



Anniversary

Drive Business toward

**a Sustainable Future**



**SMART PEOPLE**



**BUSINESS TRUST**



**GROWTH SOCIETY**

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Somboon Advance Technology Public Company Limited has firmly grown for 60 years ("the Company"). The Company has learned along with continuous business development amidst many changes over the ages until now the Company has business restructure to be a holding company, mainly having income by holding shares in other companies. Currently the Company has operated business under the strategic plan to manufacture automotive part and agricultural products and expand to new businesses such as automation system and robot business. In 2022, the Company had joint venture with Taiwanese company and established Somboon Tron Energy Co., Ltd. to manufacture and assembly electric battery and assembly the electric vehicle such as electric bus, electric 3 wheeler, etc.

2022 is still a year of recovery from the covid-19 pandemic and there are unfavorable factors for global economic growth, such as the Russia-Ukraine War resulted in higher price of goods and raw material, especially in the energy sector continued to rise including lockdown prevention measurement from China Zero Covid policy, etc. Those problems are the main factor to impact the performance of the Company. The Company shall carefully adjust strategic plan, focus on the cost management and increase effectiveness by transforming the manufacture technology, applying automation system and improvement machinery, in order to save energy, reduce carbon dioxide and use renewable energy.

The Company has changed the operation system in parallel with innovation and technology development to carry forward in the manufacturing automotive part and agricultural machinery business including with the new business concurrently the readiness to human resource development to be "Smart People" to be a good and smart people in compliance with smart culture to keep commitment, create the customer trust, agility, respect to listen, create technology to support "Business Trust" and "Growth society" to develop the community to grow and friendly with the environment and have a better quality of life.

Gross Domestic Product ("GDP") in 2022 grew approximately 2.6%, 1.5% increasing from 2021 and the domestic vehicle production totaled 1.88 million vehicles increasing 11.7% from 2021. The global economy has resulted to slowdown the domestic economy, however, the operating results of the Company in 2022 had income totaled Baht 9,093 million with net profit of Baht 940 million, 1.4% decreasing from 2021.

On this occasion, the Board of Directors would like to thank all shareholders, partners, customers and business partners, including the executives, employees who have always supported the business operations for 60 years. The Company will continuously commit to carefully drive our business with good corporate governance, social and environment responsibility forward sustainable growth.





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## Message of the Board of Directors

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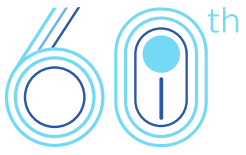
**Mr. Sansern Wongcha-um**  
Chairman of the Board

A handwritten signature in black ink.

**Ms. Napatsorn Kitaphanich**  
President



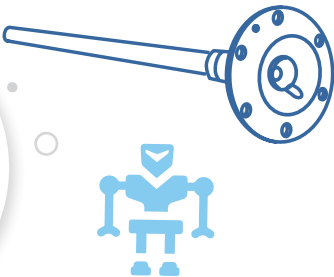




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For 60 decades in automotive industry, Somboon Advance Technology Public Company Limited is Thai organization operating business in Thailand with Thai heart of Thai people that aims to grow along with Thai society. We've been through a lot of many stories, economic crisis, succession, pride and impression that Somboon Advance Technology Public Company Limited has received from the people around them.

For 60 decades, we have learnt to be “Smart People” to learn and adapt with all changes and readiness to drive the organization to the future success for perfect well-being under maintaining balance of Smart People, Business Trust and Growth Society for sustainable growth.

For 60 decades, the successful of Somboon Advance Technology Public Company Limited is not from Smart People but also from the collaborative effort between Smart People and other outside people to mutually drive the successful business and we will bring our integrity to the community and society to build the growth society and we will sustainably grow together.



SMART PEOPLE



BUSINESS TRUST



GROWTH SOCIETY



## Vision

To be a trusted partner with leading engineering products and solutions that harmonizes the use of advanced technology with social and environmental sustainability.

## Mission

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



## We believe

Performing duties and delivering work in accordance with terms or agreements with care and honesty will build credibility, which is the basis on necessary work/business.



To expose new things, plan, adapt, and prepare for the change will help moving forward in fluctuate economic conditions.

Learning to listen team opinion and finding the best solutions to solve problems will help the team working together to achieve goals and be effective.

Understanding Customers' expectations (both internal and external) and attentive to quality, delivery and service that meets or exceed expectations will help customer's satisfaction and trust, which will lead to sustainable work/business together.

To learn new technologies and improve, develop, work, services or products will enhance your competitiveness in fluctuate industry.

## MISSION STATEMENT



To delivery reliable product and service in the competitive price to the customer.



To develop innovation and bring modern technology to drive changing in the main business.



To grow business with partners and follow through on what you promise.



To promote the ability of the organization and personnel to adapt to change in the business environment.



We are committed to use resources efficiently and take care of the environment and enhance the quality of life in society.

## Company's General Information

Company's Name	Somboon Advance Technology Public Company Limited
Company Limited Business	Holding company by investing and holding shares in other companies and having the policy for the main business such as automotive manufacturing, agricultural machinery and robot and automation system
Head Office and Plant	129 Moo 2, Bangna - Trad Road, Tambol Bangchalong, Amphur Bangplee, Samutprakarn Province;  7/389 Moo 6 Tambol Mabyangporn, Amphur Pluakdaeng, Rayong Province
Company's Registration	0107547000664
Telephone	02-080-8123
Fax	02-080-8198, 02-080-8268
Website	<a href="http://www.satpcl.co.th">www.satpcl.co.th</a>
Registered Capital	425,193,894 Baht
Paid-up Capital	425,193,894 Baht
References	<ul style="list-style-type: none"> <li>• <b>Securities Registrar:</b> Thailand Securities Depository Company Limited 93, 14<sup>th</sup> Floor, The Stock Exchange of Thailand Building, Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand Telephone: 0-2009-9999</li> <li>• <b>Auditor:</b> KPMG Phoomchai Audit Limited Empire Tower 1 South Sathon Road, Yannawa Sub-District, Sathorn, Bangkok 10120, Thailand Telephone: 0-2677-2000</li> </ul>





## Financial Highlight

For the Fiscal year ended December 31	Consolidated Financial Statements			Seperate Financial Statements		
	2022	2021	2020	2022	2021	2020
<b>Stock Data</b>						
Par value (Baht)	1.00	1.00	1.00	1.00	1.00	1.00
Book value (Baht)	18.74	17.97	16.68	12.18	12.16	11.43
Earning per share (Baht) *	2.21	2.24	0.88	1.54	1.59	0.96
<b>Operating</b>						
Sales revenue	8,931,372	8,598,180	5,882,559	0	2,700,082	1,884,678
Total income	9,093,388	8,727,221	6,026,795	1,015,761	3,305,578	2,290,882
Net profit	935,755	955,213	374,763	653,151	676,995	409,905
<b>Balance Sheet (Thousand Baht)</b>						
Current assets	5,830,403	5,542,888	4,406,626	1,001,441	1,624,015	1,565,741
Total assets	10,350,803	9,830,107	8,955,308	5,325,143	5,911,962	5,579,981
Current liabilities	2,054,232	1,892,112	1,500,761	58,087	678,715	540,173
Total liabilities	2,384,508	2,187,699	1,864,565	144,776	743,172	718,053
Paid-up capital	425,194	425,194	425,194	425,194	425,194	425,194
Shareholders' equity	7,966,294	7,642,409	7,042,274	5,180,367	5,168,790	4,861,928
<b>Financial Ratio</b>						
Returns on shareholders' equity (%)	11.99%	13.01%	5.28%	12.62%	27.58%	27.58%
Returns on fixed assets (%)	46.18%	47.20%	29.09%	1115.58%	123.82%	123.82%
Returns on assets (%)	9.27%	10.17%	4.10%	11.62%	22.78%	22.78%
Gross profit (%)	18.09%	19.25%	15.15%	64.15%	26.64	26.64%
Current assets ratio to items of current liabilities (times)	2.84	2.93	2.94	17.24	2.39	2.90
Liquidity ratio to liabilities (times)	2.33	2.39	2.36	13.69	1.66	1.74
Debt ratio to shareholders' equity (times)	0.30	0.29	0.26	0.03	0.14	0.15

## Part 1

### Business Operation and Operating Results

#### 1. Organizational structure and operation of the group of companies

##### 1.1 Policy and business overview

###### History

Somboon Advance Technology Public Company Limited (the “Company” or “SAT”) was established on 14 September 1995, registered share capital of Baht 80 million, to engaged in the manufacturing of automotive parts with the Axle Shaft as its main product, the factory and office are located at 129 Moo 2 15th KM., Bangna-Trad Road, Bangchalong, Bangplee, Samutprakarn. In 2004, the Company was increased its registered share capital to be Baht 226 million by offering share to existing shareholders; and transformed to Public Company and listed on the Securities Exchange of Thailand since on 31 January 2005 with a registered share capital of Baht 300 million divided into 300 million ordinary shares with a par value of Baht 1 per share. Currently, the Company has a registered share capital of Baht 425,193,894.

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

###### 1) Business Goals and Strategies

The automotive industry in Thailand and global market is transitioning from internal combustion engine vehicles to electric vehicles which has led to changes in the industry such as market entrance of new electric vehicle manufacturers, changes in engineering and in electric vehicle design, introduction of new government policies encouraging the use of electric vehicles in countries where Thailand exports automotive materials. Thai government policy also encourages the electric vehicle industry (30@30) by setting a target of electric vehicle production at 30% of total vehicle production by 2030, and has announced tax reduction policies in 2022, including excise tax and import tax reductions.

Somboon Advance Technology Public Company Limited, one of Thailand's largest automotive parts manufacturers, sees opportunities and risks arising from such external factors, prompting the need for change. The organization's direction, Vision, and Mission are therefore revised to reflect the changes and to meet the needs of the company's stakeholders. The new vision and mission are as follows.

###### Vision

To be a trusted partner with leading engineering products and solutions that harmonizes the use of advanced technology with social and environmental sustainability.

Our new Mission consists of five elements, each focusing on meeting the needs of the company's stakeholders.

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

In accordance with the new Vision and Mission, the Company is committed to achieving sustainable growth. Our long-term goal is to increase total revenue by 7-8% per year while adhering to the business philosophy "Somboon Triple Bottom Line" and focusing on adapting to rapid changes in the business environment.

Following the review of the 2022 strategy in accordance with the Vision, Mission, and long-term goals, our managements continue to emphasize the ongoing business that produces automotive parts for current customers with a focus on delivering quality at competitive prices. We are constantly improving our technology in order to reduce costs and meet the needs of our customers. At the same time, the Company has implemented a strategy to expand its business into the electric vehicle industry as well as other industries such as agricultural machinery and robotics and automation. In collaboration with partners from a variety of business groups, we co-developed new innovations and modern technology. This results in new revenue streams and risk diversification in the current automotive business.

In order to achieve its goals and objectives, the Company deploys the strategies and operational guidelines as follows:



1. Changes in the situation of external factors in the automotive industry have resulted in increasing competition on product prices, while customers are looking for cost savings in automotive parts. The Company has focused on improving cost competitiveness throughout the value chain. This includes increasing production efficiency to be more flexible and connected using modern technology and automated production systems; changing raw material sources to achieve lower costs; reducing energy consumption by modifying related equipment and some production methods; installing solar cell systems; and providing employees with opportunities to participate in innovation development and continuous improvement.

The Company manages close relationship with customer in all levels to keep up with changing customer needs and to build customer confidence in order to retain main customers' base. Furthermore, we continue to acquire new customers and find opportunities to enter into their supply chain, as well as generate revenue from new products in order to achieve sales target. Moreover, in an effort to find a compromise between the use of new technology and environmental impact, the Company focuses on reducing waste, electricity and water consumption, and greenhouse gas emissions in the automotive manufacturing process.

2. In 2022, electric vehicle technology has played a larger role in Thailand. Thailand's 30@30 Electric Vehicle Policy is the result of important driving factors such as efforts to reduce environmental impact and GHG emissions in Thailand and create added value for the Thai automotive industry. These factors have led to the launch of the policy which aims to achieve at least 30% of total vehicle production as ZEVs (Zero Emission Vehicles). In order to be in line with ESG and government policies in 2022, the Company has revised its Vision and Mission to strike a balance between modern technology and social and environmental sustainability. We have adjusted our strategy by accelerating the development of partnerships in order to create business opportunities in the electric vehicle industry by focusing on design development and new product development. Therefore, the Company embarked on and formed the following new alliances in 2022.

2.1 Study the feasibility of using existing company products as electric vehicle parts through collaboration with customer, as well as study new product development that can be used in the ZEV electric vehicle industry.

2.2 Expand the company's operations to include the production and assembly of electric vehicle driveline system, battery system, and ready-built electric vehicles such as electric trucks, electric buses, automated electric buses, and electric 3-wheelers by establishing Somboon Tron Energy Co., Ltd. on May 24, 2022, as a joint venture between 60% share by Somboon Advance Technology Public Company Limited and 40% share by Tron Energy Technology Co., Ltd. (Tron E), a Taiwanese company that specializes in high-tech electrification and automation integration in future vehicles, in order to develop the business and market opportunity in Thailand.

2.3 On December 6, 2022, Somboon Tron Energy Co., Ltd. (STRON) and E-Tuk Factory (ETF), a Dutch electric 3-wheelers manufacturer, signed an agreement to collaborate and grant the rights for STRON to be SMART E-TUK Manufacturing Center and collaborate in improving the supply chain and developing the market for E-TUK in Thailand and several market in the world. A common attempt is to promote sustainable electric 3-wheeler solutions for commercial use, including the establishment of a manufacturing hub in Thailand to become an EV hub in Asia, particularly in the logistics, tourism, and service industries.

3. The Company has focused on expanding into new industries and business models. We continue to develop agricultural machinery business by developing prototypes by conducting on-field test with users or customers, and receiving feedback from users to develop agricultural machinery products suitable for the Thai market. For the Robotics & Automation business, we prioritize the development of our customer bases and relationships in order to foster customer trust. Furthermore, the Company must diversify its business and generate new revenue streams from new industries to achieve business diversification and long-term business sustainability.

## 2) Material changes and developments

# Year 2022

## Material changes and developments

### January 2022

The Company had restructured business to be a holding company.

