Tennessee State University, USA
- Bachelor Degree: Political Science, Chiang Mai University

Training Program

- Role of the Chairman Program #26/2011
- Director Certification Program #102/2008
- Audit Committee Program #22/2008
- Role of the Compensation Committee #6/2008
- Financial Statements for Director #1/2008

Work experience in the last 5 years

Period	Position	Company/ Organization
Oct. 2023–Present	Director	Somboon Advance Technology Public Company Limited
2022–Present	Independent Director / Member of the Nomination & Remuneration Committee	Tipco Foods Public Company Limited
2021– Present	Director	Bank of Thailand
2018–Present	Chairman / Independent Director	J.R.W. Utility Public Company Limited
2015–Present	Chairman / Independent Director	SISB Public Company Limited
2015–Present	Director	Council of State of Thailand
2015–Present	Director	Office of the Civil Service Commission

Number of Listed Company (ies) being in a Position of Director: 4 Companies

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



Mr. Yongkiat Kitaphanich

Vice Chairman of the Executive Board / Authorized Director / Director
(From 21 August 2004 to present)

Age (Year): 61

% Share held: 0.9%

Education

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

Training Program

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

Work experience in the last 5 years

Period	Position	Company/ Organization
2022-Present	Chairman	Somboon Holding Company Limited
2017-Present	Vice Chairman of the Executive Board	Somboon Advance Technology Public Company Limited
2017-Present	Honorary Chairman	Auto Parts Industry Club of the Federation of Thai Industries
2017-Present	Honorary President	Thai Auto Parts Manufacturers Association
2012-Present	Director	Somboon Forging Technology Company Limited
2007-Present	Director	Somboom Malleable Iron Industrial Company Limited
		Bangkok Spring Industrial Company Limited
		International Casting Products Company Limited
2020-2023	Director	Mubea Somboon Automotive Company Limited

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

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



Ms. Napatsorn Kitaphanich

President / Authorized Director / Director

(From 21 July 2004 to present)

Age (Year): 59

% Share held: 0.68%

Education

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

Training Program

- Director Accreditation Program
- Strategic IQ - Executive Education Harvard Business School
- Director Refreshment Program

Work experience in the last 5 years

Period	Position	Company/ Organization
2022-Present	Director	Somboon Tron Energy Company Limited
2020-Present	Director	Somboon Siasun Tech Company Limited
2018-Present	President	Somboon Advance Technology Public Company Limited
2014-Present	Director	Somboon Malleable Iron Industrial Company Limited
2012-Present	Director	Somboon Forging Technology Company Limited
2007-Present	Director	International Casting Products Company Limited
	Director	Bangkok Spring Industrial Company Limited
2004-Present	Director	Somboon Advance Technology Public Company Limited
2018-2020	Director	Mubea Somboon Automotive Company Limited

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

Number of Non-Listed Company (ies) being in a Position of Director : 6 Companies

Executives



Mr. Vacharatorn Kitaphanich

Executive Vice President / Acting Vice President - Commercial & Vice President- Research & Development

Age (Year): 42

% Share held: 0.24%

Education

- Master of Science in Engineering: University of Liverpool (UK)
- Bachelor of Industrial Engineering: University of Sirinthorn International Institute of Technology (SIIT) Thammasat University

Training Program

- Director Certification Program (DCP) 288/2020
- Financial Statements for Directors (FSD) 44/2021
- The 7 HABITS of Highly Effective People_May 18, 2022
- TLCA Executive Development Program 2023 (EDP)

Work experience in the last 5 years

Period	Position	Company/ Organization
2023-Present	Executive Vice President	Somboon Advance Technology Public Company
Nov.2023- Present	Director	Somboon Forging Technology Company Limited
		Somboon Malleable Iron Industrial Company Limited
		International Casting Products Company Limited
		Bangkok Spring Industrial Company Limited
Apr. 2023-Present	Director	Somboon Advance Agriculture Company Limited
2022-Present	Director	Somboon Tron Energy Combpany Limited
2021-Present	Vice President - Commercial & Business Development	Somboon Advance Technology Public Company
2021-Present	Director	Somboon Siasun Tech Company Limited
2020-Present	Director	Somboon Holding Company Limited
2019 - 2020	Head of Commercial & Business Development	Somboon Advance Technology Public Company
2019 - 2020	Director	Nippon Kikai Engineering Company Limited



