



Form 56-1

One Report 2023



SANKO DIECASTING (THAILAND) PUBLIC COMPANY LIMITED

BOARD OF DIRECTORS



VISION

SANKO strives to be the leader in the diecasting industry, to be accepted on an international level. This includes developing new innovations in all aspects and being able to manufacture quality products and provide excellent services to customers reliably.

MISION

- Perform with excellence in all its operations.
- Create innovations and use modern technologies in designing and production development.
- Improving the skills of the employees in order to manufacture modern and up-to-date products in the industry that requires advance technology.

Message from the Chairman of the Board of Directors

In 2023, the World still faced high rates of inflation, which impacted the price of goods and services and the price had to adjust constantly. This resulted in the slowdown of the World economy and several risks in many aspects especially the 'Red Sea Crisis' that took place during November of 2023 and contributed to the rise of the already high level of World's inflation. This, of course, impacted the exports of Thailand directly due to the reduction in the purchasing power in the World market, while the costs of shipping (ship custom fees) had increased 5 times after the said crisis occurred. Moreover, the Thai economy had recovered slower than expected in the previous year which was the result from the decrease in demands of the World market.

Despite these difficulties, it was with great joy that the Company had managed to succeed and overcome the economic crisis and several obstacles by improving the sales and net profit significantly from the previous year. The main component of this is from the efficiency increase of the production which caused the manufacturing costs to decrease.

As for the year 2024, there had been speculation from various sources that the World economy will continue to slow down with the USA and the EU facing higher rates of inflation than anticipated. However, information from 'The Standard' explained that although the World economy may not expand much, but the World economy seems to be on the improved recovering trend as supported by the following 3 factors which are; the growth of exports, the significant growth of consumptions and investments in the private sector and the continuous recovery of the tourism market.

When taking all these trends into consideration, the Company believes that, in 2024, we can manage the business operations to achieve the targeted goals, resulting in sustainable growth and taking the lead of the region as the production innovator. This can be achieved from the following; 1. Investing in new research and developing new products in order to satisfy the customers' modern demands, 2. Promote the Company to be the Organization of innovation by introducing robotics into the manufacturing process to increase the production efficiency, 3. Emphasize on the continuous development of human resources, especially for new technologies.

The Board of Directors would like to thank all stakeholders, as well as the executives and all members of staff who had greatly supported the work of the Company. The Company will operate its businesses by following the corporate governance, managing the business with caution and taking responsibilities for the communities and the environment for future sustainable business growth.



Mr. Adul Chotinisakorn
Chairman of the Board of Directors



Message from the Chief Executive Officer

The year 2023 marked the 27th year in which the Company had been in operation. Were it a normal human being, this is considered to be the age of strength, wisdom and passion to succeed. The Company is very much the same. Although the overall economic situation is not yet stable, war still ravages in many regions and there is high market competitiveness in the industrial sectors, the Company is not complacent. We devise policies and strategies that will accommodate growth, improve the efficiency of the Organization by utilizing the ERP system, the application that is designed specifically to increase the management efficiency. This allows the Directors to see the overall pictures, couple with the real-time decision-making system enabling the Company to resolve problems quickly and helps reducing the costs, reducing the risks affected and pushing the business to grow sustainably. This can be seen from the performance of the Company that had been increasing both for the revenue and profits.

As for the business operation, the Company had introduced the concept of ESG which emphasizes on the Environment, Social and Governance as guideline and steer our business to excellence and sustainable growth.

Finally, on behalf of the Company, I must give my thanks to the directors, the management team and all staff members, partners and all shareholders including the stakeholders who had supported the Company always. The Company promises to carry out its businesses the best it could under the good governance practices.

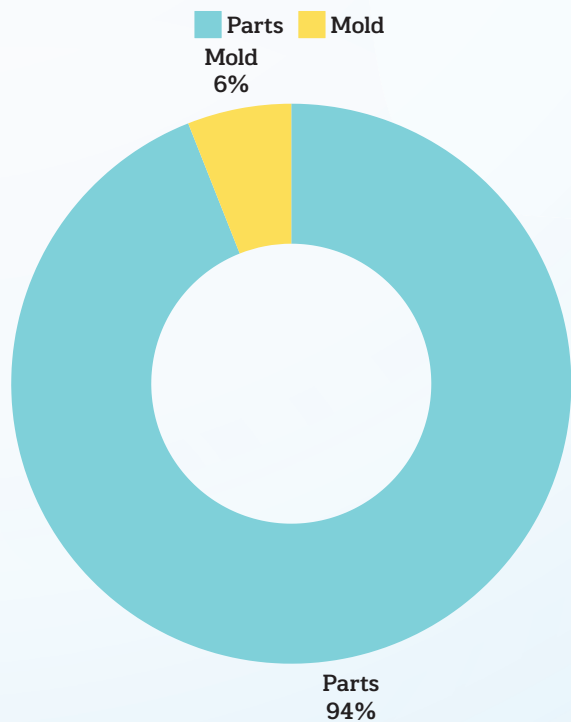


Mr. Rattawat Suksaichol
Chief Executive Officer

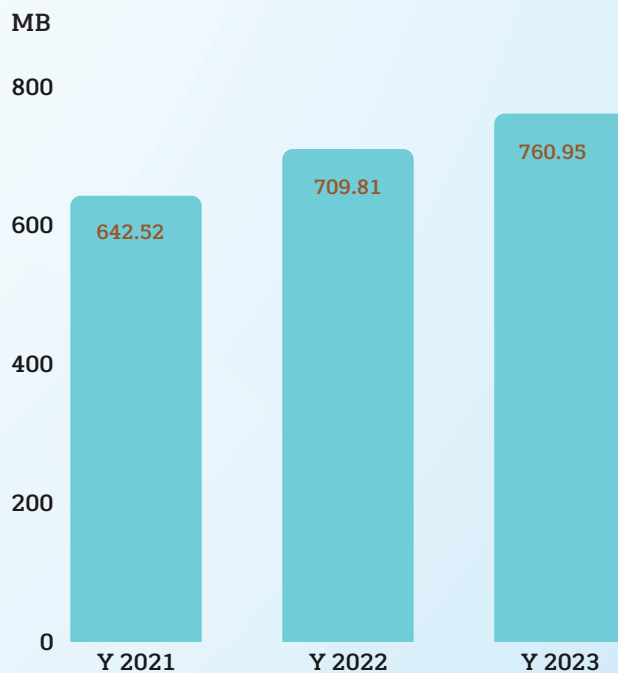


FINANCIAL HIGHLIGHTS

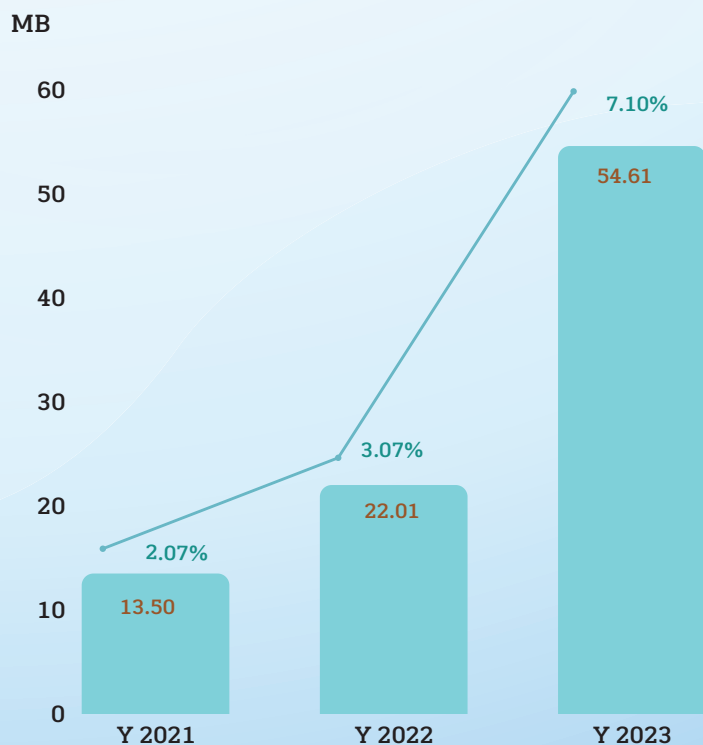
INCOME STRUCTURE YEAR 2023



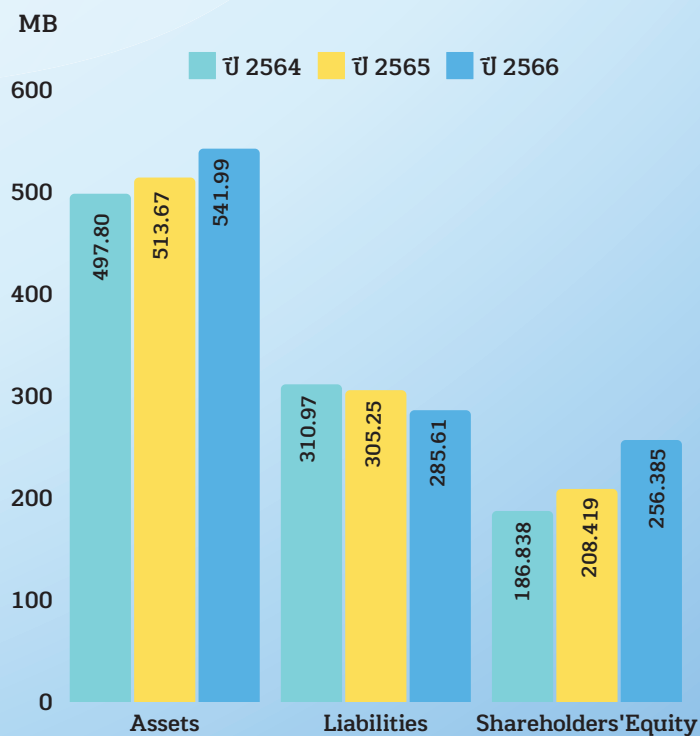
INCOME STRUCTURE YEAR 2023



INCOME STRUCTURE YEAR 2023



STATEMENT OF FINANCIAL POSITION



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Part 1

Business operations and results

1. Group structure and operation

1.1 Policies and Overview of Business

Sanko Diecasting (Thailand) Public Company Limited was founded in January 1996 and started operation in April 1997 by manufacturing automobile parts and electronic components through the process of High Pressure Die Casting (HPDC) with molds from Aluminum and Zinc as raw materials.

The Company manufactures aluminum parts and zinc parts by using extrusion technique, according to the customer's order. The main customers are automotive parts manufacturers which distribute to the automotive industry, consisting of automobile and motorcycle industry. The business of manufacturing the automotive parts have a strong advantage from a certain and consistent order because an order of any automotive models are usually continuous until the model is terminated which usually take about 3 years or more. Moreover, the company has been manufacturing CCTV components, Camera components and Intercom System components for the electrical industry, and has produced lawn mower parts and tractor parts for agricultural machinery industry. However, in the manufacturing of parts, the company has design and supply molds to perfectly meet customers' needs.

1.1.1 Vision, Mission, Core Value and operating strategies of the company

Visions

SANKO strives to be the leader in the diecasting industry, to be accepted on an international level. This includes developing new innovations in all aspects and being able to manufacture quality products and provide excellent services to customers reliably.

Missions

- Perform with excellence in all its operations.
- Create innovations and use modern technologies in designing and production development.
- Improving the skills of the employees in order to manufacture modern and up-to-date products in the industry that requires advance technology.

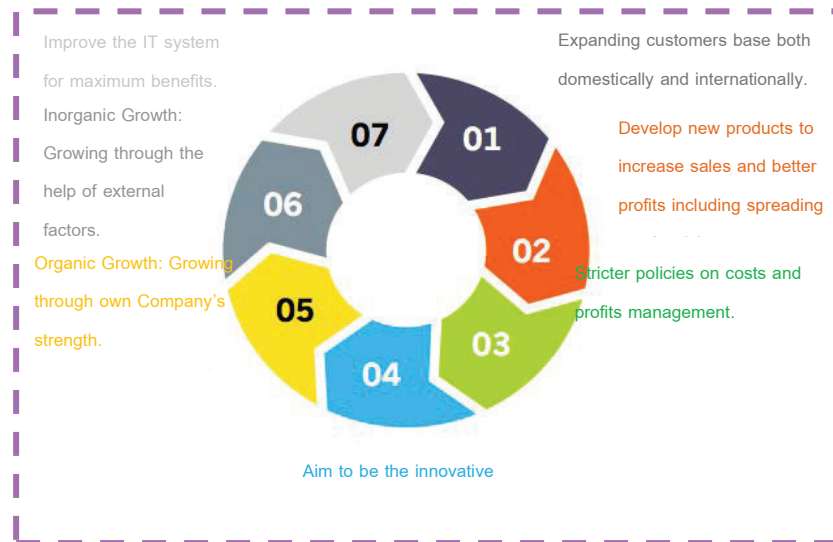
Core Value

- Innovation
- Proactive Working
- Achievement Orientation
- Sense of Belonging

Corporate Strategy

The Company focuses on growth strategy by expanding the customers base both domestically and internationally in order to reduce the risks poses by the domestic economy. This is achieved by increasing the demands of the customers and broaden the range into other industries other than automobiles. The Company will also research new products that have the potential to be profitable in the future with high margin, high technology and emphasizing on customers that requires the Company's expertise.

Business Strategy and Functional Strategy



- Quality: The Company can produce parts which are of the best quality and are well received among the automobile's producers. Moreover, the Company has been certified by the International Standards ISO 9001:2015 and ISO/TS 16949:2016 to ensure and build up confidence for the customers in the long run.
- Knowledge and Technology: The Company is specialized in designing molds which is the Know-How that has been passed down from generations to generations. Moreover, the Company continuously develops the production lines, so that it can respond to the demands of the customers.
 - The Company aims to develop new products in order to increase sales and for better returns, including spreading out the risks from relying on old customers and products.
 - The Company aims to be the innovative Organization by introducing robotic technologies into the production process in order to increase operational efficiency.
- Costs and profits - The Company emphasizing on strict management of costs and profits by using Budget Control System to control all of the departments' operation to be more efficient in managing costs and profits equal to the international standards.
- Manufacturing: Due to the design of the production line, the parts produced can be adjusted quickly with no hassle, meaning that the Company can support a variety of

clients from many different industrial groups which reflects the continuous growth of the Company's revenue.

- Marketing: The Company has expanded internationally to reduce the risk of the domestic economic situation which increases the demands in the wider group of clients. Also, the Company expands the client base domestically to other businesses other than the automobiles industry by focusing on the groups that the Company is familiar with the productions and services.
- Products: Increase the production lines by introducing new injection technique which is “Gravity Die Casting” and metal diecasting techniques such as sand casting, lost wax casting. to add a variety of products and to reduce the restrictions in production and to meet the demands of the clients more. The increase in numbers of machineries, which the Company already has specialized in productions, means that the company can provide a full range of complete service to customers.

1.1.2 Changes and Important Developments

1996

- January :The Company is registered as Sanko Diecasting (Thailand) co.,Ltd, with registered capital of 11.50 million Baht, divided into 115,000 shares at 100 Baht per share and fully paid-in with the major shareholding group as Sanko Diecasting Industry co.,Ltd (Japan), SBCS co.,Ltd, and Wattana Inter Trade co.,Ltd
- October :Increase the registered and paid-in capital to 88 million Baht from the original shareholders and the capital funds JAIC Nippon Asia 2 and South-East Asia Private Equity (GBR).

2004

- April :Mr. Masami Katsumoto had bought 244,895 shares of the Company or 27.83% of the registered and paid-in capital of the Company at the time, from Sanko Diecasting Industry co.,Ltd (Japan).

2005

- June :Sanko Diecasting Industry co.,Ltd (Japan) had sold 235,101 shares of the Company or 26.72% of the registered and paid-in capital of the Company at the time to Asutech co.,Ltd. In addition, JAIC Nippon Asia 2 fund and South-East Asia Private Equity (GBR) fund had sold 400,000 shares, Mr. Masami Katsumoto had sold 54,017 shares for the total of 454,017 shares or 61.38% of the registered and paid-in capital of the Company at the time to Thai Industrial Parts co.,Ltd and Jutha Wan co.,Ltd.

2006

- April :The Company had received the Certified International Standards ISO 9001:2000 from the United Kingdom Accreditation Service (UKAS) and approved by United Registrar of Systems (Thailand) co.,Ltd.
- :The Company had received the Certified International Standards ISO/TS 16949:2002 from the International Automotive Task Force (IATF) and approved by United Registrar of Systems (Thailand) co.,Ltd.

2008

- March :Asutech co.,Ltd had sold 235,101 shares or 26.72% of the registered and paid-in capital of the Company at the time to Thai Industrial Parts co.,Ltd.
- April :Thai Industrial Parts co.,Ltd (TIP) had sold the transferred shares from Asutech co.,Ltd 235,101 shares or 26.72% of the registered and paid-in capital of the Company at the time to the Directors of the Pinthong Group and minority shareholders.
- July :Jutha Wan co.,Ltd had sold 228,996 shares or 26.02% of the registered and paid-in capital of the Company at the time to JTW Assets co.,Ltd.
- :The Company had received the certified standards for Environmental Management System ISO 14001:2004 from United Kingdom Accreditation Service (UKAS) and approved by United Registrar of Systems (Thailand) co.,Ltd.
- October :Vnet Capital co.,Ltd had invested in the Company by buying 246,000 shares or 27.95% of the registered and paid-in capital of the Company at the time from the Pinthong Group.

2009

- April :The Company had received the Certified International Standards ISO 9001:2008 from the United Kingdom Accreditation Service (UKAS) and approved by United Registrar of Systems (Thailand) co.,Ltd.
- :The Company had received the Certified International Standards ISO/TS 16949:2009 from the International Automotive Task Force (IATF) and approved by United Registrar of Systems (Thailand) co.,Ltd.
- December :The decision was made at the 2nd General Shareholders Meeting on 15th December 2009 to convert into the Public Company status and change the value of the shares from 100 Baht to 1 Baht.
- :The Company had been certified on the implementation of Occupational Health and Safety Management System TIS 1800:1999 and approved by United Registrar of Systems (Thailand) co.,Ltd.
- :The Company had been certified on the implementation of Occupational Health and Safety Management System OHSAS 19001:2007 from the United Kingdom

Accreditation Service (UKAS) and approved by United Registrar of Systems (Thailand) co.,Ltd.

2011

June :The decision was made at the 1st General Shareholders Meeting on 10th June 2011 to change the value of the company's shares from 1 Baht per share to 0.50 Baht per share. Another decision was made to increase the registered capital to 113 million Baht, consisting of 226 million shares at 0.50 Baht per share.

2012

May :The decision was made at the 1st General Shareholders Meeting on 30th May 2012 to approve the issuing and selling of shares to the general public for 44 million shares at 0.50 Baht per share and issuing and selling of the stock-purchase warrants of the Company to the Directors and staffs of the Company for 6 million shares with 6 million units waiting at disposal for 0.50 Baht per share. The Meeting approved for the Company's stocks to be listed under the MAI stocks exchange.

June :The Company had bought a 3 Rai land with factory in the Rojana Industrial Park, T. Nongbua, A. Ban-khai, Rayong, with the area adjacent to the factory of the Company to be developed and convert into warehouse, drilling department and finishing products department.

2013

May :The Company trades its stocks for the first day in the Stock Exchange of Thailand.

September :The Company had form a contract to buy lands in the Rojana Industrial Park, T. Nongbua, A. Ban-khai, Rayong, with the size of 5.1585 Rai. The land has areas adjacent to the Company's factory which will be expanded. Some portion of the deposit had already been paid and the rest will be paid, together with the transfer at the beginning of 2014.

2014

April :The Company has registered the transfer of ownership of the land from Rojana Industrial Park Public Co.,Ltd, with the Title Deed 41107, 41741, Parcel no. 342,355, Dealing File no. 3990,4057, T. Nhongbua, A. Bankhai, Rayong, total area approximately 3 Rai 1 Ngan 73.5 Square.Wah, for the purpose of building an Aluminium Die-Casting Factory.

2015

July :The Extraordinary General Shareholder's Meeting (1st/2015) held on 9th July 2015 came to the resolution for allowing the increase in registered capital of 37,340,812.50 or 74,681,625 share, increasing the registered capital from 113,000,000 Baht to 150,340,812.50 Baht or the total 300,609,625 shares, at 0.50

| | |
|-------------|---|
| | Baht per share. The Department of Business Development, Ministry of Commerce, had already adjusted the change in the registered capital on the 16 th July 2015. |
| August | :The Company had registered the change in the paid-up capital from the original amount of 111,138,579 Baht to the new amount of 148,184,772 at 0.50 Baht per share. The Department of Business Development, Ministry of Commerce, had already adjusted the change in the paid-up capital on the 17 th August 2015. |
| November | :The Company had registered the change in the Employee Stock Ownership Plan (ESOP) from the original amount of 148,184,772 Baht to the new amount of 148,903,972 Baht at 0.50 Baht per share. The Department of Business Development, Ministry of Commerce, had already adjusted the change in the increase of share capital on the 24 th November 2015. |
| <u>2016</u> | |
| May | :The Company had proceeded with the registration for the change in capital since there had been a change in the warrants of the Employee Stock Ownership Plan (ESOP), from the previous paid-up capital of 148,903,972 Baht to the new paid-up capital of 148,921,662 Baht at the value of 0.50 Baht. The Department of Business Development (DBD), Ministry of Commerce had registered the said capital change on the 24 th of May 2016. |
| November | :The Company had proceeded with the registration for the change in capital since there had been a change in the warrants of the Employee Stock Ownership Plan (ESOP), from the previous paid-up capital of 148,921,662 Baht to the new paid-up capital of 149,494,502 Baht at the value of 0.50 Baht. The Department of Business Development (DBD), Ministry of Commerce had registered the said capital change on the 17 th of November 2016. |
| <u>2017</u> | |
| May: | The Company had registered the initial capital due to the change in the Company's warrant for the Employee Stock Ownership Plan (ESOP) from the original amount of 149,494,502 Baht to the new amount of 149,547,481.50 at the value of 0.50 Baht in which the Department of Business Development, the Ministry of Commerce had already accepted the change in the said capital increased on 23 rd May 2017. |
| <u>2018</u> | |
| October: | The Company had adjusted the registered capital following the capital reduction from 150,304,812.50 Baht to the new registered capital of 149,547,481.50 Baht at |

0.50 per share. The Department of Business Development, the Ministry of Commerce, had acknowledged the said registration on the 11th October 2018. The Company had changed the registered capital since there had been an increase in investment from the initial 149,547,481.50 Baht to the new amount of 199,396,642 Baht at 0.50 Baht per share. The Department of Business Development, the Ministry of Commerce had already approved the said registration on the 12th October 2018.

2019

May: The Company had adjusted the registered capital due to the 1st Company's warrant (SANKO-W1), from the original paid capital of 149,547,481.50 Baht to the new paid capital of 152,693,848 Baht at 0.50 Baht per share. The Department of Business Development, the Ministry of Commerce, had acknowledged the said registration on the 10th May 2019.

2020

November: The Company had proceeded with the registration for the change in paid-in capital due to the 1st warrant purchase (SANKO-W1) from the previously registered capital of 152,692,848 Baht to the newly paid-in capital of 154,271,935 Baht at 0.50 Baht per stock. The Department of Business Development, Ministry of Commerce had approved of the change in the registered capital on the 9th October 2020.

2021

:No change from 2020

2022

May: The Company registered the new investment capital of 154,271,935 Baht, a 45,124,707 Baht reduction from the previous registered capital of 199,396,642 Baht. The cancellation of the said common stocks was to accommodate the increase in the purchase of the 1st Company warrants (SANKO-W1) total of 90,249,414 stocks at 0.50 Baht per stock and to approve article 4) of the Company's memorandum in accordance with the change in the registered capital. The Company registered the capital reduction with the Department of Business Development, Ministry of Commerce on the 6th May 2022.

The Company proceeded to increase the registered capital from originally 154,271,935 Baht to 158,331,722.50 Baht, a 4,059,787.50 Baht increase. The Company issued the increase warranty of 8,119,575 stocks at 0.50 Baht per stock and to approve article 4) of the Company's memorandum in accordance with the change in the registered capital. The Company registered the capital reduction with

the Department of Business Development, Ministry of Commerce on the 9th May 2022.

The Company proceeded with the paid-up registration change from 158,331,722.50 Baht to 158,331,116 Baht with the Department of Business Development, Ministry of Commerce on the 20th May 2022.

2023 :No change from 2022

1.1.3 Spending from the increased capital

2023 The proceeds from the capital increase are not used.

1.2 Nature of Business

1.2.1 Company's revenue structure

Company's revenue structure can be classified into major product lines from 2021 to 2023 as follows;

(unit: million)

| Revenue | 2021 | | 2022 | | 2023 | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| | Unit | % | Unit | % | Unit | % |
| 1. Revenue from sales of parts | 597.04 | 91.68 | 647.37 | 90.21 | 717.58 | 93.25 |
| Car parts | 374.28 | 57.47 | 415.28 | 57.87 | 445.18 | 57.85 |
| Motorcycle parts | 150.50 | 23.11 | 178.75 | 24.91 | 229.10 | 29.77 |
| Electronic parts | 42.59 | 6.54 | 25.52 | 3.56 | 21.15 | 2.75 |
| agricultural machinery parts and others | 29.67 | 4.56 | 27.82 | 3.88 | 22.15 | 2.88 |
| 2. Revenue from sales of mold | 45.48 | 6.98 | 62.44 | 8.70 | 43.37 | 5.64 |
| Car parts | 35.42 | 5.43 | 34.53 | 4.81 | 36.26 | 4.71 |
| Motorcycle parts | 4.41 | 0.68 | 19.3 | 2.69 | 0.72 | 0.09 |
| Electronic parts | 4.94 | 0.76 | - | - | 0.00 | 0.00 |
| Agricultural machinery parts and others | 0.71 | 0.11 | 8.61 | 1.20 | | |
| Total Revenue from Sales | 642.52 | 98.66 | 709.81 | 98.91 | 760.95 | 93.88 |
| Other revenue * | 8.73 | 1.34 | 7.84 | 1.09 | 8.61 | 1.12 |
| Total revenue | 651.25 | 100.00 | 717.65 | 100.00 | 769.56 | 100.00 |

Note: *other income consists of income from sales of scraps and leftovers from production, profit from sales of assets, gain on reversal of allowance for doubtful accounts receivable, interest income and other income.

1.2.2 Product information

Overview of the Company's business

The Company manufactures aluminum parts and zinc parts by using extrusion technique, according to the customer's order. The main customers are automotive parts manufacturers which distribute to the automotive industry, consisting of automobile and motorcycle industry. The business of manufacturing the automotive parts have a strong advantage from a certain and consistent order because an order of any automotive models is usually continuous until the model is terminated which usually take about 3 years or more. Moreover, the company has been manufacturing CCTV components, Camera components and Intercom System components for the electrical industry, and has produced lawn mower parts and tractor parts for agricultural machinery industry. However, in the manufacturing of parts, the company has design and supply molds to perfectly meet customers' needs.

Currently, the Company has no subsidiaries or any affiliates.

(1) Products and Services



The company manufactures aluminum parts and zinc parts based on the customer's order. By the molding process with high pressure die casting 1. (High-Pressure Die casting or "HPDC"). 2.(Gravity Casting) The company has design and hired a manufacturer of molds to produce molds for customers to be able to produce parts according to the customer needs. The ownership of the mold will be as specified in an agreement between the company and each customer, which can be classified by the agreement as follows

















- 1)Designs and sales of molds The Company will sale produced molds to customers. Customers will own the ownership of molds. The customer will hire the company to carry out the production of molds.
- 2)Design the molds and produce the parts The customer will hire the company to design the molds along with manufacture such molds. The company still own the ownership of the molds, the company will have to charge a margin to offset the cost of the design and preparation of such molds.

The majority of the Company's income is from the sales of Aluminum parts and molds. The income from parts is separated into Aluminum parts and Zinc parts. The Company's products can be categorized depending on the uses as follows;



Automobile Parts

Automobiles parts samples

| Categories | Parts | Parts Details | Sample Parts Pictures | |
|-----------------------|--------------|--|---|--|
| Automatic Automobiles | Wheel Stator | Wheel strator parts for automatic automobile |  | |
| | piston | Parts for automatic automobiles |  | |

| Categories | Parts | Parts Details | Sample Parts Pictures |
|--------------------|---------------------------|---|---|
| | Housing Cam Pilot | Automobile Automatic Gear Components |  |
| Heat coolant | coolant lid | Pipe parts for heat coolant |  |
| Alternator | Rear Cover | The component at the back of the alternator |  |
| | Front Cover | The component at the front of the alternator |  |
| Starter | Housing | Housing components of the starter |   |
| | Rear Cover | The components at the back of the starter |  |
| | Gear Case | Gears components in the starter |   |
| Bracket Compressor | Bracket Compressor's base | Components to attach the engine and the compressor together |   |
| | Lower Bracket | Components to attach the heat sink of the air condition with the body |  |
| | Bracket Tension | Components for the compressor's bracket tension |  |
| Fan Clutch | Cover | The cover of the fan clutch for the engine's heat sink |  |
| | Case | The back case of the fan clutch for the engine's heat sink |  |
| | Disk | Components for the fan clutch to operate the cooling |  |

| Categories | Parts | Parts Details | Sample Parts Pictures |
|----------------------------|------------------------------------|--|---|
| | | automatically | |
| Hanging Air Pipe | Flange Flex | Parts to support the attachment of air pipe in the car |  |
| Safety Belt | Guide Drum | Parts to lock the safety belt in place |  |
| Audio | Heat Sink | Heat sink for the car's audio system |  |
| Heat Sink for Front Light | Main Heat Sink Bi-LED, front light | Heat Sink for Bi-LED |  |
| | Ghem Heat Sink | Ghem Heat Sink for automatic automobiles |  |
| | Fblo Heat Sink | Fblo Heat Sink for automatic automobiles |  |
| Shaft Wiper Control System | Bracket B for left shaft wiper | Rotator for left shaft wiper |  |
| | Bracket C for right shaft wiper | Rotator for right shaft wiper |  |
| | Bracket A for single shaft wiper | Rotator for single shaft wiper |  |




| Categories | Parts | Parts Details | Sample Parts Pictures |
|------------------------|--------------------|---|---|
| Compressor | Compressor | piston engine coolant system parts |  |
| Battery control system | Battery controller | Electric Vehicle Battery control system |  |







The products in this group are parts and molds for equipment and automobile components consisting of alternator, starter, bracket compressor, engine fans, coolant suspender, safety belts and car wiper controller Compressor and battery control system parts. The main customers are the automobile parts production companies which will assemble the pieces and then pass on to the automobile assembling companies. The income from this group of customers is the Company's core revenue.

Motorcycle Parts

Motorcycle parts samples

| Categories | Parts | Parts Details | Sample Parts Pictures |
|------------|-------------------|-------------------------|---|
| (Engine) | (Cover Head) | Valve system cover head |  |
| | (Cover Generator) | Battery Cover Generator |  |
| | (Cap bearings) | Piston cap bearings |  |

| Categories | Parts | Parts Details | Sample Parts Pictures |
|---------------------------|------------------------|---|---|
| Heat coolant | (Housing) | Water pump' s cover parts |  |
| | (Cover water pump) | Water pump cover heat coolant |  |
| External motorcycle parts | (Step) | Left and right steps |  |
| Carburetor | Cover Reed Valve | Components for the cover reed and valve set |  |
| | Bode Reed Valve | Components for the cover reed and valve set |  |
| | Top | Components for the cover reed and valve set |  |
| Manual Clutch System | Centre Clutch | Clutch components |  |
| | PR Plate | Components on the top clutch cover |  |
| | PR Outer | Components for the side clutch cover |  |
| | PR Lifter | Component to lockdown clutch system |  |
| Automatic Gear | Primary Sliding Sheave | Components of automatic gear CVT for adjusting the sheave |  |
| | Primary Fixed Sheave | Components of automatic gear CVT for driving the sheave |  |







| Categories | Parts | Parts Details | Sample Parts Pictures |
|--------------------------------|------------------|--|---|
| PR Outer | Crank Case | Crank Case Lid |  |
| Heat Cooling Water Pump System | Water Pump Cover | Lid for heat cooling Water Pump |  |
| Shock absorber system | Shock Absorbers | Front wheels shock absorber system parts |  |






The products in this group are parts and molds for equipment and motorcycle components consisting of clutch system, carburetor, starter and Shock Absorbers. The customers for this group of products are motorcycle parts manufacturing companies and motorcycle assembling companies

Electronic Goods Parts

Electronic good parts samples

| Categories | Parts | Parts Details | Sample Parts Pictures |
|------------------|---------------|--|---|
| Box CCTV Camera | Front Frame | Components for the cctv signal box's front frame |  |
| Dome CCTV Camera | Chassis Cover | Parts for the dome CCTV camera |  |
| | Bracket Case | Parts for the dome CCTV camera |  |
| Dome CCTV Camera | Main Cover | Parts for the dome CCTV camera |  |
| | Rear Cover | Parts for the dome CCTV camera |  |
| Intercom System | Panel | Components for the intercom system |  |








| Categories | Parts | Parts Details | Sample Parts Pictures |
|--------------------------|------------------|--|---|
| | Panel Frame | Components for the intercom system |  |
| Air-condition Compressor | Plate Lower Seal | plate cover for the piston of the compressor |  |
| Water Pump Control Box | Aluminum Case | Control box for the automatic water pump |  |



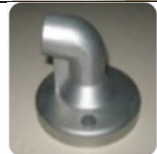


The products in this group are parts and molds for various electrical goods such as CCTV camera, video camera, air conditioner compressor covers and intercoms. The customers for this group consist of companies that manufactures parts for electrical goods.

Agricultural Machinery Parts and Others

Agricultural machinery parts samples

| Categories | Parts | Parts Details | Sample Parts Pictures |
|------------|------------------------------|---|---|
| Tractor | Propeller Shaft Case | Components for hydraulic rod's cover of the tractor |   |
| | Flange Fan | Parts for attaching the fan in the tractor |  |
| | Bracket Filter | Components for tractor's petrol bracket filter |  |
| | Bracket Cover (Support diff) | Components for tightening clutch set |  |
| | Base Main Shift | Components for main shift's cover of the tractor |  |
| | Rear Wheel Plug | Components for the rear wheel plug's cover |  |

| Categories | Parts | Parts Details | Sample Parts Pictures |
|----------------|---------------------------|-------------------------------------|---|
| Fuel Dispenser | Fuel dispenser hanger | parts for the fuel dispenser hanger |  |
| | Joint for valve dispenser | parts for the fuel dispenser hanger |  |
| | Dispenser pipe | parts for the fuel dispenser hanger |  |



The products in this group are parts for various agricultural machineries for example, tractors and parts for other industries such as petrol dispenser suspension for gas stations. The customers for this group of products consists of agricultural machineries manufacturing companies and other companies.

Benefits of the Promotional Certificates from Thailand Board of Investment

The Company's has many benefits from the Board of Investment as follows;

| Promotion Certificate Owner | Sanko Diecasting PLC | Sanko Diecasting PLC | Sanko Diecasting PLC |
|---|---|---|--|
| Certificate no. | 1090(2)/2011 | 1010(2)/2014 | 63-0285-1-00-1-0 |
| 1. Date of promotion | January 26, 2011 | January 7, 2014 | March 6, 2020 |
| 2. Date of enforcing the Promotion Certificate benefits | April 1, 2011 | May 13, 2019 | November 25, 2019 |
| 3. Type of business promoted | Producing steel products, including steel parts | Producing steel products, including steel parts | Steel production manufacturing business including steel parts. |
| 4. Key benefits received | | | |
| 4.1 Import duties exemption on machineries | Imported before July 26, 2015 | Must be imported before July 7, 2019 | Must import before the September 6, 2023 |

| Promotion Certificate Owner | Sanko Diecasting PLC | Sanko Diecasting PLC | Sanko Diecasting PLC |
|---|---|---|--|
| 4.2 corporate income tax exemption for net profits from supported business operations since the first day receiving the income from such operations | No more than 100% of the investment, excluding land and working capital for 8 years, and 50% corporate tax exemption for 5 years after the first cause. | No more than 100% of the investment, excluding land and working capital for 8 years, and 50% corporate tax exemption for 5 years after the first cause. | The total value of no more than 100% of the investments, excluding lands and cash flows for 4 years. |
| 4.3 the exemption does not require the use of dividends from supported business operations from the corporate income under 4.2 to calculate for tax | 8 years | 8 years | 5 years |
| 4.4 authorize to deduct transportation fees, electrical fees and water fees from the first day receiving the income from operations | 10 years | 10 years | - |

The Company's Research and Development

1. Improving the production process.

1.1 Incorporating new technology by including Oxygen into the Aluminum casting process (Pore Free Casting, PF) to reduce the pores within the work piece.

1.2 Improving the quality of the materials by adding Magnesium (Mg) in the casting process to increase the strength and durability according to the customer's demands.

1.3 Controlling the quality of the goods by using the X-ray machine to inspect the pores and guarantee the quality of the products before delivering to the customers.

2. Developing new products

In order to increase business variety, the Company had developed new products which are home decorations and speed boats. The Company takes charge from the designing process, production, quality control, utilities and setting the price according to the market. The Company is also in the process of requesting the medical tools manufacturing license En ISO 13485:2016. This is to diversify from the Company's original business.

3. Using innovation to expand the customer's base. Currently the Company is a member of Markline in order to research and gather customers' data in the automobile industry from all over the World and expand its customers base in the ASEAN market and also in the European, USA and Japan market as well.

(2) The Market and Competition

a. Marketing strategies

1.1 Target groups

The Company produces Aluminum and Zinc die-casting parts to the customers in various industries. The core industries are; the automobile industry, the electrical goods industry and the agricultural machinery parts industry. The main industry has high competitiveness, therefore, the Company's strategy is to produce quality goods that meets the customers specifications and at a reasonable price. The Company's pricing policy is calculated from the costs of production plus the standard profit margin, referenced by the market price.

The Company's customers are the automobile parts producers, producer of motorcycles, electrical goods and agricultural machineries.

Distribution and Distribution channels are separated into 2 groups as follows;

1. Direct sales to the primary parts producers that operates mainly in Thailand, through the Company's sales and marketing team consisting of Thai and foreign staffs who have more than 30 years of experience. The work is separated into finding new customers and maintain good relationship with the current customers. The team will keep close contact with the customers by studying their demands and may participate in designing certain parts as necessary, in order to improve the production quality, all the while, maintaining the specifications and the purpose of the work piece as the customers require.

2. Three other distribution channels as follows;

1) Advertisements through Directory and magazines relating to the industry and parts producing companies such as the Thai Automotive Association. The Company also provides the website www.sankothai.net as a communication channel for the customers and for public relation purposes.

2) The Company had joined associations such as the Thai Autoparts Manufacturers Association, Thailand Automotive Institute and several other associations relating to the automobile industry, to improve the chance of meeting the target groups.

3) The Online Automotive Portal is the database for leading suppliers for automobile equipment. This channel is for experts in the industry, high level executives, researchers and for automobile parts producers and assemblers as well.

In 2023, the Company's total sales separated by categories were as follows; 64% automobile parts, 30% motorcycle parts, with electrical goods and others at 6% (Fig.1). The sales of domestical sales and international sales are 98% and 2% respectively (Fig.2). The Company's 3 major clients contributed to 53% of the total sales.

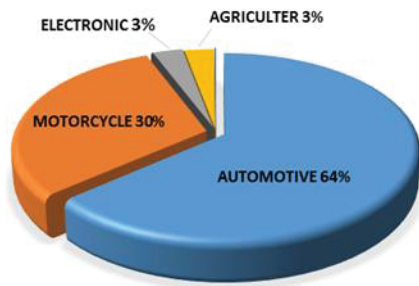


Fig.1: Sales separated by categories

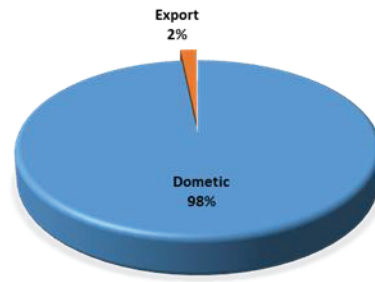


Fig.2: Domestic and International sales

Competitive Strategy the Company's competitive strategy is to aim at satisfying the customers with the good quality of products and services in order to create a long-lasting relationship which will result in the continuous business cooperation. The Company's competitive strategy can be summarized as follows;

1. Maintaining the Products Quality

The products of the Company must be manufactured carefully, since they are parts that will be used in conjunction with other parts. To this, the Company gives all its attention to the quality of the products by having the quality control of international standards, ISO9001:2015 and IATF 16949:2016 where the Company controls the quality of the production from selecting the best ingredient, and having a strict check up on all steps of the production process with accurate and efficient monitoring equipment. The Company also consistently trains the staffs to develop both their knowledge and improve the standard practice, making the Company won the trust of customers and receive constant orders. Additionally, there were researches and developments in the German standard vehicles (VDA 6.3) in order to improve the standard and increase exporting channels.

2. Products Delivery on Schedule

Since the Company produces parts that will be used in conjunction with other parts, the Company emphasizes greatly that the delivery must be accurate and just in time, so that there are no effects on the assembling process of the clients. The Company has the policy to deliver the products on time, which is controlled since the planning of the production, purchasing the ingredients, quality control of the ingredients, production process and delivering to the clients. Therefore, the Company can always deliver the products to the customers on schedule.

3. Production Flexibility

The Company emphasizes on the flexibility of production by designing the production line so that it can adapt with many parts and models for fast and simple production. This means that the Company can produce various kinds of parts and support a variety of industries. At present, the Company owns, in total, 19 diecasting machines. The Company increases the sub-supplier in order to support the production from fewer to large volumes and support all fluctuating orders in the Automobile market.

4. Maintaining Good Relation with the Customers

The Company aims to build a strong relationship with the customers by having marketing and sales staffs looking after the customers and the products in order to ensure the services that meet with their satisfaction. In addition, the Company has a policy to survey the clients' satisfaction at least once a year, so that it can be used to improve the quality of the products and the services.

5. Becoming a member of associations and organizations to increase the client base

At present, the Company has become a member of association and organizations that are related to the industry and parts producers whose are direct target group of the Company such as the Thai Autoparts Manufacturers Association (TAPMA) or the Thailand Automotive Institute. This allows the Company to gain information regarding the business in each industry and can expand the client base into such industries.

1.2 The Company does not appoint any individual as the sole owner.

b. The competition in the industry.

The Company competes fairly under the universal competition code with no monopolistic action or any behavior that would reduce or limit the competitors.

1.1 Factors affecting the opportunity or limiting the business operation.

1.1.1 Semiconductor shortages

The Semiconductor shortage crisis stem from the spread of the Covid-19 pandemic, causing a halt to the production of semiconductors temporarily. Although the Company stocked up on semiconductors, but the continuous demands of semiconductors for new orders, due to the necessity of the work-from-home technologies, had caused some production problems in many industries. The most effected is the automobile industry. In the yea 2021, the shortage of semiconductors resulted in the reduction of the automobile production all over the Globe. Ford Motors had to terminate the production line at Louisville, Kentucky for one week. Honda Motors, Fiat, Chrysler, Automobils NV and other brands were looking for solution regarding the semiconductor shortages and started to reduce the production for all types of automobiles including sedans and pick-up trucks.

During the year 2019 – 2021, the automobile industry had consumed more semiconductors and could compete with the personalized electrical goods industry. This is due to an increase in tech developers that designs new technologies to accommodate modern consumers and since the automobile industry had been focusing on electric vehicles, the needs for the fundamental systems and soft wares had also increased. Semiconductor producers planned to expand their factories to improve the production which had been postponed from the year 2022 to 2023. The shortage of semiconductors situation seemed to have improved during August of 2022. There were other risk factors which caused the automobile industry, under the Federation of Thai Industries, to reduce the production of automobiles among the members from 1.80 million cars to 1.75 million cars (50,000 units decreased) as follows;

1. The Ukraine – Russia war that started in February of 2022 and had persisted for a long time resulting the severity of the semiconductor shortages since 2020. Both countries were the large exporters of Neon Gas which was a major component of semiconductors production. The Ukraine – Russia war caused the automobile exports of both countries to drop 20,000 units.

2.The lockdown in Shanghai during April – May of 2022 contributed to the increase of semiconductors shortages since the largest semiconductor factory was situated in Shanghai.

3. Myanmar prohibited the imports of automobiles towards the end of July 2022 which resulted in 2,000 units decreased.

4. Geopolitical risk factors such as Taiwan and the Middle East.

5.The increase in inflation and the interest rates of World leading countries resulting in lower consumers purchasing power (*Source: Bangkok Biz News*).

1.1.2 Side effects from domestic household debts

Households' debts had been a persistent problem in Thailand for a long time. At present, the amount of households' debts per GDP in Thailand is at about 90% which is considered the highest in ASEAN and is higher than the assigned level by the IMF at 60%. There are many factors contributing to the households' debts problem in Thailand which are;

1. Economic slow-down resulting in the reduction of income but the debts still remain.
2. Interest rates were quite low in the past years, allowing households to access fundings easier, thus increasing in debts.
3. The change in households' consumption behavior. People had the tendency to spend more on high value items such as cars, houses or condominiums.

The households' debts problem has affected Thailand in many ways as follows;

1. Halted the economic expansion since the households earn less, resulting in less purchasing powers.
2. Increasing the risk of financial instability. If large number of households cannot repay the debts, this may affect the financial status of the financial institutions.
3. Social issues such as illegal loans or family issues.

The automobile industry had been affected by the economic slow-down, resulting in the sales of cars in the year 2023 at 800,000 units, a decline from the previous year's number of 900,00 units (*Source: Kasikorn research*).

1.2 Market status and competition by industry group.

Automobile and automobile parts industry

The automobile parts industry had been continuously supported by the Thai Government since 1963. In the early days, the Government focused on measures to support the investment and the use of domestic automobile parts, specifically by increasing the tax on imported complete built-up (CBU) vehicles and complete knock-down (CKD) parts. Then the Board of Investment (BOI) initiated more measures to further improve investments such as corporate income tax exemption and tax exemption on importing machineries to attract foreign investors into establishing the production in Thailand. Moreover, the Government enforced the local content requirements (LCR) for the use of automobile parts produced in Thailand for automobile assembly. Although this measure had been abolished but the automobile production in Thailand still uses 60-80% of domestical parts from the total automobile parts while Eco-car and pickup truck uses 90% of domestically produced parts. At present, there are Free Trade Agreements between Thailand and other

countries such as the ASEAN Free Trade Agreement (AFTA), Japan Thailand Economic Partnership Agreement (JTEPA) and Thailand – Australia Free Trade Agreement (TAFTA), which decreases the import tax on CBU and CKD.

The automotive industry is very notable within Asian and between the ASEAN countries, because the production of cars is more than half of the World's production. The ASEAN countries who produce automobiles are Indonesia, Malaysia, Philippines, Thailand and Vietnam. The ASEAN countries can be categorized into 2 groups with various productions and different domestic markets as follows

- The countries which are the bases of production.
- The countries which are not the bases of production.

The ASEAN countries' compound annual growth rate (CAGR) has been on the increasing trend since these countries do not have a complicated economic base. Therefore, there is a high flexibility for adaptation and when couples with the fiscal and monetary policies to stimulate the economy, it can result in the recovery of the economy back to normal in short period of time. Leads to continuous investments in the automobile parts industry which is related to other parts and engines in Thailand by large multinational companies that have established their production base in Thailand for exports such as Robert Bosch, Denso, Magna, Continental, ZF and Aisin Seiki. To this, the automobile parts producing industry in Thailand can respond to the domestic demands for parts perfectly both for the original equipment manufacturer (OEM) and the replacement equipment manufacturer (REM). However, the total size of the domestic automobile parts market is approximately 60-70% from the income of all automotive parts industry in Thailand

(Source: www.krungsri.com)

In general, there are 2 major markets for the automotive parts manufacturers, which are;

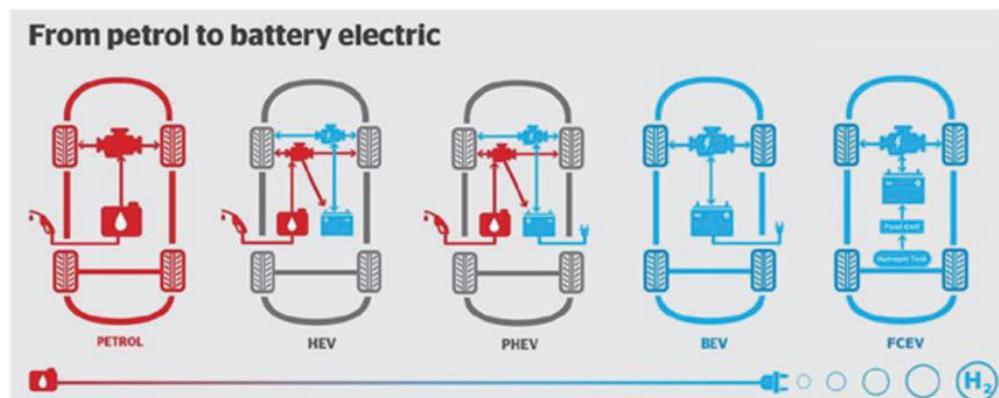
1.The Original Equipment Market (OEM) – The manufacturer must produce automobile parts to feed into new automobiles and motorcycle models for automotive companies that set up the production base in Thailand in order to assemble cars for both exports and for domestic market. However, the demand for automotive parts in this group depends on the numbers of cars and motorcycles produced.

2.The Replacement Equipment Market (REM) – This is the market for spares which replace the actual parts when they are damaged or broken from usage since each part have different life spans. The manufacturers that produce these items for the replacement equipment market are large, medium and small manufacturers, resulting in the produced parts being very different in qualities, for example, real spare parts, copied (fake) spare parts and also artificial parts. These are sold to the maintenance service stations of each automotive brand. Usually, the service station does not keep a large stock of spare parts supply, but will only keep the parts which are required often when repairing the automobiles.

Electric Vehicle (EV) – The automobile industry will focus on the development of the EV technologies in the long term. The Government had set a goal for Thailand to be the base of EV production in the region and had resulted in a rapid growth of EV usage in Thailand in the past 4-6 years (Source: www.krungsri.com).

Electric Vehicle (EV) is the vehicle that operates by electricity which can be both solely by electricity or can incorporate with the engine system. The EV can be separated in to 4 categories as follows;

1. Hybrid – utilizing the internal combustion engine with the electrical motors to operate the vehicles, can be divided into 3 types; Micro Hybrid (Start & Stop), Mild Hybrid (MHEV) and Full Hybrid (FHEV).
2. Plug-in Hybrid – similar to hybrid system but contains external electrical charge system to allow a longer travel distance. However, the price is higher due to requiring the larger battery.
3. Battery powered EV – relies solely on the electrical motor to operate. The producers install the Range Extender Battery (REEV) to generate electricity and increase the travel distance for the electric vehicle.
4. Fuel Cell EV – using the motor as the main source of mobility but the power comes from the Hydrogen gas which the energy can be stored more than the BEV. This system is still under development and had not yet been commercially produced.



EV Policies in other Countries

Following the Paris Agreement where 195 member countries had agreed to decrease the amount of Carbon dioxide emission in order to reduce the Earth's temperature by 2 degrees Celsius, many countries had started the movement to abolish the use of combustion engines, and had aimed to utilize environmentally friendly engines and ACES. For example, Norway had announced to stop the sales of all ICE vehicles within the year 2024 while the UK and many other European countries will stop the sales within the year 2030. Singapore aimed to stop the sales of new vehicles that uses the ICE system. Japan announced the halt in the sales of all Benzene vehicles within the year 2040. As for Thailand, there had been a movement to register all new vehicles as EV from the year 2035 onwards.

