



สหมิตรเครื่องกล
SAHAMIT MACHINERY



A N N I V E R S A R Y

ANNUAL REPORT
2023

56-1 One Report

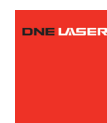
Vision

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

Special Steel



Machine Tools



Tooling



Wood



Paper



Electric



Contents



MESSAGE FROM THE BOARD OF DIRECTORS	4
FINANCIAL INFORMATION	5
BOARD OF DIRECTORS	6
PART 1: BUSINESS OVERVIEW AND PERFORMANCE	8
1. ORGANIZATIONAL STRUCTURE AND BUSINESS OPERATIONS	8
2. RISK MANAGEMENT	19
3. BUSINESS SUSTAINABILITY DEVELOPMENT	22
4. MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)	28
5. GENERAL INFORMATION AND OTHER MATERIAL FACTS	36
PART 2: CORPORATE GOVERNANCE	37
6. CORPORATE GOVERNANCE POLICY	37
7. CORPORATE GOVERNANCE STRUCTURE AND MATERIAL FACTS RELATED TO THE BOARD, SUBCOMMITTEES, EXECUTIVES, EMPLOYEES AND OTHERS	43
8. REPORT ON KEY OPERATING RESULTS RELATED TO CORPORATE GOVERNANCE	59
9. INTERNAL CONTROL AND RELATED PARTY TRANSACTIONS	69
PART 3: FINANCIAL STATEMENTS	72
ATTACHMENT:	109
ATTACHMENT 1: DETAILS OF DIRECTORS, EXECUTIVES, CONTROLLING PERSON, THE PERSON ASSIGNED TO TAKE THE HIGHEST RESPONSIBILITY IN ACCOUNTING AND FINANCE, THE PERSON ASSIGNED TO TAKE DIRECT RESPONSIBILITY FOR ACCOUNTING SUPERVISION AND COMPANY'S SECRETARY	110
ATTACHMENT 2: POSITIONS OF DIRECTORS AND EXECUTIVES IN RELATED COMPANIES	117
ATTACHMENT 3: DETAILS OF THE HEADS OF THE INTERNAL AUDIT	118
ATTACHMENT 4: BUSINESS ASSETS AND DETAILS OF ASSET APPRAISAL	119
ATTACHMENT 5: GOOD CORPORATE GOVERNANCE AND CODE OF CONDUCT	121
ATTACHMENT 6: REPORT OF THE AUDIT COMMITTEE	122



Message from the Board of Directors

Dear Shareholder,

Although the COVID-19 pandemic has passed, the global economy remains volatile due to trade conflicts and the war. This has had a significant impact on the manufacturing sector, causing exports, which are a major source of national income (GDP), to slow down for over 12 months, and this trend has continued into early 2024.

As a result, most businesses, from small to large and multinational corporations, have excess capacity. This has led to a decrease in the overall demand for raw materials, machinery, tools, and labor. Although product prices have not changed much, there is not much incentive to invest in production due to the decrease in work volume.

In addition, domestic businesses are also being affected by a large number of cheap semi-finished and finished products from foreign countries, such as China, which are flooding the market. These products take advantage of the 0% import tax loophole to enter the market, while raw materials and tools imported for production are still subject to normal import taxes. This makes it even more difficult for domestic businesses to compete.

In view of the overall situation, the company has prepared itself by reorganizing its internal operations and introducing high-quality products, raw materials, machinery, and equipment with advanced technology along with our heat treatment service operates with the latest technologies and complies with global standards such as ISO9001, IATF16949, AS9100, and NADCAP and also provides technical assistance with metallurgical analysis to identify the major opportunities for improvement in our customers' manufacturing processes and needs. This is to help them adapt, improve their efficiency and competitiveness, and compete with foreign manufacturers in terms of both quality and cost. This will ensure long-term sustainability for customers in the future.

2024 marks the 51st anniversary of the company's founding. The company remains committed to conducting business with integrity, transparency, and good governance. The company is committed to developing new technologies and specialized personnel to provide and improve production capabilities for customers. This is a key solution to adapting to competition with quality and efficiency, in order to ensure the sustainability of customers, partners, shareholders, and employees of the company.

On behalf of the Board of Directors, Sahamit Machinery Public Company Limited.

Chaisilp Tamesirichai
President
Sahamit Machinery PLC.

Phut Sorayarnthanawut
Managing Director
Sahamit Machinery PLC.

Financial Highlights

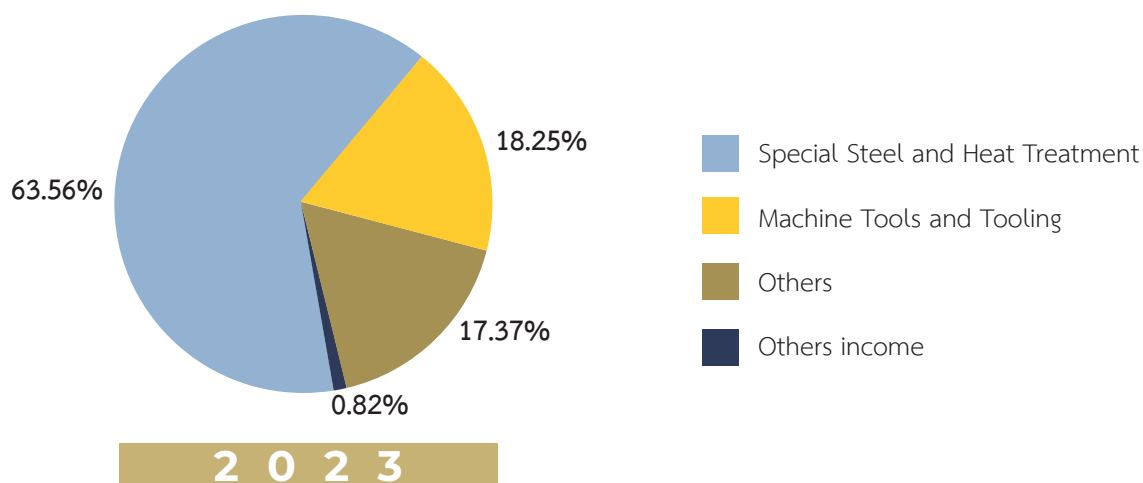
	2023	2022	2021	Unit
Total assets	2,805.73	2,864.12	2,867.17	Million Baht
Total liabilities	274.12	327.46	377.44	Million Baht
Total shareholders' equity	2,531.61	2,536.66	2,489.73	Million Baht
Total revenue	1,630.92	2,211.30	2,078.53	Million Baht
Net profit	131.67	235.69	290.53	Million Baht
Book value per share	4.78	4.79	4.70	Baht
Earnings per share	0.25	0.44	0.55	Baht
Dividend per share	0.30	0.36	0.30	Baht
At the closed price	4.52	4.96	4.82	Baht
Net profit margin	8.07	10.66	13.98	%
Return on equity	5.20	9.38	12.08	%
Return on asset	4.64	8.22	10.65	%
Dividend Yield	7.52	7.26	5.39	%
Debt to Equity ratio	0.11	0.13	0.15	Times
Employees	461	463	467	Persons

Revenue Structure

	2023		2022		2021	
Unit: Million Baht	amount	%	amount	%	amount	%
Special Steel and Heat Treatment	1,036.64	63.56	1,306.53	59.08	1,329.43	63.96
Machine Tools and Tooling	297.63	18.25	487.92	22.07	371.39	17.87
Others*	283.36	17.37	381.78	17.26	346.71	16.68
Other Income**	13.29	0.82	35.07	1.59	31.00	1.49
Total income	1,630.92	100.00	2,211.30	100.00	2,078.53	100.00

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

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



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

Board of Directors 2023



Mr. Chaisilp Tamesirichai
Chairman of the Board

Mr. Prasong Srithornratkul
Vice-Chairman of the Board

Mr. Pornsin Thaemsirichai
Director



Mr. Thana Senavattagul
Director

Mr. Pichai Nithivasin
Independent Director

Mr. Kriangrai Boonkittichareon
Audit Committee /
Independent Director

Board of Directors 2023



Mr. Karun Kittisataporn
Independent Director /
Audit Committee

Gen. Vapirom Manasrangsi
Independent Director /
Chairman of the Audit Committee



Mr. Chayakorn Limsiripan
Independent Director /
Audit Committee

Mr. Phut Sorayarnthanawut
Director

Mr. Charndej Tamesirichai
Director



Ms. Piyanuch Tamesirichai
Director

Ms. Piyaporn Srithornratkul
Director

Ms. Prangtip Sivaruk
Director



1. Organizational Structure and Operation

1.1 Policy and Business Overview

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

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

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

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

1.1.1 Vision, Mission, Objective and Strategy

Vision:

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

Mission:

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



Objective:

“To be the leading full-service importer and distributor of Special Steels, Machine Tools, Tooling, Pulp and Paper, Machinery and Equipment for Wood Industry, Electrical Engineering, and other related industries to support the growth of key industrial sectors in the country and region.”

Strategy:

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

- To provide the top quality of product and services
- To professionally develop the skills and knowledge of product
- To provide One-Stop Services to customers
- To maintain a reliable partnership relationship among the stakeholders

1.1.2 History and Major Development

1973	Established with Baht 80,000 capital as a supplier of raw materials, machinery and equipment for industrial sectors.
1990	Constructed the first warehouse in Sathupradit, Bangkok.
1993	Constructed Headquarter office in Bangkok.
1994	Became a public company and raised registered capital to 140 million baht.
1995	Increased registered capital from 140 million to 160 million baht; bought a plot of land in Bangpakong to constructed a warehouse and a steel facility center, as well as , constructed the second warehouse in Sathupradit, Bangkok.
1999	Constructed the first and second warehouses in Bangpakong to operate steel's pre-finishing and paper slitting facilities.
2000	Bought the third Sathupradit warehouse for paper stock.
2002	Constructed the third warehouse in Bangpakong for abrasive converting facility.
2004	Raised registered capital to Baht 550 million.
2005	Listed in the Stock Exchange of Thailand (SET) on 18 May 2005.
2006	Began to operate the heat treatment plant in Bangpakong. On 29 November 2006, H.R.H. Princess Maha Chakri Sirindhorn graciously presided over the grand opening ceremony.
2007	Constructed the Industrial Knife Production plant in Bangpakong in cooperation with Toyo Knife Company Limited, Japan and expand ed the capacity of the heat treatment plant.
2008	Constructed the fourth warehouse in Bangpakong for Steel's stock and expanded Sathupradit Warehouse for Electrical Engineering's workshop.

2010	Constructed the fifth warehouse in Bangpakong for Steel's stock and for future expansion of the Industrial Knife Production and the heat treatment's capacity.
2015	Constructed the fourth warehouse in Sathupradit, Bangkok for Steel stock.
2018	Invested in new machines and equipment to support the heat treatment service and purchase land in Bangpakong District in order to expand facilities and warehouses.
2019	Installed solar rooftop to generate clean energy for plant operation in order to improve efficiency and decrease electricity costs while become a part to reduce the impact of environment and climate change.
2020	Received the renew certificate of being a member of Private Sector Collective Action Coalition Against Corruption (CAC) on 7 February 2020
2023	The 50th Anniversary of the Company and received the third renew certificate of being a member of CAC

The material changes and development regarding the controlling power and the nature of business during the preceding year

-None-

The material changes in the shareholding structure, management or business operation or any other important events (e.g., merger and acquisition) during the past three years

-None-

1.1.3 The company has already spent the raised fund to serve the objectives declared in the registration statement for the securities offering. In this regard, the Company shall disclose the following information

- The company has not raised fund for the past 3 years-

1.1.4 The company has committed in the registration statement for securities offering and/or the approval conditions of the SEC Office (If Any) and/or the conditions for the Stock Exchange of Thailand's acceptance of securities (if any), including the compliance with such obligations or conditions in the following years.

-None-

1.1.5 General Information about the company

Company name	SAHAMIT MACHINERY PUBLIC COMPANY LIMITED
Head Office	42, 48 SOI CHOKCHAIJONGJUMROEN, RAMA 3 ROAD, YAN NAWA, Bangkok 10120
Type of business	an importer and distributor of industrial products, raw materials, industrial machinery and equipment
Company Registration Number	0107537002664
Tel.	66 (0) 2295 1000-8, 66 (0) 2295 1901-9
Fax.	66 (0) 2295 1009, 66 (0) 2295 1020
Website	www.sahamit.co.th
Paid-up capital	530,000,000 ordinary shares (as of Dec 31, 2023)

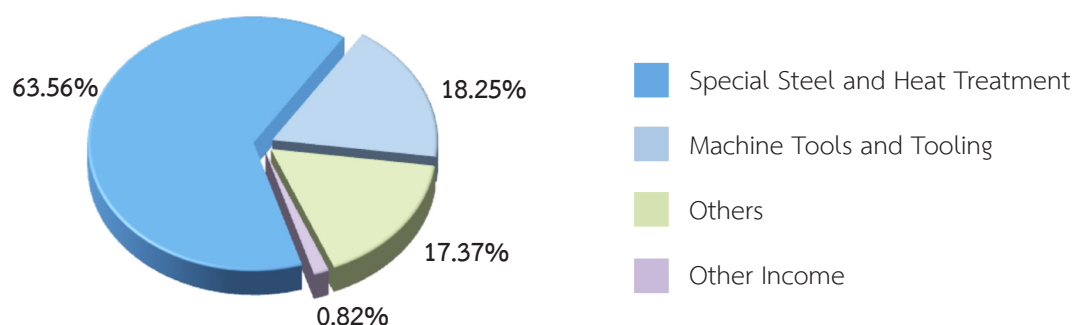
1.2 Nature of Business

1.2.1 Revenue Structure

Revenue Structure (Unit : Million Baht)	2023		2022		2021	
	Income	%	Income	%	Income	%
Special Steel & Heat Treatment	1,036.64	63.56	1,306.53	59.08	1,329.43	63.96
Machine Tools & Tooling	297.63	18.25	487.92	22.07	371.39	17.87
Others *	283.36	17.37	381.78	17.26	346.71	16.68
Other Income **	13.29	0.82	35.07	1.59	31.00	1.49
Total Income	1,630.92	100.00	2,211.30	100.00	2,078.53	100.00

Remark * Others includes Products in Machinery & Equipment for Wood Industry, Paper and Electrical Engineering Sectors

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



1.2.2 Products & Services

(1) Products & Services

1. Special Steel

- Product**
- Special Tool Steel
 - Machinery and carbon steel
 - Aluminum alloy
 - Metal Band Saw Blades
 - Injection Pins for Plastic Moulds

Service The company provides fully-integrated cutting services such as Vertical & Horizontal Milling Machine, Surface Grinding Machine for making finishing plate for moulds and dies, and the Heat Treatment service as well.

2. Machine Tools and Tooling

- Product**
- High quality electrical discharge machine (CNC Machine) & Automation
 - Wide range of milling cutters and inserts for milling in almost any work material
 - Digital Readout, Measuring Equipment
 - Tool Holders for various machines

Service The company provides assistance, training and maintenance services, using high quality spare parts and qualified professional engineering teams.

3. Paper

- Product**
- Newsprint for newspapers, printing and writing paper
 - Paper cutting and slitting machines
 - Machinery, accessories, forming fabric felt, canvas, refiner plate, and chemicals for pulp and paper industry

Service The company provides slit reels to standard sizes and converted reams of paper as per customers' requests.

4. Machinery and Equipment for Wood Processing

- Product**
- Abrasive paper, abrasive cloth and abrasive fiber
 - Self-manufactured and imported Industrial knives
 - Tapioca saw blades
 - Edge banding and wrapping materials for furniture
 - Brand new and used woodworking machineries for the panel and furniture industry

Service The company provides slit and jointed abrasives to various sizes ordered by industrial customers, as well as consulting services for machine selection.

5. Electrical Engineering

- Product**
- Computer Substation Control System
 - Electrical Meter, Measuring Center
 - Low-voltage Switch Gear

Service The company offers before and after sales services including consultation and training, systems design and integration, installation and commissioning.

Heat Treatment Services

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

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

- **Vacuum Quenching Furnaces**

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

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

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

- **Atmosphere Controlled Furnaces**

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

(2) Industry and Competition

- **Overview of Mould & Die Industry**

The mold & die industry which is an important supporting industry and the essence of industrial manufacturing, as it plays a supportive role to other industries, such as, automobile industry, electronic industry and plastic industry. Therefore, the demand growth is relevant to the growth or deteriorates of the manufacturing industry and the overall industry in Thailand.

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

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

- **Overview of Paper Industry**

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

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

- **Overview of Wood and Furniture Industry**

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

- **Overview of Electrical Industry**

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

(3) Products and Services Provision

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

(4) Assets Used in Business Operation

As of 31 December 2023, the major assets used in business operations are as follows:

Assets	Ownership	Book Value (Million Baht)	Obligation
Land and land improvement	Ownership	507.15	None
Building	Ownership	44.94	None
Machinery	Ownership	187.66	None
Vehicles	Ownership	26.74	None
Furniture and office equipment	Ownership	2.40	None
Electrical systems and warehouse equipment	Ownership	35.85	None
Total		804.74	

Intangible Assets (as of 31 December 2023) -None-

(The details of Assets Used in Business Operation are in Attachment 4)



Investment policy in subsidiaries and associates

The company has no subsidiaries or associated companies.

(5) Undelivered projects, only for a high-value project or work that takes time to complete (as of 31 December 2023)

-None-

1.3 Shareholding Structure of the Company Group

1.3.1 Shareholding Structure of the Company Group

-None -

1.3.2 Person with a potential conflict of interest holds shares in subsidiaries or associated companies more than 10 percent of the voting shares of the Company

-None-

1.3.3 Relationship with the major shareholder's business group

-None-

1.3.4 Shareholders

(1) Major Shareholders

(a) Top 10 Major Shareholders as of 31 December 2023, comparing with last two years as follows:

As of December 31, 20223				As of December 31, 2022				As of December 31, 2021			
No.	Name	Number of Shares	%	No.	Name	Number of Shares	%	No.	Name	Number of Shares	%
1	Group “Mr. Chaisilp Tamesirichai”			1	Group “Mr. Chaisilp Tamesirichai”			1	Group “Mr. Chaisilp Tamesirichai”		
	- Mr. Chaisilp Tamesirichai	43,469,346	8.20		- Mr. Chaisilp Tamesirichai	43,469,346	8.20		- Mr. Chaisilp Tamesirichai	43,469,346	8.20
	- Mrs. Cherawan Tamesirichai	5,940,000	1.12		- Mrs. Cherawan Tamesirichai	5,940,000	1.12		- Mrs. Cherawan Tamesirichai	5,940,000	1.12
	- Mr. Chardej Tamesirichai	2,000,000	0.38		- Mr. Chardej Tamesirichai	2,000,000	0.38		- Mr. Chardej Tamesirichai	2,000,000	0.38
	- Ms. Piyanuch Tamesirichai	15,410,100	2.91		- Ms. Piyanuch Tamesirichai	15,410,100	2.91		- Ms. Piyanuch Tamesirichai	15,410,100	2.91
	- Ms. Nuttaporn Tamesirichai	21,940,400	4.14		- Ms. Nuttaporn Tamesirichai	21,940,400	4.14		- Ms. Nuttaporn Tamesirichai	21,950,400	4.14
	- Mr. Vorarit Tamesirichai	11,319,000	2.14		- Mr. Vorarit Tamesirichai	11,319,000	2.14		- Mr. Vorarit Tamesirichai	11,319,000	2.14
	Total	100,078,846	18.89		Total	100,078,846	18.89		Total	100,088,846	18.89
2	Group “Mr. Prasong Srithornratkul”			2	Group “Mr. Prasong Srithornratkul”			2	Group “Mr. Prasong Srithornratkul”		
	- Mr. Prasong Srithornratkul	42,878,936	8.09		- Mr. Prasong Srithornratkul	42,878,936	8.09		- Mr. Prasong Srithornratkul	42,878,936	8.09
	- Ms. Piyanuch Srithornratkul	25,458,900	4.80		- Ms. Piyanuch Srithornratkul	25,458,900	4.80		- Ms. Piyanuch Srithornratkul	25,458,900	4.80
	- Ms. Piyanol Srithornratkul	28,667,400	5.41		- Ms. Piyanol Srithornratkul	28,667,400	5.41		- Ms. Piyanol Srithornratkul	28,617,400	5.40
	Total	97,005,236	18.30		Total	97,005,236	18.30		Total	96,955,236	18.29
3	Group “Ms. Prangtip Sivaruk”			3	Group “Ms. Prangtip Sivaruk”			3	Group “Ms. Prangtip Sivaruk”		
	- Ms. Prangtip Sivaruk	34,711,800	6.55		- Ms. Prangtip Sivaruk	34,711,800	6.55		- Ms. Prangtip Sivaruk	34,640,000	6.54
	- Ms. Sasirat Sivaruk	30,040,900	5.67		- Ms. Sasirat Sivaruk	30,040,900	5.67		- Ms. Sasirat Sivaruk	30,040,900	5.67
	- Mrs. Suwanna Sivaruk	17,898,072	3.38		- Mrs. Suwanna Sivaruk	17,898,072	3.38		- Mrs. Suwanna Sivaruk	17,883,072	3.37
	Total	82,650,772	15.6		Total	82,650,772	15.6		Total	82,563,972	15.58
4	Group “Mr. Pornsin Thaemsirichai”			4	Group “Mr. Pornsin Thaemsirichai”			4	Group “Mr. Pornsin Thaemsirichai”		
	- Mr. Pornsin Thaemsirichai	12,600,000	2.38		- Mr. Pornsin Thaemsirichai	12,600,000	2.38		- Mr. Pornsin Thaemsirichai	12,600,000	2.38
	- Mrs. Montanut Thaemsirichai	5,400,000	1.02		- Mrs. Montanut Thaemsirichai	5,400,000	1.02		- Mrs. Montanut Thaemsirichai	5,400,000	1.02
	- Mr. Pornprasong Thaemsirichai	4,155,500	0.78		- Mr. Pornprasong Thaemsirichai	10,155,500	1.92		- Mr. Pornprasong Thaemsirichai	10,155,500	1.92
	Total	22,155,500	4.18		Total	28,155,500	5.32		Total	28,155,500	5.32
5	Mr. Chaisit Wiriyamettakul	14,120,000	2.66	5	Mr. Chatri Sophonpanich	14,400,000	2.72	5	Mr. Chatri Sophonpanich	14,400,000	2.72
6	Mrs. Suchada Lisawattrakul	14,076,600	2.66	6	Mr. Chaisit Wiriyamettakul	14,200,000	2.68	6	Mr. Chaisit Wiriyamettakul	14,240,000	2.69
7	Bangkok Bank PLC.	10,000,000	1.89	7	Mrs. Suchada Lisawattrakul	10,476,600	1.97	7	Mrs. Suchada Lisawattrakul	10,476,600	1.97
8	Mr. Thana Senavattanakul	9,600,000	1.81	8	Mr. Thana Senavattanakul	10,165,000	1.92	8	Bangkok Bank PLC.	10,000,000	1.89
9	Mrs. Kann Limpisripun	5,040,095	0.95	9	Bangkok Bank PLC.	10,000,000	1.89	9	Mr. Thana Senavattanakul	8,280,000	1.56
10	Mrs. Supattra Siripatkulakachorn	4,919,700	0.93	10	Thai NVDR Co., Ltd.	9,619,500	1.82	10	Mr. Prayut Mahakitsiri	6,788,574	1.28
	Total	57,756,395	10.9		Total	68,861,100	13.00		Total	64,185,174	12.11
11	Group “Shareholder 0.5%”			11	Others	153,248,546	28.89	11	Others	158,051,272	29.81
	- Mr. Chayakorn Limpisripun	4,917,000	0.93		Total paid-up registered capital	530,000,000	100.00		Total paid-up registered capital	530,000,000	100.00
	- Mr. Sanun Angubolkul	4,401,054	0.83								
	- Dr. Weerapong Boonkiticharoen	4,158,432	0.78								
	- Mr. Hans - Joachim Blinder	3,993,228	0.75								
	- Mr. Vivat Chantaworasuth	3,800,000	0.72								
	- Mr. Chatsiri Sophonpanich	3,600,000	0.68								
	- Mr. Chalee Sophonpanich	3,600,000	0.68								
	- Mrs. Sawitree Romyaroop	3,600,000	0.68								
	- Mr. Pure Limpisripun	3,500,000	0.66								
	- Master. Pakin Tamesirichai	3,300,000	0.62								
	- Thai NVDR Co., Ltd.	3,263,730	0.62								
	- Ms. Nuntikarn Tamesirichai	3,220,000	0.61								
	- Mr. Phut Sorayarnthanawut	3,137,292	0.59								
	- Mrs. Angkana Kokphol	2,805,355	0.53								
	- E - li Holding Co., Ltd.	2,689,074	0.51								
	- Mr. Pichai Nithivasin	2,672,464	0.50								
	Total	56,657,629	10.69								
12	Others	113,695,622	21.44								
	Total paid-up registered capital	530,000,000	100.00								

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

(b) The major shareholders who, by their behavior, have significant influence over the formulation of policies, management, or operations of the Company are the group of Mr. Chaisilp Tamesirichai, Mr. Prasong Srithornratkul and Ms. Prangtip Sivaruk.

(2) In case of holding company, show the list of shareholders of a Subsidiary operating its main business.

-None-

(3) Major Shareholder's agreement

-None-

1.4 Registered capital and paid-up capital

1.4.1 Registered Capital / Paid-up Capital / Number of Shares

On 31 December 2023, the Company has a registered capital of 550 million baht, of which 530 million baht is paid up, consisting of 530 ordinary shares at the par value of 1 baht per share.

The Company does not issue any other types of shares other than ordinary shares which have been registered on the Stock Exchange of Thailand (SET) under the symbol "SMIT".