### February 2022

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

### May 2022

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

### June 2022

Awards from the Ministry of Labour:

- SFT Zero Accident Campaign 2022, Basic Level for 1<sup>st</sup> year
- SFT received the 2022 Thailand Labour Management Excellence Awards on Employee relations and benefit, for 5 consecutive years
- SBM received the 2022 Thailand Labour Management Excellence Awards on Employee relations and benefit, for 14 consecutive years
- ICP received the 2022 Thailand Labour Management Excellence Awards on Employee relations and benefit, for 10 consecutive years
- SFT received the 2022 National Outstanding Prototype Enterprise for Safety, Occupational Health and Work Environment (Gold Level), for 2 consecutive years
- SFT received the 2022 Thailand Labour Management Excellence Awards on Employee relations and benefit, for 16 consecutive years
- SAT received the 2021 National Outstanding Prototype Enterprise for Safety, Occupational Health and Work Environment (Gold Level) for 2 consecutive years

### July 2022

Certificates from Thailand Greenhouse Gas Management Organization (Public Organization)

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

### August 2022

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

### September 2022

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

### November 2022

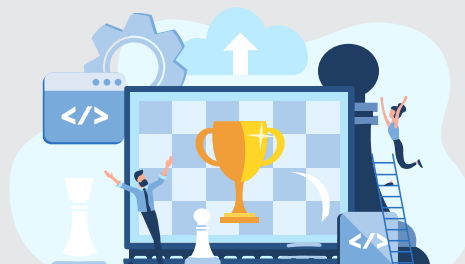
1. The Company received awards from the Stock Exchange of Thailand (SET) together with Money and Banking Magazine:
  - Sustainability Awards of Honor
  - Be chosen to be listed as "Sustainable Shares" or Thailand Sustainability Investment (THSI)
2. 2022 CAC Change Agent Award 4th from the Thai Private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

### December 2022

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

### Awards from Customers and external organizations for 2022

- The first runner-up Group A: MCC QCC Presentation Contest of 2022: MCC (SFT)
- The 5th Safety Activity 2022 (Level A): THAI HINO CO-OPERATION CLUB (SFT)
- Bronze Award Certificate Winner Group 4: Technology Promotion Association (Thailand-Japan)
- The Winner (Group B): MCC (SBM)







# Year 2021

## Material changes and developments

### July 2021

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

### September 2021

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

### October 2021

1. Awards from the Ministry of Labour:
  - **SAT1** received the 2021 National Outstanding Prototype Enterprise for Safety, Occupational Health and Work Environment (Gold Level), for 4 consecutive years
  - **SAT1** received the 2021 Thailand Labour Management Excellence Awards on Employee relations and benefit, for 16 consecutive years
  - **SAT2** received the 2021 National Outstanding Prototype Enterprise for Safety, Occupational Health and Work Environment (Gold Level) for 2 consecutive years
  - **SFT** received the 2021 National Outstanding Prototype Enterprise for Safety, Occupational Health and Work Environment (Gold Level) for the 1<sup>st</sup> year
  - **ICP1** received the 2021 Thailand Labour Management Excellence Awards on Employee relations and benefit, for 12 consecutive years
  - **ICP2** received the 2021 Thailand Labour Management Excellence Awards on Employee relations and benefit, for 9 consecutive years
  - **SBM** received the 2021 Thailand Labour Management Excellence Awards on Employee relations and benefit, for 13 consecutive years
2. Awards from the Ministry of Industry
  - **SAT1, SAT2 and SBM** received the 2021 CSR-DIW Continuous Awards
  - **ICP2** received certification on drug management system in workplace – the 3rd level under the white factory project

### November 2021

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

### December 2021

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

### Awards from Customers and external organizations for 2021

- The 4<sup>th</sup> Safety Activity 2021 (Level A): THAI HINO CO-OPERATION CLUB (SFT)
- Thailand Quality Prize Award 2021: Technology Promotion Association (Thailand-Japan) (SBM)
- 2018-2022 Supplier Evaluation Score Both Quality & Delivery 100 Points: ISUZU (SAT)



# Year 2020

## Material changes and developments

### June 2020

1. The Company and Shenyang Siasun Robot & Automation Co., Ltd. established the Joint Venture Company named Somboon Siasun Tech Co., Ltd. to provide the full system integration services by focusing on automotive and automotive parts, agriculture machinery and machinery industry in Thailand.
2. **SAT1-2** 2. SAT1-2 received the Certificate of Honor in zero accident campaign 2020 – bronze level from Ministry of Labor

### August 2020

SAT received the 2020 Role model of Ethical Corporation Award from Project to drive a moral organization.

### September 2020

1. Awards from Ministry of Labor:
  - **SAT1, SBM1-2** SAT1, SBM1-2 received the Thailand Labor Management Excellence Awards on employee relations and benefits, for 15 consecutive years.
  - **SAT2** received the 2020 Thailand Labor Management Excellence Awards on employee relations and benefits at a national level.
  - **SBM2** received the 2020 National Outstanding Prototype Enterprise for Safety, Occupational Health and Working Environment (gold level) for the third years.
  - **SBM3** received the Thailand Labor Management Excellence Awards on employee relations and benefits, for 10 consecutive years.
  - **ICP1** received the Thailand Labor Management Excellence Awards on employee relations and benefits, for 10 consecutive years.
  - **ICP2** received the Thailand Labor Management Excellence Awards on employee relations and benefits, for 10 consecutive years.
2. Rewards from Department of Labor Protection and Welfare
  - **SBM3** received the certificate on drug management system in workplace - the 1st level under the white factory project.
  - **ICP1-2** received certification on drug management system in workplace - the 3<sup>rd</sup> level under the white factory project.
3. **SAT2** received the certificate of the Standard on Prevention and Solution to Drug Problems in the Establishment from Rayong Province.
4. **SBM3, ICP1-2** received the certificate of green industry (Green System) - Level 3 from Ministry of Industry

### November 2020

**SAT1-2, SBM3** received CSR-DIW Continuous Awards 2020 from Ministry of Industry.

### December 2020

1. SAT received awards from the Stock Exchange of Thailand (SET) together with Money and Banking Magazine:
  - Thailand Sustainability Investment (THSI)
  - SET Award of Honor - Excellence in Investor Relations 2017-2020
2. SAT received award for the 2020 best organization to support disabled persons from the Ministry of Social Development and Human Security.
3. **SFT** received Amata Best Waste Awards 2020 (Platinum Level (P1) from Amata City Rayong, Industrial Estate.

### Awards from Customers and external organizations for 2020

- QCD Awards - SILVER: KUBOTA (SAT1)
- The 3rd Safety Activity 2020 (Level A): THAI HINO CO-OPERATION CLUB (SFT)
- Thailand Kaizen Award 2020 (Bronze award): Technology Promotion Association (Thailand-Japan) (SBM3)



### 3) Spending on the raised fund

-None-

### 4) Obligations to which the Company has committed in the registration statement for securities offering

-None-

## 1.2 Nature of Business

### 1) Income structure

The Company and subsidiaries' income structures in 2020, 2021 and 2022 can be classified as followings;

Unit : Million Baht

Products	Operated by	% of share holding	Balance Sheet 2022		Balance Sheet 2021		Balance Sheet 2020	
			Income	%	Income	%	Income	%
Axle shaft *	SFT	99.99	2,514	28	2,460	28	1,750	29
Disc& Drum Brake	SBM	99.99	1,645	18	1,613	19	1,150	20
Parts of Agriculture Machinery	SBM	99.99	1,870	20	2,045	24	1,390	23
Income from sales of other products and services **			2,902	32	2,480	28	1,593	26
<b>Total income from sales and services</b>			<b>8,931</b>	<b>98</b>	<b>8,598</b>	<b>99</b>	<b>5,883</b>	<b>98</b>
Other incomes***			162	2	129	1	144	2
<b>Total income</b>			<b>9,093</b>	<b>100</b>	<b>8,727</b>	<b>100</b>	<b>6,027</b>	<b>100</b>

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

## 2) Products Information

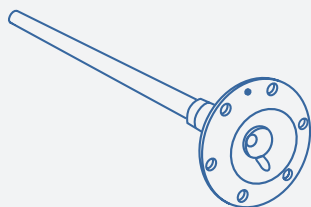
### Products of the Company and Its Subsidiaries

Company	Main Product(s)	Vehicle Type(s)	Main Customer(s)
Somboon Forging Technology Co., Ltd. (SFT)	Axle Shaft	Pickups	Mitsubishi Motors (Thailand) Co., Ltd.
	End Rear Housing	Pickups	Toyota Motor Thailand Co., Ltd.
	Bearing Housing	Pickups	Isuzu Motors Company (Thailand) Limited
	Intermediate Shaft	Pickups	Siam Kubota Corporation Co., Ltd.
	Hub Front Wheel	Pickups & Passenger Cars	Hino Motors Manufacturing (Thailand) Co., Ltd.
	Pulley	Passenger Cars	Valeo Automotive (Thailand) Co., Ltd.
	Trunnion Shaft	10-Wheeler Trucks	Dana Spicer (Thailand) Ltd. DANA INCORPORATED
Somboon Malleable Iron Industrial Co., Ltd. (SBM)	Disc Brake	Pickups & Passenger Cars	Mitsubishi Motors (Thailand) Co., Ltd.
	Drum Brake	Pickups & Passenger Cars	Honda Automobile (Thailand) Co., Ltd.
	Exhaust Manifold	Pickups & Passenger Cars	Hino Motors Manufacturing (Thailand) Co., Ltd.
	Fly wheel	Pickups & Passenger Cars	Isuzu Motors Company (Thailand) Limited
	Bracket	Pickups & Passenger Cars	Suzuki Motor (Thailand) Co., Ltd.
	Differential Carrier	Pickups	Toyota Motor Thailand Co., Ltd.
	Gear Box	Tractors	Siam Kubota Corporation Co., Ltd.
International Casting Products Co., Ltd. (ICP)	Disc Brake	Pickups & Passenger Cars	GKN Driveline (Thailand) Ltd.
	Drum Brake	Pickups & Passenger Cars	Mitsubishi Motors (Thailand) Co., Ltd.
	Exhaust Manifold	Pickups & Passenger Cars	Honda Automobile (Thailand) Co., Ltd.
	Flywheel	Pickups & Passenger Cars	Hino Motors Manufacturing (Thailand) Co., Ltd.
	Bracket	Pickups & Passenger Cars	Isuzu Motors Company (Thailand) Limited
	Differential Carrier	Pickups	Suzuki Motor (Thailand) Co., Ltd.
	Camshaft	Pickups	Toyota Motor Thailand Co., Ltd.
	Gear Box	Tractors	Siam Kubota Corporation Co., Ltd.
	Housing Fly Wheel	Tractors	GKN Driveline (Thailand) Ltd.
	Tooling, Jig Fixture, and Mold	Internal Use	

## Product and Service Descriptions

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

### 1. Axle Shaft

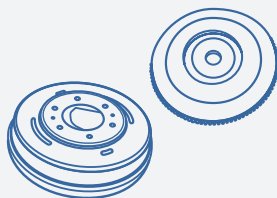


**Axle Shaft** is one of the main products of the Company and its subsidiaries. It is mainly manufactured by SAT and generated about 37 percent of the 2022 total sales revenue of the Company and its subsidiaries. Presently, the Company is the first and the largest manufacturer of the Axle Shaft in Thailand. The product is compatible with 1-ton pickups and large trucks.

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

Main customers who have purchased this product are mostly original equipment manufacturers (OEMs), which includes Mitsubishi Motors (Thailand) Co., Ltd., Isuzu Motors Company (Thailand) Limited, Toyota Motor Thailand Co., Ltd.,

### 2. Disc Brake & Drum Brake

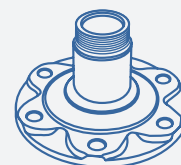


**Disc Brake** is one of the main products of the Company and its subsidiaries. It is mainly manufactured by SBM. The Disc Brake is a cast iron plate that squeezes the brake pads attached to the brake rod, which holds the front of a disc plate, to stop the wheels from rotating when the brake pedal is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

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

In 2022, the Company and its subsidiaries have generated 13 percent of the total revenue from Disc Brake and Drum Brake sales. Much of the sales are contributed to the fact that the products can be applied to both pickup trucks and passenger cars. Main customers who have purchased these products are OEMs of automotive operators, which includes Honda Automobile (Thailand), Co., Ltd., Mitsubishi Motors (Thailand) Co., Ltd., Isuzu Motors Company (Thailand) Limited, etc. Additionally, SBM has formulated Sales and Purchase Agreements (SPAs) with these customers annually, which are automatically renewed each year for the duration of the vehicle model's life.

### 3. Hub Wheel



Hub Wheel is one of the main products of the Company's two subsidiaries, SFT and SBM. SFT's Hub Wheels are designed for use with passenger cars and pickup trucks, while SBM's Hub Wheels are designed for use with commercial trucks. The Company and its subsidiaries have generated 4 percent of the total revenue of Hub Wheel sales in 2022.

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

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



## Marketing Strategies and Target Customers

### 1. Marketing Strategies

The Company has been engaging in the automobile parts manufacturing business for more than 59 years. The Company and its subsidiaries are highly respected and trusted by customers for their commitment to customer satisfaction first and foremost as well as their effective marketing strategies that are employed continuously. One of these strategies is the QCDEM strategy, with details as follows:



#### Quality

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



#### Cost

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



#### Delivery

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



#### Engineering

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



#### Management

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

### 2. Target Customers

#### (1) Original Equipment Manufacturers (OEMs)

The current main customers consist of Japanese automakers within Thailand, which include Mitsubishi, Toyota, Honda, Isuzu, Nissan, and Hino, among others, as well as international customers such as South Africa, Indonesia, and the United States. The Company and its subsidiaries have a policy of increasing customer satisfaction by focusing primarily on the "QCDEM" strategy as detailed above. Currently, the sales volume is approximately 79 percent of total sales revenue.

#### (2) Replacement Equipment Manufacturers (REMs)

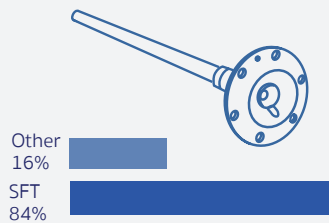
The Company and its subsidiaries have conducted business with customers who are major spare parts suppliers which have a long history and are well-known among retail spare parts stores in Thailand, such as Yong Ki Co., Ltd. One of the main products distributed in the REM market is the Trunnion Shaft. Currently, the sales volume is approximately 0.04 percent of total sales revenue.

#### (3) Agricultural Machine Manufacturers

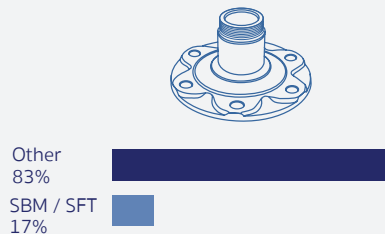
The Company and its subsidiaries have expanded their business from the automobile parts industry to engage in the agricultural machinery market, which is highly relevant to the agricultural industry – one of the crucial industries of Thailand. A major customer that the Company and its subsidiaries have conducted business with is Siam Kubota Corporation Co., Ltd., which the Company and its subsidiaries have assembled farm tractors and harvesters under the KUBOTA trademark for distribution. Currently, the sales volume is approximately 20 percent of total sales revenue. In addition, the Company and its subsidiaries also produced other parts for Siam Kubota Corporation Co., Ltd. other than farming vehicles, which generated about approximately 1 percent of total sales revenue.

### Market Share

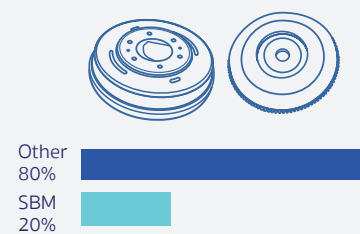
#### Rear Axel Shaft



#### Hub Wheel



#### Disc Brake / Drum Brake



### 3) Policy research and development

In 2022, the Company had an expense in research and technological development for process and material that have applied for existing and prepared for potential products in the future at the total amount of 25 Million Baht, in which the research and technological development can be categorized as follows;

1. Applied research is the study and research into findings of new knowledge with primary objectives or purposes to put the research results into beneficial use in any one of the practices such as Additive manufacturing (3D Printing) application of composite material for spare part, metallic material with advance heat treatment knowledge such as the Carburizing process for new product. This is for supporting the automotive industrial change especially lightweight technology requirement etc.
2. Experimental development is a systematic study by bringing the existing knowledge to develop both material and manufacturing process to enhance the quality of products and get cost competitiveness advantage for steel and cast iron products. For example, the cost reduction of raw material for forging products by changing the material sources/co-developing with the steel suppliers together with the internal process development supporting various of raw material quality level usage, the natural frequency improvement of disc brake product by applying research and development to maintain the reasonable manufacturing cost and still maintain cost competitiveness advantage etc. However, experimental development does not include the regular changes according to the duration of the products, production system, production process, services or other operations that are underway although this change would lead to a progress.