The EV Situation in Thailand

Thailand, as the leading country in terms of automobile producer and exporter in the region, is becoming clearer that the automobile parts currently produced in Thailand will be less and less in the World market due to the change of the automobile technology for the environment from combustion to electrical engine, both for BEV, Hybrid or FCEV. Therefore, the Thai Government had deemed this national agenda and had received cooperations from the government sector, private sector and many relating associations to help forming the policies, improving and developing, in preparation for the production of the Next Generation Automotive. In the past, Thailand had used electric vehicles and also constantly researched and developed to incorporate into many sectors such as Electrical Bus, small transport vehicles, electric motorcycles, electric

boat, batteries and all relating equipment including the standards and the testing or electrical vehicles and personnel as well. (Source: depa.or.th)

Thai automobile industry in 2023

Cars

The overall production of cars had only increased 1,385,971 units even though the demands started to come back, the scarcity of the advanced chip used in some models still remained which is the result of the strong USA – China technological competition. The domestic sales of PHEV and HEV had decreased to 586,870 units, despite the increase in production. The main factor pulling the sales of the trucks down had been the strict policies by the financial institutions regarding loans to control the amount of NPL since the households' debts were still high as well as the interest rates of the agricultural sector. This resulted in the middle to low-income consumers postponing the purchase of trucks for businesses, although the sales of cars had increased slightly from the recovery of tourism. As for exports, the sales had improved constantly to 821,899 unit when compared to the previous year. The industry still faces severe shortages of semi-conductors from the previous year, thus the pressure to increase the production and exports to compensate. The increase in the exports were to Saudi Arabia, ASEAN countries, Australia and Japan. (source: Krungsri Research)

Motorcycles

The production of motorcycles had increased to 1,638,051 units, following the increase in domestic sales and exports. The domestic sales were at 1,446,338 units due to the recovery of the tourism sector. Services and transportation sectors are expected to grow continuously especially the food and commercial goods delivery services such as rice, cassava and sugar cane, with the support in the rise of agricultural products. Although the domestic growth had shown a sign of slowing down in the second half of the year when compared to the first half from the strict regulations of the financial institutions to control the NPL situations, the exports of motorcycle were an increase to 351,538 units. This is due to the chip shortages crisis that began to lessen, resulting in an increase in international orders especially for Big Bikes which requires large amount of chips for production. Also, the opening up of the countries after the COVID pandemic had supported the rapid increase in demands for all partnering countries. (Source: Krungsri Research)

Automobile Parts

The production of automobile parts had declined due to the shortages of chips, which caused the decrease in the electrical parts production. The change to EV trends had also contributed to the decrease in the production of combustion engines. These trends go together with the slow growth of the domestic automobiles production following the reduction in sales. The exports of automobile parts had declined with the rubber tyres still continuously affected by the US market retaliation since May of 2021, which gravely diminished the competitiveness of Thailand when compared to other competitors such as India, Indonesia and Japan. The internal combustion engine had been greatly impacted due to the change to EV trends all over the World. Overall, the production and the demand for the automobile parts in Thailand for the rest of the year should improve slightly, following the expected market expansion where the production of cars and

motorcycles are estimated to expand in 2023 from the maintenance of cars that are more than 5 years old. This is because some consumers had decided to postpone buying EV and waiting for newer models or better developed technologies to come around as well as more electrical charges stations. This is also in line with the exports which was estimated to be affected by the slowdown of the World economy and the high interest rates in many partnering countries. (Source: Krungsri Research)

Electrical Goods and Electronics Industry in 2023

Electrical Goods Industry

The production had declined following the domestic sales that had been affected by high level of inflation and household debts which suppressed the purchasing powers of the consumers as well as the real estates market that was not performing well. However, the recovery in the tourism sector and the rising temperature had contributed well to the sales of new air conditionings to an increase in 5.1% YoY, a sharp contradiction to the number of exports which reduced -1.2% YoY since most consumers in the partnering countries had come out of the work-from-home status and lived normal lives for the rest of the previous year. The production and sales of electrical goods were estimated to decline from these factors as well as the continuous slow down of the real estate market. Despite various policies that emphasizes on tourism, especially the temporary free visas to attract certain groups of tourists to improve the demands for electrical goods in the tourism and hotel sectors, the actual numbers were not as high as expected. (Source: krungsri research)

Electronics Industry

The production had declined following the decrease in exports, since the demands for the business in the Data Center services and IT had also been reduced and the majority of orders for data storage equipment had been done during the COVID-19 pandemic, where the computer supply chains all over the World had faced the crisis of 22% decrease YoY. This is due to the slow down of the economy in the major partnering countries where the costs of living were high. The solid-state drive which boasted higher performance and reduced energy consumption had replaced the production. Therefore, for the rest of the year, the production and exports of HDD from Thailand is estimated to shrink continuously from the said factor, resulting in lower production of HDD in the year 2023. (Source: Krungsri Research)

Agricultural Machinery Parts Industry in 2023

Overall, in 2023, the agricultural machinery market in Thailand had increased 11% and the GDP of the agricultural sector had expanded 2.5% while the agricultural machinery market in Cambodia and Lao PDR had grown 8% due to the government supporting the production of agricultural products for exporting more. The exports value of the agricultural machinery was 10,265 million Baht, a 15.8% increase but a 10.6% decrease when compared to the same period from the previous year. The product with the highest exporting value was tractors and parts at 3,119 million Baht. (Source: Machinery industry data center)

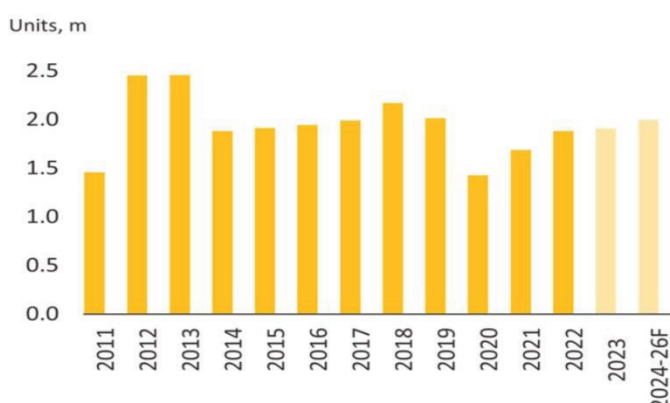
Economic Trend in 2024

1. The automobile production will continue to grow constantly due to the chip shortages situation being handled by major players entering the market. The amount of EV production will increase rapidly from the continuous support of the Government sector in the year 2024 – 2025 which will compensate for the imports of cars previously.

2. The domestic consumption will gradually increase from the following factors; the recovery of economic activities and the tourism sector that requires vehicles for traveling, investments into infrastructure will fasten the needs for transportation and the risk of the reduction in the agricultural products from the effect of El Nino which may limit the purchasing orders of commercial vehicles in all regions.

3. Exports will grow continuously from the pent-up demand from the economic recovery of the partnering countries and the shortages of chips had been overcome. It is estimated from these factors that the production and the domestic sales of the automobile industry will increase 3 - 4% per year.

Figure 1: Automobile Production



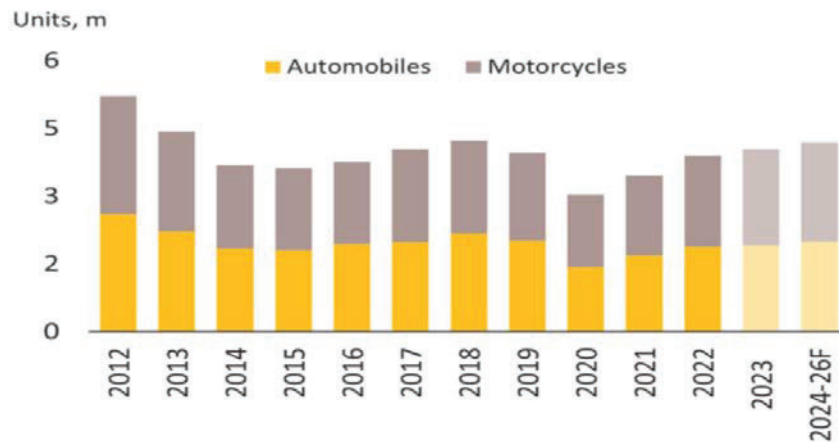
4. Electric Vehicles. It is estimated that the registered electric vehicles, electric public transports vehicles and commercial electric vehicles will increase on average 270,000 units, 2,500 units and 1,000 units per year respectively. There are many reasons contributing to this expansion. The EV3.5 measure where the Government approves to subsidize 50,000 – 100,000 Baht per unit, and the trend that the price of EVs will reduce from introducing newer models and new brands entering the market. As for the BEV, the domestic production will be increasing for the next 4 years following the imports compensation measures by the BOI and the demands to buy prior to the excise tax adjustment should increase from 2026 onwards. The use of public and private electric transports is expected to increase.

(such as EEC where the goal of utilizing 6,000 public electric transports by 2028)

5. The automobile parts production is expected to grow approximately 3 – 4% per year since the chip shortage problems began to lessen and new chip factories had been established all around the World. The domestic demands for automobile parts will increase with the supporting factor from the recovering economic activities and tourism, the investments into major infrastructures and the continuous growth of the E-commerce business and the delivery businesses which had helped the expansion of the OEM parts market. The increase in numbers of cars that are more than 5 years old is estimated to increase 2 – 3% each year on average, which will help with the demands for REM parts. The exports will improve approximately 2 – 3% per

year following the economic recovery of the partner countries. The parts that will be impacted the most are for the production of EV all over the World such as batteries, battery management system for traction motor, drive control unit, wires, power connectors, plastic and rubber parts and also EV chassis parts. On the other hand, the parts used for internal combustion engines such as engines, gear box, gears and exhaust are expected to face a decline in exports. (Source: krungsri research)

Figure 2: Vehicle Production (OEM Market)



Risks of the automobile sales in 2024

1. Economic factor – the rise in the costs of living will contribute to a small growth expansion of 2.9%, a slight slow down from the year 2023 which was expected to be at 3%. This will be the slow down for the third consecutive year after the World had faced many risks and other difficult factors especially high interest rates to control the inflation. This will result in the consumers postponing the purchase of new cars, couple with the increase in interest rates, making the costs of car loans even more severe.

2. Purchasing powers – the income level of Thai households is relatively low despite the large increase in the costs of living. Interest rates had also been increasing rapidly, causing the debts repayment more difficult and the financial institutions, in turn, became stricter in allowing loans. This is evident from the decline of the home loans and vehicle loans since early 2023. Households' debts had been worsened and the risk of NPL had been the highest in the most recent years (Source: TTB Analytics).

1.3 Supporting factors for the Thai automobile parts in 2024

Factor 1: The domestic automobile production as important support for OEM parts

Currently, Thailand largely produces combustion engines automobile with the average of approximately 1.8 – 1.9 million units per year. The internal combustion engine automobiles require OEM parts of roughly 20,000 – 30,000 pieces of OEM parts per unit. This consists of 5 main groups which are; transmission system, suspension system, electrical system, chassis and other parts. Therefore, the more automobile productions, the better it is for the automobile OEM parts producing business. This is in line with the relationship between the increase in domestic sales of cars and the overall growth of the automobile parts business as high as 0.83. The estimated automobile production is in accordance with the view of the

Federation of Thai Industries (FTI). The growth of the automobile production is from the following supporting factors;

1) The semiconductor shortages had been resolved, and the production must resume to fulfil the remaining orders.

2) The automobile market in Thailand started to recover following the economic recovery at 3.45%, as well as major exporting markets of Thailand such as Australia, Philippines, Vietnam, Saudi Arabia, Japan, with the exports portion of more than 50% of the total exports of cars.

3) With the policies to support EV, many brands that had joined the campaign began to have clear investment plans and some even started manufacturing EV already. However, EV only requires about 2-3 thousand parts per unit which will definitely become a challenging factor for the automobile parts producing industry.

4) OEM parts receive supporting factors from the sales of motorcycles which is estimated to grow approximately 2.1% per year, although the amount of OEM parts required for the manufacturing of motorcycles are considered very little when compared to the overall OEM parts market.

Factor 2: The number of vehicles that are more than 5 years old tend to be on the increase which is the net positive for the REM parts market. As we all know, the maintenance of automobile parts tends to increase the longer the service life of the vehicles. It is expected that if the vehicles are more than 5 years old, many parts will have to be replaced. This is especially true for the fast-moving parts such as oil filters and air filters. However, from the maintenance costs evaluation for the fast-moving parts, it is discovered that vehicles with the service life of more than 5 years will costs much more than those with the service life of less than 5 years of about 35%. Other than the fast-moving parts, there are also the common parts such as boilers, lights parts, rubber tyres, batteries, windshield wipers, brake pads, seat belts and suspension parts that must change when broken or expired due to the usage of the vehicles. This makes the vehicles with the service life of more than 5 years, the prime target for the REM parts market. The number of cars and motorcycles which have service life of more than 5 years tend to be on the rise and is estimated that in the year 2024, the numbers of cars and motorcycles with more than 5 years of service life will increase 10.7% at 31.33 million units which will positively affect the REM parts market.

Factor 3: There are still a lot of room to grow for the exports of Thai automobile parts

The World's automobile parts market is very large and each year there are about 5-6 hundred thousand USD of imports altogether or about 20 billion Bath. The largest importers of automobile parts in the World are the USA, Germany, China, Mexico and France with the total of 44% of all imports. In 2024, the exports of Thai automobile parts were 3.7% YoY with the following supporting factors;

1) The production of cars in the World market in 2024 is expected to increase 5.3% YoY which is consistent with the latest data from S&P Global Mobility that had made an estimate for the production of cars from all over the World.

2) There are still room to grow for the exports of automobile parts. The research from the International Trade Center discovered that the exports of the Thai automobile parts consist of only 2.2% of the market

share when compared to the value of the Worlds' total exports. This is a good opportunity for Thailand to increase the exports portion to the World market (*Source: Krungthai Research*).

1.4 The Company's competitiveness evaluation

Structural components had been utilized more by replacing many existing parts, reducing the overall weight of the vehicles. Light structure is particularly important for hybrid vehicles and new models of electric vehicles that will soon enter the market. The Company's core business is in the automobile parts industry which is very competitive and has a large number of producers. If judging by the size of the company, production capacity and competitiveness, there are currently 8 main companies in Thailand with similar characteristics. The Company's advantage is from a variety of customers base both domestically and internationally. At present, many automobile producers started to use Aluminum for manufacturing more since it has lighter weight, resistant to rust and can be molded easily, especially the EV that requires lighter weight to support longer distant travelling. Since electric vehicles have more weight than normal cars due to the weight of the battery, Aluminum can greatly help reducing the power weight and save more petrol. In general, the electric vehicles will use Aluminum as parts of about 30-50% of the total weight which is about 10-20% more than vehicles with combustion engines. When using Aluminum for electric vehicles, the weight can be reduced as much as 100-200 kilograms which can improve the travel distance 5-10%. This is why Aluminum had become the materials of choice for manufacturing electric vehicles and will likely continue to increase constantly in the future.

3. Purchasing Process and Services

Factory and Office Production Capacity

The factory and the office of the Company are located in the Rojana Industrial Park, T. Nong-Bua, A. Ban-Khai, Rayong. As of 2023, there are 14 acres and 149.6 meters of land with 11 buildings consist of 2 office buildings, 1 storey and 3 storeys, including 9 factories building and warehouse

From 2021 to 2023, the production capacity of the Company is as follows;

(Unit: ton)

| | 2021 | 2022 | 2023 |
|------------------------------|-------|-------|-------|
| Production Capacity* | 2,800 | 2,800 | 2,800 |
| Production Output | 2,285 | 2,320 | 2,500 |
| Output to Capacity Ratio (%) | 81.61 | 82.86 | 89.28 |

Remarks: The production capacity of the Company is calculated from the production of each machine and multiply by the numbers of the machines at maximum productivity.

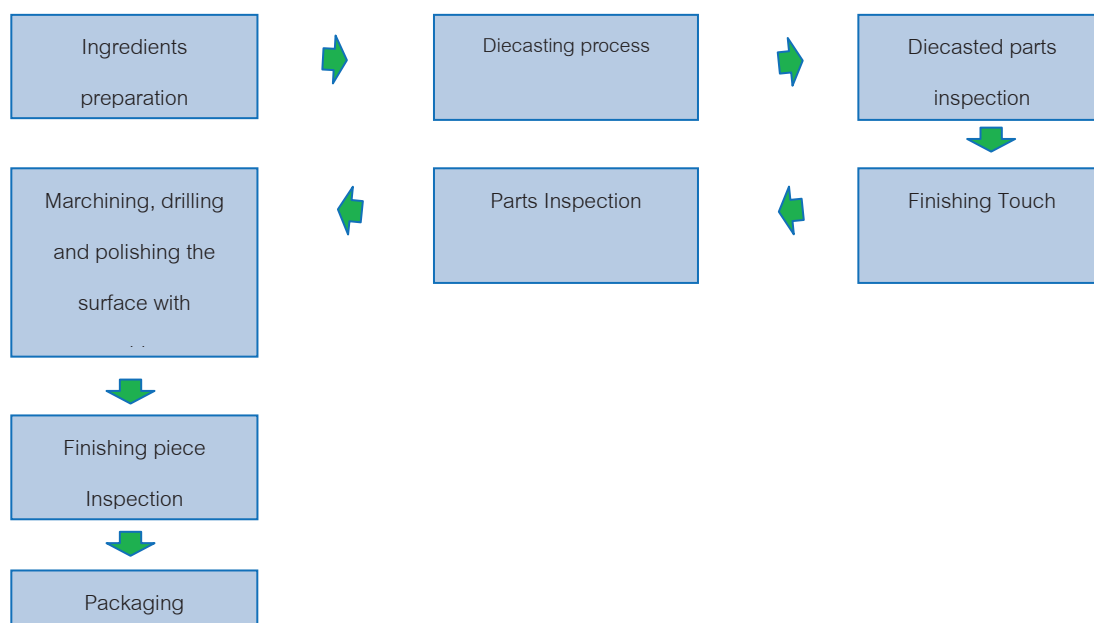
In the year 2023, the production capacity had increased due to the recover of the automobile market and also due to the economic stimulus policies from all over the World. The customers' orders had returned to normal and even increased in order to compensate for the previous year. The Company plans to constantly improve the efficiency of the machineries and had adjusted the manufacturing process according to the demands of the customers each year in order to provide them with the most satisfaction.

Production Process

The Company produces Aluminum and Zinc parts as ordered by the customers. The Company will then receive a drawing or product samples and estimate the production quantity in order to work out the capability in designing the molds and the possibility of producing the parts as ordered. After that, the Company will analyze the costs in designing the molds, costs of making the molds and costs of production, and then the quotation of the parts and/or the molds will be offered to the customers for consideration, depending on the nature of the employment. As soon as the customers approve of the quotation, the Company will take the plans or product samples to design the molds by using computer programs to calculate and display the molds in 3D, and send it off to the molds producing companies to quote the price back to the Company. Once the molds producing companies have been chosen, the molds will take 3 months to produce. When the molds have been completed, the Company, together with the customers, will inspect the molds together by extruding with the molds made, and test the produced sample parts with Co-ordinate Measuring Machine (CMM). After the tests, the parts will be brought to the customers for quality check and further test it by assembling with other parts.

When the aforementioned sample parts have passed the evaluation of the customers, the sales and marketing team will contact the clients to ask for the purchasing orders and delivery plan. Usually the clients will order and determine the delivery time 1 month in advance and will plan for production 1 year in advance so that the Company can appropriately prepare the production plan, gather ingredients and prepare all the equipment properly to meet with customers' demands.

The production process of the Company is as follows;



● Material Selection and Preparation

The Company will select the ingredient retailer with the standard that satisfies the customers. Once the material is received, the Company will double check the quality with the material guaranteed certificate from the retailer to make sure that it is suitable for producing the parts. Then the purchasing orders from the customers will be calculated to find out the amounts of material needed and plan for further production.

- **Products Die Casting Process**

The staff on the diecasting machine will install the mold and prepare the machine so that it is ready to use. The ingredient will be put in the furnace with natural gas as fuel for heating and smelt the ingredient into liquid at designated temperature. The injection machine will then inject liquid metal into the mold with high pressure. The temperature will be lowered in order to cool and harden the piece. When the piece is cooled off, the staff will take the piece out of the mold and perform primary fine touches by cutting the edges and the metal lines from the injection out, then put the scraps back into the furnace to be reused again.

- **Diecasted Parts Inspection**

The QC staff will perform a random inspection on the parts to check for sizes and the outer appearances of the parts to be in accordance with the drawings. Important points on parts are checked for with various inspection tools. The random QC inspection is done every 1-2 hours.

- **Finishing Touches**

The pieces that passed the inspection will be fine touched by the staffs. This includes polishing the surface, trimming the edges, drilling and finishing touches on the surface of the parts following the instruction on how to handle each piece. However, the Company may hire a sub-contractor to outsource the finish touches of the parts if the man power of the Company alone is not enough, or if the tools of the Company or the nature of the parts are not appropriate to perform the task.

- **Parts Inspection**

In this process, the QC staff will perform a random check under the check-list of the requirements for both the shape of the parts and the surface area as indicated. A manual will be produced to indicate the location to check and how to check the parts as specified. The random inspection is every 1-2 hours and will be an inspection once again for all finished parts.

- **Machining, Drilling and Polishing the Surface with Machines**

Since some of the parts must be finished with machined to guarantee accuracy and the standards that the customers required, the Company will bring the inspected parts to fine touch, drill and polish the surface with mechanical lathe controlled by Computer Numerical Control (CNC) both in the 2 shafts and 3 shafts in the designated area, according to the products drawings to ensure that it can be used in conjunction with other parts. The QC staff will perform a random check-up in front of the machines every hour and also tests the parts using the jig gauge in order to examine the size and location of the joints, whether or not they are as required.

However, the Company may hire a sub-contractor to outsource the finish touches of the parts if the man power of the Company alone is not enough, or if the tools of the Company or the nature of the parts are not appropriate to perform the task.

- **Finishing Products Inspection**

The piece that had passed the finishing touches with machines will have a detailed random inspection with the CMM and other tools before handing off to the packaging department.

- **Packaging**

The warehouse staff will count the number of parts to be the same with the tag and proceed with the packaging as specified and ready to deliver the products to the customers.

The Company has the procedure to investigate the costs and set the policy to evaluate the items that made a loss to the Company, in which the accounting department will perform an analysis quarterly, follow up on all products that made a loss and report the findings to the CEO every month.

(4) Acquiring the Ingredients for Production

The Company is the producer of Aluminum and Zinc diecasting parts as ordered by the customers. Aluminum and Zinc that the Company uses are Aluminum alloy and Zinc alloy. Aluminum and Zinc have the mixtures of other elements making it unique and has the suitability for various types of work. Therefore, the ratio of ordering the ingredient will depend on the volume of the orders. In the past, the majority of work that the Company has done have been Aluminum parts where the Company orders from 13 domestic retailers. Since the Company has the policy of spread ordering to reduce the risk of relying heavily on any particular retailer, the orders of ingredient will spread over many retailers with the different volume ordered, depending on the price of each retailer. The Company receives a monthly quotation by the retailers for the change in price of the ingredient.

For the ingredient selection process, the Company pays great attention to the quality of the ingredient. The ingredient ordered must be at the exact level of standard indicated, which the company will proceed to check for the quality with the guarantee certificate of the retailer that comes together every time upon ordering the ingredient. After that, the Company will take a portion of the ingredient to test and see whether or not it is in accordance with the certificate. With an examination period 1-2 days.

To select an ingredient retailer, the Company will evaluate whether or not the retailers had passed the requirements of the Company and then collect the lists of those who passed in the ingredient retailer lists. Every time there is a purchase, the Company will compare the price with at least 2 other retailers from the lists to ensure that the ingredients bought are of the best quality and at the best price. The list of ingredient retailers will be revised annually.

(5) Assets used in the business operation.

By 31st December 2022 and 31st December 2023, The Company's lands, buildings and equipment are as follows;

| Assets Details | Size (Rai) | Net Book Value (Million Baht) | | Ownership | Obligation |
|--|------------------------|----------------------------------|-------------|----------------------|--|
| | | 31 Dec 2022 | 31 Dec 2023 | | |
| 1. Lands | | | | | All lands and buildings on the lands had been used as collateral |
| a) Deed no.41106 Location: 3/14 M.2 Rojana Industrial Park, T. Nong Bua, A. Ban Kai, Rayong 21120 | 6 Rais 36.20 Wah | 11.26 | 11.26 | Owned by the Company | |

| Assets Details | Size (Rai) | Net Book Value (Million Baht) | | Ownership | Obligation |
|--|------------------------|----------------------------------|-------------|----------------------------|---|
| | | 31 Dec 2022 | 31 Dec 2023 | | |
| b) Deed no.53506 Location: 3/14 M.2 Rojana Industrial Park, T. Nong Bua, A. Ban Kai, Rayong 21120 | 3 Rais | 6.18 | 6.18 | Owned by the Company | for the loans with the financial institution of 107.48 million Baht. |
| c) Deed no.41107,41741 Location: 3/14 M.2 Rojana Industrial Park, T. Nong Bua, A. Ban Kai, Rayong 21120 | 5 Rais 15.85 Wah | 10.64 | 10.64 | Owned by the Company | |
| Total Lands | | 28.08 | 28.08 | | |
| 2. Buildings – Renovations and Facilities | | | | | |
| a) The Learning Center building | | 7.98 | 7.53 | Owned by the Company | |
| b) Office Building | | 0.25 | 0.22 | Owned by the Company | |
| c) Factory Building Diecasting 1 | | 2.63 | 2.17 | Owned by the Company | |
| d) Factory Building Mold factory building | | 0.12 | 0.05 | Owned by the Company | |
| e) Factory Building SQA/JM Factory Building | | 0.85 | 0.53 | Owned by the Company | |
| f) Factory Building Diecasting 2 | | 4.76 | 4.40 | Owned by the Company | |
| g) Factory Building Diecasting 3 | | 3.91 | 3.67 | Owned by the Company | |
| h) New Factory Building Finishing /Warehouse Building | | 11.34 | 11.11 | Owned by the | |

| Assets Details | Size (Rai) | Net Book Value (Million Baht) | | Ownership | Obligation |
|---|---------------|----------------------------------|-------------|----------------------------|------------|
| | | 31 Dec 2022 | 31 Dec 2023 | | |
| | | | | Company | |
| i) foundry building Lostwax / Innovation Based | | 1.44 | 1.31 | Owned by the Company | |
| j) Chemicals storage Building | | 0.06 | 0.00 | Owned by the Company | |
| k) The new 'Yoong Thong' building Machine Building | | 15.70 | 15.12 | Owned by the Company | |
| l) Buildings - other additions | | 4.48 | 4.45 | Owned by the Company | |
| m) Building improvements and solar cells | | 13.95 | 12.80 | Owned by the Company | |
| Total buildings and building improvements | | 67.47 | 63.36 | | |

(6) Unfinished Projects

The molds for producing parts to be sold to the customers with the pre-paid value of 10,325,244.16 baht is due to the agreement of installed payment with the final installment is the approval of the production.

1.3 Company's Shareholding Structure

1.3.1 Company's Shareholding Structure

The Company has no subsidiaries or associates' companies.

1.3.2 Persons with Possible Conflict of Interests

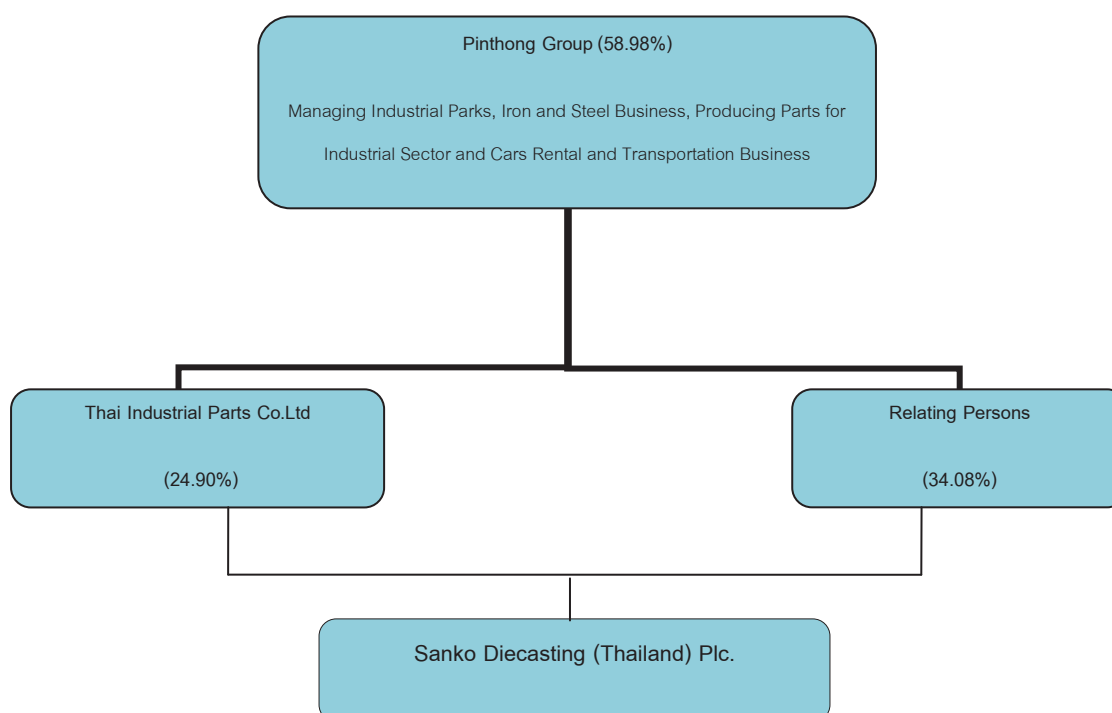
The Company has listed the individuals which may have conflict of interest. The intercompany transaction that occurred, was the transaction between Directors and/or Executives and/or shareholders of the Company with relating companies which has persons with conflicts of interests as Directors and/or Executives and/or shareholders of the companies. The relationship can be summarized as follows;

| Persons with Possible Conflict of Interests | Relationships |
|---|--|
| Juthawan Co.,Ltd | This company is under the control of one major shareholder, the Pinthong Group ^{1/} , which holds the shares of the Company both directly and indirectly, for 58.98 % of all the registered and paid-in capitals. |
| Thai Industrial Parts Co.,Ltd | Shares the same Director with the Company who are Mr. Keisuke Hamada and and is under the control of one major shareholder, the Pinthong Group ^{1/} , which holds the shares of the Company both directly and indirectly, for 58.98 % of all the registered and paid-in capitals. |
| Rica JTW Heat Treatment Co.,Ltd | Under the same control of the majority shareholders, the 'Pinthong Group' which holds both direct and indirect shares 58.98 % of the Company for the registered capital and paid capital. |
| Umphon Co.,Ltd | Under the same control of the majority shareholders, the 'Pinthong Group' which holds both direct and indirect shares 58.98 % of the Company for the registered capital and paid capital. |
| JTW Asset co.ltd | Under the same control of the majority shareholders, the 'Pinthong Group' which holds both direct and indirect shares 58.98 % of the Company for the registered capital and paid capital. |
| Sonic Inter Freight Public Co.,Ltd | Mr. Rattawat Suksaichol As the CEO and the Director of Sanko Diecasting (Thailand) Public Co.,Ltd, had been appointed as the Auditor and the Independent Director of Sonic Inter Freight Public Co.,Ltd. |
| L.H.Logistics Co.Ltd | Under the same control of the majority shareholders, the 'Pinthong Group' which holds both direct and indirect shares 58.98 % of the Company for the registered capital and paid capital. |
| L.H.Transport Co.Ltd | Under the same control of the majority shareholders, the 'Pinthong Group' which holds both direct and indirect shares 58.98 % of the Company for the registered capital and paid capital. |

Remarks: The Pinthong Group Manages Industrial Parks, Iron and Steel Business, Producing Parts for Industrial Sector and Cars Rental and Transportation Business.

1.3.3 Relationship with the Business Groups of Major Shareholders

Diagram showing the structure of the overall companies of the major shareholders as of 30 December 2023



The Pinthong Group has a similar business to the Company, which is producing parts by extrusion with hot forging and stamping, for electronic goods and for automobiles industry. The group also operates in parts assembling and creating molds. In the future, the said group of companies may have a conflict of interest by competing indirectly with the Company. However, the companies in the Pinthong Group, do not have the policy to produce Aluminum and Zinc parts by extrusion and high-pressure diecasting which is a direct competition to the Company.

1.3.4 Shareholders

(1) List of Major shareholders

(a) The names of the Major shareholders of the company, whose name are present in the shareholders register as of 30th December 2023, are as follows;

| No. | Shareholders | As of 30 December 2023 | |
|-----|--|------------------------|------------|
| | | Shares | Percentage |
| 1 | Pinthong Group ^{1/} | 186,765,355 | 58.98 |
| 2 | PSG corporation Pcl. | 18,723,694 | 5.91 |
| 3 | Mr. Ekkapol Taepitikul | 9,420,000 | 2.97 |
| 4 | Mr. Masami Katsumoto | 8,980,263 | 2.84 |
| 5 | Thailand Securities Depository Co., Ltd. | 3,778,172 | 1.19 |

| No. | Shareholders | As of 30 December 2023 | |
|-------|-----------------------------|------------------------|------------|
| | | Shares | Percentage |
| 6 | Mr. Jakaranuttep krinchai | 3,366,142 | 1.06 |
| 7 | Mr. Rattawat Suksaichol | 2,921,927 | 0.92 |
| 8 | Mr. Theerathorn Kuharungsoj | 2,422,105 | 0.76 |
| 9 | Mr. Raweewat Maschamadol | 2,257,893 | 0.71 |
| 10 | Other | 78,026,681 | 24.64 |
| Total | | 316,662,232 | 100.00 |

Remarks: ¹Pinthong Group is under the control of the Pattamaworakulchai family who manage the industrial estate, steel industry, produce parts for industrial sectors and operating cars rental and transportation business

1.4 Amount of registered capital and pain-in capital

The company has registered capital equal to 158,331,722.50 Baht. At present, the value of the paid-in capital is equal to 158,331,116.00 Baht. Which is divided into 316,662,232 common stocks with 0.50 baht per share.

1.5 Dividend Policy

The company has the policy to pay-out its dividends to shareholders no less than 30% of the net profit after tax and all the reserves, provided that the dividends pay-out must not affect the operation, stability, liquidity, expansion and any of the future needs which may arise by the company, as the Board of Directors deem appropriate. However, the said procedures must be in the best interest of the shareholders. The Board of directors will consider, revise and present this to the shareholders in the meeting for approval, unless in the case of interim dividend, where the Board of Directors have the power to authorize as long as the company has earned enough revenue to pay-out without affecting the operation of the company and report to the shareholders in the next meeting.

2. Risks Management

2.1 Risks management plans and policies

Sanko Diecasting (Thailand) PLC is fully aware that risks management is part of a good governance, which is a vital foundation to help the Company achieves its objectives. Being able to identify and manage the risks will help the Company executes better decisions and sees the opportunities, including lessens the impact from critical situation that may affect the shareholders.

The Company had established risks management policies that covers the whole Organization and enforces them accordingly. The measures to support the risks management of the Company is as follows;

1. Follow up and revise the risks management according to the designated plan and evaluate the results. The Risks Management Working Group that had been appointed by the Risks Management Committee to follow up and report to the high-level Executives and the Board of Directors.

2. Operate the businesses under tolerable risks in order to achieve the Company's objectives. Risks management is part of the annual business plan, management level and to make decisions before investing in any projects.

3. Has a clear procedure, guidelines and management measures that support the risks and reduce the impact of risks, as well as analyses the risks appropriately. This includes the analyses, evaluation, ranking, manage, control, follow up, report and evaluation constantly.

4. The Executives and staff members all have the responsibility to identify and evaluate the risks associated with the work that they are responsible for, including setting up appropriate measures to manage the risks.

5. Limit the risks ceiling, in order to control the damages that may happen and keep it at the level that is tolerable by the Company. This includes the situation or risks level that is considered a red flag so that the operators can understand the procedures and not allowed the risks to go above the limit.

6. Establish the Risks Management Committee consisting of Directors on risks management with the characteristics, appointment, term time, including the responsibilities in accordance with the regulations of the Committee.

7. Completely manage the risks both internally and externally and in accordance with the strategy and direction of the business. The strategies must cover at least 4 topics as follows;

Risks management policies by Sanko Diecasting (Thailand) PLC.

(a) Financial Risk (b) Operational Risk (c) Strategic Risk (d) Compliance Risk

8. When the Risks Management committee holds a meeting with agenda related to the Organizational risk, projects risks or any other risks that affects the Company, the Risks Management Committee must report those risks to the Board of Directors.

9. The Risks Management Committee must self-assess every year and notify the Board of Directors on the evaluation results, in accordance with the principle of good governance.

The Company follows the standard ISO 9001:2015/IATF16949:2016 which demonstrates each steps of risks management procedures to incorporate this with the risks management policies of the Company. It is the duty of the Risks Management Committee to revise the risks management policies annually.

Risk Management Committee Annual Report (2023)

To Shareholders of SANKO Diecasting (Thailand) Public Company Limited

The Risk Management Committee of SANKO Diecasting (Thailand) Public Company Limited had been appointed by the CEO, with the CEO as the chairman of the Risk Management Committee along with 20 other Directors as the members of the Committee.

The Company emphasizes greatly on the risk management of the Company's business so that the Company can achieve its target goals. The Committee had assigned risks evaluation tasks for each department as well as consistently determining the risks that may affect the business operation. The Risk Management Committee had monitored and controlled the risks, including evaluating the risk levels with 7 factors as follows;

1. Strategic Risk
2. Financial and Accountant Risk
3. Operational Risk
4. Compliance Risk
5. Environment Risk
6. Occupational Safety and Health Risk
7. Emerging Risk

In 2023, the meeting was held to discuss significant issues as follows;

1. Consider and approve the 2023 Risks Management Manual and revise the monetary risks impact tables.

2. Consider the risks management plan and the Organization risks registry for the year 2023 where the management team had evaluated, prioritized and considered the impacts to be at an acceptable level or reducing the chance of the risks occurring in the future. This way the business operation and the strategies can be planned accordingly.

3. Prepare the risks management strategies and the key risks index (KRI) to resolve and reduce the risks at present to be at an acceptable level and in accordance with the current economic situation.

The Risks Management Committee is confident that the Company has a systemic and constant risks management strategies and operates its businesses with utmost caution, care and with full efficiency which will indeed result in the lasting and sustainable growth as stated in the Company's goals.

Mr. Rattawat Suksaichol

Chairman of the Risk Management Committee

2.2 Risk factors to the Company's business operation

This is the risk factors in the company's business which may significantly affect the operation and the performance of the company. The guidelines for risks prevention can be summarized as follow;

2.2.1 Risks to business operation

1.Risks from the dependency to the major customers

The Company's business is producing goods according to the customers' orders. In 2023, there were 3 major customers with the total sales ratio of more than 10% or more than 53% of the total sales and services. In the year 2021, 2022 and 2023, the revenue from the top 10 customers amounted to 82.35%, 83.17% and 89.21% of the total sales and services respectively. This means that the revenue of the Company may be affected if the major customers adjust their orders.

However, these major customers have had a long history of purchasing from the company and the company itself has had regular contacts with the customers in order to foresee any possible changes in sales pattern. Most of the customers will have an estimation for the company at least 1-3 month in advance, meaning that the company can predict the changes in the productions ordered to a certain extent. Also, the company has the policy to control the sales made to each of the clients to be no more than 30% of the total sales volume. This is to prevent any effect to the company's revenue should the major clients were to change.

2.Risks from the fluctuation in the costs of raw materials

The Company's business is producing parts for automobiles, motorcycles, electrical goods, agricultural machineries and others, which require Aluminum bar as the main ingredients. In 2023, This consists of about 32.75% of the total costs of sales. Since the price of Aluminum fluctuates according to the World's market price (LME: London Metal Exchange) and because Aluminum is the raw material that the domestic sellers must imports from abroad to produce Aluminum bar, therefore the price fluctuation of Aluminum bar may affect the Company's costs of production.

However, the Company had also foreseen the price fluctuating issue and had prepared measures to mitigate the risks in the future. This is done by closely monitoring the price of Aluminum and evaluate the Aluminum market trend together with the domestic raw materials retailers who are proficient in this field, and prepare the Aluminum purchasing and stocking plans so that the business can be carried out normally. Moreover, the Company had selected a total of 13 Aluminum outsourcers who fit the criteria for the production quality and disperse the orders in each lot so that the risk of materials shortages is mitigated.

3. Risks from the deterioration of the client's mold

The company uses its own molds to produce parts but there are also molds that belong to the customers. Therefore, the company must seek the permission from the customers first before fixing or requesting new molds. The problem arises when the molds deteriorate which will reflect in the quality of the products, but since the company must maintain a steady relationship with the customers, it becomes the cost of the company to fix the imperfect or the unqualified parts. If the company takes a long time in

repairing or preparing the new molds, even though it is dependent on the customers whether or not they can provide the company with the molds, it will reflect in the operation of the company. However, the company has regulated a life-time use of the molds and will contact the customers before the molds begin to deteriorate, so that the customers may know the status and can estimate the time frame in providing the company with the new molds.

4. Risks from being dependent on the Directors, experienced and skilled individuals

The business requires experienced and skilled personnel in order to operate, especially for designing the molds. This has a direct impact to the possibility of the production, quality of the products and the number of defects as the result. The company requires specialized engineers with experiences in designing molds to do this job and by losing these people, it will affect the operation of the company and the ability to compete. As of 31 December 2023, there are 10 personnel in the company with extensive molds designing skills who have worked for the company, on average, for 10 years and have the experience of working with molds, on average 18 years.

The company clearly distributes tasks and responsibilities to each Directors and members of staff with a suitable data storing system and has the ability to exchange information and news relating to the directors and staff members constantly. Moreover, there are staff trainings, aimed to establish an understanding in quality and standards in many areas, together with sending the staffs to join the external seminar as a form of human resource investment so that they have a better understanding of the company's operation as a whole and specially to increase the knowledge and skills in molds design. To this, the company provides trainings both internally and externally to reduce the risks of being too dependent on the directors and the main personnel of the company.

5. Risks from quality control

The quality of the product is a vital factor in the automobile industry where the cars and motorcycle producers pay a lot of attention to, since it has a direct effect both to the reputation and to the sales of the producers. Low quality products mean that the company may lose clients, and could result in the cancellation of the contract in the case that the company cannot produce the products to the standard of the clients which will have a negative effect on the operation and the customers in this industry will lose confident in the company. Therefore, the company aims to reduce the low quality of the production by setting clear defectives KPI. The company values the importance of quality so much that it has invested in the equipment to examine and control the output quality to match the standards that the customers require. Including the ability to build credibility in the business under the international standards as well.

6. Risks from the shortages of labour

At present, many work establishments have strong competition for skilled labors which imposes the risks of the Company facing shortages of labor or having to hire workers at a higher wage rate. In addition, the 300 Baht minimum wage policy will result in the increase in wage rate on average or even losing the current skilled workers which will directly affect the Company's operation. However, the Company

emphasizes greatly on the wellbeing of the staffs and provides a variety of benefits for example, the canteen, lunch fees, transportation fees and staffs shuttle buses, in order to prevent the relocation of the workers, especially skilled labors which is considered the backbone of the Company. Other than that, the Company also hires other establishments for jobs that require physical works such as finishing the work piece and painting, so that there is flexibility in the production line and can lessen the effect on labor competition.

2.2.2 Risks to the securities holder's investment

The investment into the Company's stocks pertain risks. Investors should evaluate all available information within these documents and consider carefully all risk factors as stated above, including all other information listed in the documents before investing. The risks described may be significant and can negatively affect the business, financial status, business performance, opportunities as well as the value of the Company's stocks.

There may be other risk factors that the Company cannot predict at present or may be the risks that the Company deemed as not affecting the Company in any significant way currently.

3. Sustainable Business Operations

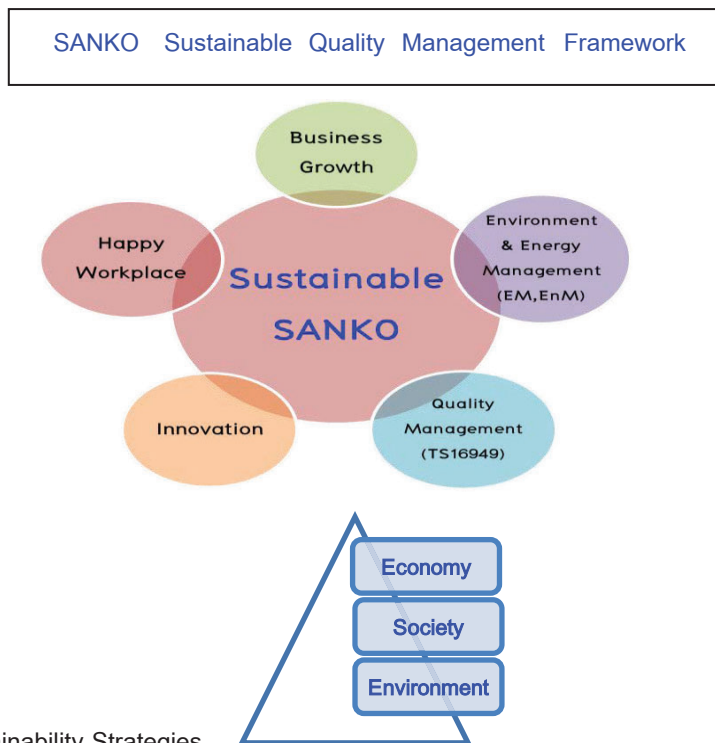
3.1 Policies and goals regarding sustainability management

The Board of Directors operates under the responsibility towards the society, the environment and to the stakeholders by disclosing all the corporate social responsibility (CSR) policy on the Company's website under 'Company Information'. This is to be used as core principles for Directors, Executives and members of staff by considering the rights of all stakeholders according to the law, the Company's regulations, ethics, fairness and equality. The purpose of this policy is to be the operational guidelines for Executives and staffs for the benefits of the Organization as follows;

- striving to operate the Company's business and perform other activities according to the core mission of the Organization.
- raising the awareness for all levels of staffs into an Organization culture that acts responsibly towards the society and the environment and becoming a transparent and ethical Organization.
- supporting activities on social and environmental responsibility in the core operations.
- encouraging the sustainable development of the Organization.
- disclosing information and details regarding social responsibility to the public and using those data to continuously improve.

SANKO and sustainability

With the Organization's visions and value of producing quality goods, delivering the products on time and satisfying the customers as much as possible under the challenges of unstable economic situation, the Company is well aware of the roles, duties and responsibilities to the environment, society and the good corporate governance. The Company spent its resources in researching and developing creative innovations to increase the production output as well as improving the quality. The Company must also manage the risks and develop the abilities of the members of staffs and treat its partners, communities and all stake holders dutifully, ethically and on the basis of fairness and honesty. This is the mantle of 'Sustainable SANKO' that covers all aspects of the Organization.



Sustainability Strategies

With the vision, values and the policies on corporate social responsibility and sustainable organization, the Company had established its sustainable development strategies through risks management process and evaluates the effects on the stakeholders thoroughly. The Company had assigned key indexes that can track and evaluate the performance of the operation both economically, socially and environmentally, and can also completely refer the goals to the Executives and the staffs as follows;

1. 'Human resource development' creating competent and skillful workers.

The Company assigned core competency that conforms with the development strategies and the visions of the Organization as the foundation for all members to follow, as well as establishing clear jobs descriptions and qualifications so that the workers can easily where they should develop their skills. Moreover, the Company provides training courses for developing mental strengths, behaviors, and strictly enforcing the rules and regulations related. This helps the workers to be more skilled, enjoy the environment both at work and in the community.

2. Work Life Balance

The Company understands the workers' work life balance will result in healthier living and better productivity. The Company has created the system that will support the good work life balance for the members in the Organization for the ultimate goal of creating lasting happiness and sharing the positivity to the community.

3. Creating trusts for the stakeholders

The Company treats its stakeholders fairly, upholding the principle of good governance, paying attention to all possible consequences from the operation as well as listening to the opinions of all stakeholders both internally and externally through various meetings and committees such as the Safety Committee, Welfare Committee, Community Support Committee, open opinion box and etc, in order to incorporate these ideas into mutually beneficial strategies. The Company also transparently reveals its operational data for business, environmental management, human resource development which are all accountable and can be evaluated through the annual report, sustainability report, forums and Company's websites.

Sustainable Development

The Company is aware of the sustainable development issue and had emphasized greatly on subjects that are relevant to this matter. The Company had discussed thoroughly with all the stakeholders both internally and externally which are, the Board of Directors, Executives, employees, shareholders and trade partners, through several meetings, visits, customers surveys and internal polls, as well as raising the issue of risks in business operation to gather relevant information and prioritize the core factors which contribute to the sustainable development of the Company. This is so that the Company can appropriately respond to the demands and expectations of the stakeholders and in-line with the business operation.

The Company had also studied and taken into account the core principle of sustainability from the Global Reporting Initiative – GRI G4 and had used the material to evaluate its own methods.

Key Factors for Sustainable Development (2023)

| | | | |
|---------------------------|------------------|---|--|
| Important to Stakeholders | Highly Important | <ul style="list-style-type: none">- Fair Competition- Information Transparency- Responsibility to stakeholders- Fair treatment to stakeholders- Returns and benefits for stakeholders- Respect human rights and equalities | <ul style="list-style-type: none">- Good Corporate Governance- Sustainable Development- Occupational health and safety- Energy management- Environmental friendly production process- sustainable business growth- wastes and leftovers management- anti-corruption policies- training and human resource development- customers complaints management and handling leads |
| | Important | <ul style="list-style-type: none">- trade partners development- conserving natural resources and environmentally friendly- indirect effects from business operation- supports and donations for the communities- indirect effects from business operation | <ul style="list-style-type: none">- Risk management policies- Employees support- operate the business relating to the environment- complying with the laws and regulations- creating the image of confidence- responding to customers' demands and providing satisfactory services- Supplier Chain development |
| | Important | | Highly Important |
| Important to SANKO | | | |

3.2 Stakeholders management in the value chain

3.2.1 Business value chain

The Company analyzes the value chain of all primary and supporting activities and the competitiveness of both activities. The value chain includes those that pass to the stakeholders as well.

The analysis of the Company's value chain consists of 5 primary activities and 4 supporting activities as follows;

(1) Primary activities

This is the fundamental activities for producing goods and services consisting of 5 continuously relating activities according to the business operation as follows;

(1.1) Factors of Production Management or Inbound Logistics

These activities include the evaluation of the production capacity, production tests and preparing PPAP documents for the clients' authorization as follows;

The salesperson will arrange, attend meetings with the customer and inquire about specific details of the work to be produced. The Company will then use those data to prepare the initial production feasibility with evaluation. This consists of costs for preparing the molds, equipment and the prices of the products and presenting them to the customers for consideration and orders authorization. Once the order has been approved for production, the customers will issue the PO for molds and various equipment as well as attaching detailed information such as drawings or product samples to the Engineering Department. All relating departments will revise the production capacity and prepare the APQP plan with the timing according to the customers' requirement, starting with testing the molds and the equipment followed by production trials. Once the new samples are finished, cross check the products with the customers' technical specification and finalize the molds tests, production procedures and prepare the PPAP documents together with the product samples for the customers, so that when the orders are approved for mass production, the Company can start right away.

When contacting the molds contractors and the equipment relating to production, follow the procurement / purchasing procedures.

For the first lot of production, clearly indicate on the containers before delivering the products to the customers by using the parts tag together with the delivery tag.

In the case of hiring outside suppliers to support the Company's production, quality and operational system evaluation must be carried out before implementing into the supplier process list of the Company. SQA department will prepare production and quality details so that the supplier can provide the Company with the PO. Once the Company has authorized the PO, the supplier must prepare production samples according to the order and deliver them to the Company for inspection prior to mass production.

(1.2) Operations

This activity relates to raw materials purchasing, production planning, products inspecting and storing before delivering them to the customers as follows;

Once the Company had received the PO and delivery plan from the customers, the Company will proceed with purchasing the materials according to the customers' specification and inspect them before moving to the production process. PC department will prepare production plan for all sections which are Diecasting Section, Finishing Section and Machining Section, so that the customers will receive the products according to the delivery plan and preparing the products for the Warehouse Section as well.

In case of the external production, delivery plan to the Company or to other process of production is required so that it meets the customer's timeline.

Once all procedures are completed, the products will be 100% visually inspected and the work will be randomly measured according to the drawing, following the AQL standard before packing the work piece

into the specified containers, attach the delivery tag (may include 'SoC-Free' as required by the customers) and send to the warehouse.

(1.3) Distribution or Outbound Logistics

This activity is related to the customers' agreements, final inspection and delivering the products to the customers as follows;

The Engineering Department will estimate the initial production capacity, the costs of making molds, preparing all the equipment and the price of the products according to the drawing for the customers' approval. The Engineering Department will then proceed according to the specification as indicated by the customers before receiving the final approval and starting the mass production process.

Once the final step of those work pieces has been finished, the Warehouse Department will store the products in the stock using the FIFO system and wait for further inspection before delivering the products to the customers.

Before delivering the products to the customers, the QC department will perform a random specification and visual inspection according to the AQL standard and prepare the inspection documents for each lot and always deliver them together with the products.

The warehouse staff will use the forklift to carry the containers containing the inspected work pieces. The delivery tag as specified by the customers will be placed on the containers as well as the word PASS, before loading the corrects numbers of workpieces and containers onto the lorry according to the delivery documents and send them to the customers according to the agreed delivery plan.

The transportation will be done via lorries and pick-up truck. However, this also depends on the amount transported, the route and the distance. In the case of long distance, it is preferred to use the lorry to save time and costs.

The total amount of products transported each time is approximately 10-11 tons / 1 lorry trip. The same applies for the pick-up truck making it more cost effective per trip.

Return trip is one method of making transportation more cost effective. On the return trip, the lorry will deliver products from outside suppliers, containers that remained with the customers or defective products that must be delivered back to the Company for further inspection and separation, to reduce the costs of transports or delivery fees.

(1.4) Marketing and Sales

There are various methods for increasing products value from sales and marketing activities such as searching online for customers or direct contact to customers that are interested in doing business with the Company and allows the customers to make requirements through designs and drawings. The Company must adapt and improve the molds making, tooling and preparing the production process so that the products are high quality and completed on time.

The Company also surveys the market for automobile parts every year to appropriately separate the customers into groups and build strong brands. This includes maintaining good relationship with both old and new customers to secure consistent orders.

(1.5) Customer Service

Provide communication channels for customers through the internet and other social media platforms such as E-mail, LINE and Facebook. This allows the Company to resolve basic technical issues and better response quickly and conveniently to the demands of the customers. There are trainings for the staffs in order to provide quality services to the customers as well.

Service is the activity that improves the quality and maintains the value of the product. This includes products guarantee, defects management and responding to customers' claims as follows;

When the customers discover defective products after the products have been delivered, the customers may file for a claim by issuing the Non-Conforming Products Report (NCR), so that the Company can investigate and analyze the problems. The Company will use various methods such as core principles analysis, fishbone diagrams and 5why to find the solution to the problem and prevent it from happening again. The Company will return the NCR and deliver the products once more.

The Company will handle the non-conforming products by inspecting the production lot until no defects are found then the inspection will stop. The Company will attach the QC Hold Card which identifies the nature of the defective products and store them in the defects-only zone. The Company will the perform a 100% products separation. If the defects are found, they will be separated and gathered to be re-casted one more time.

Every year, the Company follows up on the customers' satisfaction via questionnaires that covers 4 topics which are quality, delivery plans, marketing and production. The Company uses all information for in depths analysis and revising its performance annually, to improve and be accepted by customers.

(2) Support Activities

Support activities consist of activities that improves and develops the infrastructure of the Organization. The focus for these activities is transportation infrastructure and technology development such as the research and development of new innovations which are beneficial to and increase the value of the products and the human resource activities which emphasizes on training and developing relating personnel in the value chain. These supporting activities helps improving the efficiency of the core activities and although they may not directly add to the value of the products or services, they have other important roles such as

2.1 Procurement

Activities relating to procuring factors of production such as ingredients, machineries and supplies to use in the production process and services, including forming a good relationship with the customers or the suppliers.

Procuring is an important part of creating value to the Company. The Company procures materials at appropriate price, delivering them on time and matches the specification of the production department which increases the value to the procurement activities. This includes methods such as using the FIFO system for procurements, arranging stocks with the suppliers for frequent orders without using the Company's storage space, using full contract agreements for air compressors and fork-lift which includes preventive maintenance (PM) services and provides annual training for employees who operates these machines.

For outside supplier process, the Company uses the internet to conveniently plans the outsourcing for each work piece and can inspect and report the progress of the products in different areas appropriately. This includes contacting and maintain good relationship with outside suppliers as well.

Decreasing the costs of procurement activities / low price but high-quality purchasing policy, delivering the goods on time and finding the solutions for customers are all good signs of great supporting activities.

2.2 Technology development for sales and services

Technology development adds value to the manufacturing process and to the product itself. It also plays a significant role in creating a sustainable competitive advantage. This consists of research activities and various technology developments.

The Company had initiated the Simulation Software which replicates various systems for use in the high-pressure casting process and to analyze problems in the casting process such as leakages, cracks, air bubbles and tiny holes that occurred from the production, where the results can be estimated. Although this system is still under trial, it has proven to help saving time and costs of production efficiently.

The Company introduced the new GISS (Gas Induced Semi-Solid) technology for manufacturing semi-solid metal by releasing exceptionally fine gas bubbles through porous graphite in liquid metal while forming. This reduces the bubbles holes and wastes, increasing the efficiency of the metal casting by approximately 20%, doubling the service life and greatly decrease the costs of production. However, this technology is also still under trial period.