1.4.2 Other securities with rights or conditions different from ordinary shares

-None-

1.4.3 Convertible securities

-None-

1.5 Issuance of other securities

-None-

1.6 Dividend Policy

Sahamit Machinery PCL has a policy to pay a dividend at the rate not less than 40 percent of the annual net profit after income tax deduction, legal reserves and reserves for future expansion (if any). However, this Dividend Policy is subject to change from time to time at the discretion of the Board of Directors of the Company. The principal factors that might cause the Board of Directors of the Company to review this policy include the operating results, financial structure, financial position, liquidity, additional investment needs, legislative or regulatory changes, significant corporate restructuring, or other factors related to the Company's management.

The Board of Directors determine the dividend payment by considering various factors, for the benefit of the shareholders which must not affect the operation, financial status, liquidity, expansion plan in the future and other significant factors related to the Company's management. The resolution of the Board of Directors approving the payment of dividends must be presented for approval at the shareholders' meeting, except for an interim dividend payment which the board of directors of the Company has authority to approve from time to time when deemed that the Company has appropriate net profits. Such interim dividend payment shall be reported to the shareholders at the next meeting of shareholders.

The Company's dividend payment during the past 3 years are as follows:

Year	Net profit	Dividend per Share	Total Amount (Unit : Baht)	Dividend Payout Ratio (%)	Dividend Yield (%)
2022	235,688,311.16	0.34	180,200,000	76.46	6.85
2021	290,531,940.83	0.36	190,800,000	65.67	7.47
2020	147,319,548.26	0.26	137,800,000	93.54	8.21



2. Risk Management

2.1 Risk Management Policy and Plan

Risk management is recognised as an integral component of good management and governance for the operations of all company activities to be efficient, effective, and achieve the objectives for the growth of company towards sustainable development.

It is a challenge for the company to balance the risks and outcomes of success that will bring added value to the company, avoid the threat, reduce the negative effect or probability of the threat, which means the company must understand and identify the risks to its own business. An acceptable level of risk is set by management to ensure that any risks involved in an organization's activities are managed properly. Consequently, the company's Risk Management Sub-Committee has set the risk management policy and plan and applied it to the entire company to defend and decrease impacts from any risks that could affect the business and its interests.

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

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

2.2 Risk factors on business operation

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

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

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

With more than 50 years of experience, the company understands the price cycle of products will be relevant to demand and supply. The company made major effort to manage this risk by having a sufficient inventory of the products and raw materials, also adjusted the price to reflect the world market price. Our main product, special steel has special specifications which is use particularly in the mould-making and tooling industry. Having a sufficient inventory ready to be dispatched to customer, resulted in the bargaining power with the buyers. Adjusted higher price did not influence any declining in the total revenue of the company. Moreover, the company can maintain the gross profit from selling our products.

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

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

- **Foreign Exchange Rate Fluctuation**

Most of the products that the company distributes are from imports which may suffer from fluctuations in the foreign exchange rate. However, the company purchases products from various countries and has opportunities to select the currency for the payment, such as Euros, Dollars, or Yen. The company does not rely on only one currency, so it reduces the risk from the fluctuation of the foreign exchange rate. Using the Forward Contract and paying off some trading liabilities to some suppliers before the due time is the tool that the company uses to manage risks.

- **Risk from Accounts Receivables**

As of 31 December 2023, the company has total accounts receivable of 288.26 million Baht or 17.82 % of Total Sales. In 2023, the average collection period is 79 days, and it has the short-term accounts receivable (less than 3 months) of 282.23 million Baht or 97.91% of net accounts receivable. The company may have the risk in collections from accounts receivable. Total trade receivables decreased by 25.59%YoY. If the accounts receivable has problem in their business operations, it may affect the company's liquidity in terms of working capital and the business performance.

However, the company has a strict credit-check policy. Each customer must pass the credit check prior to credit being granted. The company regularly performs and follows the customer's financial status. Moreover, the company has set up the uncollectible debt policy when the customer has an overdue balance or when it detects that the customer will have a problem with payment.

Constantly, the company sells mainly to industrial manufacturers which have low rates of uncollectible debt. The company has approximately more than 2,000 customers; there are no accounts receivable that have a credit balance of more than 5% of the total sales. This spreading of the accounts receivable results in decreasing risk from accounts receivables.



3. Business Sustainable Development

3.1 Sustainability management policies and goals

The Company has established policies for sustainable development, based on the vision, mission and business strategy inclusive the economy, society and environment, in order to develop business operations with sustainable management and able to respond to the expectations of all stakeholders. Sustainability policies and guidelines have been established by the company as follows:

- Committed to sustainable growth under good corporate governance principles and business operations in accordance with good corporate governance control principles
- Conduct business with social and environmental responsibility with cost-effective resource management and effective management of social and environmental impacts
- Develop participation of stakeholders in all sectors. Taking into account the principles of human rights in accordance with sustainable development guidelines

Sustainable economic growth development

The company conducts business with ethics, transparency and fair under the principles of good governance, committed to continually improving the quality of products and services to cover and respond to customer needs as well as effective risk management.

Social development

The company is aware of creating a sustainable society by taking into account the importance of society, community, and all groups of stakeholders fairly and equally without distinction of race, color, religion, sex, age, nationality.

Environmental development

The company operates business that is environmentally friendly, as well as giving importance to energy management by paying attention, taking care of, maintaining and using resources for maximum efficiency. The company also promote systematic waste management as well as instilling the basic awareness of employees to use the available resources with understanding value to reduce environmental impacts both in the short term and long term.

3.2 Managing impact on stakeholders in the business value chain

3.2.1 Business value chain

The company is aware of the possible impact that may affect people, the environment and business operations of the company, both directly and indirectly. Therefore, it places importance on the relationship between the company and all stakeholders, to help communication, recognizing and understanding the expectations and needs of stakeholders.

3.2.2 Analysis of stakeholders in the business value chain

The company has divided stakeholders into groups as follows: shareholders and investors, employees, customers, competitors, community and society, regulatory and government agencies.



	Expectation of Stakeholders	Participation of Stakeholders
Shareholders and Investors	• The continuous and sustainable growth of company. • Good corporate governance and risk control planning. • Management with transparency and fairness. • Necessary information is disclosed to the public.	• Organize the annual general meeting of shareholders. to provide opportunities for shareholders to exercise their rights to vote and express opinions equally. • Opportunity Day activities • Contact through the company's secretariat. • Company website and the website of the Stock Exchange of Thailand
Employees	• Receiving fair compensation and appropriate welfare in accordance with economic condition • Stability and advancement in work. • Health and safety at work. • Continuous development of knowledge and abilities	• Explore the payroll in the labor market, and review accordingly with the company's performance • Prepare personnel development plans for employees. • Develop communication channels between companies and staff on LINE application.
Customers	• Products meet the quality and standards and on-time delivery • Offering products at fair and reasonable prices. • Quality of after-sales service. • Business agreements under fair conditions. • Accurate information about products and services. • Maintain confidential information of customers.	• Customer satisfaction survey. • Provide a system and channel for customers to make complaints about quality and security of goods and services. • Organize a meeting to exchange information and collect opinions. • Provide information about the use of the Company's products and services.
Competitors	• Treat trade partners equally and be fair in procurement. • Compensation and fair business agreements. • Strictly abide by the contract or agreed terms.	• Establish a transparent procurement system that can be checked. • The Company joined the Private Sector Collective Action Coalition Against Fraud (CAC) • Continuously monitor the progress of work in accordance with the plan.
Community and Society	• Take care of the environment. • Strengthen good relationships in the community. • Conduct business with ethics along with participating in social responsibility.	• Social activities and campaigns. • Listen to and exchange opinions with the community. • Cultivate awareness of social and environmental responsibility among employees.
Government Sectors	• Operate the business in accordance with the rules and comply with the relevant regulations. • Have good corporate governance.	• Attend training seminars organized by various agencies.

3.3 Sustainability management in environmental dimensions

3.3.1 Environmental policies and practices

The company operates business that is environmentally friendly as well as giving importance to sustainable energy management by paying attention, taking care of and using various resources for maximum benefit by reducing the use of electricity and water, reducing waste and various wastes including choosing equipment that helps reduce global warming.

3.3.2 Environmental performance

- To reduce energy consumption, the company has purchase and select computers by considering the need for use. The company purchase devices with features that are not too low and not too high. Computers are recycled, by changing the rotation of use according to the needs of each individual. Some of the good working computers are also collected and donated to temples and schools.
- The company concern on saving electricity by choosing energy-saving equipment and encouraging employees to use electricity economically, such as turning off lights and turning off computer screens during lunch breaks and immediately after work
- The Company has a campaign to recycle single-sided used paper for maximum benefit, refrain from unnecessary use of paper, focus on communication via other channels such as email or LINE application.
- The company has implemented a solar rooftop panel installation project to generate clean energy for plant operation in order to improve efficiency and decrease electricity costs while becoming a part to reduce the impact of the environment and climate change.
- The company focuses on the management to reduce greenhouse gas problems by using Energy-Efficient Air Conditioners, urging responsible units to check the vehicles system and having maintenance carried out regularly.

Greenhouse Gas Management

The company focuses on environmental and social responsibility policies, and it is aware of the greenhouse gas emissions problem that causes global warming and climate change which increasingly affect quality of life of all being and negative impacts on ecosystems around the globe.

The company put in place to do its part to reduce greenhouse gas emission problems and lead the organization into a low-carbon society according to the government policy and Agreement under the United Nations Framework Convention on Climate Change (UNFCCC), with energy efficiency management guidelines such as regular monitoring and maintenance of equipment and machines, including office equipment such as air conditioners to always be in good condition and selecting electrical appliances with energy labels and low carbon emissions, etc. In addition, the company has invested and implemented clean energy to be used in the factory to reduce greenhouse gas emissions and contribute to sustainable development goals.

The company has invested and implemented in the Solar Rooftop project for its own use, divided into 3 phases: Phase 1 has been successfully installed and operated since 2019 with a capacity



of 437.76 KW, Phase 2 has been successfully installed since the end of the year 2022 with a capacity of 514.80 KW, and Phase 3 has been successfully installed and operated in the third quarter of 2023 with a capacity of 950.40 KW. This project will reduce greenhouse gas emissions by 1,464 tons CO₂ per year, or equivalent to reducing the use of coal by 1,233 tons per year, or equivalent to planting 1,685 trees per year.

3.4 Sustainability management in social dimensions

3.4.1 Social policies and practices

Human rights

The Company adheres to the principle of human rights as the principle of business operation, covering all stakeholders and to ensure that business operations are carried out with prudence and do not take any action that will infringe or affect human rights either directly or indirectly. The company has never had legal disputes in terms of labor, forced labor, child labor and business operations.

Labor relations

The company treats employees equally, provides a suitable working environment and takes care of the compensation of all employees fairly. It gives fairness to employees at all levels. And it also provides training programs to enhance experience and exchanging knowledge with other organizations so that employees can apply them to develop their own potential for advancement in their work

Promotion of the disabled

The company emphasize on improving the quality of life of people with disabilities. It also encourages people with disabilities to have the opportunity to use their talents to generate income for self-reliant and to reduce the burden on the family.

Safety

The company has a policy that encourages employees to perform their duties safely. It emphasizes on preventing accidents that may occur and instilling in employees a sense of safety, maintain a hygienic and safe workplace at all times.

3.4.2 Social Operating Results

Staffs and Labors

The company employs employees based on qualifications suitable for the organization and job title under the concept of human resource management. The company supports for fair employment and does not support forced labor, against child labor and do not do any transactions with partners and keep the information in the job application confidential.

The company treats its employees with respect for human rights, the right to express opinions and creates awareness for all employees to respect each other's rights.

The company is aware of the importance of preventing human rights violations in human resource management. As it is a fundamental right that everyone should receive equally, the company has strictly complied with all regulations related to employment and treatment of employees according to labor laws, including considering issues that may affect human rights violations.

Providing welfare for the employees pursuant to the law, e.g., social security, provident fund etc. and additional to the law, e.g., health insurance, accident insurance, etc. including various funding, e.g. funeral expenses, etc.

Employment

The company has recruited and hired employees by considering the qualifications suitable for the organization and the position with no restrictions on gender, age, race or religion, but gives importance to work potential. The company still maintains the process of selecting personnel suitable for the position such as organizing a knowledge test, measuring work attitude aptitude for work, in order to place employees to work effectively.

Employees training

The company has set up training programs for new employees enabling them to understand the corporate culture, corporate basic information, related various departments, the company's business, including information about benefits and welfares that employees will receive, so that employees can learn and adapt to the organization effectively.

The company conducts a survey on the need for training and development to collect the information in order to prepare a training development plan for employees. It is including practice in real situation. The company has set the job descriptions for employees to learn and work at the same time by using experience as a tool to learn and develop working skills.

Community and Society

The company operates its business under the law, related regulations as well as moral principles and good corporate governance principles. The company also takes care of the rights of various groups of stakeholders as prescribed by law. The company believes that right, transparent and fair operations are the most important fundamental qualities of a sustainable growth of the company. And in order to have clear guidelines for all related parties, the company has established guidelines for operations, in various matters both inside and outside the organization as follows:

The company takes good care for employees to be physically healthy and good mind with a suitable working environment, continuously improves the knowledge and skills of employees at all levels. It upholds the principle of respect for human rights of employees and encourages employees to have a public mind and to participate in activities related to the environment, society, youth and underprivileged. The company gives opportunities to those with knowledge and abilities and have the appropriate qualifications to have the opportunity to work with the company without bias of race, religion, gender and age.

The company takes much importance to its partners. There is fair procurement, clarity, transparency, and opportunity for fair competition. There is no disclosure of confidential business information such as conditions, prices, to the company's partners. Regarding financial institutions, the company makes payments on time as agreed under the contract. While intellectual property matter, the company has a policy to use copyrighted computer programs only.

Involvement with Community and Society

The company has prioritized social engagement, particularly focusing on enhancing education and quality of life for children and youth. In 2023 the company supported various improvements at Ban Kut Khamin School, including repairing and enhancing bathrooms, installing iron bars on doors and windows, replacing classroom doors, and repairing the school building in Chaiyaphum Province. These efforts aim to foster a conducive educational environment and ensure hygiene for both teachers and students.



On January 12, 2023, the company donated 2,000 baht to the Samut Khee Raksa Banrung School Education Fund in Bang Pakong District, Chachoengsao Province. The donation was made to support the school in providing scholarships to students who excel academically but lack financial resources.

Furthermore, the company has provided scholarships and supported children's day activities. It has also provided agricultural equipment and vegetable seeds to promote kitchen garden cultivation at Wat Khlong Mai School, Rama 3.



On October 1, 2023, the company joined the Chaipruk Foundation in Nakhon Nayok Province to plant vegetables for cooking, provide scholarships, and lunch for the children.



4. Management Discussion and Analysis (MD&A)

4.1 Business Operations and Financial Position Analysis

4.1.1 Operating Results

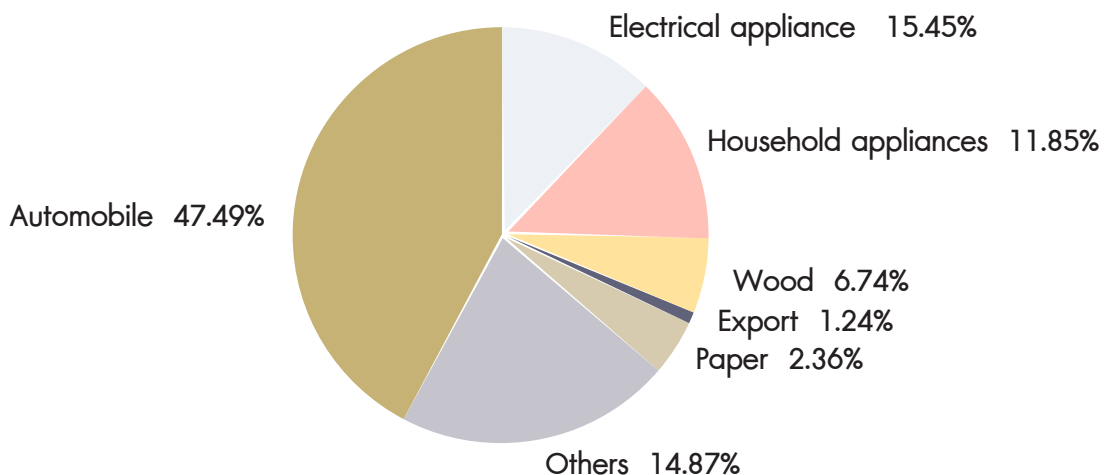
Overall performance of 2023, the company had total revenue of Baht 1,630.92 million which decreased by Baht 580.38 million or 26.25% compared to the previous year which achieved total revenue of Baht 2,211.30 million. The company's sales declined across all product groups, due to the slowdown in the manufacturing sector caused by the uneven and fragile global economic recovery, the war, and concerns about rising inflation.

Total Revenues

The core revenues of the company in 2023 are as follows:

- Revenues from sales and services amounted to Baht 1,617.63 million, equal to 99.19% of total revenue.
- Other incomes amounted to Baht 13.29 million, equal to 0.81% of total revenue.

The company's total sales are classified by industry groups as follows:



Considering selling revenue by product shows that most of the revenue derived from the products as follows:

- Special Steel and Heat Treatment with revenue of Baht 1,036.64 million, equal to 63.56% of total revenue
- Machine Tools and Tooling with revenue of Baht 297.63 million, equal to 18.25% of total revenue

Cost of Sales and Services

The company's cost of sales and services in 2023 was Baht 1,096.49 million decreased by Baht 416.20 million or equivalent to 27.51% compared to the previous year. The cost of sales and services decreased in line with the decrease in sales volume.

Gross Profit

For the fiscal year 2023, the company achieved a gross profit margin of 32.22%. This represents an improvement from the prior year's gross profit margin of 30.49%. The enhancement in gross profit is attributable to the company's adoption of an inventory management strategy appropriately.

Total Expenses

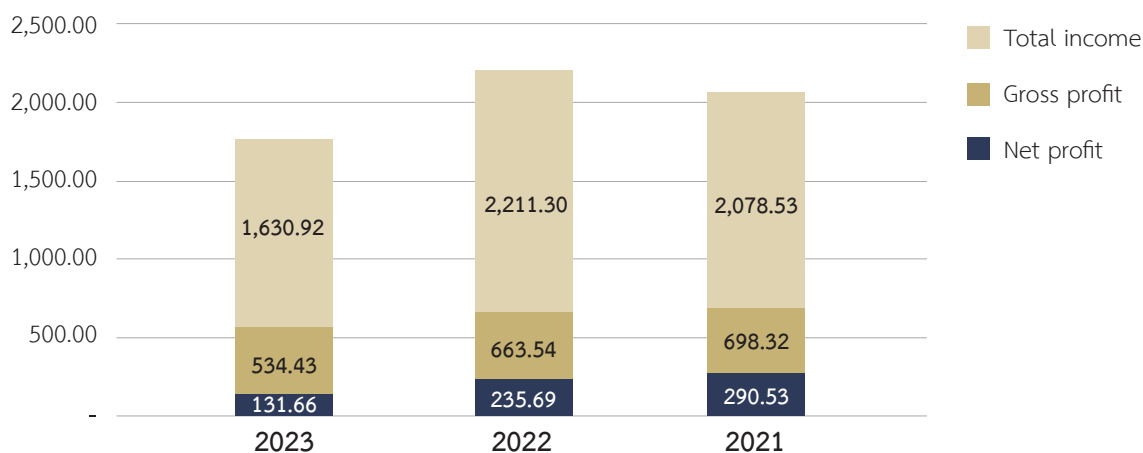
In 2023, the company's total expense was Baht 1,471.53 million, equal to 90.23% of Total Revenue which decreased by Baht 450.84 million or 23.45% from the previous year. The details are as follows:

- Cost of sales and services amounted to Baht 1,096.49 million decreased by Baht 416.20 million or 27.51%.
- Selling expenses amounted to Baht 211.28 million decreased by Baht 16.21 million or 7.13%.
- Administrative Expenses amounted to Baht 126.80 million decreased by Baht 1.87 million or 1.45%.
- Management remuneration expenses amounted to Baht 34.28 million increased by Baht 0.70 million or 2.08%.
- Loss on financial assets measure amounted to Baht 2.68 million decreased by Baht 17.26 million or 86.56%, due to exchange rate volatility and the value of mutual fund units from the conflict from war and inflation.

Net Profit

The net profit for the year 2023 amounted to Baht 131.66 million, or a net profit margin of 8.07 percent, decreased from the previous year's net profit of Baht 235.69 million, a reduction of Baht 104.03 million, or 44.14 percent. The decrease in net profit resulted from declining sales across all products due to economic conditions and slowdown in the manufacturing sector. However, considering the revenue and profit proportions, it is evident that the company has consistently maintained a good initial profit margin. This is because the company's products and services are distinctive, of high quality, widely accepted in the market. Consequently, the company can meet customers' needs and set selling prices at appropriate market prices.

Unit : Million Baht



4.1.2 Financial Position

As of December 31, 2023, the company has total asset at the amount of Baht 2,805.73 million decreased by Baht 58.39 million or 2.04% from the previous year.

The total asset comprised of

1. Current asset amounted to Baht 1,888.11 million increased by Baht 4.87 million or 0.26% from the previous year.
2. Non-Current Asset amounted to Baht 917.61 million decreased by Baht 63.27 million or 6.45% from the previous year.

ASSETS	As of Dec 31, 2023			As of Dec 31, 2022	
	(Million Baht)	%	%Δ	(Million Baht)	%
Cash and cash equivalents	58.52	2.09	-6.90	62.86	2.19
Trade and other receivables	299.19	10.66	-26.47	406.87	14.21
Contract assets	0.07	0.00	-99.16	8.33	0.29
Other current financial assets	562.28	20.04	+53.77	365.67	12.77
Inventories	967.07	34.47	-6.84	1,038.03	36.24
Other current assets	0.98	0.03	-33.33	1.47	0.05
Total current assets	1,888.11	67.29	+0.26	1,883.24	65.75
Fixed deposit using for guarantee	0.66	0.02	-	0.66	0.02
Other Non-current financial assets	112.07	3.99	-26.40	152.26	5.32
Property, Plant and equipment	804.74	28.68	-2.56	825.89	28.84
Other Non-current assets	917.61	32.71	-92.75	980.88	34.25
Total Non-current assets	978.96	34.18	-6.45	930.01	32.44
Total Assets	2,805.73	100.00	-2.04	2,864.12	100.00

Accounts Receivable, as of December 31, 2023, amounted to Baht 288.26 million or 17.82% of total sales decreased Baht 99.11 million or 25.59% from the previous year, which derived from the increase in revenue from sales and services. Short term receivable, which less than 3 months, amounted to Baht 282.23 million or 97.91% of total accounts receivable. The average debt collection period was 79 days, less than the previous year which was 77 days. Most of the receivables were during the credit terms period.

However, the company had the policy to thoroughly verify customers' credit before proceeding the credit approval. As of December 31, 2023, the Company had the allowance for doubtful debt amounted to Baht 11.89 million or 4.12% of the total trade accounts receivable.

Other current financial assets, as of December 31, 2023, was Baht 562.28 million. The company has managed financial liquidity by investing in fixed income funds and equity funds which could expect higher returns than savings.

Inventory, as of December 31, 2023, amounted to Baht 967.07 million, decreased by Baht 70.97 Million or 6.84% from the same period of last year. The said increase occurred in every product category, due to the inventory management plan which aimed to manage inventory in line with the current demand of the market.



Other non-current financial assets, as of December 31, 2023, amounted to Baht 112.07 million. The Company had invested in K.S. Mould Parts Co, Ltd. consisted of 127,300 ordinary shares with a value of Baht 450.00 each, equivalent to 10.93% of paid-up capital. The total investment, including all expenses, was Baht 57.41 million. The company had done the share revaluation and recognized the unrealized gain from the change of the share fair value at the amount of Baht 54.66 million

Property, plant and equipment and other assets as of December 31, 2023, amounted to Baht 804.74 million decreased by Baht 21.15 million or 2.56%

Liabilities and Shareholders Equity

As of 31 December 2023, the company's total liabilities amounted to Baht 274.12 million decreased by Baht 53.34 million or 16.29% from the end of the year. The current liability amounted to Baht 175.41 million or 63.99% of total liability, mostly from trade account payable at the amount of Baht 105.53 million, other account payable amounted to Baht 40.04 million and deferred incomes from selling goods and services at Baht 15.77 million, equivalent to 58.86% of the total liability.

The shareholders equity as of December 31, 2023, amounted to Baht 2,531.61 million comprised of the paid-up capital of Baht 530 million, premium on common shares amounted to Baht 262.26 million, premium on treasury stocks at Baht 12.95 million, surplus on land revaluation at Baht 195.36 million, unrealized gain from investment totaled Baht 43.83 million and had retained earnings amounted to Baht 1,432.21 million. Therefore, the shareholders equity as ended on December 31, 2023 was decreased by Baht 5.05 million or 0.20% from the previous year.

In 2023, the Company paid the dividend from the operating results of the second half of 2022, totaling Baht 106.00 million combined with the interim dividend payment for the first six months of 2023 operating results, totaling Baht 53.00 million. Therefore, the amount of dividend paid in 2023 was totaling Baht 159.00 million.

Capital Structure

As of December 31, 2023, the debt to equity (D/E) ratio of the company was at 0.11 times decreased from 0.13 times as of December 31, 2022.

4.2 Financial Highlights

Summary of Auditor report

For the accounting period as ended December 31, 2023, Ms. Sulalit Ardsawang, CPA No. 7517 from Dharmniti Auditing Co., Ltd., the auditor of the company has reviewed the company's financial statements and opined that the company financial statements present fairly, in all material respects, the financial position of Sahamit Machinery Public Company Limited as at December 31, 2023, its financial performance, the changing of shareholders equity and cash flows for the year then ended in accordance with Financial Reporting Standards.