Dr.Cheerawit Sureerattanan

Senior Managing Director for Forging, Casting & Machining Business

Age (Year): 57

% Share held: -None-

Education

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

Training Program

- Director Certification Program (DCP192/2014)
- Director Refreshment Program (DRP2/2021)

Work experience in the last 5 years

Period	Position	Company/ Organization
2022-Present	Director / Senior Managing Director	Somboon Forging Technology Company Limited
2021-Present	Senior Managing Director	Somboon Malleable Iron Industrial Company Limited
	Senior Managing Director	International Casting Products Company Limited
2020 - Present	Director	Somboon Malleable Iron Industrial Company Limited
	Director	International Casting Products Company Limited
2019 - 2020	Managing Director	Somboon Malleable Iron Industrial Company Limited
	Managing Director	International Casting Products Company Limited
2014 - 2018	Vice President - Sales & Marketing	Somboon Advance Technology Public Company Limited



Mr. Patpong Weerasin

Vice President - Supply chain & System Development

Age (Year): 55

% Share held: 0.001%

Education

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

Training Program

- Director Certification Program : DCP 202/2015
- Anti- Corruption for Executive Program : ACEP 15/2015
- Leading Your Business through Uncertainties : DRP 2/2021

- Lessons Learnt form Financial Cases: How Board should React : DRP 3/2021
- Director's Briefing 16/2022: Digital Transformation Trends & Journey: The Secret Sauce of Driving Successful Digital Transformation
- Leadership Development Program (LDP6) (2018)
- HCM Webinar 2/2565 "Growth Mindset Can Overcome Business Disruption"
- Reinventing HR to thrive in the 'Never Normal'
- Value Creation & Innovation for Professionals and Sustainability

Work experience in the last 5 years

Period	Position	Company/ Organization
2023 - Present	Vice President - Supplychain & System Development	Somboon Advance Technoligy Public Company Limited
2014 - Present	Director	Somboon Forging Technology Company Limited
2014 - 2023	Managing Director	Somboon Forging Technology Company Limited
2014 - 2021	Vice President - Operations	Somboon Advance Technoligy Public Company Limited



Mr. Thanthach Ritthinam

Vice President - Agriculture Business Group / Managing Director - SAA

Age (Year): 50

% Share held: 0.01%

Education

- M.B.A. - General Management (English Program), Ramkhamhaeng University
- Master of Science - Computer and Engineering Management (English Program), Assumption University
- Certificate of Chemical Engineering, University of Manchester Institute of Science and Technology (UK)

- Bachelor of Science in Industrial Chem. (Petrochemical) (1st Class Honor), King Mongkut's Institute of Technology North Bangkok

Training Program

- Director Certification Program (DCP) Class #281
- Executive Development Program (EDP) Class #16

Work experience in the last 5 years

Period	Position	Company/ Organization
Apr 2023 -Present	Director/ Managing Director	Somboon Advance Agriculture Company Limited
2021-Present	Vice President - Agriculture Business Group	Somboon Advance Technology Public Company Limited
2016-Present	Vice President - Academic Section and Director	Auto Parts Industry Club - The Federation of Thai Industries Thai Auto Parts Manufacturers Association
2021- 2023	Director	Mubea Somboon Automotive Company Limited
2021- Mar 2022	Vice President	Bangkok Spring Industrial Company Limited
2019 - 2021	Managing Director	Mubea Somboon Automotive Company Limited
2019 - 2021	Vice President - President Office	Somboon Advance Technology Public Company Limited
2016 - 2018	Vice President - Corporate Strategy & Business Development	Somboon Advance Technology Public Company Limited



Mr.Varasa Saundee

Managing Director SBM & ICP

Age (Year): 50

% Share held: 0.001%

Education

- Master of Business Administration (M.B.A.),
Ramkhamhaeng University
- Bachelor of Industrial Engineering (I.E.),
King Mongkut's Institute of technology
North Bangkok