2.3 Human Resource Management

Human resource management activities are selecting, training, improving skills and knowledge, promoting, and setting salary for all levels of employees, including setting up appropriate incentive systems to reward, incentivize and create a healthy and satisfying work atmosphere for the staffs.

Presently, the Government sector plays an important role of providing suitable human resources for each employment by organizing various training sessions and seminars. The Company receives these human resources support from governmental organizations such as the Department of Skill Development, Department of Employment and from hiring the local people to help support the community. These methods all benefit the production efficiency and helps reducing the costs of production such as allocating appropriate resources to save time.

The Company continuously improves and develops the skills of the employees so that they can fill multiple roles in various departments. This reduces the problems when a specific employee takes leaves. The Company promotes honesty and encourage the employees to love and be apart of the Company which adds to the efficiency of the employees.

Staffs training is considered a vital part of the Company, especially skills development workshop for the staffs and the quality standard training such as the ISO and IATF16949 since they relate to the competitive opportunity with better quality and transport services. The Company motivates the staffs, reduces the turnover rates, and decreases the costs of production by establishing solid work policies, creating healthy work environment and rewards the employees appropriately. At present, the Company emphasizes greatly on the human resource management activities since they are very flexible and can still be developed much more.

2.4 Infrastructure

General activities relating to Organizational management including organizational structure, planning and all systemic operations such as quality control, accounting and finance.

At present, several infrastructure systems had been implemented in the Organization such as enterprise resource planning (ERP), which is the tools used for planning and managing the Organizational database so that the resources within the Organization can be effectively allocated and managed, reducing the costs and increasing the Company's profit. The ERP system integrates the work of each department into one system, be it the manufacturing department, the inventory department, the CRM, the sales department, the purchasing department, the accounting and finance department or the human resource management department.

The ERP is considered the key component of the operation and for the database. It helps improving the efficiency of sharing and allocating resources within the Organization, preventing and reducing repetition between each department with a more automatic streamline workflow, improving data security and also updating the information real-time with the analytic tools that allows the executives to see the bigger picture of the Organization clearly and perform accurate decisions. These systems are;

- controlling the input of goods and raw materials adequately.
- Manufacturing process control.
- Cost control.
- Calculating the BOM for each manufacturing process.
- Manufacturing feedback
- Calculating the production cost in each lot, including controlling the inventory.

3.2.2 Stakeholders analysis in the business value chain

The Company assigns clear missions in response to the demands and expectations of the stakeholders. The 3 main missions are 1) Operating the businesses that generates profit continuously and fairly, 2) Establishing an Organizational culture that takes responsible of the community and the environment,

3) Developing employees into professionals. The Company provides a transparent channel for communicating and publishing between all parties of stakeholders so that the Company may respond to the demands and expectations of all stakeholders effectively.

Stakeholders' analysis in the Business Value Chain

| Stakeholders | Expectations | Responses |
|--|--|--|
| Stakeholders within the Organization | | |
| 1.) Shareholders -Majority Shareholders -Minority Shareholders | <ul style="list-style-type: none"> - Transparent operations with corporate governance. - continuously generates profits - generous returns on investment - receive the Company's information fully, accurately, transparently and on time - Utilize risk management system - Utilize adequate inspection and control system. | <ul style="list-style-type: none"> - Operate the businesses transparently and be accountable. - Adequate dividends payout - transparently disclose information - Provide complete business plans - Manage risks cautiously - Treat all shareholders equally |
| 2.) Employees -Full-time employees | <ul style="list-style-type: none"> - Appropriate salary raise - Appropriate benefits and safe work space - Pleasant work environment - Equal opportunities for career paths - skills and work improvements - provide opportunities for skills improvement and development - be able to live well | <ul style="list-style-type: none"> - Occupational health and safety according to the ISO45001 standard. - Environmental management according to the ISO14001 standard. - Provident Fund - Strictly abides by the employment policies - Improves the remuneration and work evaluation methods. - Improves the career paths. - Salary comparison with other industries once a year. |
| Stakeholders outside the Organization | | |
| 1.) Customers -Domestic Customers -International Customers | <ul style="list-style-type: none"> - be aware of the products' technical issues and provide adequate services. - reasonable price for products and services. - Fair and transparent price competition. - Receive quality products and services - Follow the terms and agreement honestly. | <ul style="list-style-type: none"> - Good governance, transparent and accountable. - promote anti-corruption policies - Quality management according to the ISO9001/IATF16949 standard. - Environmental management according to the ISO14001 standard. - Energy management according to the |

| Stakeholders | Expectations | Responses |
|--|---|--|
| | <ul style="list-style-type: none"> - Provide alternative energy conserving products. - Warranty on products and services - Customers confidentiality | <ul style="list-style-type: none"> ISO50001 standard. - Occupational health and safety according to the ISO45001 standard. - Be ethical in protecting the customers' confidential information - Factory tour for boosting customers' confidence |
| 2.) Trade Partners - Supplier - Contractor - Supplier process contractor - traders -Products developer - Investors | <ul style="list-style-type: none"> - Fair and transparent purchasing / procuring process. - Provide fair and accurate products information to all suppliers so that the quotation is competitive. - Provide clear work description for suitable quotation. - Coordination and operation proceeds according to the contract. - Inspect and pay ontime. - Provide adequate amount of work and time according to the employees' capabilities. - Treat the contractors with respect and in accordance with the labour law, including providing appropriate work space, equipment storage, office space, accommodation and parking. - Receive accurate information on time. - Follows the payment terms and agreements fairly. - Compete on price fairly and transparently. - Provide knowledge and information and improve the production process. | <ul style="list-style-type: none"> - Provides a clear purchasing and procuring policies. No double standard. - Revise the sub-contractors policies. - Improve the environment and equipment to be suitable for work. - Co-working satisfactory evaluation. - revise and improve the quotation process and provides accurate and clear methods for purchasing and procuring process. - Trade partners development by advising, raising awareness on how to improve the production standard. - Enforce anticorruption policies. |
| 3.) Community -Surrounding community | <ul style="list-style-type: none"> - Safe and harmonious environment - The Company takes part in the community's activities | <ul style="list-style-type: none"> - Provide communication channels to the community. - Disclose information of environmental |

| Stakeholders | Expectations | Responses |
|---|---|--|
| | <ul style="list-style-type: none"> - Improves the living standard of the community - Develop good relationship and be friendly to the community. - Support the social enterprise activities. - Not creating negative impact to the community and to the society both for safety and the environment. - Be transparent in all activities. - Follow the human rights regulations and stand against corruption | <ul style="list-style-type: none"> impacts. - Allows the locals to take part in community relation activities. - Encourage public activities - Invest in indirect social activities as appropriate. - Environmental management according to the ISO14001 standard. - Energy management according to the ISO50001 standard. - Occupational health and safety management according to the ISO45001 standard. - Promote and enforce human rights policies. - enforce anti-corruption policies. |
| 4.) Competitors | <ul style="list-style-type: none"> - Compete under the free economy and conduct fair marketing activities. - Compete fairly and transparently - Exchange data, products information, raw materials sources and manufacturing machineries. | <ul style="list-style-type: none"> - Operate the business under fair trade and competition. - Be ethical and operate the business transparently. |
| 5.)Account Payables -Financial Institutions -suppliers of goods and services | <ul style="list-style-type: none"> - Follows the terms and conditions of the contracts. - Operate the businesses transparently. | <ul style="list-style-type: none"> - Strictly follow the terms and conditions of the loans such as interests and loans payment. - Business tour to enforce confidence. |
| 6.) Government Sectors - Stock Exchange of Thailand - The Revenue Department - Provincial Office | <ul style="list-style-type: none"> - Follows related rules and regulations - Social responsibilities. Take care of the community. - Good environmental management, not negatively affecting the environment and the community. - Be cooperative when providing | <ul style="list-style-type: none"> - Promptly follow the laws and regulations relating to the business. - Better environmental management system than the standard required. - Provide fast and accurate information to the relating government organization. - Send representatives to participate in |

| Stakeholders | Expectations | Responses |
|---|--|---|
| of the Ministry of Industry - Provincial office of the Labour Department - Federation of Thai Industries - Ministry of Energy - Ministry of Labor - Ministry of Industry - Thailand Board of Investment | information and supports the Government's projects. | Government's projects or activities. - Participate in Government's activities such as Green Industry L3, CSR-DIW to set an example in the industry. - Follow the laws and regulations required fully. - Pay all kind of taxes completely and on time. - Improve the production process to reduce the environmental impact. - Disclose the information transparently. - Disclose all information as required by the law. - Provide Annual Report One Report - Provide Annual Energy Management Report before the 31 st of March each year. |
| 7.) Media - Television - Radio - Newspapers - electronics media | - Effective communication channels - Accurate and up to date information regarding the business. | - Coordinate with the media for complete and accurate information. - Meet the press at least once a year. |

3.3 Sustainable Environmental Management

3.3.1 Environmental Policies

It had been 14 consecutive years that the Company maintained the environmental management according to the ISO14001 standard which covers the automobile parts production, motorcycle parts production and electronical parts. The executives are determined to improve continuously and in the year 2023, the Company had improved and enforced the policies on occupational health, safety, and environment in the workplace and for energy conservation. In order to comply with the ISO14001:2015 ISO 45001:2018 To operate the business efficiently and strictly following all relating regulations. The President still strives to operate the business sustainably on the basis of environmental responsibility. The Company is aware and emphasizes greatly on lessening the effects to the environment from the business operations, products and services. Therefore, the Company encourages the constant development of new development process and creative innovations to create the least impact to the environment and utilize the scarce resources fully.

The Company emphasizes on the environmental policies and planning as part of the business operation, from purchasing / procurement, production, delivery of goods and services and wastes treatment. The Company aims to maintain the environmental balance in the community and to the world at large. Therefore, the Organization continuously focuses on promoting the conservation and the development of the environment. This is done by establishing an environmental management system that the staffs must abide in accordance with the ISO14001:2015 standard from start to finish as the motto;

“Sustainability by saving the environment and the people.”

Many activities are promoted for continuous development, improving the environment and reducing the pollution. The ‘Saving the Environment’ campaign is as follows;

1. Establish an environmental management system that aims to reduce the impact from sourcing raw materials and factors of production, the factory’s manufacturing process and the work in the office including the delivery to the customers.

2. Follow the laws and regulations regarding the environment as well as the standards relating to the Company’s business operation. Aim to reach higher standard.

3. Focus on controlling, protecting and preventing the pollution caused by the business operation by following these steps;

3.1 Increase the production efficiency, reduce the wastes and the factors of production such as electricity, water, gas, and chemicals from manufacturing process that may affect the environment. This is performed by

3.2 Environmental impacts between the production to the delivery process;

a. wastewater quality from the factory

b. oil contamination from the production

c. Co₂ emission from die-casting

d. Use the minimum amount of substance of environmental concern (SoC) which are Lead, Mercury, Chromium+6, Polybrominated Biphenyls (PBB), Polybrominated Diphenyl Ethers (PBDE) and Cadmium.

e. Quantity and storing methods of the chemicals used for die-casting.

3.3 Promoting wastes separation and wastes reduction for recycling purposes or for disposing.

3.4 Prevent the cause that may lead to fire, flood, or explosions withing the workplace.

4. Aim to continuously raise awareness on environment to all members of staff, stake holders and the community so that environmentally related operations can be achieved to the fullest.

5. Aim to adequately improve and develop the environmental management and revise the operations related each year.

6. Disclose the environmental policies to all levels of employees in the Organization and to the public, including the stakeholders outside of the Organization. This is done by preparing the documents and

strictly enforce the regulations to all employees and also publish them to all stakeholders and the local communities as well.

3.3.2 Environmental Activities Report

The Company had carried out many environmental activities especially those that are related to the production process such as energy, water, general wastes, toxic wastes and pollution management.

Disclosing the environmental impact information. The Company had gathered many aspects of the environmental impacts as follows;

(3.3.2.1) Energy management

The Company uses 2 types of energy in the production process, 1) heat which are natural gas (NG), Liquefied petroleum gas (LPG), Diesel and Gasohol and 2) Electricity from the Ban-Khai Provincial Electricity Authority and from in-house Solar cell which average at 30,000 kWh per month.

(1.1) Annual heat consumption and comparisons

| ITEMS | DESCRIPTION | RESOURCES | | | COMPARISON |
|-------|-----------------------------------|---------------|---------------|---------------|---------------|
| | | 2023 | 2022 | 2021 | 2023 / 2022 |
| 1 | NG (MMBTU) | 77,862.00 | 63,680.00 | 61,875.00 | 14,182 |
| | Total amount of energy (MJ) | 82,144,410.00 | 67,182,400.00 | 65,278,125.00 | 14,962,010.00 |
| | Cost (BAHT) | 27,816,232.54 | 24,588,097.16 | 17,903,130.14 | 3,228,135.38 |
| | *average cost of gas (BAHT/MMBTU) | 768.90 | 377.44 | 283.13 | 391.46 |
| 2 | Diesel (Liter) | 96,040.30 | 83,772.77 | 38,842.53 | 12,267.53 |
| | Cost (BAHT) | 3,127,846.80 | 3,033,691.95 | 1,091,418.20 | 94,154.84 |
| 3 | Gasohol (Liter) | 5,483.43 | 3,900.30 | 7,661.33 | 1,583.13 |
| | Cost (BAHT) | 228,814,.27 | 153,667.34 | 285,199.90 | 41,558.43 |
| 4 | LPG (Kg) | 8,259.00 | 13,380.00 | 9,453.00 | (5,121.0) |
| | Cost (BAHT) | 255,717.20 | 366,896.00 | 227,303.30 | (111,178.8) |
| 5 | NGV (Kg) | 0 | 3,234.26 | 41,207.10 | (3,234.26) |
| | Cost (BAHT) | 0 | 50,422.00 | 588,700.75 | (50,422.00) |

From the heat usage record, in the year 2023, heat energy had been used more from the increase in production following the economy gradually returning to normal. The diecasting required increase energy from 14,182 MMBTU or 14,962,010 mega joules, with an increase in costs of 3,228,135.38 Baht, including the rising price of gas when compared to 2022.

Other form of heat energy usage in the Company is Diesel for transporting goods to the customers and also LPG for production and delivering the ingredients in the production process only. This had just

recently increased in the previous year which had a higher production output than 2022. More goods had been delivered to the outsourced vendors than the previous year and also because of the cancellation of the transporting vehicles that uses NGV.

(1.2) Heat energy saving policies (2023)

In 2023, the Company manages the heat energy usage efficiently by introducing 1 heat energy conservative measures which are;

1. Installing the thermometer at the furnace DI#26 to control the fuse system (66.52 MMBTU reduction)

The method is to tune the burner parts of the Melt Burner and Hold Burner, and install the thermometer at the crucible. The heat efficiency and the energy conservation rates are measured both before and after the installation by utilizing the flow meter to measure the amount of gas used once the air valve had been tuned.

The heat conservation method was used from January – December of 2023 and had discovered that the energy was conserved 66.52 MMBTU or 70,178 megajoules. The total amount of investment was 18,000 Baht which can be calculated to 51,147 Baht of energy saved per year or 0.18%

Remarks: Average Natural Gas (NG) price in 2023 = 768 Baht/MMBTU

(1.3) Electricity usage per year and consumption difference

| ITEMS | DETAILS | Resource estimation | | | Comparison |
|-------|--------------------------------------|---------------------|---------------|---------------|--------------|
| | | 2023 | 2022 | 2021 | 2023 / 2022 |
| 1 | Electricity (kWh) | 6,064,000.00 | 5,220,500.00 | 4,883,960 | 843,500 |
| | Cost (Baht) | 27,304,055.21 | 20,951,482.54 | 16,802,602.80 | 6,352,572.67 |
| | *Average electricity cost (Baht/kWh) | 4.50 | 4.01 | 3.44 | 0.49 |
| 2 | Electricity from solar cell (kWh) | 318,511.88 | 307,335.32 | 300,311.14 | 11,176.65 |
| | Energy saved (Baht) | 1,433,303.46 | 1,232,414.63 | 1,033,070.32 | 200,888.83 |

Electricity usage had increased in 2023 due to the production process returning to normal, resulting in more energy required than the previous year (2022) at 843,500 kilowatt/hour or a 16.15% increase from the previous year.

In 2023, the Company also generated electricity from solar rooftop at 318,511.88 kilo watt per hour per year. In 2022, the electricity generated was 3,073,335.32 kilowatt per hour, amounting to 1,433,303.46 Baht saved per year.

(1.4) Electricity conservation measures (2023)

The Company had efficiently managed the electricity usage for the production process, air pressures, lighting and air conditioning by introducing 1 measure which was;

- .1. Reducing the working hours for the automatic fans in the cooling tower#5

Location: Cooling tower#5, DI department

Adjustments: Fixing the control system of the fan

Post adjustment performance check: Calculating the total working hours of the fan in each month after the adjustment.

Installing and mainlining all relating electricity equipment had helped conserving the energy from January to December of 2023 at 2,662.92 kilowatt per hour per year or 9,586.512 mega joules. The costs for the installation was 430 Baht and could save 11,983 Baht per year or 0.043 % of the total electricity usage in the past year.

(Remarks: the average electricity fees in 2023 = 4.50 Baht/kWh)

(1.5) Energy management performance (2023)

The Company aimed to reduce heat energy, electricity as well as heat energy from natural gas down 415,034.96 MJ. However, the performance report from energy conservation department found out that the 2 measures only saved 79,765.112 MJ, which was less that expected.

(3.3.2.2) Water management

The Company uses pipe water mainly in the production process. Since this is a significant factor of production, the Company looks after and efficiently improves the water resources, in order to reduce the costs of business operation and to reduce the risk of insufficient water source. The water used in the Company came from the Rojana Industrial Park, Ban Kai. The annual water usage information for the production process and for the office building usage is as follows;

(1) Annual water usage and the difference in consumption

| ITEMS | DETAILS | Resource estimation | | | Comparison |
|-------|-------------------------|---------------------|---------|---------|-------------|
| | | 2023 | 2022 | 2021 | 2023 / 2022 |
| 1 | Water (m ³) | 24,042 | 26,687 | 33,963 | (2,645) |
| | *Costs (Baht) | 408,714 | 453,681 | 576,759 | (44,967) |

In the year 2023, the total water usage was 24,042 m³, a reduction (increase) of 2,645 m³ or 9.9% when compared to the previous year.

(2) Wastewater for treatment in the Rojana Industrial Park, Ban Kai per year

| ITEMS | DETAILS | Resource estimation | | | Comparison |
|-------|----------------------------------|---------------------|---------|---------|-------------|
| | | 2023 | 2022 | 2021 | 2023 / 2022 |
| 1 | Wastewater (m ³) | 19,233 | 21,348 | 30,710 | (2,115) |
| | *Costs of water treatment (Baht) | 161,925 | 181,849 | 25,2773 | (19,923) |

The Company constantly maintains and inspects the internal water system so that it is up to standard. The flow of the water in the sinks and toilets in the office building had been adjusted, together with the efficient wastewater management system through bio septic tank and will be held in the 12 clarifiers before releasing to the water treatment system of the Rojana Industrial Park, Ban Kai. Water from the die

casting process will be recycled and the sediments from chemical treatments will be delivered to the company that disposes the toxic wastes according to the law.

(3.) Water management performance (2023)

The Company had targeted the amount of wastes water at no more than 21,297 m³. With effective wastes water control system, the wastes water had reduced to 19,233 m³, lower than the targeted goal. The wastes water will be disposed at the Rojana Industrial Park, Rayong without affecting the nearby factories of the surrounding communities.

(3.3.2.3) Wastes management and pollution

The Company disposes the wastes from the production process under the 3R principle. This is by delivering the disposed wastes by authorized parties from the Department of Industrial Works and notifies them every time the waste is being moved out of the factory. The Company also performs random inspection of the tracked vehicles that delivers the wastes via GPS to prevent unauthorized disposal.

In 2023, the Company disposed the wastes out of the Factory for the total of 172.27 tons, separated into 164.35 tons of toxic wastes or 95.40 % and 7.924 tons of non-toxic wastes of 6.40 %. Compared to the past, of non-toxic wastes of increase in quantity 105.84 tons most toxic wastes are materials from the maintenance of machineries and construction leftovers. The amount of non-toxic wasted had decreased 0.754 tons or 10.2% when compared to the previous year.

(1.) The amount of toxic and non-toxic wastes and differences comparison

| ITEMS | DETAILS | Resource estimation | | | Comparison |
|--------------------------|--|---------------------|---------|---------|-------------|
| | | 2023 | 2022 | 2021 | 2023 / 2022 |
| Toxic wastes | | | | | |
| 1 | Oil contaminated material (ton) | 88.95 | 21.67 | 31.1 | 67.28 |
| | Costs of wastes disposal (Baht) | 222,375 | 54,175 | 74,950 | 168,200 |
| 2 | Sediments from treatments system (ton) | 19.62 | 20.48 | 24 | (0.86) |
| | Costs of wastes disposal (Baht) | 49,050 | 51,200 | 60,175 | (2,150) |
| 3 | Oil contaminated containers (ton) | 21.33 | 2.16 | 2.91 | 19.17 |
| | Costs of wastes disposal (Baht) | 50,625 | 5,400 | 7,050 | 45,225 |
| 4 | Used lubricant (ton) | 34.45 | 14.17 | 16.47 | 20.28 |
| | Costs of wastes disposal (Baht) | 103,350 | 39,300 | 49,410 | 64,050 |
| Total toxic wastes (ton) | | 164.35 | 85.98 | 58.48 | 78.37 |
| Total costs (Baht) | | 425,400 | 191,585 | 247,470 | 233,815 |
| non-toxic wastes | | | | | |
| 1 | Non-toxic wastes (ton) | 7.924 | 7.170 | 9.772 | 0.754 |
| | Costs of wastes disposal (Baht) | 235,440 | 212,100 | 293,160 | 23,340 |

| | | | | |
|------------------------------|---------|---------|---------|----------|
| Total non-toxic wastes (ton) | 7.924 | 9.772 | 7.170 | (1.848) |
| Total costs (Baht) | 235,440 | 293,160 | 212,100 | (57,720) |

(2.) Quantity of reusable toxic wastes such as used lubricant. The Company had arranged with SSC Oil Co. Ltd, to be the buyer for used lubricant oil and recycle for use again, so that the Company does not have to pay the delivery fees for the used lubricant wastes.

| ITEMS | DETAILS | Used oil quantity for recycling | |
|-------|---------------------------------------|---------------------------------|--------|
| | | 2023 | 2022 |
| 1 | Amount of used oil (liter) | 24,000 | 24,000 |
| | Revenue received from used oil (Baht) | 24,000 | 24,000 |

Used lubricant oil was sold between January 2023 and December 2023 for 24,000 Baht per 24 tons of oil.

(3.) The amount of raw materials sold Cannot be reused Due to the contamination of other metals Therefore cannot be reused, which are aluminum rods containing various metal elements

| ITEMS | DETAILS | Quantity of raw materials produced | | | Comparison 2023 / 2022 |
|--|--|------------------------------------|-----------|-----------|---------------------------|
| | | 2023 | 2022 | 2021 | |
| Contaminated raw materials (To Sale) | | | | | |
| 1 | Stove debris contaminated with oil (Ton) | 89.52 | 86.52 | 98.34 | 3 |
| | Revenue received from used oil (Baht) | 2,051,093 | 2,321,898 | 1,984,976 | (270,805) |
| 2 | Chip from turning / turning (Ton) | 56.26 | 41.82 | 35.37 | 14.44 |
| | Revenue received from used oil (Baht) | 1,226,679 | 1,121,869 | 713,136 | 104,810 |
| Total contaminated raw materials (Ton) | | 145.78 | 128.34 | 133.71 | 17.44 |
| Total sales revenue (Baht) | | 3,277,772 | 3,443,767 | 2,698,112 | (165,995) |
| remarks: buying price for contaminated materials in 2022 was 27 Baht per kilogram. Buying price for contaminated material in 2023 was 23 Baht per kilogram. | | | | | |

In 2023, the number of materials sold had increased from the year 2022 at approximately 12.07 tons, resulted in the revenue of 579,660 Bath. This is because the contaminated Aluminum buy price had declined more than that of the year 2022.

(4.) Quantity of reusable materials. Due to the contamination of other metals, some are non-reusable. This consists of Aluminum bar with components of other metals (DOSS).

The total weight of Doss sold in 2023 was 30.155 tons, generating total revenue of 1,495,588 Bath.

(5.) Air pollution inspection in the Factory and results.

The Company inspects the environmental quality in the work space and the surrounding area in the year 2023 and the findings are as follows;

| Location | Inspection Area | Inspection Results |
|----------|--|--|
| 1 | Lighting | All inspected areas have sufficient luminous intensity according to the Ministry of Industry's standard. |
| 2 | Noise pollution | |
| 2.1 | General loud noises (Leq 24 hrs) 2 locations | All noise inspection area follows the levels regulated by the Ministry of Industry. |
| 2.2 | Average 8 hourse (Leg/hrs) 17 locations | All noise inspection area has an average inspection time of 8 hours and the loudest noise was within the regulation. The one exception is the area with average 8 hours inspection time of more than 85 dB(A) at the front of DI#12 machine (89 dB(A)). |
| 3 | Heat in work area 13 locations | 2 areas of medium work inspection zones with < 34 WBGT with the finish/Line G having the highest WBGT at 29.2. 11 areas of light work inspection zones with < 32 WBGT with the DI department in the front of machine#12 has the highest WBGT at 31.6. |
| 4 | Air contamination in the workplace | |
| 4.1 | Air contamination inspection at 1 locations, DI#1 chimney, and DI#2 chimney. | All values are according to the Ministry of Interior's regulation which are particulate (TSP), Sulfur Dioxide (SO ₂), Oxide of Nitrogen (NOx) and Carbon Monoxide (CO). |
| 4.2 | Dust particle in the atmosphere inspection. 14 locations | All inspected area has the values according to the Ministry of Interior's regulation which is total dust, respirable dust, Zine Oxide, Lead (Pb), Aluminum Oxide, CO, Fe Fume, Phosphorus, Silica as total dust, IPA and Oil Mist |

The Company is strongly aware of the environment and thus takes measures to monitor and inspect, in order to prevent all forms of pollution. The inspection is performed frequently as required by the law so that the staffs and all stakeholders are safe and can work happily and healthily.

(6.) Wastes and pollution management performance (2023)

The Company strives to manage and dispose of all the wastes as the result of production both toxic and non-toxic, with the aim to reduce the disposal of 10% each year from the year 2022. The Company promotes the uses of resources effectively to all members of staff.

(3.3.2.4) Greenhouse effect reduction

As for the green house gas emission measures, the Company is very concern and emphasizes this issue as core supporting policy for sustainable growth. The Company had organized teams, as well as provided information to the Company's personnel to create the environmental awareness and helped reducing the emission of green house gas. In the year 2023, the Company held the following campaigns regarding the green house gas emission;

1. Promoting the staff member to reduce the use of resources through several media channels of the Company. There are reports made for each department that had successfully reduce the use of resources as incentives for other department to follow suite.
2. Hosting the 'Energy Day' event to promote protecting the environment, reducing energy consumption and supporting the reduction of green house gas emission.
3. Utilizing the IT systems to reduce the number of papers used within the Organization. This is done by adjusting the memo log to be Online instead.
4. Organized carbon footprints related seminars and workshops.
5. Incorporating solar cells to replace conventional electricity for lighting systems such as car par areas, perimeter fences and roadsides.
6. Carry out carbon footprint activities hosted by the Organization.
7. Reduce resources used in the production process.
8. Reuse the water within the system.
9. Reduce the materials used in the production process such as oil.

The Directors and all members of the Organization prioritize the reduction of green house gas emission. In the year 2024, the Company prepares the energy policies as followed;

1. Installing solar cells panels to used as alternative energy.
2. Organizing seminars to raise awareness regarding green house gas emission to members of the Company.
3. Promotes activities that improve the efficient use of energy.
4. Incorporating the green house gas emission issue as part of the sustainable management strategies of the Company.

(3.3.2.5) Green Procurement

The Company operates its businesses in conjunction with environmental development so that both can be the foundation of a sustainable environmental management and business growth. Organization with clear policies on environmental management can direct the operations regarding the environment and helps improving the efficiency of the Company.

Normal purchasing method must consider the value and the quality of the goods or services. However, for green procurement, the Company chooses the quality goods and services as well as the impact to the environment, not just purely from the monetary factor. The idea of Green Procurement is to

encourage change and raise awareness regarding the environment to all relating parties. Green sourcing method is implemented in order to choose goods and services that takes the environment into consideration.

The Company encourages and promotes the trade partners in the supply chain to participate in campaigns that focuses on the responsibility towards the society, creating a continuous and sustainable Green Culture such as the Green Industry Level 3 award and the CSR-DIW award by the Department of Industrial Works, Ministry of Industry. The Company also joins the Green Procurement campaign with various customers' companies such as;

- (1) Thai Stanley Electric Public Company Limited
- (2) Panasonic Automotive Systems Asia Pacific Co.,Ltd.
- (3) Denso Ten (Thailand) Limited
- (4) Kawasaki Motors Enterprise (Thailand) Co., Ltd.

It is apparent that supply chain management must be supported by all parties to establish good business partners that will lead to the '3 Balance' which are; sustainable business, good environment and livable society, as stated in the Organizational culture 'Developing the business together with the society and the environment'.

In 2023, the Company purchased/procured goods and services that are environmentally friendly in many aspects such as;

- (1) The Company uses brown enveloped produced from 70% recycled paper fiber.
- (2) The Company uses white documents papers that had been recycled.
- (3) Installing the cooling pad on the air-conditioning compressor to reduce damages, improve air conditioner efficiency and conserve energy.
- (4) Using calico bag which is produced from natural materials as souvenirs bag instead of plastic.
- (5) Using electrical goods with Label No.5 certificate.

The Company establishes policies that supports the Green Procurement campaign to be an example for the staffs and all stakeholders. This states that 'It is a direct responsibility of the Executives and all staffs, including the contractors representing the Company to;

- follow the laws and regulations of the society.
- select trading partners and goods to deliver that all process must take the environmental impact into consideration sufficiently.
- provide fair business opportunities to trading partners.
- carry out all procedures with trusts and confident between the Company and the trading partners.'

3.4 Sustainability management for the society

3.4.1 Social policies and practices

The Company has human rights policy in the workplace and human resource management policy (more information at www.sankothai.net) that upholds and follows the Universal Declaration of Human Rights and The United Nations Guiding Principles on Business and Human Rights (UNGPs). The Company emphasizes on fair labor treatment and respects the human rights fairly and with no prejudice in terms of employment, remuneration, promotion, training and staffs' development be it by sex, age, education, race or religious beliefs. The Company also supports the employment of the less fortunate group such as people with disabilities, elderly or ex-convicts in order to create opportunities, occupations and stable income as part of the sustainable development goals (SDGs) of the country and of the World. More importantly, this is so that the staffs can feel related to the Company and act as part of the family member.

3.4.2 Social Performance

(3.4.2.1) Employees and labor

The Company treats its employees and labor by considering the human rights which may consist of fair employment and remunerations, training and employees' development, bonding and improving employees' satisfaction, as well as occupational health and safety management and work place atmosphere. This includes the effort in avoiding conflicts relating to employees and labor, in order to maintain competitiveness and to attract qualified personnel to join the Company and further develop the Organization.

The Company follows the human rights principle from the moment of employment to taking care of the staffs so that they feel as part of the family. In the year 2023, the Company had significant employee performances as follows;

- Employee ratio separated by sex.

| | 2021 | 2022 | 2023 |
|------------------------|------|------|------|
| Total number of staff | 431 | 405 | 397 |
| Number of male staff | 169 | 166 | 163 |
| Number of female staff | 262 | 239 | 234 |

- Number of male staff divided by age

| | 2021 | 2022 | 2023 |
|---|------|------|------|
| Number of male staff (Less than 30 years old) | 40 | 53 | 48 |
| Number of male staff (Between 30 – 50 years old) | 115 | 96 | 93 |
| Number of male staff (More than 50 years old) | 14 | 17 | 22 |

- Number of female staff divided by age

| | 2021 | 2022 | 2023 |
|---|------|------|------|
| Number of female staff (Less than 30 years old) | 89 | 85 | 79 |
| Number of female staff (Between 30 – 50 years old) | 158 | 139 | 140 |
| Number of female staff (More than 50 years old) | 15 | 15 | 15 |

- Number of male staff divided by positions

| | 2021 | 2022 | 2023 |
|--|------|------|------|
| Number of male staff (Operational officers) | 145 | 141 | 128 |
| Number of male staff (Managing officers) | 19 | 19 | 29 |
| Number of male staff (Executives) | 5 | 6 | 6 |

- Number of female staff divided by positions

| | 2021 | 2022 | 2023 |
|--|------|------|------|
| Number of female staff (Operational officers) | 243 | 223 | 201 |
| Number of female staff (Managing officers) | 18 | 16 | 33 |
| Number of female staff (Executives) | 1 | 0 | 0 |

- Disability hiring

| | 2021 | 2022 | 2023 |
|---|------|------|------|
| Total number of disabilities hiring | 5 | 5 | 4 |
| Total number of disabled staffs | 5 | 5 | 4 |
| Number of disabilities hiring who are not staff members | 0 | 0 | 0 |

(3.4.2.2) Staffs Training

In the year 2023 the Company provided 538 training courses to improve the skills and abilities for the employees. The average seminar or activity time of the employees were 58.99 hours per person per year from the targeted goal of 12 hours per person per year.

(3.4.2.3) Occupational health, safety, and work environment

In 2023, the Company constantly developed and improved the efficiency of the safety measures to reduce the risks from sickness, injury, or death, and to adequately care for the well being of the employees. The steps taken were as follows;

(1) Significant monitoring and evaluation of the occupational health and safety as required by the law.

| ITEMS | Evaluation Topic | Evaluation Result | Date of Evaluation | Inspector |
|-------|---|--|--|--------------------------------------|
| 1 | Electrical safety to renew the Natural Gas Operation License | All according to the standard and regulation by the Department of Energy Business. Danger zone, electrical equipment and all minimum electrical system are completely inspected. | 24 th August 2023 | Mr. Pasin Puangroi (1004) |
| 2 | Electrical System Safety 2023 | Pass. Electrical system and equipment must be maintained correctly according to engineering principle. | 8 th November 2023 | Mr. Kasidit Wichitthada (1141) |
| 3 | Annual stationary crane and equipment inspection for the year 2023 | Most cranes are in good condition and can be operated safely with no harm to the users and people in the vicinity. Constant check up is necessary. | 2 nd February 2023 and 31 th August 2023 | Mr. Viboon Prasertsri (4612) |
| 4 | Annual Fork-lift driving seminar for the year 2023 | Employees pass the test with 100%. Only 16 employees | 25 th February 2023 | Mr. Kritsada Thepwatee (Lecturer) |
| 5 | From the checkups, some of the risk-averse personnels in the production process still has higher risks than the standards in some area. The Company had arranged for medical teams to diagnose and provide healthcare consultation so that the staffs can understand the root of the health risks and to prevent accidents or sickness from work. | | | |
| | 1) Audiometry test | Number of staffs diagnosed: 180 persons. Normal health 162 persons, or 92.59% and abnormal health 8 persons or 7.41%. The amount of staffs with abnormal health had increased from the previous year 0.33% | 8 th December 2023 | Bangpakpook 9 International Hospital |
| | 2) Spirometry test | Number of staffs diagnosed: 152 persons. Normal health 150 persons, or 98.68% and abnormal health 2 persons or | | |

| ITEMS | Evaluation Topic | Evaluation Result | Date of Evaluation | Inspector |
|-------|---------------------------------------|-------------------------------------|--------------------|-----------|
| | | 1.32%. | | |
| | 3.) Test for Aluminum in blood stream | Normal health: 174 persons or 100%. | | |

From the above information, the inspection result of the 5 major watch lists for the employees are considered safe. However, continuous monitoring every year is still necessary.

(2) Emergency Drill

The Company emphasizes on good preparation and responds effectively to emergency situations. Therefore, various practices and guidelines had been established in order to prevent the emergency, to reduce the impact, to coordinate with the outside organization following the emergency situation and to prepare back up plans when facing critical scenarios. All relating parties undergo constant drills which are;

- Emergency response plan for gas leakages.
- Emergency monitoring and protection plan for chemical spillages.
- Fire safety emergency plan.
- Emergency monitoring and protection plan for furnace explosions and liquid aluminum leakages.
- Business continuity plan in preparation for newly emerging pandemic.



(3) Safety Training

Other than providing the general safety training to the staffs, the Company also prepares complete training programs such as how to operate the cranes correctly, how to operate the fork-lift correctly, basic fire extinguisher training, advance fire extinguisher training, giving commands during an emergency and fire escape drill. These programs are continuously provided to the staffs as well as external parties such as the community, governmental and other private organizations. In the previous year, the Company had arranged a total of 23 safety seminars with 412 total participants.



(4) Annual accidents report

This reflects the number of employees who receive lost time injury and working days lost when comparing to the working hours of all employees and contractors in each year. The Company also encourages the staffs to be aware and be cautious for colleagues to prevent lost time injury from workplace.

| ITEMS | Details | Accidents (times) | | | Comparison |
|-------|--|-------------------|----------|----------|-------------|
| | | 2023 | 2022 | 2021 | 2023 / 2022 |
| 1 | Critical lost time injury more than 3 days | 3 | 1 | 2 | +2 |
| 2 | Minor lost time injury less than 3 days | 1 | 1 | 1 | 0 |
| 3 | Accidents with no lost time | 0 | 0 | 2 | -1 |
| | Total Accidents | 4 | 5 | 5 | +(1) |
| 4 | I.F.R. value | 1.220 | 1.40 | 1.68 | +(0.35) |
| 5 | I.S.R. value | 68.2 | 70.2 | 2.57 | +(1.57) |

In the year 2023, from the I.F.R and I.S.R. value, the Company's injury rate was 1.22 person per hour for 1 million hour. The total loss days was 68.2 days per working hour of 1 million hours. The total value for I.F.R. and I.S.R. in 2022 were 1.22 and 68.2 respectively.

**Remarks*

1. *Injury Frequency Rate (I.F.R.) is calculated from the number of injured employees in a given time per 1 million working hours.*

2. *Injury Severity Rate (I.S.R.) is calculated from the total number of days that the employees take to stop work and be treated until able to go back to work again per 1 million working hours.*

3. *I.F.R. and I.S.R. values compare against 1 million working hours.*

In 2023, no lost time injury case of more than 3 days or severe accidents was found but only 1 minor lost time injury case of less than 3 days, and 3 accidents with no lost time. The Company has the following measures to prevent said accidents from happening;

1. Train the employees to correctly operate cranes and fork-lifts.
2. Supervisors must always oversee the employees' operation.
3. Strictly train all staffs to follow the procedures correctly.
4. Prepare the furnace lid since currently there are no lids and objects may fall into the furnace while operating and could cause liquid aluminum explosion.

(2) Employees relation.

In the year 2023, the Company plans to develop the relationship with the employees as follows;

In 2023, the employees turn over rate was 5.4 %, (increase) of 2.2 % compared to the previous year. Employees' retirement ratio by age range.

| Details | 2021 | | 2022 | | 2023 | |
|---------------------------|--------------------|-------|--------------------|------------|--------------------|------------|
| | Number (person) | % | Number (person) | % | Number (person) | % |
| Less than 30 years old | 171 | 65.27 | 268 | 171 | 65.27 | 268 |
| Between 30 – 50 years old | 90 | 34.35 | 123 | 90 | 34.35 | 123 |
| More than 50 years old | 1 | 0.38 | 3 | 1 | 0.38 | 3 |
| Total | 262 | | 394 | 262 | | 394 |

(3.4.2.2) Customers

The Company will continuously develop products and services as soon as the technical requirements of such goods and products are received accurately. This helps the products quotations and services to be appropriate, leading to a transparent price competition under fair and ethical conditions, in which the Company proceeds responsibly and honestly. From the very first moment of customers confidentiality, to allowing the customers to visit the production process to ensure confidence and to guarantee the products and services under the standard ISO9001/IATF16949, and the environmental management standard ISO14001, the occupational health and safety standard ISO45001. The Green Procurement contract will ensure that the environment management will be fair and under the regulations,

with the most effective use of resources and energy as regulated. The Company is proud to operate its business fairly and transparently and with accountability in order to satisfy the customers. In the year 2023, the Company scored 3 or above in all areas of customers satisfaction and will strive to maintain the results this way.

(3.4.2.3) Social Responsibility

The Company operates its businesses with respects to the community, emphasizing on reducing the environmental impact and avoiding operations that may negatively affect the quality of life of the people in the surrounding communities.

In 2023, no complaints were found from the communities regarding the social or environmental issues.

The Company took pride in improving the quality of lives and participated with the community. In the year 2023, the Company supported the community for both environmental and educational activities such as the annual reforestation campaign at the Khao Nam Tok mountain, Phanomsart, T. Nong Bua, A. Ban-Kai, Rayong.

The Company helped planting the vetiver grass to protect the earth surface at the Nong Bua Sports Tracks, A. Ban-Kai, Rayong.

The Company donated essential items and provided lunch at the Rayong Child Protection and Development Center (CPDC), T. Huay Pong, A. Maung, Rayong.

The Company accommodated the 2023 Children's Day activities by providing snacks and ice-creams for the Nong Bua Municipal Office and to Phathumawas School, Klongkhanon School, Ban Hin Kong Prachanugraw School, Nong Grub School and Wat Tha Sao School (for additional information please visit www.sankothai.net).



4. Management Discussion & Analysis: (MD&A)

The Company's core business is producing die-casted Aluminum and Zinc parts from molds as required by the customers from various industries such as the automobile industry, electrical goods industry, and agricultural machinery industry.

In the year 2023, the Company had improved the manufacturing methods and effectively controlled the costs making the gross profit of 2023 higher than the previous year. The sales increased 7.23% when compared to the year 2022. The business performance and current cashflow of the Company for both the present and the future are as follows;

4.1 Business operation and financial status

Table showing the Company's performance

(Unit: Million Baht)

| Description | 2021 | | 2022 | | 2023 | |
|---|------------------|--------------|------------------|--------------|------------------|--------------|
| | Amount (Baht) | % | Amount (Baht) | % | Amount (Baht) | % |
| Income | 651.25 | 100.00 | 717.65 | 100.00 | 769.56 | 100.00 |
| Cost of sales | (555.82) | (85.35) | (614.17) | (85.58) | (620.91) | (80.68) |
| Selling and administrative expenses | (76.28) | (11.71) | (74.92) | (10.44) | (78.57) | (10.21) |
| Finance Cost | (7.60) | (1.17) | (7.02) | (0.98) | (8.42) | (1.09) |
| Tax Expenses | 1.95 | 0.30 | 0.47 | 0.07 | (7.05) | (0.92) |
| Profit(Loss) – for the year | 13.50 | 2.07 | 22.02 | 3.07 | 54.61 | 7.10 |
| Profit (Loss) from Operations | 16.92 | 2.60 | 27.99 | 3.90 | 69.58 | 9.04 |
| Profit (loss) before interest and income tax | 19.15 | 2.94 | 28.56 | 3.98 | 70.08 | 9.11 |
| Gross profit (%) | | 14.65 | | 14.42 | | 19.32 |

In 2023, the Company's net profit was 54.61 million Baht or 7.10% of the total revenue. In this year, the Company's total revenue was 769.56 million Baht, a 51.91 million Baht increase from the previous year or 7.23%. This is due to the increase in the customers' orders both old and new who had placed their confidence in the Company's products. The Company's gross profit was at 19.32%, profit from operation was at 69.58 million or 9.04% of the total revenue.

In 2022, the Company's net profit was 22.01 million Baht or 3.07% of the total revenue. In this year, the Company's total revenue was 717.65 million Baht, a 66.40 million Baht increase from the previous year or 10.19%. This is due to the increase in the customers' orders both old and new who had placed their confidence in the Company's products. The Company's gross profit was at 14.42%, profit from operation was at 16.92 million or 2.60% of the total revenue.

In 2021, the Company's net profit was 13.50 million Baht or 2.07% of the total revenue. In this year, the Company's total revenue was 651.25 million Baht, a 201.46 million Baht increase from the previous year or 44.79%. This is due to the increase in the customers' orders both old and new who had placed their

confidence in the Company's products. The Company's gross profit was at 14.65%, profit from operation was at 16.92 million or 3.90% of the total revenue.

This is from the costs management, inventories management and effectively adjusting the production capacity, including the lower costs of ingredients and the means of production.

Revenue

The Company's revenue, separated by product types, between the year 2021 – 2023 is as follows;

(Unit: Million Baht)

| Revenue | 2021 | | 2022 | | 2023 | |
|--|------------------|---------------|------------------|---------------|------------------|---------------|
| | Amount (Baht) | % | Amount (Baht) | % | Amount (Baht) | % |
| 1. Revenue from Sales - Parts | 597.04 | 91.68 | 647.37 | 90.21 | 717.58 | 93.25 |
| Automobile Industry | 374.28 | 57.47 | 415.28 | 57.87 | 445.18 | 57.87 |
| Motorcycle Industry | 150.50 | 23.11 | 178.75 | 24.91 | 229.10 | 29.77 |
| Electronics Industry | 42.59 | 6.54 | 25.52 | 3.56 | 21.15 | 2.75 |
| Agricultural Machinery Industry and others | 9.67 | 4.56 | 27.82 | 3.88 | 22.15 | 2.88 |
| 2. Revenue from Sales - Molds | 45.48 | 6.98 | 62.44 | 8.70 | 43.37 | 5.64 |
| Automobile Industry | 35.42 | 5.43 | 34.53 | 4.81 | 36.26 | 4.71 |
| Motorcycle Industry | 4.41 | 0.68 | 19.30 | 2.69 | 6.39 | 0.83 |
| Electronics Industry | 4.94 | 0.76 | - | - | - | - |
| Agricultural Machinery Industry and others | 0.71 | 0.11 | 8.61 | 1.20 | 0.72 | 0.09 |
| Total Revenue from Sales | 642.52 | 98.66 | 709.81 | 98.91 | 760.95 | 98.88 |
| Other Revenue* | 8.73 | 1.34 | 7.84 | 1.09 | 8.61 | 1.12 |
| Total Revenue | 651.25 | 100.00 | 717.65 | 100.00 | 769.56 | 100.00 |

Remarks: The other income of the Company consists of revenue from selling wastes from the production, profits from selling assets, turning the allowance of doubtful debts, interests and other income.

The Company's financial status as of 31st December 2021 - 2023

(Unit: Million Baht)

| Revenue | 2021 | | 2022 | | 2023 | |
|-----------------------------|------------------|---------------|------------------|---------------|------------------|---------------|
| | Amount (Baht) | % | Amount (Baht) | % | Amount (Baht) | % |
| Total Assets | 497.80 | 100.00 | 513.67 | 100.00 | 541.99 | 100.00 |
| Current Assets | 238.06 | 47.82 | 231.03 | 44.98 | 279.33 | 51.54 |
| Total Debts | 310.97 | 62.47 | 305.25 | 59.43 | 285.61 | 52.70 |
| Current Debts | 234.91 | 47.19 | 223.65 | 43.54 | 223.86 | 41.30 |
| Shareholders' Equity | 186.84 | 37.53 | 208.42 | 40.57 | 256.39 | 47.30 |

The Company had incorporated the improved financial reports standard as the guidelines for accounting purposes, which had been in effect since the 1st of January 2023. The financial reports standard had been adjusted so that the content is equivalent to that of the international reports standard with the main emphasis on the clear explanation of the guidelines and practices for the accounting standards.

Assets

The Company's total assets at the end of the year 2023, 2022 and 2021 was 541.99 million Baht, 513.67 million Baht and 497.80 million Baht respectively.

In 2023, the Company's total assets were 541.99 million Baht, a 28.32 million Baht increase from 2022 or 5.51%. This is due to the increase of lands, buildings and equipment of 35.35 million Baht from acquiring the machineries for the manufacturing, following the rise of the customers' orders.

The total assets can be divided into current assets of 279.33 million Baht or 51.54% of the total assets and non-current assets of 262.66 million Baht or 48.46% of the total assets.

In 2022, the Company's total assets were 513.67 million Baht, a 15.87 million Baht increase from 2021 or 3.19%. This is due to the increase of lands, buildings and equipment and the increase in the investments following the rise in the customers' orders.

The total assets can be divided into current assets of 231.03 million Baht or 44.98% of the total assets and non-current assets of 282.64 million Baht or 55.02% of the total assets.

In 2021, the Company's total assets were 497.80 million Baht, a 62.98 million Baht increase from 2020 or 14.48% from the account receivables, inventories, lands, buildings and equipment. This also includes the increase in investments to improve the production process according to the rise of the customers' demands.

The total assets can be divided into current assets of 238.06 million Baht or 47.82% of the total assets and non-current assets of 259.74 million Baht or 52.18% of the total assets.

Accounts receivables, accrued revenues, allowance for doubtful accounts and expected credit loss

With the new accounting policy, the Company must allocate the sales of molds and Aluminum parts. The Company recognizes the income and costs of selling molds when the customers approve the design of the molds, as well as the expected values of the accrued revenue, which is a part of the accounts receivables.

The Company establishes the credit term for the customers between 30 – 90 days. The Company will consider the length of payments depending on the orders and the financial status of each customer.

At the end of the year 2023, 2022 and 2021, the Company's accounts receivables and other receivables were net total of 121.40 million Baht, 122.72 million Baht and 114.26 million Baht respectively, according to the debts analysis tables.

Debts analysis table

(Unit: Million Baht)

| Payment terms | 2021 | | 2022 | | 2023 | |
|--|------------------|---------------|------------------|------------------|---------------|------------------|
| | Amount (Baht) | % | Amount (Baht) | Amount (Baht) | % | Amount (Baht) |
| Account receivables and accrued revenues (not due) | 79.83 | 69.87 | 83.18 | 67.78 | 87.26 | 71.88 |
| payment overdue | | | | | | |
| less than or equal to 90 days | 21.00 | 18.38 | 23.72 | 19.33 | 23.40 | 19.27 |
| more than 90 days | 13.43 | 11.75 | 15.82 | 12.89 | 10.74 | 8.85 |
| Total account receivables and accrued revenue before expected credit loss | 114.26 | 100.00 | 122.72 | 100.00 | 121.40 | 100.00 |
| <u>Subtract</u> the expected credit loss | - | - | - | - | - | - |
| Net account receivables and net accrued revenue | 114.26 | 100.00 | 122.72 | 100.00 | 121.40 | 100.00 |

Inventory and allowance to reduce inventory to net realized value

At the end of the year 2023, 2022 and 2021, the Company's inventory was 92.91 million Baht, 72.14 million Baht and 87.05 million Baht respectively. The Company's current inventory ratio was at 7.52 times in 2023, at 7.72 times in 2022 and at 7.69 times in 2021 with the average sales ratio of 48 days, 47 days and 47 days in the year 2023, 2022 and the year 2021 respectively.

Table for inventory and allowance to reduce inventory to net realized value;

(Unit: Million Baht)

| Description | 2022 | | 2023 | | 2024 | |
|---|--------------|---------------|--------------|---------------|--------------|---------------|
| | amount | % | amount | % | amount | % |
| Finished Goods | 23.47 | 26.96 | 21.76 | 30.16 | 22.25 | 23.95 |
| Work In Process | 41.38 | 47.53 | 41.65 | 57.73 | 57.33 | 61.70 |
| Raw Materials | 16.60 | 19.07 | 4.60 | 6.36 | 5.85 | 6.30 |
| Spare Parts | 9.00 | 10.34 | 8.82 | 12.23 | 10.62 | 11.43 |
| Goods In transit | - | - | - | - | - | - |
| Total | 90.45 | 103.90 | 76.84 | 106.52 | 96.05 | 103.38 |
| Less Allowance for devaluation of inventories | (3.40) | (3.90) | (4.70) | (6.52) | (3.14) | (3.38) |
| Inventories-net | 87.05 | 100.00 | 72.14 | 100.00 | 92.91 | 100.00 |

Liabilities

The Company's total liabilities at the end of the year 2023, 2022 and 2021 was at 281.61 million Baht, 305.25 million Baht and 310.97 million Baht respectively and consisting of the current assets amounting to 223.86 million Baht, 223.65 million Baht and 234.91 million Baht per year respectively.

In 2023, the non-current assets of the Company were 61.75 million Baht, a 19.85 million Baht decrease from the year 2022 from the increase in the repayment to the long-term loans of financial institutions of 15.72 million baht and the decrease in the long-term contractual debts of 10.39 million Baht which was the payment of the machineries.

The Company's debts to equity ratio was at 1.11 times in 2023, at 1.46 times in 2022 and 1.66 times in 2021. In 2023, this had decreased due to the increase in the repayment of long-term loans, as well as the Company performing better when compared to the year 2022 at 32.60 million Baht. The Company strives to maintain the financial ratio as regulated by the financial institutions.

Shareholders' Equity

At the end of the year 2023, 2022 and 2021, the Company's shareholders' equity was 256.39 million Baht, 208.42 million Baht and 186.84 million Baht respectively. In 2023, the amount of shareholders' equity was 256.39 million Baht consisting of paid-up common stocks of 316,662,232 stocks at 0.50 Baht or 158.33 million Baht, share premium of 20.83 million Baht, reserved shares by law of no less than 5% of the annual net profit minus accumulated loss (if any) until the amount of reserve capital is no less than 10 times of the registered capital of 7.20 million Baht, including accumulated profits at the end of 2023 of 70.02 million Baht. The shareholders' equity increased from the year 2022 at 47.97 million Baht, from the net profit that had increased in the year 2023 of 54.62 million Baht.

The Company's return on equity in the year 2023 was 21.30%, 10.56% in 2022 and 7.23% in 2021 respectively.

Cashflow

Table showing the Company's cashflow by the end of the year (31st December) 2021 - 2023

(Unit: Million Baht)

| Details | 2021 | 2022 | 2023 |
|--|--------|---------|---------|
| | amount | amount | amount |
| Cashflow from operating activities | (2.13) | 80.12 | 90.44 |
| Cashflow from investment activities | (6.46) | (39.90) | (12.48) |
| Cashflow from financing activities | 3.52 | (44.09) | (54.52) |
| Net cash and cash equivalent | (5.07) | (3.87) | 23.44 |
| cash and cash equivalent on beginning date | 22.22 | 17.15 | 13.28 |
| cash and cash equivalent on end date | 17.15 | 13.28 | 36.72 |

From the Company's operation, at the end of the year 2023, 2022 and 2021, the cashflow and cash equivalence were 36.72 million Baht, 13.28 million Baht and 17.15 million Baht respectively.

In 2023, the Company's cashflow from operations was 90.44 million Baht from the annual net profit and from efficiently managing the assets and the current liabilities when compared to the year 2022.