Summary of Financial Position

Description	2023 (Audited)		2022 (Audited)		2021 (Audited)	
	(Million Baht)	%	(Million Baht)	%	(Million Baht)	%
<u>ASSETS</u>						
<u>Current Assets</u>						
Cash and cash equivalents	58.52	2.09	62.86	2.19	29.04	1.01
Trade and other receivables	299.19	10.66	406.87	14.29	514.66	17.95
Contract assets	0.07	-	8.33	0.29	-	-
Other current financial assets	562.28	20.04	365.67	12.77	359.81	12.55
Inventories	967.07	34.47	1,038.03	36.24	1,025.90	35.78
Other current assets	0.98	0.03	1.47	0.05	7.74	0.27
Total Current Assets	1,888.11	67.29	1,883.24	65.75	1,937.16	67.56
<u>Non-Current Assets</u>						
Fixed deposit using for guarantee	0.66	0.02	0.66	0.02	0.65	0.02
Other Non-current financial assets	112.07	3.99	152.26	5.32	139.72	4.87
Property, Plant and equipment	804.74	28.68	825.89	28.84	789.50	27.54
Other Non-current assets	0.15	0.01	2.07	0.07	0.14	-
Total Non-Current Assets	917.61	32.71	980.88	34.25	930.01	32.44
Total Assets	2,805.73	100.00	2,864.12	100.00	2,867.17	100.00
<u>Liabilities and shareholders equity</u>						
<u>Current Liabilities</u>						
Trade payables	105.53	3.76	123.79	4.32	165.19	5.76
Other payables	40.04	1.43	41.11	1.44	43.44	1.51
Cash received in advance from sales and services	15.77	0.56	18.51	0.65	20.19	0.70
Income tax payable	9.44	0.34	20.01	0.70	32.81	1.14
Other current liabilities	4.63	0.17	11.64	0.41	2.13	0.07
Total Current Liabilities	175.41	6.25	215.06	7.51	263.76	9.20
<u>Non-Current Liabilities</u>						
Deferred tax liabilities	33.56	1.20	28.92	1.01	32.32	1.13
Employee benefit obligations	65.15	2.32	83.48	2.91	81.36	2.84
Total Non-Current Liabilities	98.71	3.52	112.40	3.92	113.68	3.96
Total Liabilities	274.12	9.77	327.46	11.43	377.44	13.16
<u>Shareholders' Equity</u>						
Authorized share capital	550		550		550	
Issued and fully paid-up	530	18.89	530	18.50	530	18.49
Surplus Capital	275.21	9.81	275.21	9.61	275.21	9.60
Retained earnings	1,487.21	53.00	1,492.20	52.10	1,447.31	50.48
Other components of equity	239.19	8.53	239.25	8.35	237.21	8.27
Total Shareholders' Equity	2,531.61	90.23	2,536.66	88.57	2,489.73	86.84
Total Liabilities and Shareholders' Equity	2,805.73	100.00	2,864.12	100.00	2,867.17	100.00

Statement of Comprehensive Income

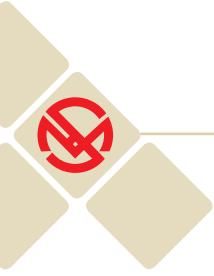
Description	2023 (Audited)		2022 (Audited)		2021 (Audited)	
	(Million Baht)	%	(Million Baht)	%	(Million Baht)	
Revenues						
Sales and service	1,617.63	99.19	2,176.23	98.41	2,047.54	98.51
Other Income 1	13.29	0.81	35.07	1.59	30.99	1.49
Total Revenues	1,630.92	100.00	2,211.30	100.00	2,078.53	100.00
Expenses						
Cost of sales and services	1,096.49	67.23	1,512.69	68.41	1,349.22	64.91
Selling and Administrative expenses	338.08	20.72	356.16	16.10	340.11	16.37
Management benefit expenses	34.28	2.10	33.58	1.52	39.51	1.90
(Gain) Loss on financial assets measured	2.68	0.16	19.94	0.90	(2.75)	(0.13)
Total Expenses	1,471.53	90.23	1,920.59	86.93	1,724.50	83.05
Income before interest and income tax	159.39	9.77	288.93	13.07	352.44	16.95
Income Tax Expenses	27.73	1.70	53.24	2.41	61.91	2.98
Net Profit	131.66	8.07	235.69	10.66	290.53	13.98
Basic earnings per share (Baht per Share)	0.25		0.44		0.55	
Par Value	1		1		1	
Weighted average number of ordinary shares	530.00		530.00		530.00	
Cash flows from operating activities	348.65		340.63		112.45	
Cash flows from investing activities	(193.99)		(116.01)		(39.74)	
Cash flows from financing activities	(159.00)		(190.80)		(158.98)	
Net Increase (Decrease) in Cash and Cash Equivalents	(4.34)		(33.82)		(6.79)	

Remark ¹ Other Income includes commission, Gain on disposal of assets

Financial Ratios

Description		2023	2022	2021
Liquidity Ratios				
Current Ratio	(Time)	10.76	8.77	7.34
Quick Ratio	(Time)	5.18	3.79	3.20
Cash flow current ratio	(Time)	1.99	1.58	0.43
Receivable current ratio**	(Time)	5.12	4.73	4.76
Average debt collection period	(Day)	79	77	81
Inventory turnover period**	(Time)	1.18	1.50	1.76
Average selling period	(Day)	333	249	230
Payable current ratio**	(Time)	14.81	10.54	12.62
Loan repayment period	(Day)	38	34	31
Cash Circle	(Day)	374	292	280
Profitability Ratios				
Gross profit margin	(%)	32.22	30.49	34.11
Operating profit margin	(%)	9.85	13.32	17.29
Cash to profit margin	(%)	218.74	117.17	31.76
Net profit margin	(%)	8.07	10.66	13.98
Return on equity**	(%)	5.20	9.38	12.08
Efficiency Ratios				
Return on assets**	(%)	4.64	8.22	10.65
Return on fixed assets**	(%)	21.53	34.53	41.15
Asset turnover	(Time)	0.57	0.76	0.76
Financial policy ratios				
Debt to equity ratio	(Time)	0.11	0.13	0.15
Interest coverage ratio	(Time)	-	-	-
Commitment coverage ratio (Cash basis)	(Time)	-	-	-
Data per share				
Book value per share	(Baht)	4.78	4.79	4.70
Basic earnings per share	(Baht)	0.25	0.44	0.55
Par Value	(Baht)	1.00	1.00	1.00

** Average financial ratio calculated from 12 months average rate



Report of the Board of Director's Responsibilities for Financial Statements

The Board of Directors is responsible for the company's financial statements and other information as shown in the annual report. Such financial statements have been prepared in accordance with the generally accepted accounting principles and other reporting requirements. In preparing the financial statements, appropriate accounting policies have been adopted and regularly adhered to, using careful discretion and reasonable estimates. Important information has also been adequately disclosed in the notes to financial statements.

To accomplish this task, the board of directors has appointed an Audit Committee, consisting of four independent directors, to be responsible for the quality of the financial reports and the internal control system. The opinions of the Audit Committee are included in this annual report.

The board of directors opines that the overall internal control system is satisfactory and can create confidence in the financial statements as of December 31, 2023 of the company.

Mr. Chaisilp Tamesirichai

Chairman of the Board

5. General Information and other material facts

5.1 General Information

Company Name	SAHAMIT MACHINERY PUBLIC COMPANY LIMITED
Company Registration Number	0107537002664
Stock Symbol	SMIT
Market	SET
Industry	Industrials
Sector	Steel and Metal Products
Business Type	An importer and distributor of industrial products, raw materials, industrial machinery and equipment.
Established Date	7 June 1973
First Trade Date in SET	18 May 2005
Head Office	42, 48 Soi 53, Rama 3, Bangpongpan, Yannawa, Bangkok 10120 Tel: 66 (0) 2295 1000-8, 66 (0) 2295 1901-9 Fax: 66 (0) 2295 1009, 66 (0) 2295 1020
Branch	152, 155 Moo 14 Sukhumvit Rd., Bangpakong, Chachoengsao Tel: 66 (0) 3883 2035-8 Fax: 66 (0) 3883 2044-5
Registered Capital	550 million Baht
Paid-up Capital	530 million Baht, Comprised of 530 Million Ordinary shares
Par value	1 Baht par value
Preferred Share	-None-
Fiscal Year	1 January – 31 December of each year
Website	www.sahamit.co.th
Contact of Investor Relations	Ms. Prangtip Sivaruk Tel: 66 (0) 2295 1000-8 ext.1515 Email: info@sahamit.co.th
Registrar	Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel: 66 (0) 2009 9386 Fax: 66 (0) 2009 9476 TSD Call Center: 66 (0) 2009 9999 Website: http://www.set.or.th/tsd
Auditor	Dharmniti Auditing Company Limited Miss Sulalit Ardsawang CPA Registration No. 7517 178 Dharmniti Building, 6th Floor Soi Permsap (Prachachuen 20) Prachachuen Road, Bangsue, Bangkok 10800 Tel 66 (0) 2555 0605 Fax 66 (0) 2555 0666

5.2 Others material facts

-None-

5.3 Legal Disputes

As of 31st December 2023, there were no material litigations against the Company which could have a negative effect on our assets exceeding 5% of shareholders' equity. In addition, there were no lawsuits, which could have a significant impact on our business.



6. Corporate Governance Policy

6.1 Overview of the Policy and Guidelines

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

Rights of Shareholders and Equitable Treatments of Shareholders

1. The company provides shareholders, prior to a meeting, with information on the date, time, venue, and all agenda items with complete support data concerning issues to be decided. A notice of a meeting and support document are sent to shareholders at least 7 days in advance. The notice of shareholders meeting 2023 is posted on the company's website so that shareholders can study all the information prior to receiving the notice in documentation.

2. The company's website where shareholders and those interested may download financial information, company profile, and meeting information is www.sahamit.co.th. Inquiries may be Email to info@sahamit.co.th.

3. The invitation to the Annual General Meeting contains information and guidelines for the shareholders relevant to the meeting including voting procedure. In case the company shareholders cannot personally attend the meeting, the Company shareholders may use the proxy form provides as attachment or may download from the Company's website to appoint the Audit Committee members, Board of Directors, or any persons to be the shareholder's proxy to attend and vote in the Annual General Meeting of Shareholders. The Company also gives right to the shareholders arrive late to vote for the agenda that have not been voted by the time the shareholders attend the meeting unless the shareholders' meeting has disagreed.

4. The Company held the Annual General Meeting 2023 on April 27, 2023, there were 13 members of the Board of Director attended the meeting (from the total members of the Board of Directors: 14 members). Shareholders were given opportunities to directly ask the Company Directors and Committees any relevant questions. The Company does not deprive its shareholders of access to company information. For instance, all important information is included in distributed notices without any last-minute addition of agendas or changes in important matters or shareholders who arrive late are always allowed to attend meetings, etc.

5. The Company allows shareholders to propose matters to be included in a meeting's agenda, prior to the meeting, with requirements and procedures. For instance, there must holding minimum shares not less than 500,000 shares and continuously held those shares for one year by the date when the shareholder proposes the agenda. A meeting agenda is presented in detail. Criteria for approving or rejecting proposed matters as part of meetings' agendas are stated clearly. There are channels and periods of time for accepting shareholders' proposals. After proposals are accepted, the board of directors' meeting will consider and select the proposals. Shareholders will be informed about the board's meeting decision and reasons in detail regarding the proposals through the shareholders' meeting. In 2023, shareholders did not propose any additional matters to be included in shareholders' meeting agendas. Besides, the Company has given an opportunity for shareholders to submit their opinions or questions concerning agenda in



the 2023 Annual General Meeting of Shareholders to the Company's Board of Directors prior to the meeting via email: info@sahamit.co.th.

6. In the 2023 AGM, the chairman informed company shareholders about procedures relevant to the meeting including voting procedure. Shareholders were given opportunities to express their opinions and ask questions. There were inquiries about the Company's financial statement and operating results. Shareholders voted on an individual director. Voting cards were used in case of disagreement over the meeting agenda. The meeting was recorded on video.

7. In the minutes of the 2023 Annual General Meeting of Shareholders, list of directors who attend and did not attend the meeting were shown. Summaries of clarifications, questions, answers, opinions, voting procedure, and vote count were provided. Regarding disagreement, the meeting resolution was presented along with the total of votes in favor/ against and no vote. The minutes were posted on the company website within 14 days after the AGM.

8. Regarding the use and protection of inside information, the Company has established measures to prevent the use of inside information by directors, management, and employees for abusive self-dealing. (Details are shown in the use and protection of inside Information section.)

9. The Company requires that a director must not operate or have any position in any ordinary partnership, or be a general partner in limited partnership, or be a director in any other limited company or public company limited that operates businesses of the same nature and that is the company's direct and indirect competition, unless the information about their positions is disclosed before the appointment. Directors must inform the company immediately about their direct and indirect conflicts of interest arising in any company contracts done between fiscal years, or due to change in their acquisition of shares or debentures of the company or its subsidiaries between fiscal years. The Company encourages its directors, management and those related to the board to disclose information about their conflicts of interest as part of the board's meeting agendas. Directors who have conflicts of interest in any issues being considered are not allowed to vote on those particular issues.

Roles of Stakeholders

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

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

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

- 1) To treat employees fairly and courteously while paying due respect to individuality and human dignity.
- 2) To provide fair remunerations.
- 3) To maintain a work environment that does not endanger employees' life or property.

- 4) To carry out all professional appointments, rewards and disciplinary actions in good faith on the basis of competence, capability and suitability.
- 5) To give priority to skill and knowledge development on a regular and equitable basis.
- 6) To listen to opinions and recommendations based on employees' professional competence.
- 7) To comply with all employee-related laws, rules, and regulations.
- 8) To avoid any unfair action that may affect employees' job security or harass or psychologically threaten the employees.

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

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

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

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

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

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

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

Community and society: The Company shall conduct its business with regard to duties and responsibilities owed to the nation, society, and environment as well as local traditions, and adhere to the policy in order to sustain the environment and safety arising from the Company's activities by strictly complying with relevant laws and regulations.



Safety Health and Environment

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

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

Whistleblowing

The company conduct its business according to good corporate governance by adhering to social responsibility and all stakeholders. The Company has implemented a Whistleblowing Policy to provide channels for all the directors, executives, employees, and other stakeholders to make a complaint, or report in any corruption, misconduct, or fraud in a material way and affect feelings such as illegal acts, any behaviors against the company's regulations and policy and non-compliance to Code of Business Ethics. This is to enable development and improvement of the Company operation to achieve accuracy, appropriateness, transparency, and fairness. An identity of a whistleblower and report-related information shall be kept confidential. All stakeholders can contact the Company's management, the head of internal audit committee, the head of human resource department, or the chairman of audit committee to report improper incidents, complain, request for clarifications or correction, or make any suggestions (Whistle Blowing Policy) by emailing: ia@sahamit.co.th, or faxing the internal audit office at (0) 2295 1020.

Disclosure of Information and Transparency

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

1. Disclosure of the information in annual report (56-1 one-report) and both Thai and English languages through various information channels such as company website, www.sahamit.co.th and the Stock Exchange of Thailand (SET) website, www.sec.or.th. There are also updates related news to the Company on the website to facilitate decision-making of those involved.
2. In the previous year, the Company's disclosure of information and transparency were approved by the Securities and Exchange Commission and the SET, as its practice was in accordance with disclosure requirements.
3. In the 2023 annual report, the Company's board of directors' roles and responsibilities together with those of its committees are disclosed. Also, company policies on remuneration payment for directors and managements, a summary of Company governance, policies on the environment and society, the company practices and a summary of company business ethics.

4. A statement of the board of directors' responsibilities concerning the Company's financial report is provided alongside the auditor report in the Company annual report. The contents include the certification that the Company's financial statements are fairly presented in accordance with generally accepted accounting principles and regulations. The statement is signed by the Company chairman.
5. Contents of the Company's website consist of corporate governance and results of practices in line with Company policies, business ethics, ownership structure, board structure, vision/missions, policies on the environment and society, annual report, financial statement, news and updates in both Thai and English.
6. The Company is well aware of the importance of disclosing information to investors with accuracy, transparency, and accessibility. The Company set up investor relations division to coordinate communications between the Company, investors, and shareholders can be reached by email info@sahamit.co.th or contact Miss Prangtip Sivaruk Tel. 66 (0) 2295 1000-8 ext. 1515

SUPERVISION OF USE OF INSIDE INFORMATION

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

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

6.2 Code of conduct

The Board of Directors believes that conducting business under the framework of good morals and ethics, social responsibility, environment, and all stakeholders will lead to success and sustainable growth. Therefore, the Board of Directors has established good standard guidelines and prepared a written code of conduct, as well as announce and communicate to the board, executives and employees at all levels to



understand and strictly adhere to code of conduct with honesty, fairness and responsibility to stakeholders, shareholders and all related parties. The Board of Directors regularly reviews and improves corporate governance principles. The Internal Audit and Human Resources Department is assigned to support and monitor the corporate governance of the Board of Directors, to review and improve the good corporate governance policy and code of conduct to be in line with changes that may occur from business operations, environment, circumstances, including changing rules and regulations, as well as monitoring compliance with the code of conduct and good corporate governance. And the corporate governance policy and code of conduct are disclosed on the company's website. More details can be found at www.sahamit.co.th.

6.3 Significant changes and developments in policies, practices, and corporate governance systems in the past year.

Risk Management Policy

In 2023, the Risk Management Sub-Committee reviewed and improved the risk management plan to suit the Company's current business conditions and in accordance with international standards to serve as a framework for the board of director to implement in conducting business with due diligence in order to bring the maximum benefit to the company in the future.

Anti-Corruption Policy

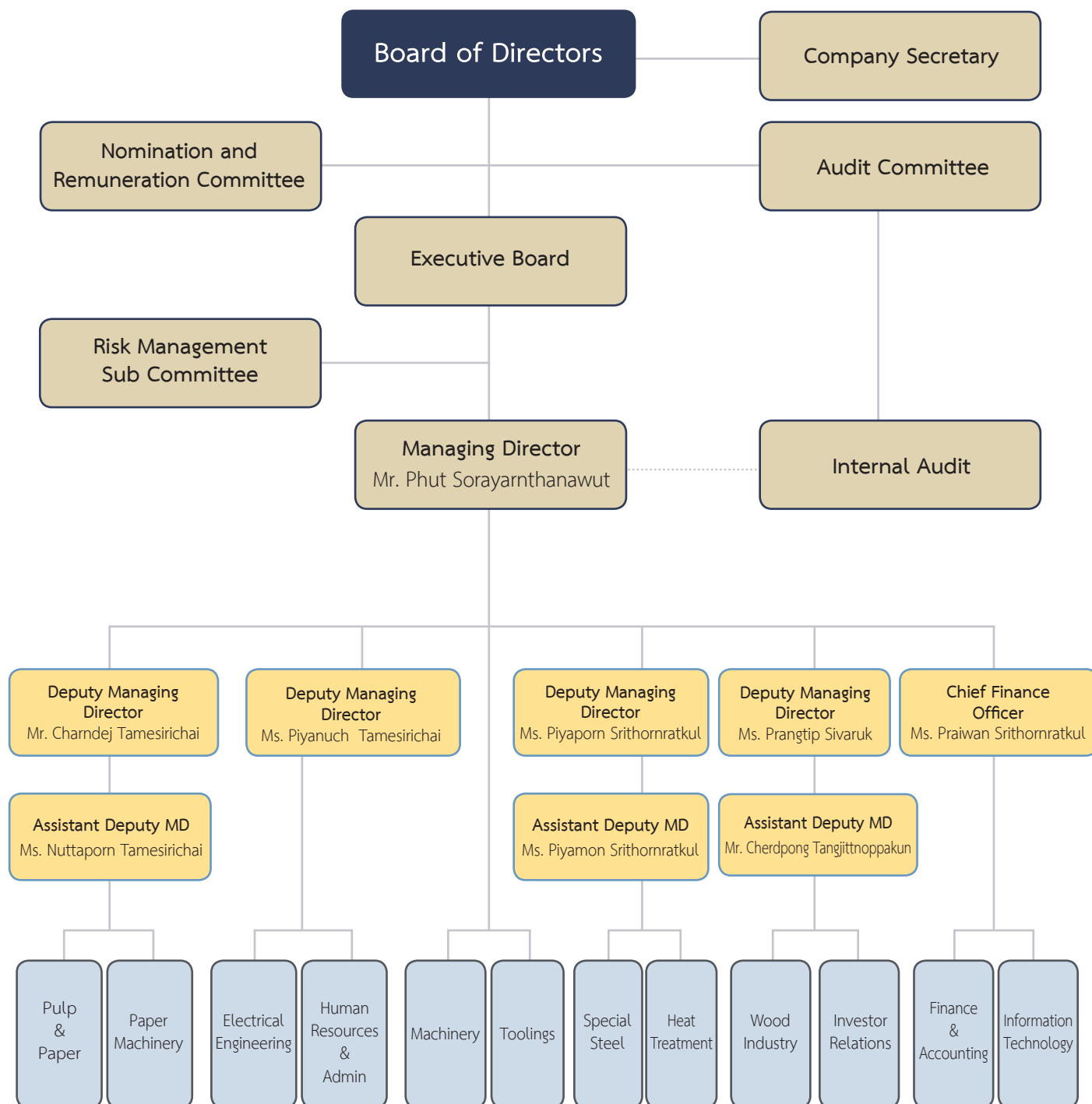
In 2023 the Company was certified for the third renewal of membership of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). In 2020 the Company was certified for the second renewal of membership , which is valid for 3 years. The company applied and was certified as member of the Thai Private Sector Collective Action Coalition Against Corruption for the first time in 2017.

Implementation of the CGR Project and the AGM Quality Assessment Program

In 2023, the Company participated on corporate governance of Thai Listed Companies (CGR) from the Corporate Governance Survey Project, done by the Thai Institute of Directors, under the support of the Stock Exchange of Thailand considering that the company has complied with the assessment criteria, which are divided into 5 main categories: rights of shareholders; equitable treatment of shareholders, role of stakeholders, disclosure & transparency and the responsibilities of the board.

7. Corporate Governance Structure and Material Facts related to the Board, Subcommittees, Executives, Employees and Others

7.1 Corporate Governance Structure





Management Structure



As of December 31, 2023, the company management structure consists of the board of directors and its four sub-committees, namely executive committee, audit committee, nomination and remuneration committee, and the risk management sub-committee which each sub-committee is to assist in studying and scrutinizing details of particular matters.

7.2 Board of Directors

7.2.1 The composition of the board of directors

1. The board of directors consists of not less than five members and not exceeding 15 members. A director can be appointed or removed only by a general meeting.
2. There must be at least one third of independent directors out of total directors, and at least 4 independent directors must be audit committee members.
3. The directors may appoint one of their number to be the chairman of the board of directors

At present, the board of directors has a total of 14 people (as of December 31, 2023), comprising 7 executive directors and 7 non-executive directors, with a proper balance from representatives of other groups of shareholders. and have 5 independent directors, who are qualified and independent, according to the rules prescribed by the SEC that require listed companies to have independent directors of more than or equal to one-third of the total number of directors.

In this regard, the company has a chairman of the board, who is not the same person as the managing director, with clearly separating the powers and duties of the chairman and the managing director. In addition, decisions and transactions that are not related to the company's general business operations will be taken into consideration by the board of directors, in which 4 members of the audit committee participated in the consideration.



In 2023, the Company's Board of Directors meeting no. 1/2023 approved the appointment of Mr. Pichai Nitiwasin, a director, to the position of independent director. Mr. Kriangkrai Boonkitticharoen, an independent director, was also appointed to the position of independent director and audit committee member, replacing Mr. Prayoon Wiwekphoowanan, an independent director and audit committee member who resigned. The appointments took effect from February 24, 2023.

Names of the Board of Directors

As of December 31, 2023, the Company's Board of Directors consists of 14 members including:

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

** Details of directors' biographies appear in Attachment 1*

Authorized Signatory / Controlling Person of the Company

The list of authorized directors to sign any commitment binding the company are

1. Either Mr. Chaisilp Tamesirichai or Ms. Piyanuch Tamesirichai
2. Either Mr. Prasong Srithornratkul or Ms. Piyaporn Srithornrutkul
3. Ms. Prangtip Sivaruk
4. Mr. Phut Sorayarnthanawut,

Any two directors from different groups as mentions above jointly sign and affix the Company's seal.

7.2.2 Duties and Responsibilities of the Chairman and the Board of Directors

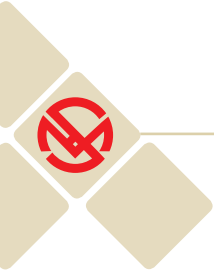
Duties and Responsibilities of the Chairman

1. Convening and chairing any board meetings and general meetings of shareholders, as well as, establishing meeting agenda in tandem with the Vice President and Managing Director.
2. Controlling the Board and shareholders' meetings to be effective in accordance with the company's regulations, while encouraging directors and shareholders to express their independent views with information duly provided.
3. Encourage and support the Board to work to their utmost ability, based on their duties and responsibilities under corporate governance.
4. Supervise and follow up the work of the Board and the committee to ensure that objectives are reached.
5. Cast a decisive vote in Board meetings in case of equal votes of both sides.