### Business process innovations for sustainability

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

#### Management Approach

Amidst the current global changes in technology, environment, and economic conditions, business operations have been significantly impacted, requiring companies to adapt to the rapidly changing landscape. In response, the Company has established innovative operational guidelines as follows.

#### 1. Culture of Innovation

A culture of innovation can have a sustainable impact when there is a continuous pursuit of development and a never-ending discovery of new ideas. To foster such innovation, our company has established a dedicated unit to oversee continuous development activities. We organize QCC/Kaizen and Lean Manufacturing projects every year for employees at all levels, encouraging them to adopt an improvement mindset in their work. This has resulted in an organizational culture that generates innovative projects conceived by our employees every year.

## Performance

Initiative	Goal 2022 No. of Projects	Performance 2022 No. of Projects	Hard Saving (THB/year)
QCC	150	150	10,630,415
Kaizen	1,708	1,708	14,178,095
Lean Manufacturing	15	15	27,064,043
<b>Total</b>	<b>1,873</b>	<b>1,873</b>	<b>51,872,553</b>

## 2. Product innovations

The Company has formed a joint venture with Tron-E Technology Company Limited to establish Somboon Tron Energy Company Limited, a company focusing on assembling electric three wheelers for the transportation of small goods over short distances, with versatility and a priority on efficiency, safety, and environmental friendliness.

Due to the present global focus on climate change, Somboon Tron Energy Company Limited has acknowledged the significance of this issue and has developed electric three wheelers powered by clean energy and electricity, which have a much lower environmental impact than vehicles with combustion engines. The Company anticipates that this project will reduce greenhouse gas emissions by an average of 1,420 tCO<sub>2</sub>eq/year.

## 3. Work process innovations

The company has formed a joint venture with Siasun Robot & Automation Company Limited, also known as SIASUN, from China. The joint venture, Somboon Siasun Tech Company Limited, has been committed to upgrading the industrial sector by introducing digital technologies and automatic systems to boost the efficiency of the production process and automatic storage at Somboon Forging Technology (SFT1) Limited as follows.

...

**STRON**  
SOMBOON TRON ENERGY



...



### 3.1 Robotic arm with 3D vision for material analysis

In the final step of the production process, when the finished products are ready to be stored in the warehouse, there is a need for continuous transportation. To address this need, the Company has adopted robotic arm technology and 3D camera automatic detection. This technology ensures the accuracy of the products through communication with 5G technology.



### 3.2 Unmanned Automated Guided Vehicles (AGVs)

The Company has adopted unmanned automated guided vehicles (AGVs) for warehouse usage, to enhance work efficiency and reduce the usage of LPG in traditional forklifts. These AGVs are responsible for taking over finished products from the robotic arm.



### 3.3 Smart warehouse (AS/RS warehouse)

To optimize space utilization, the company has implemented an ASRS (Automated Storage and Retrieval System), which is connected to robotic arms and AGVs to improve cost efficiency and work productivity. As a result, the lifting capacity has increased from 40 to 80 pallets per hour, effectively doubling the performance of both inbound and outbound automatic processes.



## 4) Industrial Conditions and Competition

In 2022, the Company's vehicle production was at 1,882,385 units, increasing by 12 percent from 2021. The production is divided into domestic sales of 849,388 units (increasing by 14 percent from previous year) and exports of 1,000,256 units (increasing by 4 percent from previous year). Overview of the Thai automotive industry grew more than the target set by the Federation of Thai Industries (FTI) at the beginning of the year. Thailand's production output was

1.8 million units, divided into 800,000 units for domestic sales and 1 million units for exports, supported by various factors such as the relaxation of COVID-19 measures, which have become an endemic, resulting in change of lifestyles to cope with COVID. Additionally, policies such as the relaxation of lockdown measures to welcome tourists and various economic stimulus measures implemented by the government have also contributed to the growth of the industry.

### Vehicle Production in Thailand

Year	Passenger Car (unit)	Pickup truck (unit)	Commercial vehicle (unit)	Total Commercial Vehicle (unit)	Total (unit)	Growth (%)
2015	760,688	1,115,818	36,496	1,152,314	1,913,002	1.76
2016	805,033	1,102,816	36,568	1,139,384	1,944,417	1.64
2017	818,440	1,130,058	40,325	1,170,383	1,988,823	2.28
2018	877,015	1,250,483	40,196	1,290,679	2,167,694	8.99
2019	796,304	1,176,976	40,430	1,217,406	2,013,710	-7.10
2020	537,633	861,553	27,888	889,441	1,427,074	-29.13
2021	594,690	1,050,202	40,813	1,091,015	1,685,705	18.12
2022	592,927	1,242,658	46,800	1,289,458	1,882,385	11.67

Source: Thai Automotive Industry Association (TAIA)

The negative factors impacting the automotive industry in the year 2022 include issues related to electronic component shortages, which have affected the production of automotive parts. This is due to a significant increase in demand for electronic products. Additionally, the intense conflict between Russia and Ukraine has caused serious problems, and the ongoing trade competition between the United States and China has also contributed to a slowdown in the global economy.

On the cost side in domestic, the increase in fuel prices, electricity charges, inflation rates, and the depreciation of Thai Baht have continuously pushed up trading costs. However, the domestic sales of automobiles have increased towards the end of 2022. The government has promoted and supported electric vehicles, providing consumers with opportunities to receive discounts. Moreover, various car brands, especially new Chinese brands such as GWM and BYD, as well as the world-renowned brand Tesla, have entered the Thai market and gained positive responses from domestic consumers.

#### The industrial trend and competitive landscape in the future

year 2023 have been preliminarily assessed by the Federation of Thai Industries. For the production of automobiles in the year 2023, the estimated quantity will be 1.95 million units, divided into 1.05 million units for export and 900,000 units for domestic sales. The growth factors are supported by the domestic economic recovery from tourism, growth of agricultural product prices that remains stable in high-level. On the sales side, the government support in electric vehicle measures continues in year 2023, which will stimulate the domestic market growth. However, risks to domestic sales growth are still monitored, such as high household debt and increasing interest rates affecting vehicle lease interests and bank loan approval assessments that become increasingly stringent, as well as closely monitoring the global economy slowdown.

#### 5) Raw Materials and Services

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

(1) Steel purchased from overseas. The Company and its subsidiaries will purchase steel that cannot be produced within Thailand directly from international manufacturers or place an order through domestic distributors. Steel belonging to this category includes a high carbon steel round bar, spring steel flat bar, spring steel round bar, or any other type of steel that the customers determined. The purchased steel will be carefully specified from selected source manufacturers to control the steel quality. Steel belonging to this type approximates about 60 – 70 percent of total primary raw material.

(2) Steel produced domestically. Steel scrap is another important raw material that is purchased from domestic operators and customers who are also automakers and/or owners involved in the automobile business. Steel belonging to this type approximates about 30 – 40 percent of total primary raw material.

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

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

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

1. Environment: Energy saving and greenhouse gas reduction.
2. Social : Safety Management
3. Governance : Anti-Corruption (CAC)

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

**Undeletened tasks** -None-



## 6) Capacity

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

product	company	Capacity year 2022		Capacity year 2021		Capacity year 2020	
		Unit	Rate % Use of force	Unit	Rate % Use of force	Unit	Rate % Use of force
Axle Shaft	SFT	4,566,839	78	3,760,000	83	3,760,000	73
Turning Product Range (For Auto Part)	SBM	3,713,794	75	3,277,710	82	2,422,617	73
Turning Product Range (For Agriculture Machinery Part)	SBM	1,882,558	75	2,489,055	92	1,735,124	83
Casting Product Range (For Auto Parts and Agricultural Machinery Part)	ICP	52,423 (tons)	97	53,810 (tons)	100	37,775 (tons)	65
General Forging Part	SFT	3,326,400	60	3,326,400	50	3,326,400	41
Trunnion Product Range	BSK	-	-	2,243 (tons)	96	-	-

Remark :

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



## 7) Operating Fixed Assets

Operating Fixed Assets for the Company and subsidiaries as at 31 December 2022 Details are as below:

Operating Fixed Asset (Unit : Million Baht)	Proprietary Right	Net Book Value As at 31 December 2022	Type of Ownership or Obligation
<b>Land</b>			
• Tambon Bangchalong, Amphur Bangplee, Samutprakarn 1. 112-1-33 Rai	Owner	155.21	
• Tambon Tasit, Amphur Pluak Daeng, Rayong 1. 21-3-76.9 Rai	Owner	38.49	
• Tambon Mapyangporn, Amphur Pluak Daeng, Rayong 1. 83-3-99.7 Rai	Owner	143.24	
2. 16-2-20 Rai	Owner	33.21	-
3. 63-3-71.2 Rai	Owner	108.56	
4. 22-3-0.8 Rai	Owner	47.01	
5. 6-1-2.9 Rai	Owner	13.71	
<b>Buildings and other constructions</b>	Owner	589.48	-
<b>Machinery and factory equipment</b>	Owner	1,518.28	-
<b>Office furniture, fixtures and equipment</b>	Owner	27.77	-
<b>Vehicle</b>	Owner	23.27	-
<b>Right-of-use assets</b>	Owner	514.89	-
<b>Total</b>		<b>3,213.12</b>	

## 8) Investment Policy and Management in Subsidiaries, Associates and Joint Ventures

### Subsidiaries

The Company has long-term investments in subsidiaries, all of which are manufacturers of auto parts. The investment proportion are 99.99, 99.99, 99.99, and 99.99 percent of total shares respectively. On 28 January 2022, the Company entered into the joint venture agreement with Tron Energy Technology Co., Ltd.. which was incorporated under the law of Taiwan, to established in a new company, Somboon Tron Energy Co., Ltd., which has registered with the Ministry of Commerce on 26 May 2022. The company has a shareholding of 60% in this subsidiary. Total investment values under the cost method as at 31 December 2022 were equal to 3,822 million Baht, Details are as follows:

Direct Subsidiaries	Type of Business	Paid-up Capital (Million Baht)	Investment value under the cost method (Million Baht)
<b>SBM</b>	Manufacture and sale of auto parts	500.00	875.99
<b>BSK</b>	Manufacture and sale of auto parts and rent of real estate	130.00	519.99
<b>ICP</b>	Manufacture and sale of auto parts	785.00	796.03
<b>SFT</b>	Manufacture and sale of auto parts	1,600.00	1,600.00
<b>STRON</b>	Import, research, analyze, design, develop and sale of electric car propulsion structures, electric cars and batteries	50.00	30.00
<b>Total</b>			<b>3,822.01</b>

Currently, the Company has long-term investments in 5 subsidiaries. After the public offering and being listed on the Stock Exchange of Thailand, the Company still has the policy to maintain the shareholding ratio in these 5 subsidiaries.

Since the Company invests 99.99 percent of each subsidiary's total shares and invests 60 percent, the Company is able to control management and set the direction of the subsidiaries to be in line with the Company's. Currently, Board of Directors of SBM, BSK, ICP, SFT and STRON have 4 committees, 3 of whom the Company assigned to manage BSK, SBM, ICP and SFT: Mr. Yongyuth Kitaphanich, Mr. Yongkiat Kitaphanich, and Ms. Napatsorn Kitaphanich. In addition, SAT, BSK and SBM allowed one representative committee to sit in the BOD of the associates, joint ventures, and other related companies, as follows:

#### Associates and Joint Ventures

As at 31 December 2022, The Company and its subsidiaries have investments in associates and joint ventures as follows:

Associates	Type of Business	Paid-up Capital (Million Baht)	Ownership Interest (%)	Investment value using the cost method (Million Baht)	Investment value using the equity method (Million Baht)
<b>Yamada Somboon Company Limited</b>	Manufacture and sale of auto parts	150.00	20.00	30.81	496.88
<b>Tsuchiyoshi Somboon Coated Sand Company Limited</b>	Manufacture and sale of plastic coated sand and dry sand	72.00	21.25	15.30	47.65
<b>Total</b>				<b>46.11</b>	<b>544.53</b>
Joint Ventures	Type of Business	Paid-up Capital (Million Baht)	Ownership Interest (%)	Investment value using the cost method (Million Baht)	Investment value using the equity method (Million Baht)
<b>Mubea Somboon Automotive Company Limited</b>	Manufacture and sale of auto parts	701.00	50.00	350.50	404.73
<b>Somboon Siasun Tech Company Limited</b>	Provide service and consultation in system design including engineering system and automation system integration development	30.00	50.00	15.00	7.58
<b>Total</b>				<b>365.50</b>	<b>412.31</b>

As of 31 December 2022, Yamada Somboon Company Limited has an investment value under the equity method of 496.8 million Baht and share of loss for the year 2022 of 6.2 million Baht. The information is calculated from the financial statements for the year ended as at 31 December 2022, audited by the auditor of Yamada Somboon Company Limited.

As of 31 December 2022, Tsuchiyoshi Somboon Coated Sand Company Limited has an investment value under the equity method of 47.6 million Baht and share of loss for the year 2022 of 6.1 million Baht. The information is calculated from the financial statements for the year ended as at 31 March 2022, audited by the auditor of Tsuchiyoshi Somboon Coated Sand Company Limited and the financial statements for the nine-month period ended as at 31 December 2022, which were prepared by the management and not audited by the auditor.

As of 31 December 2022, Mubea Somboon Automotive Company Limited has an investment value under the equity method of 404.7 million Baht and share of profit for the year 2022 of 35.3 million Baht. The information is calculated from the financial statements for the year ended as at 31 December 2022, audited by the auditor of Mubea Somboon Automotive Company Limited.

As of 31 December 2022, Somboon Siasun Tech Company Limited has an investment value under the equity method of 7.6 million Baht and share of loss for the year 2022 of 5.2 million Baht. The information is calculated from the financial statements for the year ended as of 31 December 2022, audited by the auditor of Somboon Siasun Tech Company Limited.