Training Program

- Director Certification Program

Work experience in the last 5 years

Period	Position	Company/ Organization
2022 - Present	Director / Managing Director	Somboon Malleable Iron Industrial Company Limited
		International Casting Products Company Limited
2019 - 2021	Deputy Managing Director	Somboon Malleable Iron Industrial Company Limited
		International Casting Products Company Limited
2016 - 2018	General Manger	Somboon Malleable Iron Industrial Company Limited



Dr. Anotai Mohjhaw

Vice President - Human Resources & General Affairs
(Resigned from the company since November 1, 2023)

Age (Year): 52

% Share held: -None-

Education

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

Work experience in the last 5 years

Period	Position	Company/ Organization
2019 - Present	Vice President - Human Resources & General Affairs	Somboon Advance Technology Public Company Limited
2017 - 2018	Vice President - Human Resources	Somboon Advance Technology Public Company Limited



Mr. Prasong Adulratananukul

Vice President - Corporate Strategy, Sustainability Development,
and Business Development / Managing Director - STRON

Age (Year): 57

% Share held: -None-

Education

- Bachelor of Bachelor of Engineering
(Metallurgical Engineering), Chulalongkorn
University

Training Program

- Director Certification Program (DCP) 2014

Work experience in the last 5 years

Period	Position	Company/ Organization
2023 - Present	Managing Director	Somboon Tron Energy Company Limited
2023 - Present	Vice President- Corporate Strategy, Sustainability Development, and Business Development	Somboon Advance Technology Public Company Limited
2013 – 2018	Director, Chief Executive Officer	P.C.S. Machine Group Holding Public Company Limited



Mrs. Porntip Sangsuk

Vice President - Finance Accounting & Information Technology
(The person assigned to take direct responsibility for accounting supervision
The person assigned to take direct responsibility for accounting supervision)

Age (Year): 47

% Share held: -None-

Education

- Bachelor of Administer in Auditing : Rajamangala University Technology Krungthep
- Certified Public Accountant (CPA)

Training Program

- Tax burden method for Business dissolution, Business close, Business temporary close, Sell of business and Takeover Merger & Acquisition (M&A)
- Tax issues from the Revenue Department related to “Transfer pricing determination” in 2023
- All TFRS editions in 2023
- Important documents for import-export for accounting records, related tax and the Revenue Department auditing
- Digital Accounting Transformation
- Refreshment Traditional Costing
- Deeply understand ethics (Sections 360, 520, 522, 523, 524, and 600)
- Overview of Management Accounting for Planning and Decision Making
- Maximise Shareholder Value 2024: Embracing today’s complexities, welcoming tomorrow’s opportunities (Group A)

Work experience in the last 5 years

Period	Position	Company/ Organization
2023 - Present	Vice President - Finance Accounting & Information Technology	Somboon Advance Technology Public Company Limited
Nov.2023 - Present	Director	Somboon Forging Technology Company Limited
	Director	Somboon Malleable Iron Industrial Company Limited
	Director	International Casting Products Company Limited
	Director	Bangkok Spring Industrial Company Limited
Apr. 2023- Present	Director	Somboon Advance Agriculture Company Limited
2020 – 2022	Head of Accounting Costing & Budgeting	Somboon Advance Technology Public Company Limited
2015 – 2020	Assistant General Manager - Accounting	Somboon Advance Technology Public Company Limited