Duties and Responsibilities of the Board of Directors

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

1. The Board of Directors shall be responsible to the shareholders and shall act in the best interest of and fulfill the fiduciary obligations to shareholders while taking into account the interests of other stakeholders of the Company by adhering to four practices:
 - To perform duties for the company in an honest, integrity, transparent, due care, and justifiable manner for the best interest of the company.
 - To respect the legal rights of shareholders and treat all shareholders and stakeholders fairly and equally.
 - To disclosure of information must be accurate, adequate, and timely distributed, and the companies must allow all investors equal access to the information.
 - To comply with the law, policies, regulations of the company, the resolutions of the Board of Directors and the resolutions of the shareholders' meeting.
2. Operates with compliance to Articles of Association, the Securities and Exchange Act, regulations of the Stock Exchange of Thailand, or other relevant laws related to the company's business, as well as resolutions of the board and shareholders' meetings of the company.
3. Determine the company's important policies and business directions such as vision, mission, strategy, financial goals, risks, budgets, and plans related to operations.
4. Consider and define a structure for management, nominating, appointing and clearly defined duties and responsibilities to enable the Executive Board to operate in order to accomplish the mission and goals of the organization.
5. Monitor and supervise the Executive Committee to operate in accordance with the policies and plans set for efficiency and effectiveness, as well as to evaluate the performance and determine appropriate remuneration for the Executive Committee.

- 
6. Devote adequate time and avoid conflicting interests or personal advantages to override the company's interests and must not take any actions that conflicts or competes with the company's interests.
 7. Establish appropriate policies and procedures in order to govern and enhance the company's internal control system to be effective and efficient, as well as monitoring and evaluating the internal control system and risk management annually.
 8. Ensure the company has adhered to operating its business with transparency, honesty and be able to examine under the policies and guidelines for good corporate governance, the code of business conduct and anti-corruption by having regular reviews at least once a year.
 9. Provide protection of the rights of both major and minor shareholders in accordance with their rights fairly and encourage shareholders to exercise their basic rights to protect their interests and obtain information accurately, completely, transparently, verifiable, and timeliness.
 10. Encourage and facilitate whistleblowing with clear and appropriate measures and procedures regarding whistleblowing of stakeholders of all groups.
 11. Consider the development plan and a succession plan for senior management and supervise to have an effective performance appraisal and an appropriate compensation system consistent with the performance.
 12. Attend the Board of Directors' meetings and shareholders' meetings unless there is a force majeure event. Directors unable to attend the meeting must inform the Chairperson of the Board or Company Secretary in advance of the meeting.

Each year the Board evaluated its works according to the applicable SET evaluation criteria. Also, there were evaluations of directors in groups and individually including the subcommittee. The board considered the evaluation results and put forward recommendations for improvement.

Board of Directors Meeting

1. The Meeting of Board of Directors shall be held at least 5 times per year and shall be annually scheduled with agendas in advance.
2. Each Board meeting should be attended by no less than three-quarters of the Board. The same applies to the number of directors in attendance for each voting agenda item.
3. The Directors should attend no less than 75% of the total Board meetings held annually.
4. In each Board meeting, the Board members will receive meeting agenda documents in advance, at least 7 business days prior to the meeting.

7.3 Sub-Committees of Board of Directors

The Board of Directors realizes the importance of good corporate governance, therefore, has resolved to appoint sub-committee in various fields, namely the executive committee, audit committee, nomination and remuneration committee, and the risk management sub-committee to give advice, monitor, and supervise key operations more closely and efficiently by performing specific duties in accordance with the scope of duties and responsibilities set forth in the Charter and report to the Board of Directors regularly.

Each sub-committee has its composition and duties and responsibilities that can be summarized as follows:

Executive Committee

The Executive Committee Total 7 members (As of December 31, 2023) as the following:

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

Duties and Responsibilities of the Executive Committee

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

1. To operate and manage the business of the company according to the given objectives, regulations, policies, guidelines, rules, mandates, and all resolutions of the Board of Directors meeting and/or the resolutions reached at the shareholders meeting.
2. To review and establish policies, directions, strategies, operating plans for the company, formulate financial plans, human resource budgets, invest in information technology, to grow and promote the business while ensuring that the duties performed by the appointed personnel adhere to the set goals.
3. To review the annual budget allocation as presented by the Management before subsequently presenting it to the Board of Directors for approval. In doing so, the Executive Committee is authorized to review and approve the amendments to the annual budget between Board of Directors' meetings and to present the changes to the Board of Directors at the next meeting held.

4. To review and approve payments in the course of conducting company's usual business such as purchase of an asset, purchase of a vehicle, provided that the transaction amount is not greater than Baht 50 million.
5. To approve the payment for necessary investment included in the annual budget as directed by the Company's Board of Directors or provided that the transaction has already been approved in theory by the board of directors.
6. To review and approve the borrowing of funds, obtainment a credit line, issuance of debt instruments, and to issue a loan collateral or to seek a loan of any type on behalf for the company.
7. To act as a panel of management advisors with regards to the financial, marketing, human resource management, and other operating policies.
8. To establish the organization structure, the authorities to manage the company as well as authorities to appoint, hire, and transfer personnel, establish compensation guidelines, remunerations, bonuses for executives, as well as lay off personnel.
9. The Executive Committee is authorized to delegate one or more executive or another person to act on its behalf under the Executive Committee's supervision or to delegate to the said person the power deemed appropriate by the Executive Board for a time period specified by the Executive Committee whereby the Executive Committee has the right to revoke, amend, change the delegate or the delegated power as it sees fit.
10. To carry out other businesses as directed by the Executive Committee on a case-by-case basis.

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

Audit Committee

The Board of Directors has appointed the Audit Committee to support the performance of duties in accordance with the Board of Directors' responsibilities in overseeing the company's operations and give independent opinions and fairness to financial reports internal control system, internal audit system, selection of independent auditors, consideration of conflicts of interest and compliance with applicable laws and regulations.

The Audit Committee consists of four Independent Directors who are qualified according to the criteria of the Stock Exchange of Thailand and one member of the audit committee, namely Mr. Karun Kittisataporn, who has knowledge, understanding, and experience in accounting and finance and internal audit work as well.

Audit Committee Total 4 members (As of December 31, 2023) as the following:

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

Composition of Audit Committee

- 1) The Audit Committee shall be comprised of four Independent Directors of the Board who are qualified in accordance with the criteria prescribed in the notification of the Securities and Exchange Commission (SEC) and are appointed by the Board of Directors. At least one of the Audit Committee's members shall have knowledge and experiences that are sufficient to review creditability of financial statements.
- 2) The Audit Committee shall select one member of the Audit Committee to be Chairman of the Audit Committee.
- 3) Internal Audit Manager serves as the Secretary of the Audit Committee by position.

Duties and Responsibilities of the Audit Committee

1. Review the appropriateness of financial reporting system and disclosure of information in its financial statements in accordance with the legally defined Financial Reporting Standards, with transparency, correctness and adequacy.
2. Review the compliance of the company's internal control system and the appropriateness and the effectiveness of the company's internal audit system in accordance with internationally accepted approaches and standards.
3. Review the company's compliance with the laws on securities and exchange, Stock Exchange of Thailand requirements and other laws relating to the business of the company.
4. Consider, select and propose the appointment or discharge an independent person to perform the duties of the Company's auditor and propose the remuneration of the company's external auditor and evaluate the effectiveness of external auditor's performance.
5. Consider connected transactions or those having possible conflict of interest to ensure compliance with all pertinent laws and requirements of the Stock Exchange of Thailand.
6. Prepare the Committee's reports to be signed by the Chairman of the Committee and disclosed in the Company's annual report.
7. Perform other actions as required by law or as assigned by the Board of Directors.
8. Report its performance to the Board at least four times a year.
9. Hire advisors or external personnel in line with the Company's regulations to make comments or give advice as necessary. Summon members of the management or staff to make comments, attend meetings, or provide any documents deemed relevant and necessary.

Nomination and Remuneration Committee

The Nomination and Remuneration committee was established by the Board of Directors to support the good governance of the company. The committee is responsible for setting the company's policy and criteria in the selection of directors and determining the remuneration of the Board of Directors and Sub-Committees. Also, to recruit, select and nominate the right person to be a director as well as to set the remuneration for a director. This includes working on other assigned tasks and present to the Board of Directors and/or to the shareholders meeting. The Nomination and Remuneration Committee members have the office term of three years.

Nomination and Remuneration Committee Total 3 Members (as of December 31, 2023) as the following:

Name		Position
1.	Mr. Karun Kittisataporn	Chairman of the Nomination and Remuneration Committee
2.	Mr. Chayakorn Limsiripan	Nomination and Remuneration Committee
3.	Ms. Piyaporn Srithornratkul	Nomination and Remuneration Committee

Furthermore, Ms. Praiwan Srithonratkul, Chief Financial Officer and Internal Audit Manager, has been appointed as the secretary of the Risk Management Subcommittee.

Composition of Nomination and Remuneration Committee

- 1) The Nomination and Remuneration Committee shall be comprised at least three (3) Directors from the Company's Board of Directors and one third of total members of the Committee members must be Independent Directors; chairperson of the committee must also be an Independent Director.
- 2) The Board of Directors shall consider and appoint its directors to perform the duty as the chairman and members of the Nomination and Remuneration Committee.

Duties and Responsibilities of the Nomination and Remuneration Committee

- 1) Consider the organization structure, qualifications of directors and members of sub-committees appropriate to the Company's business.
- 2) Consider and specify the qualifications of the person to be a director of the company and sub-committee who suitable for the company in accordance with the rules specified by Securities and Exchange Commission, Thailand (SEC)
- 3) Determine reliable and transparent criteria or methods for a selection and nomination of qualified persons to be new directors or sub-committee of the company in replacement of those who retired by rotation or in other cases.
- 4) Recruiting, selecting and proposing suitable persons and deserves to be nominated as a director committee member to propose to the board of directors 'meeting and/or the shareholders' meeting for approval

- 5) Consider a guideline on determination of remuneration and other benefits to the board of directors and members of the sub-committee by setting up fair and reasonable criteria or methods for remuneration payments in accordance with other companies in the same industry.
- 6) Reporting policies and principles of nomination and remuneration according to the SET guidelines by disclosing them in the company's annual information disclosure (56-1) and annual report.
- 7) Perform other duties as assigned by the Board of Directors.

Risk Management Sub-Committee

To ensure effective and effective risk management, the board of directors has appointed a risk sub-committee to review, assess, and also established preventive measures for the risks covering all aspects, both internal and external factors, and their possibility to happen and affecting the businesses in order to mitigate the possible impacts and keep them at the acceptable level to ensure that the business is subject to an acceptable level of risk.

At present, the Risk Management Sub-Committee consists of four members as follows:

Risk Management Sub-Committee Total 4 members (as of December 31, 2023) as the following:

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

Furthermore, Ms. Praiwan Srithonratkul, chief financial officer and internal audit manager, has been appointed as the secretary of the risk management subcommittee.

Composition of Risk Management Sub-Committee

- 1) Risk management sub-committee is appointed by the board of directors.
- 2) Risk management sub-committee consists of at least three executives who are responsible for each core businesses.
- 3) Risk management sub-committee elects one member to be the chairman of risk management sub-committee.

Duties and Responsibilities of Risk Management Sub-Committee

- 1) Review and approve the risk management policy and associated frameworks, processes and practices of the company including risk appetite levels before proposing them to the Board of Directors for approval on an annual basis.
- 2) Review the company's risk management manual and approve the annual risk management plan.
- 3) Review of risk management guidelines and tools to ensure that they are effective, appropriate and cover risks throughout the organization.

- 4) Analyze and review stipulation of adequate and appropriate risk tolerance ceiling including determining countermeasures are formulated, including action plans to manage risks at the acceptable level.
- 5) Supervise and develop compliance with policies and risk management frameworks on an ongoing basis.
- 6) Monitor and acknowledge the results of the risk assessment and make recommendations to the risk management team to improve and develop the organization's risk management system.
- 7) Make regular reports to the board of directors on the risks and management of key risks.
- 8) Assess new risk factor that might have occurs from the new product and/or new business, the corruption risk including guidelines for preventing future risks.
- 9) Promote and support the risk management as value added process to regular operations.
- 10) Perform any other tasks as assigned by the Board of Directors.

The meeting of the risk management sub-committee shall hold at least once a year. The risk management committee will hold a position for a term of three.

Remuneration of the Board of Directors and Sub-Committee

The company has established clear and transparent policies on the remuneration of directors and sub-committees, assigning the nomination and remuneration committee to consider the remuneration of the company's directors and various sub-committees before presenting it to the board of directors for consideration. This consideration is based on appropriateness and alignment with the duties of the directors towards the company, including business expansion, company profit growth, economic conditions, as well as considering comparisons with the nature and size of other public limited companies registered on the Stock Exchange of Thailand. This is presented for approval at the shareholders' meeting annually, with details as follows:

Remuneration of the Board of Directors and Sub-Committee (As of 31 December 2023)

1) Board of Directors Remuneration (Baht / person / year)	120,000 Baht
2) Audit Committees Remuneration (Baht / person / year)	20,000 Baht
3) Nomination and Remuneration Committee Remuneration (Baht / person / year)	30,000 Baht
4) Meeting Allowance (Baht / person / time)	5,000 Baht

(In 2023, there were 4 Board of Directors meetings / 4 Audit Committee meetings / 1 Nomination and Remuneration Committee meeting / 1 AGM.)

Other Remuneration -None-

Meeting attendance and total remuneration of directors and individual committees in 2023

Name	Position	Remuneration			Attendance Fee						Total (Baht)
		Board	Audit Committee	Nomination and Remuneration Committee	Number of Meeting	Board / AGM	Number of Meeting	Audit Committee	Number of Meeting	Nomination and Remuneration Committee	
1. Mr.Chaisilp Tamesirichai	Chairman of the Board	120,000	-	-	3/5	15,000		-		-	135,000
2. Mr.Prasong Srithornratkul	Vice President and Director	120,000	-	-	5/5	25,000		-		-	145,000
3. Mr.Porsin Thaemsirichai	Director	120,000	-	-	5/5	25,000		-		-	145,000
4. Mr.Thana Senavattanaul	Director	120,000	-	-	5/5	25,000		-		-	145,000
5. Mr.Pichai Nithivasin	Director	120,000	-	-	5/5	25,000		-		-	145,000
6. Mr.Phut Sorayamthanawut	Director	120,000	-	-	5/5	25,000		-		-	145,000
7. Mr.Charndej Tamesirichai	Director	120,000	-	-	4/5	20,000		-		-	140,000
8. Ms.Piyanuch Tamesirichai	Director	120,000	-	-	4/5	20,000		-		-	140,000
9. Ms.Piyaporn Srithornratkul	Director, Nomination and Remuneration Committee	120,000	-	30,000	5/5	25,000		-	1/1	5,000	180,000
10. Ms.Prangtip Sivaruk	Director	120,000	-	-	5/5	25,000		-		-	145,000
11. General Vapirom Manasrangsi	Independent Director, Chairman of the Audit Committee	120,000	240,000	-	5/5	25,000	4/4	20,000		-	405,000
12. Mr.Kriangrai Boonkitticharoen	Independent Director, Audit Committee	120,000	200,000	-	5/5	25,000	3/4	15,000		-	360,000
13. Mr.Karun Kittisataporn	Independent Director, Audit Committee, Chairman of the Nomination and Remuneration Committee	120,000	240,000	30,000	4/5	20,000	3/4	15,000	-	-	425,000
14. Mr.Chayakorn Limpisripun	Independent Director, Audit Committee, Nomination and Remuneration Committee	120,000	240,000	30,000	5/5	25,000	4/4	20,000	1/1	5,000	440,000
15. Mr.Prayoon Viwetpuvanonth (Resign : February 24, 2023)	Independent Director, Audit Committee	-	40,000	-	-	-	-	-	-	-	40,000
Total		1,680,000	960,000	90,000		325,000		70,000		10,000	3,135,000

7.4 Executive Committee

Executive Committee Total of 8 members (as of December 31, 2023), as the following:

Name	Position
1. Mr. Chaisilp Tamesirichai	Chairman of Executive Committee
2. Mr. Prasong Srithornratkul	Vice-Chairman of Executive Committee
3. Mr. Phut Sorayamthanawut	Managing Director
4. Mr. Charndej Tamesirichai	Deputy Managing Director
5. Ms. Piyanuch Tamesirichai	Deputy Managing Director
6. Ms. Piyaporn Srithornratkul	Deputy Managing Director
7. Ms. Prangtip Sivaruk	Deputy Managing Director
8. Ms. Praiwan Srithonratkul	Chief Finance and Information Officer

Directors and Executives Remuneration Policy

The remuneration of the management is considered based on the policy and criteria determined by the board of directors, covering the company performance and individual performance which is consistent with the vision, mission and strategy of the company, as well as practices and standards of companies of similar size. The level of executive compensation is at the level that motivates and maintains the quality of executives required by the company.

Total of the remunerations of directors and executives

Total remuneration of the Management in 2023	
Total remuneration of the Management (Baht)	33,405,400
Other remuneration – Provident Fund (Baht)	257,952
Numbers of the Management (person)	8
Monetary remuneration type	Salary and bonus and provident fund
Other remuneration type	Company cars

7.5 Information of Personnel

As of December 31, 2023 Total of 461 employees (Excluding Directors and Executives) as the following:

Special Steel	187
Heat Treatment	78
Machine Tools & Tooling	77
Paper	18
Machinery & Equipment for Wood Processing	36
Electrical	10
Financial Accounting & Information Technology	25
Human Resource & Administrative	28
Internal Audit	2
Total of Employees (Persons)	461
Total Remuneration (Million Baht)	141.69
Other Remuneration – Provident Fund (Million Baht)	1.43

Significant Change in Number of Employees over the Past 3 Years

-None-

Personnel Development Policy

To maintain the goal of continuously developing product expertise, the company provides training and seminars for its employees on various topics, related to various products of the company. The company recognizes the importance of employees' development which is one of the main factors to develop employees' performance and potential. Therefore, the company determines a policy to continuously develop employees in both technical and professional skills to increase knowledge, skills, and techniques in their individual fields of expertise.

In 2023, the company has encouraged personnel in the organization to attend training to increase potential and efficiency in operations such as seminars on Growth Mindset (Professional Supervisor), Quality Awareness for Productivity Improvement and Bplus HRM Program for Human Resources.

7.6 Other significant Information**7.6.1 List of Personnel Directly Responsible for the following specific positions****- Company Secretary**

The Board of Directors has appointed Ms. Nuttaporn Tamesirichai, served as cCompany Secretary having the powers and duties as stipulated in the Securities and Exchange Act B.E. 2535 Amendment (No. 4) B.E. 2551 has qualifications, scope and duties of the person holding the position of company secretary. Profile details appear in attachment 1.

Role, Duties and Responsibilities of the Company Secretary**Qualifications**

The law does not specify the qualifications of a Company Secretary, so it is the responsibility of the Board of Directors to ensure that a person with the appropriate knowledge and skills is appointed to the position. A Company Secretary who is an employee of the company cannot hold the position of Company Secretary in other companies, but may hold the position of Company Secretary in a subsidiary company.

Scope and Duties of the Company Secretary

The company has appointed a Company Secretary to coordinate between the Board of Directors and the Management. The Company Secretary is responsible for overseeing and coordinating legal matters, related regulations, and supporting the company in following the principles of good corporate governance. The Company Secretary also complies with the regulations and announcements of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). The Company Secretary has the following duties and responsibilities as prescribed by law and the company:

1. Provide preliminary advice to the Board of Directors on the company's laws, regulations, and rules. The Company Secretary also monitors compliance and reports any significant changes to the Board.
2. Coordinate between the Board of Directors and Management. The Company Secretary oversees and coordinates legal matters and related regulations, and ensures compliance with the resolutions of the Board of Directors.
3. Organize meetings of shareholders and the board of directors in accordance with the company's laws, regulations, and good practices.
4. Record the minutes of shareholder meetings and board meetings. The Company Secretary also monitors compliance with the resolutions of the Shareholders' Meeting and the Board of Directors.
5. Oversee the disclosure of information and reports in accordance with the regulations and requirements of the SEC and the Stock Exchange of Thailand.

- **Accounting and Financial Manager**

The company assigns Ms. Krittaya Apiromporn, manager of accounting and finance department, to be directly responsible for supervising accounting operations since May 9, 2022. Profile details appear in attachment 1.

- **Internal Audit Manager (Acting)**

The company provides internal audits to provide fair and independent assurance and advice to add value and improve the efficiency and effectiveness of the company's operations at reasonable risk management costs.

The audit committee has appointed Mr. Prawit Sae-Lee holds the position acting of internal audit manager with scope and duties as follows:

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

8. Organize training to develop capacities of internal auditors to ensure that they can competently conduct audit according to the objectives and conduct performance evaluation of internal audit staff.
 9. Assume the duties of secretary of the audit committee by preparing meeting agenda, collecting information, making a summary of discussion and preparing minutes of meeting as well as informing concerned parties of meeting resolutions. Assist the audit committee to ensure that the committee's practices properly comply with the charter and mandated responsibilities, and administer audit works according to professional standards to support the audit committee's actions.
 10. Perform other tasks assigned by the audit committee.
- Internal Audit Manager's profile are shown in Attachment 3.

- Investor Relations Manager

The company has assigned Ms. Prangtip Sivaruk to be the manager of investor relations department to act as the company's representative in providing information and news about the company's activities to interested parties and all stakeholders, relating to companies such as shareholders, analysts, investors, business partners, regulatory agencies and media. Profile of Investor Relations Manager are shown in attachment 1.

Investor relations can be contacted directly through the following channels.

Address: 42, 48 Rama 3 Road, Bangpongpan, Yannawa, Bangkok 10120

Telephone: 02-295-1000 Ext. 1515 Email: info@sahamit.co.th

7.6.2 The remuneration of the auditor for the fiscal year ended 31 December 2023

The Corporate Auditor for the fiscal year ended 31 December 2023 was Ms. Sulalit Ardsawang Certified Public Accountant, registration number 7517 of Dharmniti Auditing Co., Ltd. The remuneration of the auditor details are as follows:

The remuneration of auditor		
1. Interim financial Statement	Baht	495,000
2. Financial Statement	Baht	638,000
3. Performance Examination according to BOI Condition@ Baht 35,000 x 3	Baht	80,000
Total amount	Baht	1,213,000



8. Corporate Governance Report

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

8.1.1 Selection, Development and Evaluation of the Board of Directors performance

8.1.1.1 Selection

(1) Directors

Qualifications of Directors

Any candidate to be proposed for being a director must possess the following key qualifications and does not have prohibited characteristics:

1. Being qualified, and not being under any of the prohibitions under the Public Limited Companies Act, B.E.2535 or other pertinent laws, and the regulations of the SET, SEC, and the company.
2. Be knowledgeable, capable and possess a variety of skills and working experiences that are beneficial for the Company.
3. Be capable of providing leadership, vision, ethic and independent in making decision for the optimum benefit of the company and shareholders
4. Be able to use knowledge, capability and experiences for the business conduct and truly interested in Company's business.
5. None of serves as directors of more than 5 listed companies.

Selection and Nomination Procedure of Directors

The Board of Directors has appointed the Nomination and Remuneration Committee to be responsible for selecting and nominating qualified candidates by considering candidates with knowledge, ability and experience as specified by the Company and taking into account the Board Diversity without having any prohibited characteristics according to the relevant law and regulations including the Company's Board of Directors Charter to be nominated to the Board of Directors for its approval. The Board of Directors would then nominate the selected candidates to the Shareholders' Meeting for election and appointment as a director of the Company.

The Board currently consists of 14 directors, including 5 independent directors or one-third of the total number of directors to contribute effectively and provide a balance of views at both Board and Board Committee meetings in considering various meeting agendas appropriately. The number of directors was appropriated to current business size.

Tenure of Directors

The Directors' tenure prescribed to be in accordance with the Public Limited Companies Act B.E. 2535 and the Company's Articles of Association, as details below.

- The term of service of Directors is three years and a retiring Director is entitled to re-election.
- At every Annual General Meeting of Shareholders, one-third of the directors shall retire from the office; the director who has held the office longest shall be the first person to retire. If the number of directors is not a multiple of three, then the number of directors nearest to one-third must retire from the office. The retired shall be eligible for reappointment.

- Apart from retirement by rotation, the directors shall vacate upon:
 - Death
 - Resignation
 - Lack of qualifications or being disqualified under law governing Public Limited Companies or under law governing Securities and Stock Exchange
 - The Board of Directors or shareholders have a resolution to vacate the position.

In the case of recruiting persons to replace the directors who expired from term of office. The Nomination and Remuneration Committee shall consider candidates (if any) by allowing minority shareholders to nominate persons for consideration and appointment as directors in advance for the Annual General Meeting of Shareholders or considering the past performance for re-election to hold directorship positions.

(2) Independent Directors

Qualifications of Independent Directors

The Board of Directors has set the qualification of “Independent Director” in accordance with the requirements of the Stock Exchange of Thailand as follows:

1. Holding shares not exceeding 1% of the total voting shares of the Company, its parent company, subsidiary company, affiliated company or juristic person which may have conflicts of interest, including the shares held by related persons of the independent directors.

2. Neither being nor having been an executive director / employee / staff / or advisor who receives salary / a controlling person of the company, its parent company, subsidiary, affiliate, same-level subsidiary or juristic person who may have conflicts of interest unless the foregoing status has ended not less than two years prior to the date of application filing with the Office.

3. Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the company or its subsidiary.

4. Not having a business relationship with the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, in the manner which may interfere with his independent judgement, and neither being nor having been a major shareholder, non-independent director or executive of any person having business relationship with the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years prior to the date of application filing with the Office.

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



6. Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and neither being nor having been a major shareholder, non-independent director, executive or partner of the professional advisor unless the foregoing relationship has ended not less than two years from the date of application filing with the Office;

7. Not being a director who has been appointed as a representative of the company's director, major shareholder or shareholders who are related to the company's major shareholders.

8. Not having any characteristics which make him incapable of expressing independent opinions with regard to the company's business affairs.