#### Related Companies

As of 31 December 2022, the subsidiary has other long-term investments in related companies with details as follows:

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



## 1.3 Shareholding Structure

### 1) Shareholding structure of the group of companies

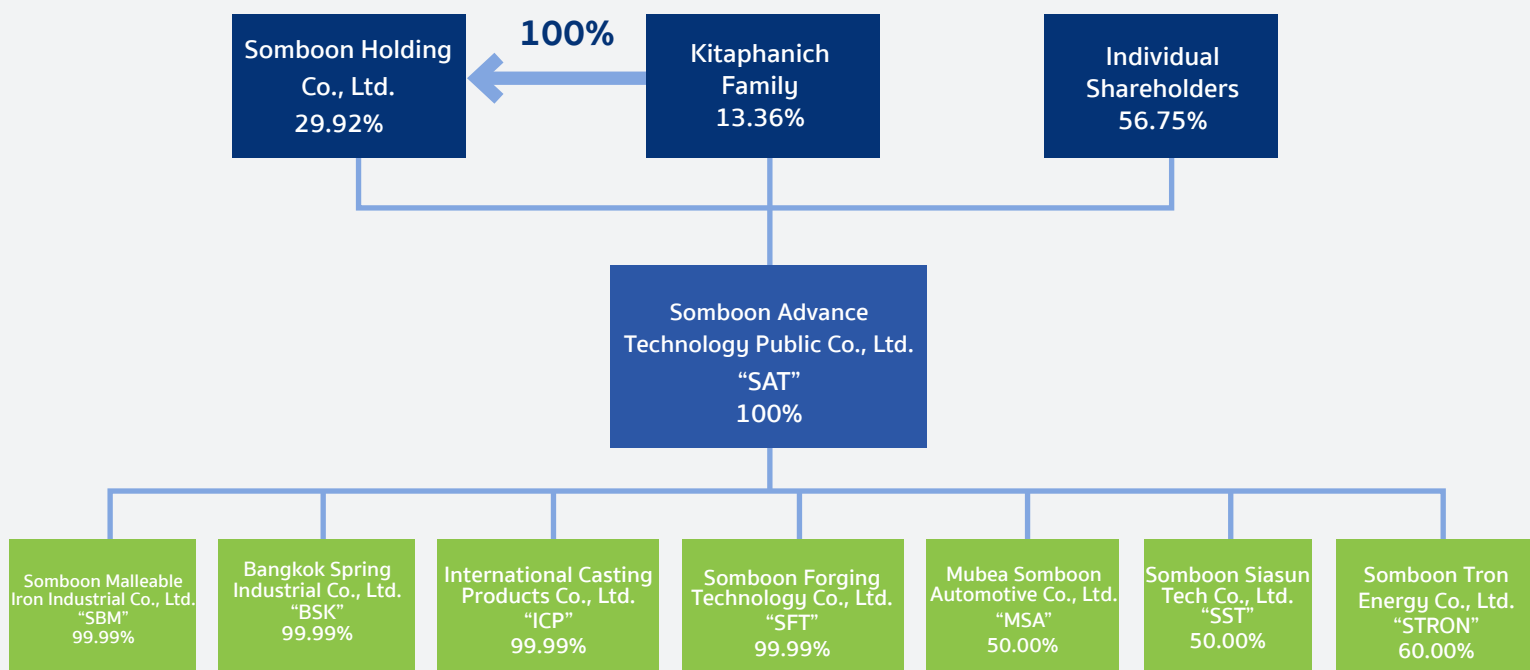
To operate business under the restructure plan according to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2021 to approve the business restructure to be holding company which have income by holding shares in other companies, the Company holds shares in the subsidiaries which manufacture automotive and agricultural machinery's part. The Company has policy to allocate and diversify asset and to find opportunity in the new business in addition to the automotive manufacturing for the sustainable growth.

The Company and subsidiaries has been engaging in the manufacturing of auto part for vehicle industry such as passenger car, pick-up, trucks and agriculture machinery industry. The main major customers are the original

equipment manufacturer ("OEM") both domestic and international market with the long term purchase contract and the replacement equipment manufacturer ("REM")

The operation of each company in the group has the policy to grow together with customers, focus on creating values to the organization and stakeholder with differential products. In term of operation, each company shall operate its business in the business unit ("BU"). The Board of Directors shall stipulate the overall policy to be applied to each company in the group which all executives in each function shall directly report to the President. Each company has set goal, strategy and follow up with the result by the Executive Meeting regularly.

### The shareholding structure of Somboon Advance Technology Public Company Limited March 9<sup>th</sup>, 2023



Tsuchiyoshi Somboon Coated Sand Co., Ltd.\*  
21.25%

Yamada Somboon Co., Ltd.\*  
20.00%

Nisshinbo Somboon Automotive Co., Ltd.\*  
2.90%

Somboon Somic Manufacturing Co. Ltd.\*  
1.80%

#### Remarks :

- \* No persons who may have conflict of interest are holding shares in the related companies exceeding 10%.
- Somboon Tron Energy Co., Ltd. ("STRON") has been registered as a juristic person on May 26, 2022

2) In the case where a person with a potential conflict of interest holds shares of a subsidiary or associated company at an amount exceeding 10 -None-

3) Shareholders

The first top 10 major shareholders of the Company as of March 9, 2023 are as follows:

	Shareholders	Amount	Percentage
1.	SOMBOON HOLDING COMPANY LIMITED	127,202,750	29.92
2.	KITAPHANICH FAMILY	56,785,637	13.36
3.	THAI NVDR COMPANY LIMITED	37,681,968	8.86
4.	KRUNGSRI DIVIDEND STOCK FUND	8,162,300	1.92
5.	KKP LONG TERM EQUITY DIVIDEND FUND	7,442,900	1.75
6.	BBHISL NOMINEES LIMITED	5,094,800	1.20
7.	ALLIANZ AYUDHYA ASSURANCE PUBLIC COMPANY LIMITED	4,400,000	1.03
8.	NORTRUST NOMINEES LTD-CL AC	4,023,300	0.95
9.	KKP EQUITY RETIEMENT MUTUAL FUND	3,723,100	0.88
10.	Mr. KIATTISAK TRITRUENGASSANA	3,390,000	0.80

Limitation of Foreign Shareholder

The foreign shareholders can hold the shares of the company not exceeding 49 percent of total issued and paid-up shares. As of March 9, 2023 the foreign shareholders held 4.62 percent of total shares.

4) Comparison of company size in relation to core business operations, others company, and company size according to rules and regulations

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

Company	Authorized share capital (Million Baht)	Investment proportion (Percentage)	Type of Business	Type of business as defined by the SEC	Size of Subsidiary to Holding Company Size*
<b>SFT</b>	1,600.00	99.99	Manufacture and sale of auto parts	Company operating core business	29.34
<b>SBM</b>	500.00	99.99	Manufacture and sale of auto parts	Company operating core business	28.97
<b>ICP</b>	785.00	99.99	Manufacture and sale of auto parts	Company operating core business	22.82
<b>BSK</b>	130.00	99.99	Manufacture and sale of auto parts and rent of real estate	Company operating core business	10.90
<b>STRON</b>	50.00	60.00	Import, research, analyze, design, develop and sale of electric car propulsion structures, electric cars and batteries	Subsidiary company	N.A.
<b>MSA</b>	701.00	50.00	Manufacture and sale of auto parts	Associate company	N.A.
<b>SST</b>	30.00	50.00	Provide service and consultation in system design including engineering system and automation system integration development	Associate company	N.A.

\* The size of the subsidiary to the size of the holding company is calculated on an asset basis. By dividing the total assets of the subsidiaries before deducting inter-company transactions by the total assets of the consolidated financial statements at the end of 2022.

## 1.4 Amounts of registered capital and paid-up capital

### 1) Common shares

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

### 2) Other types of shares which different rights or conditions than ordinary shares -None-

### 3) Shares or Convertible Securities of the Company for underlying securities to issue Thai Trust Fund -None-

## 1.5 Issuance of other securities

### 1) In the case where the Company issued convertible securities -None-

### 2) In the case where the Company has debt securities -None-

## 1.6 Dividend policy

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

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

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

## Details of the dividend in the past 5 years

(Unit: Baht)

Details of dividend payment	Year 2022 (Proposed year)	Year 2021	Year 2020	Year 2019	Year 2018
1. Net profit (Baht)	939,967,447	952,650,017	371,201,647	894,639,797	915,596,702
2. Number of shares	425,193,894	425,193,894	425,193,894	425,193,894	425,193,894
3. Dividend pay out Rate per share (Baht : Share)	1.50	1.50	0.60	1.35	1.35
4. Total amount of dividend (Baht)	637,790,841.00	637,790,841.00	255,116,336.40	574,011,756.90	574,011,756.90
5. Dividend pay out against net profit after tax (Percentage)	67.85	66.95	68.76	64.16	63.00

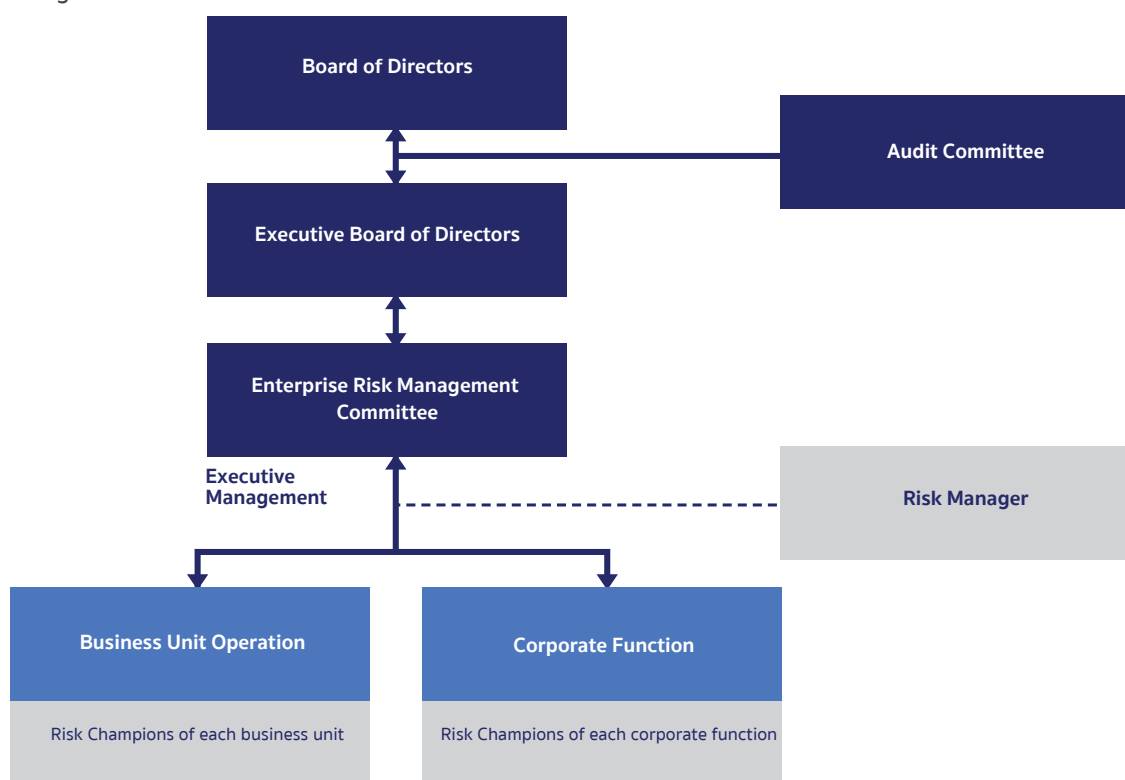
## 2. Risk management

### 2.1 Risk management policy and plan

Somboon Advance Technology Public Company Limited is well aware that the current business operations are facing rapid changes in the business context and; therefore, has adopted risk management system under the global standard of COSO ERM 2017 as part of corporate governance tools to control and minimize impact from risk within an acceptable level. Risk management has helped the Company appropriately address the expectation of all key stakeholders; especially customers, employees and suppliers/partners; with the goal of achieving the organization's objective and sustainable growth.

#### Risk Management Structure

Companies in Somboon Group have risk management system integrated with corporate strategy and business plan development to ensure that the system is seamlessly implemented throughout the organization with effectiveness and efficiency. The Company has organized risk management structure as follows:



Remark: Risk Management Unit is operating under Department of Corporate Strategy and Sustainability Development.

**1. Policy Risk Management Committee (BOD and Ex-BOD)** is responsible for governing the risk management policy and approving the risk appetite, overseeing the implementation of the organization's risk management policies and strategies, and defining the organization-wide risk management structure. The BOD appoints an Enterprise Risk Management (ERM) Committee and provide some advice on improvement of organization's risk management system .

**2. Enterprise Risk Management Committee (ERM)** is responsible for formulating the enterprise risk management strategy and the risk appetite to propose to the Policy Risk Management Committee for consideration. ERM also develop processes and measures for enterprise risk management and follow up on risk review and reporting to the Audit and Corporate Governance Committee, including the appointment of a Functional Risk Management Champion as appropriate

**3. Functional Risk Management Committee (FRM)** is responsible for identifying and assessing functional risks, preparing a treatment plan, and determining the Risk owner. Also, FRM has its role in monitoring and reporting on functional risk management results to align with the Company's policy.

**4. Audit and Corporate Governance Committee** is responsible for overseeing effectiveness of risk management system of the organization, reviewing risk management performance, and providing suggestions to BOD, Ex-BOD, or ERM committees to improve the overall implementation of the organization's risk management process.



## Building Risk Culture

Somboon Advance Technology Public Company Limited places importance on embedding and raising awareness of the significance of risk management among executives and employees at all levels. As a result, the Company strives to create the continual, company-wide risk culture to efficiently and effectively apply the risk management system to the operation. So, the Company lays the foundation for systematic risk management by carrying out the operation under the global standards whereby all committees perform their duties to promptly identify risks or business opportunities. Listed below are the details:

- On an annual basis, review the enterprise risk management policy and risk appetite. Communicate to the management, staff and all units in the organization to raise an awareness of risk possibility, risk-induced impacts, the importance of risk management and mutual responsibility for risks, as well as integrating risk management policy into the operation by using it as the guideline for decision-making and planning.
- Determine a process to consider risk as integrated part of strategic planning and business plan, and cascade risk appetite to business unit or strategic projects levels.
- Utilize risk maturity assessment developed with consultants to determine roadmap for development of enterprise risk management process.
- Promote integration between functions according to the Three Lines of Defense and define roadmap to develop risk champions of each function as a representative in coordinating and monitoring implementation of risk management plan.
- Encourage the formulation of the policies to develop risk management skills and knowledge or require some relevant certifications relating to the operation to appropriately and efficiently provide some advice to the management and employees in the organization.
- Develop standard risk database for gathering and organizing risk inventory.

## Stages of Risk Management Maturity



## 2.2 Operational Risk Factors

### 1) Risks in Business Operations

Somboon Advance Technology Public Company Limited has continuously analyzed the environment based on both internal and external factors i.e., economic trends, industries, technologies, competitors and other trends, whether global, regional and national, in its future planning. This was to identify and assess key risks that may affect the operations and achievement of the organization's objectives. The Company had prepared a risk management plan to reduce the impact of potential risks. In 2022, SAT assessed and prepared a risk management plan as follows:

#### Strategic Risks

##### (1) Risks from competition and requirements of customers

The competition within the industry had been increasing mainly in cost, technology and changes in customers' requirements, which had possibly led to uncertainty in the performance. So, the Company had formulated risk management to cut impacts by developing raw materials and product quality through utilizing technology and automation to help reduce waste from the production process. Also, a group of engineers had been trained to develop projects for continuous production efficiency improvement. Similarly, the Company continued to monitor customer needs to explore business opportunities in expanding new products based on the Company's production capability and technology to meet their needs. Furthermore, a product portfolio planning had been carried out, focusing on the appropriate levels of revenue, profit margins and production capacity utilization. In addition, the Company managed the relationships and build confidence among customers at all levels to achieve sustainability in parallel to the future plans.

##### (2) Risks from implementation of corporate strategies

The change of the mega trend of the world that had introduced the era of electric vehicles and the needs of customers to reduce the cost of automotive parts could affect the operation. According to the Company's revised vision, missions, and the above factors, the strategies had been adjusted. The Company strives to generate operation's value growth by exploring some opportunities in new products/customers. The Company also created growth through cooperation with business partners to improve its market opportunities and competitiveness to support new business. Based on these strategies, in 2022, the Company partnered with Tron Energy Technology (Tron E) to establish Somboon Tron Energy (STRON), a joint venture company, to expand the business into the area of production, assembly and sales of drivetrain and batteries for electric vehicles (EV). As for automotive part manufacturing, the Company focus on improving product designs and studying new materials in production to resonate with evolving business landscape while diversifying the risk of sluggish growth or decline of the parts manufacturing business unit in the long run.