In 2023, the Company's cashflow from investment was 12.48 million Baht from investing in new machineries to satisfy the increase in demands and to improve the manufacturing capacity.

In 2023, the Company's cashflow from procurement was (54.52) million Baht from repaying the long-term loans to the financial institution of (17.55) million Baht and from repaying the leasing contract of (20.04) million Baht.

In 2022, the Company's cashflow from operations was 80.12 million Baht from the annual net profit and from efficiently managing the assets and the current liabilities when compared to the year 2021 where the cash from operation was (2.13) million Baht, an 82.25 million Baht increase, and a 55.41 million Baht increase from 2021.

In 2022, the Company's cashflow from investment was (39.90) million Baht from investing in machineries to satisfy the increase in demands and to significantly improve production.

In 2022, the Company's cashflow from procurement was (44.41) million Baht from repaying the overdraft account from (12.76) million Baht and to repay the Company's loans of (17) million Baht.

In 2021, the Company's cashflow and cash equivalence was (5.07) million Baht and from the cashflow from operations of (2.13) million Baht.

In 2021, the Company's cashflow from investment was (6.46) million Baht from buying the machineries and equipment of 6.43 million Baht, buying software assets for developing computer systems of 0.17 million Baht and from selling equipment of 0.15 million Baht.

In 2021, the Company's cashflow from procurement was 3.52 million Baht from receiving the loans and repaying the loans to financial institutions of 27.59 million Baht and from repaying the loans from relating companies from 5.74 million Baht and from repaying the leasing contract of 22.24 million Baht, including repaying the interests from loans of 7.57 million Baht.

4.2 Factors affecting the financial status and future operations

From 2022 to 2023, the Company received orders from customers which had been increasing gradually and continuously. The price of the core material (Aluminum) had been fluctuating less, including being able to control the costs of production, promoting resources conservation and improving the performance of the staff by continuously preparing the workshops and seminars for the staff members adequately.

However, the Company continuously improves its marketing strategies and creates standards that the customers can trust both from the quality and the on-time delivery service. The Company has also expanded the customers base and added new products to improve sales.

The Company emphasizes on sustainability by considering the effect of ESG and reduce the environmental impact as much as possible.

1. Zero wastes policy.
2. Utilizing electricity and water efficiently.
3. use environmentally friendly products.
4. Reducing greenhouse gas emission.

4.3 Financial Ratio

Liquidity Ratio

| Details | | 2021 | 2022 | 2023 |
|--|-------|--------|------|------|
| Liquidity Ratio | Times | 1.01 | 1.03 | 1.25 |
| Quick Ratio | Times | 0.56 | 0.61 | 0.71 |
| Operating cash flow to current liabilities | Times | (0.01) | 0.36 | 0.40 |
| Receivables turnover | Times | 6.52 | 6.06 | 6.30 |
| Average collection period | Days | 55 | 59 | 57 |
| Inventory turnover ratio | Times | 7.69 | 7.72 | 7.52 |
| Average Inventory period | Days | 47 | 47 | 48 |
| Payable turnover | Times | 5.70 | 5.61 | 5.08 |
| Average payment period | Days | 63 | 64 | 71 |
| Cash cycle | Days | 39 | 42 | 34 |

The liquidity ratio for current assets to current liabilities each year were as follows; 1.25 times from the previous year in 2023, due to the Company gaining better cashflows from operations and managing the current assets and current liabilities efficiently. The liquidity ratio in 2023 had increased from the year 2022 and 2021 at 1.03 times and 1.01 times respectively. Other liquidity ratio in the year 2022 was as normal.

The cash cycle in 2023 was 34 days which was an improvement (reduction means good), meaning that the Company's financial cash flows had performed better from the year 2022 and 2021.

The Company has sufficient cash flow to operate the business and will continue to develop the products and services that will always satisfy the customers.

Profitability Ratio

The profitability ratio is according to the table below. In the year 2023, the Company turned profitable with the gross profit margin of 19.32%, net profit of 7.10% including the return on shareholders of 21.30% which stemmed from several factor affecting the operations such as increasing in salary, better production performance. All the details had been explained under the business operations earlier.

| Details | | 2021 | 2022 | 2023 |
|---------------------------------|-------|---------|--------|--------|
| Gross Margin | (%) | 14.65 | 14.42 | 19.32 |
| Operating Profit Margin | (%) | 2.60 | 3.90 | 9.04 |
| Earnings before interests & tax | (%) | 1.80 | 3000 | 8.01 |
| Profitability Ratio | (%) | (12.59) | 286.25 | 129.98 |
| Net profit margin | (%) | 2.07 | 3.07 | 7.10 |
| Return on equity | (%) | 7.23 | 10.56 | 21.30 |
| Return on assets | (%) | 2.71 | 4.28 | 10.08 |
| Return on fixed assets | (%) | 5.75 | 8.52 | 22.26 |
| Assets turnover ratio | Times | 1.40 | 1.42 | 1.46 |

Financial policy ratio

| Details | | 2021 | 2022 | 2023 |
|------------------------------------|-------|--------|-------|-------|
| Debt to equity ratio | Times | 1.66 | 1.46 | 1.11 |
| Interest coverage ratio | Times | 2.52 | 4.07 | 8.32 |
| Debt service coverage - Cash basis | Times | (0.72) | 0.95 | 1.35 |
| Dividend payout rate | (%) | | 30.43 | 24.41 |

As for the financial policy ratio, the Company strives to maintain the appropriate financial ratio from financial institutions and has been improving continuously as stated previously. The Company believes that it will be able to repay all financial contracts until the end of the agreements.

5. Company Profile and General Information

5.1 General information

| | | |
|---------------------------|---|---|
| Name of Company (Thai) | : | บริษัท ซังโกะ ไดคาสติ้ง (ประเทศไทย) จำกัด (มหาชน) |
| Name of Company (English) | : | Sanko Diecasting (Thailand) Public Company Limited |
| Company Registration | : | 0107552000235 |
| Type of Business | : | Produce die casting parts from aluminum and zinc |
| Head Office Address | : | 3/14 M.2 Rojana Industrial Park, T. Nong-Bua, A. Ban-Khai, Rayong 21120 |
| Telephone Number | : | 033-010-701-05 |
| Fax Number | : | 033-010-706 |
| Website | : | www.sankothai.net |
| Registered Capital | : | 158,331,722.50 Baht |
| Paid-in Capital | : | 158,331,116.00 Baht |
| Par Value | : | 0.50 Baht |
| Security Registrar | : | Thailand Securities Depository Co., Ltd. 93 The Stock Exchange of Thailand Building, Rachadapisek Rd, Dindaeng, Bangkok 10400, Thailand Telephone 02-009-9000 Fax 02-009-9991 |
| Auditor | : | Siam Truth Audit Company Limited Preecha Complex Building A, 8th F, 338, Rachadapisek Road Soi 20, Samsennok, Huaykwang, Bangkok, 10310, Thailand Telephone: 02-275-9599 , 094-559-3894 E-mail : audit@siamtruth.com https://www.siamtruth.com |
| Legal Advisor | : | Ms. Chanidapa Praditsin |

5.2 Legal Disputes

By 31st December 2023, the Company did not have any significant legal disputes

Part 2

Corporate Governance

6. Corporate Governance policy

6.1 Overview of corporate governance policies and practices

The Company is fully aware, and gives all its attention to the “Good Corporate Governance”. The Company believes that the good corporate governance reflects the efficient and transparent management system, which will help promoting the confidence of the Shareholders, investors and all parties involved and will ultimately lead to a sustainable growth of the Company and an increase in value. The Company has continuously encouraged the implementation of good corporate governance by advising the directors and the management to develop good corporate governance and the practices in accordance with the international standards. This is done by following the good corporate governance, as directed by the Stock Exchange of Thailand, and adapts it to the Company’s corporate governance. Measures are taken to further improve the said policies in accordance with the guidelines of the Stock Exchange of Thailand, which may change in the future to be better suited for the evolving environment of the Company. The practices cover 5 categories as follows;

1. Shareholders’ Rights

The Company is fully aware and gives its utmost attention to the rights of the Shareholders. This is shown by not taking any actions which may violate or reduce the rights of the Shareholders, including encouraging the Shareholders to use their rights. The basic rights of the Shareholders are, trading or transferring shares, sharing profits with the Company, receiving sufficient information about the Company, attending the meetings to use their rights to vote for appointing or removing the directors, appoints the auditors and any issues which have a direct impact to the Company for example, dividend allocation, setting or amending the regulations and the Memorandum of association, decreasing or increasing the capital and authorizing special transactions.

The Company has the policy to promote convenience for the shareholders, including the institutional investors by holding the meeting in the place with sufficient access from the public transport so that the shareholders can easily attend the meetings. The Company always provides information, dates, time, place and agendas including all relevant information for making decisions to the Shareholders prior to the meeting and also notifies the shareholders about all the requirements, as well as the voting procedures. The Company encourages the Shareholders to exercise their rights to fully attend the meeting and to vote, and also to express their opinions and raise any questions relating to the Company in the meeting. The Shareholders may also submit the inquiries or agendas prior to the meeting. The Shareholders may also appoint a proxy to attend the meeting in the case of their absence.

2. Equal Practice to Shareholders

The Company treats all shares holders fairly and equally, no matter the Shareholders who are Executives, non – Executive, foreign Shareholders and minor shareholders which reinforce the confidence in the shareholders that the board and the management has taken great care in the spending of the shareholders funds which is the main factor in creating the confidence for investing with the Company. The Board of Directors holds the responsibility to make sure that all shareholders are treated fairly and that all their basic rights have been met equally.

The Board of Directors have arranged for the Shareholders Meeting in a way that encourages equal practice to all shareholders and give the chance even for minor shareholders to propose any individuals to take the position as directors, prior to the meeting and in an appropriate time frame. The Company also allows the shareholders who cannot attend the meeting themselves to let their proxies attend the meeting, and also have the rights to vote in their stead.

The Board of Directors has stated the methods to protect and prevent the use of the internal information in writings and will announce this as guidelines for all members of the organization.

3. Stakeholders' Roles

The Company is fully aware of its responsibility and practices to different groups of stakeholders and will seek the mutual benefits so that all groups of stakeholders can be confident that their rights will be fully protected and well exercised. This has been set as a guideline to follow in order to clearly meet the demands of all groups of the stakeholders as stated in the “**Code of Conducts and Business Ethics**” and will promote the Board of Directors, the management team including the workers to regard this as the fundamental principles for working in the Company and to take it as the important responsibility for all members. The guidelines for responding to the needs of each stakeholder group are as follows.

Shareholders treatment

(1) The Company allows the shareholders who cannot attend the meeting in person to assign a proxy to the Independent Directors or other individuals to attend the meeting in their stead and to vote for the shareholders.

(2) The Company allows the shareholders to propose the agendas and to propose the names of the individuals to be elected as the Directors in the Shareholders Meeting in advance, following the regulations indicated by the Company. The details have been published through the Company’s website at <http://www.sankothai.net>, and the proposed names must be submitted to the Company 3 months in advance before the Shareholders Meeting.

(3) The Company will not add extra agendas to the meeting without notifying the shareholders in advance without good reasons, especially significant agendas that requires the shareholders to study the information prior to the meeting.

(4) The Board of Directors allows the shareholders to elect the Directors individually and encourage the voting method so that the process is transparent and verifiable.

(5) The Board of Directors has set up measures to prevent insider trading for individuals including Directors, Executives, staffs and employees including their spouses and underage children that are related to the information, and also assigns disciplinary actions regarding the disclosure of the Company's information or using the Company's information for personal gains under the "Confidential Information Protection Policy".

(6) Raise the awareness of the Board of Directors and the Company's Executives regarding the responsibility for reporting their ownership of the Company's assets, their spouses' and their underage children's, including reporting the changes to the assets ownership to the Securities and Exchange Commission under the section 275 of the Securities and Exchange Act B.E. 2535 and under the regulations of the Stock Exchange of Thailand.

(7) The Company's Board of Directors and the Executives must announce the buying and selling of the Company's assets at least 1 day before trading the stocks by notifying the Company's secretary, and then the secretary will notify the Board of Directors. When the trading is completed, the report of assets ownership must be made for the Securities and Exchange Commission and the Directors and the Executive must report the changes of the asset's ownership to the Board of Directors meeting in order to prevent the buying or selling of stocks using insider information and to avoid any scandals regarding the appropriateness of the stocks trading by inside individuals.

Customers Treatment

(1) Pay attention and be responsible equally to all customers by emphasizing on producing goods with high quality and up to standards, and can respond fully to the demands of the customers. The staffs must protect the customers' confidential information and not using for personal gains before being permitted by the customers including providing quality and professional services at the fair and appropriate price to all customers.

(2) Present quality products that match with the demands of the customers. Reveal all information regarding the products fully and accurately and provide a channel for complaints to allow the customers to comment about the services and proceed as quickly as possible to respond to the customers' requests.

(3) Provide high quality, efficient and excellent services that impress the customers.

(4) Protect and look after the customer's interests appropriately and fairly.

(5) Strictly follow the terms given to the customers. In the case that the terms cannot be followed, quickly notify the customers for solutions.

(6) Treat the customers with respect and be trustworthy.

(7) Deliver quality products on time.

(8) Support the customers' CSR operations

Trade partners and/or creditors treatment

(1) Not requesting, accepting or giving any unethical benefits to trade partners or creditors and follow the agreed terms appropriately and fairly.

(2) The purchasing and sub-contracting of the companies of or relating to the companies of the Directors, Executives or all levels of staffs, must be under the principle of equality, transparency and fair, for the best interest of the Company, and must be proceeded under the Company's regulations, including revealing all information to the public.

(3) Avoid the purchasing or sub-contracting that holds conflicts of interests with the Company.

(4) All staffs involving with the purchasing or sub-contracting operations must not seek personal gains both directly or indirectly from the trade partners and must remain neutral with no close relations that may influence their decisions.

(5) If incidents that prevents the procedures to go according to the agreed terms or contracts, the staffs in charge must report to the superior immediately and notify the trade partners and/or the officers in advance, in order to come up with the solution together.

(6) Strive to maintain a stable relationship with the trade partners with clear objectives in terms of the product quality and trust in each other.

(7) Treat the creditors equally and fairly and on the basis of mutual benefits on both sides.

Competitors Treatment

(1) Operate fairly within the terms and regulations of the competitions.

(2) Not damaging the reputation of the competitors intentionally.

(3) Not violating the intellectual properties or copyrights.

(4) Not seeking the competitors' confidential information by inappropriate or unethical means.

(5) Treat the competitors according to the laws and regulations according to the international standards.

(6) Keep the connection with the competitors which may be developed as a commercial partner in the future.

Employees Treatment

(1). The Company selects the staffs and the contractors based on the suitability of the qualification and the performance without any prejudice on gender, religious beliefs, nationality, age, birth place or physical condition.

(2). The Company provides sufficient benefits and fair compensations to all members of staff.

(3). The Company provides a safe environment at work for the health, assets and the quality of life of the staffs.

(4). The promotion, relocation including the rewards and penalty of the staffs are done through honesty and under moral principles. This takes into account the knowledge, abilities and the appropriateness of the staffs as the core.

(5). Provide human resource management system; listen to the opinions and the advices of the employees.

(6). The Company gives opportunities for staffs to thoroughly and constantly improve their skills, knowledge and the abilities both for the work and for their daily lives and also encourages them to be able to care for themselves when they reach retirement.

(7). Operate the business by avoiding any actions that are unfair, and treat the employees with respect. Respect the employees' individualities and human dignities according to the international standard of human rights.

(8). Be fair and encourage the employees to improve themselves.

(9). Provide provident funds for the employees.

(10). The Company follows the laws and regulations concerning the staffs strictly.

Community, Society and Environmental Treatment

(1) Not cooperating or supporting customers who operate their business illegally or endangering the society or the country.

(2) Allow the community and the related parties to voice their opinions for all of the projects that may affect the community and to propose their opinions and complaints that resulted from the business operation of the Company.

(3) Be cooperative with operations that follow the international standards or agreements in various issues which are created to protect or reduce the effects on the environment.

(4) Design and develop the manufacturing process, machineries and equipment to control and/or reduce the pollution, including waste water, dust, air pollution and all other waste products.

(5) The staffs responsible for the manufacturing process, machineries and equipment must control the pollution level so that it is no more than the standard limit.

(6) Help reducing the garbage or wastes both from the production process and from general operation.

(7) The staffs responsible for the manufacturing process or the machineries must look after, improve and maintain the production process or the machineries to the required standard in order to reduce the natural resources used.

(8) Be cooperative with the Company's energy conservation policy.

(9) Constantly raise the awareness on the social responsibility and the environment to all levels of staffs.

(10) Carry out community, society and environmental campaigns regularly in order to improve the community where the Organization is established for the better both with own projects and those supported by the government and the community.

4. Information Disclosure and Transparency

The Company prioritizes the disclosing of all important information relating to the Company, both financial and non-financial information through an accurate, complete, on-time and transparent channel which is easy to access, fair and respectable.

The Company believes that the quality of the financial related reports is something that the shareholders and the outside information give the utmost importance to, the Board of Directors will make sure that all the information displayed in the financial reports are accurate and follow the general standard accounting practices and have been evaluated by an independent auditor. The Company has appointed the Audit Committee, which consists of independent directors who takes responsibility for the quality of the financial report and the internal control. The Board of Directors' reports, Audit Committee's report and the auditor's reports

Other than disclosing the information through the Company's website at www.sankothai.net, both in Thai and English, for the past year, the Executives of the Company had met with analysts, investors and shareholders as appropriate, opp day, for example at the MAI forum hosted by the MAI Stock Exchange and through other appointments for interviewing by the medias and other investors and analysts. In many occasions, the information had been featured in printed

5. Responsibilities of the Board of Directors

The Board of Directors has the vital role of overseeing the operation to ensure the benefits of the Company. The Board of Directors takes action in place of the shareholders and is independent from the management.

The Board of Directors must have leadership, visions and can make an independent decision for the benefits of the Company and for the shareholders. In order to do so, the system is in place to clearly separate the responsibilities between the Board of Directors and the management, and to ensure that all of the Company's activities proceed in a lawful and ethical way

The Board of Directors consists of personnel with various qualifications, not only skills and experiences but also specialized talents that are useful to the Company, including their devotion and dedication to strengthen the Company and the Board of Directors.

The procedure to elect the Board of Directors, so that they can be appointed by the shareholders, have been done transparently with no influences of the shareholders or from the management team and is assuring to the outside individuals.

To ensure that the Board of Directors can work efficiently and the effectively, the Board of Directors had asked for the Audit Committee to help supporting the directors in the area of financial reports, internal control system's efficiency and executing the rules, regulations and all codes of ethics to promote good corporate governance.

Each director has a good understanding of their responsibilities as Board of Directors and to operate the Company, always ready to share their opinions independently and constantly improve themselves to adapt to the modern times. The Board of the Directors holds this position with honesty, carefully and thoughtfully by considering the benefits of the Company and being fair to all shareholders, giving all information fully and completely.

Good Corporate Governance policies and guidelines according to the CG Code by the Securities and Exchange Commission, Thailand.

Principle 1: Establish clear leadership role and responsibilities of the Board

The Board of Directors understands and is aware of the responsibilities as the leader that oversee the Organization with good governance. This includes establishing goals and objectives, establishing strategies, work policies as well as allocating vital resources in order to achieve the said targeted goals. The Board of Directors must follow up, evaluate and report the performance for creating sustainable value to the business. The governance outcome should consist of; competitiveness and performance with long-term perspective, good corporate citizenship, and corporate resilience. The Board of Directors is responsible for enforcing the employees to uphold the duty of care and the duty of loyalty, and operate under the rule of laws and the shareholders' resolution. The Board understands the roles and responsibilities and give clear missions and responsibilities to the CEO, including following up on any given tasks as necessary.

Principle 2: Define objectives that promote sustainable value creation

The Board of Directors defines core objectives of the business that promote sustainable value creation. The objectives must match the value creation for the business, customers, stakeholders and the society as a whole. The Board must ensure that the objectives and goals, including medium term and/or annual strategy also matches the objectives of the business by safely introducing adequate innovation and technology.

The Board of Directors clearly considers all appropriate directions and strategies for operating the business, including human resource development to make sure that the said strategies allow the business to function effectively and efficiently under various circumstances. The Company has the visions and organizational cultures that reflect the good corporate governance.

Principle 3: Strengthen Board Effectiveness

The Board of Directors have established and sufficiently revised the structure of the Board to lead the Organization to the targeted goals and objectives. This is done by selecting the most appropriate individual to be the Chairman and carry on the selection process of the Directors clearly and transparently. The remuneration of the Board will be approved by the shareholders fairly and appropriately. The Board of Directors will all carry out their duty responsibly and allocate their time suitably for the job.

The Board of Directors annually evaluates the performance of the Board, sub committees and individual Directors, where the evaluation result will be used further to improve the performance. The Board of Directors must all understand the roles, nature of the business and the laws relating to the business, including providing the support so that all Directors can improve their skills and carry out their duty splendidly. The Board of Directors must ensure that the operation runs smoothly, can access necessary

information, and has the Company's Secretary with adequate experience to support the Board's performance.

Principle 4: Ensure effective CEO and people management

The Board of Directors selects and ensures that the CEO and high level Executives have adequate skills and experience necessary to drive the Organization to its goals. The Board makes sure that there are suitable remuneration and performance evaluation for the members of the Organization, to improve their skills, abilities, experiences and provides adequate motivations. The Board of Directors understand the structure and the relationship of the shareholders that may affect the management and the business operation.

Principle 5: Nurture innovation and responsible business

The Board of Directors emphasizes on supporting and promoting innovation that creates value to the Organization together with providing benefits to the customers or stakeholders, as well as being responsible to the environment.

The Board of Directors follow up and makes sure that the business operates with responsibility to the society and to the environment as reflected in the operational plan. This is so that all parties proceed by abiding to the core objectives, goals and the strategies of the Company.

The Board of Directors oversee the allocation of resources efficiently and effectively by considering the impact of the value chain, so that the goals and objectives can be achieved sustainably.

The Board of Directors manages the organizational information technology that matches the requirements of the Company, including overseeing the use of IT to create business opportunities and to improve the risks management. In order to achieve the objectives and core missions of the Company, the Board of Directors also covers risks management in terms of information technology, as well as establishing policies to safely protect the information.

Principle 6: Strengthen effective risk management and internal control

The Board of Directors makes sure that there are risk management system and internal control that allows the Company to achieve its objectives effectively, under the laws, regulations and standards related. The Board improves and develops the risks management process constantly by arranging independent auditors to be responsible for inspecting and evaluating the risks management and internal control systems, as well as reporting and disclosing their findings in the annual report.

The Board has set up the Audit Committee that can work effectively and independently with the qualifications and responsibilities as indicated by the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Board of Directors have monitored and managed the conflicts of interests that may happen between the Company and the management, the Directors or the shareholders, including preventing the unlawful use of assets, information, opportunities and undesirable business transactions with any parties relating to the Company.

The Board has clear anti-corruption policies, including supporting activities that promotes awareness of the employees to abide by the law and all relating regulations in each level of the Organization, and to the external parties. The Company establishes channel to listen to claims and whistle blowers through the website with complete procedures to verify the information (record, follow up, solve the problem) and to report to the Board of Directors. The Company provides protection measures to whistle blowers that honestly reports the leads.

Principle 7: Ensure disclosure and financial integrity

The Board of Directors is responsible for selecting the person in charge of preparing financial reports and disclosing all significant information sufficiently, correctly and on time, and overseeing the financial liquidity and affordability ratio. The individual must possess necessary skills and experience suitable for this responsibility. This individual may be the Chief of Accounting and Finance, Accountant, Auditor, Company's Secretary, and Investor Relation. In the case of a financial crisis, the Board prepares back up plan or any other methods of resolving financial situation. The Board is aware of the rights of stakeholders and has arranged for the representative to communicate with the shareholders. This individual must understand the Company's business, including its objectives, goals, values and can communicate well with investors and capital market such as Directors or the CEO. The Board promotes the use of IT in disclosing information. Other than publishing through the Stocks Exchange of Thailand as required, the Board of Directors also publishes the information both in Thai and English through other channels such as the Company's website and provides up-to-date information, accessible for all parties.

Principle 8: Ensure engagement and communication with shareholders

The Board of Directors ensures that the shareholders engage in making important decisions of the Company fairly and equally as stated in the Company's corporate governance guidelines. The Board promotes shareholders participation in the shareholders' meeting and allow the shareholders to exercise their rights effectively and transparently. The shareholders can add agendas prior to the meeting and if the agenda is not approved, the Board must notify the shareholders.

The minority shareholders can propose the individuals to take the position of Directors. The Board of Directors must disclose such information to the shareholder in advance and also publish the regulations on the Company's website and make sure that the meeting invitations contain complete and accurate information as per the rights of the shareholders, both in Thai and English language. The invitation must be sent out and revealed publicly at least 28 days before the meeting. The Board of Directors and all Executives

must be present so that the shareholders can inquire on any relating matters. The Company will disclose the meeting's resolutions and the result of the votes on the next day, through the information channel of the Stock Exchange of Thailand and on the Company's website. The copy of the shareholders meeting minutes will be sent to the Stock Exchange of Thailand within 14 days since the day of the shareholders meeting.

6.2 Business Ethics

The Company requires the Directors, Executives and the staffs of all levels to be responsible in their duties and follow the instructions diligently and emphasized on fair and equal treatment to all stakeholders, according to the principle of good governance. The Directors, Executives and the staffs of all levels must understand and strictly upholds the code so that the operation can be carried out efficiently, transparently, honestly and with the best interest of the Company. The actions must be fair to all parties of stakeholders and be accountable.

6.3 Significant changes and improvements of the policy, guidelines and corporate governance in the past year.

The Company had revised its Corporate Governance Policy by comparing it with the CG Code of the listed companies B.E. 2555 and the CG code of the listed companies B.E. 2560 of the Securities and Exchange Commission. The management team discovered that the Company had already adapted most of the regulation and notified the meeting as of Friday 10th August 2018. Additional policies which requires further approval for implementation are 1. Diversity in the Directors structure 2. Length of terms for the Directors 3. Remuneration policy for the Directors, CEO and the Managers 4. Policy on holding a position in listed companies and the subsidiaries that are not listed companies 5. Skills development for the Directors and 6. Personnel management, The Company had improved the Directors evaluation and considered revising the corporate governance policy to match with the CG Code of the Securities and Exchange Commission (SEC), with the details as follows;

Diversity in the Structure of Directors

The Company and the Remuneration Committee is responsible for choosing a variety of characteristics among the Directors for each Committee so that there are diversities in the structure of Directors, including adequate knowledge and expertise relating to the Company's business and the industries involved. The Directors should have specialized skills and relevant experience to the business operation including age, gender and necessary abilities to achieve the ultimate goal of the Company and to complete the Board Skill Matrix. The Board of Directors must consist of at least one Non – Executive member that has enough experience in the business or in the industry so that the Directors has a better understanding and can respond correctly to the demands of the stakeholders. In order to search for Directors, the Company may require the help of a professional search firm or the data from the Director pool of the Thai Institute of Director (IOD).

Term Rotation Policy

The Company's Board of Directors are in position for 3 years per term and during each Annual General Meeting of Shareholder, one third (1/3) of Directors must retire. If the numbers of Directors are not divisible into three (3), the closest number to one third (1/3) will be chosen. The Directors who must retire in the first and the second year after the Company registration will be decided by drawing lots. In the following years, the Directors who had been in position the longest must retire. The Directors who retire by rotation may be re-elected to be in the position again.

As for the independent directors which can be in position for no longer than 9 years or 3 terms since the first day of appointment (since the Company had registered in the Stock Exchange), if the independent directors were to continue with the position, the Directors should consider the matter carefully and propose to the Shareholders Meeting for approval.

Remuneration Policy for Directors / CEO / Executives

Remuneration for Directors

The Remuneration Committee of the Company decides, regulates and approves of the remuneration before proposing to the Board of Directors. The evaluation process is thorough, clear and transparent by comparing with companies in the similar industry, including duties, responsibilities and also considering the business expansion and profit growth which is sufficient to attract and maintain the Directors with appropriate capabilities. Each year, once the Remuneration Committee had considered and approved, the remuneration will be proposed to the Board of Directors for further consideration and finally presenting it to the Shareholders Meeting for approval.

Remuneration for Chief Executive Officer

The remuneration for the Chief Executive Officer will be evaluated annually according to the policies regulated by the Remuneration Committee both in the short and long terms. For example, remuneration as monthly salary, annual bonus and long-term incentives that must relate with the financial operation and achieving long term strategic goals such as CEO improvement including the business expansion and profit growth.

Remuneration for the Executives

The remuneration for the Executives will be evaluated annually according to the policies regulated by the Remuneration Committee.

Policy for the Directors holding a position in the listed companies and subsidiaries that are not listed companies

The Board of Directors stated that the Directors may hold position in no more than 5 listed companies per person, unless authorized by the Company to be the Director. When holding other positions, the Directors must notify the Board of Directors in the meeting.

Policy for the Chief Executive Officer holding a position in other listed companies

The Board of Directors stated that the CEO may hold a director position in no more than 5 listed companies. This does not include the subsidiaries, companies in the same group or the joint ventures of the Companies that the interests of the Company must be protected.

Directors Improvement Policy

The Company encourages and promotes the Directors in all Committee including new Directors to be aware of the responsibilities as well as rules and regulations regarding the business which had been established by organizations such as the Securities and Exchange Committee, the Stock Exchange of Thailand and the Thai Institute of Directors (IOD).

The new Directors for the position of the Board of Directors, Independent Directors and other Sub Committee of the Company must attend the orientation program according to the Stock Exchange of Thailand. This is so that the Directors understand and are aware of all information regarding the business operation, duties, responsibilities and also the rules and regulations necessary for being the Directors in a listed company of the Stock Exchange of Thailand.

Personnel Management Policy

Employment

The Company employs workers as appropriate to the jobs. As for higher level positions, the Company will consider promoting the staffs internally by prioritizing those with adequate skills. The Company will consider outside individuals only when there are not enough staffs, or the position requires individuals with specialized skills that are not present in the Company.

Remunerations and Benefits Management

The Company manages the remunerations and the benefits fairly and sufficiently for the employees so that they may work comfortably for the Company while receiving adequate salary and benefits suitable for the duties and responsibilities. The Company takes the following into consideration when providing salary and benefits;

1. General situation of the domestic economy
2. Wages in the domestic labor market.
3. Salary and benefits of other companies with similar business.
4. Different levels of positions internally.
5. Current economic and financial situation of the Company.

Human Resource Development

The Company aims to develop its human resources in all levels of the Organization from operations, managements to executives according to the duties, responsibilities and situations by emphasizing on creating a learning culture for the employees to be passed on in each positions with the core principles as follows;

1. Creating a learning culture

The Company aims to establish a learning culture for the employees and allowing them to be the center of education. This is achieved through activities that encourages the employees to learn, to take an interest in the work which will lead to knowledge development.

2. Training courses as appropriate

The Company assesses and evaluates the necessity for training the employees, including the skills and knowledge testing according to the policy, in order to appropriately arrange training courses that maximizes the benefits for both the employees and the trainers, the Organization and the customers. Not only there are both internal and external training courses for the employees, the Company also provides the executives with coaching courses and on the job training by proceeding according to the Company's personnel development policy.

3. Job succession

The Company plans the succession for each level of management especially in the management and the executive level by appointing the successor in the vice position to act in the position temporarily. In the case of permanent replacement, the Company will choose from within the Organization to promote individuals with satisfactory performance and excellent potential to move on the career path both for the middle level management and for general employees. The process will be considered through the Board of Directors consisting of the CEO and the Department Directors or middle level managements as appropriate.

The Company will continuously improve on other matters, in order to increase the efficiency of the corporate governance and increase the standard of the Company to match the CG Code for the listed companies.

In the past year, the Company had been evaluated by the Thai Institute of Directors (Thai IOD) under the inspection project of 'Corporate Governance Report of Thai Listed Companies 2023: CGR' with the support of the Stock Exchange of Thailand (SET) and achieved 4 stars (Very Good) with an average score of 73 points.

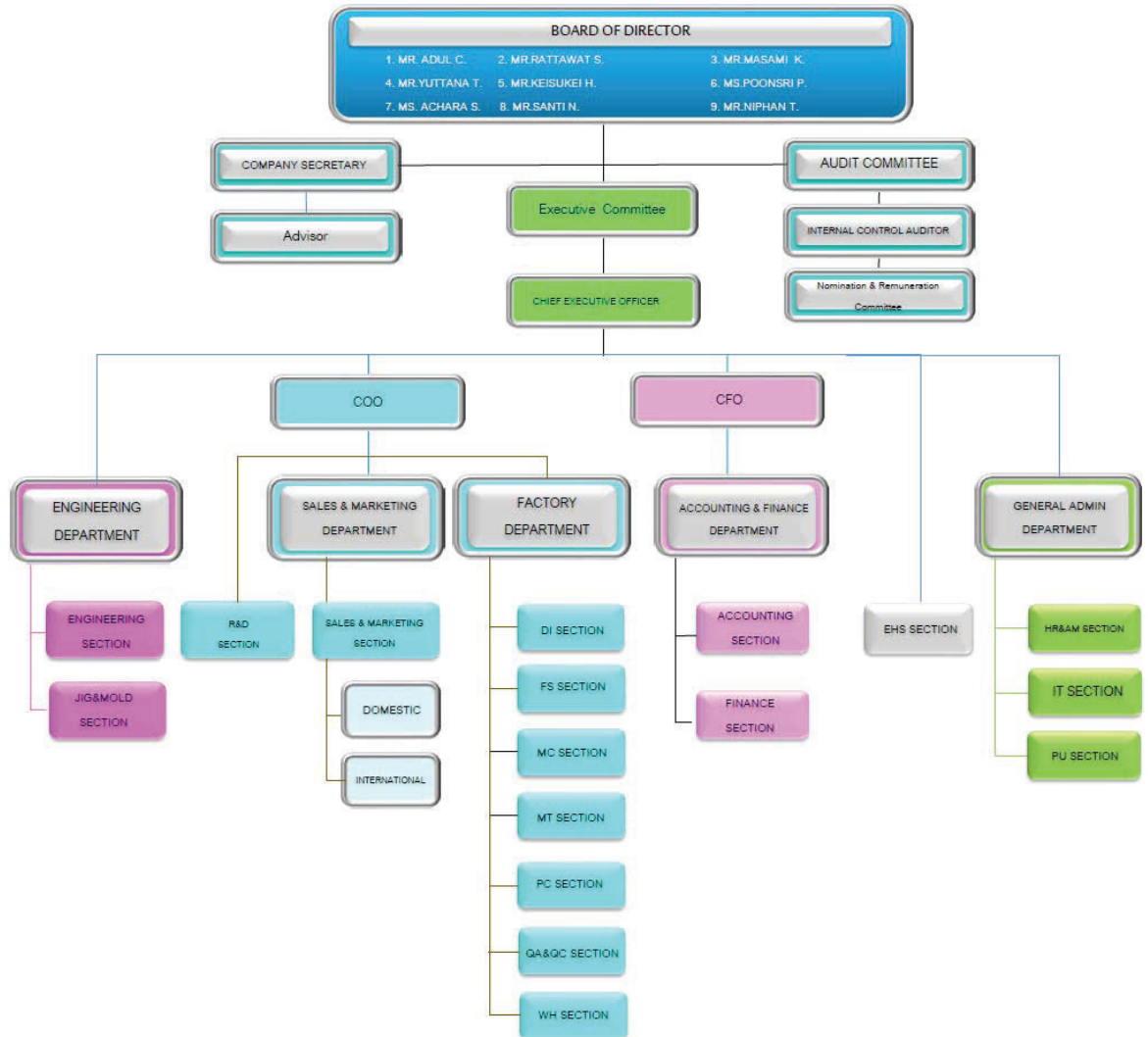


2023 Shareholders evaluation result at 95 points

Evaluation for the 2023 Annual Shareholders Meeting score – Excellent (4 medals) 95 points

7. Corporate governance structure and important information regarding the Board of Directors, Sub-Committees, Executives, Staffs, and other matters.

7.1 Corporate Governance Structure



7.2 Information regarding the Board of Directors

The Board of Directors consists of Executives, Directors as representative of the shareholders and independent Directors. The Chairman of the Board is an independent Director that must be different from the CEO. There are 9 Directors with the ratio of independent Directors to all Directors at 55.55%, and the ratio of Directors who are not Executives is 77.77%.

The Board of Directors as of 31st March 2024 consists of 9 members as follows;

| Name – Surname | | Position |
|-------------------------------|--------------------|--|
| 1. Mr. .Adul | Chotinisakorn | Chairman of the Board |
| 2. Mr. Masami | Katsumoto | Director |
| 3. Mr. Keisuke ^{/1} | Hamada | Director |
| 4. Mr. Rattawat | Suksaichol | Director/ Nomination and Remuneration Committee |
| 5. Mrs. Poonsri ^{/1} | Pattamavorakulchai | Director |
| 6. Mr. Yuttana | Taepangthong | Director/ Nomination and Remuneration Committee |
| 7. Ms. Achara | Suwanpuchai | Independent Director/ Chairman of the Audit Committee |
| 8. Mr. Nipan | Tungpiruttham | Independent Director/ Audit Committee/ Chairman of Nomination and Remuneration Committee |
| 9. Mr. Santi | Niamnil | Independent Director/ Audit Committee |

Remarks: ^{/1}Mrs. Poonsri Pattamavorakulchai and Mr. Keisuke Hamada are the representing directors from the the Pinthong Group.

With Ms. Sakulip Homanee as the Secretary to the Board of Directors.

Directors with signing authorization on behalf of the company as of 31st December 2023

The number and name of the directors who are authorized to sign to bind the company are Mr. Masami Katsumoto or Mr. Keisuke Hamada or Mr. Rattawat Suksaichol, jointly sign and affix the company's seal

Scope of Authorities of the Board of Directors

The scope of authority, duties and responsibilities of the Board of Directors as concluded in the 2nd Shareholders Meeting on the 15th December 2009 is as follows;

- 1) To manage the Company in compliance with laws, objectives, Article of Association, the legalized resolutions passed at shareholders' meeting with honesty, carefulness and protection of the interests of the Company.

- 2) To appoint the management of the Company from some of directors and / or its executives to take any action as assigned by the Board of Directors and appoint other committee as it determines appropriate
- 3) To determine the Company's target, policy, business plan and budget, as well as supervise and monitor the management to ensure that they conform the Company's policy.
- 4) To review and approve policy, direction, strategic, business plan and large investment projects of the company that proposed by management.
- 5) To monitor the Company's operating performance to ensure ongoing compliance with the plans and budget
- 6) To consider and approve the significant matters relating to the company or any appropriate operations for the best interest of the Company

An exception for the following matters will be made when approved by the shareholders' meeting. In addition, directors cannot approve any transactions that he/she has interests or conflict of interests of any nature with the Company or its subsidiaries.

(A) Subject to laws must be resolved by the shareholders meeting.

(B) The transactions, which directors have interests or conflict of interests under laws or the requirements of the Stock Exchange of Thailand, have required an approval of the shareholders' meeting.

The following matters must be approved by the Board of Directors by majority vote of the directors attending the meeting and the shareholders' meeting by vote of not less than 3 in 4 of the total votes and entitled to vote.

(A) To sell or transfer entire of the business or a significant part to other parties

(B) To acquire or transfer other companies or private company

(C) To change or terminate some or whole of leasing contracts of the Company and assign person to manage the business of the Company or merge with another party with the purpose of sharing profit together.

(D) Any changes in memorandum of association or article of association.

(E) Capital increase or reduce, bond issuing, merger and acquisition or liquidate the company

(F) Any other matters must be approved by the Board of Directors and the Shareholders' Meeting under the securities laws and / or the requirements of the Stock Exchange of Thailand.

Chairman of the Board's responsibilities

- 1) Responsible for following up and oversee the operation and performance of the Board of Directors effectively and efficiently according to the established goals and regulations of the Company.

- 2) Ensure the participation of all Directors, including setting a good example both professionally and ethically. Perform the duties under good governance to promote great organizational culture.
- 3) Organize the meetings with the CEO and the Independent Directors and ensure that various issues relating to the Company had been prioritized appropriately.
- 4) Organize the meetings with the Board of Directors, oversee the preparation for both invites and agendas related to the meetings so that the Directors can receive the information fully and on time, prior to the meeting.
- 5) Act as the Chairman of the Board and Chairman of the Shareholders Meetings, as well as guiding the meetings to proceed as regulated and under the agendas given.
- 6) Allocating sufficient time for the Board of Directors and the management to give the presentation fully, including allowing the Directors to explain the issues concerned in details and also allowing the Board of Directors to voice their opinions freely.
- 7) In the case of an equal votes in the meeting, the Chairman must provide one more vote to decide as absolute.
- 8) Promote good relationship between all members of the Board of Directors and to the management team.
- 9) Follow up and oversee the disclosing of public information according to the laws and regulations, both for the 56-1 One Report and through the Company's website (www.sankothai.net).

7.3 Information regarding the Sub – Committees

1. The Audit Committee

Scope of Authorities of the Audit Committee

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business;
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;

5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company;

6. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:

- an opinion on the accuracy, completeness and creditability of the Company's financial report,
- an opinion on the adequacy of the Company's internal control system,
- an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
- an opinion on the suitability of an auditor,
- an opinion on the transactions that may lead to conflicts of interests,
- the number of the audit committee meetings, and the attendance of such meetings by each committee member,
- an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
- other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors; and

7. To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

In its performance of duties under the first paragraph, the audit committee must be directly responsible to the Company's board of directors, while the Company's board of directors shall remain responsible to third parties for the operations of the Company.

The Audit Committee, as of 31st March 2024, consists of 3 members as follows;

| Name – Surname | | Position |
|----------------|---------------|---------------------------------|
| Ms. Achara | Suwanpuchai* | Chairman of the Audit Committee |
| Mr. Nipan | Tungpiruttham | Audit Committee |
| Mr. Santi | Niamnil | Audit Committee |

Remarks: Ms. Achara Suwanpuchai The audit committee must have sufficient qualifications to inspect and evaluate the financial statements. The candidate must have an accounting degree and has experiences in accounting such as being a consultant for an accounting firm, for example SC System Networks and PK Automotive.

The Board had appointed Mr. Thannithi Thanagijirawach to be the secretary of the Audit Committee.

2. Nomination and Remuneration Committee

Composition of the Nomination and Remuneration Committee

1. The NRC is to be appointed by the Board of Directors company's committee and has to comprise of not less than three persons, being the Company's directors and executives.
2. The independent director shall be the Chairman of the NRC.

The Office Term

1. The NRC's member has the office term has a tenure as the term of the Board of Director member.
2. The NRS's member may be re-appointed as the Board of Directors see as appropriate.
3. Apart from vacating upon the end of office term stated in Item 3.1, the Audit Committee's member will retire from the office upon the following conditions:
 1. Resignation
 2. Dismissal by the Board of Directors
4. The Board of Directors has power to appoint a new member of the NRC as to resume the operation and to substitute the member of the NRC who is out of office term according to Item 1 or Item 3 The substituted member can only be in the office within the remaining term of the member he/she replaced.

Scope of Authorities of the Nomination and Remuneration Committee

1. Nomination

1. guidelines and policies in nominating Board of Directors and other sub-committee members by considering what would be the appropriate number, structure and composition of members, and outlining necessary directors' qualifications, and proposing these ideas for approval by the Board of Directors and/or Shareholders' Meeting as appropriate.
2. Searching, selecting and proposing appropriate persons to assume the position of the Company's directors whose terms have expired and/or became vacant, including newly appointed director.
3. Executing other tasks related to nominations as assigned by the Board of Directors.
4. Setting guidelines and policies in nominating and evaluating the performance of the Chief Executive officer (CEO) and reporting to the Board of Directors for their consent.

2. Remuneration

1. Preparing guidelines and policies in determining the Board of Directors, other sub-committees' remuneration and Chief Executive Officer, and proposing it to the Board of Directors and/or Shareholders' Meeting for approval as appropriate.
2. Determining necessary and appropriate monetary and non-monetary remuneration, for individual members of the Board of Directors by taking into consideration each director's duties and responsibilities, performance, and comparisons against similar businesses, and the benefits expected in return from each director. The report will be submitted to the Board of Directors for consent and to the Shareholders' Meeting for approval.
3. Taking responsibility to support the Board of Directors and being responsible for explaining and answering any questions regarding the Board of Directors' remuneration in the Shareholders' Meeting.

4. Reporting policies and principles/ reasons in determining the remuneration of directors and management according to the SET guidelines by disclosing them in the Company's annual information disclosure (56-1) and annual report.

5. Being responsible for any other tasks related to the remuneration as assigned by the Board of Directors. The management team and other units have to report or present the information relating to the NRC in order to support the operation of the NRC to achieve their assigned tasks.

3. Reports

The Remuneration Committee reports to the Board of Directors.

4. Meetings

1. The Remuneration Committee can arrange or call for a meeting as appropriate at least twice a year and may request for more as necessary. The quorum consists of the Directors of the Remuneration Committee no less than half of the total number of Directors.

2. Every Directors should attend all meetings unless there are circumstances that prevents from attending and should notify the Chairman of the Remuneration Committee in advance.

3. The Chairman of the Remuneration Committee is the Chairman of the meeting. In the case that the Chairman is absent or cannot perform the duty, the directors of the Remuneration Committee must elect one Director as the Chairman of the meeting.

4. The resolution of the Remuneration Committee follows the majority vote. However, the Directors of the Remuneration Committee who has conflicts of interests on any agenda must not participate or vote on those issues.

5. The meeting invitation for the Directors of the Remuneration Committee will be sent out prior to the meeting, unless there is an emergency, the meeting will be notified by other means or arranged for an earlier date and the secretary of the Remuneration will record the meeting minute.

6. The Remuneration Committee may invite relating parties to attend and clarify any issues at the meeting.

The Nomination and Remuneration Committee as of March 31, 2024 has a total of 3 members as follows:

| Name - Surname | Position |
|--------------------------|---|
| Mr. Nipan Tungpiruttham | Chairman of the Nomination and Remuneration Committee |
| Mr. Yuttana Taepangthong | Director |
| Mr. Rattawat Suksaichol | Director |

Appointed Ms. Sakultrip Homanee as the Secretary of the Nomination and Remuneration Committee

3. Executive Board

Requirements and Qualifications

1 The Executive Committee consists of the Chief Executive Officer and no more than 4 others as suggested by the CEO and must be approved by the Board of Directors. However, the Executive Committee will select an individual within the committee to be the Chairman of the Executive Committee and another person to be Vice Chairman.

2 The Executive Committee appoints the secretary of the committee. The role of the secretary of the executive committee is to arrange meetings, gather documents for the meeting and also prepare the meeting minute for the committee every time.

3 The Executive Committee must hold meetings as appropriate but must not be less than once per month.

4 The Chairman of the Executive Committee will call for the Executive Committee Meeting. In the case that the Chairman could not perform his/her duty, the Vice Chairman will do it instead

Terms of the positions

1. In the case that the Executive Director is the Board of Director, let the terms be under the Board of Director.

2. In the case that the Executive Director is the Manager, let the terms be under the Company's Manager.

3. In the case that the Executive Director is an outsider who is neither Director or Manager of the Company or is an outside individual, the position will be as the resolution of the committee.

Authorities and Limitation of the Executive Committee

1. The Executive Committee has the authority in setting the policies, goals, strategies, work procedure and annual budget as designated and also the business activities which must follow the policies, regulations or any other orders by the Board of Directors. Moreover, the Executive Committee is responsible for evaluating, screening, inspecting all issues presented to the Board of Directors for further approval or acknowledgement.

2. The Executive Committee has the power to direct the organizational structure by covering the selection process, trainings, benefits and including the Company's dismissal of the staffs.

3. The Executive Committee may appoint or assign any individual to perform any tasks instead of the Executive Committee as appropriate and that the Executive Committee may cancel, adjust or revise such authorities.

Executive Board at of 31st March 2024, consists of 4 members as follows;

| Name – Surname | | Position |
|--------------------------------|------------------|-------------------------------------|
| Mr. Rattawat | Suksaichol | Chairman of the Executive Committee |
| Mr. Kiattipoom | Poomminun | Director |
| Mr. Thannithi Thanagijjirawach | | Director |
| Mr. Anant | Tungsunthornthum | Director |

Appointed Ms. Pinporn Chakijdee as the Secretary of the Committee

7.4 Information regarding the Executives

7.4.1 Names and positions of executives

The names of the Executives as announced by the SEC, concerning the issuing of and offer to sell the assets. The Managing Directors, as of 31st March 2024, consists of 4 members as follows;

| Name – Surname | | Position |
|----------------|------------------|--|
| Mr. Rattawat | Suksaichol | Chief Executive Officer and General Management Department Manager |
| Mr. Kiatipoom | Poomminun | Chief Operating Officer (Acting) |
| Mr. Thannithi | Thanagijirawach | Chief Financial Officer (CFO) |
| Mr. Anant | Tungsunthornthum | Engineering Department Manager |

Scope of work of the Chief Executive Officer (CEO)

1. To manage and monitor the Company's business
2. To perform any tasks as assigned by the Board of Directors
3. To consider employment, appointment, transferring of employees, termination of employment, setting salary, remuneration and bonus packages of all employees, except CEO position
4. Authorize to consider and approve the lists of short-term loan within limits of 20 million baht per year for each item.
5. Authorize to approve the common and necessary action in the affairs of company general operation such as Sales and services, Procurement of raw materials., Subcontract or Vender and The service contract, Expense for all management in term of other productions., Approval of machinery / utilities reparation costs. and Rental/Hire Purchase of machinery, equipment for all production, transportation for company officer, transportation for product distribution, equipment and tools including the rental of property etc.
6. Authorize to approve the action of any investment related to manufacturing development and machinery procurement is not exceeding 7 million baht per year.
7. To empower the command, announcement, regulation or memorandum for operation being in line with policies and interest of the Company and to maintain discipline within the organization.
8. To authorize to act and being representative of the company to a third party involved in the business and benefits of the company
9. To appoint consultant as deemed necessary for the Company's operations
10. Other duties assigned by the Board of Directors

The authority so assigned, however, must not give Chief Executive Office or the persons as authorized the opportunity to consider and approve any transactions that he or his related parties may have interests or conflict of interests of any nature with the Company or its subsidiaries, except for transactions in

compliance with Article of Association, SEC and/ or SET criteria that have already been considered and approved by the Board of Directors and/or shareholder's meeting and reviewed by the Audit Committees.

Self-Assessment Evaluates the performance of the Chief Executive Officer.

The Remuneration Committee will evaluate the performance of the CEO and the CEO must also perform a self-evaluation assessment according to the CEO evaluation form by the Stock Exchange of Thailand in the 4th quarter annually. The evaluation will be divided into 3 categories as follows;

1. Projects Progression
2. Operation Performance
3. CEO Development

Then the results will be proposed to the Board of Directors for consideration and use the evaluation to further improve the operation and achieve all of the assigned goals. To this, the evaluation of the CEO for the year 2023 had been excellent.

7.4.2 Remuneration policy for Directors and Executives

Remuneration for Chief Executive Officer

The remuneration for the Chief Executive Officer will be evaluated annually according to the policies regulated by the Remuneration Committee both in the short and long terms. For example, remuneration as monthly salary, annual bonus and long-term incentives that must relate with the financial operation and achieving long term strategic goals such as CEO improvement including the business expansion and profit growth.

Remuneration for the Executives

The remuneration for the Executives will be evaluated annually according to the policies regulated by the Remuneration Committee.

7.4.3 Remunerations for the Executives

(1.) Monetary remuneration

In 2023, the company had remunerated the Executives with salaries and bonuses for the total of 6 members amounting to 13.4 million Baht. (Salary 12.24 million Baht, Bonus 1.2 million Baht). By percentage 11.2 of total employee paid.

(2.) Other compensation

Other management compensation - Provident funds

The company has set up a provident fund for the management the company has contributed according to the working age at the ratio of 3-6.5 % of salary in the year 2023. The Company has made contributions to the provident fund for 6 executives. Total 0.62 million Baht

7.5 Information regarding the employees

7.5.1 The numbers of employees Compensation and welfare

In 2023, the company has in total 397 members (as of 31st December 2023). The company has paid the remunerations to staff in total 120.31 million Baht in the form of salary, compensation, over time, travel expenses, bonus, per-diem, incentives and benefits.

The numbers of employees separated by positions

| Employee type | Number of people |
|----------------------------|------------------|
| Production Line | 340 |
| Administrative and support | 57 |
| Total | 397 |

Changes of labour in the past 3 years

Number of Staffs in 2021 – Total 431 (as of December 31st, 2021)

Number of Staffs in 2022 – Total 405 (as of December 31st, 2022)

Number of Staffs in 2023 – Total 397 (as of December 31st, 2023)

Cases of labour disputes in 2023

– None –

Consideration of remuneration adjustment

As for remuneration adjustments, in the recent years, the company uses the annual performance evaluation as the baseline to consider bonuses and the annual remunerations. This is to encourage the staffs and is a payoff to their hard work.

Employees benefits

The company also provides benefits to the staffs, for example shifts fee, heat fees (supporting fees for staffs that operate the furnace or heat giving machineries), incentive pay, annual health check-ups, uniforms, and supporting funds to the staffs in the case of marriage, pregnancy and/or give birth, death in the family, retirement funds, healthcare benefits (group insurance) and supporting funds when being admitted to hospitals. Also, the company supports the foundation of Sanko-Thai Credit Union to encourage savings and promote the unity between members of staff.

Provident funds

The Company encourages the Provident Fund Committee to select fund manager that works ethically, following the investment governance code (I Code) and can responsibly manage the funds by considering the factors regarding the environmental, social and governance (ESG). The individual must abide by the investment ethics and disclose the fund manager selection guideline to the members, which will promote the long-term benefits of the provident fund.

| Name of Funds | PVD | Number of employees participating in PVD (person) | Percentage of staff participating in the PVD (%) |
|-------------------------------|-----|---|--|
| Thai Mun Khong Provident Fund | YES | 325 | 81.86 |

7.5.2 Human Resource Development

The Company encourages the employees to improve both professionally and mentally, to be able to work healthily and happily through seminars and various activities, such as; New staffs orientation where the company trains the new staffs to fully understand their rights and roles as a member of the organization. This includes all the benefits, work standards, safety procedures and other organization cultures. During the probation period, the staffs will be evaluated to see how well they have adapted in to the organization and to their responsibilities as new employees.

1. New staffs orientation where the company trains the new staffs to fully understand their rights and roles as a member of the organization. This includes all the benefits, work standards, safety procedures and other organization cultures. During the probation period, the staffs will be evaluated to see how well they have adapted in to the organization and to their responsibilities as new employees.

2. Develop the skills and knowledge through seminars and on the job training with coaching system.

3. Develop the skills though functional expertise so that the staffs can understand and are able to take responsibility in their role, can teach others and can further grow in their career path.