Selection and Nomination Procedure of Independent Directors

The process of nomination and appointment of Independent Directors is the same as the process of nomination and appointment of other directors. Besides director qualifications, Independent Directors must possess complete qualifications in compliance with the above-mentioned Company's qualifications of independent director.

(3) Chief Executives

Selection and Nomination Procedure of Chief Executives

The Board of Directors shall consider and appoint a candidate for the Chief Executives position from the current management or others, with qualified knowledge and management skill, who understand the company's business very well, and has leadership with the experience as a leader of the organization, as well as be able to manage to achieve the objectives and targets set by The Board of Directors, and possess no prohibited characteristics according to relevant legal and regulatory provisions.

Right of minor shareholders in nominating directors

The Company has given the opportunity to our minor shareholders to nominate a candidate to be appointed as company directors at the annual shareholders' general meeting in advance according to the criteria specified by the Company. Such criteria and procedures are published on the Company's website at www.sahamit.co.th.

Appointment of directors

Voting and appointing each director must receive approval votes exceeding half of the total votes of those shareholders present or duly represented at the meeting and in possession of voting rights. In the director election voting, the company provides shareholders with the opportunity to individually vote for directors, thereby allowing shareholders to genuinely choose the directors they prefer. This is done with the following criteria and methods.

(1) Each shareholder has one vote for each share they hold.

(2) Each shareholder must use all of their votes to elect one or more persons as directors. In the case of electing multiple persons as directors, votes cannot be split between candidates unequally.

(3) The persons who receive the highest number of votes, in descending order, shall be elected as directors, up to the number of directors to be required at that time. In the event that individuals receiving the same number of votes in the next descending order exceed the number of directors to be elected or appointed at that time, the chairman shall cast the deciding vote.

Orientation of New Directors

The company emphasizes the importance of orienting new directors to inform them about the roles, duties, responsibilities, as well as the structure and business of the company. The company secretary will present documents and information beneficial to the new directors' duties, such as the company director's handbook, good corporate governance and business ethics guidelines, company regulations, and relevant information. Additionally, training sessions will be organized with necessary courses according to the regulations set by the Stock Exchange of Thailand to prepare new directors for their roles. In the past year 2023, however, the company did not appoint any new directors

8.1.1.2 Development of Directors and Chief Executives

The Board of Directors has a policy of continually promoting and supporting the development of knowledge amongst Company Directors, Executives, and employees. All Directors and Executives are encouraged to develop their knowledge. The Company prioritizes their attendance at seminars which are useful to their performance as Directors. Seminars for training include the Director Accreditation Program (DAP), the Director Certification Program (DCP) and Audit Committee Program (ACP), as organized by the Thai Institute of Directors Association (IOD) including other related courses or seminars which are useful for performance of the Directors, Executives and Employees.

In the year 2023, the company's directors participated in training courses as follows:

Ms. Piyanuch Tamesirichai, Director, attended The Essential Subsidiary Governance Training for the Board course from the Thai Institute of Directors Association (IOD).

Ms. Piyaporn Srithornratkul, Director, attended the Wellness Building Design course from Suan Sunandha Rajabhat University.

Succession Plans

The Board of Directors recognizes the importance of succession planning in cases where top management or senior executives are unable to fulfill their duties. This is to ensure readiness and confidence that the company's operations will continue smoothly, with suitable individuals capable of assuming responsibilities as needed. This is achieved through the following policies and action plans:

1. Analyze and identify positions where succession planning is crucial, especially for executive positions or key positions in each department, to plan for the development of successors appropriately.
2. Determine the policy and methods for recruiting and selecting personnel from both inside and outside the company to obtain qualified replacements with the appropriate qualifications for the designated positions.

3. Implement and develop an appropriate plan for successors by supervision, monitoring and assessment of competence.
4. Promote employees within the same or related departments to aspire to succession roles.

Details of the positions of directors, executives and controlling shareholders of the company as of December 31, 2023

Please refer to the details in Annex 2 “Details of the positions of directors, executives and controlling shareholders of the company.”

8.1.2 Board Members Attendance and Remuneration of Individual Director

The consideration of the criteria for the remuneration of the Board of Directors and Sub-Committees must be carefully considered by the Nomination and Remuneration Committee. This includes comparing it with the nature and size of other listed public companies in Thailand, the performance of the directors to the company, and considering the company’s business expansion and profit growth. The remuneration of the Board of Directors and Sub-Committees, both in cash and non-cash, must be approved by the shareholders at the annual general meeting of shareholders.

In 2023, the Board of Directors proposed to the shareholders’ meeting for consideration and approval of the remuneration of the Board of Directors and Sub-Committees for 2023 not to exceed Baht 3,600,000 in total. The terms and conditions for payment are at the discretion of the Board of Directors. The details of the remuneration of the Board of Directors and Sub-Committees and meeting allowances are as follows:

1) The Remuneration of the Board of Directors (Baht / person / year)	120,000 Baht
2) The Remuneration of the Audit Committees (Baht / person / year)	20,000 Baht
3) The Remuneration of the Nomination and Remuneration Committee (Baht / person / year)	30,000 Baht
4) Meeting Allowance (Baht / person / time)	5,000 Baht
5) Other compensation – None	

In 2023, there were 4 Board meetings, 4 Audit Committee meetings, 1 Nomination and Remuneration Committee meeting, and 1 Annual General Meeting of Shareholders. The company paid a total of 3,135,000 baht in remuneration and meeting allowances to the Board of Directors and Sub-Committees, which is in accordance with the approval of the annual general meeting of shareholders in 2023. Details of meeting attendance and remuneration of individual committees for the year 2023 can be found in page 54.

8.1.3 Supervision of Subsidiaries and associated companies

- The Company has no associated companies and subsidiaries -

8.1.4 Monitoring of compliance with the corporate governance policy and guideline

Prevention of conflicts of interest

The Board of Directors takes great importance to the prevention of conflicts of interest and therefore has established a conflict of interest policy as part of the good corporate governance policy, together with the manual of Code of Conduct for directors, executives and employees to perform their duties with honesty and fair both for the company and all stakeholders.

Regarding prevention of conflicts of interest, the company has the following policies:

- 1) Avoid any action that is contrary to the company's business interests, or conducting competitive business, becoming a shareholder with decision-making power, being a committee member or executive in a competitive business, or having the same characteristics as the company's business that may cause conflicts of interest or affect any decision of the company.
- 2) Avoid making transactions related to oneself and/or related persons, that may cause a conflict of interest with the company. To do that transaction as if it was for the benefit of the company, the transaction must be like a transaction with a third party. Directors, executives or employees who have interests in such transactions must not take part in the approval process.
- 3) Considering connected transactions or may have conflicts of interest with honesty, integrity, prudence and independence under the framework of morality, ethics, and rules prescribed by the Securities and Stock Exchange Act.
- 4) For the benefit of monitoring the interests of directors and executives of the company or related persons which has interests in the management of the company according to the Securities Act, information of connected transactions must be reported on a quarterly basis, and according to the prescribed rules.
- 5) In case of any transaction that may cause conflict of interest, it must be reported to the supervisor immediately.

In the past year (2023), the company does not have any connected transactions that are subject to approval from shareholders. The details of transactions that may have conflicts of interest have been disclosed in the topic "Related Party transactions" page 69.

Supervision of use of inside information

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

1. The Company informs executives about their obligation to disclose security holdings and changes of the holdings of themselves, their spouses, and their children who have not yet attained the majority according to the Securities and Exchange Act B.E. 2535, article 59 and statutory penalty, article 275.
2. Circular notices are sent to executives advising those who receive important inside information that affects prices of securities not to trade Company securities within that one month (except in case of necessity) and not to disclose the important inside information before the Company financial statements or the particular information is publicized.
3. Should there be any changes in security holdings of the Company's directors and executives, the changes must be reported to the board of directors in security holdings matter on the agenda.



4. Important inside information and confidential documents saved as hard copies or soft files are protected and access is limited to top executives only when necessary. If any inside information needs to be disclosed to Company employees, the employees will be informed properly about the limitation of the use of that information. An employee who discloses Company confidential information will be penalized.

5. To monitor irregularity in Company operating results, random examination is done to security trade, the Company's information system and outside information sources.

In 2023, the company did not have any incidents of directors, executives, and employees violating the insider trading prevention measures or trading securities using inside information.

Anti-Corruption

The company is committed to conducting business under the framework of morality, ethics, honesty, and transparency in accordance with the principles of good governance. In order to create a clean and sustainable business standard, the company has established an anti-corruption policy to define the roles, responsibilities, criteria, and practices for auditing and monitoring compliance with the anti-corruption policy for the company's personnel to adhere to and follow.

Anti – Corruption Policy

The company prohibits its personnel from engaging in or accepting corruption in any form, directly or indirectly. The company complies with all laws related to anti-corruption and regularly reviews its anti-corruption policy to ensure that it is in line with changes in the business, regulations, and legal requirements.

Anti-corruption Practice

1. Employees of the company must comply with the company's anti-corruption policy. They must not engage in or participate in corruption, directly or indirectly.

2. Employees of the company should not ignore or be indifferent to any form of corruption that they see related to the company. They must report it to their supervisor or the person responsible through the whistleblowing channel. They must also cooperate in the investigation of any facts.

3. The company will protect employees who refuse or report corruption related to the company. The company will not take any action to demote, punish, or otherwise negatively impact employees who refuse to participate in corruption, even if such action results in the company losing business opportunities.

4. Employees of the company who commit acts of corruption will be subject to disciplinary action in accordance with the company's regulations. They may also be subject to legal penalties if their actions are illegal.



5. The company will communicate, disseminate, educate, and understand the company's anti-corruption policy to its employees and other persons who are required to perform duties related to the company. The company is committed to creating and maintaining a corporate culture that rejects corruption in all forms, both in dealings with the public and private sectors.

6. The anti-corruption policy shall cover the human resources management process, from recruitment, selection, promotion, training, performance evaluation, and compensation. Supervisors at all levels are required to communicate and understand with employees to ensure that business activities under their responsibility and supervision are carried out effectively.

7. In order to be clear about how to handle high-risk corruption cases, employees of the company must exercise caution in the following matters:

- Do not participate in or support the activities of any political party, directly or indirectly. Do not provide assistance to any political candidate.
- Employees of the company have the rights and freedoms under the Constitution and other relevant laws, such as the right to vote. They must not claim or use the company's assets to support political activities or take any action that could lead to the understanding that the company is involved in or supporting any political party or group.
- Donations to charity or sponsorship must be transparent and legal. The company must ensure that donations or sponsorships are not used as a pretext for bribery.
- The giving, receiving, and accepting of gifts, property, or other benefits, including entertainment and other expenses, must be transparent and legal.
- Business relationships, procurement, hiring, and follow-up with the government, state agencies, or private organizations must be transparent, honest, and in accordance with relevant laws. Bribery is prohibited in all business dealings.

In addition, the company had participated in the Project of Private Sector Collective Action Against Corruption (CAC) by signing in the Declaration of Intent in which the participants members have policies against all forms of corruption and anti-bribery management system. In 2017, the Company was first certified as the CAC membership and the certificate was valid for three years. In 2020 and 2023, the company was re-certified as a full member of the CAC. The company is committed to combating corruption in all its forms through transparent, fair, and good governance practices. This builds trust among investors and stakeholders.





Whistleblowing

1. Complaints / Misconduct Reporting and Whistleblower Protection Policy

1.1 Complaints / Whistleblowing Channels

The company provides opportunities for all employees and stakeholders to submit complaints, suggestions, or reports of misconduct, violations of laws, regulations, company policies, business ethics, corruption, or whistleblowing through designated information and reporting channels as follows:

- 1) By E-mail :
 - i. Chairman of the Audit Committee : ac@sahamit.co.th
 - ii. Human Resources : hrm@sahamit.co.th
 - iii. Company Secretary : cs@sahamit.co.th
- 2) By Post :

Chairman of the Audit Committee
Sahamit Machinery Public Co.,Ltd.
42, 48 Rama 3 Soi 53 Road., Bangpongpan, Yannawa, Bangkok 10120
- 3) By Company Website : www.sahamit.co.th
- 4) By Line : @SAHAMIT MACHINERY

If an employees have a suspicion that any activity or business transaction may violate the Anti-Corruption policy, the law or various regulations, they can get consult from supervisors who they trust, or human resources manager or internal audit manager or company secretary.

The company has measures to not disclose any information, and keep confidentiality (except in the case of disclosure by law) in order not to suffer or harmful to both complainants and witnesses, as well as defining measures to protect whistle-blowers by specifying complaints practices in the complaint handling policy.

1.2 Process when receiving complaints

- 1) Complaint recipient will be the inspector and collect the facts or assign a trusted person or agency to be an investigator.
- 2) Complaint recipient or attorney can invite any employee to provide information, or request that any relevant documents be submitted for investigation.
- 3) If it is found that there is a violation / wrongdoing / corrupt act, the company will proceed as follows.
 - In the case of complaints causing harm to any person, appropriate and fair mitigation methods must be offered to the victim.
 - In case of complaints is important, or is an illegal by act, rule, regulation or ethics of the company which affects reputation, image, financial position, financial report data or related to senior managers, the complaints must be proposed to the Audit Committee, or the Board of Directors to consider taking appropriate and fair action.

1.3 Measures to protect complainants

- 1) Complaints will be treated as confidential. The company will collect information and identity of the information complaints and the whistle-blowers as confidential.
- 2) Complainants can choose to remain anonymous if they deem that disclosure would be unsafe. But if self-disclosure, will allow the company to report progress and clarify facts.
- 3) The company will disclose information as necessary and taking into account safety and the harm of the person reporting the source of the information or the person involved in the harm. The damage will be mitigated through an appropriate and fair process.
- 4) The complainant or the person who cooperates in the investigation of facts can request the company to determine appropriate protection measures or the company may impose protection measures by the complainant or those who cooperate in the investigation of facts without request, if it is seen that it is a subject that is prone to harm or insecurity.
- 5) The company will not response unfairly to the whistle-blower or the complainant whether by changing job position, job nature, workplace, suspending work, intimidating, interfering the work, termination of employment, or any other act that is unfair to the whistle-blower or complainant or those who cooperate in the investigation of facts.

In 2023, the company has not been notified of any wrongdoing or complaints related to non-compliance with rules that are considered unethical business and anti-corruption policies.

8.2 Report on the performance of the Audit Committee

Please look at the report of the Audit Committee in attachment no. 6, and also see the number of sessions and attendance of the committee. The individual audit committee members in item 8 report on key performance in corporate governance, subsection 8.1.2. attendance and payment of the individual committee member's remuneration.

8.3 Summary of the performance of the Sub-Committees

Appears in "the number of meeting attendance and total remunerations of the Directors and sub-committees" page 54 and attachment 6 "Report of Audit Committee" page 122.



9. Internal Control and related party transactions

9.1 Internal Control

Board of Directors Continuously attach importance to internal control by establishing an effective internal control system which is a mechanism to build confidence of the manager, to help in reducing business risks, running the business efficiently. Resources are allocated appropriately to achieve the goals set. It also helps protect assets from leakage, loss or fraud. This will result in financial reports that are complete, accurate and reliable with an internal audit unit with the performance of duties independently, under the supervision of the Audit Committee to review the performance of various departments within the company according to the audit plan. The Audit committee uses a risk assessment to prioritize at the point of entry along with consulting and develop a concise internal control system and more effective.

In the Board of Directors' meeting No. 1/23, dated February 23, 2023, in which the Audit Committee attended the meeting, the Board of Directors has assessed the company's internal control system from the review of the sufficiency assessment of the internal control system according to the guidelines set by Securities and Exchange Commission. And from questioning information from the managers and Internal Audit Department, the Audit Committee together with the Board of Directors are of the view that the company has appropriate, concise and adequate internal control in all aspects. It is consistent with the opinion of the auditor who commented that no weaknesses or defects of the internal control system, that will materially affect the accuracy of the financial statements or achieving the goals of the company, were found.

9.2 Related Party Transactions

9.2.1 Information on relating transaction with parties with possible conflict of interests

The information on related party transactions of the company with persons who may have a conflict of interest, as stated by the auditor in the notes to the financial statements for the accounting period ended December 31, 2023, which have been reviewed by the company's audit committee and which are of the opinion that such related party transactions are in accordance with normal commercial terms and in accordance with the criteria of the Stock Exchange of Thailand (SET). There is complete evidence of the transaction, and it has been adequately disclosed in the financial statements. The company has disclosed details of related party transactions for the past 3 years on the company's website. The summary is as follows:

Relationship	Description	Transaction	Transaction amount and balance (Unit: Thousand Baht)		
			2023	2022	2021
1. KS Mould Part Co., Ltd. is a manufacturer of ejector pins. It is the joint venture between Kanzaki Mfg Co., Ltd. and Sahamit Holding Co., Ltd. holding shares by 24.48% and 60.08% respectively.					
(1) Executives of the Company which are Mr. Chaisilp Tamesirichai and Mr. Prasong Srithornratkul are also the directors and shareholders in Sahamit Holding Co., Ltd.	The Company is a distributor of ejector pin for KS Mould Part since the Company was appointed to be a sole distributor in Thailand.	Buy	58,107	60,613	58,454
		Accounts Payable	9,170	10,762	10,234
	The Company sold its products to KS Mould Part.	Sell	22,072	75,362	42,211
		Accounts Receivable	6,257	13,859	7,555
2. Rien Thong Wittaya Co., Ltd. is a manufacturer and distributor of books, files, also provides the paper cutting services.					
Mr. Kiangkrai Boonkitticharoen is the President of Reanthongwittaya Co., Ltd., and a director of Sahamit Machinery PCL.	The Company sold paper to Reanthongwittaya Co., Ltd. at market price.	Sell	276	161	220
		Accounts Receivable	-	-	-
3. Khon Khaen Sugar PCL. is a manufacturer of sugar and other related business.					
Mr. Pornsin Tamesirichai is a co-sign director of Khon Khaen Sugar PCL., and a director of Sahamit Machinery PCL.	The Company sold spare parts and chemical products for Khon Khaen Sugar PCL.	Sell	3,281	891	1,998
		Accounts Receivable	85	156	1,273
4. Bangkok Industrial Gas Co., Ltd. is a distributor of Nitrogen Gas					
Mr. Pichai Nithivasin is a director of Bangkok Industrial Gas Co., Ltd., and a director of Sahamit Machinery PCL.	The company bought Nitrogen gas to be use in the Heat Treatment Plant at market price.	Buy	3,155	3,026	2,962
		Accounts Payable	529	581	480
5. Tamaka Sugar Co., Ltd. is a manufacturer of sugar and other related business.					
Mr. Pornsin Tamesirichai is a director of Tamaka Sugar Co., Ltd., and also a director of Sahamit Machinery PCL.	The Company sold steel and spare parts for the manufacturing plant to Tamaka Sugar Co., Ltd.	Sell	-	-	36
		Accounts Receivable	-	-	-
6. New Krung Thai Sugar Industries Co., Ltd. is a manufacturer of sugar and other related business.					
Mr. Pornsin Tamesirichai is a co-sign director of New Krung Thai Sugar Industries Co., Ltd., and also a director of Sahamit Machinery PCL.	The Company sold steel and spare parts for the manufacturing plant to New Krung Thai Sugar Industries Co., Ltd.	Sell	10	-	52
		Accounts Receivable	-	-	17
7. Khon Kaen Sugar Power Plant Co., Ltd. is a distributor of power plant and stream					
Mr. Pornsin Tamesirichai is a Managing Director of Khon Khaen Sugar Power Plant PCL., and a director of Sahamit Machinery PCL.	The Company sold steel and spare parts for the manufacturing plant to Khon Kaen Sugar Power Plant Co., Ltd.	Sell	-	-	127
		Accounts Receivable	-	-	-
8. Hua Kee Co., Ltd. is the distributor of paper products					
Mr. Pichai Nithivasin is a Managing Director of Hua Kee Co., Ltd., and a director of Sahamit Machinery PCL.	The company sold paper for the manufacturing plant to Hua Kee Co., Ltd.	Sell	14	178	315
		Accounts Receivable	-	-	-
9. P.M.T. Comercial Co., Ltd. is a service apartment					
Mr. Pornsin Tamesirichai is a director of P.M.T. Commercial Co., Ltd., and a director of Sahamit Machinery PCL.	The company sold electrical device to be installed in the P.M.T. Commercial Co., Ltd.'s Building.	Sell	18	738	12
		Accounts Receivable	-	738	-

9.2.2 The necessity and reasonableness of such transactions

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

9.2.3 The policy and procedure of approval on transactions

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

9.2.4 The policy and future trends of related party transactions

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



INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the financial statements of Sahamit Machinery Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2023, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Sahamit Machinery Public Company Limited as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further describe in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the 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 judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Recognition of revenues from sales and services

The Company has revenues from sales and services in many segments by product group and management structure under different control environment. There is an accounting policy to recognize various revenues which the revenues from sales and services are significant accounting transactions as the amount recorded are material and directly affect the company's operating results. For audit proposes, I paid attention to recognition of revenues from sales and services in particular the recognition period.

I examined the Company's revenue from sales and services recognition by assessing and testing the Company's IT system and internal controls with respect to the revenue cycle by making enquiries of responsible executives, gaining understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I applied a sampling method to select sales transactions occurring during the year and near the end of the accounting period to examine the supporting



documents and reviewed credit notes that the Company issued after the period-end. I also performed analytical procedures to compare the data of the revenue account in segments by product group to detect possible irregularities in sales transactions throughout the period.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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



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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Miss Sulalit Ardsawang.

(Miss Sulalit Ardsawang)
Certified Public Accountant
Registration No.7517

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 22, 2024



SAHAMIT MACHINERY PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

		<u>ASSETS</u>	
		Baht	
	Notes	2023	2022
Current assets			
Cash and cash equivalents	6	58,523,689.12	62,862,208.23
Trade and other current receivables	4, 7	299,188,903.45	406,873,118.14
Contract assets	8	75,450.00	8,326,341.13
Inventories	9	967,074,610.13	1,038,037,647.31
Other current financial assets	10	562,280,158.90	365,668,735.82
Other current assets		976,859.42	1,472,562.34
Total current assets		1,888,119,671.02	1,883,240,612.97
Non-current assets			
Fixed deposit using for guarantee		656,419.66	655,446.32
Other non-current financial assets	11	112,066,009.00	152,263,710.90
Property, plant and equipment	12	804,741,521.36	825,890,546.96
Other non-current assets		147,013.74	2,074,609.71
Total non-current assets		917,610,963.76	980,884,313.89
Total assets		2,805,730,634.78	2,864,124,926.86

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



SAHAMIT MACHINERY PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2023

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	Baht	
		2023	2022
Current liabilities			
Trade payables	4	105,529,167.90	123,789,077.71
Other current payables		40,042,778.60	41,111,420.99
Contract liabilities	8	15,765,816.52	18,508,503.61
Income tax payable		9,444,769.14	20,009,623.97
Other current liabilities		4,628,883.83	11,642,082.02
Total current liabilities		175,411,415.99	215,060,708.30
Non-current liabilities			
Deferred tax liabilities	13	33,556,246.19	28,918,061.74
Employee benefit obligations	15	65,149,637.97	83,489,346.97
Total non-current liabilities		98,705,884.16	112,407,408.71
Total liabilities		274,117,300.15	327,468,117.01
Shareholders' equity			
Share capital			
Authorized share capital			
550,000,000 shares, Baht 1.00 par value each		550,000,000.00	550,000,000.00
Issued and fully paid-up			
530,000,000 shares, Baht 1.00 par value each		530,000,000.00	530,000,000.00
Surplus capital			
Premium on common stocks		262,262,300.00	262,262,300.00
Premium on treasury shares		12,951,122.72	12,951,122.72
Retained earnings			
Appropriated			
Legal reserves	16	55,000,000.00	55,000,000.00
Unappropriated		1,432,211,097.37	1,437,197,229.31
Other components of equity		239,188,814.54	239,246,157.82
Total shareholders' equity		2,531,613,334.63	2,536,656,809.85
Total liabilities and shareholders' equity		2,805,730,634.78	2,864,124,926.86

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



SAHAMIT MACHINERY PUBLIC COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023

	Notes	Baht	
		2023	2022
Revenues			
Sales and services	4, 25	1,617,630,793.41	2,176,233,927.22
Other income			
Commissions		2,965,148.90	4,150,459.65
Dividend income		-	4,370,102.73
Gain on exchange rate		-	17,429,466.04
Gain on disposal of assets		1,920,909.81	4,396,778.01
Others		8,407,342.07	4,723,524.49
Total revenues		1,630,924,194.19	2,211,304,258.14
Expenses			
Cost of sales and services	4	1,096,491,409.36	1,512,686,031.54
Selling expenses		211,281,039.26	227,491,802.14
Administrative expenses		126,799,672.20	128,673,798.55
Management benefit expenses	4	34,281,563.00	33,584,000.00
Loss on financial assets measured at fair value		2,676,190.94	19,942,063.95
Total expenses		1,471,529,874.76	1,922,377,696.18
Profit from operating before income tax expenses		159,394,319.43	288,926,561.96
Income tax expenses	17	27,727,295.77	53,238,250.80
Profit for the year		131,667,023.66	235,688,311.16
Other comprehensive income :-			
Item that will be reclassified subsequently to profit or loss			
Loss on financial assets measured at fair value	9, 11	(71,679.10)	(104,890.20)
Income tax that will be reclassified subsequently to profit or loss		14,335.82	20,978.04
		(57,343.28)	(83,912.16)
Item that will not be reclassified subsequently to profit or loss			
Gain on remeasurement of defined benefit plans	15	27,933,518.00	-
Gain on financial assets measured at fair value	11	-	2,650,386.00
Income tax that will not be reclassified subsequently to profit or loss		(5,586,703.60)	(530,077.20)
		22,346,814.40	2,120,308.80
Other comprehensive income for the year - net of income tax		22,289,471.12	2,036,396.64
Total comprehensive income for the year		153,956,494.78	237,724,707.80
Basic earnings per share (Baht per share)	19	0.25	0.44