### Operational risks

#### (1) Risks related to human resource management and human resource development to prepare for business growth

In 2022, the Company launched the new vision and missions to emphasize the corporate strategies that created growth in new business. Due to changing external factors, risks could emerge in the preparation of executives and personnel regarding skills, competence and culture that were in line with the corporate strategies. This might pose an obstacle in the continuation of business operations. Accordingly, the Company has formulated a plan, regarding the organizational restructuring and succession planning for management and critical positions to ensure business continuity. In addition, employees will be trained and developed to cope with the rapid changes in the industry. The Company encouraged employees to participate in innovation development and continual improvement of the working processes. Likewise, incentives have been rolled out to attract employees with high knowledge, skills and abilities to meet the needs of the Company to develop new business, both from inside and outside the organization.

#### (2) Business interruption risk

The Company had applied the business continuity plan (BCP) to the operation by assessing business impact analysis and risk event assessment and detected the following significant issues as listed below:

- 2.1 Some of the production lines are critical to ensuring customer continuity. If an unexpected event occurs, for example, to the machine, the damage will impact the production line of key customers. As a result, the subsidiaries in the Somboon Group directly related to customers have prepared for contingencies and rehearsed a run-through for intergroup production line relocation on customer's approval in order to resume the production within the timeframe as accepted by the customer.
- 2.2 The risks posed by the global and domestic COVID-19 outbreaks had gradually subsided, with tourists beginning to return to Thailand according to the government's economic stimulus. But some impacts could be felt from the zero Covid policy in China and this might affect the supply chain of the automotive industry in Thailand. Concerning the operational control, the Company's working group continued to ensure business continuity management by rolling out basic policies for employees to reduce risks, such as face mask mandate, required symptom self-checks for employees before entering workplaces, hybrid work, etc. During the past year, no business interruption risks were identified.

## Financial Risk

### (1) Risks from price volatility of raw material due to exchange rate

Price volatility of raw material, especially steel which is the main raw material for production, could cause uncertainty in cost and performance of the Company. For this reason, the Company rolled out the guidelines for risk management by evaluating terms and conditions in purchase agreements and regular monitoring with customers to adjust product prices in line with agreement cycles.

In addition, fluctuation in the prices of steel purchased in foreign currencies, which were the main raw material in the production process, might affect the overall costs and performance. Consequently, the Company negotiated with its business partners and customers in order to mitigate the risks associated with exchange rate fluctuations. Additionally, the Company's export income and expenses for raw materials purchased in foreign currencies could mitigate the impact of fluctuating exchange rates (natural hedge). In an overall picture, risks and impacts on the performance of the Company were lessened.

### (2) Production cost and transportation cost risks posed by the rise of energy prices

The risks posed by rising energy prices was mostly caused by a scarcity of fuels used in electricity generation, such as natural gas and coal. This resulted in higher global energy prices. Lesser natural gas production in Thailand and Myanmar had raised overreliance on foreign fuel imports. The situation had a knock-on effect on Thailand's rising variable electricity (FT or fuel tariff) and consequently the organization's manufacturing costs and profit. As a result, the Company has improve the manufacturing process to be more efficient, resulting in lower electricity consumption, and also installed the 3.66 MW solar energy system in 2022 to minimize electricity bills. Production line flexibility had been ---- to lower electricity expenditures at peak periods. New ways of production line management had been explored to cut huge quantities of demand at the same period of time, for instance, all furnaces must not be operated at the same time as they consumed significantly high quantity of energy during the cold start. At the same time, SAT had negotiated with clients to compensate for the increased energy costs.

Furthermore, rising crude oil prices in 2022 and high freight prices in its first and second quarters affected domestic and international transportation costs. To lower risk associated with profitability levels, the Company had worked with clients to counterbalance transportation costs. As a result, the risk led by rising transportation expenses had lowered. Since the third quarter, the risk had gradually dropped, lessening the impact of such risks proportionally.

## Compliance Risks

### (1) Risks from changes in laws, regulations, and law enforcement related to the industrial sector

The Company had expanded into a new business area that might be subject to special laws and regulations and their changes. So, the Company required that regular study and assessment should be carried out for important rules and regulations in the operation or when significant changes arose. The Company had rolled out the policies to support change in laws, appointed responsible employees and formed a working group to take appropriate action to prevent compliance issue, which could lead to the Company's tarnished reputation, punishment and fine by governmental agencies and industrial estates.



### Risks of the Environmental, Social, Governance (ESG) Impacts

The guideline of the sustainable operation was widely adopted in corporate operations across the globe. In this regard, the ESG principle managed environmental, social and governance, and were served as a strategic risk management tool to ensure stakeholders' confidence. Listed below are the risks that were reviewed and monitored by the Company:

## (1) Risk of Impact and possibility on climate change related

The Company had adopted the "TCFD" (Task Force on Climate-related Financial Disclosures). In the near future, Corporate-level evaluation of greenhouse gas emissions will become mandatory. The transition risk concern that the Company had focused on and regularly evaluated to prepare for the upcoming legalization of the Climate Change Act. Currently, the Company had been continuously followed this practice for two years in a row, allowing all involved parties to accurately and effectively prepare data for the pre-cross-border price adjustment measures in the European Union (CBAM).

Although the Company did not directly export products to Europe, the customers might demand supply chain information at the product level. And this could cause a possible impact, because the regulation was applicable to the supply chain in the GHG Scope 3. Similarly, the stance of the United States, a significant consumer base, over this measure was critical. At present, the Company was awarded with the main product carbon footprint certification by the Greenhouse Gas Management Organization and it would be valid for 3 years. The risk associated with the policy of vehicle changing from combustion to electric types posed little impact in the short term. The reason was that combustion parts accounted for less than 3% of the Company's products. However, the long-term repercussions of the drop in exports must be monitored and it's critical to devise a strategy for adjusting technology to meet the changing needs of consumers.

## (2) Risk in human rights

This had been the key risk that the Company paid attention to as part of operation monitoring. Now, the human rights policy was put in place. Among crucial issues included non-discrimination that started at the recruitment process; and the risk assessment guideline through human resources on evident concerns such as forced labor, child labor, etc. Various complaint channels were available while whistleblowers were justly protected and compensated. At the moment, no risk issues had been discovered.

## 2) Risks of securities holder in investment of the Company

### Risks of uncertain returns on investment for shareholders

SAT share price depended on the Company's performance and creation of long-term growth, which were affected by several factors such as:

- Thailand automotive production
- Thailand agricultural machinery production
- Change in government policies, regulations, requirements, or terms that affected automotive and agricultural machinery industries.
- Increased production costs caused by raw material prices and rising energy prices
- Economic situation, crisis, or abnormal situation such as COVID-19 pandemic, shortage of semiconductor components which were used in cars, etc.

These factors could affect the performance of the Company and hence, share prices.

### Risk from Dividend Affordability Below Investors' Expectation

SAT dividend affordability was subject to several factors such as maintaining cash flow for operating activities, normal capital expenditure and investment budgets that support SAT's business growth, etc. These factors affected the cash level that was used for dividend payment for shareholders. However, SAT's dividend policy was to have minimum rate of dividend payout ratio at 30% of net profit after deducting all reserves under the law and the Company's policy.

## 3) Foreign Investment Risk (in Case the Issuer is a Foreign Company) -N/A-

## 4) Emerging Risk

### (1) Risks arising from the war between Russia and Ukraine

The war between Russia and Ukraine began in early 2022, directly affecting the energy industry, causing the rises of crude oil and natural gas prices and affecting exchange rates around the world. This caused a lot of risks, for example, production costs were likely to increase and the price of raw materials as part of the production process fluctuated due to the exchange rate and the global economic slowdown. All of these might affect the supply chain and later hit the automotive industry and harm both domestic and international demand and supply. For this reason, the Company had formulated the guideline to monitor the situations such as the war between Russia and Ukraine, and issues that could impact the Company such as crude oil and natural gas prices, transportation costs, exchange rates, etc. The Company had introduced preventive measures to tackle negative factors of the Company, which had been discussed in the risk section above.



## (2) Cybersecurity risk

Somboon Advance Technology had adopted information technology to assist with the operation surrounding data recording, communication and coordination. As a result, this led to more efficient corporate operations. However, it's feasible that the information system was the key issue that exposed the organization to the risk of business disruption, as well as data and system loss. The Company realized the security of all stakeholders' information throughout the value chain. For this reason, the Company had undertaken the cyber security maturity risk assessment through the NIST Framework. The implementation was cooperated by the Stock Exchange of Thailand's project and plans and operations had been overhauled. These included the formulation of security policies for corporate information technology, the employee's requirement regarding assessment and monitoring of risks. Key risk indicators were implemented to risk assessment at the function level on a monthly basis.

## 3. Driving Business for Sustainability




### 3.1 Sustainability Management Policy and Goals

Somboon Advance Technology has a policy that is dedicated to the continuous development of sustainability. The Company has adopted the operating framework and relevant standards to propel the organization forward, including the incorporation of the Sustainable Development Goals (SDGs) as a target in seven key milestones, the ESG framework as the pillar in the development of operational guidelines and the Sufficiency Economy Philosophy (SEP) as the foundation of our business operation. All these standards have been tailored in alignment with the Vision 2022-2026 and "Somboon Triple Bottom Line" business philosophy. The managing directors and executive management are in charge of reviewing sustainability materiality issues and goals. The key project implementation plans are as follows:

Figure 1 presents the sustainability framework for 2022-2026.



Figure 2 shows the 2022 goals and performance.

	<p><b>OPTIMIZE RESOURCE &amp; PROTECT ENVIRONMENT</b></p> <p><b>GHG Management</b> – the Company recognizes the global crisis caused by GHG emissions. Our goal is to keep the global temperature from rising above 2°C in accordance with scientific principles. The goal is to reduce greenhouse gas emissions by 30% by 2030 compared to the 2018 baseline, with a focus on renewable energy, energy efficiency and smart grid, and a carbon neutrality pathway.</p>	<table> <tr> <th>INDICATOR</th><th>TARGET</th><th>2022</th></tr> <tr> <td>Absolute GHG Compared with 2018</td><td>8%</td><td>13.9%</td></tr> <tr> <td>Energy Intensity %</td><td>3%</td><td>7.9%</td></tr> <tr> <td>Water Intensity %</td><td>1%</td><td>18%</td></tr> <tr> <td>Waste Intensity %</td><td>2%</td><td>3.5%</td></tr> <tr> <td>GRI 305 GRI 306 GRI 302 GRI 301 GRI 303</td><td colspan="2"> <div> <div>12 การผลิตและบริโภคที่รับผิดชอบต่อสังคม</div> <div>13 การรับมือกับ Climate Change</div> </div> </td></tr> </table>	INDICATOR	TARGET	2022	Absolute GHG Compared with 2018	8%	13.9%	Energy Intensity %	3%	7.9%	Water Intensity %	1%	18%	Waste Intensity %	2%	3.5%	GRI 305 GRI 306 GRI 302 GRI 301 GRI 303	<div> <div>12 การผลิตและบริโภคที่รับผิดชอบต่อสังคม</div> <div>13 การรับมือกับ Climate Change</div> </div>				
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	<p><b>CREATE VALUE FOR SOCIETY</b></p> <p><b>Human Capital Development</b> - Develop human capital with the potential to be ready for organizational changes. Maintain employees engagement. Examine all stakeholders for holistic human rights issues. Maintain an organizational safety culture. Set a goal of zero accidents.</p> <p><b>Creating Shared Value (CSV) Project</b> - Develop the value of individuals, the company, and communities in order to grow together, with the goal of creating more value than 0.1% of revenue by 2026.</p>	<table> <tr> <th>INDICATOR</th><th>TARGET</th><th>2022</th></tr> <tr> <td>Employee Engagement%</td><td>–</td><td>78%</td></tr> <tr> <td>LTFR</td><td>0</td><td>0.13</td></tr> <tr> <td>Create Value for Social</td><td>0.1%</td><td>0.06%</td></tr> <tr> <td>Training Hours</td><td>8 hrs.</td><td>11.96 hrs.</td></tr> <tr> <td>Good Deed</td><td>10 hrs.</td><td>11.19 hrs.</td></tr> <tr> <td>GRI 413 GRI 404 GRI 403</td><td colspan="2"> <div> <div>4 การศึกษาที่มีคุณภาพ</div> <div>11 เมืองและชุมชนยั่งยืน</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> </div> </td></tr> </table>	INDICATOR	TARGET	2022	Employee Engagement%	–	78%	LTFR	0	0.13	Create Value for Social	0.1%	0.06%	Training Hours	8 hrs.	11.96 hrs.	Good Deed	10 hrs.	11.19 hrs.	GRI 413 GRI 404 GRI 403	<div> <div>4 การศึกษาที่มีคุณภาพ</div> <div>11 เมืองและชุมชนยั่งยืน</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> </div>	
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	<p><b>MORAL INTEGRITY AND TRANSPARENCY</b></p> <p><b>Good Corporate Governance</b> - Enhance stakeholder trust and raise awareness of anti-corruption efforts.</p> <p><b>Risk and Business Continuity Management</b> - Use risk management and business continuity to safeguard the company and build customer trust.</p> <p><b>Customer Relationship Management</b> - Establish customer relationships in order to provide value that exceeds expectations.</p>	<table> <tr> <th>INDICATOR</th><th>TARGET</th><th>2022</th></tr> <tr> <td>Anti-corruption (CAC) with Supplier</td><td>100%</td><td>96%</td></tr> <tr> <td>%BCP for applied all BUs</td><td>100%</td><td>100%</td></tr> <tr> <td>Customer Satisfaction%</td><td>100%</td><td>98%</td></tr> <tr> <td>Compliance</td><td>100%</td><td>100%</td></tr> <tr> <td>GRI 418 GRI 205 GRI 308 GRI 201 GRI 419 THIS 13,14, 15,16</td><td colspan="2"> <div> <div>16 สันติภาพและสถาบันเข้มแข็ง</div> <div>17 หุ้นส่วนเพื่อการพัฒนา</div> </div> </td></tr> </table>	INDICATOR	TARGET	2022	Anti-corruption (CAC) with Supplier	100%	96%	%BCP for applied all BUs	100%	100%	Customer Satisfaction%	100%	98%	Compliance	100%	100%	GRI 418 GRI 205 GRI 308 GRI 201 GRI 419 THIS 13,14, 15,16	<div> <div>16 สันติภาพและสถาบันเข้มแข็ง</div> <div>17 หุ้นส่วนเพื่อการพัฒนา</div> </div>				
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## Management Approach

Somboon Advance Technology considered the important issues through the Somboon Triple Bottom Line concept or the ESG. Executive management has been involved in policy formulation, strategy and goal determination, monitoring, and Board of Directors approval requests.

In practice, these would be driven by the Corporate Strategy and Sustainability Development function and communicated to on-site operators in order to consistently design and improve an on-site progress tracking system based on key important indicators. In practices, tools include Task Force on Climate-related Financial Disclosures (TCFD) or operational development tools such as the Business Continuity Management (BCP) were applied to continuously improve efficiency. Listed below were the processes:

Systematic employee engagement in all levels of operations.