4. Develop personnel through the company's core values by hosting activities that encourage the staffs to improve the following behaviors';

- Innovation
- Proactive Working
- Achievement Orientation
- Sense of Belonging

7.6 Other important Information

7.6.1 Head of the accountant

Mr. Thannithi Thanagijirawach, Chief Financial Officer

7.6.2 Company Secretary

The Board of Director has appointed Miss Sakutip Homanee as the Company Secretary as of 18th September 2009. (the company secretary 's qualifications can be seen in attachment no. 1)

7.6.3 The Internal Audit

T Group Advisory Company limited, an external audit company, has been appointed as the "Internal Audit" to monitor all operations and financial activities of the company for the year 2023 with Miss Rungwan Saelee acting as the main internal auditor of the company

7.6.4 Chief of corporate Operations Section

-None-

7.6.5 Chief of Investor Relations Section

Mr. Rattawat Suksaichol Chief of Investor Relations section. The shareholders and investors could contact investor relations Section Sanko Diecasting (Thailand) Public Company Limited.123, Sun Towers Building B, Room 2807, 28th Floor, Vibhavadi-Rangsit Road, Chom Phon, Chatuchak, Bangkok 10900, E-mail: sct@sankothai.net, ir@sankothai.net or Fax: 02-005-3310

7.6.6 Audit Fee

Audit Fee

At the General Shareholders Meeting of the year 2021 on 28th April 2021, the meeting approved the Audit fee of the year 2021 to be 1,500,000 (One million five hundred thousand Baht)

At the General Shareholders Meeting of the year 2022 on 28th April 2022, the meeting approved the Audit fee of the year 2022 to be 1,600,000 (One million six hundred thousand Baht)

At the General Shareholders Meeting of the year 2023 on 28th April 2023, the meeting approved the Audit fee of the year 2023 to be 1,650,000 (One million six hundred and five thousand Baht)

Non Audit Fee

-None-

8. Corporate governance

8.1 The Committee Performance Report

8.1.1 The committee nomination, development and evaluation process

Nomination

1. The Board of Directors

The selection of the individuals for the position of the Board of Directors have been nominated by the Nomination and Remuneration Committee. which will consider from the qualifications as per the Section 68 of the Public Limited Company Act B.E 2535 and as per the related announcement by the Securities and Exchange Commission. Moreover, the Board of Directors will consider experts from various fields to take up the positions which will be beneficial to the company for advising and giving opinions on many issues. The person must have a strong leadership, visions, morals and ethics with a clean, transparent work profiles and can make an independent decision. Once this is decided, the names will be presented in the Shareholders Meeting for appointment.

Directors shall be elected by the General Meeting of Shareholders under the criteria and procedures as follows;

- a) A shareholder has one vote per one share.
- b) In the election, the shareholders may vote to the nominee individually or many persons at a time depending on the decision of the meeting. The share holders may utilize the vote as per a) to vote, but cannot distribute different amount of votes to many different nominees.
- c) The person who receives the votes of the highest number and the next persons in the order of the number of votes received shall be elected Directors in the number permitted. In case the next persons in the order of the number of votes received obtain equal numbers of votes and the number of such persons exceeds the remaining number of Directors permitted, the Director to be elected therefore shall be decided by the Chairman.

At the Annual General Meeting of shareholders one-third of the Directors, or if their number is not multiple of three, then the number nearest to one-third must retire from office. A retiring director is eligible for re-election. The directors, who will retire in the first and second year after the company is listed, will cast lots to see who will retire in the following years and the director with the longest time on the post will retire from office. The retired directors may be re-elected back into position again.

In case the post of a Director has been vacated owing to reasons other than by completion of his tenure, the Board of Directors shall elect a qualified person, who does not have any prohibitive attributes pursuant to Section 68 of the Public Limited Company Act B.E. 2535 as a replacement Director for subsequent meetings of the Board of Directors unless the remaining period of the tenure is less than two months. The person who becomes a replacement Director may remain so as long as his/her time as Directors allowed, and must have the approval of no less than 3 out of 4 of the remaining directors.

In addition, the Board of Directors must consist of at least 1 in 3 Independent Directors from all of the Company's directors but no less than 3 persons.

The Definition of Independent Directors

"Independent Director" is the person who has no relation at all to the management of the company and/or the operation of the Company's business. This person is independent from major shareholders and from Company's executives, including the close relatives of the said people and can express their opinions freely by considering the benefits of the Company and of the Shareholders first.

Qualifications of Independent Directors

1. Must be a person with qualifications that does not violate the rules, regulations and any other applicable laws.
2. Holding shares not exceeding 1% of the total number of shares with voting rights of the Company, its parent company, subsidiary company, associate company, or juristic persons which may have conflicts of interests by counting also the shares of relating persons.
3. Neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than 2 years before the appointment date.
4. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary company.
5. Neither having nor used to have a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years before the appointment date.
6. Neither being nor used to be an auditor of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years before the appointment date.
7. Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding 2 million baht per year from the Company, its parent company, subsidiary company, associate company, or juristic persons

which may have conflict of interests, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than 2 years before the appointment date.

8. Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to a major shareholder of the Company.
9. Not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations.
10. Not undertaking any business in the same nature and in competition to the business of the Company or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding 1% of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary company.
11. Independent Directors must immediately notify the Board of the Directors in any situation which may jeopardize their qualifications as the Independent Director of the Company.

Once the Independent Directors have been appointed as per the above qualifications, the independent director may be assigned by the Board of Directors to take part in the business decision of the Company, its parent company, subsidiary company, associate company, same level subsidiary company, with juristic persons who may have conflict of interests, provided that such decision shall be in the form of collective decision.

2. The Audit Committee

The Remuneration Committee will select, approve and present to the Board of Directors for approval and once more proposing to the shareholders meeting to authorize the Audit Committee. The Audit Committee Directors must be no less than 3 people with at least one person in the field of accounting and finance. The Directors must possess the characteristics as regulated by the securities law and the SET.

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) was established for the first time by the Board of Directors' Meeting No.3/2017 on August 10, 2017 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, sub-committees and Chief executive officer. 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.

Composition of the Nomination and Remuneration Committee

1. The NRC is to be appointed by the Board of Directors company's committee and has to comprise of not less than three persons, being the Company's directors and executives.

2. The independent director shall be the Chairman of the NRC.

The Office Term

1. The NRC's member has the office term has a tenure as the term of the Board of Director member.
2. The NRS's member may be re-appointed as the Board of Directors see as appropriate.
3. Apart from vacating upon the end of office term stated in Item 3.1, the Audit Committee's member will retire from the office upon the following conditions:

1. Resignation
2. Dismissal by the Board of Directors

4. The Board of Directors has power to appoint a new member of the NRC as to resume the operation and to substitute the member of the NRC who is out of office term according to Item 3.1 or Item 3.3. The substituted member can only be in the office within the remaining term of the member he/she replaced.

4 Executive Board

Requirements and Qualifications

- 1 The Executive Committee consists of the Chief Executive Officer and no more than 4 others as suggested by the CEO and must be approved by the Board of Directors. However, the Executive Committee will select an individual within the committee to be the Chairman of the Executive Committee and another person to be Vice Chairman.

- 2 The Executive Committee appoints the secretary of the committee. The role of the secretary of the executive committee is to arrange meetings, gather documents for the meeting and also prepare the meeting minute for the committee every time.

- 3 The Executive Committee must hold meetings as appropriate but must not be less than once per month.

- 4 The Chairman of the Executive Committee will call for the Executive Committee Meeting. In the case that the Chairman could not perform his/her duty, the Vice Chairman will do it instead

Terms of the positions

1. In the case that the Executive Director is the Board of Director, let the terms be under the Board of Director.
2. In the case that the Executive Director is the Manager, let the terms be under the Company's Manager.
3. In the case that the Executive Director is an outsider who is neither Director or Manager of the Company or is an outside individual, the position will be as the resolution of the committee.

Potential Development

The Committee members are encouraged to increase their knowledge by means of entering the valuable seminars or courses or training programs concerning global news, world innovation, new idea of business management, etc.; and, this could help the members work effectively.

At present, all Board of Directors had completely attended the workshops on the roles and responsibilities of the Directors.

In order to follow the latest Corporate Governance Policy that all committee have the rights to access up- to-date information thoroughly, precisely, adequately and equally, the company secretary will inform them about the SET Regulatory Authority and the Securities and Exchange Commission (SEC)'s latest involved regulations in every meeting, additionally, the company secretary is encouraged to be in the related programs and seminars held by SEC and involved institutions.

(the committee members and company secretary 's training history can be seen in attachment no. 1)

Committee's performance Evaluation

The company's performance is aimed to be evaluated annually in order to bring its useful result in improving the committee and the subcommittees' performance in various aspects that leads to encourage the effectiveness of the committee's performance monitor. To comply with the laws and regulations Securities and Exchange Act, for the year 2023, Self- Evaluation is fully used; and the 4 subjects are as follow

- 1) The committee's structure and qualification is suitable for productive work
- 2) The committee take action in these jobs which leads to efficient performance in the meeting
- 3) The committee's role duty and responsibility is focusing on taking action in these aspects.
- 4) Others aspects, 29 sub headings; in conclusion, the committee performance evaluation is 85.54%

The Audit Committee uses the self-assessment method from the Stock Exchange of Thailand (SET) with 3 main categories as follows;

1. Board structure and qualifications are appropriate and allow the Directors to work effectively (7 sub-categories).
2. Board meeting are carried out so that Directors can participate in the meeting effectively (6 sub-categories).
3. Roles, duties and responsibilities of the Board. The Board greatly emphasizes on providing sufficient period of time to evaluate all important matters (7 sub-categories).

There are 20 sub-categories for the total of 100% for the self-assessment by the Audit Committee and the average score is 79.60 % (Excellence).

New Directors Orientation

When taking up the position of the Company's Director / Independent Director, each director will receive the Director Manual and learn all vital information regarding the Company such as the regulations outlining the limit of the authorities, duties and responsibilities of the Directors, advice on the law, rules and all the terms for being the Directors in a listed Company of the Stock Exchange of Thailand, including the knowledge in the business of the Company.

8.1.2 Meeting Attendance and Remunerations for each Committee

Meeting Attendance

1. Attendance of the Board of Directors Meeting for the year 2023

| Name - Surname | | Position | Meeting | | |
|-----------------|--------------------|-----------------------|--|--|--|
| | | | Board meeting (Meeting attendance/ Right of meeting) | AGM Meeting Meeting attendance/ Right of meeting) | EGM Meeting Meeting attendance/ Right of meeting) |
| 1. Mr. Adul | Chotinisakorn | Chairman of the Board | 4/4 | 1/1 | - |
| 2. Mr. Masami | Katsumoto | Director | 4/4 | 1/1 | - |
| 3. Mr. Keisuke | Hamada | Director | 4/4 | 1/1 | - |
| 4. Mr. Rattawat | Suksaichol | Director | 4/4 | 1/1 | - |
| 5. Mrs. Poonsri | Pattamavorakulchai | Director | 4/4 | 1/1 | - |
| 6. Mr. Yuttana | Taepangthong | Director | 4/4 | 1/1 | - |
| 7. Ms. Achara | Suwanpuchai | Independent Director | 4/4 | 1/1 | - |
| 8. Mr. Nipan | Tungpiruttham | Independent Director | 4/4 | 1/1 | - |
| 9. Mr. Santi | Niamnil | Independent Director | 4/4 | 1/1 | - |

At the Shareholders Meeting on 28th April 2023, the board has approved to remunerate the directors in the year 2023 as follows;

| Position | Meeting Allowance (per time) Baht | | Bonus/ Pension and other benefits | |
|--|-----------------------------------|--------|-----------------------------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| 1The Board of Directors* | | | | |
| Chairman of the Board | 32,000 | 30,000 | <u>N/A</u> | <u>N/A</u> |
| Directors | 12,000 | 10,000 | <u>N/A</u> | <u>N/A</u> |
| 2. The Audit Committee | 19,500 | 17,500 | <u>N/A</u> | <u>N/A</u> |
| 4. Nomination and Remuneration Committee | 7,000 | 5,000 | <u>N/A</u> | <u>N/A</u> |

*The Meeting Allowance will be paid for the meeting of Board of Directors and (AGM, EGM)

In 2023, the remunerations of the Directors were as follows;

| Name - Surname | Position | Meeting Allowances (Baht) | | | | |
|------------------------------------|--|---------------------------|-----------------|---------------------------------------|---------|---------|
| | | Directors | Audit Committee | Nomination and Remuneration Committee | AGM/EGM | Total |
| 1. Mr. Adul Chotinisakorn | Chairman of the Board | 126,000 | - | - | 30,000 | 156,000 |
| 2. Mr. Masami Katsumoto | Director | 46,000 | - | - | 10,000 | 56,000 |
| 3. Mr. Keisuke Hamada | Director | 46,000 | - | - | 10,000 | 56,000 |
| 4. Mr. Rattawat Suksaichol | Director/ Nomination and Remuneration Committee | 46,000 | - | 12,000 | 10,000 | 68,000 |
| 5. Mrs. Poonsri Pattamavorakulchai | Director | 46,000 | - | - | 10,000 | 56,000 |
| 6. Mr. Yuttana Taepangthong | Director/ Nomination and Remuneration Committee | 46,000 | - | 12,000 | 10,000 | 68,000 |
| 7. Ms. Achara Suwanpuchai | Independent Director/ Audit Committee | 46,000 | 76,000 | - | 10,000 | 132,000 |
| 8. Mr. Nipan Tungpiruttham | Independent Director/ Audit Committee/ Chairman of Nomination and Remuneration Committee | 46,000 | 76,000 | 12,000 | 10,000 | 144,000 |
| 9. Mr. Santi Niamnil | Independent Director/Audit Committee | 46,000 | 76,000 | - | 10,000 | 132,000 |
| Total | | 494,000 | 228,000 | 36,000 | 110,000 | 868,000 |

2.Non – monetary Remuneration/ Other benefits

No additional compensation

8.1.3 To follow up the policy and guide lines of corporate governance

The company emphasizes on good corporate governance; therefore, the involved policy and guide lines are included in the company's good corporate governance and code of ethics. Also, the company encourages the utilization of these policy and guidelines as a method to provoke the shareholders' reliance.

In the past year, the company did follow up good corporate governance including 1) equal employee treatment 2) anti unfair competition 3) better environment, hygiene and safety 4) safety of information communication. As a result, all aspects have been done completely.

The company also catches up in line with good corporate governance policy in 4 aspects as follows;

1. Conflicts of interests

The Company does not allow the Directors, Executives and the staffs to abuse the power for their personal gains and have laid out the regulations as follows;

1.) The Board of Directors, the Audit Committee and the Executives must consider the conflicts of interests for certain transactions that me related, following the requirements of the stock exchange cautiously, accurately, honestly, within reasons and is independent under the principle of good business ethics by prioritizing the benefits of the Company at its core. This is to make sure that the said transactions are reasonable and is for the benefits of the Company and that the stakeholders have no involvement in the said transactions.⁹⁹

2.) Not performing any actions that are on the contrary to the Company's benefits such as obstructing the benefits of the Company or acquiring portions of the Company's benefits.

3.) Not performing any actions that may compete with the Company's business.

4.) Avoid self-related transactions that may cause a conflict of interest with the Company's benefits.

5.) In the case that certain transactions must be executed, for the benefits of the Company, proceed with the transaction as if dealing with an outside party with written trade contracts as per usual without influences from the position of the Director, Executive or relating individuals and also following the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission for disclosing the information of the said transaction.

6.) The Directors, Executives, staffs and the Company's employees, including the spouses and the children of the said persons are forbidden from seeking personal gains from the Company's business operations for example, performing any actions to sell the goods or services to the Company. If such actions occur, there must be written documents to notify the said actions in all cases.

In the past year, there is no case of conflict of interest

2. Usage of internal information for personal gains

Trading the Company's stocks and usage of the internal information

All information that may affect the Company's asset values or information that, when disclosed to the public, may cause damages to the Company's reputation or place the Company at the disadvantage, is considered significant and confidential information. Therefore, the preparation, protection or the disclosure of the information must be carried out appropriately, by considering the effects to the stakeholders as a whole and following the indicated laws and regulations and not using such information for personal gains or for other parties as follows;

1.) The Company forbids the Directors, Executives, and the staffs including their spouses and under age children from buying or selling the Company's assets within 1 month before the disclosure of the financial statement or the Company's status including other confidential information and must wait for at least 24 hours after the information has been revealed to the public before buying or selling the Company's assets.

2.) The Directors, Executives, and the staffs including their spouses and under age children are not allowed to use the Company's internal information that may affect the price of the Company's assets that have not been disclosed to the public in order to trade, offer to buy, trade or persuade other parties to trade into the assets of the Company both directly or indirectly before such information is revealed to the public and achieve their personal gains. Those who violate the regulations will receive disciplinary actions by the Company.

3.) The Directors, Executives, and the staffs are not allow to reveal the confidential and/or internal information of the Company in order to seek personal gains of for the benefits of the other parties both directly or indirectly and whether or not they will be compensated.

4.) Must protect the benefits and the confidential information of the Company and the customers. Do not reveal the confidential information of the Company to the public especially to the competitors, even though one is no longer a Director, Executive of the staff of the Company.

In the past year, no evidence had been found that the Directors or Executives had traded Company stocks in the given time. The Company had introduced electronical system to improve the efficiency of the report for the Directors, Executives and for the members of staff.

3. Anti-Corruption

Sanko Diecasting (Thailand) Public Company Limited aims to operate its businesses by upholding the responsibility to all parties involved. The Company had joined with the "Collective Action Coalition Against Corruption" in order to show its determination in fighting against all forms of corruption. The Company has appropriate policies to direct the responsibilities, guidelines and regulations for the business operation in order to prevent all forms of corruption involving with the Company's business activities and to

help deciding and operating the businesses with high risk factors. Therefore, the Company had prepared the “Anti-Corruption Policy” manual to act as clear guidelines when conducting businesses and lead the Organization to sustainable growth. As a result, the Board of Directors, the Executives and the staff including the parties involved must strictly operate the businesses according to the Anti-Corruption Policy.

Anti-corruption Policy

The Directors, Executives and the Company’s staffs are forbidden from initiating or accepting any forms of corruption both directly and indirectly by covering all of the Company’s business in all countries and all relating organizations. The anti-corruption policy will be frequently inspected, followed and will also be revised to better suit the changing nature of the economy, politics and the business society including the rules, regulations and the terms indicated by the laws.

Responsibilities

- (1) The Board of the Directors is responsible for setting up the policies and provide adequate and efficient anti-corruption support system, so that the management is aware of the importance of the anti-corruption policy and further develop into the Organizational culture.
- (2) The audit committee is responsible for inspecting the financial and accounting report system, internal control system, internal audit system and other procedures relating to the anti-corruption measures so that the system runs efficiently and according to the standards.
- (3) The Executives are responsible for setting up and support the system for the anti-corruption policy in order to communicate with the staffs and all relating personnel, including revising the suitability of the system and all protocols to better adapt with the change in the business, regulations and the laws.
- (4) The internal audit committee is responsible for inspecting and following up with the practice so that the procedures are carried out according to the policy, guidelines, regulations and the laws of the management, in order to be confident with the appropriate control system to prevent the corruption and report directly to the audit committee.

Procedure Guidelines

- (1) The Board of Directors, Executives and all levels of the Company’s staffs must follow the anti-corruption policy and the Company’s ethics by not involving themselves with corruption both directly and indirectly.
- (2) The Company’s staffs must not ignore or neglect any corruptions that involve the Company. The staffs must report the incident to the person in command or any responsible personnel and fully cooperate with the investigation. If there are any questions or inquiries, consult with the person in command or the responsible person regarding the Company’s ethics through the various channels provided by the Company.

- (3) The Company will protect the staffs who refuses the corruptions or reports the corruptions which relates to the Company by undergoing the whistle blower protection measures or the staffs who cooperate with the Company in reporting the incident, as indicated under the whistle blower policy.
- (4) Staffs who engage in corruption are considered violating the Company's ethics and will receive disciplinary actions as indicated by the Company. Furthermore, they may face legal charges if the said action is against the law.
- (5) The Company is aware of the importance of the disclosure and the communication between the trade partners and all of the Company's stakeholders or those who may affect the Company, regarding the practice of the anti-corruption policy.
- (6) The Company strives to create and safeguard the Organizational culture that rejects corruptions either to the private sector or to the public sector.

Terms of Procedures

- (1) Any actions following the anti-corruption policy must follow the guidelines as indicated in the Company's ethic manual, regulations and all Company relating guidelines including any other guidelines that may be introduced further by the Company.
- (2) For the sake of transparency regarding corruption incidents with high risks, the Board of the Directors, Executives and the Company's staffs at all levels must proceed with caution in the following issues;
 - 2.1 Gifts - Meals and any expenses for giving presents or receiving of gifts must be in accordance with the Company's ethic and the policy regarding giving gifts, assets and any other Company's benefits.
 - 2.2 Donations or sponsors – Giving or receiving donations or sponsors must be transparent and under the law by making sure that the donation or sponsoring money is not used as an excuse for bribery.
 - 2.3 Business relation and subcontracting with the public sector, trade partners, clients or any parties relating to the Company - Must not give or accept any forms of bribery. The business operation and the communication with all parties relating to those organizations must proceed transparently, honestly and under the law.

In the past year, no evidence had been found that the Directors, Executives or members of staffs had been involved in any corruptions or any illegal activities against the regulations of the Company.

4. Complaints and Advices

The Board of Directors provides the staffs and the stakeholders to have access to multiple channels for suggestions, opinions, complaints or any leads seen in any events or actions which may affect the violation of laws, regulations and/or in conflict with the morals and ethics that could cause the damage to the Company. By the Company sets the guidelines to be acknowledged as follows; The Chairman of the Board

of the Audit Committee Sanko Diecasting (Thailand) Public Company Limited 3/14 M.2, T. Nong Bua, A. Ban Kai, Rayong, 21120 or through the Company's website: www.sankothai.net/investor

The Chairman of the Board or the Audit Committee will receive the information directly by keeping them confidential in order to protect the stakeholders and the witness and will carry on the procedure fairly by referring to the information received and prove it to further handle the situation.

Complement Process when receives complaint

(1). Gather all the evidence regarding the violation

The complaint recipient will proceed with gathering the information regarding the violation of the ethics personally or assigns appropriate personnel to carry out the process.

(2) Information processing and filtering

The complaint recipient will file the complaint, investigate the case within 7 working days since the day of complaints in order to find appropriate solutions to each case which may involve;

- Report to authorized personnel in order to deal with the issues case by case.
- Report the information to the Audit Committee/auditors to investigate further and process and filter the information.

(3) Assign proceeding measures

The personnel responsible for (2) must indicate the measures to stop the violations of the ethics and compensate the damages to those affected by considering the damages as a whole.

If the appellant is not satisfied with the procedures to stop the complaints, he/she may appeal within 7 days since procedures have started.

(4) Result Reports

The person receiving the complaints is responsible for notifying the appellant of the result according to (3) if the appellant reveals his/her identity

In the case of an emergency, report directly to the Chairman of the Board and/or to the Board of Directors. For example, issues that affect the reputation, images or the financial status of the Company or in conflicts of the Company's business operation or to the high level Executives.

Whistle blowers protection policy

The Company has the whistle blower's protection measures as follows;

(1) The whistle blower may choose to not reveal themselves, if they deem that by revealing themselves will lead to danger or any damages. However, if they choose to reveal themselves, the Organization can report the progress and the information faster and more convenient.

(2) The complaint recipient will keep the related information confidential and will reveal only as necessary by considering the safety and the damages to the whistle blowers, the sources of the information and the relating parties. The whistle blower protection measures will protect those who cooperated and will be guaranteed by the Company to not have their employment terminated, or received disciplinary actions that may negatively affect the staffs in any way.

(3) In the case that the whistle blower feels that they are not safe or may be in danger, the whistle blower may request the Company for an appropriate protection measures or the Company may provide protection measures without the request of the whistle blowers if the issue has the possibility to cause discomfort or harm.

However, in 2022, there were no cases of complaints or leads regarding the corruption to the audit committee.

8.2 Audit Committee report

8.2.1 Attendance of the Audit Committee's meeting for the year 2023

| Name - Surname | | Position | Meeting | | |
|----------------|---------------|-----------------|--|--|--|
| | | | Audit Committee Meeting attendance/ Right of meeting) | AGM Meeting Meeting attendance/ Right of meeting) | EGM Meeting Meeting attendance/ Right of meeting) |
| Ms. Achara | Suwanpuchai | Audit Committee | 4/4 | 1/1 | - |
| Mr. Nipan | Tungpiruttham | Audit Committee | 4/4 | 1/1 | - |
| Mr. Santi | Niamnil | Audit Committee | 4/4 | 1/1 | - |

8.2.2 Performance of duties of the Audit Committee

The Audit committee has executed all duties and undergone all responsibilities as assigned by the Board of Directors which also correspond to the regulations of the Stock Exchange of Thailand. This is to hold the meeting of the Audit committee 4 times during the fiscal year of 2024 and during the year 2023, up until the date of the report, 1 more times for the total of 5 meetings. Which were held with the Managing Director, auditors and the internal auditor accordingly. The meetings are summarized as follows;

1. The review of the quarterly and annually financial statement of the year 2023 is achieved by attending with the auditor and the Managing Director and the auditor regarding the accuracy and the completeness of the financial statement and also the sufficiency in disclosing the information. This also includes acknowledging the audit plans and procedures, to which the Auditor committee and the auditor both agreed that the said financial statement is accurate under the general accounting principles.
2. The review of the operational information and the internal control system by determining the sufficiency and the effectiveness of the internal control system which will contribute to reaching the targeted goal. This is achieved by reviewing the evaluation of the internal control system together with the auditor and the internal auditor. The result is that there are no significant weaknesses or faults, and that the assets have been appropriately looked after with accurate, complete and

reliable information. Moreover, the committee has evaluated the internal control system, as guided by the Securities and Exchange Commission, where both the auditor and the internal audit had the opinion that the company has a good internal control system and had continued development.

3. Inspect the internal audit thoroughly from planning, reporting and following up the operations according to T Group Advisory co.ltd, who is the internal Auditor of the Company, in order to improve the efficiency and effectiveness of the operations and to approve the annual audit plans which had been arranged according to the organizational risks. The Audit Committee is of the opinion that the Company has had sufficient, adequate and effective internal auditing system according to the international standard.
4. The review of the legislative compliances under the Security and Exchange Commissions, the requirements of the Stock Exchange of Thailand and the laws relating to the company's business, including the compliance with the company's provision and any obligations that the company has with the third party. The Audit committee agrees that there are no significant issues which violate the laws, requirements, and any obligations that the company has to the third party.
5. The review of the risk management system so that it connects with the internal audit system, in order to manage all the risks of the company. This is done by evaluating the policies, risk factors, and the approach to manage the risks, including the progress of the current risks management. The Audit committee is of the opinion that the company emphasizes on the risk management aspect and that the Management has evaluated the Risk Assessment that could significantly affect the company, both from internal factor and external factor regularly. The Company has appointed a working group to manage the risk and be responsible for this specific task. The Company has configured the risk management procedures into 7 steps as follows; 1) Objective setting, 2) Risk Evaluating, 3) Risk Assessment, 4) Control policy assessment, 5) Risk Management, 6) Reporting, 7) Follow up with evaluation and revision, by preparing a risk management handbook as guidelines to operate.
6. The review and the comments made to the items which may have conflicts of interests, including the disclosure of the said items as required by the Stock Exchange of Thailand and the Securities and Stock Commission. The auditor believes that all of the company's significant transactions with the related companies have already been shown in the financial statement. The committee also agrees with the auditor that the said items are reasonable, adequately and fully disclosed, and were made to be the most beneficial to the company.

The review of the selection, the nomination and the remuneration of the auditors for the year 2023, in order to further present it for approval by the Board of the Directors in the annual shareholders meeting of the year 2023. The Audit committee has evaluated the performance, independency and the suitability of the remuneration and comes to the conclusion that Dr. Sirada Jarutaknont registration number 6995 /or Mr. Bunjong Tichayaprasat, registration number 7147 /or Ms. Kornpreeya Soonphiphatkul registration number 10001 /or Mr. Kraisit Silapamongkonkul

registration number 9429 of Siam Truth Audit Co., Ltd, should be appointed as the company's auditor for the year 2023 with the total remuneration of 1,650,000 baht. (One million six hundred and fifty thousand baht) The Audit committee has made comments about the said selection as followed;

- In the past years, the auditors must have performed their duties to the best of the ability in their respective fields. They must provide recommendations for the internal control systems and all the risks, including being independent in their work.
- The suggested remuneration is adequate.
- The auditors must not have any connections to the Company.

The Audit committee has carefully and independently performed its duties for the utmost benefits of the Company as stated in the Charter of the Audit Committee which was approved by the Board of the Directors of the company. The committee believes that the company has an adequate financial report, an effective and suitable internal control and internal audit system, a lawful and non-obligation violating practice with a full disclosure in all of the company's transactions within all of the businesses and is constantly developing the operating system to be more effective and much better suited for the growing business. Full edition of audit committee report could be found in attachment no. 4

8.3 Nomination and Remuneration Committee report

8.3.1 Attendance of the Nomination and Remuneration's meeting for the year 2023

| Name - Surname | Position | Meeting | | |
|--------------------------|--|--|---|---|
| | | NRC Meeting attendance/ Right of meeting | AGM Meeting Meeting attendance/ Right of meeting | EGM Meeting Meeting attendance/ Right of meeting |
| Mr. Nipan Tungpiruttham | Chairman of the Nomination and Remuneration Committee | 2/2 | 1/1 | - |
| Mr. Rattawat Suksaichol | Nomination and Remuneration Committee | 2/2 | 1/1 | - |
| Mr. Yuttana Taepangthong | Nomination and Remuneration Committee | 2/2 | 1/1 | - |

8.3.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee had acted according to the regulation and responsibilities as entailed by the Board of Directors which follows the regulations by the Stock Exchange of Thailand. In the past accounting year of 2023, there were 2 Nomination and Remuneration Committee meeting and one more time on the day of the report for the total of 3 times with the summary as follows;

- Electing new candidates to replace the previous directors who must retire by rotation
- Electing new candidates to replace the previous directors who must retire by rotation

The Nomination and Remuneration Committee had elected the individuals

The Nomination and Remuneration Committee is responsible for selecting the candidates to replace the directors who retire by rotation. In 2024, the 3 directors who retired by rotation are 1. Mr. Yuttana Taepangthong 2. Mrs. Poonsri Pattamavorakulchai and 3. Mr. Santi Niamnil

The Company had allowed the shareholders to nominate individuals in advance of the 2023 Annual General Shareholders Meeting to be the directors by publicizing through the SET channels and the Company's website (www.sankothai.net) since the 15th November 2023 until the 31st December 2023 and no individuals had been nominated.

The Nomination and Remuneration Committee had taken into consideration that, the 3 members who retire by rotation are still suitable to be elected as Directors for one more term. The 3 members are qualified under the Public Company Act B.E. 2535, Securities and Exchange Act and the regulations that the Company had specified, also possessing appropriate knowledge, abilities and experience, including past achievements in the Committee that resulted in the benefits of the Company. Therefore, the Committee agrees to propose the three said individuals as Directors of the Nomination and Remuneration Committee for one more term and will propose to the Board of Directors for further approval in the General Meeting of Shareholders.

- Remunerations consideration for the Board of Directors, Sub Committees and the Chief Executive Officer

➤ Remunerations for the Board of Directors and the Sub Committees

This is appropriately evaluated by comparing with other listed companies in the similar industry, the remunerations data from the SET, the economic expansion and the operational performance of the Company including personal performance and the responsibility in the previous year, which will be proposed to the Board of Directors for approval in the General Meeting of Shareholders.

➤ Remunerations for the Chief Executive Officer

This considers the operational performance and the growth of the Company's profit, including the personal performance and the responsibility in the previous year and will be proposed to the Board of Directors for approval.

- **CEO Performance Evaluation**

The Nomination and Remuneration Committee is responsible for evaluating the performance of the Chief Executive Officer according to the regulation of the SET in the 4th quarter which will divide the evaluations into 3 categories. These are 1. Projects progression 2. Operation assessment and 3. CEO development. The result for the performance evaluation of the CEO in the year 2023 was excellent, and had further been reported to the Board of Directors for further approval.

- **Rules revision for the remuneration of the Board of Directors, Sub Committees and the CEO**

The Nomination and Remuneration Committee is responsible for revising the regulations regarding the remuneration for the Board of Directors, Sub Committees and the CEO for the year 2024 according to the current situation

- **Performance evaluation form revision for the Board of Directors and the CEO**

- Board of Directors Assessment Form Sub-committees

The Nomination and Remuneration Committee had revised the performance evaluation form of the Board of Directors according to the current regulations. This is divided into main topics as follows; 1. Structure and characteristics of the Directors 2. Board of Directors meeting 3. Roles, duties and responsibilities of the Directors 4. Others.

- Chief Executive Officer Evaluation Form

The Nomination and Remuneration Committee had revised the performance evaluation form of the Chief Executive Officer according to the current regulations. which will divide the evaluations into 3 categories. These are 1. Projects progression 2. Operation assessment and 3. CEO development.

9. Internal control and related transactions

9.1 Internal Control

9.1.2 The evaluation of the Internal Control System by the Boards of Directors.

During the 1st meeting of the Board of Directors on 21th February 2024 where all the three members of the Audit committee are also present, has given the opinion about the internal control and approve the evaluation under 5 categories as follows;

1. Control element
2. Risk Assessment
3. Control activities
4. Information and Communication
5. Monitoring activities

There are 17 secondary subjects in each part. To re-examine process, the interview with the executive and the manager and the walk-through surveys will be applied. Which the internal control system can be evaluated significantly as follows;

Part 1: Control Environment

Good organizational structure and environment are the core foundations of effective internal control systems. Therefore, it is necessary to create situations or various factors that accommodate such internal control to operate as intended and create an atmosphere that promotes the awareness for the importance of internal control systems. For example, when the management team emphasizes on the ethics and honesty in the business operation, organize the organizational structure appropriately with clear responsibilities, or establish policies and practices with clear and practical written guidelines.

From the evaluation, The Company had appropriately set up the organizational structure which allowed the management team to effectively operate the business. There are several policies and regulations that had contributed to the good internal control system such as;

- Clear and accurate goals, business plans and the budget from the year 2023 that can be easily evaluated as guidelines for the members of staff to follow and achieve.
- Closely follows up the work progress by considering the possibility of achieving the designated goals according to actual surround factors. This can be evaluated and adjusted according to the given situation and time appropriately.
- Clear policies and procedures, including the written regulations of ethics.

Part 2: Risk Assessment

The Company operates its business under constant risks where the risk factors can be from both internal and external factors. In order to navigate the Company through these risks, the management team must be able to identify the risks that the Company faces, analyzing the impacts and devising measures to mitigate those risks.

The evaluation shows that the Company emphasizes greatly risk management. The management team constantly performs the risk assessment that may significantly affect the business operation of the Company both internally and externally. The Company has appointed the Risk Management Committee to take on this responsibility which consists of the managers for each department with the CEO as the chairman of the committee. The Company had established 12 keys for risk management as follows; 1) the Company's principles and guidelines for risk management, 2) risk management procedures, 3) risk analyses, 4) crisis evaluation, 5) establishing risk indices, 6) risk evaluation, 7) managing the risk, 8) preparing annual risk management plan, 9) risk controlling measures evaluation, 10) risk assessment report, 11) communication and consultation, 12) follow up with the risk management methods and procedures.

The Company identifies the risk factors to make sure that they can be controlled or not, in order to find preventive solutions or to mitigate the risk. The Company's risk can be separated into 7 categories as follows;

- 1) Strategy risk
- 2) Financial and Accounting risk
- 3) Operation risk
- 4) Compliance risk
- 5) Environment risk
- 6) Occupational Safety and Health risk
- 7) Emergency risk

The Risk Management Committee had found the measures to prevent or to mitigate the risk and to closely follow the situation that may contribute to the risk factors, so that the situation and the effects to the Company can be evaluated. Risk indicators will be assigned to determine whether the risk is increasing or decreasing which will lead to discovering the root cause and can be solved appropriately.

However, there are additional issues which should be addressed so that the Company can effectively manage the risk factors. Before presenting the annual risk management plans and solutions to the Board of Directors to consider and approve and enforce as regulations for the staff members to acknowledge and follow, there should be sufficient time for meetings to take place in order to follow up and evaluate each department and to adjust the risk analyses measures appropriately and report its findings to the Board of Directors periodically.

Part 3: Control Activities

Controlling the management team's operation is the key activity for the Company to ensure that the guidelines established by the management team have been received well by the members of the Company. For example, assigning clear authorities and approval levels, responsibilities, clear procedures, and methods of dealing with major shareholders, executives or related parties appropriately, with ways to ensure that the Company follows the laws and related regulations strictly.

From the evaluation, the Company's general control system is effective and sufficiently concise, suitable for the Company's business operation. The Company had established the limits, responsibilities, and the budget authorization of the executives in each level in written forms appropriately. The responsibilities have been clearly separated in order to minimize the corruption practices and each department can be accounted for.

When the Company must perform transactions with major shareholders, Directors, Executives or parties relating to said personnels, the Company has measures to ensure that the transactions can be approved according to the regulations of the Stock Market and the Office of the Securities and Exchange Commission. Those relating transactions must be reasonable with fair price and must be approved by the Board of Directors. The stakeholders of the transactions are not allowed to approve said transactions and any relating transaction must be considered on the basis of the Company's benefits and at arms' length basis.

Additionally, the Audit Committee emphasizes on the compliance audit in order to reduce the risk in the business operation and to protect the Company's image.

Part 4: Information and Communication

Making decisions based on sufficient and good information is good practice. Therefore, to convey said information to the Directors or any relating personnels are important aspects to the effectiveness of the internal control system. Quality information must contain sufficient key contents for making accurate and complete decisions. The information should be up-to-date, easy to understand and can be easily distinguished into categories.

The Company utilizes the Thai Financial Reporting Standards (TFRS) which references the International Financial Reporting Standards (IFRS). The Company chooses the accounting standard which is suitable for the Company's business operation. The Company's accounting policy has been approved by the Board of Directors, following the approval of the Audit Committee.

From the evaluation, the Company's accounting and financial information system has a good internal control system. The accounting policy of the Company is in accordance with the general accounting standards and is suitable for the Company's business operation. The accounting books and the accounting record ledgers were stored fully as required by the law. The Company provides an information and communication system that helps accommodating the internal control system and the financial report preparation is sufficient for the management team to make decisions timely and accurately.

Part 5: Monitoring Activities

In order for the Company to operate effectively and efficiently, the Company must follow up its operation frequently to see whether or not it is as planned. The internal control system must function continuously and adjusted according to the ever-changing situation at hand, including any faults in the system must be corrected immediately.

From the evaluation, the Company has effective monitoring system which contribute to efficient business operation which are;

- Assigning business goals and plans for the year 2023 which are clear and can be evaluated. The Board of Directors had been following up with the business operation quarterly, in order to compare the actual performance to the targeted goals, which can then be improved and adjusted to suit the actual situation.
- Providing frequent inspection of the internal control systems through the external auditors who will directly report the results of the internal audits to the Board of Directors, as well as providing the copy of the report to the executives and the inspected parties. The results can be used to improve or adjust the business operation.
- The internal auditor has the responsibility of following up the inspection results and the practices of the inspected parties as advised, so that the management team and the inspected parties can use this information further improve their departments effectively. The progress of the monitoring activities will be reported to the Board of Directors.

From the previous evaluation, the Board of Directors agree that the internal control system of the Company is sufficient and appropriate. The Company ensures that there are enough personnel to proceed with the business operation effectively.

9.1.2 Head of the internal audit of the company.

During the 1st Audit Committee meeting on the 21th February 2024, T. Group Advisory Co., Ltd. the external audit company, has been appointed as the “Internal Audit” to monitor all operations and financial activities of the company for the year 2024 with Miss Rungwan Saelee acting as the main internal auditor of the company.

The Audit Committee has evaluated all the qualifications of T. Group Advisory Co., Ltd., and Miss Rungwan Saelee, and agrees that they are sufficient to perform the appointed tasks since they are an independent company, have experiences in terms of internal audit and have attended seminars which are relevant to performing this task.

To ensure that the company comply with all the regulations smoothly, proceed with each steps legally and within the terms of the company and to allow the internal auditor to work as checks and balance fully, the company requires the auditors to report directly to the Audit Committee and to the Board of Directors, who has the responsibility of overseeing the good practice of the internal control system, and file the reports for the Managing Director to help regulate and manage the staffs in the relevant department to improve as advised. The internal auditor must file a report quarterly.

However, the decision to approve, appoint, dismiss or transfer the Head of the Internal Audit of the company, must be approved by the Audit Committee with the relevant specifications as shown in the attachment no.2

9.2 Internal Company Transaction

Internal – transactions between person and juristic person which may caused conflicts between the year 2021 and 2022 are as follows;

| Person / Juristic person which may have conflicts / Types of business | Types and details of transactions | Value of Transactions (Baht) | | | Reasonable of Issue |
|--|---|------------------------------|---------------|------------|---|
| | | 31 DEC 21 | 31 DEC 22 | 31 DEC 23 | |
| Jutha Wan Metal Ltd. : Retailers of steel and stainless steel | -purchases steel, metal sheets | | | | The Company purchases steel for making the molds from Juthawan Co.Ltd, in order to repair and improve the buildings with the price and terms of trade according to ordinary trades with 30 days credit term. <u>The Audit Committee's Opinion</u> The Audit Committee had inspected and considered the said transaction and is of the opinion that such transaction is appropriate and is a normal trading transaction with gross profits equal to other customers. |
| | Beginning balance | 38,937.30 | 1,284.00 | 31,714.80 | |
| | Purchases installments | 326,660.30 | 239,305.50 | 701,912.51 | |
| | Payment installments | 364,313.60 | 208,874.70 | 561,178.62 | |
| | Periodic Inventory Balance | 1,284.00 | 31,714.80 | 172,448.69 | |
| JTW Asset co.Ltd. : Renting, selling, buying and real estate operations | -The company has entered into a long-time loan agreement. | 3,430,000.00 | 2,170,000.00 | 910,000.00 | The company has taken a long term loan of 3,745,000.00 bath with interest rates of 4% per year from JTW Asset co.Ltd., To buy the machine via 36 installments of 105,000 Baht per installment. At the end of the year 2023, the Company had fully repaid the initial loan. In 2023, the interest of 11,575.89 Baht was paid to JTW Asset co.Ltd, according to the contract. <u>The Audit Committee's Opinion</u> The Audit Committee had investigated and evaluated the said transaction and concluded that the item is reasonable and is a normal business transaction. |
| | | 1,260,000.00 | 1,260,000.00 | 910,000.00 | |
| | Payment installments | 2,170,000.00 | 910,000 | 0.00 | |
| | Periodic Inventory Balance | 109,790.69 | 59,390.69 | 11,575.89 | |
| | Interests between installments | 7,372.06 | 3,091.50 | 0.00 | |
| | Accrued interest | | | | |
| Thai Industrial Parts Co.,Ltd : Produce parts for electrical goods and automobiles by extrusion and colour coating | - The company has issued the promissory notes to Thai Industrial Parts Co.Ltd., details are as follows: | | | | In January 10th 2018, The Company had taken a short term loan by issuing the promissory notes no. SDT2561/002 of 10,000,000 Baht with the value of 6% per year, and had renewed the original promissory notes ending on 30 th December 2020 with the lower interest rates of 5% per year. In 2021 the Company had extended and returned the said promissory note (PN) to 30 th December 2021 and issued the PN number SD2565/002 at 17,000,000 Bath with the interest rate of 4.50 Per year, dating 30 th December 2021 until 30 th June 2022. In 2022 the Company had extended and returned the said promissory note (PN) to 30 th December 2022 .And had made the complete |
| | Beginning balance | 10,000,000.00 | 17,000,000.00 | 0.00 | |
| | Loan received | 17,000,000.00 | 0.00 | 0.00 | |
| | Payment installments | 10,000,000.00 | 17,000,000.00 | 0.00 | |
| | Periodic Inventory Balance | 17,000,000.0 | 0.00 | 0.00 | |
| | Interests between installments | 563,602.71 | 536,917.81 | 0.00 | |

| Person / Juristic person which may have conflicts / Types of business | Types and details of transactions | Value of Transactions (Baht) | | | Reasonable of Issue |
|---|--|------------------------------|-----------|-----------|---|
| | | 31 DEC 21 | 31 DEC 22 | 31 DEC 23 | |
| | | | | | principal payment of 17,000,000.00 Baht in 2022. The interests of 536,917.81 Baht had been paid to Thai Industrial Parts Co.,Ltd. <u>The Audit Committee's Opinion</u> The Audit Committee has reviewed and evaluated the said item and is of the opinion that the short term loan by issuing the promissory note to Thai Industrial Parts co.ltd, will be beneficial to the Company and that the interest rates is according to the norm of other financial institutions |
| | Products sold to Thai Industrial Parts co.,ltd | | | | Thai Industrial Parts co.,ltd has employed the company to produce goods and molds as normal while setting the sales price and under the same regulations as any other customers in accordance with inter - company transactions policy. <u>Audit Committee's Opinion</u> |
| | Initial Balance | 0.00 | 0.00 | 0.00 | The Audit Committee had investigated and evaluated the said item and all agreed that the said item is legitimate and is a normal inter – company transaction with the gross profit being calculated the same way as any other customers. |
| | Sales during the period | 177,777.60 | 0.00 | 0.00 | |
| | VAT | 12,444.43 | 0.00 | 0.00 | |
| | Installed Payments | 190,222.03 | 0.00 | 0.00 | |
| | Remaining Balance | 0.00 | 0.00 | 0.00 | |
| Rica JTW Heat Treatment co.,ltd : Steel Hardening | The company employs Rica JTW Heat Treatment co.,ltd to perform hardening tests on sample parts with heat treatment | | | | The company employs Rica JTW Heat Treatment co.,ltd (formerly known as Jutha Wan Metal Lab co. ltd) to perform hardening tests on sample parts and show it to the customers. The terms, prices and regulations are the same as other business. <u>Audit Committee's Opinion</u> |
| | Initial Balance | 40,582.96 | 0.00 | 0.00 | The Audit Committee had investigated and evaluated the said item and all agreed that the said Item is legitimate and is a normal transaction which the price has been compared to other companies. |
| | Cost during installment | 249,512.00 | 0.00 | 0.00 | |
| | VAT | 17,465.84 | 0.00 | 0.00 | |
| | Installed Payments | 307,560.80 | 0.00 | 0.00 | |
| | Remaining Balance | 0.00 | 0.00 | 0.00 | |
| Umphon co.,ltd : Car Rental Business | The company employs Umphon co.,ltd to rent cars. | | | | The company has been renting 1 cars to transport staffs and 2 cars as Executive cars from Umphon Co.,ltd, in total 3 cars. And in the year 2021, the Executive Company |

| Person / Juristic person which may have conflicts / Types of business | Types and details of transactions | Value of Transactions (Baht) | | | Reasonable of Issue |
|---|---|------------------------------|--|--|--|
| | | 31 DEC 21 | 31 DEC 22 | 31 DEC 23 | |
| | Rental Costs | 814,097.26 | 629,160.00 | 629,160.00 | Car's contract had expired and only had 2 rental vehicles for staffs. The rent fees for the said vehicles were the cheapest when compared to other brands under similar conditions. <u>Audit Committee's Opinion</u> The Audit Committee had investigated and evaluated the said item and all agreed that the said item is adequate and is a normal rental transaction which the prices have already been compared with other companies. |
| | Remaining Balance | 0.00 | 0.00 | 0.00 | |
| LH Transport Co. Ltd, : Car Rental Business | The Company rents cars from LH Transport Co. Ltd, Rental Costs Remaining Balance | 761,626.00 0.00 | 1,245,480.00 0.00 | 1,158,810.00 0.00 | The Company rents 6 wheeler trucks from LH Transport Co. Ltd, for used as goods delivery and transportation. The rate is the cheapest when compared to other companies with similar services. <u>Audit committee's opinion</u> The Audit Committee had investigated and evaluated the said transaction and concluded that the item is reasonable and is a normal reental transation with prices of other competitors to compare. |
| : Sonic Inter Freight Public Co.,Ltd : export goods internationally | The Company hires Sonic Inter Freight Public Co.,Ltd to export its products. Initial Balance Cost during installment Installed Payments Remaining Balance | 0.00 0.00 0.00 0.00 | 304,432.05 2,227,939.59 1,973,991.12 558,380.52 | 558,380.52 0.00 558,380.52 0.00 | The Company hires Sonic Inter Freight Public Co.,Ltd to export its products. The costs for the services were the cheapest when compared to other companies under similar conditions. <u>Audit committee's opinion</u> The Audit Committee had investigated and evaluated the said item and all agreed that the said Item is legitimate and is a normal transaction which the price has been compared to other companies. |

9.3 Steps of measures required to authorize intercompany transactions

As stated in the 1st Board of Directors meeting on the 4th February 2010, the steps and measures to authorize intercompany transactions are as follows;

The intercompany transactions, with relating persons or persons which may have conflict of interests, must be in accordance with the general trade regulations or is a business agreement made in the same circumstances that the good person of ordinary prudence would engage in a contract, with trade bargaining power that has no other external influences through the status of Directors, Executives or relating persons (as the case may be), under reasonable and sound conditions, transparent and not causing the transfer of benefits.

Case 1. Regular trade Intercompany transactions

For example, transactions which involve good and services that the company produces, sells or provides. The company may perform the said transaction with person with conflicts of interests as long as the transaction is under the trade agreements with general conditions that the person or ordinary prudence would engage in the same contract, , with trade bargaining power that has no other external influences through the status of Directors, Executives or relating persons. The company will summarize all of such transactions and present to the Audit Committee and the Board of Directors quarterly.

Case 2. Any other transactions not categorized in Case 1

The company has appointed the Audit Committee to evaluate and give opinions on the necessity of performing such transaction and the adequacy of the price of the said transaction, by considering all the related terms, whether or not they comply with the regular market trades which can be compared with external prices, fair, reasonable and transparent. In the case that the Audit Committee is not specialized with analyzing the occurred transaction, the company will employ independent experts or company's auditors to give opinion on the said transaction in order to make a better decision for the committee or the shareholders as by case. However, in order to perform an intercompany transaction with the person with conflicts of interests, it must pass the evaluation of the Audit Committee and must be authorized by the Board of Directors where the audit committee member must be present. The directors with the conflict of interests may not vote in such a meeting.

The Board of Directors must make sure that the company acts in accordance with the laws and regulations Securities and Exchange Act. Any enforcements, notices, demands or terms made by the Stock Exchange of Thailand or the Securities and Exchange Commission or the Capital Market Supervisory Board must be followed, including complying with the disclosure of all information relating to the acquisition or dismissal of the company's assets. Moreover, the company must enclose the said intercompany transactions in the remarks of the financial statements as investigated by the company's auditors, in the Form 56-1 and in the annual report or in any other media information as required by the Stock Exchange of Thailand and other relating organizations.

9.4 Trends for future intercompany transactions

In the future, the company may continuously engage in intercompany transactions between persons or juristic persons, which is the norm for operating this kind of business. The terms must be according to the regular terms of

trade and can be quoted with the same kind of business in other companies. The summary of such transactions will be presented, at least, quarterly to the Audit Committee and the Board of Directors in order to further revise the transactions by comparing the terms and prices with external entities to check the adequacy of the terms and price, evaluating the value of the transaction compared to the overall trading value of the company and the related companies, and inquire the Managing Directors to the reason and the necessity in performing such transactions with relating parties.

As for irregular business transaction that may occur in the future, the company will appoint the Audit Committee to investigate the procedures and reasons for performing such transactions before the company can authorize the transactions. The company will oversee all transactions to be in accordance with the laws and regulations Securities and Exchange Act. Any enforcements, notices, demands or terms made by the Stock Exchange of Thailand and the Securities and Exchange Commission, including the disclosure of all information relating to the acquisition or dismissal of the company's assets (if any) and acting in compliance with the accounting standards as regulated by the Federation of Accounting Profession. However, individuals with conflicts of interest in the said transactions will have no rights to vote for authorization of the said transactions and the company will enclose such transactions in the remarks of the financial statements as investigated by the company's auditors, in the Form 56-1 and in the annual report or in any other media information as required by the Stock Exchange of Thailand and other relating organizations.

Part 3

Financial statements

AUDITOR'S REPORT

To the Shareholders of Sanko Diecasting (Thailand) Public Company Limited

Opinion

I have audited the accompanying financial statements of Sanko Diecasting (Thailand) Public Company Limited ("the Company"), which comprise the statement of financial position as at December 31, 2023, the statement of comprehensive income, changes in shareholders' equity and 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 Sanko Diecasting (Thailand) Public Company Limited as at December 31, 2023, and their financial performance and 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 described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the 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 judgment, 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.

| <i>The key audit matter</i> | <i>Audit procedures</i> |
|---|---|
| <p>Revenue from sales</p> <p>The Company is engaged the business in production and distribution of aluminum parts divided into 2 types: the customer is responsible for mold or the Company is responsible for mold, including, there is both of domestic and foreign sales. Those revenue are significant high value transaction and has a variety of delivery terms and revenue recognition which affected to the risk relating to the proper period of revenue recognition corresponding to its delivery terms. For the year ended December 31, 2023, the revenue from sales was of Baht 761 million.</p> <p>I have identified revenue from sales to be the key audit matters as its high value is significant to the financial statements and a various delivery term.</p> | <p>Other than making the inquiries, the audit procedures for revenue from sales included sampling test as follows:</p> <ul style="list-style-type: none"> - Assessing the efficiency and test of internal control relates to the sales system; - testing the allocation of selling price between mold and aluminium parts, including the present value calculation of accrued income derived from recognition of revenue from sales of mold; - testing the appropriateness of estimation of variable consideration which included in transaction prices; - inspecting sale documents occurred during the year to consider the delivery term and the proper period of revenue recognition to conform to the control of goods is transferred to the customer. |

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company 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 do 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 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 for correction of 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, as applicable, 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 I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the 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.

Bunjong Pichayaprasat
Certified Public Accountant
Registration Number 7147

Siam Truth Audit Company Limited
Bangkok,
February 21, 2024.