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



SAHAMIT MACHINERY PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2023

	Notes	Baht							
		Share capital issued and fully paid-up	Premium on common stocks	Premium on treasury shares	Retained earnings		Other components of equity		Total shareholders' equity
					Appropriated - Legal reserves	Unappropriated	Surplus on land revaluation	Gain (loss) from financial assets measured	
Beginning balance as at January 1, 2022		530,000,000.00	262,262,300.00	12,951,122.72	55,000,000.00	1,392,307,994.15	195,360,893.60	41,848,867.58	2,489,731,178.05
Dividend payment	20	-	-	-	-	(190,799,076.00)	-	-	(190,799,076.00)
Profit for the year		-	-	-	-	235,688,311.16	-	-	235,688,311.16
Other comprehensive income for the year		-	-	-	-	-	-	2,036,396.64	2,036,396.64
Total comprehensive income for the year		-	-	-	-	235,688,311.16	-	2,036,396.64	237,724,707.80
Ending balance as at December 31, 2022		530,000,000.00	262,262,300.00	12,951,122.72	55,000,000.00	1,437,197,229.31	195,360,893.60	43,885,264.22	2,536,656,809.85
Dividend payment	20	-	-	-	-	(158,999,970.00)	-	-	(158,999,970.00)
Profit for the year		-	-	-	-	131,667,023.66	-	-	131,667,023.66
Other comprehensive income for the year		-	-	-	-	22,346,814.40	-	(57,343.28)	22,289,471.12
Total comprehensive income for the year		-	-	-	-	154,013,838.06	-	(57,343.28)	153,956,497.78
Ending balance as at December 31, 2023		530,000,000.00	262,262,300.00	12,951,122.72	55,000,000.00	1,432,211,097.37	195,360,893.60	43,827,920.94	2,531,613,334.63

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



SAHAMIT MACHINERY PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Baht	
	2023	2022
<u>Cash flows from operating activities :</u>		
Profit for the year	131,667,023.66	235,688,311.16
Adjustments to reconcile profit for the year to net cash provided by (used in) operating activities :		
Depreciation	61,081,703.31	60,061,350.84
Allowance for expected credit losses (reversal)	(7,599,083.23)	(2,262,790.20)
Bad debts	654,125.05	6,352,078.39
Gain on disposal of other financial assets	(4,824,067.83)	(1,441,243.92)
Loss from other financial assets measured	2,676,190.94	19,942,063.95
Gain on disposal of fixed assets	(1,920,909.81)	(4,396,778.01)
Unrealized gain on exchange rates	(404,713.20)	(144,399.64)
Employee benefit expenses	13,895,481.22	10,650,697.00
Loss on lost inventory	-	4,264,741.45
Dividend income	-	(4,370,102.73)
Interest income	(1,675,897.13)	(1,206,707.98)
Income tax expenses	27,727,295.77	53,238,250.80
Profit from operating before changes in operating assets and liabilities	221,277,148.75	376,375,471.11
(Increased) decreased in operating assets		
Trade and other current receivables	114,595,433.40	103,646,680.01
Contract assets	8,250,891.13	(8,326,341.13)
Inventories	70,963,037.18	(16,402,971.35)
Other current assets	495,702.92	6,271,190.01
Other non-current assets	1,927,595.97	(1,931,595.97)

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



SAHAMIT MACHINERY PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2023

	Baht	
	2023	2022
Increased (decreased) in operating liabilities		
Trade payables	(17,847,427.01)	(41,151,653.03)
Other current payables	(1,068,642.39)	(2,325,666.40)
Contract liabilities	(2,742,687.09)	(1,683,452.59)
Other current liabilities	(3,670,724.04)	4,628,823.61
Cash generated from operations	392,180,328.82	419,100,484.27
Payment for employee benefit obligation	(4,301,672.22)	(8,520,121.00)
Payment for income tax	(39,226,333.93)	(69,948,277.39)
Net cash provided by operating activities	348,652,322.67	340,632,085.88
<u>Cash flows from investing activities :</u>		
Increased in fixed deposit using for guarantee	(973.34)	(1,166.88)
Cash paid for investment in other financial assets	(1,091,177,125.79)	(245,000,000.00)
Cash received from investment other financial assets	933,497,128.25	215,523,933.71
Dividend income from investments	-	4,370,102.73
Cash paid for purchase of fixed assets	(39,936,070.26)	(96,465,208.76)
Cash received from sales of fixed assets	1,924,302.36	4,407,534.84
Cash received from interest income	1,701,867.00	1,149,453.18
Net cash used in investing activities	(193,990,871.78)	(116,015,351.18)
<u>Cash flows from financing activities :</u>		
Cash paid for dividend	(158,999,970.00)	(190,799,076.00)
Net cash used in financing activities	(158,999,970.00)	(190,799,076.00)
Net increased (decreased) in cash and cash equivalents	(4,338,519.11)	33,817,658.70
Cash and cash equivalents at the beginning of year	62,862,208.23	29,044,549.53
Cash and cash equivalents at the end of year	58,523,689.12	62,862,208.23

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



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

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

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

(b) Nature of the Company’s operations

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

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS**2.1 Basis for the preparation of the financial statements**

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

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

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

2.2 Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2023. This revision is for the financial reporting standards to be clearer and more appropriate and to conform with international financial reporting standards. Such revision does not affect the principles of the standards and does not affect the users of the financial reporting standards.

The adoption of these financial reporting standards does not have any significant impact on the financial statements in the current year.

2.3 Revised financial reporting standards to be applied in the future

The Federation of Accounting Professions has announced to apply the revised financial reporting standards 2023 and it was announced in the Royal Gazette on August 8, 2023 on altogether 4 topics: definition of the accounting estimates, disclosure of information of the accounting policy, deferred income tax related to assets and liabilities arising from one transaction and other adjustments due to the change of the Accounting Standard No. 17 “Insurance Contracts”. This adjustment is an adjustment for the financial reporting standards to be clearer and more appropriate. This is effective for the financial statements for the accounting period beginning on or after January 1, 2024.

The Management of the Company has assessed and believed that this revision will not significantly affect the financial statements in the year that such standard is applied.



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

3. SIGNIFICANT ACCOUNTING POLICIES**3.1 Revenues and expenses recognition**

- Revenue from sales

Revenue from sales of goods is recognized when control of the goods is transferred to the customer, being the point the goods are deliveries to the customer. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

- Revenue from services

Revenue from rendering of services is recognized as a performance obligation satisfied at a point in time when services underlying the particular performance obligation in transferred to the customer and invoicing such as maintenance services for machinery and equipment, and others are recognized revenue from service contracts on a straight-line method of the agreement to reflect the nature of service regardless of the payment period under the agreement.

- Solar energy system installation income

Revenues from the services on design, procurement and installation of solar energy equipment systems is recognized at the point of performance completion according to contract term specified in the agreement, and provided that service over time by applying the stage of completion using input method calculated by comparing the inputs or costs incurred from the point of performance completion to the reporting date, with total estimated cost, and considering the input method adjustment to reflect the performance in accordance with the obligation to be completed.

- Contract assets/ Contract liabilities

The recognized revenue which is not yet due payment according to the contract has been presented under the caption of “Contract assets” under current assets and non-current assets in the statement of financial position.

The amount that company receives or entitled to receive from customer but still has obligation to transfer product or service to customer is presented as “Contract liabilities” under current and non-current liabilities in the statement of financial position which will be recognized upon complying with the commitment as stipulated in the agreement.

- Other income and expenses are recognized on an accrual basis.

3.2 Cash and cash equivalents

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

3.3 Trade and other current receivables

Trade and other current receivables are stated at cost net of the allowance for expected credit losses. The allowance for expected credit losses is disclosed in Note 3.4.

3.4 Financial instruments

Classification and valuation of financial assets

Classification depends on the business model of the company in managing financial assets and nature of cash flow under the agreement of financial assets. The Company classified the financial assets by the nature of value measurement as follows:



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

- Item measured at amortized cost
- Item subsequently measured at fair value through other comprehensive income
- Item subsequently measured at fair value through profit or loss

Equity instruments can be classified and cannot be changed by two types of measurement which are measuring fair value through profit or loss or measuring fair value through other comprehensive income that without recycling to profit or loss.

The initial recognition of financial assets that are not measured at fair value through profit or loss with fair value plus or deduct transaction cost directly related to the acquisition or issuance of that financial asset. Transaction cost of financial assets measured at fair value through profit or loss, are recognized as expense in profit or loss. However trade accounts receivable and other receivable without significant financing component, the Company will recognized such financial assets by the transaction price.

Subsequent measurement of debt instruments by 3 methods depend on the classification of debt instruments.

- Financial assets measured at amortized cost when financial assets are held to receive cash flow under the agreement and condition of the agreement of the financial assets that generate cash flow to pay the principal and interest from the principal balance on the specified date only. Such financial assets have to be calculated using the effective rate and are subject to impairment assessment. Profit or loss arising from derecognized, modified or impaired will be recognized in profit or loss.
- Financial assets measured at fair value through other comprehensive income when financial assets are held to receive cash flow under the agreement and to sell financial assets and the agreement condition of financial assets generating cash flow that only pays the principal and interest from the principal balance on the specified date. The change of value of financial assets is recognized through other comprehensive income except loss on impairment and interest income and gain and loss on exchange rate are recognized as profit or loss upon recognised of financial assets. Earning or deficit previously recognised in other comprehensive income has to be reclassified into profit or loss. Such financial asset has to be calculated using the effective interest rate same as financial assets measured at amortized cost.
- Financial assets measured at fair value through profit or loss will be presented in the statement of financial position at fair value by recognizing the net change of fair value in profit or loss.

Subsequent valuation of equity instruments must present equity instruments using the fair value and record profit/loss from change in fair value through profit or loss or other comprehensive income depending on equity instruments classification.

Classification and valuation of financial liabilities

The Company recognizes initially of financial liabilities at fair value net of transaction costs and classified as financial liabilities as financial liabilities subsequently measured at amortized cost using the effective rate. The amortized cost is calculated taking into account fees or costs that are an integral part of the effective rate. Amortization by the effective rate is presented as part of financial costs in profit or loss.



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

Derivative

Derivative is recognized at fair value and measured fair value at the end of the reporting period. Profit or loss from fair value remeasurement is recognized in profit or loss immediately unless that derivative is used for cash flow hedge.

Derecognition of financial instruments

Financial assets will be derecognized from the account when the right to receive cash flow of such asset has ended or when the right to receive cash flow of the assets is transferred including upon the transfer of all risk and consideration of that asset or transfer of internal control in that asset although there is no transfer or maintaining of nearly all risk and consideration of such asset.

Financial liabilities will be derecognized from the account when the obligation of such liabilities has been complied, the obligation is cancelled or the obligation has ended. In case existing financial liabilities are changed to new liabilities from one single lender with considerably different requirements or there is a significant amendment in the requirements of existing liabilities, these are considered as recognition old liabilities and recognizing new liabilities by recognizing the difference of such carrying value under profit or loss.

Impairment of financial assets

Expected credit loss for financial assets measured at amortized cost or debt instrument financial assets measured at fair value through other comprehensive income and assets arising from credit facility obligation and financial guarantee agreement are assessed without having to wait for the credit event to occur first. The Company uses the general approach in considering the allowance for loss on impairment with the exception on trade receivables that the Company uses the simplified approach in considering the allowance for loss on impairment. The Company will recognize the expected credit loss throughout the period of trade receivables. The expected credit loss above will be calculated by reference to past credit loss information and adjusted by future forecast related to that receivables and economic environment.

Offset of financial instruments

Financial assets and liabilities will be offset and presented at net balance in the statement of financial position in the case legally enforced in offsetting the recognized amount. The Company intend to pay the net balance or intends to receive assets and settle payment of liabilities at the same time.

3.5 Inventories

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

Finished goods - weighted average method

Work in process - weighted average method

Raw materials and supplies - weighted average method

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



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

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

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

3.6 Property, plant and equipment and depreciation

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

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

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

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

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

The depreciation charge has to be determined separately for each significant part of an asset.

Depreciation is included in determining income.

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

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

3.7 Related parties

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

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



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

3.8 Impairment of assets non financial assets

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

3.9 Foreign currency transactions

Transactions in foreign currencies are converted into Thai Baht at the exchange rates ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currencies at reporting date are converted into Thai Baht at the exchange rates ruling at that dates unless hedged by forward foreign exchange contracts, in which case, the rates specified in such forward contracts are used. Gains and losses on exchange are recognized in current operations.

3.10 Provisions

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

3.11 Treasury shares

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

3.12 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

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



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

Deferred tax

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

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

Deferred tax assets and liabilities are measured at the tax rates that the Company expects to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

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

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

3.13 Employee benefits**Short-term employee benefits**

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

Post-employment benefit (Defined contribution plans)

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

Post-employment and other long-term employee benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments to employees upon retirement under the labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides another long-term employee benefit plans, namely reward obligation for employees who have worked for 10 years up.

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



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

Gains and losses for remeasurement of defined benefits plans for post-employment are recognized immediately in other comprehensive income statements. Other long-term benefits are recognized immediately in profit or loss.

3.14 Fair value

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

Fair value hierarchy

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

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

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

3.15 Significant accounting judgements and estimates

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

Allowance for expected credit losses of receivables

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

Allowance for declining in value of inventory

The determination of allowance for declining in the value of inventory, requires management to make judgements and estimates of the loss expected to occur. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense. The provision for obsolete slow-moving and deteriorated inventory, is estimated based on the approximate useful life of each type of inventory. The allowance for diminution in value of inventory as determined is compared with the original balance in the books of account and the increase or decrease in the allowance for diminution in value of inventory will be recognized as cost of sales and service in profit or loss.

Property, plant and equipment/Depreciation

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



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

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

Deferred tax assets

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

Post-employment and other long-term employee benefits under defined benefit plans

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

Fair valuation of financial assets and derivatives

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

4. RELATED PARTIES TRANSACTIONS

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

For the years ended December 2023 and 2022, the significant transactions with related parties can be summarized as follows :-

<u>Related companies</u>	Pricing policy	Baht	
		2023	2022
Sales			
K.S Mould Parts Co., Ltd. (Common directorships)	Market Price	22,072,446.92	75,361,894.03
Reanthong Wittaya Co., Ltd. (Common directorships)	Market Price	276,295.01	160,997.00
Khon Kaen Sugar Industry Pcl. (Common directorships)	Market Price	3,280,952.76	890,888.02
Hua Ki Paper Co., Ltd. (Common directorships)	Market Price	13,560.00	178,170.00
P.M.T. Commercial Co., Ltd. (Common directorships)	Market Price	18,240.00	737,500.00
New Krung Thai Sugar Factory Co., Ltd. (Common directorships)	Market Price	10,172.80	-
Purchases			
K.S Mould Parts Co., Ltd. (Common directorships)	Market Price	58,107,052.33	60,013,391.45
Bangkok Industrial Gas Co., Ltd. (Common directorships)	Market Price	3,154,630.65	3,026,187.88



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

The outstanding balances as at December 31, 2023 and 2022 are as follows :-

	Baht	
	2023	2022
<u>Trade receivables - Related companies</u>		
K.S Mould Parts Co., Ltd.	6,256,824.23	13,859,148.85
Khon Kaen Sugar Industry Pcl.	85,482.30	155,818.75
P.M.T. Commercial Co., Ltd.	-	738,300.00
<u>Trade payables - Related companies</u>		
K.S Mould Parts Co., Ltd.	9,169,745.51	10,762,452.40
Bangkok Industrial Gas Co., Ltd.	529,249.43	581,210.85

Management benefit expenses

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

For the years ended December 31, 2023 and 2022, management benefit expenses as follow :-

	Baht	
	2023	2022
Management personnel compensation		
Short-term employee benefits	33,323,800.00	32,530,800.00
Post-employment benefits	957,763.00	1,053,200.00
Total	34,281,563.00	33,584,000.00

5. FINANCIAL ASSETS AND LIABILITIES

The Company's classified the financial assets and liabilities as at December 31, 2023 and 2022 below :-

	Baht			
	FVPL	FVOCI	Amortized cost	Total
As at December 31, 2023				
Financial assets				
Cash and cash equivalents	-	-	58,523,689.12	58,523,689.12
Trade and other current receivables	-	-	299,188,903.45	299,188,903.45
Other current financial assets	532,154,136.10	30,126,022.80	-	562,280,158.90
Fixed deposit using for guarantee	-	-	656,419.66	656,419.66
Other non-current financial assets	-	112,066,009.00	-	112,066,009.00
Other non-current assets	-	-	147,013.74	147,013.74
Total	532,154,136.10	142,192,031.80	358,516,025.97	1,032,862,193.87
Financial liabilities				
Trade payables	-	-	105,529,167.90	105,529,167.90
Other current payables	-	-	40,042,778.60	40,042,778.60
Other current liabilities	1,538,379.05	-	3,090,504.78	4,628,883.83
Total	1,538,379.05	-	148,662,451.28	150,200,830.33



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

	Baht			
	FVPL	FVOCI	Amortized cost	Total
As at December 31, 2022				
Financial assets				
Cash and cash equivalents	-	-	62,862,208.23	62,862,208.23
Trade and other current receivables	-	-	406,873,118.14	406,873,118.14
Other current financial assets	365,668,735.82	-	-	365,668,735.82
Fixed deposit using for guarantee	-	-	655,446.32	655,446.32
Other non-current financial assets	-	152,263,710.90	-	152,263,710.90
Other non-current assets	-	-	2,074,609.71	2,074,609.71
Total	365,668,735.82	152,263,710.90	472,465,382.40	990,397,829.12
Financial liabilities				
Trade payables	-	-	123,789,077.71	123,789,077.71
Other current payables	-	-	41,111,420.99	41,111,420.99
Other current liabilities	4,880,853.20	-	6,761,228.82	11,642,082.02
Total	4,880,853.20	-	171,661,727.52	176,542,580.72

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of :-

	Baht	
	2023	2022
Cash on hand	411,054.46	348,103.62
Cash at bank - current accounts	39,398,638.80	44,791,546.07
Cash at bank - saving accounts	18,713,995.86	17,722,558.54
Total	58,523,689.12	62,862,208.23

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



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables consisted of :-

	Baht	
	2023	2022
<u>Trade receivables</u> , classified by age analysis :-		
- <u>Domestic</u>		
Not yet due	175,858,783.64	211,707,482.53
Overdue :		
Not over 3 months	102,632,740.56	155,846,651.00
Over 3 - 6 months	8,973,159.26	19,645,437.19
Over 6 - 12 months	2,933,311.98	4,150,918.34
Over 12 months	6,014,139.48	10,350,528.47
Total	296,412,134.92	401,701,017.53
- <u>Foreign</u>		
Not yet due	3,736,932.49	5,157,119.37
Total	3,736,932.49	5,157,119.37
Total trade receivables	300,149,067.41	406,858,136.90
<u>Less</u> Allowance for expected credit losses	(11,891,956.33)	(19,491,039.56)
Total trade receivables - net	288,257,111.08	387,367,097.34
<u>Other current receivables</u>		
- Accrued interest receivables	164,558.90	190,528.77
- Other advance payables	1,566,749.85	744,649.50
- Prepaid expenses	1,689,684.77	1,748,553.04
- Cash deposit for goods	7,510,798.85	16,822,289.49
Total	10,931,792.37	19,506,020.80
Total trade and other current receivables - net	299,188,903.45	406,873,118.14

As at December 31, 2023 and 2022, the Company had installment receivables less than 12 months in the amount of Baht 3.81 million and Baht 15.59 million, respectively.

The movements of allowance for expected credit losses are as follows :-

	Baht	
	2023	2022
Beginning balance	19,491,039.56	21,753,829.76
Increase (decrease) during the year	(6,944,958.18)	4,089,288.19
Bad debts during the year	(654,125.05)	(6,352,078.39)
Ending balance	11,891,956.33	19,491,039.56



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

8. CONTRACT ASSETS/CONTRACT LIABILITIES**8.1 Contract assets**

Contract assets consisted of:-

	Baht	
	2023	2022
Contract assets		
Accrued income	75,450.00	-
Revenue not yet due payment	-	8,326,341.13
Total contract assets	75,450.00	8,326,341.13

The movements of revenue not yet due payment are as follows:-

	Baht	
	2023	2022
Beginning balance	8,326,341.13	-
Project revenue recognition during the year	36,816,726.37	58,284,223.37
Billing due at contracts during the year	(45,143,067.50)	(49,957,882.24)
Ending balance	-	8,326,341.13

Changes in revenue not yet due payment according of the contract is recognized over the period in which contract performance obligations are fulfilled and deducted by the amount of installments due under the contract.

The management expects that assets arising from the contracts as at December 31, 2023 and 2022, will be charged to the customer within 1 year.

8.2 Contract liabilities

Contract liabilities consisted of:-

	Baht	
	2023	2022
Advance received from sale	12,383,265.97	15,039,336.44
Advance received from service	3,382,550.55	3,469,167.17
Total contract liabilities	15,765,816.52	18,508,503.61

9. INVENTORIES

Inventories consisted of:-

	Baht	
	2023	2022
Finish goods	885,235,731.52	937,340,928.89
Work in process	10,518,157.14	27,077,196.54
Raw materials and supplies	30,276,135.23	28,335,363.11
Goods in transit	48,344,586.24	52,584,158.77
Total	974,374,610.13	1,045,337,647.31
Less Allowance for declining in value of inventory	(7,300,000.00)	(7,300,000.00)
Inventories - net	967,074,610.13	1,038,037,647.31



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

10. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets consisted of:-

	Baht	
	2023	2022
Financial assets to measured at fair value through profit or loss		
- Debt instruments		
Unit trusts - Mutual Fund	553,154,949.83	380,650,884.47
<u>Less</u> Unrealized loss on changes in the fair value	(21,000,813.73)	(14,982,148.65)
Total debt instruments	532,154,136.10	365,668,735.82
Financial assets to measured at fair value through other comprehensive income		
- Debt instruments		
Corporate debentures	30,000,000.00	-
<u>Add</u> Unrealized gain on changes the fair value	126,022.80	-
Total debt instruments	30,126,022.80	-
Total other current financial assets	562,280,158.90	365,668,735.82

Changes in other current financial assets of debt instruments as follows :-

	Baht	
	2023	2022
Beginning balance	380,650,884.47	359,733,574.26
Purchase during in the year	1,091,177,125.79	235,000,000.00
Transferred from other non-current financial assets	30,000,000.00	-
Sale during in the year (Fair value)	(923,497,128.25)	(215,523,933.71)
Gain on sale investments	4,824,067.82	1,441,243.92
Ending balance	583,154,949.83	380,650,884.47

11. OTHER NON - CURRENT FINANCIAL ASSETS

Other non-current financial assets consisted of:-

	Baht	
	2023	2022
Financial assets measured at fair value through other comprehensive income		
- Equity instruments		
General investment	57,407,130.63	57,407,130.63
<u>Add</u> Unrealized gain on changes the fair value	54,658,878.37	54,658,878.37
Total equity instruments	112,066,009.00	112,066,009.00
- Debt instruments		
Corporate debentures	-	40,000,000.00
<u>Add</u> Unrealized gain on changes the fair value	-	197,701.90
Total debt instruments	-	40,197,701.90
Total other non-current financial assets	112,066,009.00	152,263,710.90



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

General investment

General investment was the investment in K.S. Mould Parts Co.,Ltd. On May 11, 2015, the Company entered into the purchase of ordinary shares agreement with a Japanese company for 127,300 shares at Baht 450 per share in the amount of Baht 57.41 million (included the shares purchase expenses of Baht 0.12 million).

For the years December 31, 2023 and 2022, the fair value was measured by an independent appraiser. For the fair value assessment of investments in K.S. Mold Parts Company Limited using the Net Asset Value Method, together with the Market Approach, Cost Approach, and Replacement Cost New makes the investments have a fair value of Baht 112.07 million.