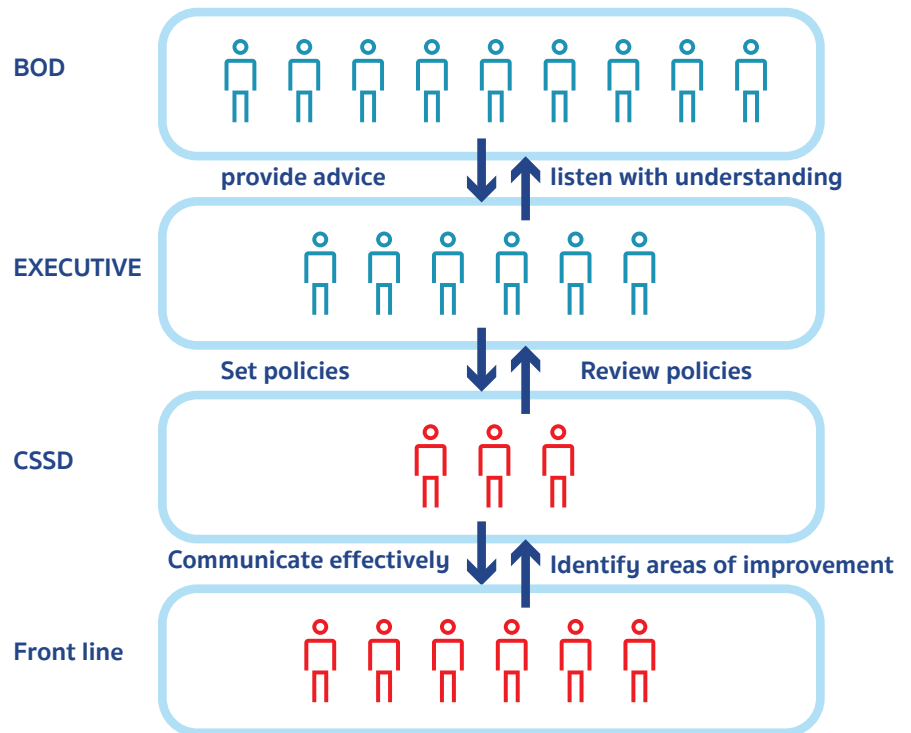


Figure 3 shows the Consideration Structure and Sustainability Drive

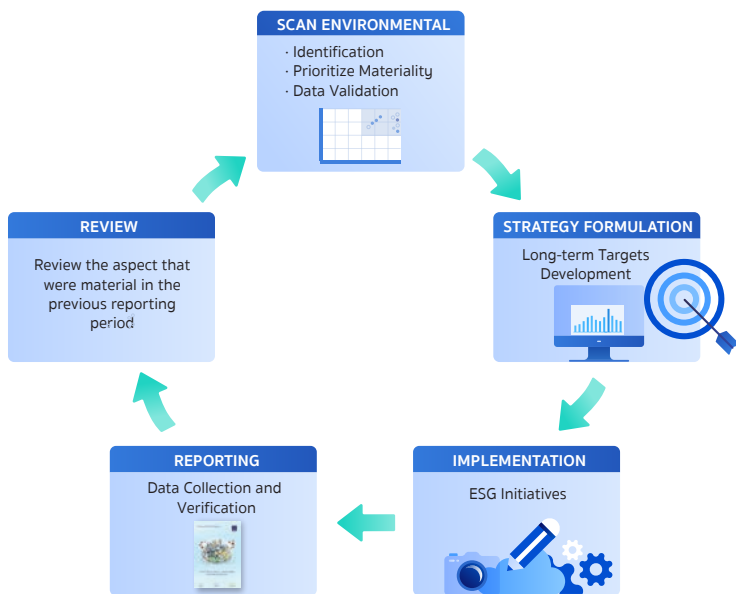


Figure 4 illustrates the principles for creating a sustainability strategy.

The sustainability policy has been incorporated into the company's operational and strategic plans. In accordance with the Vision 2022-2026, the Company implemented a sustainability policy and road map for the period of 2022-2026. The Company continued to operate in accordance with the United Nations Sustainable Development Goals, the Stock Exchange of Thailand, and the policies of its customers. The complete version of sustainability policies and targets can be found at





### 3.2 Managing the Impact on Stakeholders in the Business Value Chain

Somboon Advance Technology has considered the risk issues and the opportunity to sustainably improve value chain management by assessing the impact of business operations throughout the product life cycle (as shown in Figure 5) to identify issues and impacts on critical stakeholders. Policies are put in place to meet the needs and expectations of stakeholders at all levels and channels. For example, the joint development policy with customers is developed to ensure quick adaptation to the countless, challenging needs of the customers. Development would ensure readiness for changes in the automotive and non-automotive sectors. Furthermore, the circular economy policy has been implemented. We are working to increase the proportion of steel scrap that is returned to the process as raw materials.

The Company encourages cooperation with suppliers in order to enforce the policy of increasing the use of recycled materials to promote green procurement. The company has promoted anti-corruption through its collaboration with the CAC, Thailand's private sector for anti-corruption. Furthermore, when developing our raw material procurement criteria, we considered not only quality, price, and delivery capability, but also human rights standards. The Company has a policy of not purchasing raw materials from sources that have committed human rights violations. This is to create a common value in the business value chain, which has been established as a policy and ethics for partners that are regularly communicated to our suppliers every year to ensure that all related parts acknowledge the issues that the Company promotes and focuses on.

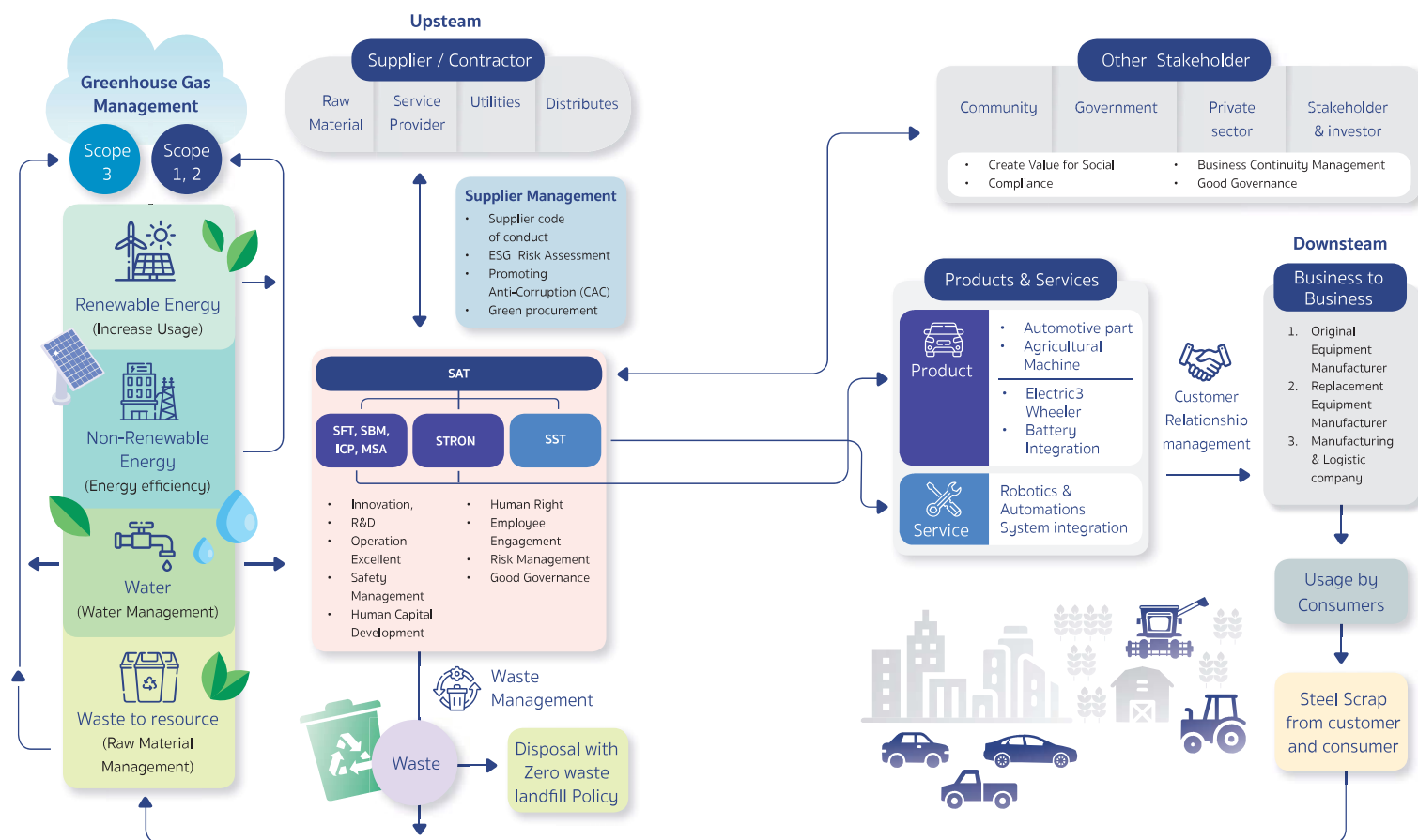
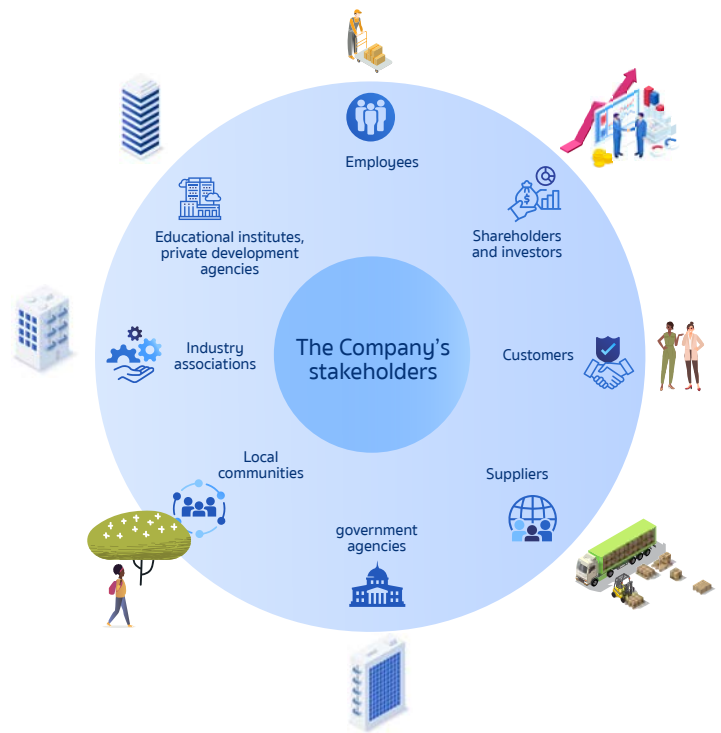


Figure 5 shows the organization value chain.

Figure 6 lists the Company's key stakeholders






## Stakeholder Analysis

Somboon Advance Technology had investigated, analyzed, and responded to the needs of stakeholders while adhering to the international standard AA1000 Stakeholder Engagement Standard under the three main principles: the participation of all stakeholders (Inclusivity), Consideration of issues that are significant to the Company and stakeholders (Materiality) and Systematic management and performance disclosure with transparency (Responsiveness). Each department is responsible for analyzing stakeholders who fall under their sphere. The analysis of each unit will be compiled and analyzed at the corporate level under the supervision of the Sustainability Development Committee, which is made up of eight groups of the organization's key stakeholders, including customers, suppliers, government agencies, employees, shareholders and investors, educational institutes, private development agencies, competitors and industry associations as well as local communities.

Table 1 outlines the needs and expectations and actions in response to stakeholders

Stake holders	Needs or expectations	Actions in Response	Communication and engagement channels
Employee	<ul style="list-style-type: none"> <li>• Potential for career advancement</li> <li>• Fair compensation and benefits</li> <li>• Workplace safety and a pleasant working atmosphere</li> <li>• Employee care and flexible working hours during the COVID-19 pandemic.</li> <li>• Equal treatment of employees</li> <li>• Data Privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct individual competency development programs.</li> <li>• Arrange online training programs during the COVID-19 situation.</li> <li>• Establish a welfare committee.</li> <li>• Create a policy and an EHS Committee comprised of employer and employee representatives.</li> <li>• Form a business continuity management committee to be responsible for issuing policies and guidelines for employees, during the COVID-19 outbreak.</li> <li>• Develop SAT culture to lead everyone in the same direction.</li> <li>• Implement a policy to ensure adherence to the PDPA principles.</li> </ul>	<ul style="list-style-type: none"> <li>• Direct communication from senior management to employees through a quarterly panel discussion</li> <li>• Quarterly communication through the forum that allows Executive Management to communicate to the management level.</li> <li>• Employee Committee, Welfare Committee and Safety Committee meetings</li> <li>• Annual two-way performance appraisal</li> <li>• Social Media Communication platforms including Line Chat (SAT Group, Somboon Group) and Facebook page (Somboon Group page)</li> <li>• Biannual employee engagement surveys - We Care</li> <li>• Internal and external websites of the Company</li> <li>• Complaint channels</li> </ul> 

Stake holders	Needs or expectations	Actions in Response	Communication and engagement channels
Share holders and investors	<ul style="list-style-type: none"> <li>• Good returns</li> <li>• Business development in terms of technologies to tackle to business disruption</li> <li>• Responsibilities on environmental, social and governance (ESG)</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate dividend payment to shareholders</li> <li>• Implement good corporate governance principles in business operations by incorporating risk management and business continuity management.</li> <li>• Management and development of the organization for sustainable growth by integrating ESG development principles into the corporate strategy.</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meeting for shareholders</li> <li>• Company visit.</li> <li>• Annual report</li> <li>• Sustainability report</li> <li>• Company website</li> <li>• Complaint channels</li> </ul> 
Customer	<ul style="list-style-type: none"> <li>• Efficient, quality and on time production and delivery</li> <li>• Reduce the environmental impact of products while providing social value to customers.</li> <li>• Compliance with guidelines and value chain requirements.</li> <li>• Data security and privacy</li> <li>• Product development through innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Carry out key business continuity activities such as BCP Plan and Safety Shop Floor Management.</li> <li>• Research and Development of products to meet the demands of environmentally friendly automotive technology. Request carbon footprint certification to confirm the accuracy of the data.</li> <li>• Social activities with customers</li> <li>• Activities for business continuity</li> <li>• PDPA compliance policy</li> </ul>	<ul style="list-style-type: none"> <li>• Collaborative activities in product development to meet the needs of consumers, society, and the environment.</li> <li>• Collaboration in the development process for resource efficiency</li> <li>• Annual customer satisfaction survey</li> <li>• Annual customer policy acknowledgment meeting</li> <li>• Joint social responsibility management</li> <li>• Participation in customer-community activities</li> <li>• Sustainability report</li> <li>• Company website</li> <li>• Complaint channels</li> </ul> 
supplier	<ul style="list-style-type: none"> <li>• Mutual potential development and business growth</li> <li>• Business Code of Conduct, Transparency and Equality</li> </ul>	<ul style="list-style-type: none"> <li>• Development of a code of conduct for supplier and standardization of procurement policies</li> <li>• Projects for training and development of supplier</li> <li>• Assistance measures during the COVID-19 crisis</li> <li>• Equality treatment for all supplier, as stated in the Business Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>• Annual supplier meeting</li> <li>• Joint effort in the development of efficient use of resources in the production process</li> <li>• Suppliersite visit</li> <li>• Sustainability report</li> <li>• Company website</li> <li>• Complaint channels</li> </ul> 

Stake holders	Needs or expectations	Actions in Response	Communication and engagement channels
Governance sector	<ul style="list-style-type: none"> <li>• Compliance with public rules, regulations and laws</li> <li>• Cooperation in the projects of government agencies and the public sector</li> <li>• Social and environmental responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring adherence to rules, regulations, and laws by implementing the ISO14001 system framework.</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring government policies across channels</li> <li>• Meetings with government agencies</li> <li>• Sustainability report</li> <li>• Company website</li> </ul>
Governance & Agencies	<ul style="list-style-type: none"> <li>• Compliance with public rules, regulations and laws</li> <li>• Social and environmental responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Collaboration in government activities and ongoing support for public-sector social activities such as CSR-DIW activities</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring Governance Agencies across channels</li> <li>• Sustainability report</li> <li>• Company website</li> </ul>
Local Communities	<ul style="list-style-type: none"> <li>• Promoting career development and education in order to sustainably strengthen the community</li> <li>• Good environmental campaigns without impact on the communities</li> <li>• Supports during the COVID-19 crisis</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of projects to create more jobs and expand educational opportunities in the communities, such as hiring people with disabilities and opening an elderly school</li> <li>• Educational campaigns such as scholarships and bilateral projects for student internships</li> <li>• Compliance to the EIA measure to promote CSR-DIW activities</li> <li>• Community support projects during the COVID-19 crisis, as well as donations to the underprivileged</li> <li>• An affordable electric wheelchair prototype project for people with disabilities.</li> </ul>	<ul style="list-style-type: none"> <li>• Community seminars and meetings based on EIA and CSR-DIW principles.</li> <li>• Community needs surveys conducted on the ground. Participation in project meetings led by the company to ensure sustainability</li> </ul>
Educational Institutions and NGOs	<ul style="list-style-type: none"> <li>• Cooperation in industrial technology and human resource development</li> <li>• Collaboration in specific areas of sustainability development</li> </ul>	<ul style="list-style-type: none"> <li>• Conducting of career building project with educational institutions</li> <li>• Conducting a project with Thammasat University to calculate the carbon footprint of products and organizations.</li> <li>• Joining the United Nations Global Compact to actively promote Sustainable Development Goals (SDGs)</li> </ul>	<ul style="list-style-type: none"> <li>• Carrying out key projects</li> <li>• Regular attendance at operations meetings</li> <li>• Participation in the operation and training activities of the institute</li> <li>• Annual report</li> <li>• Sustainability Report</li> <li>• Company website</li> </ul>



### 3.3 Environmental Sustainability Management

Somboon Advance Technology focuses on risk management and discovering ways to cope with climate change. The Company's Board of Directors have set a medium-term greenhouse gas reduction goal of 30% from the base year 2018 for direct and indirect greenhouse gas emission own by the Company (Scope 1,2), where electricity utilization is the primary source, up to 95%. Furthermore, we have started collecting data and analyzing the amount of greenhouse gas emissions throughout our value chain to determine materiality of indirect GHG emission Scope 3.