SANKO DIECASTING (THAILAND) PUBLIC COMPANY LIMITED
FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023

SANKO DIECASTING (THAILAND) PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

Baht

| | Note | 2023 | 2022 |
|---------------------------------|-------------|--------------------|--------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 5 | 36,720,410 | 13,282,253 |
| Short-term investment | | 378,316 | 370,158 |
| Trade and other receivables | 6 | 121,402,396 | 122,720,009 |
| Inventories | 7 | 92,904,957 | 72,135,767 |
| Other current assets | 8 | 27,927,631 | 22,522,067 |
| Total current assets | | 279,333,710 | 231,030,254 |
| Non-current assets | | | |
| Restricted bank deposits | 9 | 3,750,000 | 5,295,700 |
| Property, plant and equipment | 10 | 245,359,909 | 258,380,021 |
| Right-of-use asset | 11 | 9,790,153 | 12,418,495 |
| Intangible assets | 12 | 551,239 | 1,068,516 |
| Deferred tax assets | 29 | - | 2,148,832 |
| Other non-current assets | 13 | 3,205,971 | 3,323,869 |
| Total non-current assets | | 262,657,272 | 282,635,433 |
| Total assets | | 541,990,982 | 513,665,687 |

SANKO DIECASTING (THAILAND) PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

Baht

| | Note | 2023 | 2022 |
|---|------|--------------------|--------------------|
| Liabilities and shareholders' equity | | | |
| Current liabilities | | | |
| Short-term loans from financial institutions | 14 | 60,000,000 | 60,846,221 |
| Trade and other payables | 15 | 126,193,255 | 118,498,627 |
| Current portion of liabilities | 16 | 11,129,845 | 13,830,455 |
| Current portion of lease liabilities | 11 | 15,653,668 | 19,523,849 |
| Other current liabilities | 17 | 10,879,283 | 10,948,564 |
| Total current liabilities | | 223,856,051 | 223,647,716 |
| Non-current liabilities | | | |
| Long-term loans from financial institution | 18 | 25,931,943 | 41,648,149 |
| Long-term lease liabilities | 11 | 18,407,353 | 28,801,779 |
| Provisions | | 182,392 | 14,000 |
| Provisions for employee benefit | 19 | 12,329,789 | 11,134,791 |
| Deferred tax liabilities | 29 | 4,898,526 | - |
| Total non-current liabilities | | 61,750,003 | 81,598,719 |
| Total liabilities | | 285,606,054 | 305,246,435 |
| Shareholders' equity | | | |
| Share capital | | | |
| Ordinary shares | 22 | 158,331,116 | 158,331,116 |
| Premium on ordinary shares | 23 | 20,828,527 | 20,828,527 |
| Retained earnings | | | |
| Appropriated | | | |
| Legal reserve | 25 | 7,207,258 | 4,476,258 |
| Unappropriated | | 70,018,027 | 24,783,351 |
| Total shareholders' equity | | 256,384,928 | 208,419,252 |
| Total liabilities and shareholders' equity | | 541,990,982 | 513,665,687 |

SANKO DIECASTING (THAILAND) PUBLIC COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023

Baht

| | Note | 2023 | 2022 |
|--|-------------|--------------------|-------------------|
| Revenue from sales | 20 | 760,952,114 | 709,812,822 |
| Cost of sales | 26, 27 | (620,912,127) | (614,174,809) |
| Gross profit | | 140,039,987 | 95,638,013 |
| Other income | 20 | 7,686,834 | 6,870,010 |
| Selling expenses | 26, 27 | (7,964,139) | (10,994,628) |
| Administrative expenses | 26, 27 | (70,175,522) | (63,519,222) |
| Profit from operating activities | | 69,587,160 | 27,994,173 |
| Finance income | | 928,834 | 975,691 |
| Loss on disposal and written - off | | (433,101) | (409,302) |
| Finance costs | | (8,419,951) | (7,015,551) |
| Profit before income tax | | 61,662,942 | 21,545,011 |
| Tax income (expense) | 29 | (7,047,358) | 257,427 |
| Profit for the years | | 54,615,584 | 21,802,438 |
| Other comprehensive income | | | |
| Items that will never be reclassified subsequently to profit or loss | | | |
| Defined benefit plan actuarial gain | 19 | - | 265,554 |
| Income tax relating to items that will never be reclassified subsequently to profit or loss | 29 | - | (53,111) |
| Other comprehensive income - net of tax | | - | 212,443 |
| Total comprehensive income | | 54,615,584 | 22,014,881 |
| Earnings per share | 30 | | |
| Basic earnings per share | | 0.172 | 0.069 |
| Weighted average number of ordinary shares (shares) | | 316,662,232 | 316,662,232 |

SANKO DIECASTING (THAILAND) PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2023

Baht

| | Note | Issued and paid-up share capital | Premium on share capital | Retained earnings | | Total shareholders' equity |
|-------------------------------------|------|-------------------------------------|-----------------------------|-------------------------------|----------------|----------------------------------|
| | | | | Appropriated Legal reserve | Unappropriated | |
| Balance at January 1, 2022 | | 154,271,935 | 20,828,527 | 3,266,258 | 8,471,031 | 186,837,751 |
| Increase ordinary share | 22 | 4,059,181 | - | - | - | 4,059,181 |
| Stock dividend and dividend payment | 24 | - | - | - | (4,492,561) | (4,492,561) |
| Total comprehensive income | | - | - | - | 22,014,881 | 22,014,881 |
| Legal reserve | 25 | - | - | 1,210,000 | (1,210,000) | - |
| Balance at December 31, 2022 | | 158,331,116 | 20,828,527 | 4,476,258 | 24,783,351 | 208,419,252 |
| Dividend payment | 24 | - | - | - | (6,649,908) | (6,649,908) |
| Total comprehensive income | | - | - | - | 54,615,584 | 54,615,584 |
| Legal reserve | 25 | - | - | 2,731,000 | (2,731,000) | - |
| Balance at December 31, 2023 | | 158,331,116 | 20,828,527 | 7,207,258 | 70,018,027 | 256,384,928 |

SANKO DIECASTING (THAILAND) PUBLIC COMPANY LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED DECEMBER 31, 2023*****Baht***

| | <u>2023</u> | <u>2022</u> |
|--|--------------------|-------------------|
| Cash flows from operating activities | | |
| Profit for the year | 54,615,584 | 21,802,438 |
| Adjustments to reconcile profit for the year to cash generated (paid) from operating activities | | |
| Depreciation and amortization | 33,521,417 | 32,823,352 |
| Provisions for the expected loss (reversal) | 168,392 | (386,000) |
| Unrealized loss on foreign exchange rate | 252,388 | 253,528 |
| Loss on disposal and written-off of assets | 433,101 | 409,302 |
| Finance income | (928,834) | (975,691) |
| Finance cost | 8,419,951 | 7,015,551 |
| Tax income (expense) | 7,047,358 | (257,427) |
| Cash flows from operating activities before changes in operating assets and liabilities | 103,529,357 | 60,685,053 |
| Operating assets decrease (increase) | | |
| Trade and other receivables | 1,065,225 | (8,711,386) |
| Inventories | (19,838,894) | 15,570,628 |
| Other current assets | (5,283,093) | (2,671,007) |
| Restricted bank deposits | 1,545,700 | (213,700) |
| Other non-current assets | (171,001) | (11,971) |
| Operating liabilities increase (decrease) | | |
| Trade and other payables | 7,252,960 | 18,949,898 |
| Provisions for employee benefit | 1,354,099 | 1,367,667 |
| Other current liabilities | (69,282) | (4,500,424) |
| Cash flows generated from operations activities | 89,385,071 | 80,464,758 |
| Interest received | 920,676 | 967,550 |
| Income tax returned | 897,331 | - |
| Employee benefit paid | (159,101) | (123,283) |
| Income tax paid | (608,432) | (1,184,646) |
| Net cash flows provided by operating activities | 90,435,545 | 80,124,379 |

SANKO DIECASTING (THAILAND) PUBLIC COMPANY LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED DECEMBER 31, 2023*****Baht***

| | 2023 | 2022 |
|---|---------------------|---------------------|
| Cash flows from investing activities | | |
| Purchase of building and equipment | (13,537,192) | (39,920,373) |
| Purchase of intangible assets | (75,000) | - |
| Sales of equipment | 1,132,981 | 23,222 |
| Net cash flows used in investing activities | (12,479,211) | (39,897,151) |
| Cash flows from financing activities | | |
| Decrease in short-term loans from financial institutions | (846,221) | (12,756,301) |
| Proceeds from loans from financial institutions | - | 25,395,465 |
| Repayments of loans from financial institutions | (17,547,800) | (6,835,342) |
| Repayments of short-term loans from related party | - | (17,000,000) |
| Repayments of long-term loans from related party | (910,000) | (1,260,000) |
| Repayments of lease liabilities | (20,035,239) | (23,174,221) |
| Dividend payment | (6,649,908) | (433,380) |
| Finance cost paid | (8,529,009) | (8,031,003) |
| Net cash used in financing activities | (54,518,177) | (44,094,782) |
| Net increase (decrease) in cash and cash equivalents | 23,438,157 | (3,867,554) |
| Cash and cash equivalents at the beginning of the year | 13,282,253 | 17,149,807 |
| Cash and cash equivalents at the end of the year | 36,720,410 | 13,282,253 |

Additional cash flow information**Non-cash items****Note**

The Company entered into the lease agreements for
machinery, factory equipment and vehicles

| | | | |
|-----------------------------|----|-----------|------------|
| - Finance lease | 10 | 2,936,385 | 11,289,000 |
| - Long-term operating lease | 11 | 2,742,021 | 5,455,399 |

SANKO DIECASTING (THAILAND) PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. GENERAL INFORMATION

Sanko Diecasting (Thailand) Public Company Limited (“the Company”) is incorporated in Thailand.

Its registered office is at 3/14 Moo. 2, Tambol Nongbua, Amphur Bankhai, Rayong Province.

The Company was listed on the Stock Exchange of Thailand in the “Market for Alternative Investment” (mai) on May 9, 2013.

The principal activities of the Company involve manufacturing and distribution of steel products and steel parts.

Major shareholders were as follow:

| Major shareholders | Country / Nationality | Shareholding | |
|----------------------------|--------------------------|--------------|-------|
| | | December 31, | |
| | | 2023 | 2022 |
| Thai Industrial Parts Ltd. | Thailand | 24.90 | 26.79 |
| Patamavorakulchai Group | Thai | 17.64 | 33.47 |
| JTW Asset Company Limited | Thailand | 16.38 | - |

The financial statements have been approved for issue by the Company’s Board of Directors on February 21, 2024.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), including the related interpretations and guidelines promulgated by the Federation of Accounting Professions (“TFAC”) and the financial reporting requirements of the Securities and Exchange Commission.

The financial statements in Thai language are presented in Thai Baht, which is the Company’s functional currency. The preparation of these official statutory financial statements is issued for Thai reporting purposes. The financial statements in English language have been translated from the financial statements in Thai language.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

New financial reporting standards

a) New financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards, including the accounting guidances which are effective for fiscal years beginning on or after January 1, 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the clarification of accounting practices and accounting guidances to users of TFRSs.

The management assessed there are not any significant impact on the Company's financial statements in the year those financial reporting standards are initially adopted.

b) Financial reporting standard that will become effective in the future

The Federation of Accounting Professions promulgated the numbers of revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the clarification of accounting practices and accounting guidances to users of TFRSs.

The management of the Company believes that the revision of TFRSs does not have any significant impact on the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The measurement bases used in preparing the financial statements

Other than those disclosed elsewhere in the significant accounting policies and other notes to the financial statements, the financial statements are prepared on the historical cost basis.

Revenue

The Company accounts for a contract with a customer when it has entered into an agreement between counter parties that creates enforceable rights and obligations. The Company has to identify its performance obligations and allocate a transaction price to each obligation on an appropriate basis.

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties and value added tax. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at a point in time.

Revenues from contracts with multiple elements are allocated by fair value of standalone selling price in each performance obligation. In case of contracts have both obligations to perform at point of time and overtime, difference from revenue recognition and performance obligations at the beginning of contracts is recognized as contract assets or contract liabilities and recognized over the contracts periods.

Contract assets stated at net book value after allowance for terminate contracts.

Allowance for terminate contracts is mostly assessed primarily on analysis of payment histories, future expectations of customer payments and cancellation contracts history. Contract assets will be written off when contracts are cancelled.

No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due.

Sale of goods and rendering of services

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

For bundled packages, the Company accounts for individual products and services separately if they are distinct, or a product or service is separately identifiable from other items and a customer can benefit from it, or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices of products and services.

Advances

Advances received from customers is classified as current liabilities and recognized as revenue when the Company transferred control over the goods to the customers. For the advances that contain a significant financing component, they include the interest expense accreted on the contract liability under the effective interest method. The Company uses practical expedient which is not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Interest income

Interest income is recognized using the effective interest method.

Interest income is calculated by applying the effective interest rate to the gross book value of financial assets.

When financial assets are determined to credit impair, interest income is calculated by applying the effective interest rate to the net book value (gross book value less allowance for expected credit losses) of the financial assets. If the financial assets are not credit impaired, interest income is calculated basing on the original gross book value

Other income

Other income is recognized on an accrual basis.

Consideration payable to the customer

The Company recognizes the consideration payable to the customer as a reduction of the revenue from contract with customers.

Expenses

Finance cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets.

All other borrowing costs are expensed in the period they are incurred basing on the effective interest method. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds, unwinding of the discount on provisions and contingent consideration.

The interest component of finance lease payments is recognized using the effective interest method.

Interest expenses are recognized as an expenses over the term of loan. Interest expenses are calculated from the outstanding of loan principal on an accrual basis using the effective interest method.

Expenses are recognized on an accrual basis.

Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees and presented as a deduction against the related loan account and amortized using the effective interest method over the term of loan.

Financial instruments

Financial assets and financial liabilities are recognized in the Company's statements of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities and subsequently measured at amortized cost or fair value through other comprehensive income are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities subsequently measured at fair value through profit or loss are recognized immediately in profit or loss.

Classification and measurement of financial assets and financial liabilities

Financial assets classified as debt instruments

The Company classifies financial assets that are debt instruments as financial assets that are subsequently measured at amortized cost or fair value depends on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets as follows:

Financial assets measured at amortized cost

The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value on trade date and subsequently measured at amortized cost net of allowance for expected credit losses (if any).

Amortized cost basing on the effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. Interest income is recognized in profit or loss and is included in the "interest income" item.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which all or substantially all the risks and rewards of ownership are transferred. Any interest from transferred financial assets, which is created, controlled or retained by the Company, are still recognized as financial assets and recognized as borrowing which have collateral for proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Write-off

The Company writes off debts (either partially or in full) when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the legal criteria for bad debts written-off, whichever occurs sooner. Bad debt written-off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. However, the Company continues to execute the case, in order to comply with the Company's recovery policy.

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

Allowance for expected credit losses on financial assets

The Company applies the Simplified Approach for recognition of expected credit losses of financial assets - debt instruments which are deposit at financial institutions, trade receivables and the contractual assets, investment in debt instruments, loans and certain of other assets.

The Company recognizes allowance for expected credit losses at an amount equal to the lifetime expected credit losses in cases where there has been a significant increase in credit risk since initial recognition, but the assets are not credit impaired, or where the assets are credit impaired.

At every reporting date, the amount of allowance for expected credit losses is reassessed to reflect changes in credit risk of financial assets since initial recognition of related financial instruments.

Simplified Approach

The measurement of expected credit losses on financial assets by applying the Simplified Approach is a calculation to estimate using a provision matrix depended on the Company's historical credit loss experience adjusted with the factors that are specific to the receivables, general economic conditions, forecast of future economic conditions, an assessment of both the current as well as the forecast direction of conditions at the reporting date, and time value of money, as appropriate. In addition, the Company shall principally determine the past due status of the customers and also their capability to maintain the value of collateral relative to the terms of contract.

At every reporting date, the Company determines whether the credit risk of other debt instruments and deposit at financial institutions has increased significantly since initial recognition, by mainly taking into account internal and external credit rating of the counterparties as well as overdue status.

The Company assesses whether the credit risk has increased significantly from the date of initial recognition on an individual or collective basis. In order to perform collective evaluation of impairment, the Company classifies financial assets on the basis of shared credit risk characteristics, such as the type of instrument, internal credit rating, overdue status, and other relevant factors.

Financial assets are assessed to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the counterparties have occurred, there are indications that the borrower is experiencing significant financial difficulties, or there is a breach of contract, as well as delinquency.

The Company recognizes an allowance for expected credit losses by adjusting to the carrying amount of related accounts. For the increase (decrease) in an allowance for expected credit losses is recognized as expenses during the period in the profit or loss, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Financial liabilities

Financial liabilities are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method or at fair value through profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or a shorter period, to the amortized cost of a financial liability.

Financial liabilities designated at fair value through profit or loss

Financial liabilities may be designated at fair value through profit or loss upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis.

Financial liabilities that are designated at fair value through profit or loss are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss.

Financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are transferred to retained earnings upon derecognition of the financial liability.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the

discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective date is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between; (1) the carrying amount of the liability before the modification; and (2) the present value of cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

Trade and other accounts receivable

Trade and other receivables are stated at their invoice value less allowance for expected credit losses.

A receivable is recognized when the Company has an unconditional right to receive consideration. If revenue has been recognized before the Company has an unconditional right to receive consideration, the amount is recognized as a contract asset that means accrued income.

The Company estimates expected credit losses, using a provision matrix to find the expected credit losses rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

Employee benefits

Short-term benefits

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

Post-employment benefits

The Company and its employees have jointly established the provident funds which is a monthly contributed and defined contribution plan. The fund's asset of the provident fund is separated from the Company's asset and has been managed by a licensed fund manager.

The provident fund receives a cash contribution from employee and the Company. The contribution expenditure of the provident fund and obligation in respect of defined contribution plan is recognized as expense in profit or loss for the period that transaction incurred.

Post-employment benefits

The employee benefit obligations in relation to the severance payment under the labor law and the additions determined by the Company are recognized as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Company through the service period up to the retirement age and the amount is discounted to determine the present value. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

When the employee benefits are improved, the portion of the increased benefit relating to past service rendered by employee is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested.

When the actuarial assumptions are changed, the Company recognizes actuarial gains (losses) immediately in other comprehensive income.

Past service costs relating the amendment of plan are recognized as an expense in other comprehensive income when the plan amendment is effective.

Termination benefits

Termination benefits are recognized as liability and as expense in profit or loss when the Company are committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy or the Company have made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the end of the reporting period, then they are discounted to their present value.

Income tax

Income tax expense for the year comprises current and deferred tax.

Current and deferred taxes are recognized in profit or loss.

Deferred tax in the extent that they relate to items recognized directly in shareholders' equity are recognized in other comprehensive income.

Current tax

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

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes.

Deferred tax is not recognized for the temporary differences regarding to the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting or taxable profit or loss.

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

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

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

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized, including unutilized taxable losses. Deferred tax assets are reviewed at the end of reporting period date and reduced its carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized against to the temporary differences and unutilized taxable losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash, cash at banks type current accounts and saving accounts, cash at bank with an original maturity not exceeding 3 months, including negotiable certificate of deposit and highly liquid short-term investments in bill of exchange or promissory notes issued by financial institutions due at call or with original maturities of three months or less, excluded deposits at bank on obligation or subject to withdrawal restrictions and insignificant risk of change in value.

Inventories

Inventories which are aluminium part are stated at the lower of cost or net realizable value.

Cost of inventories is calculated by using the following method:

| | | |
|------------------------------------|---|---------------------------------|
| Finished goods and work in process | - | the weighted average method |
| Raw materials and spare parts | - | the first in – first out method |

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and goods in process, cost includes an appropriate share of overheads based on normal operating capacity.

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

The Company records the allowance for devaluation of inventories for all deteriorated, damaged, obsolete and slow-moving inventories.

A right to recover returned products is recognized when the products are expected to be returned by customers and measured by reference to the former carrying amount of the sold inventories less any expected costs to recover those products.

Capitalization of interest cost

Interest cost especially from loan incurred in bringing land and project development, is capitalized as part of the cost of those assets until the projects is completed or break down or when the construction is condition necessary for it to be capable of operating for their intended use. The capitalization of interest shall be resumed when the project is re-activated.

Property, plant and equipment

Owned assets

Land is stated at cost less allowance for impairment losses (if any).

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

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

Gains and losses on disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds less cost to sale and the carrying amount of property, plant and equipment, and are recognized net within other income or other expenses in profit or loss.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognized.

Leased assets

Leases in terms of which the Company substantially assume all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and allowance for impairment losses (if any).

Lease payments are apportioned between the finance cost and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance cost are recognized in the profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment and cost of renovations are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company within more than one accounting period, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

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

Assets from cost of replacement and cost of renovations are depreciated over the remaining useful life of the related asset.

Depreciation is calculated basing on a straight-line basis over the estimated useful lives of each component of an item of assets.

The estimated useful lives are as follows:

| | <i>Years</i> |
|---------------------------------|--------------|
| Buildings | 5 - 30 |
| Machinery and factory equipment | 5 - 20 |
| Furniture and office equipment | 5 |
| Vehicles | 5 |

Depreciation is recognized as an expense in profit and loss.

No depreciation is provided on freehold land and assets under construction and installation.

Depreciation for the finance lease assets is charged as expense for each accounting period. The depreciation method for leased assets is consistent with that for depreciable assets that are owned by the Company.

The residual value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The depreciation method, residual value and useful life of an asset should be reviewed at least at each financial year-end and, if expectations differ from previous estimates, any change is accounted for prospectively as a change in estimate.

Intangible assets

The Company initially recognizes other intangible assets acquired in other cases are recognized at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortization and any allowance for impairment losses (if any).

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

All other expenditure, including expenditure on internally generated brands, is recognized in profit or loss as incurred.

Amortization

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

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives are as follows:

| | <i>Years</i> |
|-------------------|--------------|
| Computer software | 2 - 10 |

No amortization is provided on intangible assets under development and installation.

The Company regularly review the amortization methods, useful lives and residual values at least at each financial year-end, any changes are treated as a change in the estimates.

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses on disposal are the difference between the net proceeds from disposal and the carrying amount of intangible asset, and are recognized net in the statement of income.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets in respect of property, plant and equipment, intangible assets, right-of-use assets and other assets, are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

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

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell.

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

In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

Reversals of impairment

An impairment loss in respect of financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized in profit or loss.

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

Leases

As a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated amortization and allowance for impairment losses (if any) and adjusted for any remeasurement of lease liabilities.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date less any lease incentives received, including any initial direct costs and an estimate of costs in restoration.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, such provision is recognized and measured to the extent that the costs relate to a right-of-use asset.

The Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. The Company has elected not to separate non-lease components and accounted for the lease and non-lease components as a single lease component.

Amortization of right-of-use assets is recognized in profit or loss and calculated by reference to their costs, on the straight-line basis over the shorter of the estimated lease term and the estimated useful lives as follows:

| | <i>Years</i> |
|-------------------|--------------|
| Office area | 3 |
| Factory equipment | 2 - 4 |
| Vehicles | 2 - 5 |

If ownership of the underlying asset transfers to the Company at the end of the lease term they are classified as part of property, plant and equipment or investment property. The cost of such asset reflects the exercise of a purchase option. The amortization is calculated using the estimated useful life of the asset.

If the Company is unable to obtain reasonable assurance that the ownership of the underlying asset is substantially transferred to the Company at the end of the lease term, the right-of-use assets will be amortized on the straight-line method from the commencement date to the end of the useful lives or the end of the lease term, which is earlier.

The Company applies the derecognition and impairment requirements, in according to the financial instrument principle, to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Company is reasonably certain to exercise option.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. Interest expense is recognized in profit or loss.

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

Short-term leases and leases of low-value assets

The Company recognized payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, as expenses on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency using the exchange rate at the date of transactions.

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

Non-monetary assets and liabilities denominated in foreign currencies measured at cost at the reporting date are translated to the functional currency using the exchange rate at the date of transaction.

Foreign currency differences arising from the translation are recognized in profit or loss in the reporting period as incurred.

Provisions

A provision is recognized in the statement of financial position 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.

Dividends

Dividend and interim dividend payment are recorded in the period in which they are approved by Shareholders' meeting and Board of Directors' meeting.

Other borrowings

Other borrowings are initially recognized at the fair value of the proceeds received. Debt issued and other borrowings are subsequently measured at amortized cost, using the effective interest method. Any difference between proceeds and the redemption value is recognized as an interest in profit or loss over the period of the borrowings.

Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the years attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares issued during the years.

Judgements of management

The preparation of financial statements in conformity with financial reporting standards requires management to make subjective judgments to determine the accounting policies, estimates regarding matters that are inherently uncertain and various assumptions.

Significant judgements and accounting estimates are as follow:

a) Recognition and derecognition of assets and liabilities

In considering whether to recognize or to derecognize assets or liabilities, the management is required to make judgment on whether the Company transfers or have been transferred the significant risk and rewards of those assets or liabilities, based on their best knowledge of the current circumstances and arrangements.

b) Allowances for expected credit loss for financial assets

Allowances for expected credit loss for financial assets are intended to adjust the value of receivables for probable credit losses. The management is required to use judgement in estimating allowance for expected credit losses for financial assets. The Company's calculation of allowance for expected credit losses depends on the criteria used for assessment of a significant increase in credit risk, the development of a model, the risk that collateral value cannot be realized, collective and individual analyses of the status of receivables, the probability of debt collection and the selection of the forecasted macroeconomic data inputs used in the model. However, the use of different estimates and assumptions

could affect the amounts of allowances for expected credit loss and adjustments to the allowances may therefore be required in the future.

c) Property, plant and equipment

The recognition of cost incurred in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual values of buildings and equipment and to review estimated useful lives and residual values when circumstance changes.

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

d) Intangible assets

The initial recognition and measurement of other intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

e) Deferred tax assets

The Company recognizes deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised, including unutilized taxable loss. 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 estimate future taxable profits.

f) Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The management is required to use judgement in evaluating the condition and term of a contract to determine whether the Company transfers or have been transferred the risk and rewards of leased assets.

Determining the lease term of contracts with renewal or termination options

In determining the lease term, the management is required to use judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease considering all relevant facts and circumstances that create an economic incentive for it to exercise either the renewal or termination.

Incremental borrowing rate

In the case that the Company cannot readily determine the interest rate implicit in the lease, the Company is required to use its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

g) Post-employment benefits

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

h) Impairment of non-financial assets

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

i) Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement.

j) Advance received from customers.

Sales contract made with customers stipulates that the Company is entitled to receive payments from customers when the contract has commenced. The Company determines that there are no significant financing components arising from the payments received from customers because they are not the Company's funding but the customers' guarantee for contractual performance.

k) Allowance for devaluation of inventories

The Company treats inventories as impaired when a significant decline in the fair value is noted. The management determines the devaluation based on net realisable value. However, the determination of what is "significant" and the amount of devaluation requires the management to exercise judgment.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. the Company applied a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measured fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1** Use of quoted market prices for such identical assets or liabilities in an observable active market and the entity can access at the measurement date

- Level 2 Use of other observable inputs for such assets or liabilities other than quoted prices included within Level 1, whether directly or indirectly
- Level 3 Use of unobservable inputs for such assets or liabilities as the information related to future cash flows estimated by the Company

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

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

At the end of reporting period, the Company assesses whether transfers have to be occurred between levels within the fair value hierarchy for assets and liabilities held at the end of reporting period that are measured at fair value on a recurring basis.

4. TRANSACTIONS WITH RELATED PARTIES

A related party is a person or entity that has control, or are controlled by the Company whether directly or indirectly, or which are under common control with the Company.

They also include a person which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, or officers with authority in the planning and direction of the Company's operations, including, close family members of mentioned person and entity that has control or significant influence whether directly or indirectly

Significant transactions with related parties for the years ended December 31, 2023 and 2022 were as follows:

| | <i>Baht</i> | |
|---------------------------------------|-------------|-----------|
| | 2023 | 2022 |
| Revenue from sales | | |
| Thai Industrial Parts Ltd. | - | 97,734 |
| Purchase of goods and services | | |
| Juthawan Co., Ltd. | 655,993 | 223,650 |
| Sonic Interfreight Plc. | - | 2,084,153 |
| Rental and service expenses | | |
| Umphon Co., Ltd. | 629,160 | 629,160 |
| L.H. Transport Co.,Ltd. | 1,158,810 | 1,245,480 |
| Interest expense | | |
| Thai Industrial Parts Ltd. | - | 536,918 |
| JTW Asset Co., Ltd. | 11,576 | 59,391 |

Management and director personnel compensation

Management and director personnel compensation for the years ended December 31, 2023 and 2022 consisted of:

| | <i>Baht</i> | |
|--------------------------|-------------|------------|
| | 2023 | 2022 |
| Short-term benefits | 13,728,136 | 13,093,129 |
| Post-employment benefits | 138,566 | 207,020 |
| Total | 13,866,702 | 13,300,149 |
| Directors' remuneration | 868,000 | 762,500 |

Directors' remuneration represents benefits paid to the directors of the Company in accordance with Section 90 of the Public Company Limited Act B.E. 2535, exclusive of salaries and related benefit payable to directors who hold executive positions.

The significant balances of assets and liabilities with related parties as at December 31, 2023 and 2022 were as follows:

| | <i>Baht</i> | |
|---------------------------|-------------|---------|
| | 2023 | 2022 |
| Trade and other payables | | |
| Juthawan Co., Ltd. | 172,449 | 31,715 |
| Sonic Interfreight Plc. | - | 558,381 |
| Accrued interest expenses | | |
| JTW Asset Co.,Ltd. | - | 3,092 |

Long-term loans from related parties

Long-term loans from related parties as at December 31, 2022 were as follows:

| | <i>Baht</i> |
|----------------------|-------------|
| Loan | 910,000 |
| Less Current portion | (910,000) |
| Long-term loan | - |

Movements of loans from related parties for the year ended December 31, 2023 and 2022 were as follows:

| | <i>Baht</i> | |
|-------------------|-------------|-------------|
| | 2023 | 2022 |
| Beginning balance | 910,000 | 2,170,000 |
| Increase | - | - |
| Decrease | (910,000) | (1,260,000) |
| Ending balance | - | 910,000 |

The Company entered into a loan agreement from a related party in the amount of Baht 3.75 million, for a period of 3 years, and monthly repayment for 1st-35th installments of Baht 0.11 million and repayment for the 36th installment of Baht 0.07 million. The interest charged at the rate of 4 percent per annum and unsecured.

Nature of relationship

| Company | Country | Relation | Type of relation |
|----------------------------|----------|-----------------|--|
| Thai Industrial Parts Ltd. | Thailand | Related company | Shareholder of the Company and common director |
| Juthawan Co., Ltd. | Thailand | Related company | Common shareholder |
| JTW Asset Co., Ltd. | Thailand | Related company | Common shareholder |
| Umphon Co., Ltd. | Thailand | Related company | Common shareholder |
| L.H. Transport Co., Ltd. | Thailand | Related company | Common shareholder |
| Sonic Interfreight Plc. | Thailand | Related company | Common director |

Bases of measurement for intercompany revenues and expenses

| | Pricing policies |
|--|--|
| Purchase and sale of goods and service | Market price comparable to the trading prices with third parties and agreed upon negotiation |
| Rental and service expenses | Stipulate in the agreement |
| Interest expenses | Referred with the commercial bank's interest rate |

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2023 and 2022 consisted of:

| | <i>Baht</i> | |
|---------------|-------------------|-------------------|
| | 2023 | 2022 |
| Cash | 232,925 | 124,672 |
| Cash at banks | 36,487,485 | 13,157,581 |
| Total | 36,720,410 | 13,282,253 |
| | | % |
| Interest rate | 0.15 - 1.00 | 0.15 - 0.45 |

The currencies denomination of cash and cash equivalents as at December 31, 2023 and 2022 were as follows:

| | <i>Baht</i> | |
|------------------|-------------------|-------------------|
| | 2023 | 2022 |
| Thai Baht (THB) | 36,381,200 | 12,931,683 |
| US Dollars (USD) | 158,156 | 175,058 |
| Euro (EUR) | 181,054 | 175,512 |
| Total | 36,720,410 | 13,282,253 |

6. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at December 31, 2023 and 2022 consisted of:

| | <i>Baht</i> | |
|-------------------|--------------------|--------------------|
| | 2023 | 2022 |
| Trade receivables | 105,406,205 | 106,330,038 |
| Accrued income | 14,813,153 | 16,023,214 |
| Other receivables | 1,183,038 | 366,757 |
| Total | 121,402,396 | 122,720,009 |

As at December 31, 2023 and 2022, the Company had outstanding balances of trade receivables aged by number of months and accrued income aged by the date of accrued income recognition as follows:

| | <i>Baht</i> | |
|-------------------------------|--------------------|--------------------|
| | 2023 | 2022 |
| Trade receivables | | |
| Current | 87,264,889 | 83,180,151 |
| Overdue | | |
| Not over 3 months | 16,274,440 | 23,091,288 |
| Over 3 months up to 6 months | 1,866,876 | 58,599 |
| Total | 105,406,205 | 106,330,038 |
| Accrued income | | |
| Overdue | | |
| Not over 3 months | 7,127,132 | 630,826 |
| Over 3 months up to 6 months | 700,000 | 4,201,038 |
| Over 6 months up to 12 months | 3,855,963 | 3,470,568 |
| Over 1 year up to 3 years | 2,041,667 | 7,720,782 |
| Over 3 years up to 5 years | 1,088,391 | - |
| Total | 14,813,153 | 16,023,214 |

The currencies denomination of trade and other receivables as at December 31, 2023 and 2022 were as follows:

| | <i>Baht</i> | |
|------------------|--------------------|--------------------|
| | 2023 | 2022 |
| Thai Baht (THB) | 114,514,692 | 113,972,843 |
| US Dollars (USD) | 6,887,704 | 8,747,166 |
| Total | 121,402,396 | 122,720,009 |

7. INVENTORIES

Inventories as at December 31, 2023 and 2022 consisted of:

| | <i>Baht</i> | |
|---|-------------------|-------------------|
| | 2023 | 2022 |
| Raw materials | 5,848,443 | 4,605,292 |
| Work in process | 57,325,917 | 41,652,594 |
| Finished goods | 22,248,718 | 21,763,052 |
| Spare parts | 10,621,551 | 8,821,555 |
| Total | 96,044,629 | 76,842,493 |
| Less Allowance for devaluation of inventories | (3,139,672) | (4,706,726) |
| Inventories - net | 92,904,957 | 72,135,767 |

For the year ended December 31, 2023 and 2022, cost of inventories were included in cost of sale

| | <i>Baht</i> | |
|---|-------------|-------------|
| | 2023 | 2022 |
| Cost of sales | 622,310,789 | 613,254,169 |
| Adjustment for allowance for devaluation of inventories | (1,567,054) | 1,306,640 |
| Provision (reversal) | 168,392 | (386,000) |
| Changes in work in process and finished goods | 17,726,043 | (2,739,173) |
| Raw materials and consumables used | 280,984,728 | 261,758,195 |

Movements of allowance for devaluation of inventories for the years ended December 31, 2023 and 2022 were as follows:

| | <i>Baht</i> | |
|--|------------------|------------------|
| | 2023 | 2022 |
| Beginning balance | 4,706,726 | 3,400,086 |
| Add Loss from devaluation of inventories | - | 1,306,640 |
| Less Transferred back from sales | (1,567,054) | - |
| Ending balance | 3,139,672 | 4,706,726 |

8. OTHER CURRENT ASSETS

Other current assets as at December 31, 2023 and 2022 consisted of:

| | <i>Baht</i> | |
|------------------------------|-------------------|-------------------|
| | 2023 | 2022 |
| Advance payment for goods | 12,459,600 | 9,730,275 |
| Intermediate value added tax | 14,511,399 | 11,911,679 |
| Prepaid expenses | 956,632 | 880,113 |
| Total | 27,927,631 | 22,522,067 |

9. RESTRICTED BANK DEPOSITS

Restricted bank deposits as at December 31, 2023 and 2022 consisted of:

| | <i>Baht</i> | | | |
|--------------|------------------|------------------|------|---|
| Accounts | 2023 | 2022 | Note | Collaterals |
| Fixed | - | 1,545,700 | 31 | Credit for letter of guarantee for electricity uses |
| Fixed | 3,750,000 | 3,750,000 | 14 | Credit for loan from financial institutions |
| Total | 3,750,000 | 5,295,700 | | |

10. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the years ended December 31, 2023 and 2022 were as follows:

| | <i>Baht</i> | | | | | | |
|---------------------------------|-------------|-------------|------------------------------------|-----------------------------------|-------------|---|--------------|
| | Land | Building | Machinery and factory equipment | Furniture and office equipment | Vehicles | Assets under construction and installation | Total |
| Cost | | | | | | | |
| At January 1, 2022 | 28,077,269 | 132,216,699 | 332,410,111 | 14,936,227 | 3,141,893 | 265,876 | 511,048,075 |
| Purchase/ transfer-in | - | 3,878,561 | 33,689,848 | 310,798 | 589,000 | 32,072,030 | 70,540,237 |
| Disposal/ transfer-out | - | - | (2,299,699) | (238,768) | - | (19,330,882) | (21,869,349) |
| At December 31, 2022 | 28,077,269 | 136,095,260 | 363,800,260 | 15,008,257 | 3,730,893 | 13,007,024 | 559,718,963 |
| Purchase/ transfer-in | - | 2,252,589 | 23,434,164 | 521,768 | 4,300,549 | 4,838,351 | 35,347,421 |
| Disposal/ transfer-out | - | (165,204) | (11,650,438) | (1,048,227) | (2,458,302) | (16,444,410) | (31,766,581) |
| At December 31, 2023 | 28,077,269 | 138,182,645 | 375,583,986 | 14,481,798 | 5,573,140 | 1,400,965 | 563,299,803 |
| Accumulated depreciation | | | | | | | |
| At January 1, 2022 | - | 62,655,427 | 198,420,471 | 13,457,525 | 1,876,469 | - | 276,409,892 |
| Depreciation | - | 5,972,439 | 19,280,764 | 617,470 | 480,428 | - | 26,351,101 |
| Disposal/ transfer-out | - | - | (1,187,594) | (234,457) | - | - | (1,422,051) |
| At December 31, 2022 | - | 68,627,866 | 216,513,641 | 13,840,538 | 2,356,897 | - | 301,338,942 |
| Depreciation | - | 6,323,117 | 20,084,777 | 567,451 | 613,674 | - | 27,589,019 |
| Disposal/ transfer-out | - | (133,108) | (7,889,583) | (1,042,436) | (1,922,940) | - | (10,988,067) |
| At December 31, 2023 | - | 74,817,875 | 228,708,835 | 13,365,553 | 1,047,631 | - | 317,939,894 |

| | | | | | | | Baht |
|---------------------------------|------------|------------|------------------------------------|-----------------------------------|-----------|---|-------------|
| | Land | Building | Machinery and factory equipment | Furniture and office equipment | Vehicles | Assets under construction and installation | Total |
| | Land | Building | Machinery and factory equipment | Furniture and office equipment | Vehicles | Assets under construction and installation | Total |
| Net book value | | | | | | | |
| Owned assets | 28,077,269 | 67,467,394 | 86,608,651 | 1,167,719 | 68,360 | 13,007,024 | 196,396,417 |
| Assets under leases | - | - | 60,677,968 | - | 1,305,636 | - | 61,983,604 |
| Balance as at December 31, 2022 | 28,077,269 | 67,467,394 | 147,286,619 | 1,167,719 | 1,373,996 | 13,007,024 | 258,380,021 |
| Net book value | | | | | | | |
| Owned assets | 28,077,269 | 63,364,770 | 105,723,278 | 1,116,245 | 68,359 | 1,400,965 | 199,750,886 |
| Assets under leases | - | - | 41,151,873 | - | 4,457,150 | - | 45,609,023 |
| At December 31, 2023 | 28,077,269 | 63,364,770 | 146,875,151 | 1,116,245 | 4,525,509 | 1,400,965 | 245,359,909 |

| | <i>Baht</i> | |
|---|-------------|-------------|
| | <u>2023</u> | <u>2022</u> |
| As at December 31 | | |
| The gross carrying amount of fully depreciated that is still in use | 96,810,690 | 92,542,773 |
| For the year ended December 31 | | |
| Depreciation recognizes as | | |
| Cost of sales | 26,107,321 | 24,936,291 |
| Administrative expenses | 1,481,698 | 1,414,810 |

The Company entered into the lease agreement for machinery and factory equipment and vehicles with other parties. The Company recognized the right-of-use assets as part of property, plant and equipment.

Movements of the right-of-use assets recognized as property, plant and equipment for the year ended December 31, 2023 and 2022 were summarized as follows:

| | <i>Baht</i> | | |
|----------------------|--|------------------|--------------------|
| | <u>Machinery and factory equipment</u> | <u>Vehicles</u> | <u>Total</u> |
| Net book value | | | |
| At January 1, 2022 | 65,991,253 | 1,265,424 | 67,256,677 |
| Increase | 10,700,000 | 589,000 | 11,289,000 |
| Decrease | (9,489,155) | (68,359) | (9,557,514) |
| Less Amortization | <u>(6,524,130)</u> | <u>(480,429)</u> | <u>(7,004,559)</u> |
| At December 31, 2022 | 60,677,968 | 1,305,636 | 61,983,604 |
| Increase | - | 4,300,549 | 4,300,549 |
| Decrease | (15,242,336) | (595,554) | (15,837,890) |
| Less Amortization | <u>(4,283,759)</u> | <u>(553,481)</u> | <u>(4,837,240)</u> |
| At December 31, 2023 | <u>41,151,873</u> | <u>4,457,150</u> | <u>45,609,023</u> |

As at December 31, 2023 and 2022 the Company's land including construction and machinery were mortgaged as collateral for loans from financial institutions (see notes 14 and 18) which its carrying value were summarized as follow:

| | <i>Baht</i> | |
|-----------|--------------------|--------------------|
| | <u>2023</u> | <u>2022</u> |
| Land | 28,077,269 | 28,077,269 |
| Building | 51,662,173 | 67,467,394 |
| Machinery | <u>27,740,831</u> | <u>29,750,745</u> |
| Total | <u>107,480,273</u> | <u>125,295,408</u> |

11. LEASES

Right-of-use assets

Movements of the right-of-use assets for the year ended December 31, 2023 and 2022 were summarized as follows:

| | | | | | | <i>Baht</i> |
|------------------------|-----------|-----------|-------------------|------------------|-------------|-------------|
| | Land | Building | Factory equipment | Office equipment | Vehicles | Total |
| Net book value | | | | | | |
| At January 1, 2022 | 305,503 | 296,397 | 1,407,633 | 190,699 | 11,763,228 | 13,963,460 |
| Increase | - | 2,738,353 | 2,130,836 | - | 586,210 | 5,455,399 |
| Lease modification | 83,679 | - | - | - | - | 83,679 |
| Less Amortization | (287,817) | (904,921) | (1,193,954) | - | (3,165,968) | (5,552,660) |
| Less Lease termination | - | - | - | (190,699) | (1,340,684) | (1,531,383) |
| At December 31, 2022 | 101,365 | 2,129,829 | 2,344,515 | - | 7,842,786 | 12,418,495 |
| Increase | 496,979 | - | 517,169 | - | 1,727,874 | 2,742,022 |
| Lease modification | (30,244) | - | - | - | - | (30,244) |
| Less Amortization | (227,845) | (912,785) | (1,335,830) | - | (2,863,660) | (5,340,120) |
| At December 31, 2023 | 340,255 | 1,217,044 | 1,525,854 | - | 6,707,000 | 9,790,153 |

The Company entered into the lease agreement for numerous property, plant and equipment with the agreement period of 2-5 years with the extension options at the end of lease term. The rental is payable monthly as specified in the contract.

Leases liabilities

As at December 31, 2023 and 2022 leases liabilities consisted of:

| | <i>Baht</i> | |
|-----------------------------|--------------|--------------|
| | 2023 | 2022 |
| Amounts of lease payment | 36,524,503 | 52,586,505 |
| Less Deferred interest | (2,463,482) | (4,260,877) |
| Lease liabilities | 34,061,021 | 48,325,628 |
| Less Current portion | (15,653,668) | (19,523,849) |
| Long-term lease liabilities | 18,407,353 | 28,801,779 |

The Company entered into the lease agreement for land, office area, factory and office equipment and vehicles for their operations.

Movements of leases liabilities for the years ended December 31, 2023 and 2022 were as follows:

| | <i>Baht</i> | |
|----------------------|--------------|--------------|
| | 2023 | 2022 |
| Beginning balance | 48,325,628 | 55,616,170 |
| Enter into the lease | 5,800,877 | 17,507,650 |
| Lease modification | (30,244) | 83,679 |
| Amortized interest | 2,295,212 | 3,018,739 |
| Lease payment | (22,330,452) | (26,340,386) |
| Lease termination | - | (1,560,224) |
| Ending balance | 34,061,021 | 48,325,628 |

As at December 31, 2023 and 2022, lease liabilities presented by term of repayment period were summarized as follow:

| | <i>Baht</i> | | |
|---------------------------------------|---------------|----------------------------|-----------------------|
| Due of payment | Present value | Deferred interest expenses | Minimum lease payment |
| 2023 | | | |
| Within 1 year | 15,653,668 | 1,436,557 | 17,090,225 |
| More than 1 year but not over 5 years | 18,407,353 | 1,026,925 | 19,424,278 |
| Total | 34,061,021 | 2,463,482 | 36,514,503 |
| 2022 | | | |
| Within 1 year | 19,523,849 | 2,179,718 | 21,703,567 |
| More than 1 year but not over 5 years | 28,801,779 | 2,081,159 | 30,882,938 |
| Total | 48,325,628 | 4,260,877 | 52,586,505 |

Lessee

| | <i>Baht</i> | |
|---|-------------|-----------|
| | 2023 | 2022 |
| For the year ended December 31 | | |
| Recognized in profit or loss | | |
| Amortization of right-of-use assets | 5,340,120 | 5,552,660 |
| Interest expense from lease liabilities | 2,295,212 | 3,018,739 |
| Expense relating to short-term leases | 1,723,900 | 1,490,330 |

As at December 31, 2023 and 2022, the Company had the minimum lease payment under short-term lease relating to low-value-assets and non-cancellable agreement other than those lease liabilities as follow:

| | <i>Baht</i> | |
|---------------------------------------|----------------|----------------|
| Due of payment | 2023 | 2022 |
| Within 1 year | 310,350 | 149,600 |
| More than 1 year but not over 5 years | 133,300 | 189,350 |
| Total | 443,650 | 338,950 |

12. INTANGIBLE ASSET

Movements of intangible asset for the years ended December 31, 2023 and 2022 were as follows:

| | <i>Baht</i> | | |
|------------------------|-------------------|--------------------------------------|-----------|
| | Computer software | Computer software under installation | Total |
| At cost | | | |
| At January 1, 2022 | 8,990,059 | 324,000 | 9,314,059 |
| Purchase/ transfer-in | - | - | - |
| Disposal/ transfer-out | - | - | - |
| At December 31, 2022 | 8,990,059 | 324,000 | 9,314,059 |
| Purchase/ transfer-in | 324,000 | 75,000 | 399,000 |
| Disposal/ transfer-out | - | (324,000) | (324,000) |
| At December 31, 2023 | 9,314,059 | 75,000 | 9,389,059 |

| | | | <i>Baht</i> |
|---------------------------------|-------------------|--------------------------------------|-------------|
| | Computer software | Computer software under installation | Total |
| Accumulated amortization | | | |
| At January 1, 2022 | 7,325,953 | - | 7,325,953 |
| Amortization | 919,590 | - | 919,590 |
| Disposal/ transfer-out | - | - | - |
| At December 31, 2022 | 8,245,543 | - | 8,245,543 |
| Amortization | 592,277 | - | 592,277 |
| Disposal/ transfer-out | - | - | - |
| At December 31, 2023 | 8,837,820 | - | 8,837,820 |
| Net book value | | | |
| At December 31, 2022 | 744,516 | 324,000 | 1,068,516 |
| At December 31, 2023 | 476,239 | 75,000 | 551,239 |
| | | | <i>Baht</i> |
| | | 2023 | 2022 |
| For the year ended December 31 | | | |
| Depreciation recognizes as | | | |
| Administrative expenses | | 592,277 | 919,590 |

13. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, 2023 and 2022 consisted of:

| | | <i>Baht</i> |
|---|------------------|------------------|
| | 2023 | 2022 |
| Withholding tax receivable | 10,344,518 | 10,633,416 |
| Others | 428,550 | 257,550 |
| Total | 10,773,068 | 10,890,966 |
| Less Allowance for impairment of assets | (7,567,097) | (7,567,097) |
| Other non-current assets - net | 3,205,971 | 3,323,869 |

14. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Short-term loans from financial institutions as at December 31, 2023 and 2022 consisted of:

| | <i>Baht</i> | |
|-----------------|-------------------|-------------------|
| | 2023 | 2022 |
| Short-term loan | 60,000,000 | 46,000,000 |
| Trust receipt | - | 14,846,221 |
| Total | 60,000,000 | 60,846,221 |

Credit facilities with financial institutions consisted of:

| | <i>Baht</i> | | % | |
|--------------------------------|--------------|------------|---------------|----------------|
| | Credit limit | | Referred | |
| Type of credit | 2023 | 2022 | interest rate | Due of payment |
| Bank overdrafts | 5,000,000 | 17,000,000 | MOR | No maturity |
| Promissory notes | 150,000,000 | 46,000,000 | MLR | 4 - month |
| Letter of credit/trust receipt | 15,000,000 | 15,000,000 | MLR, SIBOR | 3 - month |
| Letter of credit/trust receipt | 40,000,000 | 40,000,000 | PRIME | 110 - day |
| Letter of guarantee | 17,000,000 | - | | |

Collateral

The Company's land including construction (see note 10) including the benefits from insurance were mortgaged as collateral for such loan.

The proportion of 25 percent of right to received payment under the account and /or bill of exchange were pledged as collateral for promissory notes (see note 9)

Significant terms

The agreement of credit facilities from bank overdraft and short-term loan from financial institution has specified the compliance to maintain the financial ratio as follows:

| | |
|-----------------------------|--------------------------|
| Debt to Equity Ratio | Not less than 0 |
| Debt Service Coverage Ratio | Not less than 1.25 times |

15. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2023 and 2022 consisted of:

| | <i>Baht</i> | |
|-------------------------|--------------------|--------------------|
| | 2023 | 2022 |
| Trade payables | 96,175,104 | 105,714,822 |
| Other payables | | |
| Accrued expenses | 29,426,441 | 12,783,805 |
| Asset purchase payables | 591,710 | - |
| Grand total | 126,193,255 | 118,498,627 |

16. CURRENT PORTION OF LIABILITIES

Current portion of liabilities as at December 31, 2023 and 2022 consisted of:

| | | <i>Baht</i> | |
|----------------------------------|-------|-------------------|-------------------|
| | Notes | 2023 | 2022 |
| Loan from financial institutions | 18 | 11,129,845 | 12,920,455 |
| Loan from related party | 4 | - | 910,000 |
| Total | | 11,129,845 | 13,830,455 |

17. OTHER CURRENT LIABILITIES

Other current liabilities as at December 31, 2023 and 2022 consisted of:

| | <i>Baht</i> | |
|-------------------------|-------------------|-------------------|
| | 2023 | 2022 |
| Advance received | 10,325,244 | 10,336,068 |
| Withholding tax payable | 554,039 | 612,496 |
| Total | 10,879,283 | 10,948,564 |

18. LOAN FROM FINANCIAL INSTITUTIONS

Loan from financial institutions as at December 31, 2023 and 2022 consisted of:

| Financial institutions | Baht | | Baht | | Referred interest rate | Interest payment term | Due of payment | Term of payment |
|-------------------------------------|--------------|------------|--------------|--------------|---|-----------------------|-----------------------|--|
| | Credit limit | | Principal | | | | | |
| | 2023 | 2022 | 2023 | 2022 | | | | |
| Commercial bank | 14,000,000 | 14,000,000 | 2,040,000 | 5,160,000 | MLR | Month ended | Mar. 2020 - Aug. 2024 | Principal repayment with interest per month of Baht 0.26 million. |
| | 2,000,000 | 2,000,000 | 518,000 | 974,000 | MLR | Month ended | Oct. 2020 - Feb. 2025 | Principal repayment with interest per month of Baht 0.04 million. |
| | 7,000,000 | 7,000,000 | - | 7,000,000 | 2.00 | Month ended | Feb. 2021 - Feb. 2026 | Repayment the 1st-24th installments, grace period for principal repayment. Repayment the 25th-59th installments, principal repayment with interest in the amount of Baht 0.20 million. Repayment the 60th installments, principal and the remaining amount of interest. |
| | 17,000,000 | 17,000,000 | 15,296,000 | 17,000,000 | 2.00 | Month ended | Jul. 2021 - May 2028 | Repayment the 1st-24th installments, grace period for principal repayment. Repayment the 25th - 83th installments, principal repayment in the amount of Baht 0.28 million. Repayment the 84th installments, the remaining amount of 'principal and interest. |
| Commercial bank | 31,270,000 | 31,270,000 | 19,315,267 | 24,583,067 | 1st - 2nd year : 2.00 3rd - 5th : Prime rate | Month ended | Oct. 2021 - Aug. 2027 | Repayment the 1st installments, principal repayment with interest in the amount of Baht 0.04 million. Repayment the 2nd installments, principal repayment with interest in the amount of Baht 0.34 million. Repayment the 3rd - 60th installments, principal repayment with interest in the amount of Baht 0.44 million. |
| Total | | | 37,169,267 | 54,717,067 | | | | |
| Less deferred fee | | | (107,479) | (148,463) | | | | |
| Net | | | 37,061,788 | 54,568,604 | | | | |
| Less Current portion of liabilities | | | (11,129,845) | (12,920,455) | | | | |
| Long-term loan | | | 25,931,943 | 41,648,149 | | | | |

Movements of loan from financial institution for the years ended December 31, 2023 and 2022 were summarized as follows:

| | <i>Baht</i> | |
|----------------------|-------------------|-------------------|
| | 2023 | 2022 |
| Beginning balance | 54,717,067 | 36,156,944 |
| Add Increase in loan | - | 25,395,465 |
| Less Repayment | (17,547,800) | (6,835,342) |
| Ending balance | <u>37,169,267</u> | <u>54,717,067</u> |

The Company's land with construction and machinery (see note 10) including the benefits from fire insurance were mortgaged as collateral for such loan.

As at December 31, 2023 and 2022, loan from financial institution presented by term of repayment period were summarized as follow:

| | <i>Baht</i> | |
|---------------------------------------|-------------------|-------------------|
| | 2023 | 2022 |
| Due date of payment | | |
| within 1 year | 11,171,800 | 12,976,800 |
| more than 1 year but not over 5 years | 25,997,467 | 41,740,267 |
| Total | <u>37,169,267</u> | <u>54,717,067</u> |

Credit facilities from financial institution was of Baht 71.27 million. The agreement stipulated in compliance with the financial maintenance conditions as follows:

| | |
|-----------------------------|--|
| Debt to Equity Ratio | Over 2 - 3 : 1 times but not less than 0 |
| Debt Service Coverage Ratio | Not less than 1.25 times |

The letter of guarantee of Thai Credit Guarantee Corporation was used as collateral for credit facilities of Baht 17 million.