12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of :-

	Baht			
	Balance per book as at December 31, 2022	Additions	Deductions	Transferred in (Transferred out) Balance per book as at December 31, 2023
<u>At appraised</u>				
Land and improvements				
- Cost	287,274,811.96	-	-	287,274,811.96
- Surplus on land revaluation	244,201,117.00	-	-	244,201,117.00
- Loss on land revaluation	(24,323,999.68)	-	-	(24,323,999.68)
Total land and improvements - at appraised value	507,151,929.28	-	-	507,151,929.28
<u>At cost</u>				
Buildings and improvements	322,545,769.90	419,563.72	-	322,965,333.62
Machinery and equipment	815,829,807.20	8,551,883.17	(12,208,344.50)	850,221,801.00
Furniture, fixtures and office equipment	44,260,725.72	1,370,623.35	(193,276.14)	45,438,072.93
Vehicles	127,599,562.63	7,211,604.68	(5,510,275.71)	129,300,891.60
Assets in progress	16,797,593.95	22,382,395.34	-	1,131,534.16
Total buildings and equipment - at cost	1,327,033,459.40	39,936,070.26	(17,911,896.35)	1,349,057,633.31
Total	1,834,185,388.68			1,856,209,562.59
<u>Less Accumulated depreciation</u>				
Buildings and improvements	270,111,163.52	8,855,013.95	-	278,966,177.47
Machinery and equipment	597,778,047.06	41,329,881.89	(12,208,320.50)	626,899,608.45
Furniture, fixtures and office equipment	42,083,345.37	1,144,625.30	(189,915.59)	43,038,055.08
Vehicles	98,322,285.77	9,752,182.17	(5,510,267.71)	102,564,200.23
Total	1,008,294,841.72	61,081,703.31	(17,908,503.80)	1,051,468,041.23
Property, plant and equipment - net	825,890,546.96			804,741,521.36



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

	Baht				
	Balance per book	Additions	Deductions	Transferred in	Balance per book
	as at December 31, 2021			(Transferred out)	as at December 31, 2022
At appraised					
Land and improvements					
- Cost	287,274,811.96	-	-	-	287,274,811.96
- Surplus on land revaluation	244,201,117.00	-	-	-	244,201,117.00
- Loss on land revaluation	(24,323,999.68)	-	-	-	(24,323,999.68)
Total land and improvements - at appraised value	507,151,929.28	-	-	-	507,151,929.28
At cost					
Buildings and improvements	322,450,769.90	95,000.00	-	-	322,545,769.90
Machinery and equipment	766,367,307.48	23,369,844.96	(13,250,653.68)	39,343,308.44	815,829,807.20
Furniture, fixtures and office equipment	43,497,667.52	1,053,558.20	(460,000.00)	169,500.00	44,260,725.72
Vehicles	123,418,801.32	16,892,308.51	(12,711,547.20)	-	127,599,562.63
Assets in progress	1,255,905.30	55,054,497.09	-	(39,512,808.44)	16,797,593.95
Total buildings and equipment - at cost	1,256,990,451.52	96,465,208.76	(26,422,200.88)	-	1,327,033,459.40
Total	1,764,142,380.80				1,834,185,388.68
Less Accumulated depreciation					
Buildings and improvements	259,948,149.59	10,163,013.93	-	-	270,111,163.52
Machinery and equipment	570,368,281.81	40,660,400.93	(13,250,635.68)	-	597,778,047.06
Furniture, fixtures and office equipment	41,370,738.58	1,161,514.28	(448,907.49)	-	42,083,345.37
Vehicles	102,957,764.95	8,076,031.02	(12,711,510.20)	-	98,322,285.77
Total	974,644,934.93	60,060,960.16	(26,411,053.37)	-	1,008,294,841.72
Property, plant and equipment - net	789,497,445.87				825,890,546.96

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

The fair value of land was revalued by an independent appraiser using the market comparable approach that reflects recent transaction prices for similar.

As at December 31, 2023 and 2022, the Company had fixed assets have been fully depreciated which are still in use as follows :-

	Baht	
	2023	2022
<u>At cost</u>		
Buildings and improvements	174,709,530.82	172,396,679.13
Machinery and equipment	452,608,899.92	362,887,119.85
Furniture, fixtures and office equipment	40,825,972.56	39,569,295.93
Vehicles	80,257,927.97	80,534,959.75
Total	748,402,331.27	655,388,054.66



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

13. DEFERRED TAX ASSETS AND LIABILITIES

Changes in deferred tax assets and liabilities for the years ended December 31, 2023 and 2022 are summarized as follows :-

	Baht		
	Balance per book as at January 1, 2023	Revenue (expenses) during the year In profit or loss In other comprehensive income	Balance per book as at December 31, 2023
Deferred tax assets:			
Allowance for expected credit losses	3,898,207.91	(1,519,816.64)	2,378,391.27
Allowance for declining in value of inventory	1,460,000.00	-	1,460,000.00
Loss on land revaluation	4,864,800.03	-	4,864,800.03
Loss from measured - debt instruments	2,996,429.73	1,203,733.01	4,174,958.19
Loss from measured - derivatives	976,170.64	(668,494.83)	307,675.81
Employee benefit obligations	16,697,869.39	1,918,761.79	13,029,927.58
Total	30,893,477.70	934,183.33	26,215,752.88
Deferred tax liabilities:			
Gain from measured other non-current financial assets	(10,971,316.04)	-	(10,931,775.67)
Surplus on land revaluation	(48,840,223.40)	-	(48,840,223.40)
Total	(59,811,539.44)	-	(59,771,999.07)
Deferred tax assets (liabilities)	(28,918,061.74)		(33,556,246.19)

	Baht		
	Balance per book as at January 1, 2022	Revenue (expenses) during the year In profit or loss In other comprehensive income	Balance per book as at December 31, 2022
Deferred tax assets:			
Allowance for expected credit losses	4,350,765.95	(452,558.04)	3,898,207.91
Allowance for declining in value of inventory	1,460,000.00	-	1,460,000.00
Loss on land revaluation	4,864,800.03	-	4,864,800.03
Loss from measured - debt instruments	34,054.65	2,962,375.08	2,996,429.73
Loss from measured - derivatives	-	976,170.64	976,170.64
Employee benefit obligations	16,271,754.19	426,115.20	16,697,869.39
Total	26,981,374.82	3,912,102.88	30,893,477.70
Deferred tax liabilities:			
Gain from measured other non-current financial assets	(10,462,216.88)	-	(10,971,316.04)
Surplus on land revaluation	(48,840,223.40)	-	(48,840,223.40)
Total	(59,302,440.28)	-	(59,811,539.44)
Deferred tax assets (liabilities)	(32,321,065.46)		(28,918,061.74)



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

14. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at December 31, 2023 and 2022, the Company has overdrafts and other credit lines from local financial institutions totaling Baht 1,351 million and USD 21 million which the overdrafts from a local financial institution guaranteed by fixed deposits in amount of Baht 0.50 million and other credit lines without any collateral.

15. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefits obligations consisted of :-

The statements of financial position

	Baht	
	2023	2022
Defined employee benefit obligations at beginning balance	83,489,346.97	81,358,770.97
Current service costs and interest	8,893,835.22	10,650,697.00
Adjust other long-term employee benefit obligations	5,001,646.00	-
Gain from remeasurement defined benefit plans	(27,933,518.00)	-
Employee benefits paid	(4,301,672.22)	(8,520,121.00)
Defined employee benefit obligations at ending balance	65,149,637.97	83,489,346.97

Expense recognized in the statements of comprehensive income

For the years ended December 31, 2023 and 2022

	Baht	
	2023	2022
Current service costs		
Administrative expenses	6,264,716.22	7,818,221.00
Management benefit expenses	957,763.00	1,053,200.00
Interest on obligations	1,671,356.00	1,779,276.00
Adjust to other long-term employee benefit obligations	5,001,646.00	-
Total	13,895,481.22	10,650,697.00

Principal actuarial assumptions at the reporting date

For the years ended December 31, 2023 and 2022

	Baht	
	2023	2022
Discount rate	2.76	2.33
Salary increase rate	4.00	5.00
Employee turnover rate	0.00 - 20.00	0.00 - 24.00
	(classification of age)	(classification of age)
Mortality rate	100 of Thai mortality table 2017	100 of Thai mortality table 2017



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2023 and 2022 are summarized below:

	Baht			
	2023		2022	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(6,420,083.00)	7,430,788.00	(8,466,196.00)	9,898,193.00
Salary increase rate	7,520,637.00	(6,581,099.00)	12,067,416.00	(10,325,592.00)
Employee turnover rate	(6,864,294.00)	4,994,758.00	(9,063,879.00)	6,776,122.00
Mortality rate	405,215.00	(402,163.00)	527,619.00	(523,452.00)

16. LEGAL RESERVE

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

17. INCOME TAX EXPENSES**17.1 Major components of income tax expenses**

For the years ended December 31, 2023 and 2022 consisted of :-

	Baht	
	2023	2022
Income tax expenses shown in profit or loss :		
Current tax expenses :		
Income tax expenses for the year	28,661,479.10	57,150,353.68
Deferred tax expenses :		
Changes in temporary differences relating to the original recognition and reversal	(934,183.33)	(3,912,102.88)
Total	27,727,295.77	53,238,250.80
Income tax expenses relation to components of other Comprehensive income :		
Gain (loss) on financial assets measured	(14,335.82)	509,099.16
Gain on remeasurement of defined benefit plans	5,586,703.60	-
Total	5,572,367.78	509,099.16



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

17.2 A numerical reconciliation between expenses and the product of accounting profit multiplied by the applicable tax rate

For the years ended December 31, 2023 and 2022 are summarized as follows :-

	Baht	
	2023	2022
Accounting profit for the year	159,394,319.43	288,926,561.96
The applicable tax rate (%)	20	20
Income tax expenses at the applicable tax rate	31,878,863.89	57,785,312.39
Reconciliation items:		
Tax effect of expenses that are not deductible in determining tax profit:		
- Expenses not allowed as expenses in determining taxable profit	421,948.16	364,116.01
Tax effect of income or profit that are not required in determining taxable profit:		
- Exemption of non-taxable dividend income	-	(874,020.55)
- Exemption of profit of the promoted business (BOI)	(3,855,107.39)	(3,122,840.78)
- Expenses deducted as expenses added in taxable	(718,408.89)	(914,316.27)
Total reconciliation items	(4,151,568.12)	(4,547,061.59)
Total income tax expenses	27,727,295.77	53,238,250.80

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

For the years ended December 31, 2023 and 2022 are summarized as follows :-

	2023		2022	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before income tax expenses for the year	159,394,319.43		288,926,561.96	
Income tax expenses at the applicable tax rate	31,878,863.89	20.00	57,785,312.39	20.00
Reconciliation items	(4,151,568.12)	(2.60)	(4,547,061.59)	(1.57)
Income tax expenses at the average effective tax rate	27,727,295.77	17.40	53,238,250.80	18.43

18. CAPITAL MANAGEMENT

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

According to the statements of financial position as at December 31, 2023 and 2022, the Company's debt-to-equity ratios were 0.11:1 and 0.13:1, respectively.



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

19. BASIC EARNINGS PER SHARE

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

	Baht	
	2023	2022
Profit for the year of ordinary shareholders(Baht)	131,667,023.66	235,688,311.16
Weighted average number of ordinary shares (Shares)	530,000,000	530,000,000
Basic earnings per share (Baht per share)	0.25	0.44

20. DIVIDENDFor the year 2023

At the Board of Directors' Meeting No. 3/2023 held on August 10, 2023, the board approved to pay interim dividends form the operating results for the six-month period 2023 amounting to Baht 53.00 million at the rate of Baht 0.10 per share.

At the Shareholder's Annual General Meeting for the year 2023 held on April 27, 2023, it was approved to pay the year dividends form the Company's earnings as at December 31, 2022 to the shareholders at the rate of Baht 0.20 per share, totalling Baht 106.00 million.

Totaling pay dividends in the year 2023 amounting to Baht 159.00 million.

For the year 2022

At the Board of Directors' Meeting No. 3/2022 held on August 11, 2022, the board approved to pay interim dividends form the operating results for the six-month period 2022 amounting to Baht 74.20 million at the rate of Baht 0.14 per share.

At the Shareholder's Annual General Meeting for the year 2022 held on April 28, 2022, it was approved to pay the year dividends form the Company's earnings as at December 31, 2021 to the shareholders at the rate of Baht 0.22 per share, totalling Baht 116.60 million.

Totaling pay dividends in the year 2022 amounting to Baht 190.80 million.

21. EXPENSE BY NATURE

Significant expenses by nature consisted of:-

	Baht	
	2023	2022
Purchase	938,667,048.61	1,398,422,602.92
Changes in inventory and work in process	67,556,470.24	(14,605,700.64)
Raw materials and consumables used	71,584,907.61	81,084,822.18
Employee costs	204,954,768.75	206,939,895.56
Management benefit expenses	34,281,563.00	33,584,000.00
Depreciation	61,081,703.31	60,061,350.84
Transportation and gasoline expenses	18,461,785.99	21,426,744.61



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

22. PROVIDENT FUND

The Company and its employees jointly established a provident fund scheme. Both the employees and the Company contribute to this fund. The fund is managed by the Bank of Ayudhya Public Company Limited and will be paid to the employees upon termination in accordance with the fund's policy.

For the years ended December 31, 2023 and 2022, the Company contributed to the fund totaling Baht 1.69 million and Baht 1.77 million, respectively.

23. FINANCIAL INSTRUMENTS**23.1 Financial risk management policies**

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

23.2 Interest rate risk

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

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

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

	Baht			
	Outstanding balance of financial instruments as at December 31, 2023			
	The interest rate fluctuates according to the market rate.	Fixed interest rate.	No interest rate	Total
<u>Financial assets</u>				
Cash and cash equivalents	18,713,995.86	-	39,809,693.26	58,523,689.12
Trade and other current receivables	-	-	299,188,903.45	299,188,903.45
Other current financial assets	-	30,126,022.80	532,154,136.10	562,280,158.90
Fixed deposit with obligation	-	656,419.66	-	656,419.66
Other non-current financial assets	-	-	112,066,009.00	112,066,009.00
<u>Financial liabilities</u>				
Trade payables	-	-	105,529,167.90	105,529,167.90
Other current payables	-	-	40,042,778.60	40,042,778.60
Other current liabilities	-	-	4,628,883.83	4,628,883.83



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

	Baht		
	Outstanding balance of financial instruments as at December 31, 2022		
	The interest rate fluctuates according to the market rate.	Fixed interest rate.	No interest rate
			Total
<u>Financial assets</u>			
Cash and cash equivalents	17,722,558.54	-	45,139,649.69
Trade and other current receivables	-	-	406,873,118.14
Other current financial assets	-	-	365,668,735.82
Fixed deposit with obligation	-	655,446.32	-
Other non-current financial assets	-	40,197,701.90	112,066,009.00
<u>Financial liabilities</u>			
Trade payables	-	-	123,789,077.71
Other current payables	-	-	41,111,420.99
Other current liabilities	-	-	11,642,082.02

23.3 Foreign currency risk

The Company has significant exchange rate risk related to transactions in foreign currencies. The balances of foreign currency denominated financial assets and liabilities are as follows:

(Unit: Thousand foreign currency unit)

	Financial assets		Financial liabilities		Average exchange rate	
	2023	2022	2023	2022	2023	2022
EUR	226	642	1,201	1,093	38.0334	36.8274
USD	1,075	1,384	751	1,020	34.2233	34.5624
JPY	73,523	13,780	53,570	10,404	0.2423	0.2609
CHF	-	-	-	4	40.7035	37.4333
CNY	183	1,864	-	-	4.8071	4.9664

Forward foreign exchange contracts

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

The Company had forward foreign exchange contracts with maturities of less than 1 year as follows:

	Fair values		Exchange rate on contract	
	Foreign currency	(Unit : Baht)	2023	2022
	2023	2022	2023	2022
USD	1,052,771.28	1,915,028.36	36,029,307.37	66,187,976.26
EUR	501,146.95	435,418.62	19,060,272.28	16,035,335.70
JPY	120,000,000.00	-	29,075,640.00	-
CNY	40,624.58	-	195,286.42	-

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



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

23.4 Credit risk

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

24. FAIR VALUE HIERARCHY

As at December 31, 2023 and 2022, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :-

	Baht			
	As at December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets and liabilities to measured at fair value through profit or loss				
Debt instruments				
- Unit trusts - Manal Fund	-	532,154,136.10	-	532,154,136.10
Derivatives	-	1,538,379.05	-	1,538,379.05
Financial assets to measured at fair value through other comprehensive income				
Equity instruments				
- General investment	-	-	112,066,009.00	112,066,009.00
Debt instruments				
- Debenture	-	30,126,022.80	-	30,126,022.80
Land and improvements	-	507,151,929.28	-	507,151,929.28

	Baht			
	As at December 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets and liabilities to measured at fair value through profit or loss				
Debt instruments				
- Unit trusts - Manal Fund	-	365,668,735.82	-	365,668,735.82
Derivatives	-	4,880,853.20	-	4,880,853.20
Financial assets to measured at fair value through other comprehensive income				
Equity instruments				
- General investment	-	-	112,066,009.00	112,066,009.00
Debt instruments				
- Debenture	-	40,197,701.90	-	40,197,701.90
Land and improvements	-	507,151,929.28	-	507,151,929.28

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



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

Valuation techniques and inputs of fair value to level 2

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

The fair value of investment in debt instruments calculated from the latest bid price or the return rate announced by Thai Bond Market Association.

The fair value of derivatives comprise the forward foreign exchange contracts measured fair value calculated using rates quoted by financial institution the Company's counterparties the contracts as at the statement of financial position date.

Land and improvements, the Company has hired an independent appraiser to appraise the fair value of such land by the market approach.

Valuation techniques and inputs of fair value to level 3

The fair value of general investment that is not listed in the Stock Exchange of Thailand calculated by net asset value (NAV) along with the market approach, cost approach and new replace cost appraise by independent appraiser.

25. PRIVILEGES AND BENEFITS UNDER INVESTMENT PROMOTION

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

Promotion Certificate No.	1476 (2)/2557	62-0308-1-00-1-0	62-0393-1-04-1-0	64-1131-1-00-1-0	65-1019-1-04-1-0	66-0837-2-04-1-0
Dated	November 11, 2013	March 28, 2019	April 23, 2019	July 5, 2021	August 22, 2022	June 20, 2023
Category of promoted operation	Category 4.5 : Heat treatment	Category 4.3 : Heat treatment	Category 4.3 : Heat treatment	Category 4.3 : Heat treatment	Category 4.3 : Heat treatment	Category 5.4.13 : Heat treatment
Key Privileges and benefits under the promotion certificate						
1. An exemption from payment of income tax for net profit commencing from	March 28, 2018 ending March 27, 2024	September 3, 2019 ending September 2, 2022	April 24, 2019 ending April 23, 2022	July 17, 2023 ending July 16, 2026	August 23, 2022 ending August 22, 2025	June 21, 2023 ending June 20, 2026
2. An exemption of income tax for the period of (year)	8 years (not exceed in amount of Baht 74 million)	3 years (not exceed in amount of Baht 74 million)	3 years (not exceed in amount of Baht 7.65 million)	3 years (not exceed in amount of Baht 76 million)	3 years (not exceed in amount of Baht 5.58 million)	3 years (not exceed in amount of Baht 12.16 million)

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



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

Sales and services for the years ended December 31, 2023 and 2022 consisted of :-

	Thousand Baht					
	2023			2022		
	BOI	Non-BOI	Total	BOI	Non-BOI	Total
sales and services						
- domestic	84,237	1,513,311	1,597,548	51,440	2,105,024	2,156,464
- export	-	20,083	20,083	-	19,770	19,770
Total	84,237	1,533,394	1,617,631	51,440	2,124,794	2,176,234

26. SEGMENT INFORMATION

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

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

Segment information's for the years ended December 31, 2023 and 2022 are as follows :-

	Thousand Baht							
	Steel & Heat treatment		Machine tools & Tooling		Others		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Sales and services	1,036,642	1,306,531	297,631	487,924	283,358	381,779	1,617,631	2,176,234
Gross profit from segment	361,755	466,220	78,517	94,305	80,867	103,023	521,139	663,548
Other income	2,380	13,130	512	8,544	4,082	5,765	6,974	27,439
Net income	364,135	479,350	79,029	102,849	84,949	108,788	528,113	690,987
Non segment :								
Other income							6,319	7,631
Selling expenses							(211,281)	(227,492)
Administrative expenses							(126,800)	(128,674)
Management benefit expenses							(34,281)	(33,584)
Loss on financial assets measured							(2,676)	(19,942)
Income tax expenses							(27,727)	(53,238)
Profit for the year							131,667	235,688



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

Thousand Baht			
Steel & Heat treatment	Machine tools & Tooling	Others	Total

Statement of financial position as at December 31,

Trade and other current receivables	299,189	406,873
Inventories	967,075	1,038,038
Other current financial assets	562,280	365,669
Property, plant and equipment	804,742	825,891
Total other assets	172,445	227,654
Total	2,805,731	2,864,125

Timing of revenue recognition

At a point in time	1,036,642	1,306,531	285,269	476,378	244,541	322,877	1,566,452	2,105,786
Over time	-	-	12,362	11,546	38,817	58,902	51,179	70,448
Total	1,036,642	1,306,531	297,631	487,924	283,358	381,779	1,617,631	2,176,234

27. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2023, the Company had commitment and contingent liabilities as follows :-

27.1 Commitment

- The Company had a commitment and obligation to the royalty agreement entered with a company overseas. The Company shall pay a royalty fee at the rate 1.5% of local sales and 1% of export sales.
- The Company has commitment from purchase inventory that has not been delivered for USD 0.25 million, CNY 0.25 million and Baht 0.49 million.
- The Company had unused letters of credit from a financial institutions amounting to Baht 31.17 million.

27.2 Guarantee

The Company had letters of guarantee issued by the banks of Baht 5.52 million for guaranteed using electricity and in respect of certain as required in the normal course of the Company's business.

28. RECLASSIFICATION

The Company reclassified certain items in the financial statements for the year 2022 to conform with the classification in the financial statements for the current year with no effect on previously reported net profit or shareholders' equity.



Sahamit Machinery Public Company Limited

NOTES TO INTERIM THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

		Baht	
	Previously reported	Increase (Decrease)	Reclassified
<u>Statement of financial position</u>			
As at December 31, 2022			
Current assets			
Trade and other current receivables	408,800,714.11	(1,927,595.97)	406,873,118.14
Non-current assets			
Other non-current assets	147,013.74	1,927,595.97	2,074,609.71
<u>Statement of comprehensive income</u>			
For the year ended December 31, 2022			
Expenses			
Administrative expenses	126,894,522.55	1,779,276.00	128,673,798.55
Finance costs	1,779,276.00	(1,779,276.00)	-
<u>Statement of cash flows</u>			
For the year ended December 31, 2022			
Cash provided by operating activities			
Adjustments to reconcile profit for the year to net cash			
Allowance for expected credit losses (reversal)	4,089,288.19	(6,352,078.39)	(2,262,790.20)
Loss on lost inventory	(4,264,741.45)	8,529,482.90	4,264,741.45
Profit from operating before changes in operating assets and liabilities	374,198,066.60	2,177,404.51	376,375,471.11
(Increased) decreased in operating assets			
Trade and other current receivables	95,367,005.65	8,279,674.36	103,646,680.01
Inventories	(7,873,488.45)	(8,529,482.90)	(16,402,971.35)
Other non-current assets	(4,000.00)	(1,927,595.97)	(1,931,595.97)
Cash flows from investing activities			
Cash paid for investment in other financial assets	(235,000,000.00)	(10,000,000.00)	(245,000,000.00)
Cash paid for investment in other non-current financial assets	(10,000,000.00)	10,000,000.00	-

29. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on February 22, 2024.



The Company has reviewed this Form 56-1 One report / Annual Report 2023 disclosure document with caution and certified that the information disclosed herewith is complete, accurate and truthful to the best of its knowledge. The Company believes that it has not omitted any material information that needs to be disclosed. Moreover, the Company also certifies that:

- (1) The Financial Statement and other financial details that are summarized in this Form 56-1 One report / Annual Report 2023 represent complete and accurate information regarding the financial performance and the cash flow of the Company.
- (2) The Company maintains an effective disclosure system that should assure it discloses true and complete information on the Company as required for ensuring compliance.
- (3) The Company maintains an effective internal control system and for ensuring compliance. The Company has communicated the internal control assessment as of December 31, 2023 to the external auditor and the Audit Committee; this assessment included any default, change or misconduct which may affect the reporting of the Company's financial statements.

Therefore, as evidence that these documents have been certified by the Company, the Company has authorized Mr. Phut Sorayarnthanawut to initial all pages. If any page is without Mr. Phut Sorayarnthanawut initials, the Company does not certify that the information given is the true copy.

Signed by

Mr. Chaisilp Tamesirichai
(President)

Mr. Prasong Srithornratkul
(Vice President)

Mr. Phut Sorayarnthanawut
(Managing Director)



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

Name	Educational Background	Work Experience	
		Period	Position
Mr. Chaisilp Tamesirichai Age (Year): 80 % of Share: 8.20 As of December 31, 2023, Number of Shares held by Self: 43,469,346 shares Spouse/Immature Children: 5,940,000 shares / 1.12%	<u>Education</u> - M.A., (Political Science), Ramkamhaeng University - Certificate MINI M.B.A., Chulalongkorn University - B.A., Ramkamhaeng University - Assumption Commercial College <u>Training</u> - Finance for Non-Finance Directors (FN) (15/2005) - Director Certification Program (DCP) (53/2005) - Director Accreditation Program (DAP) of IOD (26/2004)	1974 – Present 1988 – Present 1976 – Present	<u>Position in listed Company</u> Chairman of the Board of Directors and Executive Board, Sahamit Machinery PCL <u>Non-Listed Company</u> Director, K.S. Mould Parts Co., Ltd. Director, Sahamit Holding Co., Ltd.
Mr. Prasong Srithornratkul Age (Year): 80 % of Share: 8.09 As of December 31, 2023, Number of Shares held by Self: 42,878,936 shares Spouse/Immature Children: None	<u>Education</u> - Assumption Commercial College <u>Training</u> - Director Accreditation Program (DAP) of IOD (28/2004)	1974 – present 1988 – Present 1976 – Present	<u>Position in listed Company</u> Vice-Chairman of the Board of Directors and Executive Board, Sahamit Machinery PCL <u>Non-Listed Company</u> Director, K.S. Mould Parts Co., Ltd. Director, Sahamit Holding Co., Ltd.
Mr. Thana Senavattananagul Age (Year): 83 % of Share: 1.92 As of December 31, 2023, Number of Shares held by Self: 10,165,000 shares Spouse/Immature Children: None	<u>Education</u> - Japanese Course, Tokyo - Sahakunsuksa School	1994 – Present 1999 – Present	<u>Position in listed Company</u> Director, Sahamit Machinery PCL <u>Non-Listed Company</u> Chairman of the Board, Nakhon Luang Paper Co., Ltd.
Mr. Pichai Nithivasin Age (Year): 80 % of Share: 0.50 As of December 31, 2023, Number of Shares held by Self: 2,672,464 shares Spouse/Immature Children: None	<u>Education</u> - Diploma. Business Administration. Golden Gate College, San Francisco, USA <u>Training</u> - Director Accreditation Program (DAP) of IOD (26/2004)	2023 – Present 1994 – Present 2015 – Present 1998 – Present 1997 – Present 1996 – Present 1996 – Present	<u>Position in listed Company</u> Independent Director, Sahamit Machinery PCL Director, Sahamit Machinery PCL <u>Non-Listed Company</u> Director, BST Specialty Co., Ltd. Director, Bangkok Industrial Gas Co., Ltd. Director, Foamtec International Co., Ltd. Director, BST Elastomers Co., Ltd. Director, Bangkok Cogeneration Co., Ltd.