Two of the fifteen categories have been recognized including: Category 1, raw material consumption and Category 3, Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2. The Company has prepared to roll out the policy that will be driven jointly with key business partners. Examples include increasing the proportion of raw materials that use more recycled elements. The Company continued to monitor resource utilization management, particularly energy management and GHG emissions, which have a significant impact on production costs as well as the organization's impact on water and waste management. The objectives and outcomes are listed below:

Indicators		2022 Goals	2022 Performance
1.1	GHG emissions per production 1 (tCO <sub>2</sub> e/ Ton of Production and total GHG emissions) has been reduced from 2018 Scope 1+22.	8 % Reduction	13.91% Reduction
1.2	GHG emissions per production 1 (tCO <sub>2</sub> e/ Ton of Production and total GHG emissions) has been reduced from 2018 Scope 1+2+3 <sup>3</sup>	8 % Reduction	10.20% Reduction
2	Amount of energy consumption per production <sup>1</sup> (GJ/ Ton of Production)* has been reduced from 2018.	3% Reduction	7.9% <sup>4</sup> Reduction
3	Water consumption per production <sup>1</sup> (M3/Ton of Production)* has been reduced from 2018.	1% Reduction	18% <sup>4</sup> Reduction
4	Amount of industrial waste disposed per production <sup>1</sup> (ton of waste/ton of production)* has been reduced from 2018.	2% Reduction	3.5% <sup>4</sup> Reduction

1 = A change involves comparing the book weight of production volume to the current indicator data with that of the 2018 base year, as opposed to the unit of weight and the unit of work in the past.

2 = GHG data collection and comparison only in Scope 1 and 2 of the Company.

3 = GHG data collection and comparison both internally and externally in the Scope 1, 2 and 3.

4 = Corporate-level number aggregation was caused by the merger of various forging and casting businesses of varying intensity, resulting in significant overall savings. However, the Company had adjusted the numbers to accurately reflect its business challenges.

### Climate change and energy management

Climate change caused by global warming, as well as energy management, are important issues for the organization, particularly as domestic energy resources become scarce and reliance on natural gas as the primary source of electricity generation declines. As a result, the company has to rely on imported foreign energy. Moreover, currency volatility contributes to rising energy prices, which in turn raise production costs.

As a result, the company has set a goal of reducing greenhouse gas emissions by increasing renewable energy to 10% and using energy efficiently at a rate of no less than 5% by 2026. This is in order to meet the 30% GHG reduction target by 2030 (baseline year 2018). The Company continues to monitor key changing factors in global aspects. This includes technological advancements such as carbon capture and storage, the use of hydrogen as an alternative energy source, as well as industry trends such as a study of alternative high-efficiency furnace usage and cooperation measures in the automotive industry's GHG Scope 3. The current management guidelines as follows:



Figure 7 shows the goals and scenarios for reducing GHG emissions in the medium term in accordance with the policy of keeping global temperature below 2°C.

## Management Approach

### 1) Establish a baseline for energy and GHG management.

In terms of greenhouse gases, the Carbon Footprint of Organization (CFO) assessment tool of the Thailand Greenhouse Gas Management Organization (TGO) is used to calculate. The principle considers raw material acquisition, production, and transportation. The result is shown in terms of carbon dioxide equivalent for the year 2022 which has been verified continuously since 2021. The assessment is divided into three Scopes in accordance with the international standard ISO14064-1.

The Center of Excellence for Eco-Energy, Department of Chemical Engineering, Faculty of Engineering, Thammasat University, has consulted on the first verified data in 2022. We are currently preparing for the second verification, which will be conducted by an external independent agency registered with the Greenhouse Gas Management Organization, SGS Thailand, to further support the Company to be classified the organization's carbon footprint.

**2) Setting medium-term goals** by planning execution in accordance with the Science Base Target Organization's Scenario, to prevent global warming by limiting temperature rise to below 2°C. This requires a 2.5% annual reduction in GHG emissions. The following five pillar activities have been carried out to reduce GHG emissions:

**1) Promote the use of renewable energy.** Solar cell installations are expected to account for 10% of total energy consumption by 2030. In 2022, the proportion of renewable energy consumption was 3.23% of total energy consumption, increasing from 1.7% in 2021. The two major renewable energy projects are the installation of 1.5 MW solar cells at the SFT1 plant and the installation of 2.1 MW solar cells at the SBM plant, both of which were completed in late 2021 and fully operational in 2022 respectively. Renewable energy produced from all solar cells totaling 20,625 GJ or 5,713 Mwh in 2022, -equivalent to a cost savings of 7.5 million baht (The project invested in by an energy company in 2022 allows us to reduce 30% of electricity energy costs.) In 2022, we began to investigate the possibility of installing 1MW of solar cells at the ICP1 and SFT2 plants in 2023.

**2) Efficient use of energy in the production process** The high-efficiency compressed air with a capacity of 215 horsepower has been installed at Somboon Malleable Iron Industrial Company Limited, as well as the flow control in the air compressor system has been installed at every plant. The energy consumption has been reduced by 1.848 Mwh, resulting in a greenhouse gas reduction of 964 TCO<sub>2</sub>e and a cost savings of more than 4.437 million baht. We continue to promote energy conservation awareness among employees.

**3) Promote the use of electricity energy from environmentally friendly sources** with low carbon emissions such as the use of electricity from power plants produced from natural gas. The location of the company that connects with the power transmission system is crucial and listed as factors in fuel consumption policies at the national level. The company has switched to a Green Grid mix transmission line, resulting in a reduction of 3,597 TCO<sub>2</sub>e of greenhouse gases in 2022, for a cumulative reduction of 8,134 TCO<sub>2</sub>e.

**4) Encourage business partners to use more recycled materials** in order to reduce the use of natural resources. At the present, recycled materials are used at a rate of 73% across all businesses and 100% in the Casting business group, where melting capacity is available in-house. This allows for direct control of product quality and the use of a high percentage of recycled materials. However, our challenge is to work collaboratively with suppliers to develop finished round bar products in the Forging business group, where recycled materials are limited to 10%.

**5) Promote and prepare for the implementation of carbon credits.** This was intended to foster a key business or activity that had the potential to collect and receive carbon credit credits. such as an initiative with STRON, one of the group's subsidiaries, to request carbon credits from the electric tricycle manufacturing business through the T-VER (Thailand Voluntary Emission Reduction), as well as developing people's knowledge in data collection, calculation methods, and greenhouse gas data verification as well as a platform for carbon credit trading in alignment with the domestic and international standards.

**3) Data Assurance Verification and Disclosure of Greenhouse Gas Data** The Company has allowed an external agency certified by the Thailand Greenhouse Gas Management Organization to verify the accuracy of the data before disclosing to the public. The Center of Excellence for Eco-Energy, Department of Chemical Engineering, Faculty of Engineering, Thammasat University has consulted on the first verified data in 2022. We are currently preparing for the second verification, which will be conducted by an external independent agency registered with the Greenhouse Gas Management Organization, SGS Thailand, to further support the Company to be classified the organization's carbon footprint.

The verification results show Scope 1 greenhouse gas emissions of 4,691 tons and Scope 2 emissions of 70,176 TCO<sub>2</sub>e, a reduction of 13.46% from 2018. Scope 3 greenhouse gas emissions of 35,678 tons, a 6.69% decrease from 2018 greenhouse gas emissions.

## Performance

1. The carbon footprint has been verified at the corporate level by an independent agency accredited by the Thailand Greenhouse Gas Management Organization.
2. The amount of greenhouse gas reduction at the project level in 2022 amounts to 6,453 tons of carbon dioxide, resulting in a 13.91% reduction in accumulated greenhouse gas emissions compared to the base year 2018.
3. An increase in the proportion of renewable energy use to 3.23% in 2022 from 1.7% in 2021, saving 12 million baht in energy expenditures in 2022, resulting in a cumulative decrease in energy consumption in the intensity unit of 7.9% compared to the base year 2018.

## 1 PROJECT REPLACEMENT AIR COMPRESSOR 215 HP

Support strategy:  
GHG and Energy consumption

Description	Before					After			
Name of Air Compressor	ACP3	ACP4	ACP5	ACP6	Sum1	ACP5	ACP6	ACP7	Sum1
Capacity (hp)	100	100	100	100	400	100	100	215	415
Air Flow Rate Capacity (m³/min)	10.7	12.2	10.9	10.7	44.5	10.9	10.7	28.8	50.4
Electric Power (kW)	87.8	95.6	82.0	78.9	344	82.0	78.9	183.5	344
Air Flow Rate Capacity (m³/hr)	642	731	653	644	2670	653	644	1,725	3,022
Working hours during load	12.66	24.00	24.00	24.00		22.0	1.6	24.0	
Working hours during unload	9.34	-	-	-		2.0	10.4	0.0	
Output Air compressor Consumption (m³/hr)	8,127	17,539	15,682	15,451	56,799	14,375	1,024	41,400	56,799
Average current working day per month (day)	28	28	28	28		28	28	28	
Electric consumption during load (kWh)	31,121	64,243	55,104	53,021	203,489	50,512	3,515	123,312	177,339
Electric consumption during unload (kWh)	12,630	-	-	-	12,630	2,562	12,648	-	15,173
Total Electric consumption (kWh/month)	43,751	64,243	55,104	53,021	216,119	53,038	16,162	123,321	192,512
Electric per unit (THB/kWh)	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Electric per month (THB/month)	144,378	212,003	181,843	174,969	713,193	175,024	53,336	406,930	635,290

### BEFORE



Air compressor effectiveness testing suggested that the air compressor at building 2 used more electricity than the standard. A larger air compressor will cut electricity consumption and produce 20% more air when compared to the original air compressor.

### AFTER



A new air compressor of 215hp can produce 28.7 m³ per minute by the calculation of averaged air volume used in one day in the same volume. After an adjustment, energy consumption will drop to 2,310,144kWh/year (1,299 Ton Co<sub>2</sub>/Year)

CO<sub>2</sub> Emission **1,459** Ton/Year

CO<sub>2</sub> Reduction **159** Ton/Year

Energy Usage **2,593,428** kWh/Year

Energy Reduction **283,285** kWh/Year

## 2 PROJECT ADD ECONOMIZER BOILER 1,2,3

Support strategy:  
GHG and Energy consumption

### CURRENT



- 500Kg Boilers produce pressure of 4-6 bar
- Support process forging G9 needs 70-85°C temperature. Water in the production must be 30°C.
- Temperature of 200°C is released from a boiler vent (chimney).
- Use averaged NG of 1,863 m³/day

### AFTER



- Use heat from the vent to exchange heat to increase water's temperature before adding it into a boiler.
- Install 3 economizer boilers.
  - Increase the water's temperature from 30°C to 70°C before adding into a boiler.
  - Use averaged NG of 1,649 m³/day
  - Use averaged NG of 554,135 m³/year (1,030 Ton Co<sub>2</sub>/Year)

CO<sub>2</sub> Emission **1,163** Ton/Year

CO<sub>2</sub> Reduction **133** Ton/Year

Energy Usage **625,872** m³/day

Energy Reduction **71,737** m³/day

### 3 PROJECT REPLACEMENT NEW COOLING TOWER

Support strategy:

GHG and Energy consumption

#### BEFORE

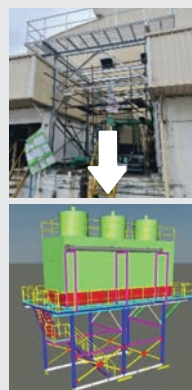


According to the analysis of the cooling tower system design at the building 1,

- An installation area is not appropriate so air circulation is bad. Cooling tower ing is affected.
- Many water pumps are used because, according to the original design, hot water is kept at a sump before being soaked into the cooling water.
- Excessive consumption of electricity and maintenance of many water pumps.

Total electricity consumption	577,170	Kwh/Year
CO <sub>2</sub> emission from electricity use	324.60	Ton CO <sub>2</sub> /Year

#### AFTER



Here are the expected results from the new system design of cooling tower 1 of the Building 1.

- Less water pumps lead to less electricity and maintenance costs.
- The use of chiller of process 6 HQI is cut because the larger size of cooling water lessens the temperature of cooling water.
- The cooling tower can offer better cooling. All water in a sump becomes cooler.

Total electricity consumption	317,448	Kwh/Year
CO <sub>2</sub> emission from electricity use	178.53	Ton CO <sub>2</sub> /Year

CO <sub>2</sub> Emission	324	Ton/Year	CO <sub>2</sub> Reduction	146	Ton/Year
Energy Usage	577,170	kWh/Year	Energy Reduction	259,722	kWh/Year

### 4 PROJECT Installation Intelligent Flow Control Of Air compressor at ICP1

Support strategy:

GHG and Energy consumption / Reduce Energy Consumption

#### Before



The air system at the plant lacked an on-duty air pressure control system. As a result, air compressors produced excessive pressure and consumed excessive energy. To ensure consistency, the air intelligent flow control is installed to track air distribution pressure while on duty. Air compressors consumes electricity energy.

#### AFTER



The air intelligent flow control is installed to oversee the air distribution pressure while on duty to ensure consistency. Air compressors consume less electricity.

CO <sub>2</sub> Emission	1,487.65	Ton/Year	CO <sub>2</sub> Reduction	88.77	Ton/Year
Energy Usage	3,670,491	kWh/Year	Energy Reduction	214,095	kWh/Year



## 5 PROJECT

### Installation Intelligent Flow Control Of Air compressor at ICP2

Support strategy:  
GHG and Energy consumption / Reduce Energy Consumption

#### BEFORE



the plant's air system had no on-duty air pressure control system. So, air compressors released excessive pressure and overspent energy.