Attachment 2 | Details of the directors of subsidiaries

As of December 31, 2023

Name		SAT	SBH	Subsidiaries						Associates				Joint Ventures	
				SBM	BSK	ICP	SFT	STRON	SAA	TSC	YSC	NSA	SSMC	MSA	SST
1. Mr. Sansern	Wongcha-um	X, ///													
2. Mr. Yongyuth	Kitaphanich	/, V		X	X	/	X								
3. Mr. Sobson	Ketsuwan	///													
4. Mr. Paitoon	Taveebhol	//													
5. Dr. Suthad	Setboonsang	//													
6. Mr. Prayong	Hirunyanich	///													
7. Dr. Somchai	Harnhirun	//													
8. Mr. Nontigorn	Kanchanachitra	/													
9. Mr. Yongkiat	Kitaphanich	/	X	/	/	X	/			/	/	/	/	V	
10. Ms. Napatsorn	Kitaphanich	/, P		/	/	/	/	/							/
11. Mrs. Kasamon	Kittiampon			/	/	/	/								
12. Dr. Cheerawit	Sureerattanan			/,O		/,O	/,O								
13. Mr. Patpong	Weerasin	O					/								
14. Mr. Thanthach	Ritthinam	O							/						
15. Mr. Vacharatom	Kitaphanich	O	/	/	/	/	/	/	/						/
16. Mr. Varasa	Saundee			/,O		/,O									
17. Mr. Prasong	Adulratananukul	O						O							
18. Mrs. Pornpip	Sangsuk	O		/	/	/	/		/						
19. Mr. Veerachai	Chaochankit							X							X
20. Ms. Patcharapa	Kitaphanich	O							/						

Position symbol of Director and Executive

Symbol of Companies, Subsidiaries, Associates, Joint Ventures and IndirectSubsidiaries

X	Chairman	SAT	Somboon Advance Technology Public Co., Ltd.	SAA	Somboon Advance Agriculture Co., Ltd.
V	Vice Chairman			TSC	Tsuchiyoshi Somboon Coated Sand Co., Ltd.
/	Director	SBH	Somboon Holding Co., Ltd.		
//	Independent director / Audit Committee	SBM	Somboon Malleable Iron Industrial Co., Ltd.	YSC	Yamada Somboon Co., Ltd.
///	Independent director	BSK	Bangkok Spring Industrial Co., Ltd.	NSA	Nisshinbo Somboon Automotive Co., Ltd.
P	President	ICP	International Casting Products Co., Ltd.	SSMC	Somboon Somic Manufacturing Co., Ltd.
O	Executive	SFT	Somboon Forging Technology Co., Ltd.	MSA	Mubea Somboon Automotive Co. Ltd.
		STRON	Somboon Tron Energy Co., Ltd.	SST	Somboon Siasun Tech Co., Ltd.

1. Head of Internal Audit

The Company has appointed Mr. Wasumeth Kullachote as the Assistant General Manager – Internal Audit, effective from July 1st, 2021. He has qualifications and past work experience in evaluating the adequacy and effectiveness of internal control system, financial reporting, accounting, and regulatory requirements in compliance with applicable laws and related regulations as well as the company's business operations. Thus, the company assures that he could fully utilize his ability to complete all assigned responsibilities with the following duties:

1. To implement and manage the internal audit function as Head of Internal Audit in accordance with the Internal Audit Charter, approved by the Audit Committee, and also determine the strategic goals, missions and directions for Internal Audit function.
2. To be the Secretary to the Audit Committee to assist the Audit Committee in performing work pertaining to summoning of meeting, preparation of agendas, delivery of supporting documents for the meeting and filing of the minutes of meeting.
3. The Internal Audit Department is responsible for assurance service by evaluating the adequacy of the Company's internal control system, risk management process, asset safeguard, reliable financial reporting as well as ensuring the business activities are complied with the requirements of laws, regulations, company's policies and procedures, together with providing reasonable consulting service to Managements and other business units. A review of key audit result would be directly reported to the Audit Committee.

Brief history of the Head of Internal Audit**Mr. Wasumeth Kullachote**

Master's degree	MBA (Finance), Western Michigan University, MI USA	
Bachelor's degree	Bachelor of Accounting, Thammasat University	
Recent work experiences	2021 – Present	AGM – Internal Audit, Somboon Advance Technology, PCL.
	2018 - 2020	VP – Internal Audit, Allianz Ayudhya Assurance, PCL.
	2017 - 2018	Senior Manager – Internal Audit, Mitropol Group
	2015 – 2017	VP – Internal Audit, VP – Compliance, Thai Insurance, PCL.
Qualifications	He has knowledge and experience in auditing internal control systems, financial reporting, accounting, and securities and exchange laws.	
Certificate	Certified Internal Auditor, USA, Tax Auditor	