Name	Educational Background	Work Experience	
		Period	Position
		1993 – Present 1989 – Present 1989 – Present 1988 – Present 1988 – Present 1988 – Present 1988 – Present 1975 – Present	Director, Bangkok Synthetics Co., Ltd. Director, Polymers Marketing Co., Ltd. Director, B.I.G Marketing Co., Ltd. Executive Director, International Resources Development Ltd. Executive Director, Narai Property Co., Ltd. Executive Director, Narairuamphiphat Co., Ltd. President, Narai Hotel Co., Ltd. Managing Director, Hua Kee Paper Co., Ltd.
Mr. Pornsin Thaemsirichai Age (Year): 78 % of Share: 2.38 As of December 31, 2023, Number of Shares held by Self: 12,600,000 shares Spouse/Immature Children: 5,400,000 shares / 1.02%	<u>Education</u> - Honorary Ph.D. (Business Administration), Ramkhamhaeng University - M.B.A. The University of Southern Queensland, Australia - M.S. (Engineering), North Dakota State University, USA - B.E. (Civil Engineering), Chulalongkorn University <u>Training</u> - Director Certification Program (DCP) (50/2004) - Director Accreditation Program (DAP) of IOD (18/2004)	2013 – Present 2004 – Present 2012 – Present 2010 – Present 2007 – Present 2006 – Present 2005 – Present 2003 – Present 1983 – Present 1983 – Present 1983 – Present 2003 – 2016	<u>Position in listed Company</u> Director, Sahamit Machinery PCL Director and Senior Vice President Khon Kaen Sugar Industry PCL <u>Non-Listed Company</u> President, P.M.T. Precious Group Co., Ltd. Chairman, Koh Kong Plantation Co., Ltd. Director, Savannakhet Sugar Corporation Director, Koh Kong Sugar Industry Co., Ltd. President, P.M.T. Commercial Co., Ltd. Managing Director, Khon Kaen Sugar Power Plant Co., Ltd. Director and Senior Vice President, New Kwang Soon Lee Sugar Co., Ltd. Director and Senior Vice President New Krung Thai Sugar Factory Co., Ltd. Director and Senior Vice President Tamaka Sugar Industry Co., Ltd. Director, KSL Material Supply Co., Ltd
Gen. Vapirom Manasrangsi Age (Year): 77 % of Share: - As of December 31, 2023, Number of Shares held by Self: None Spouse/Immature Children: None	<u>Education</u> - Honorary Ph.D. (Civil Engineering), Burapha University - M.S. (Information Technology), King Monkut's Institute of Technology Ladkrabang - B.S., Chulachomklao Royal Military Academy <u>Training</u> - Director Accreditation Program (DAP) of IOD (26 /2004)	2004 – Present Present	<u>Position in listed Company</u> Independent Director and Chairman of the Audit Committee, Sahamit Machinery PCL <u>Non-Listed Company</u> Project Consultants Her Royal Highness Princess Maha Chakri Sirindhorn's Personal Affairs Division



ATTACHMENTS: 1

Name	Educational Background	Work Experience	
		Period	Position
Mr. Karun Kittisataporn Age (Year): 76 % of Share: 0.03 As of December 31, 2023, Number of Shares held by Self: 146,200 shares Spouse/Immature Children: None	Education - M.A. (International Trade), Syracuse University, USA - B.C.A., Victoria University of Wellington, New Zealand - Diploma, GATT Commercial Policy Course, Geneva - Diploma, The National Defence Course Class 8, National Defence College (TNDC 388)	2022 – Present 2019 – Present 2019 – Present 2015 – Present	Position in listed Company Non-Executive Director – Bank of Ayudhaya PCL Chairman of the Nomination and Remuneration Committee, Sahamit Machinery PCL Chairman of the Independent Director, Central Pattana PCL Chairman of the Nomination and Remuneration Committee Central Pattana PCL
	Training - Seminar on Cyber Resilience Leadership : Herd Immunity 2021 - Bangkok FinTech Fair 2021 “Shaping Digital Finance in the New Decade” Year 2021 - Cyber Armor Capital Market Board Awareness No.2 Topic : Data-Driven CyberSecurity and Intelligence Threats Assessment 2021 - Regulatory Technology : RegTech 2021 - Role of chairman Program (RCP) 2021 - Ethical Leadership Program (ELP) 2021 - IT Security Awareness, Virtual Training 2020 - ESG and Sustainable Banking Development, including response to the Covid-19 situation 2020 - Bangkok Sustainable Banking Forum 2019 “An Industry Wake-up Call” 2019 - Risk Management Program for Corporate Leaders (RCL) 2019 - IOD National Director Conference 2018 “Rising Above Disruptions: A Call for Action” 2018 - Board Nomination and Compensation Program (BNCP) 2018 - Krungsri Executive Forum: Leading Organization & People in Digital Age 2018 - Future Customer Experience in Financial and Banking Services 2018 - IT Security Trend Update 2018 - Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance 2017 - Strategic IT Governance (for non-IT) 2017 - Cyber Resilience Leadership 2017 - Director Briefing “Sleeping Giants of Succession” 2017 - Training on International Financial Reporting Standard 9 (IFRS9) PWC Thailand 2016 - CyberSecurity Awareness Training for Senior Executive 2016 - Anti-Corruption for Executive Program (ACEP) 2013 - Monitoring the Internal Audit Function (MIA) 2013	2011 – Present 2009 – Present 2008 – Present 2008 – Present 2019 – 2023 2017 – 2019 2013 – 2017 2012 – 2017 2010 – 2019 2010 – 2017 2008 – 2019 2019 – Present 2019 – Present 2016 – 2021 2017 – 2021 2008 – 2017	Audit Committee, Central Pattana PCL Independent Director, Central Pattana PCL Independent Director, Bank of Ayudhaya PCL Independent Director / Audit Committee, Sahamit Machinery PCL Chairman of the Board, Bank of Ayudhaya PCL Chairman of the Nomination and Remuneration Committee / Risk Management Committee, Khon Kaen Sugar Industry PCL Corporate Governance Committee, Khon Kaen Sugar Industry PCL Audit Committee, Khon Kaen Sugar Industry PCL Independent Director, Khon Kaen Sugar Industry PCL Nomination and Remuneration Committee, Khon Kaen Sugar Industry PCL Chairman of the Nomination and Remuneration Committee, Bank of Ayudhaya PCL Non-Listed Company Vice – Chairman, Committee 6, Council of State Chairman, Krungsri Foundation Member of Committee on International Economic Policy Member of ASEAN Association, Thailand Chairman of the Executive Board, The Support Arts and Craft International Centre of Thailand



ATTACHMENTS: 1

Name	Educational Background	Work Experience	
		Period	Position
	- Monitoring the Quality of Finance Reporting (MFR) 2011 - Finance Institutions Governance Program (FGP) 2011 - Audit Committee Program (ACP) 2009 - Finance Statements for Directors (FSD) 2009 - Role of the Compensation Committee (RCC) 2008 - Director Certification Program (DCP) 2006		
Mr. Kiangkrai Boonkitticharoen Age (Year): 80 % of Share: 0.01 As of December 31, 2023, Number of Shares held by Self: 36,000 shares Spouse/Immature Children: None	<u>Education</u> - B.A. (Business Administration), Thammasat University <u>Training</u> - Director Accreditation Program (DAP) of IOD (17/2018)	2023 – Present	<u>Position in listed Company</u> Independent Director, Audit Committee Sahamit Machinery PCL
		1994 – 2023	Independent Director, Sahamit Machinery PCL
		1990 – Present 1987 – Present	<u>Non-Listed Company</u> Chairman of the Board, Reanthongvittaya Co., Ltd. Executive Director, Tata Co., Ltd.
Mr. Chayakorn Limsiripan Age (Year): 54 % of Share: 0.93 As of December 31, 2023, Number of Shares held by Self: 4,917,000 shares Spouse/Immature Children: None	<u>Education</u> - M.B.A., Finance, Clark University, USA - B.A. Management, Assumption University <u>Training</u> - Director Accreditation Program (DAP) of IOD (155/2018)	2019 – Present	<u>Position in listed Company</u> Nomination and Remuneration Committee, Sahamit Machinery PCL
		2018 – Present	Independent Director, Audit Committee, Sahamit Machinery PCL
		2012 – Present 2007 – Present 2007 – Present 2016 – Present	<u>Non-Listed Company</u> Managing Director, Krel Co., Ltd. Director, TQP Co., Ltd. Director, Thaiqualitycom Co., Ltd. Director, P J L Property Co., Ltd.
Mr. Phut Sorayarnthanawut Age (Year): 61 % of Share: 0.59 As of December 31, 2023, Number of Shares held by Self: 3,137,292 shares Spouse/Immature Children: None	<u>Education</u> - B. Eng, King Mongkut's University of Technology Thonburi - MMP61 Faculty of Accounting, Chulalongkorn University <u>Training</u> - Director Certification Program (DCP) of IOD 227/2016 - Risk Management Program for Corporate Leaders (RCL) of IOD 1/2015 - Director Accreditation Program (DAP) of IOD 109/2014	2016 – Present	<u>Position in listed Company</u> Director and Managing Director, Sahamit Machinery PCL
		2015 – Present	Chairman of the Risk Management Sub-Committee, Sahamit Machinery PCL
		1985 – 2015	Assistant to President, Sahamit Machinery PCL



ATTACHMENTS: 1

Name	Educational Background	Work Experience	
		Period	Position
Mr. Chardej Tamesirichai Age (Year): 53 % of Share: 0.38 As of December 31, 2023, Number of Shares held by Self: 2,000,000 Spouse/Immature Children: None	<u>Education</u> - B.A. Tenri University	2016 – Present	<u>Position in listed Company</u> Director and Deputy Managing Director, Sahamit Machinery PCL
	<u>Training</u> - Public Training of The Wisdom Earning Center Co.,Ltd. - Director Certification Program (DCP) of IOD 228/2016	1997 – 2015	Manager, Sahamit Machinery PCL
Ms. Piyanuch Tamesirichai Age (Year): 51 % of Share: 2.91 As of December 31, 2023, Number of Shares held by Self: 15,410,100 shares Spouse/Immature Children: None	<u>Education</u> - M.B.A., General Management, Strayer University, Maryland - B.B.A., General Management, George Washington University At Mount Vernon College	2016 – Present	<u>Position in listed Company</u> Director and Deputy Managing Director, Sahamit Machinery PCL
	<u>Training</u> - Subsidiary Governance Program of IOD 4/2023 - Community Mall Business And Size S New Market Course (Billion B Co.,Ltd. 2/2022) - HRM Best Practices during Covid-19 (Unique Seminar & Training) - Labour Law for the owner, executives and Human Resources (Nation Multimedia PLC.) - Executive Integrated Medical Management Program Chulabhorn International College of Medicine, Thammasat University Class 4 (EMMP 4) - Top Executive Program of Capital Market Academy Class 27 (CMA27) - Top Executive Program in Commerce and Trade (TEPCoT) 10 - Director Certification Program (DCP) of IOD 249/2017 - Global Business Leaders Program (GBL 2) - Director Accreditation Program (DAP) of IOD 132 /2016 - Risk Management Program for Corporate Leaders (RCL) of IOD 5/2016 - Financial and Fiscal Management Program for Senior Executive (FME 3) - Thammasat Leadership Program 7	2015 – Present	Risk Management Sub-Committee, Sahamit Machinery PCL
		2002 – 2015	Manager, Sahamit Machinery PCL



ATTACHMENTS: 1

Name	Educational Background	Work Experience	
		Period	Position
Ms. Piyaporn Srithornratkul Age (Year): 50 % of Share: 4.80 As of December 31, 2023, Number of Shares held by Self: 25,458,900 shares Spouse/Immature Children: None	Education - M.B.A., Specialist in Finance, California State University, USA - B.B.A., Faculty of Commerce and Accountancy, Chulalongkorn University Training - Well Building Standard, Suan Sunandha Rajabhat University (2023) - Community Mall Business & Size S New Market Course (Billion B Co.,Ltd. 2/2022) - The Powder Metallurgy and 3D Printing Technologies of National Science and Technology Development Agency (NSTDA) - Board Nomination and Compensation Program (BNCP) 2019 - Director Accreditation Program (DAP) of IOD 138/2017 - Professional Designation in Database Management System, University of California, Los Angeles (UCLA), USA - Middle Management Leadership, Dale Carnegie Training Saint John's Management Center - Mini Metallurgy Engineering, King Mongkut's University of Technology Thonburi - National Metal and Materials Technology Center (MTEC)	2019 – Present 2016 – Present 2015 – Present 2003 – 2015	Position in listed Company Nomination and Remuneration Committee, Sahamit Machinery PCL Director and Deputy Managing Director, Sahamit Machinery PCL Risk Management Sub-Committee Member, Sahamit Machinery PCL Manager, Sahamit Machinery PCL
Ms. Prangtip Sivaruk Age (Year): 48 % of Share: 6.55 As of December 31, 2023, Number of Shares held by Self: 34,711,800 shares Spouse/Immature Children: None	Education - Master of Public and Private Management, (M.P.P.M.) NIDA - M.S. Business Administration, San Francisco State University, USA - B.A. Sukothai Thammarat University - B.A. Kasetsart University, second class honor Training - International Trade Law of Thammasat University - Chief Transformation Officer Program (CTO) of SET 2019 - Director Certification Program (DCP) of IOD 227/2016 - Risk Management Program for Corporate Leaders (RCL) of IOD 1/2015 - Director Accreditation Program (DAP) of IOD 109/2014	2016 - Present 2015 – Present 2004 - 2015	Position in listed Company Director and Deputy Managing Director, Sahamit Machinery PCL Risk Management Sub-Committee, Sahamit Machinery PCL Manager / Company Secretary, Sahamit Machinery PCL



ATTACHMENTS: 1

Name	Educational Background	Work Experience	
		Period	Position
Ms. Praiwan Srithornratkul Age (Year) : 51 % of Share : - As of December 31, 2023, Number of Shares held by Self : 10,000 Shares Spouse/Immature Children: None	<u>Education</u> - M.Acc., Chulalongkorn University - B.B.A. Rajamangala University of Technology <u>Training</u> - Transformative Accounting by Digital Technology (Dhamniti Seminar & Training) - Training Course for Internal Audit of Certificate By Federation of Accounting Professions	2019 – Present 2018 – Present 2004 – 2018	<u>Position in listed Company</u> Secretary of Nomination and Remuneration Committee, Sahamit Machinery PCL Chief Financial Officer, Sahamit Machinery PCL Internal Audit Manager, Sahamit Machinery PCL
Ms. Nuttaporn Tamesirichai Age (Year): 47 % of Share: 4.14 As of December 31, 2023, Number of Shares held by Self: 21,940,400 shares Spouse/Immature Children: None	<u>Education</u> - M.B.A., Marymount University, Arlington, VA - B.B.A., Strayer University, Maryland <u>Training</u> - Company Secretary Program (CSP) By IOD 73/2016 - Property & Asset Management for Family Business Program	2016 – Present 2009 – 2015	<u>Position in listed Company</u> Assistant Deputy Managing Director and Company Secretary, Sahamit Machinery PCL Assistant Manager, Sahamit Machinery PCL
Ms. Krittaya Apiromporn Age (Year): 49 % of Share: - As of December 31, 2023, Number of Shares held by Self: 3,000 shares Spouse/Immature Children: None	<u>Education</u> - B.B.A., Rajamangala University of Technology <u>Training</u> - Revenues, Differences Between Accounting and Tax E-Learning Course (Department of Business Development, Ministry of Commerce) - Financial Statement Analysis E-Learning Course (Department of Business Development, Ministry of Commerce) - Important Legal Compliance of Internal Control to the Sustainability (Faculty of Commerce and Accountancy, Chulalongkorn University) - Derivatives and Hedges of the Accounting (Faculty of Commerce and Accountancy, Chulalongkorn University)	2013 – Present 2005 – 2013	<u>Position in listed Company</u> Assistant Accounting & Financial Manager, Sahamit Machinery PCL Senior Accounting Officer, Sahamit Machinery PCL



THE POSITIONS OF DIRECTORS, EXECUTIVES, PERSONS WITH MANAGERIAL AUTHORITY
OF SAHAMIT MACHINERY PUBLIC COMPANY LIMITED AS OF DECEMBER 31,2023

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

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



Details of the Head of the Internal Audit

Mr. Prawit Sae-Lee

Education : (B.A.) Bachelor of Accountancy / Rajabhat Bansomdejchaophraya Institute

Experience : 2004 – Present Senior Internal Audit, Internal Audit, Sahamit Machinery Public Co., Ltd.
(Acting For Head of the Internal Audit)

2001 – 2003 Senior Accountant, S. Charoenbhaesaj Trading Co., Ltd.

Contact : Telephone 66 (0) 2295 1000-9 Ext. 1662

E-mail: ia@sahamit.co.th

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

1. Supervise internal auditors and ensure that internal audit practices adhere to international professional standards of internal auditing.
2. Define objectives, goals and scope of internal audit as well as develop an annual audit plan to be proposed to the Audit Committee for consideration and approval before the plan is carried out.
3. Develop standard operating procedure and review audit performance to ensure compliance with the stipulated standard operating procedure.
4. Review and approve audit program.
5. Review audit findings report and give recommendations for improvement and corrective actions before presenting a proposal to the Audit Committee and the management.
6. Monitor audit performance to ensure consistency with the audit plan in order to increase performance efficiency of the Internal Audit Department when serving the management.
7. Offer advice, opinions and recommendations for compliance with regulations, operating procedures, internal control and relevant bylaws of audited operating units.
8. Organize training to develop capacities of internal auditors to ensure that they can competently conduct audit according to the objectives, and conduct performance evaluation of internal audit staff.
9. Assume the duties of secretary of the Audit Committee by preparing meeting agenda, collecting information, making a summary of discussion and preparing minutes of meeting as well as informing concerned parties of meeting resolutions. Assist the Audit Committee to ensure that the Committee's practices properly comply with the Charter and mandated responsibilities, and administer audit works according to professional standards to support the Audit Committee's actions.
10. Perform other tasks assigned by the Audit Committee.

ATTACHMENT 4: Business Assets and Details on Asset Valuation

As of 31 December 2023, the major assets used in business operations are as follows:

Assets	Ownership	Book Value (Million Baht)	Obligation
Land and land improvement	Ownership	507.15	None
Building	Ownership	44.94	None
Machinery	Ownership	187.66	None
Vehicles	Ownership	26.74	None
Furniture and office equipment	Ownership	2.40	None
Electrical systems and warehouse equipment	Ownership	35.85	None
Total		804.74	

Intangible Assets (as of 31 December 2023) -None-

Land (as of 31 December 2023)

Location	Total Area Rai- Ngan-Sq. wah	Purpose of Use	Book Value (Million Baht)	Obligation
1) 42,48 Soi Chokchaijongjumroen Bangpongpan Rama 3 Road Yannawa Bangkok	1- 2-70	Head Office Building and Warehouse	168.00	None
2) Soi Chokchaijongjumroen Bangpongpan Rama 3 Road Yannawa Bangkok	0-2-25	Warehouse		None
3) Soi Chokchaijongjumroen Bangpongpan Rama 3 Road Yannawa Bangkok	0-2-25	Grinding & Milling Workshop		None
4) 492 Soi Chokchaijongjumroen Bangpongpan Rama 3 Road Yannawa Bangkok	0-3-73	Warehouse	52.22	None
5) Soi Chokchaijongjumroen Bangpongpan Rama 3 Road Yannawa Bangkok	0-0-76.30	None	22.89	None



ATTACHMENTS: 4

Location	Total Area Rai- Ngan-Sq. wah	Purpose of Use	Book Value (Million Baht)	bligation
6) Soi Chokchaijongjumroen Bangpongpan Rama 3 Road Yannawa Bangkok	0-0-76.30	Piece of land	22.89	None
7) 229 Soi Chokchaijongjumroen Bangpongpan Rama 3 Road Yannawa Bangkok	1-1-94	Warehouse	90.90	None
8) Soi Chokchaijongjumroen Bangpongpan Rama 3 Road Yannawa Bangkok	0-0-145	Piece of land		None
9) Soi Chokchaijongjumroen Bangpongpan Rama 3 Road Yannawa Bangkok	0-0-9.5	Piece of land	1.17	None
10) 229/3 Soi Chokchaijongjumroen Bangpongpan Rama 3 Road Yannawa Bangkok	0-0-323	Warehouse	39.73	None
11) 152 Moo 14 Sukhumvit Road (Old Route) Bangpakong Chachoengsao	11-2-58	Warehouse and Staff dormitory	61.75	None
12) 155 Moo 14 Sukhumvit Road (Old Route) Bangpakong Chachoengsao	16-1 -9	Heat treatment, Industrial knife factory and warehouse		None
13) Moo 14 Sukhumvit Road (Old Route) Bangpakong Chachoengsao	20-0-69	Piece of land	33.08	None
14) Land Improvement	-	-	14.52	-
Total			507.15	



Policy and guidelines on corporate governance and code of business conduct prepared by the Company

For more information about policy and guidelines on corporate governance and code of business conduct prepared by the company, Please see more details on the company website.

1. Policy and guidelines on corporate governance

www.sahamit.co.th → Profile → Company Profile → Profile → Good Corporate Governance
or click <http://www.sahamit.co.th/index.php/profile-th/company-profile-th/35-about-us/208-2016-03-03-09-14-55>



2. Code of business conduct

www.sahamit.co.th → Profile → Company Profile → Code of business conduct
or click <http://www.sahamit.co.th/index.php/profile-th/company-profile-th/35-about-us/221-2016-03-03-09-15-30>





Report of the Audit Committee

The Audit Committee of the Company consists of 4 independent directors with profound experience, namely, General Vapirom Manasrangsri, Chairman of the Audit Committee, Mr. Karun Kittisataporn, Mr. Kiangrai Boonkitticharoen and Mr. Chayakorn Limpsiriphan as the member of the Audit Committee. Mr. Karun Kittisataporn possess extensive expertise and sufficient experience to review the Company's financial statements accurately. The Audit Committee had performed its duties independently and possess qualification as specified by the Audit Committee Charter which were reviewed and approved by the Board of Directors annually. Furthermore, The Audit Committee review and assess the performance of its members regularly.

In year 2023, the Audit Committee held a total of 4 meetings with the management of the Company, internal and external auditors in order to consider the report, comments and give recommendations for business management. The significant activities summarized below.

1. Reviewing Financial Statements; The Audit Committee reviewed the quarterly financial statements and the company's 2023 annual financial statements, together with the management, internal audit and auditor. The auditor asked about the accuracy, appropriateness and completeness of the financial report and significant accounting items, disclosed information correctly, completely, sufficiently and appropriately. In addition, the Audit Committee had arranged a meeting with the auditor without management participating to discuss the scope and guidelines for quarterly and annual auditing and inquire about independence in performing duties

The Audit Committee deemed the financial statements and note to financial statements of the Company were duly prepared in accordance with financial reporting standards, accurate, reliable and disclosed information sufficiently.

2. Reviewing of connected transactions or the transactions that may lead to conflicts of interest; the Committee had reviewed connected transactions and transactions which may conflict with the Company's interest quarterly in order to conform to rules and regulations of The Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET). The Audit Committee agreed that the connected transactions and the conflicted transactions are normal business practice and was performed reasonably concordance with the company benefit.

3. Review of internal control and internal audit; The Audit Committee reviewed the adequacy of the internal control system by considering the report of the internal audit and the report from the auditor, which the auditor gave the opinion that no significant defects were found in the internal control system. In addition, the audit committee has evaluated the internal control system according to the guidelines of the Securities and Exchange Commission. The results of the assessment indicated that the company has an internal control system that appropriate, adequate, efficient and effective.



The Audit Committee reviewing and approving the annual audit plan, results of inspection and follow-up to improve and correct significant issues, including reviewing the independence, appropriateness, and adequacy of resources related to auditing operations. The audit committee agreed that company's internal audit system is sufficient and appropriate.

4. Review of the risk management system; The Audit Committee reviewed the efficiency and effectiveness of the risk management process to ensure that the company has an appropriate risk management system, and the risk is at an acceptable level. The company has a risk management subcommittee responsible for setting risk management policies, risk management framework, supervision and report the results to the Board of Directors and the Audit Committee. The Audit Committee agreed that the company has appropriate and effective risk management that consistent with the situation and business operating environment.

5. Review of corporate governance; The audit committee promoted the company's operations in accordance with the practice of good corporate governance adopted from the practice of good corporate governance of the Securities and Exchange Commission, including supports the practice of business ethics and laws related to the company's business operations as well as implementing the anti-corruption policy by having channels for receiving complaints about corruption to be able to report information, complaints, and violations of the law or practices that do not comply with the business ethics, as well as having appropriate measures to protect whistleblowers.

6. Considering the appointment of the external auditors and audit fee; the Audit Committee had considered the auditor independency and performance, scope of works, resources sufficiency, knowledge and expertise of auditors, including audit fee for year 2024

The Audit Committee agreed that overall performance of the auditor is at good level. The proposed audit fee for year 2024 is appropriate. Therefore, deemed appropriate to propose the Board of Directors for consideration and propose to the Annual General Meeting of Shareholders for approval of appointment of Dharmniti Auditing Company Limited to be the auditor of the Company for year 2024

On behalf of the Audit Committee

(General Vapirom Manasrangsi)
Chairman of the Audit Committee



สหมิตรเครื่องกล SAHAMIT MACHINERY



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