The terms and conditions of agreement regarding loan from financial institution are summarized as follow:

- 1) Decrease in share capital and dividend payment
- 2) Engage in finance transactions which are not a normal course of business

19. PROVISIONS FOR EMPLOYEE BENEFIT

Provisions for employee benefit as at December 31, 2023 and 2022 consisted of:

| | <i>Baht</i> | |
|---------------------------------|-------------|------------|
| | 2023 | 2022 |
| Post employment benefits | | |
| Present value of obligations | 12,329,789 | 11,134,791 |
| Provisions for employee benefit | 12,329,789 | 11,134,791 |
| Less Current portion | - | - |
| Provisions for employee benefit | 12,329,789 | 11,134,791 |

Movements of the present value of provisions for employee benefit for the years ended December 31, 2023 and 2022 were summarized as follows:

| | <i>Baht</i> | |
|---|-------------|-------------|
| | 2023 | 2022 |
| Post-employment benefit plan | | |
| Present value of provision for employee benefit | | |
| As at January 1, | 11,134,791 | 10,155,961 |
| Included in profit or loss: | | |
| Current service cost | 1,071,715 | 1,114,472 |
| Interest cost | 282,384 | 253,195 |
| Decreased in liability from retirement | (159,101) | (123,283) |
| Included in other comprehensive income : | | |
| Actuarial gain (loss) incurred from | | |
| - Demographic assumptions | - | (1,442,197) |
| - Financial assumptions | - | 825,884 |
| - Experience adjustments | - | 350,759 |
| As at December 31, | 12,329,789 | 11,134,791 |

Principal actuarial assumptions as at December 31, 2023 and 2022 were as follow:

| | % |
|----------------------|-----------------------------|
| Discount rate | 2.56 |
| Salary increase rate | 4 |
| Turnover rate | 0.00 - 40.11 |
| Disability rate | 5 percent of mortality rate |

Discount rate were the market yields on government's bond for legal severance payments plan.

Salary increase rate depended on the management's policies.

Turnover rate depended on the length of service.

Mortality rate were the reference rate from TMO2017: Thai Mortality Ordinary Table 2017.

Sensitivity analysis

The result of sensitivity analysis for significant assumptions that affect the present value of the provisions for employee benefit as at December 31, 2023 and 2022 are summarized below:

| | <i>Baht</i> | | | |
|------------------------------------|-------------|-------------|-------------|-------------|
| | 2023 | | 2022 | |
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (656,540) | 706,711 | (634,955) | 685,772 |
| Salary increase rate (1% movement) | 1,704,457 | (1,480,807) | 1,513,123 | (1,315,205) |
| Turnover rate (20% movement) | (1,861,241) | 2,341,430 | (1,650,036) | 2,067,937 |

The Company presented in the statement of comprehensive income for the years ended December 31, 2023 and 2022 as follow:

| | <i>Baht</i> | |
|-------------------------|-------------|-----------|
| | 2023 | 2022 |
| Cost of sales | 602,733 | 644,335 |
| Selling expenses | 61,272 | 72,603 |
| Administrative expenses | 286,484 | 213,282 |
| Management remuneration | 121,226 | 184,252 |
| Finance cost | 282,384 | 253,195 |
| Total | 1,354,099 | 1,367,667 |

20. REVENUE FROM CONTRACT WITH CUSTOMERS

Disaggregation of revenue for the years ended December 31, 2023 and 2022 as follow:

| | | <i>Baht</i> |
|---|-------------|-------------|
| | 2023 | 2022 |
| Type of goods | | |
| Revenue from sales of aluminium part | 717,584,542 | 647,370,540 |
| Revenue from sales of mold | 43,367,572 | 62,442,282 |
| Total | 760,952,114 | 709,812,822 |
| Income from sales scrap and supplies used | 7,476,224 | 5,160,079 |
| Written-off of trade payables | - | 632,195 |
| Other income | 210,610 | 1,077,736 |
| Total | 7,686,834 | 6,870,010 |
| Grand total | 768,638,948 | 716,682,832 |
| Timing of revenue recognition | | |
| At a point in time | 768,638,948 | 716,682,832 |

21. OPERATING SEGMENT

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance measured basing on segment operating profit or loss on a basis consistent with that used to measure operating profit or loss in the financial statements.

Business segment

The Company identified their business segment as manufacturing and distribution of mold and aluminium parts.

Operating segment information for the years ended December 31, 2023 and 2022 were summarized as follow:

| | Aluminum parts | | Mold | | Total | |
|--------------------------------------|--------------------|-------------------|-------------------|-------------------|--------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenue | | | | | | |
| Timing of revenue recognition | | | | | | |
| At a point of time | 717,584,542 | 647,370,540 | 43,367,572 | 62,442,282 | 760,952,114 | 709,812,822 |
| Cost of sales | (591,182,151) | (572,845,401) | (29,729,976) | (41,329,408) | (620,912,127) | (614,174,809) |
| Segment profit from operation | 126,402,391 | 74,525,139 | 13,637,596 | 21,112,874 | 140,039,987 | 95,638,013 |

Geographic information

The Company operates in a single geographical segment principally in Thailand. There are no material revenues derived from or assets located in foreign countries. Therefore, revenue and assets presented in the financial statements are geographical segment reporting.

Major customers

For the year ended December 31, 2023 and 2022.

The Company has revenue from major customers in each segment as follow:

| | <i>Person</i> | | <i>Baht</i> | |
|----------------|-----------------|------|-------------|-------------|
| | Major customers | | Revenue | |
| | 2023 | 2022 | 2023 | 2022 |
| | 3 | 3 | | |
| Aluminium part | | | 389,663,205 | 322,460,560 |
| Mold | | | 20,361,667 | 32,921,090 |

Segment geographic information were as follow:

| | <i>Baht</i> | |
|----------|-------------|-------------|
| | 2023 | 2022 |
| Thailand | 748,341,575 | 698,892,683 |
| Italy | 1,269,619 | 7,961,709 |
| China | 11,340,923 | 2,950,144 |
| France | - | 8,286 |

22. SHARE CAPITAL

Movement of share capital for the years ended December 31, 2023 and 2022 were summarized as follows:

| | <i>Per share</i> | <i>Baht</i> | |
|---------------------------|------------------|-------------|-------------|
| | | 2023 | 2022 |
| | | Number | Amount |
| Share capital (Par value) | | | |
| Ordinary shares | | | |
| At January 1 | 0.50 | 31,663,445 | 158,331,723 |
| Increase of new shares | 0.50 | - | - |
| Decrease of new shares | 0.50 | - | - |
| At December 31 | 0.50 | 31,663,445 | 158,331,723 |

| | | 2023 | | 2022 | |
|--|------|-------------|-------------|-------------|-------------|
| | | Number | Amount | Number | Amount |
| Issued and paid-up shares (Paid-up value) | | | | | |
| Ordinary shares | | | | | |
| At January 1 | 0.50 | 316,662,232 | 158,331,116 | 308,543,870 | 154,271,935 |
| Increase of new shares | 0.50 | - | - | 8,118,362 | 4,059,181 |
| At December 31 | 0.50 | 316,662,232 | 158,331,116 | 316,662,232 | 158,331,116 |

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

The Ordinary General Meeting of Shareholders held on April 28, 2022 passed the special resolutions to approve as follows:

22.1 Stock dividend at the rate of 38 existing ordinary shares per 1 stock dividend, totalling in the amount of 8.12 million shares or equivalent to Baht 4.06 million and dividend payment at the rate of Baht 0.0015 per share, totalling of Baht 0.43 million.

22.2 Decrease authorized share capital from Baht 199.40 million (398.79 million ordinary shares with par value of Baht 0.50 each) to Baht 154.27 million (308.54 million ordinary shares with par value of Baht 0.50 each) by decreasing ordinary shares of 90.25 million ordinary shares with par value of Baht 0.50 each totalling of Baht 45.13 million

On May 6, 2022, the Company had already registered the mentioned decrease in share capital with the Department of Business Development, Ministry of Commerce.

22.3 Increase authorized share capital from Baht 154.27 million (308.54 million ordinary shares with par value of Baht 0.50 each) to Baht 158.33 million (316.66 million ordinary shares with par value of Baht 0.50 each) by issuing new ordinary shares of Baht 4.06 million (8.12 million ordinary shares with par value of Baht 0.50 each) to support stock dividend payment.

On May 9, 2022, the Company had already registered the mentioned increase in share capital with the Department of Business Development, Ministry of Commerce.

23. PREMIUM ON SHARE CAPITAL

According to the Public Companies Act B.E. 2535, Section 51 the Company is required to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("premium on share capital"). Premium on share capital is not available for dividend distribution.

24. DIVIDEND

| | | | | | | | <i>Baht</i> |
|----------|-------------------------|--------------------------|----------------|-----------|-----------------------|------------------|------------------|
| Dividend | Approval | Dividend payment date | Stock dividend | | Dividend per share | Dividend paid | Total |
| | | | Per share | Amount | | | |
| Year | The Ordinary General | May 19, | | | | | |
| 2023 | Meeting of Shareholders | 2023 | - | - | 0.0210 | 6,649,908 | <u>6,649,908</u> |
| | as at April 28, 2023 | | | | | | |
| Year | The Ordinary General | May 9, | | | | | |
| 2022 | Meeting of Shareholders | 2022 | 38 : 1 | 4,059,171 | 0.0146 | 433,390 | <u>4,492,561</u> |
| | as at April 28, 2022 | | | | | | |

25. LEGAL RESERVE

According to the Public Limited Companies Act B.E. 2535, Section 116, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve is not available for dividend distribution.

| | | | <i>Baht</i> |
|--------------------------------|-----------|-----------|-------------|
| | | | |
| | 2023 | 2022 | |
| For the year ended December 31 | | | |
| Appropriated to legal reserves | 2,731,000 | 1,210,000 | |

26. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses for the years ended December 31, 2023 and 2022 were summarized as follow:

| | | | <i>Baht</i> |
|----------------------------|--------------------|--------------------|-------------|
| | | | |
| | 2023 | 2022 | |
| Salaries and wages | 137,547,294 | 127,239,429 | |
| Defined benefit plans | 1,354,099 | 1,367,667 | |
| Defined contribution plans | 3,367,763 | 3,253,568 | |
| Termination benefits | 158,098 | 316,717 | |
| Total | <u>142,427,254</u> | <u>132,177,381</u> | |

PROVIDENT FUND

The provident funds established by the Company for its employees under the Provident Fund Act B.E. 2530 comprises contributions made monthly by the employees and by the Company. The provident fund will be paid to the employees upon termination in accordance with the rules of the Fund. At the present, the provident funds are managed by TISCO Asset Management Co.,Ltd.

| | <i>Baht</i> | |
|--|-------------|-----------|
| | 2023 | 2022 |
| For the year ended December 31 | | |
| Contributions paid to the provident fund | 3,367,763 | 3,253,568 |

27. EXPENSES BY NATURE

Expenses by nature for the year ended December 31, 2023 and 2022 were summarized as follow:

| | <i>Baht</i> | |
|--|-------------|-------------|
| | 2023 | 2022 |
| Cost of sales | | |
| Original equipment manufacturer | 194,551,770 | 208,180,964 |
| Employee benefit expenses | 93,321,745 | 86,010,087 |
| Depreciation and amortization | 27,443,151 | 26,130,245 |
| Repair and maintenance expenses | 11,783,853 | 8,525,271 |
| Utility expenses | 25,681,897 | 20,118,735 |
| Rental | 1,254,000 | 1,190,499 |
| Selling expenses | | |
| Employee benefit expenses | 2,909,122 | 3,831,773 |
| Amortization | 1,700,358 | 1,942,187 |
| Transportation expenses | 635,847 | 2,544,947 |
| Travelling expenses | 2,370,070 | 2,248,272 |
| Administrative expenses | | |
| Employee benefit expenses | 46,196,387 | 42,335,520 |
| Consultation and professional expenses | 5,041,008 | 4,853,227 |
| Depreciation and amortization | 4,377,907 | 4,750,919 |
| Repair and maintenance expenses | 859,729 | 20,261 |
| Transportation expenses | 1,714,006 | 1,531,714 |
| Utility expenses | 3,340,676 | 2,927,919 |

28. PROMOTIONAL PRIVILEGES

The Company received a promotion certificate under the Investment Promotion Act B.E. 2520 for its business involving manufacture automobile and electronic parts made from aluminium part. The major privileges granted to the Company are as follows:

| | | | |
|---|--|--|--|
| 1. Investment Promotion number | 1090(2)/2554 | 1010(2)/2557 | E620983/2562 |
| 2. Approval date by the Board of Investment | January 26, 2011 | January 7, 2014 | November 25, 2019 |
| 3. Date of Tax exemptions | April 1, 2011 | May 13, 2019 | December 3, 2019 |
| 4. To Investment Promotion | Manufacture steel products including steel parts | Manufacture steel products including steel parts | Manufacture steel products including steel parts |
| Exemption from promotional privileges | | | |
| 4.1 Exemption from import duty on machinery as approved by the Board of Investment which import within | July 26, 2013 | July 7, 2019 | May 25, 2022 |
| 4.2 Exemption from corporate income tax on net profit derived from the operations of promoted businesses from the date of first earning operating income. | 8 years | 8 years | 4 years |
| 4.3 Exemption from corporate income tax on net profit derived from the operations of promoted businesses 50% from normal income tax rate commencing from the expiry date of the corporate income tax exemption. | 5 years | 5 years | - |
| 4.4 Exemption from income tax on dividends received from the operations. | 8 years | 8 years | 4 years |
| 4.5 An allowance to double deduct the transportation, electricity and water expenses for period from the income is initially earned. | 10 years | 10 years | - |
| 4.6 An allowance to deduct in infrastructure in addition to normal depreciation. | 25 percent of investment | 25 percent of investment | - |

Consequently, the Company has to comply with terms and conditions stipulated in the promotion certificate.

Revenue from domestic sales and export sales and other income for the years ended December 31, 2023 and 2022 are classified as promoted business and non-promoted business as follows:

| | 2023 | | | 2022 | | |
|-----------------------|-------------|------------|-------------|-------------|------------|-------------|
| | Domestic | Export | Total | Domestic | Export | Total |
| Promoted business | 526,433,994 | 9,399,896 | 535,833,890 | 537,248,144 | 7,961,709 | 545,209,853 |
| Non-promoted business | 221,907,581 | 3,210,643 | 225,118,224 | 161,644,539 | 2,958,430 | 164,602,969 |
| Total | 748,341,575 | 12,610,539 | 760,952,114 | 698,892,683 | 10,920,139 | 709,812,822 |

29. INCOME TAX

Income tax of the Company for the years ended December 31, 2023 and 2022 was calculated at a rate specified by the Revenue Department on net earnings after adjusting certain conditions according to the Revenue Code. The Company recorded the corporate income tax as expense for the years and recorded the accrued portion as liabilities in the statements of financial position.

Tax income (expense) for the years ended December 31, 2023 and 2022 were as follow:

| | Baht | |
|---|-------------|---------|
| | 2023 | 2022 |
| Income tax recognised in profit or loss | | |
| Current tax expense | | |
| Current year | - | - |
| Deferred tax | | |
| Movements in temporary differences | (7,047,358) | 257,427 |
| Tax income (expense) | (7,047,358) | 257,427 |

Tax expense for the years ended December 31, 2023 and 2022 were as follow:

| | Baht | | |
|--|------------|-------------|------------|
| | Before tax | Tax expense | Net of tax |
| Tax expense | | | |
| Recognized in other comprehensive income | | | |
| Defined benefit plan actuarial gain | 265,554 | (53,111) | 212,443 |
| Other comprehensive income - net of tax | 265,554 | (53,111) | 212,443 |

Reconciliation of effective tax rate

| | 2023 | | 2022 | |
|--|-----------------|--------------|-----------------|-------------|
| | % | | % | |
| | <i>Tax rate</i> | <i>Baht</i> | <i>Tax rate</i> | <i>Baht</i> |
| Profit before income tax expense | | 61,662,942 | | 21,545,011 |
| Income tax using the Thai corporation tax rate | 20 | (12,332,588) | 20 | (4,309,002) |
| Expenses not deductible for tax purposes | | (636,941) | | (1,503,158) |
| Addition expenses deductible for tax purposes | | 4,188,191 | | 3,784,884 |
| Loss carry forward | | 8,781,338 | | 2,027,276 |
| Income tax for the year | - | - | - | - |
| Movements in temporary differences | | (7,047,358) | | 257,427 |
| Tax income(expense) | 11 | (7,047,358) | 1 | 257,427 |

Deferred tax

Deferred tax assets as at December 31, 2023 and 2022 consisted of:

| | <i>Baht</i> | |
|--|--------------|--------------|
| | 2023 | 2022 |
| Deferred tax assets | 5,643,192 | 12,592,827 |
| Deferred tax liabilities | (10,541,718) | (10,443,995) |
| Deferred tax assets(liabilities) - net | (4,898,526) | 2,148,832 |

Movement of deferred tax assets and deferred tax liabilities occurred during the year were summarized as follows:

| | | | | | | <i>Baht</i> |
|---------------------------------|------|---------------------|------------------|---------------------|--------------------|---------------------|
| | | As at January | Other | As at | | As at |
| | Note | 1, 2022 | comprehensive | December | Profit (loss) | December |
| | | | loss | 31, 2022 | | 31, 2023 |
| Deferred tax assets | | | | | | |
| Inventories | 7 | 298,276 | 220,452 | 518,728 | (93,899) | 424,829 |
| Right-of-use assets | 11 | 16,018 | 38,197 | 54,215 | 29,960 | 84,175 |
| Provisions of employee benefit | 19 | 884,955 | 366,055 | 1,197,899 | 470,445 | 1,668,344 |
| Tax loss carry forward | | 10,767,008 | 54,977 | 10,821,985 | (7,356,141) | 3,465,844 |
| Total | | <u>11,966,257</u> | <u>679,681</u> | <u>12,592,827</u> | <u>(6,949,635)</u> | <u>5,643,192</u> |
| Deferred tax liabilities | | | | | | |
| Property, plant and equipment | 10 | (9,146,157) | (340,556) | (9,486,713) | (172,619) | (9,659,332) |
| Deferred gain on sale of mold | | (875,584) | (81,698) | (957,282) | 74,896 | (882,386) |
| Total | | <u>(10,021,741)</u> | <u>(422,254)</u> | <u>(10,443,995)</u> | <u>(97,723)</u> | <u>(10,541,718)</u> |

Deferred tax asset arising from temporary differences and accumulated loss not recognized in the financial statements as at December 31, 2022 was summarized as follow:

Baht

| | |
|--------------------|------------------|
| Loss carry forward | <u>6,253,291</u> |
|--------------------|------------------|

The Company has not recognized temporary differences for cumulative losses which are expired in 2024 – 2027 and not recognized deferred tax assets for unexpired temporary differences due to there is no certain future taxable profit to be utilized.

30. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share for the years ended December 31, 2023 and 2022 was calculated by dividing profit for the years attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares issued and paid-up during the years.

Stock dividend payment

During the year 2022, the Company paid stock dividends to the ordinary shareholders (see note 24). The Company adjusted the number of ordinary shares held by the ordinary shareholders existing before dividends paid at the changed proportion of the ordinary shares held by ordinary shareholders, as though the stock dividend had been issued at the beginning of the earliest reporting period.

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

Baht

| | 2023 | 2022 |
|--|--------------------|--------------------|
| Profit for the year | 54,615,584 | 21,802,438 |
| Weighted average number of ordinary shares (Shares) | | |
| Ordinary shares at the beginning of year | 316,662,232 | 308,543,870 |
| Effect of stock dividend issued | - | 8,118,362 |
| Weighted average number of ordinary shares | <u>316,662,232</u> | <u>316,662,232</u> |
| Basic earnings per share | <u>0.172</u> | <u>0.069</u> |

31. COMMITMENTS

As at December 31, 2023 and 2022, the Company had commitments as follows:

| | | <i>Bahr</i> | |
|--|-------------|-------------|-------------|
| | <u>Note</u> | <u>2023</u> | <u>2022</u> |
| a) Letters of guarantee issued by the banks regarding to the obligation under the agreement as follow: | | | |
| - for electricity use | 9 | 2,406,800 | 1,547,000 |
| b) Commitments regarding to manufacture mold as follow: | | | |
| The mold production agreement | | 9,233,100 | 6,899,575 |
| The asset purchase agreement | | - | 75,000 |
| c) Commitments regarding to the agreements as follow: | | | |
| Monthly service | | | |
| Operating lease | | 55,300 | 146,300 |
| Services | | 95,264 | 64,500 |

32. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Significant financial instruments of the Company in the statement of financial position principally comprise cash and cash equivalents, short-term investment, deposits at banks, investments, trade and other receivables, trade and other payables, bank overdrafts, loan from financial institutions, loan from related parties and lease liabilities.

Risk management policy

The Company are exposed to risks from changes in interest rates and currency exchange rates and risks from non-performance of contractual obligations by counterparties. the Company uses derivatives, as and when it considers appropriate, to manage such risks. In addition, the Company has a policy to enter into contracts with creditworthy counterparties. Therefore, the Company does not expect any material financial losses to arise from that the counterparties will fail to discharge their obligations as stipulated in the financial instruments contracts.

The accounting policies of derivatives are disclosed in note 3 to the financial statements.

a) Interest rate risk

Interest rate risk is the risk that future fluctuations in market interest rates will affect the operating result and cash flows of the Company.

The exposure to interest rate risk of the Company relates primarily to their deposits at financial institutions, bank overdrafts, loan from financial institution, loan from related parties and lease liabilities. However, as most of the financial assets and liabilities carry floating interest rate which

fluctuates in line with the market interest rates or carry fixed interest rate which approximates to the current market interest rate, the Company do not use derivatives to manage their interest rate risk.

| | <i>Baht</i> | | | |
|---|---------------|------------|---------------|------------|
| | 2023 | | 2022 | |
| | Interest rate | | Interest rate | |
| | Variable | Fixed | Variable | Fixed |
| As at December 31, | | | | |
| Financial assets | | | | |
| Bank deposits | 36,487,485 | - | 13,157,581 | - |
| Short-term investment | - | 378,316 | - | 370,158 |
| Trade and other receivables | 14,813,153 | - | - | 16,023,214 |
| Restricted bank deposits | 3,750,000 | - | 5,295,700 | - |
| Financial liabilities | | | | |
| Short-term loan from financial institutions | 60,000,000 | - | 60,846,221 | - |
| Loan from financial institutions | 21,873,267 | 15,296,000 | 30,717,067 | 24,000,000 |
| Loan from related parties | - | - | - | 910,000 |
| Lease liabilities | - | 34,061,021 | - | 48,325,628 |

b) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations, resulting in a financial loss to the Company.

The Company is exposed to credit risk primarily with respect to trade and other receivables and loan. However, the Company controls such risk by establishing credit limits for clients and counter parties and analysing their financial position as an ongoing basis. The Company is not expected to have much concentration risk of credit exposure.

c) Liquidity risk

Liquidity risk is the risk that the Company will be unable to liquidate financial assets and/or procure sufficient funds to discharge obligations in a timely manner.

The maturity dates of financial instruments held as at December 31, 2023 and 2022, counting from the statements of financial position date were as follows:

| | As at December 31, 2023 | | | | | <i>Baht</i> |
|---|-------------------------|---------------|-------------|--------------|-------------|-------------|
| | At call | Within 1 year | 1 - 5 years | Over 5 years | No maturity | Total |
| Financial assets | | | | | | |
| Short-term investment | - | 378,316 | - | - | - | 378,316 |
| Trade and other receivables | - | 121,402,396 | - | - | - | 121,402,396 |
| Restricted bank deposits | - | - | - | - | 3,750,000 | 3,750,000 |
| Financial liabilities | | | | | | |
| Short-term loan from financial institutions | - | 60,000,000 | - | - | - | 60,000,000 |
| Trade and other payables | - | 126,193,255 | - | - | - | 126,193,255 |
| Loan from financial institutions | - | 11,171,800 | 25,997,467 | - | - | 37,169,267 |
| Lease liabilities | - | 15,653,668 | 18,407,353 | - | - | 34,061,021 |

Baht

As at December 31, 2022

| | At call | Within 1 year | 1 - 5 years | Over 5 years | No maturity | Total |
|---|---------|---------------|-------------|--------------|-------------|-------------|
| Financial assets | | | | | | |
| Short-term investment | - | 370,158 | - | - | - | 370,158 |
| Trade and other receivables | - | 122,720,009 | - | - | - | 122,720,009 |
| Restricted bank deposits | - | 1,545,700 | - | - | 3,750,000 | 5,295,700 |
| Financial liabilities | | | | | | |
| Short-term loan from financial institutions | - | 60,846,221 | - | - | - | 60,846,221 |
| Trade and other payables | - | 118,498,627 | - | - | - | 118,498,627 |
| Loan from financial institutions | - | 12,976,800 | 41,740,267 | - | - | 54,717,067 |
| Loan from related party | - | 910,000 | - | - | - | 910,000 |
| Lease liabilities | - | 19,523,849 | 28,801,779 | - | - | 48,325,628 |

33. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors' Meeting held on February 21, 2024 passed a resolution to approve the propose to the shareholders' Meeting for the dividend payment at the rate of Baht 0.04 per share, totaling of 12.67 million Baht.

Details of Directors, Executive Officers and Company Secretary as of December 31, 2023

1. Information of Directors, Executive Officers and Company Secretary

1.1 Details of the Directors, Executive Officers and Company Secretary are as follows:

| Name-Surname/ Position / Date appointed (1) | age (Year) | Education / Training (2) | Ratio (%) (at of 31 December 2023) (3) | Family relationship between Directors and Executives (4) | Work experience 5 years ago (5) | | |
|--|---------------|---|--|---|------------------------------------|---|---|
| | | | | | Time period | Position | Organization name /company |
| Mr. Adul Chotinisakorn • Chairman of the Board <u>Date appointed</u> 28 April 2023 | 64 | <u>Education</u> M.B.A. (Marketing Management), the National Institute of Development Administration B.B.A. (Marketing), Thammasat University <u>Executive Training Programs</u> - Thai-Chinese Leadership Program", Huachiew Chalermprakiet University - Top Executive Program in Commerce and Trade (TEPCoT 9)" the University of Thai Chamber of Commerce - Columbia Senior Executive Program (CSEP 128)", Columbia | 0.00% | - | 2022- Present | Director | President Inter Food Company Limited |
| | | | | | 2021 - Present | Director | The Thai Tapioca Development Institute |
| | | | | | 2020 – Present | Chairman of the Board | Sanko Diecasting (Thailand) Plc |
| | | | | | 2020 – Present | Senior Expert Committee, Oil Fuel Fund Administration | Ministry of Energy |
| | | | | | 2022 – 2023 | Chief Executive Officer commission | Senate |

| | | | | | | | |
|--|--|--|--|--|-------------------------------------|--|-----------------------|
| | | Business School, Columbia University | | | | commerce and industry | |
| | | - Senior Executive Program Royal Thai Government | | | 2017 - 2019 | Director | EXIM Bank of Thailand |
| | | - "Executive Program for Senior Management 2008: Management in Globalizing Era," Kellogg School of Management (Northwestern University), - "Effective Management Program," Marshall Business School, University of Southern California | | | 2017 - 2019 | Chairman of the CG & CSR Committee | EXIM Bank of Thailand |
| | | - "Management Leadership Program," Marshall Business School, University of Southern California | | | 2017 - 2019 | Chairman Board Relationship Affairs | EXIM Bank of Thailand |
| | | | | | 2017 - 2019 | Nomination and Remuneration Committee | EXIM Bank of Thailand |
| | | | | | <u>Experiences in Public Sector</u> | | |
| | | | | | 2018-2019 | Director-General, Department of Foreign Trade | Ministry of Commerce |
| | | | | | 2015 - 2018 | Deputy Director-General, Department of Foreign Trade | Ministry of Commerce |

| | | | | | | | |
|--|----|--|----------------------|---|---|--|---|
| <p>2. Mr. Masami Katsumoto</p> <ul style="list-style-type: none"> Director <p><u>Date appointed</u> 28 April 2022</p> <ul style="list-style-type: none"> directors who are authorized to sign to bind the company <p><u>Date appointed</u> 28 April 2022</p> | 75 | <p><u>Education</u></p> <p>2510 High School attached to the Faculty of Education, The University of Tokyo</p> <p>2514 Mechanical Engineering, College of Science and Technology Nihon University</p> <p><u>IOD Courses</u></p> <p>Director Accreditation Program (DAP) year 83/2553</p> | 2.84% (8,980,263) | - | 1996 - Present | Director | Sanko Diecasting (Thailand) Plc |
| <p>3. Mr. Rattawat Suksaichol</p> <ul style="list-style-type: none"> Director <p><u>Date appointed</u> 28 April 2023</p> <ul style="list-style-type: none"> directors who are authorized to sign to bind the company <p><u>Date appointed</u> 28 April 2023</p> <ul style="list-style-type: none"> Nomination and Remuneration Committee <p><u>Date appointed</u> 29 April 2020</p> <ul style="list-style-type: none"> Chief Executive Officer <p><u>Date appointed</u> 24 February 2016</p> | 66 | <p><u>Education</u></p> <p>1979 Bachelor of Law, Faculty of Law, Thammasart University</p> <p><u>IOD Courses</u></p> <p>- Director Accreditation Program (DAP) year 77/2009</p> <p>- Financial Statement for Directors (FSD) year 6/2009</p> <p>- Director Certification Program (DCP) year 128/2010</p> <p>- Successful Formulation & Execution of Strategy (SFE) year 13/2011</p> <p>- Role of the Compensation Committee (RCC) year 15/2012</p> | 0.92% (2,921,927) | - | <p>2019 – present</p> <p>2018 – present</p> <p>2017 – present</p> <p>2001 - Present</p> | <p>Independent Director and Audit Committee</p> <p>Director</p> <p>Nomination and Remuneration Committee</p> <p>Director and Chief Executive Officer</p> | <p>Sonic Interfreight Plc.</p> <p>Pinthong Industrial Park Plc.</p> <p>Sanko Diecasting (Thailand) Plc</p> <p>Sanko Diecasting (Thailand) Plc</p> |

| | | | | | | | |
|--|----|--|-------|---|--|---|--|
| | | - Role of the Nomination and Governance committee (RNG) year 3/2012 <u>Other courses</u> - Strategy CFO in Capital Markets Program 2015 - Advanced Master of Management Program, (AMM) | | | | Director | |
| 4. Mrs. Poonsri Pattamavorakulchai • Director <u>Date appointed</u> 28 April 2021 | 71 | <u>Education</u> 1977 Bachelor of Business Administration in Accounting, Ramkhamhaeng University <u>IOD Courses</u> Director Accreditation Program (DAP) year 121/2015 | 0.00% | - | 2015 – Present | Director | Sanko Diecasting (Thailand) Plc |
| 5. Mr. Yuttana Taepangthong • Director <u>Date appointed</u> 28 April 2021 • Nomination and Remuneration Committee <u>Date appointed</u> 28 April 2021 | 50 | <u>Education</u> 1999 Bachelor of Accounting, Bangkok University <u>IOD Courses</u> -Director Accreditation Program (DAP) year 120/2015 -Director Certification Program (DCP) 233/2017 -Risk Management Program for Corporate Leaders (RCL) 9/2017 | 0.00% | - | 2023 - Present 2023 - Present 2022 - Present | Director / Audit Committee Director / Audit Committee Chief Executive Officer of Accounting and | Pathawin Public Company Limited Miracle Grand Intertrade Co.,Ltd Nova Organic Public Company Limited |

| | | | | | | | |
|---|----|--|-------|---|---|---|---|
| | | | | | 2018 - Present | Finance (CFO) Director / Audit Committee | VL Enterprise Plc |
| | | | | | 2014 - Present | Director | Sanko Diecasting (Thailand) Plc |
| 6. Mr. Keisuke Hamada <ul style="list-style-type: none"> Director <u>Date appointed</u> 28 April 2022 <ul style="list-style-type: none"> directors who are authorized to sign to bind the company <u>Date appointed</u> 28 April 2022 | 46 | <u>Education</u> Doshisha University, Department of Commercial Science <u>IOD Courses</u> -Director Accreditation Program (DAP) year 203/2023 | 0.00% | - | 2022– Present 2022– Present 2020– Present 2021– Present 2020– 2021 2018– Present 2018– Present 2016– Present | Director Managing Director Managing Director Managing Director Deputy Managing Director Director Director Director | Sanko Diecasting (Thailand) Plc TIP Metal Industries Ltd. TIP Plastic Parts Ltd. Thai Industrial Parts Ltd. Thai Industrial Parts Ltd. TIP Metal Industries Ltd. TIP Plastic Parts Ltd. Thai Industrial Parts Ltd. |

| | | | | | | | |
|---|----|---|-------|---|--|--|--|
| 7. Ms. Achara Suwanpuchai <ul style="list-style-type: none"> Independent Director / Audit Committee <u>Date appointed</u> 10 November 2022 | 63 | <u>Education</u> Bachelor of Accountancy, Thammasat University <u>IOD Courses</u> -Director Accreditation Program (DAP) year 201/2023 | 0.00% | - | 2022- Present 2013-2020 | Independent Director / Audit Committee Executive Vice President (EVP), Risk Management Division | Sanko Diecasting (Thailand) Plc Affiliated company of Asia Plus Group Holdings Public Company Limited |
| 8. Mr. Nipan Tungpiruttham <ul style="list-style-type: none"> Independent Director / Audit Committee <u>Date appointed</u> 28 April 2022 <ul style="list-style-type: none"> Chairman of the Nomination and Remuneration Committee <u>Date appointed</u> 28 April 2022 | 63 | <u>Education</u> 1979 Bachelor of Law, Faculty of Law, Thammasart University <u>IOD Courses</u> Director Accreditation Program (DAP) year 80/2009 | 0.00% | - | 2017 - Present 2009 - Present 2000 - Present 1993 - Present 2000 - Present | Nomination and Remuneration Committee Independent Director and the Audit Committee Managing Director Managing Director Managing Director | Sanko Diecasting (Thailand) Plc Sanko Diecasting (Thailand) Plc Master Glove Industry co.ltd Rose and Green co.ltd Super Glove Industry co.ltd |
| 9. Mr. Santi Niamnil <ul style="list-style-type: none"> Independent Director / Audit | 55 | <u>Education</u> 1993 Bachelor of Law, Ramkhamhaeng | 0.00% | - | 2009 - Present | Independent Director and Audit | Sanko Diecasting (Thailand) Plc |

| | | | | | | | |
|--|----|--|--------------------|---|--|---|---|
| Committee <u>Date appointed</u> 28 April 2021 | | University <u>IOD Courses</u> Director Accreditation Program (DAP) year 80/2009 | | | 2016 - 2023 | Committee Audit Committee | Phol Dhanya Pcl. |
| 10. Mr. Thannithi Thanagijirawach <ul style="list-style-type: none"> Chief Financial Officer <u>Date appointed</u> 21 February 2024 <ul style="list-style-type: none"> Account and Finance Department Manager <u>Date appointed</u> 1 September 2022 | 52 | <u>Education</u> Bachelor of Accountancy, Sripatum University | 0.00% | - | 2022 - Present 2021-2022 2006-2018 | Account and Finance Department Manager Department Manager Office (Department Financial Accounting/ Human Resources/Purchase) Department Director Accounting and Finance and Office | Sanko Diecasting (Thailand) Plc T.S.T. Inter Products Co., Ltd. Narong Seafood Co., Ltd |
| 11. Mr. Kiattipoom Poomminun <ul style="list-style-type: none"> Chief Operating Officer (Acting) <u>Date appointed</u> 11 May 2023 <ul style="list-style-type: none"> Sales and Marketing Department | 38 | <u>Education</u> Bachelor's degree in Automotive Design & Manufacturing Engineering (ADME) International program, | 0.06% (201,000) | - | 2023 - Present 2014 - Present | Chief Operating Officer (Acting) Sales and Marketing | Sanko Diecasting (Thailand) Plc Sanko Diecasting |

| | | | | | | | |
|---|----|--|-------------------|---|--------------------------------|--|--|
| Manager <u>Date appointed</u> 21 January 2014 | | Chulalongkorn University Master of Business Administration (M.B.A.), University of Lincoln, United Kingdom | | | | Department Manager Sales manager | (Thailand) Plc |
| 12. Mr.Anant Tungsunthornthum • Engineering Director <u>Date appointed</u> 1 January 2020 | 49 | <u>Education</u> Bachelor of Engineering Program in Mechanical and Design Engineering. King Mongkut's University of Technology North Bangkok | 0.00% | - | 2020- Present 2004-2020 | Engineering Director Manager of Quality Control and Assurance Department | Sanko Diecasting (Thailand) Plc Sanko Diecasting (Thailand) Plc |
| 13. Ms. Sakutip Homanee • Company secretary <u>Date appointed</u> 18 September 2016 | 42 | <u>Education</u> Bachelor of Political Science Program in Politics and Government. Thammasart University Master of Science in Management Technology. National Institute of Development Administration <u>IOD Courses</u> CSP33/2016 BRP17/2017 EMT5/2018 CRP1/2018 | 0.02% (56,431) | - | 2016 - Present | Company secretary | Sanko Diecasting (Thailand) Plc . |

1.2 Scope of the company secretary's duties

The company secretary must do all assigned duties in accordance with the regulations of the Securities and Exchange Act B.E.2551(2018), section 89/15 and 89/16, as well as laws, company's objectives and regulations and all committees and shareholders 'meeting resolutions responsibly cautiously and loyally; and, the company secretary's legal duties are as follows;

1. Create and take care of
 - A. The record of the committees
 - B. The meeting Invitation and the minutes of meeting of the committee and the annual report
 - C. The meeting Invitation and the minutes of meeting of the shareholders
2. Take care of the conflict of interest record reported by the committee; and, forward its copy to the chairman and the chairman of the audit committee within 7 days
3. Do related works that Capital Market Supervisory Board has instructed

Besides, the followings are additional assignments given by the company

- Give counsel connected to laws regulations and code of practices that lead the committee activity control in line with the law
- Manage the Committee and the shareholders meeting
- Follow up the Committee and the shareholders' meeting regulations
- Catch up with the
- Take care of the new committee orientation
- Etc.

Chief of the internal audit of the company and chief of corporate Operations Section information

(1) The Internal Audit

An external audit company that has been appointed as the “Internal Audit” T Group Advisory Company limited, with Miss Rungwan Saelee, the committee, acting as the main internal auditor of the company

(2) Education history

Present: Master of Science Corporate Governance, Chulalongkorn University

1999 – 2005: Bachelor Degree in Accounting, Ramkhamheang University

(3) The related work experience and training history

Professional certificate : Certified Professional Internal Audit of Thailand (CPIAT) Program,
The Institute of Internal Auditors of Thailand
: Internal Audit Certificate Program (IACP), Federal of Accounting Profession Thailand
: Certified Public Accountant
: Tax Auditor

Work Experiences : present Director T Group Advisory Company limited
: 2014 – Present Accounting and audit system design
Internal audit of private and listed company
: 2014 – Present Accounting, taxes and internal audit advisor
: 2009–2013 Senior auditor of Thai Audit Co., Ltd
: 2005 – 2008 Auditor assistant of Thai Audit Co., Ltd



Corporate Good Governance

Sanko Diecasting (Thailand) Public Company Limited

(Revise 1)



www.sankothai.net

Part 1 General Provisions

Vision

SANKO strives to be the leader in the diecasting industry, to be accepted on an international level. This includes developing new innovations in all aspects and being able to manufacture quality products and provide excellent services to customers reliably.

Mission

1. Perform with excellence in all its operations.
2. Create innovations and use modern technologies in designing and production development.
3. Improving the skills of the employees in order to manufacture modern and up-to-date products in the industry that requires advance technology.



Our Core Value

- Innovation
- Proactive Working
- Achievement Orientation
- Sense of Belonging

Company's Strategies

The Company focuses on growth strategy by expanding the customers base both domestically and internationally in order to reduce the risks poses by the domestic economy. This is achieved by increasing the demands of the customers and broaden the range into other industries other than automobiles. The Company will also research new products that have the potential to be profitable in the future with high margin, high technology and emphasizing on customers that requires the Company's expertise.

Business strategy and Functional Strategy



- **Quality:** The Company can produce parts which are of the best quality and are well received among the automobiles producers. Moreover, the Company has been certified by the International Standards ISO 9001:2015 and ISO/TS 16949:2016 to ensure and build up confidence for the customers in the long run.
- **Knowledge and Technology:** The Company is specialized in designing molds which is the Know-How that has been passed down from generations to generations. Moreover, the Company continuously develops the production lines, so that it can respond to the demands of the customers.
 - The Company aims to develop new products in order to increase sales and for better returns, including spreading out the risks from relying on old customers and products.
 - The Company aims to be the innovative Organization by introducing robotic technologies into the production process in order to increase operational efficiency.
- **Costs and profits** - The Company emphasizing on strict management of costs and profits by using Budget Control System to control all of the departments' operation to be more efficient in managing costs and profits equal to the international standards.

- Manufacturing: Due to the design of the production line, the parts produced can be adjusted quickly with no hassle, meaning that the Company can support a variety of clients from many different industrial groups which reflects the continuous growth of the Company's revenue.
- Marketing: The Company has expanded internationally to reduce the risk of the domestic economic situation which increases the demands in the wider group of clients. Also, the Company expands the client base domestically to other businesses other than the automobiles industry by focusing on the groups that the Company is familiar with the productions and services.
- Products: Increase the production lines by introducing new injection technique which is "Gravity Die Casting" and metal diecasting techniques such as sand casting, lost wax casting, to add a variety of products and to reduce the restrictions in production and to meet the demands of the clients more. The increase in numbers of machineries, which the Company already has specialized in productions, means that the company can provide a full range of complete service to customers.



Principles and Rationale

Sanko Diecasting (Thailand) Public Company Limited recognizes the importance of the good corporate governance which allows the Organization to maintain an ethical managing system, transparent and can be monitored. In order to reassure the confidence of the shareholders, investors and the stakeholders, the Company has prepared the 'Good Corporate Governance Manual' for the Board of Directors, Managers and the Company's employees to acknowledge as the business guidelines and use it for the benefits of the shareholders including the stake holders and all the while being responsible to the society and the environment.

The Importance of Good Corporate Governance

To enhance the good corporate governance system so that it is transparent and has a clear standard which helps improving the Company's capability in competition and preventing any conflicts of interests that may arise. Building the confidence of the investors, shareholders and the stake holders to increase the stock value of the Company, as well as acting as the index to measure and inspect the performances so that they could be improve for better efficiency.



The Principles of SANKO's Good Corporate Governance Manual

The principle of good corporate governance is considered a good discipline which all levels of personnel must understand, uphold and strictly follow. If there are any violations of the said principles and the follow up of fair investigation deems guilty, the Company will proceed with disciplinary and/or legal actions accordingly.

The principle of good corporate governance of the Company will be improved for perfection accordingly. The Company expects the personnel to report honestly regarding any operations which may conflict with the principles to the superiors. The Company will treat all information as confidential materials. It is the responsibility of the superior to allow the operations to proceed according to the principles and the code of ethics.

Part 2 Policies and Corporate Good Governance

Corporate Governance Policies

The Company is fully aware, and gives all its attention to the “Good Corporate Governance”. The Company believes that the good corporate governance reflects the efficient and transparent management system, which will help promoting the confidence of the Shareholders, investors and all parties involved and will ultimately lead to a sustainable growth of the Company and an increase in value. The Company has continuously encourages the implementation of good corporate governance by advising the directors and the management to develop good corporate governance and the practices in accordance with the international standards. This is done by following the good corporate governance, as directed by the Stock Exchange of Thailand, and adapts it to the Company’s corporate governance. Measures are taken to further improve the said policies in accordance with the guidelines of the Stock Exchange of Thailand, which may change in the future to be better suited for the evolving environment of the Company. The practices cover 5 categories as follows;

1. Shareholders’ Rights

The Company is fully aware and gives its utmost attention to the rights of the Shareholders. This is shown by not taking any actions which may violate or reduce the rights of the Shareholders, including encouraging the Shareholders to use their rights. The basic rights of the Shareholders are, trading or transferring shares, sharing profits with the Company, receiving sufficient information about the Company, attending the meetings to use their rights to vote for appointing or removing the directors, appoints the auditors and any issues which have a direct impact to the Company for example, dividend allocation, setting or amending the regulations and the Memorandum of association, decreasing or increasing the capital and authorizing special transactions.

The Company has the policy to promote convenience for the shareholders, including the institutional investors by holding the meeting in the place with sufficient access from the public transport so that the shareholders can easily attend the meetings. The Company always provides information, dates, time, place and agendas including all relevant information for making decisions to the Shareholders prior to the meeting and also notifies the shareholders about all the requirements, as well as the voting procedures. The Company encourages the Shareholders to exercise their rights to fully attend the meeting and to vote, and also to express their opinions and raise any questions relating to the Company in the meeting. The Shareholders may also submit the inquiries or agendas prior to the meeting. The Shareholders may also appoint a proxy to attend the meeting in the case of their absence.

2. Equal Practice to Shareholders

The Company treats all shares holders fairly and equally, no matter the Shareholders who are Executives, non – Executive, foreign Shareholders and minor shareholders which reinforce the confidence in the shareholders that the board and the management has taken great care in the spending of the shareholders funds which is the main factor in

creating the confidence for investing with the Company. The Board of Directors holds the responsibility to make sure that all shareholders are treated fairly and that all their basic rights have been met equally.

The Board of Directors have arranged for the Shareholders Meeting in a way that encourages equal practice to all shareholders and give the chance even for minor shareholders to propose any individuals to take the position as directors, prior to the meeting and in an appropriate time frame. The Company also allows the shareholders who cannot attend the meeting themselves to let their proxies attend the meeting, and also have the rights to vote in their stead.

The Board of Directors has stated the methods to protect and prevent the use of the internal information in writings and will announce this as guidelines for all members of the organization.

3. Stakeholders' Roles

The Company is fully aware of its responsibility and practices to different groups of stakeholders and will seek the mutual benefits so that all groups of stakeholders can be confident that their rights will be fully protected and well exercised. This has been set as a guideline to follow in order to clearly meet the demands of all groups of the stakeholders as stated in the "Code of Conducts and Business Ethics" and will promote the Board of Directors, the management team including the workers to regard this as the fundamental principles for working in the Company and to take it as the important responsibility for all members.

4. Information Disclosure and Transparency

The Company prioritizes the disclosing of all important information relating to the Company, both financial and non-financial information through an accurate, complete, on-time and transparent channel which is easy to access, fair and respectable.

The Company believes that the quality of the financial related reports is something that the shareholders and the outside information give the utmost importance to, the Board of Directors will make sure that all the information displayed in the financial reports are accurate and follow the general standard accounting practices and have been evaluated by an independent auditor. The Company has appointed the Audit Committee, which consists of independent directors who takes responsibility for the quality of the financial report and the internal control. The Board of Directors' reports, Audit Committee's report and the auditor's reports are all presented in the Annual Report.

5. Responsibilities of the Board of Directors

The Board of Directors has the vital role of overseeing the operation to ensure the benefits of the Company. The Board of Directors takes action in place of the shareholders and is independent from the management.

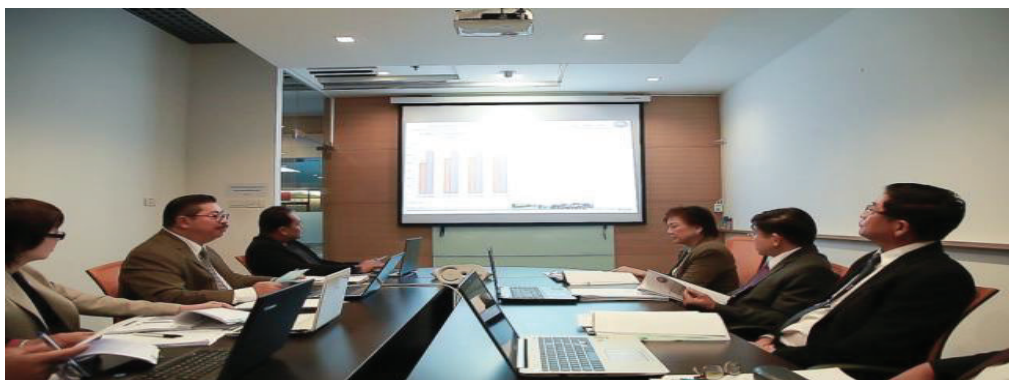
The Board of Directors must have leadership, visions and can make an independent decision for the benefits of the Company and for the shareholders. In order to do so, the system is in place to clearly separate the responsibilities between the Board of Directors and the management, and to ensure that all of the Company's activities proceed in a lawful and ethical way.

The Board of Directors consists of personnel with various qualifications, not only skills and experiences but also specialized talents that are useful to the Company, including their devotion and dedication to strengthen the Company and the Board of Directors.

The procedure to elect the Board of Directors, so that they can be appointed by the shareholders, have been done transparently with no influences of the shareholders or from the management team and is assuring to the outside individuals.

To ensure that the Board of Directors can work efficiently and the effectively, the Board of Directors had asked for the Audit Committee to help supporting the directors in the area of financial reports, internal control system's efficiency and executing the rules, regulations and all codes of ethics to promote good corporate governance.

Each director has a good understanding of their responsibilities as Board of Directors and to operate the Company, always ready to share their opinions independently and constantly improve themselves to adapt to the modern times. The Board of the Directors holds this position with honesty, carefully and thoughtfully by considering the benefits of the Company and being fair to all shareholders, giving all information fully and completely.



Good Corporate Governance policies and guidelines according to the CG Code by the Securities and Exchange Commission, Thailand.

Principle 1: Establish clear leadership role and responsibilities of the Board

The Board of Directors understands and is aware of the responsibilities as the leader that oversee the Organization with good governance. This includes establishing goals and objectives, establishing strategies, work policies as well as allocating vital resources in order to achieve the said targeted goals. The Board of Directors must follow up, evaluate and report the performance for creating sustainable value to the business. The governance outcome should consist of; competitiveness and performance with long-term perspective, good corporate citizenship, and corporate resilience. The Board of Directors is responsible for enforcing the employees to uphold the duty of care and the duty of loyalty, and operate under the rule of laws and the shareholders' resolution. The Board understands the roles and responsibilities and give clear missions and responsibilities to the CEO, including following up on any given tasks as necessary.

Principle 2: Define objectives that promote sustainable value creation

The Board of Directors defines core objectives of the business that promote sustainable value creation. The objectives must match the value creation for the business, customers, stakeholders and the society as a whole. The Board must ensure that the objectives and goals, including medium term and/or annual strategy also matches the objectives of the business by safely introducing adequate innovation and technology.

The Board of Directors clearly considers all appropriate directions and strategies for operating the business, including human resource development to make sure that the said strategies allow the business to function effectively and efficiently under various circumstances. The Company has the visions and organizational cultures that reflect the good corporate governance.

Principle 3: Strengthen Board Effectiveness

The Board of Directors have established and sufficiently revised the structure of the Board to lead the Organization to the targeted goals and objectives. This is done by selecting the most appropriate individual to be the Chairman and carry on the selection process of the Directors clearly and transparently. The remuneration of the Board will be approved by the shareholders fairly and appropriately. The Board of Directors will all carry out their duty responsibly and allocate their time suitably for the job.

The Board of Directors annually evaluates the performance of the Board, sub committees and individual Directors, where the evaluation result will be used further to improve the performance. The Board of Directors must all understand the roles, nature of the business and the laws relating to the business, including providing the support so that all Directors can improve their skills and carry out their duty splendidly. The Board of Directors must ensure that the operation runs smoothly, can access necessary information, and has the Company's Secretary with adequate experience to support the Board's performance.

Principle 4: Ensure effective CEO and people management

The Board of Directors selects and ensures that the CEO and high level Executives have adequate skills and experience necessary to drive the Organization to its goals. The Board makes sure that there are suitable remuneration and performance evaluation for the members of the Organization, to improve their skills, abilities, experiences and provides adequate motivations. The Board of Directors understand the structure and the relationship of the shareholders that may affect the management and the business operation.

Principle 5: Nurture innovation and responsible business

The Board of Directors emphasizes on supporting and promoting innovation that creates value to the Organization together with providing benefits to the customers or stakeholders, as well as being responsible to the environment.

The Board of Directors follow up and makes sure that the business operates with responsibility to the society and to the environment as reflected in the operational plan. This is so that all parties proceed by abiding to the core objectives, goals and the strategies of the Company.

The Board of Directors oversee the allocation of resources efficiently and effectively by considering the impact of the value chain, so that the goals and objectives can be achieved sustainably.

The Board of Directors manages the organizational information technology that matches the requirements of the Company, including overseeing the use of IT to create business opportunities and to improve the risks management. In order to achieve the objectives and core missions of the Company, the Board of Directors also covers risks management in terms of information technology, as well as establishing policies to safely protect the information.

Principle 6: Strengthen effective risk management and internal control

The Board of Directors makes sure that there are risk management system and internal control that allows the Company to achieve its objectives effectively, under the laws, regulations and standards related. The Board improves and develops the risks management process constantly by arranging independent auditors to be responsible for inspecting and evaluating the risks management and internal control systems, as well as reporting and disclosing their findings in the annual report.

The Board has set up the Audit Committee that can work effectively and independently with the qualifications and responsibilities as indicated by the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Board of Directors have monitored and managed the conflicts of interests that may happen between the Company and the management, the Directors or the shareholders, including preventing the unlawful use of assets, information, opportunities and undesirable business transactions with any parties relating to the Company.

The Board has clear anti-corruption policies, including supporting activities that promotes awareness of the employees to abide by the law and all relating regulations in each level of the Organization, and to the external parties. The Company establishes channel to listen to claims and whistle blowers through the website with complete procedures to verify the information (record, follow up, solve the problem) and to report to the Board of Directors. The Company provides protection measures to whistle blowers that honestly reports the leads.