2. Head of Compliance

The Company has appointed Mr. Wasumeth Kullachote as the Assistant General Manager – Compliance, effective from July 1st, 2021. He has work experience in proposing necessary policies and supervising the company to comply with laws and regulatory requirements as well as creating knowledge, understanding, communication and raising awareness. The company assures that he could fully utilize his ability to complete all assigned responsibilities with the following duties:

1. To develop the Compliance strategic management system in order to support the Company goals and overall business strategy
2. To set up the annual department goals and work plan to align with the Company's directions and strategic goals together with achieving such set-up work plan
3. To be a centric party in creating compliance knowledge, providing internal communication, and raising awareness for a Company as well as reviewing and monitoring the company's activities to ensure the activities are regularly operated in compliance with laws, the related regulations, and company rules.

Brief history of the Head of Compliance

Mr. Wasumeth Kullachote

Master's degree	MBA (Finance), Western Michigan University, MI USA	
Bachelor's degree	Bachelor of Accounting, Thammasat University	
Recent work experiences :	2021 – Present	AGM – Internal Audit, Somboon Advance Technology, PCL.
	2018 - 2020	VP – Internal Audit, Allianz Ayudhya Assurance, PCL.
	2017 - 2018	Senior Manager – Internal Audit, Mitropol Group
	2015 – 2017	VP – Internal Audit, VP – Compliance, Thai Insurance, PCL.
Qualifications	He has knowledge and understanding of business law and related laws. And has experience in managing and supervising the operations of listed companies.	

Attachment 4 | Details of asset appraisal

-None-

Attachment 5 | Corporate Governance Policy and Code of Conduct

The Board of Directors has established a “Corporate Governance Policy” to promote corporate governance principles and focuses on conducting business with transparency, morality, ethics and integrity on the basis of “Code of Conduct” and apply it as a good practice of directors, executives and employees of Somboon Group at all levels and all stakeholders which will lead to be a truly sustainable organization.

The Board of Directors requires regular monitoring of compliance with corporate governance policies and practices. The Company has also publicized all employees’ corporate governance policies and practices through both internal information systems (Intranet) and has been shown to the public through the company’s website, <https://www.satpcl.co.th> under the theme Corporate Governance by followed QR Code.



QR Code
CG Policy



QR Code Code
of Conduct

Attachment 6 | Audit and Governance Committee Report

Detailed as specified in Section 8.2 Report on the performance of the Audit Committee over the past year is shown on page 166

Attachment 7

Audit of the environmental inventory for organizational carbon footprint assessment 2023

Certificate Number:
TGO CFO FY24-04-571

 องค์การ
rganization

**THAILAND GREENHOUSE GAS
MANAGEMENT ORGANIZATION**
(Public Organization) **TGO**

CERTIFICATE

Awarded to

**SOMBOON ADVANCE TECHNOLOGY PUBLIC COMPANY
LIMITED**

Company address verified: No. 215 Moo 2, Debaratna Road, Bangclalong, Bangplee, Samut
Prakan 10540

Thailand Greenhouse Gas Management Organization certifies that
the quantity of Greenhouse Gas of the above organization has been verified
by SGS (Thailand) Limited
and found to be in accordance with the requirements of the standard detailed below.

Standard

TGO Guidance of the Carbon Footprint for Organization

Verification Period: [01/01/2023 - 31/12/2023]

Total Greenhouse Gas Emission (Scope 1&2): 69,333 tonCO₂e/year

Direct GHG emissions	4,952 tonCO ₂ e/year
Energy Indirect GHG emissions	64,381 tonCO ₂ e/year
Other Indirect GHG emissions	29,855 tonCO ₂ e/year

The agreed level of assurance is: Limited, at materiality of 5%

Registration Date: 28 August 2024



Mrs. Natarika Wayuparb Nitiphon
Acting Executive Director
Thailand Greenhouse Gas Management Organization (Public Organization)



Somboon Advance Technology Public Company Limited



Head Office:

215 Moo 2, Debaratna Road, Tambol Bangchalong,
Amphur Bangplee, Samutprakarn Province

Plant:

7/389 Moo 6 Tambol Mabyangporn,
Amphur Pluakdaeng, Rayong Province



Telephon: 02-080-8123



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