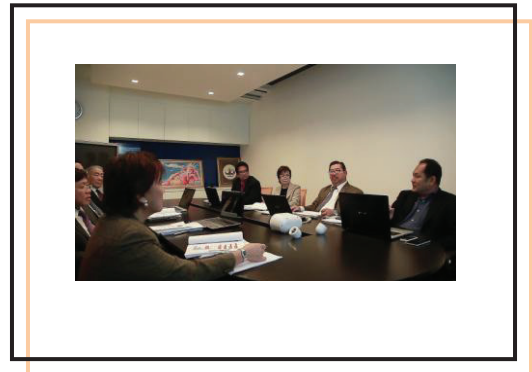
Principle 7: Ensure disclosure and financial integrity

The Board of Directors is responsible for selecting the person in charge of preparing financial reports and disclosing all significant information sufficiently, correctly and on time, and overseeing the financial liquidity and affordability ratio. The individual must possess necessary skills and experience suitable for this responsibility. This individual may be the Chief of Accounting and Finance, Accountant, Auditor, Company's Secretary, and Investor Relation. In the case of a financial crisis, the Board prepares back up plan or any other methods of resolving financial situation. The Board is aware of the rights of stakeholders and has arranged for the representative to communicate with the shareholders. This individual must understand the Company's business, including its objectives, goals, values and

can communicate well with investors and capital market such as Directors or the CEO. The Board promotes the use of IT in disclosing information. Other than publishing through the Stocks Exchange of Thailand as required, the Board of Directors also publishes the information both in Thai and English through other channels such as the Company's website and provides up-to-date information, accessible for all parties.

Principle 8: Ensure engagement and communication with shareholders

The Board of Directors ensures that the shareholders engage in making important decisions of the Company fairly and equally as stated in the Company's corporate governance guidelines. The Board promotes shareholders participation in the shareholders' meeting and allow the shareholders to exercise their rights effectively and transparently. The shareholders can add



agendas prior to the meeting and if the agenda is not approved, the Board must notify the shareholders.

The minority shareholders can propose the individuals to take the position of Directors. The Board of Directors must disclose such information to the shareholder in advance and also publish the regulations on the Company's website and make sure that the meeting invitations contain complete and accurate information as per the rights of the shareholders, both in Thai and English language. The invitation must be sent out and revealed publicly at least 28 days before the meeting. The Board of Directors and all Executives must be present so that the shareholders can inquire on any relating matters. The Company will disclose the meeting's resolutions and the result of the votes on the next day, through the information channel of the Stock Exchange of Thailand and on the Company's website. The copy of the shareholders meeting minutes will be sent to the Stock Exchange of Thailand within 14 days since the day of the shareholders meeting.

The Principles of Good Corporate Governance

A. SANKO's Good Corporate Governance principles

Good corporate governance means the mechanism of operating the infrastructure and the internal managing system in a way that there are relationships between the Board of Directors, Managers and employees. The management of the said infrastructure and mechanism must reflect the principles of good corporate governance where the Board of Directors act as policy makers and operate honestly and cautiously by assigning the managers to act as their representatives.

B. The selection and the appointment of Directors and Chief Executive Officer

The Selection of Directors and CEO

The Board of Directors

The selection of the individuals for the position of the Board of Directors does not come from the nomination committee. The selection of the directors is the responsibility of the Board of Directors which will consider from the qualifications as per the Section 68 of the Public Limited Company Act B.E 2535 and as per the related announcement by the Securities and Exchange Commission. Moreover, the Board of Directors will consider experts from various fields to take up the positions which will be beneficial to the company for advising and giving opinions on many issues. The person must have a strong leadership, visions, morals and ethics with a clean, transparent work profiles and can make an independent decision. Once this is decided, the names will be presented in the Shareholders Meeting for appointment.

Directors shall be elected by the General Meeting of Shareholders under the criteria and procedures as follows;

a) A shareholder has one vote per one share.

b) In the election, the shareholders may vote to the nominee individually or many persons at a time depending on the decision of the meeting. The share holders may utilize the vote as per a) to vote, but cannot distribute different amount of votes to many different nominees.

c) The person who receives the votes of the highest number and the next persons in the order of the number of votes received shall be elected Directors in the number permitted. In case the next persons in the order of the number of votes received obtain equal numbers of votes and the number of such persons exceeds the remaining number of Directors permitted, the Director to be elected therefore shall be decided by the Chairman.

At the Annual General Meeting of shareholders one-third of the Directors, or if their number is not multiple of three, then the number nearest to one-third must retire from office. A retiring director is eligible for re-election. The directors, who will retire in the first and second year after the company is listed, will cast lots to see who will retire in the following years and the director with the longest time on the post will retire from office. The retired directors may be re-elected back into position again.

In case the post of a Director has been vacated owing to reasons other than by completion of his tenure, the Board of Directors shall elect a qualified person, who does not have any prohibitive attributes pursuant to Section 68 of the Public Limited Company Act B.E. 2535 as a replacement Director for subsequent meetings of the Board of Directors unless the remaining period of the tenure is less than two months. The person who becomes a replacement Director may remain so as long as his/her time as Directors allowed, and must have the approval of no less than 3 out of 4 of the remaining directors.

In addition, the Board of Directors must consist of at least 1 in 3 Independent Directors from all of the Company's directors but no less than 3 persons.

The Definition of Independent Directors

“Independent Director” is the person who has no relation at all to the management of the company and/or the operation of the Company's business. This person is independent from major shareholders and from Company's executives, including the close relatives of the said people and can express their opinions freely by considering the benefits of the Company and of the Shareholders first.

Qualifications of Independent Directors

1. Must be a person with qualifications that does not violate the rules, regulations and any other applicable laws.

2. Holding shares not exceeding 1% of the total number of shares with voting rights of the Company, its parent company, subsidiary company, associate company, or juristic persons which may have conflicts of interests by counting also the shares of relating persons.

3. Neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than 2 years before the appointment date.

4. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary company.

5. Neither having nor used to have a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years before the appointment date.

6. Neither being nor used to be an auditor of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company. , its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years before the appointment date.

7. Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding 2 million baht per year from the Company, its parent company, subsidiary company, associate company, or juristic persons which may have conflict of interests, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than 2 years before the appointment date.

8. Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to a major shareholder of the Company.

9. Not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations.

10. Not undertaking any business in the same nature and in competition to the business of the Company or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding 1% of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary company.

11. Independent Directors must immediately notify the Board of the Directors in any situation which may jeopardize their qualifications as the Independent Director of the Company.

If a person having qualifications stated in 1 to 11 above is appointed as an independent director of the Company, such appointed independent director may be assigned by the Company's Board of Directors to make decision in respect of business operation of the Company, or the Company's parent company, subsidiary or associated company, or a subsidiary of another company in the same level of the Company, the major shareholder of the Company, or the person having controlling power over the Company, provided that such decision making by such appointed independent director must always be made on a collective decision basis.

Audit Committee

The Remuneration Committee will evaluate and select the Audit Committee and will then propose for the approval from the Board of Directors of the Company. The Company's shareholders will appoint the Audit Committee in the Shareholders Meeting. The Audit Committees who are qualified under the Securities and Stock Exchange Act, regulations, announcement, principles and / or regulatory guidelines of SEC and SET. The Audit Committee must be more than 3 persons with at least one person who qualified in accounting and finance field.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) was established for the first time by the Board of Directors' Meeting No.3/2017 on August 10, 2017 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, sub-committees and Chief executive officer. 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.

Composition of the Nomination and Remuneration Committee

1. The NRC is to be appointed by the Board of Directors company's committee and has to comprise of not less than three persons, being the Company's directors and executives.

2. The independent director shall be the Chairman of the NRC.

Terms of the positions

1. The Nomination and Remuneration Committee's member has the office term has a tenure as the term of the Board of Director member.

2. The NRS's member may be re-appointed as the Board of Directors see as appropriate.

3. Apart from vacating upon the end of office term stated in Item 3.1, the Audit Committee's member will retire from the office upon the following conditions:

1. Resignation

2. Dismissal by the Board of Directors

4. The Board of Directors has power to appoint a new member of the Nomination and Remuneration Committee as to resume the operation and to substitute the member of the Nomination and Remuneration Committee who is out of office term according to Item 3.1 or Item 3.3. The substituted member can only be in the office within the remaining term of the member he/she replaced.

Executive Board

1. The Executive Board consists of the Chief Executive Officer and no more than 4 others as suggested by the CEO and must be approved by the Board of Directors. However, the Executive Board will select an individual within the committee to be the Chairman of the Executive Board and another person to be Vice Chairman.

2. The Executive Board appoints the secretary of the committee. The role of the secretary of the Executive Board is to arrange meetings, gather documents for the meeting and also prepare the meeting minute for the committee every time.

3. The Executive Board must hold meetings as appropriate but must not be less than once per month.

4. The Chairman of the Executive Board will call for the Executive Board Meeting. In the case that the Chairman could not perform his/her duty, the Vice Chairman will do it instead.

Executive Board

The Executive Board is appointed by the Board of Directors of the Company.

Terms of the positions

1. In the case that the Executive Director is the Board of Director, let the terms be under the Board of Director.

2. In the case that the Executive Director is the Manager, let the terms be under the Company's Manager.

3. In the case that the Executive Director is an outsider who is neither Director or Manager of the Company or is an outside individual, the position will be as the resolution of the committee.

C. Scope of Authorities of the Board of Directors

The Board of Directors

The scope of authority, duties and responsibilities of the Board of Directors as concluded in the 2nd Shareholders Meeting on the 15th December 2009 is as follows;

- 1) To manage the Company in compliance with laws, objectives, Article of Association, the legalized resolutions passed at shareholders' meeting with honesty, carefulness and protection of the interests of the Company.
- 2) To appoint the management of the Company from some of directors and / or its executives to take any action as assigned by the Board of Directors and appoint other committee as it determines appropriate
- 3) To determine the Company's target, policy, business plan and budget, as well as supervise and monitor the management to ensure that they conform the Company's policy.
- 4) To review and approve policy, direction, strategic, business plan and large investment projects of the company that proposed by management.
- 5) To monitor the Company's operating performance to ensure ongoing compliance with the plans and budget
- 6) To consider and approve the significant matters relating to the company or any appropriate operations for the best interest of the Company

An exception for the following matters will be made when approved by the shareholders' meeting. In addition, directors cannot approve any transactions that he/she has interests or conflict of interests of any nature with the Company or its subsidiaries.

(A) Subject to laws must be resolved by the shareholders meeting.

(B) The transactions, which directors have interests or conflict of interests under laws or the requirements of the Stock Exchange of Thailand, have required an approval of the shareholders' meeting.

The following matters must be approved by the Board of Directors by majority vote of the directors attending the meeting and the shareholders' meeting by vote of not less than 3 in 4 of the total votes and entitled to vote.

(A) To sell or transfer entire of the business or a significant part to other parties

(B) To acquire or transfer other companies or private company

(C) To change or terminate some or whole of leasing contracts of the Company and assign person to manage the business of the Company or merge with another party with the purpose of sharing profit together.

(D) Any changes in memorandum of association or article of association.

(E) Capital increase or reduce, bond issuing, merger and acquisition or liquidate the company

(F) Any other matters must be approved by the Board of Directors and the Shareholders' Meeting under the securities laws and / or the requirements of the Stock Exchange of Thailand.

The Audit Committee

Scope of Authorities of the Audit Committee

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;

2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;

3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business;

4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;

5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company;

6. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:

- an opinion on the accuracy, completeness and creditability of the Company's financial report,
- an opinion on the adequacy of the Company's internal control system,
- an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
- an opinion on the suitability of an auditor,
- an opinion on the transactions that may lead to conflicts of interests,
- the number of the audit committee meetings, and the attendance of such meetings by each committee member,
- an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
- other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors; and

7. To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

In its performance of duties under the first paragraph, the audit committee must be directly responsible to the Company's board of directors, while the Company's board of directors shall remain responsible to third parties for the operations of the Company.

Duties and Responsibilities of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee perform duties as assigned from The Board of Directors and had the duties and responsibilities that following

1.Nomination

1. Setting guidelines and policies in nominating Board of Directors and other sub-committee members by considering what would be the appropriate number, structure and composition of members, and outlining necessary directors' qualifications, and proposing these ideas for approval by the Board of Directors and/or Shareholders' Meeting as appropriate.

2. Searching, selecting and proposing appropriate persons to assume the position of the Company's directors whose terms have expired and/or became vacant, including newly appointed director.

3. Executing other tasks related to nominations as assigned by the Board of Directors.

4. Setting guidelines and policies in nominating and evaluating the performance of the Chief Executive officer (CEO) and reporting to the Board of Directors for their consent.

2. Remuneration

1. Preparing guidelines and policies in determining the Board of Directors, other sub-committees' remuneration and Chief Executive Officer, and proposing it to the Board of Directors and/or Shareholders' Meeting for approval as appropriate.

2. Determining necessary and appropriate monetary and non-monetary remuneration, for individual members of the Board of Directors by taking into consideration each director's duties and responsibilities, performance, and comparisons against similar businesses, and the benefits expected in return from each director. The report will be submitted to the Board of Directors for consent and to the Shareholders' Meeting for approval.

3. Taking responsibility to support the Board of Directors and being responsible for explaining and answering any questions regarding the Board of Directors' remuneration in the Shareholders' Meeting.

4. Reporting policies and principles/reasons in determining the remuneration of directors and management according to the SET guidelines by disclosing them in the Company's annual information disclosure (56-1) and annual report.

5. Being responsible for any other tasks related to the remuneration as assigned by the Board of Directors. The management team and other units have to report or present the information relating to the Nomination and Remuneration Committee in order to support the operation of the Nomination and Remuneration Committee to achieve their assigned tasks.

3. Reporting

The Nomination and Remuneration Committee directly reports to the Board of Directors.

4. Meetings

1. The Nomination and Remuneration Committee holds a meeting when seen as appropriate (at least 2 times a year) and has power to call for an extra meeting if necessary. The Nomination and Remuneration Committee shall comprise of not less than one-half of the total existing members.

2. All the Nomination and Remuneration Committee's members shall attend every meeting unless he/she has any necessary matter. In this case, the member has to notify his absence in advance to the Chairman of the Nomination and Remuneration Committee.

3. The Chairman of the Nomination and Remuneration Committee shall be the chairman of the meeting. In case where the Chairman of the Nomination and Remuneration Committee is absent, other Nomination and Remuneration Committee's members attending the meeting can select one member to be a substitute chairman of the meeting.

4. The resolution of the Nomination and Remuneration Committee can be made by majority vote. Any member of the Nomination and Remuneration Committee, who has any interest or benefit in the related topic, shall not vote in that particular topic.

5. The meeting invitation letter shall be issued to the Nomination and Remuneration Committee in advance prior to the meeting date held. This excludes the emergency case, where the dates of the meeting will be informed by other methods or the meeting shall be scheduled earlier. The secretary of the Nomination and Remuneration Committee shall take the minutes of the meeting.

6. The Nomination and Remuneration Committee can invite any related personnel to attend the meeting in order to provide relevant information to the Nomination and Remuneration Committee.

Authorities and Limitation of the Executive Board

1. The Executive Board has the authority in setting the policies, goals, strategies, work procedure and annual budget as designated and also the business activities which must follow the policies, regulations or any other orders by the Board of Directors. Moreover, the Executive Board is responsible for evaluating, screening, inspecting all issues presented to the Board of Directors for further approval or acknowledgement.

2. The Executive Board has the power to direct the organizational structure by covering the selection process, trainings, benefits and including the Company's dismissal of the staffs.

The Executive Board may appoint or assign any individual to perform any tasks instead of the Executive Board as appropriate and that the Executive Board may cancel, adjust or revise such authorities.

Scope of work of the Chief Executive Officer (CEO)

1. To manage and monitor the Company's business
2. To perform any tasks as assigned by the Board of Directors

3. To consider employment, appointment, transferring of employees, termination of employment, setting salary, remuneration and bonus packages of all employees, except CEO position

4. Authorize to consider and approve the lists of short-term loan within limits of 20 million baht per year for each item.

5. Authorize to approve the common and necessary action in the affairs of company general operation such as Sales and services, Procurement of raw materials., Subcontract or Vender and The service contract, Expense for all management in term of other productions., Approval of machinery / utilities reparation costs. and Rental/Hire Purchase of machinery, equipment for all production, transportation for company officer, transportation for product distribution, equipment and tools including the rental of property etc.

6. Authorize to approve the action of any investment related to manufacturing development and machinery procurement is not exceeding 7 million baht per year.

7. To empower the command, announcement, regulation or memorandum for operation being in line with policies and interest of the Company and to maintain discipline within the organization.

8. To authorize to act and being representative of the company to a third party involved in the business and benefits of the company

9. To appoint consultant as deemed necessary for the Company's operations

10. Other duties assigned by the Board of Directors

The authority so assigned, however, must not give Chief Executive Office or the persons as authorized the opportunity to consider and approve any transactions that he or his related parties may have interests or conflict of interests of any nature with the Company or its subsidiaries, except for transactions in compliance with Article of Association, SEC and/ or SET criteria that have already been considered and approved by the Board of Directors and/or shareholder's meeting and reviewed by the Audit Committees.

Self-Assessment Evaluates the performance of the Chief Executive Officer.

The Remuneration Committee will evaluate the performance of the CEO and the CEO must also perform a self-evaluation assessment according to the CEO evaluation form by the Stock Exchange of Thailand in the 4th quarter annually. The evaluation will be divided into 3 categories as follows;

1. Projects Progression
2. Operation Performance
3. CEO Development

Then the results will be proposed to the Board of Directors for consideration and use the evaluation to further improve the operation and achieve all of the assigned goals. To this, the evaluation of the CEO for the year 2020 had been excellent.

D. Board of Directors Meeting and Obtaining Documents

Constantly hold the Board of Directors meeting, the Audit Committee meeting and allows sufficient time to debate on various significant agendas. The management must prepare the appropriate information, punctually and accurately to the Board of Directors before the meeting, allowing enough time to study and make correct decision on various topics in the Board of Directors meeting.

E. Code of Ethics for the Board of Directors, Managers and Employees

Provide work guidelines which relates to morals and ethics so that the Board of Directors, Managers and the employees may acknowledge the standards and the work guidelines which the managers should encourage and thoroughly notify the personnel. The code of ethics for the Board of Directors, Managers and employees are as follows;

- The Board of Directors must perform their duties in accordance with the law, the Company's policies, objectives and the Company's regulations. The Directors must manage by putting the benefits of the Organizations and the staffs both present and in the future and also maintaining the corporate image.
- The Managers must perform their duties up to the expectation of the Board of Directors. The actions may affect many groups of stakeholders such as the employees, the shareholders, the general public, trade partners and debtors, competitors and the society as a whole.
- The employees must perform their duties given from the management to the best of their abilities.

F. Information Disclosure and Transparency

1) The Board of Directors have the responsibilities of disclosing the information both financially and non – financially, sufficiently, reliably and on time, so that the Company's shareholders and stake holders may obtain the information fairly, in accordance with the law, the regulations of the Company and following the information disclosure policies of the Company.

2) The Company's information must be prepared carefully, clearly, accurately and transparently with concise and simple language. Constantly disclose important information both positive and negative information.

3) Establish the Public Relation Department which advertises helpful information to investors, employees, relating parties and the general public. Establish the Investors Relation Department to represent the Company in communicating with the shareholders, financial institutions and securities analysts.

4) The Board of Directors is responsible for presenting the assessment report and the trend of the Company by summarizing simply in the Company's Annual Report.

5) The Board of Directors prepares the balance sheet, profit and loss statement and the audit report of the auditors and also the Board of Directors' Annual Report to present to the annual Shareholders Meeting for consideration.

6) The Board of Directors must prepare the report explaining their responsibilities in assembling the financial reports, together with the auditor's reports in the Company's Annual Reports.

G. Duty to the Stake Holders

1) The Board of Directors should prioritize the balance for all stake holders by fully indicating all groups of the Company's stake holders and allow proper communication channels between each groups.

2) The Board of Directors should report all information showing that the Company always take the benefits of the stake holders into account, before making and decisions



H. Potential Development

The Committee members are encouraged to increase their knowledge by means of entering the valuable seminars or courses or training programs concerning global news, world innovation, new idea of business management, etc.; and, this could help the members work effectively.

At present, all the committee members have passed the entire course involving the committee crucial role and duty. In case of the new comer, to learn the role and duty is in progress; however, the member has finished the course managed by the former company already.

In order to follow the latest Corporate Governance Policy that all committee have the rights to access up-to-date information thoroughly, precisely, adequately and equally, the company secretary will inform them about the SET Regulatory Authority and the Securities and Exchange Commission (SEC)'s latest involved regulations in every meeting, additionally, the company secretary is encouraged to be in the related programs and seminars held by SEC and involved institutions.

I. Committee's performance Evaluation

The company's performance is aimed to be evaluated annually in order to bring its useful result in improving the committee and the subcommittees' performance in various aspects that leads to encourage the effectiveness of the committee's performance monitor. To comply with the laws and regulations Securities and Exchange Act,

For the year 2022, Self- Evaluation is fully used; and the 4 subjects are as follow

- 1) The committee's structure and qualification is suitable for productive work
- 2) The committee take action in these jobs which leads to efficient performance in the meeting
- 3) The committee's role duty and responsibility is focusing on taking action in these aspects.
- 4) Others aspects, 29 sub headings; in conclusion.

The self-performance evaluation follows the guidelines of the Stock Exchange of Thailand with 3 main categories as follows; 1. The structures and qualifications of the Directors under the 7 categories are appropriate and contribute to making the works of the Committee more efficient, 2. the Directors meeting had proceeded with the following 6 issues, so that the Board of Committees can efficiently perform their roles, 3. Roles, duties and responsibilities of the sub committees, the Directors had given appropriate time for revision and evaluation these 7 issues sufficiently, for the total of 20 sub categories.

J. New Directors Orientation

When taking up the position of the Company's Director / Independent Director, each director will receive the Director Manual and learn all vital information regarding the Company such as the regulations outlining the limit of the authorities, duties and responsibilities of the Directors, advice on the law, rules and all the terms for being the Directors in a listed Company of the Stock Exchange of Thailand, including the knowledge in the business of the Company.

Part 3 Ethice

Note: The information on code of ethics can be reviewed from the [Business Ethics and Code of Conducts Manual](#)



Part 4 Charter of Internal Audit

This charter is made with the objective of determining the mission, scope of work, audit authority including the guidelines for operation and practices for the internal auditing of the Company. This is so that the Directors, Managers and all levels of employees may acknowledge the internal auditing. The summary is as follows;

MISSION

Internal Audit. The mission is consulting and assuring independently and fairly, in order to increase the value of the Organization and improve the internal control system of the Company. Internal audit helps the Company to achieve the set goals through evaluation and improving the efficiency and effectiveness of the risk management system, the internal control system and the corporate governance of the Company strategically and systemically.

INTERNAL AUDIT STRUCTOR

The Company's internal audit hires the certified internal auditor from an outside source, to act as internal auditor. The Audit Committee will select the auditor to act independently, approve of the internal audit working plans and set up the reimbursement for the internal auditing appropriately. The internal auditor will report directly to the Audit Committee and to the Company's Senior Management.

SCOPE OF WORK

The scope of work for the internal audit has been set up to ensure that the risk management system, the internal control system and the corporate governance of the Company has been prepared sufficiently and achieve the objectives as described below;

- Identify the risk, evaluate the risk and manage the risk appropriately.
- The Company's information on the financials, management and operations has been prepared correctly, reliably and on time.
- The Company's business operation and practices proceeds according to the policies, regulations and the laws related.
- Resources and assets are acquired economically and the storing process is monitored sufficiently.
- Resources and assets of the Company are used efficiently and cost-effectively.
- All working plans and projects proceed to achieve the set objectives.
- Constant improvement in quality for all procedures and managing activities.

DUTIES AND RESPONSIBILITIES

The internal auditor is responsible for the internal auditing of the Company according to the regulations and the policies set by the Company. The result of the audit is reported to the Audit Committee and summarizing the outcome to

the Managers by reporting the efficiency evaluation of the internal control system and the risk management system, including finding solutions to adjust and improve the systems and also to co-ordinate with each departments to initiate the system development process for better efficiency then finally follow up with the performances of the auditees. The responsibilities of the auditor are as follows;

1. Prepare the annual internal audit working plan by using the risk-based methodology to be presented to and approve by the Management and the Audit Committee.
2. Proceed with the audit as planned, including any special projects which are assigned to by the Audit Committee and the Management.
3. Report the findings and the progress of the operation, in comparison with the working plans.
4. Follow up with the auditee, whether or not they have improved the systems as suggested.
5. Support the operation and provide information which is necessary for the procedures of the Audit Committee and the Management concerning the auditing and any regulations involving the Company's business.
6. Co-ordinate with the Company's auditor, so that the financial investigation can be achieved as planned.
7. Advise the Management on risk management planning and improve the internal control system.
8. Proceed with any activities as assigned.

AUDITOR AUTHORITY

The internal auditor is granted the authority to access information, system and the personnel of the Company in the areas relating to the audit as deemed necessary and appropriately. All levels of Managers in the Organization are responsible for supporting the internal auditor to achieve the objectives for the utmost benefits of the Company.

Any documents and information obtained by the auditor or acquired during the inspection will be kept confidential and not disclosing to other parties before authorized by the person in charge unless the disclosure is enforced by the law.

STANDARD FOR PROFESSIONAL PRACTICE

The internal auditor must follow the code of conducts and the policies of the Company and upholds the standard for professional practices and the related code of ethics.

The Auditing Procedures

1. Inspect each of the Company's departments according to the working plan and evaluate whether or not there have been any follow ups in projects, policies, goals and objectives including the procedures guidelines and the related laws.

2. Once the audit is complete, the auditor will hold the exit conference together with the Managers of each department in order to discuss and exchange opinions about facts, any errors found and improvement or adjustment measures before presenting it in the report.
3. The audit report will be done in written form, describing the objectives, scope of inspection, errors found and the suggestion for improvement including the opinion of the auditees.
4. The internal auditor will follow up the work procedures from each department as suggested and co-ordinates with the auditees and advises on how to improve correctly.
5. The auditor must be independent and perform their duties ethically and honestly.

The Auditing Report

The content of the audit covers the objectives of the inspection, the scope of the inspection, the basic information of the auditing activities, the outcome, improvement guidelines by the auditees, the auditor’s suggestions and the opinion of the auditees.

The internal audit report is considered a property of the Company and of the internal auditor. If there are viewing requests or the reports must be used as a reference for outside parties, it must be approved by authorized Senior Management of the Company.

Once the meeting for summarizing the result is complete, the report will be presented to relating parties as follows;

- The Audit Committee receives the reports (4 copies)
- The Deputy Managing Director receives the report (1 copy)
- The Audited Department receives the copy of the report (1 copy)

The internal auditor will follow up the results of the inspection and the practices of the auditees to improve according to the suggestions. The management has carried on the procedures effectively and that the Senior Management understands the risks of not complying with the suggestion and notifies the outcomes to the Audit Committee.

This Internal Audit Charter has been approved but the Audit Committee on.....

(.....)
Chairman of the Audit Committee



Code of Business Ethics

Sanko Diecasting (Thailand) Public Company Limited

Message from the Chairman

For all these times that the Company has operated under the principle of good corporate governance, with the emphasis on fair operating practices in order to create business growth and the value added for the Organization and for all stakeholders, the Company is fully aware that the honest and ethical cooperation of the Directors, Managers and all staff members is the key factor for leading the Company on the road to success. Therefore, the Company has provided the 'Code of Ethics' which demonstrates the desired behaviors at work, so that all members may use it as work guidelines and understand the good practice which belong to the same standard.

The Company hopes that the Directors, Managers and all members of staff will acknowledge and uphold this code of ethics as a guideline when working, so that we may further improve our Organization to sustainable future together.



Mr. Adul Chotinisakorn

Chairman of the Board of Director

Sanko Diecasting (Thailand) Public Company Limited.

February 2021

(Revise: 2nd)

1. Definition

Business Ethic means the moral standards which is the measuring standard of behaviors and discipline that can be quoted in documents for the Organization or for the other stakeholders of the Company in order to establish standard discipline, the framework for the law and the customs to further be implemented in the Organization.

The Company means Sanko Diecasting (Thailand) Public Company Limited.

The Board of Directors means the Board of Directors of Sanko Diecasting (Thailand) Public Company Limited.

Staffs means executives, employees, part-time employees, employees under special contracts.

Related individuals means individuals under the following relationships;

I. Individuals with authority in the Company's business and in the case of the juristic person, this also includes the directors of that juristic person.

II. Spouse, child or adopted child of the Directors, Executives or individuals in (1) who is still under age.

III. Juristic person following (1) or (2) that has the authority over the business.

Stakeholders means all parties that relates to the Company in various aspects for example, the Board of Directors, shareholders, staffs, customers, trade partners, creditors, competitors, government sector, private sector, society and the community around the factory.

Trade partners means parties with the rights and responsibilities under binding contracts to the Company such as suppliers and contractors.

Business related individual means any individuals or juristic persons that the Company had business contact with be it the government, government agencies, state enterprise, private sector or charitable organization.

Information disclosure means disclosing details or information relating to the business operation of the Company following the Public Limited Companies Act B.E.2535, the Securities and Exchange Act B.E.2551, the terms and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission

Conflict of Interest means any activities that may involve personal interests or of other relating individuals be it as relatives or any means, in order to influence the decisions or obstruct the Company's benefits.

Bribery means the offering or receiving of gifts or other benefits to self or to other individuals in order to influence unlawful or immoral business conducts.

Assets means both tangible and intangible assets for example, movable properties, real estate, technology and researches, licenses, patents, copyrights, including confidential that are not disclosed to the public such as business plan, financial estimations and human resource information.

2. Business Ethics

The Company assigns the Directors, Executives and the staffs of all levels to uphold the duties given by the Company which emphasizes on treating all groups of stakeholders equally and fairly, following the principle of good corporate governance. However, the Directors, Executives and the staffs of all levels must acknowledge, understand and follow the practice strictly so that the operations are carried out efficiently, openly, transparently, in the best interest of the Company and is fair for all relating stakeholders and always prepared to be inspected and verifiable.

Visions :

SANKO strives to be the leader in the diecasting industry, to be accepted on an international level. This includes developing new innovations in all aspects and being able to manufacture quality products and provide excellent services to customers reliably.

Missions :

- Perform with excellence in all its operations.
- Create innovations and use modern technologies in designing and production development.
- Improving the skills of the employees in order to manufacture modern and up-to-date products in the industry that requires advance technology.

Organizational Values :

- Innovation
- Proactive Working
- Achievement Orientation
- Sense of Belonging

The business operation requires the following ethical practices as follows;

2.1 Abiding the laws and regulations of the Company

(1) The Directors, Executives and the staffs must follow the laws, regulations, terms and requirements set by the Stock Exchange of Thailand and the Securities and Exchange Commission.

(2) The Directors, Executives and the staffs must not avoid the rules, regulations and the laws relating to the business operations.

(3) The Directors, Executives and the staffs must follow the 'Corporate Governance Policies' and the 'Business Ethics' of the Company.

(4) All levels of staffs must follow the rules and regulations as required both when working in or outside of the country so that the financial records of the Company are collected accurately and completely.

2.2 Conflicts of interests

The Company does not allow the Directors, Executives and the staffs to abuse the power for their personal gains and have laid out the regulations as follows;

1.) The Board of Directors, the Audit Committee and the Executives must consider the conflicts of interests for certain transactions that are related, following the requirements of the stock exchange cautiously, accurately, honestly, within reasons and is independent under the principle of good business ethics by prioritizing the benefits of the Company at its core. This is to make sure that the said transactions are reasonable and is for the benefits of the Company and that the stakeholders have no involvement in the said transactions.

2.) Not performing any actions that are on the contrary to the Company's benefits such as obstructing the benefits of the Company or acquiring portions of the Company's benefits.

3.) Not performing any actions that may compete with the Company's business.

4.) Avoid self-related transactions that may cause a conflict of interest with the Company's benefits.

5.) In the case that certain transactions must be executed, for the benefits of the Company, proceed with the transaction as if dealing with an outside party with written trade contracts as per usual without influences from the position of the Director, Executive or relating individuals and also following the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission for disclosing the information of the said transaction.

6.) The Directors, Executives, staffs and the Company's employees, including the spouses and the children of the said persons are forbidden from seeking personal gains from the Company's business operations for example, performing any actions to sell the goods or services to the Company. If such actions occur, there must be written documents to notify the said actions in all cases.

2.3 Protecting and using the assets and the Company's confidential materials

The Directors, Executives and staffs are responsible for protecting and using the assets and the Company's confidential material to the best of their efficiency under the following guidelines;

1.) The staff must look after and maintain the machineries, tools, vehicles and equipment to be in the top condition by using the Company's resources conservatively.

2.) The staffs must be cautious and protect all of the Company's assets so that they are not lost, stolen or damaged by other individuals or accidents and must not use any Company's assets for personal gains for other people's benefits without permission.

3.) Prepare all documents accurately, honestly and under the required standards. Staffs must not forge or produce counterfeits manuals, reports or documents of the Company.

4.) The staffs must not violate the rules and regulations of the Company which may result in accidents or damage the Company's assets.

5.) The staff must acknowledge and follow the regulations for computers and internet usage correctly and appropriately.

6.) Staffs are forbidden from installing software or record the Computer system of the Company without permission.

7.) Computer equipment, information technology and all communications are considered the properties of the Company. The Executives and the staffs should not use the computers and the IT equipment for personal use.

2.4 Trading the Company's stocks and usage of the internal information

All information that may affect the Company's asset values or information that, when disclosed to the public, may cause damages to the Company's reputation or place the Company at the disadvantage, is considered significant and confidential information. Therefore, the preparation, protection or the disclosure of the information must be carried out appropriately, by considering the effects to the stakeholders as a whole and following the indicated laws and regulations and not using such information for personal gains or for other parties as follows;

1.) The Company forbids the Directors, Executives, and the staffs including their spouses and under age children from buying or selling the Company's assets within 1 month before the disclosure of the financial statement or the Company's status including other confidential information and must wait for at least 24 hours after the information has been revealed to the public before buying or selling the Company's assets.

2.) The Directors, Executives, and the staffs including their spouses and under age children are not allowed to use the Company's internal information that may affect the price of the Company's assets that have not been disclosed to the public in order to trade, offer to buy, trade or persuade other parties to trade into the assets of the Company both directly or indirectly before such information is revealed to the public and achieve their personal gains. Those who violate the regulations will receive disciplinary actions by the Company.

3.) The Directors, Executives, and the staffs are not allow to reveal the confidential and/or internal information of the Company in order to seek personal gains of for the benefits of the other parties both directly or indirectly and whether or not they will be compensated.

4.) Must protect the benefits and the confidential information of the Company and the customers. Do not reveal the confidential information of the Company to the public especially to the competitors, even though one is no longer a Director, Executive of the staff of the Company.

2.5 Internal Controls and Audits Financial Reporting

1.) The Management of the Company is responsible for delivering on time the up-to-date and accurate financial report both annually and quarterly which is done according to the standard of the accounting practice.

2.) Ensure the efficient internal control system so that the Company follows all the related laws and regulations under the internal auditor and the inspection of the audit committee.

2.6 Anti-Corruption Policy

The Executives and the staffs, including all personnel relating to the business operation of the Company aim to be involved with the anti-corruption policy. The Company has indicated guidelines to the anti-corruption policy for the members of the Organization to follow strictly.

The Company advertises various anti-corruption campaigns in order to raise awareness regarding this issue, and if the regulations are not adhered to, disciplinary actions will be given. In the same manner, the Company will not condemn staffs that refuse the corruption although the said action will result in the loss of benefits to the Company.

To this, the Company has provided a reporting channel or complaints to the Chairman of the Board or to the Company's Audit Committee, in the case that the actions which may involve corruptions are discovered. The Company also assigns the procedures when taking in complaints and to protect the whistle blower within the Business Ethics manuals.

2.7 Receiving or giving gifts, business entertainment, assets or other benefits that may influences unethical decisions

The giving or receiving of assets, gifts or entertainment as presents or customary gifts are acceptable. At the same time, the Company does not wish for the staffs to receive gifts/souvenirs that are more valuable than the norm from the parties relating to the business operation. The regulations are as followed;

1.) The Directors, Executives and staffs must not request for, give or accept the money or any other benefits from the parties relating to the business operation of the Company.

2.) If the staffs receive customary gifts that are more valuable than the norm from the parties relating to the business operation of the Company, they must report to the superiors.

3.) Carry out the business operation and compete with ethical strategies and not receiving gifts or money from customers or trading partners which it will lead to the conflict of interests.

4.) Not giving gifts or presents that have value both directly and indirectly to the government officials for the purpose of facilitating the business operations unless they are customary gifts, given in the same manner to the customers.

2.8 Treatment to the Stakeholders

The Company encourages the cooperation between the Company and the stakeholders in order to create wealth, financial stability and business stability. The Directors, Executives and the all levels of the Company's staffs must abide by the regulations as follows;

2.8.1 Shareholders treatment

(1) The Company allows the shareholders who cannot attend the meeting in person to assign a proxy to the Independent Directors or other individuals to attend the meeting in their stead and to vote for the shareholders.

(2) The Company allows the shareholders to propose the agendas and to propose the names of the individuals to be elected as the Directors in the Shareholders Meeting in advance, following the regulations indicated by the Company. The details have been published through the Company's website at <http://www.sankothai.net>, and the proposed names must be submitted to the Company 3 months in advance before the Shareholders Meeting.

(3) The Company will not add extra agendas to the meeting without notifying the shareholders in advance without good reasons, especially significant agendas that requires the shareholders to study the information prior to the meeting.

(4) The Board of Directors allows the shareholders to elect the Directors individually and encourage the voting method so that the process is transparent and verifiable.

(5) The Board of Directors has set up measures to prevent insider trading for individuals including Directors, Executives, staffs and employees including their spouses and underage children that are related to the information, and also assigns disciplinary actions regarding the disclosure of the Company's information or using the Company's information for personal gains under the "Confidential Information Protection Policy".

(6) Raise the awareness of the Board of Directors and the Company's Executives regarding the responsibility for reporting their ownership of the Company's assets, their spouses' and their underage children's, including reporting the changes to the assets ownership to the Securities and Exchange Commission under the section 275 of the Securities and Exchange Act B.E. 2535 and under the regulations of the Stock Exchange of Thailand.

(7) The Company's Board of Directors and the Executives must announce the buying and selling of the Company's assets at least 1 day before trading the stocks by notifying the Company's secretary, and then the secretary will notify the Board of Directors. When the trading is completed, the report of assets ownership must be made for the Securities and Exchange Commission and the Directors and the Executive must report the changes of the assets ownership to the Board of Directors meeting in order to prevent the buying or selling of stocks using insider information and to avoid any scandals regarding the appropriateness of the stocks trading by inside individuals.

2.8.2 Customers Treatment

(1) Pay attention and be responsible equally to all customers by emphasizing on producing goods with high quality and up to standards, and can respond fully to the demands of the customers. The staffs must protect the customers' confidential information and not using for personal gains before being permitted by the customers including providing quality and professional services at the fair and appropriate price to all customers.

(2) Present quality products that match with the demands of the customers. Reveal all information regarding the products fully and accurately and provide a channel for complaints to allow the customers to comment about the services and proceed as quickly as possible to respond to the customers' requests.

(3) Provide high quality, efficient and excellent services that impress the customers.

(4) Protect and look after the customer's interests appropriately and fairly.

(5) Strictly follow the terms given to the customers. In the case that the terms cannot be followed, quickly notify the customers for solutions.

(6) Treat the customers with respect and be trustworthy.

(7) Deliver quality products on time.

(8) Support the customers' CSR operations

2.8.3 Trade partners and/or creditors treatment

(1) Not requesting, accepting or giving any unethical benefits to trade partners or creditors and follow the agreed terms appropriately and fairly.

(2) The purchasing and sub-contracting of the companies of or relating to the companies of the Directors, Executives or all levels of staffs, must be under the principle of equality, transparency and fair, for the best interest of the Company, and must be proceeded under the Company's regulations, including revealing all information to the public.

(3) Avoid the purchasing or sub-contracting that holds conflicts of interests with the Company.

(4) All staffs involving with the purchasing or sub-contracting operations must not seek personal gains both directly or indirectly from the trade partners and must remain neutral with no close relations that may influence their decisions.

(5) If incidents that prevents the procedures to go according to the agreed terms or contracts, the staffs in charge must report to the superior immediately and notify the trade partners and/or the officers in advance, in order to come up with the solution together.

(6) Strive to maintain a stable relationship with the trade partners with clear objectives in terms of the product quality and trust in each other.

(7) Treat the creditors equally and fairly and on the basis of mutual benefits on both sides.

2.8.4 Competitors Treatment

(1) Operate fairly within the terms and regulations of the competitions.

(2) Not damaging the reputation of the competitors intentionally.

(3) Not violating the intellectual properties or copyrights.

(4) Not seeking the competitors' confidential information by inappropriate or unethical means.

(5) Treat the competitors according to the laws and regulations according to the international standards.

(6) Keep the connection with the competitors which may be developed as a commercial partner in the future.

2.8.5 Employees Treatment

(1). The Company selects the staffs and the contractors based on the suitability of the qualification and the performance without any prejudice on gender, religious beliefs, nationality, age, birth place or physical condition.

(2). The Company provides sufficient benefits and fair compensations to all members of staff.

(3). The Company provides a safe environment at work for the health, assets and the quality of life of the staffs.

(4). The promotion, relocation including the rewards and penalty of the staffs are done through honesty and under moral principles. This takes into account the knowledge, abilities and the appropriateness of the staffs as the core.

(5). Provide human resource management system; listen to the opinions and the advices of the employees.

(6). The Company gives opportunities for staffs to thoroughly and constantly improve their skills, knowledge and the abilities both for the work and for their daily lives and also encourages them to be able to care for themselves when they reach retirement.

(7). Operate the business by avoiding any actions that are unfair, and treat the employees with respect.

Respect the employees' individualities and human dignities according to the international standard of human rights.

(8). Be fair and encourage the employees to improve themselves.

(9). Provide provident funds for the employees.

(10). The Company follows the laws and regulations concerning the staffs strictly.

2.8.6 Community, Society and Environmental Treatment

(1) Not cooperating or supporting customers who operate their business illegally or endangering the society or the country.

(2) Allow the community and the related parties to voice their opinions for all of the projects that may affect the community and to propose their opinions and complaints that resulted from the business operation of the Company.

(3) Be cooperative with operations that follow the international standards or agreements in various issues which are created to protect or reduce the effects on the environment.

(4) Design and develop the manufacturing process, machineries and equipment to control and/or reduce the pollution, including waste water, dust, air pollution and all other waste products.

(5) The staffs responsible for the manufacturing process, machineries and equipment must control the pollution level so that it is no more than the standard limit.

(6) Help reducing the garbage or wastes both from the production process and from general operation.

(7) The staffs responsible for the manufacturing process or the machineries must look after, improve and maintain the production process or the machineries to the required standard in order to reduce the natural resources used.

(8) Be cooperative with the Company's energy conservation policy.

(9) Constantly raise the awareness on the social responsibility and the environment to all levels of staffs.

(10) Carry out community, society and environmental campaigns regularly in order to improve the community where the Organization is established for the better both with own projects and those supported by the government and the community.

3. Employees' Ethics

The Company is aware of the importance of ethics in regards to business practices. Therefore, the Company indicates the guidelines for the employees to adhere to, as follows;

3.1 Self-Treatment

(1) Perform one's duty diligently, with perseverance, creativity and be self-sacrifice, including improving oneself to be knowledgeable in all areas both for work and in the business field.

(2) Utilize the working hours efficiently and effectively as required. Do not encourage others to use the working hours for other purposes that is not in the best interests of the Company.

(3) Employees must not operate any businesses or invest in anything that may compete or is a conflict of interests to the Company.

(4) Strive to be disciplined and follow the rules, regulations and the culture of the Organization even though they may not be written down.

3.2 Colleagues Treatment

(1). Encourage and protect the unity between the staffs. Cooperate and support each other.

(2). Treat everyone gently and with respect.

(3). Not disrupting the work atmosphere.

(4). Treat other staffs kindly and not withholding necessary information for the operation to other staffs and constantly improve yourself in order to work with others.

(5). Not engaging in acts of sexual harassment.

(6). Respect the rights of other staffs in the Organization. Refrain from criticizing others in the way that it may cause damage and not taking others' achievements as your own.

(7). Promote team work, creating love and unity within the Organization.

(8). Not persuading or influencing the rights of colleagues regarding political preferences.

3.3 Superiors Treatment

(1). Be disciplined and be respectful towards the superiors, not being aggressive, ignorant or performing tasks in place of the superiors unless the tasks was an emergency or was authorized by higher superiors.

(2). Respect, listen to and follow the instructions of the superiors that are in accordance with the rules and regulations of the Company.

(3). Pay attention to the tasks given. Provide opinions and advices honestly and be willing to accept the opinions and criticism from the superiors.

(4). Avoid giving gifts or presents to the superiors.

3.4 Subordinates Treatment

(1). Promote and encourage the subordinates to work honestly, fairly and with creativity.

(2). Be the leader and a good role model in terms of behaviors, discipline and equality.

(3). Use leadership/thoughtfulness to consider and solve the problems carefully.

(4). Train, advice and pass on the experiences and knowledges to the subordinates and follow up the operation to its success.

(5). Govern the subordinates ethically. Listen to their problems and opinions and provide consultations whole heartedly and reasonably.

3.5 Political Preferences

The Company is politically neutral with no preferences or supports towards any major political parties or any individuals with political powers. However, the Company is aware of and respects the rights of the employees regarding political issues where the Company provides the guidelines as follows;

(1). The Company encourages the staffs to be good Samaritans and exercise their political rights under the Constitutional Laws and any other related laws.

(2). The Company allows freedom of speech and opinion to the staffs concerning politics but not in the name of the Company and that it would not in any way affect the reputation of the Company.

(3). The Company does not participate in any political events and will not give any opinions that may cause misunderstanding that the Company involves with or supports any particular political party or any particular movements which may lead to the disharmony within the Company and in the country.

(4). The Company will not use its assets to support any political parties or any movements in exchange for unlawful benefits.

4. Business Ethics Practices

The Company set out the responsibility for the Directors, Managers and all members of staff to acknowledge and follow strictly not voluntary actions and cannot claim that the employees do not know of the indicated practices. All levels of the Executives in the Organization must oversee the issues and considers this as the priority for the subordinates to acknowledge, understand and follow the business ethics and the employee ethics strictly and also sign the contract agreement in all practices.

5. Complaints and Advices

The Board of Directors provides the staffs and the stakeholders to have access to multiple channels for suggestions, opinions, complaints or any leads seen in any events or actions which may affect the violation of laws, regulations and/or in conflict with the morals and ethics that could cause the damage to the Company. By the Company sets the guidelines to be acknowledged as follows;

The Chairman of the Board of the Audit Committee Sanko Diecasting (Thailand) Public Company Limited
3/14 M. 2, T. Nong Bua, A. Ban Kai, Rayong, 21120

Or through the Company's website: www.sankothai.net

The Chairman of the Board or the Audit Committee will receive the information directly by keeping them confidential in order to protect the stakeholders and the witness and will carry on the procedure fairly by referring to the information received and prove it to further handle the situation.

5.1) Complement Process when receives complaint

(1). Gather all the evidence regarding the violation

The complaint recipient will proceed with gathering the information regarding the violation of the ethics personally or assigns appropriate personnel to carry out the process.

(2) Information processing and filtering

The complaint recipient will file the complaint, investigate the case within 7 working days since the day of complaints in order to find appropriate solutions to each case which may involve;

- Report to authorized personnel in order to deal with the issues case by case.
- Report the information to the Audit Committee/auditors to investigate further and process and filter the information.

(3) Assign proceeding measures

The personnel responsible for (2) must indicate the measures to stop the violations of the ethics and compensate the damages to those affected by considering the damages as a whole.

If the appellant is not satisfied with the procedures to stop the complaints, he/she may appeal within 7 days since procedures have started.

(4) Result Reports

The person receiving the complaints is responsible for notifying the appellant of the result according to (3) if the appellant reveals his/her identity

In the case of an emergency, report directly to the Chairman of the Board and/or to the Board of Directors. .For example, issues that affect the reputation, images or the financial status of the Company or in conflicts of the Company's business operation or to the high level Executives.

5.2) Whistle blowers protection policy

The Company has the whistle blowers protection measures as follows;

(1) The whistle blower may choose to not reveal themselves, if they deem that by revealing themselves will lead to danger or any damages. However, if they choose to reveal themselves, the Organization can report the progress and the information faster and more convenient.

(2) The complaint recipient will keep the related information confidential and will reveal only as necessary by considering the safety and the damages to the whistle blowers, the sources of the information and the relating parties. The whistle blower protection measures will protect those who cooperated and will be guaranteed by the Company to not have their employment terminated, or received disciplinary actions that may negatively affect the staffs in any way.

(3) In the case that the whistle blower feels that they are not safe or may be in danger, the whistle blower may request the Company for an appropriate protection measures or the Company may provide protection measures without the request of the whistle blowers if the issue has the possibility to cause discomfort or harm.

6. Discipline

The Directors, Executives and all levels of the staffs must acknowledge and strictly follow the business ethic of the Company as described above. Violations or disregards of the ethics are considered violations of the rules according to the Human Resource Management Department.

7. Revision, adjustment and cancellation of the business ethics

The revision for the business ethics will be made in accordance with the official rules and standard regulations and in conjunction with the constant change of the business environment. The Board of Directors and the Audit

Committee has decided to have a review on the Code of Ethics annually. However, appropriate time for revision may be given, in the case of major changes or cancellations of significance.

The amendments or the cancellations of the Company's Code of Ethics must be presented to the Audit Committee and the Board of Directors to evaluate and approve.

Agreement of Understanding
"Code of Ethics"

Sanko Diecasting (Thailand) Public company Limited.

1. I have received and read the "Code of Ethics"
2. I have acknowledged and will abide by the "Code of Ethics" of the Company as the principle guidelines in my work.

Sign

(.....)

Position:

Staff ID:

Date:

Remarks: If you require further assistant or explanation about the content of the code of conduct

- For Directors and Managers, please contact the Company Secretary TEL. 02-0053310
- For members of staff, please contact the Human Resource Department TEL. 033-010701-5 ext. 131

Audit Committee Report

To Shareholders of Sanko Diecasting (Thailand) Public Company Limited.

The 3 members of the Audit Committee of Sanko Diecasting (Thailand) Public Company Limited are independent directors, whose qualifications are in accordance with the requirements and good practices of the Stock Exchange of Thailand. Presently, the Audit committee of the company consists of;

- | | | |
|----|-------------------------|----------------------------------|
| 1. | Ms. Achara Suwanpuchai | Chairman of the Audit committee, |
| 2. | Mr. Santi Niamnil | Audit Committee |
| 3. | Mr. Nipan Tungpiruhatum | Audit Committee |
- And Mr. Thannithi Thanagijirawach, as the secretary to the Audit committee.

The Audit committee has executed all duties and undergone all responsibilities as assigned by the Board of Directors which also correspond to the regulations of the Stock Exchange of Thailand. This is to hold the meeting of the Audit committee 4 times during the fiscal year of 2023 and during the year 2024, up until the date of the report, 1 more times for the total of 5 meetings. Which were held with the Managing Director, auditors and the internal auditor accordingly. The meetings are summarized as follows;

1. The review of the quarterly and annually financial statement of the year 2023 is achieved by attending with the auditor and the Managing Director and the auditor regarding the accuracy and the completeness of the financial statement and also the sufficiency in disclosing the information. This also includes acknowledging the audit plans and procedures for the year 2019, to which the Auditor committee and the auditor both agreed that the said financial statement is accurate under the general accounting principles.
2. The review of the operational information and the internal control system by determining the sufficiency and the effectiveness of the internal control system which will contribute to reaching the targeted goal. This is achieved by reviewing the evaluation of the internal control system together with the auditor and the internal auditor. The result is that there are no significant weaknesses or faults, and that the assets have been appropriately looked after with accurate, complete and reliable information. Moreover, the committee has evaluated the internal control system, as guided by the Securities and Exchange Commission, where both the auditor and the internal audit had the opinion that the company has a good internal control system and had continued development.
3. Inspect the internal audit thoroughly from planning, reporting and following up the operations according to T Group Advisory co.ltd, who is the internal Auditor of the Company, in order to improve the efficiency and effectiveness of the operations and to approve the annual audit plans which had been arranged according to

the organizational risks. The Audit Committee is of the opinion that the Company has had sufficient, adequate and effective internal auditing system according to the international standard.

4. The review of the legislative compliances under the Security and Exchange Commissions, the requirements of the Stock Exchange of Thailand and the laws relating to the company's business, including the compliance with the company's provision and any obligations that the company has with the third party. The Audit committee agrees that there are no significant issues which violate the laws, requirements, and any obligations that the company has to the third party.
5. The review of the risk management system so that it connects with the internal audit system, in order to manage all the risks of the company. This is done by evaluating the policies, risk factors, and the approach to manage the risks, including the progress of the current risks management. The Audit committee is of the opinion that the company emphasizes on the risk management aspect and that the Management has evaluated the Risk Assessment that could significantly affect the company, both from internal factor and external factor regularly. The Company has appointed a working group to manage the risk and be responsible for this specific task. The Company has configured the risk management procedures into 7 steps as follows; 1) Objective setting, 2) Risk Evaluating, 3) Risk Assessment, 4) Control policy assessment, 5) Risk Management, 6) Reporting, 7) Follow up with evaluation and revision, by preparing a risk management handbook as guidelines to operate.
6. The review and the comments made to the items which may have conflicts of interests, including the disclosure of the said items as required by the Stock Exchange of Thailand and the Securities and Stock Commission. The auditor believes that all of the company's significant transactions with the related companies have already been shown in the financial statement. The committee also agrees with the auditor that the said items are reasonable, adequately and fully disclosed, and were made to be the most beneficial to the company.

The review of the selection, the nomination and the remuneration of the auditors for the year 2023, in order to further present it for approval by the Board of the Directors in the annual shareholders meeting of the year 2023. The Audit committee has evaluated the performance, independency and the suitability of the remuneration and comes to the conclusion that Dr. Sirada Jarutaknont registration number 6995 /or Mr. Bunjong Tichayaprasat, registration number 7147 /or Ms. Kornpreeya Soonphiphatsakul registration number 10001 /or Mr. Kraisit Silapamongkonkul registration number 9429 of Siam Truth Audit Co., Ltd, should be appointed as the company's auditor for the year 2023 with the total remuneration of 1,650,000 baht (one million six hundred and fifty thousand baht). The Audit committee has made comments about the said selection as followed;

- In the past years, the auditors must have performed their duties to the best of the ability in their respective fields. They must provide recommendations for the internal control systems and all the risks, including being independent in their work.
- The suggested remuneration is adequate.
- The auditors must not have any connections to the Company.

The Audit committee has carefully and independently performed its duties for the utmost benefits of the Company as stated in the Charter of the Audit Committee which was approved by the Board of the Directors of the company. The committee believes that the company has an adequate financial report, an effective and suitable internal control and internal audit system, a lawful and non-obligation violating practice with a full disclosure in all of the company's transactions within all of the businesses and is constantly developing the operating system to be more effective and much better suited for the growing business.

On behalf of the Audit committee

Miss Achara Suwanpuchai
(Chairman of the Audit committee)

21 February 2024

**WE DELIVER THE BEST
FOR YOUR SATISFACTION**



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