#### AFTER



the air intelligent flow control is installed to oversee the air distribution pressure while on duty to ensure consistency. Air compressors consume less electricity.

CO <sub>2</sub> Emission	1,824.36	Ton/Year	CO <sub>2</sub> Reduction	106	Ton/Year
Energy Usage	4,243,694	kWh/Year	Energy Reduction	247,548	kWh/Year

## 6 Environmental and energy campaigns in 2022

### CHANGE AIR COMPRESSOR: SBM AT PLANT2

Objective Project:

Target: Install three new air compressors of 215 HP (160 W) to replace 75kW

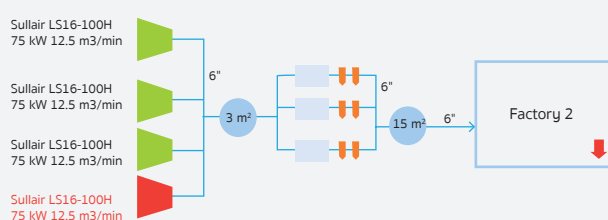
Investment : 1,700,000 baht



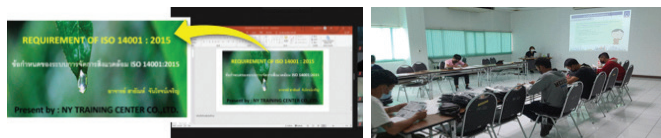
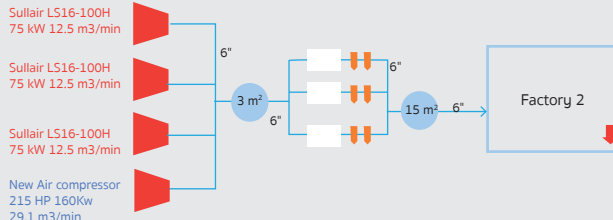
#### Estimate Cost Saving

Air compressor 75 Kw	6,322,176.0	Electricity cost/Year
Air compressor 215 HP (160 Kw)	4,515,840.0	Electricity cost/Year
Saving	1,806,336.0	baht/Year

#### BEFORE



#### AFTER



#### Employee Training

- Requirement ISO 14001:2015 Program
- Energy preservation awareness campaign

## Sustainable Water Management

Somboon Advance Technology prioritizes the efficient use of water resources by establishing a policy and guidelines for water consumption efficiency. We have been working on projects to reduce water consumption in the manufacturing process. Water is used sparingly in the organization, primarily in the forging business group for hard coating and cleaning processes.

### Management Approach

Reduce the amount of wastewater to outside treatment by maximizing the utilization of water in the manufacturing process while maintaining high quality. In order to reduce the use of water resources, we created a system that re-uses less concentrated wastewater in the processes that require higher concentrations. We have tried switching from RO to soft water for the boiler feed. This reduces the release of Brine/Rejection water from the RO system by approximately 30-35% while still maintaining water quality in accordance with the law. In addition, excess water from the RO system is reused in the sanitary system.

### Performance

1. 18% reduction of cumulative Water consumption compared to 2018.

## Waste Management and the Promotion Circular Economy

Somboon Advance Technology is committed to waste management by using the most cost-effective resources. The goal is to reduce waste from production, which is one of our key concerns. We use the 3R principle of **Reduce, Reuse, and Recycle**, as well as promoting the circular economy at the national level. We have begun a collaboration to recycle steel waste from our key stakeholders in the value chain, in production processes, into high-quality manufacturing using our own furnace.

## Management Approach

The Company follows the waste management approach by primarily applying the 3Rs principle: **Reduce**, reduction of new wastes in the manufacturing process and establishing a system design to reduce mold and model sand loss. **Reuse**, reusing materials in production by developing a storage system to allow bringing back the used black sand into the same process and **Recycle**, recycling black sand qualified as non-hazardous waste to make brick blocks for pave way. Furthermore, we have initiated projects that help reduce pollution and costs in final treatment systems before submitting waste to an external agency for disposal. This includes a project to install a coolant treatment system before delivering to a third-party disposal destination.

### Performance

1. Up to 101,813 tons of recycled steel are brought back into the process per year, accounting for 73% of the steel used in all plants.
2. Reduction of waste disposal costs by 646,884 baht per year from the installation of a Coolant treatment system.
3. Overall, the amount of waste per ton of production can be reduced by 3.5% compared to 2018.

Scan this QR Code to view the project report with more details in the Sustainability Report 2022



## 7 PROJECT

### Brick production made of waste black sand

Support strategy:  
Waste Disposal Reduction

#### CURRENT



ICP2 releases waste black sand with mesh value that out of standard sent to disposal process.

#### AFTER



Waste black sand from this process is used as material for brick production. The production ratio -cement: black sand: coarse sand: water (0.5:2:2:0.5)

Waste Disposal

175 Ton/Year

Waste Disposal Reduction

50 Ton/Year

## 8 PROJECT

### Coolant Oil Chemical Treatment

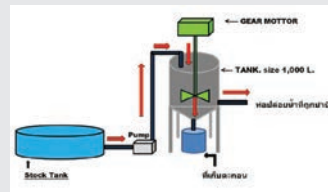
Support strategy:  
Waste Disposal Reduction

#### CURRENT



SBM removes coolant oil from the machining process and sells it to a disposal operator. at 1,600 baht per ton.

#### AFTER



The coolant oil treatment system has been installed. In a stock tank, wastewater treatment chemical powder is used to raise the pH of the water, COD, oil, and grease. Stir coolant oil and chemical powder together for 10-15 minutes, or until coolant oil separates from water.

Coolant Oil Chemical Treatment Target = 714 tons/Year @ 40%  
in 2021 Coolant Oil Chemical Treatment Cost = 906 baht per ton

Waste Disposal

**1,786** Ton/Year @ Y'21

Waste Disposal Reduction

**714** Ton/Year

### 3.4 Sustainability Management in the Social Dimensions

Somboon Advance Technology has a policy of developing employees to be Smart people and Good People. Our goal is to help employees become good citizens in society. In accordance with United Nations Sustainable Development Goal No. 16, Promoting Peaceful and Inclusive Societies for Sustainable Development, we advocate for equal access to justice and the development of effective, accountable, and inclusive institutions at all levels. We encourage our employees to improve the necessary skills in accordance with the business's direction in order to increase competitiveness now and in the future. We focus on developing human capital from within by making employees the center of development through Somboon Learning Academy. Employees can use their skills and abilities outside of the workplace to benefit society. Besides, in order to improve management skills and maximize potential, the Company also links employee behavior with corporate culture. Employees can add value to themselves, the organization, and society.

#### Management Approach

The following are the company's social development goals, both internally and externally:

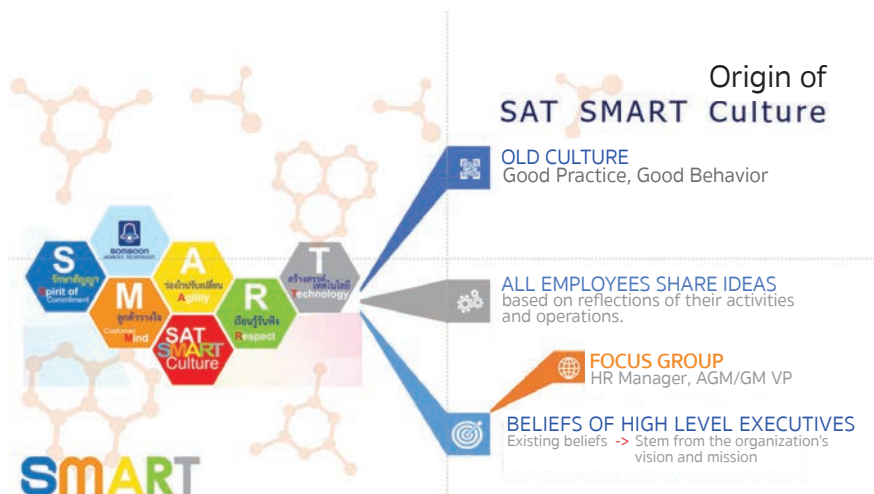
##### 1. Internal Social Development

**1) Employee Development** The company values diversity in terms of race, religion, gender, age, education, regardless of disabilities or the elderly. We consider people's abilities in relation to the requirements of the job position, as well as the value of individuals in exchanging ideas, cultures, perspectives, and experiences that will result in creative and innovative benefits to the organization and society. We support and promote training to develop essential knowledge and skills through the Somboon Advance Technology Learning Center. Nondiscrimination, anti-corruption, and good ethics in business operations are promoted through "Ethics and Corporate Sustainability" training Courses for all executives so that they can communicate with employees and act as role models.



	Human Rights Complaints	Training hours	Training on Ethics and Corporate Sustainability
Target	0 Case	8 hours/person/year	100%
Performance	0 Case	11.96 hours/person/year	100%

**2) Transformation of SAT organizational culture to align with the business direction** The transformation of the organization's vision to reflect the current business situation has been extended to the creation of a corporate culture that aligns with the Company's direction, with the development of Shared Beliefs and Values being the key. Leaders must use a variety of methods to communicate with and motivate their teams as well as raise employee awareness and comprehension of the Culture Set in all aspects of the organization's activities. Once people understand this concept, they can use it to drive strategies and boost competitiveness.



**3) Employee Safety Control** The Company promotes Occupational Health and Safety activities, with a focus on human resource development and safety culture and behavior, in order to develop skills, knowledge, and awareness of safety at the workplace. The following activities have been implemented: KY Ability Activities for employees to gain knowledge and understanding of perception of work-related dangers and to be able to find measures to prevent them. 100% of employees participated in activities as planned, Completely Check Completely Find out (CCCCF) for employees to detect hazards from the work they perform and devise a solution, activities to promote Behavior Based Safety (BBS) to reduce behavior resulted in danger. Furthermore, the Safety Shop floor Management activity allows executives at all levels to participate in the survey of the work area. The goal is to conduct an on-site survey that covers all operational areas with a target of one time per week. There are also other safety promotion activities such as Safe driving activities to encourage people not to drink alcohol on Buddhist Lent Days.



**0**  
Target

**LTIFR**  
**0.13**  
Result





- 4) **Employee engagement** In 2022, the Company conducted an employee engagement survey. It is an assessment of employee satisfaction with the workplace environment and well-being, which influences their level of engagement with the organization and the development of employees' abilities ranging from job security, compensation, and welfare, career growth opportunities, work conditions and environment, as well as communication within the organization.

The Company's Head Office has been renovated to become a modern office that meets the needs of the new generation, complete with a co-working space for employees to experience different work environments. Employees can work, hold small group meetings, and participate in online meetings in a co-working space that has all necessary devices, including a Wi-Fi system covering all areas. This is aimed at sparking and fostering changes that will lead to new innovative ideas for the Company's advancement.



**Employee engagement**  
Goal is the equivalence  
to the Automotive and  
Automotive Part  
industry average

**78%**

**Performance**



## 2. External Social Development

The Company has improved its operational guidelines to generate sustainable social value. In 2022, the Company has continued partnership with the social community. The social projects are divided into three categories: educational support and promotion projects, community development projects, and quality of life development for society projects. We have tracked performance with a **Growth Society Roadmap**. The Sustainable Development Committee regularly reviews the following important projects every quarter.

### Educational Support Projects

It is a project that promotes educational scholarships for employees, their children, and students in the community. The Company has given scholarships in the amount of 583,500 baht to increase educational opportunities. SAT educational support has been in place for the past 23 years.



### Community Development Projects

The Company has encouraged employees to participate in social activities through a variety of activities. Employees are eager to get involved in a range of social activities, including improving the sanitation system, hygienic drinking water system, improving sports fields and agricultural plots, educational activities, providing school equipment for nearby community schools, training to create careers for people with disabilities, and improving the walkway with excess materials from the manufacturing process.



SAT – Suraobangpla School, Samut Prakarn  
SFT3 – Suraobangkasee School, Samut Prakarn  
SFT3 – Chumchonborisatnamtantawanook School  
Rayong, Child Development Center, Prachinburi



### Social Enhancement and Quality of Life

The Company focused on improving the quality of life for the underprivileged by applying the potential and skills of employees to make a prototype of an electric wheelchair for people with disabilities. What's more, the Company teamed up with stakeholders to raise funds in support of the Foundation to Eradicate Neuromuscular Disease.

Topics	Social Value Creation	Promotion of employees' good deed
Indicators	Value of social value creation	Numbers of hours involving social activities
The 2022 Goal	0.1 of sales	10 hours per person per year
The 2022 Performance	0.06 of sales	11.19 hours per person per year

A donation of two wheelchairs to Thailand's Association of the Physically Handicapped

A donation of 1,512,000 baht to The Foundation for Neuromuscular Disease Eradication





## 4. Management Discussion and Analysis : MD&A

### 4.1 Explanation and Analysis of the Financial Position and Performance

#### Overall performance

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

#### Profit and loss analysis

##### Profit Analysis

In 2022 and 2021, the total revenues of the Company and its subsidiaries were Baht 9,093 million and Baht 8,727 million, respectively, an increase of Baht 366 million or 4% from the same period last year. The revenue from the sale of goods and rendering of services was Baht 8,931 million, an increase of Baht 333 million or 4% from the same period last year. The revenue from selling goods and rendering services increased in 2022 due to an increase in the production volume of the automotive industry from domestic and overseas and additional sales from new orders.

##### Cost and Expense Analysis

##### - Cost of Goods Sold and Rendering of Services

In 2022 and 2021, the cost of goods sold was Baht 7,316 million and Baht 6,943 million, respectively, an increase of Baht 373 million or 5 % from the same period last year. The increase was principally driven by the rising cost of raw materials, chemicals, and utilities.

##### - Selling and Administrative Expenses

In 2022 and 2021, Selling and Administrative Expenses were Baht 731 million and Baht 737 million, respectively, a decrease of Baht 6 million or 1% from the control of administrative expenses mainly.

##### - Corporate income tax

In 2022, the company has corporate income tax for the amount of 140 million baht, a decrease of Baht 19 million baht or 12% mainly from a decrease in operating profit.

##### Profit from operating

The company's operating profit, excluding share of profit from investment in associates, financial cost, and corporate income tax in 2022 in the amount of 1,030 million baht, decreased by 14 million baht from last year or 1% from the main factor of increasing cost of goods sold and rendering of services.

#### - Net Profit

The company's net profit is the amount of 936 million baht, which decreased by 19 million baht or 2% from the previous year. The main factor is the rising cost of raw materials, chemicals, and utilities from the same period last year.

#### Financial position analysis

##### Asset

As of December 31st, 2022, total assets were at Baht 10,351 million, an increase of Baht 521 million or 5% from December 31st, 2021, due to the increase in trade accounts receivable of Baht 114 million, inventories of Baht 182 million and fixed assets-net of Baht 144 million (the additional investment was Baht 497 million while the depreciation for the period was Baht 353 million).

##### - Trade customers

The Company has net trade receivables as of December 31<sup>st</sup>, 2022 for the amount of 1,645 million baht and as of December 31st, 2021 for the amount of 1,531 million baht, which increased by 114 million baht. The average debt collection period was 64 days.

##### - Investments

According to the consolidated financial statements as of December 31st, 2022, the Company's net investment in related companies is the amount of 1,055 million baht. The investments in associates included Yamada Somboon Co., Ltd. and Tsuchiyoshi Somboon Coated Sand Co., Ltd. The investments in the joint venture are Mubea Somboon Automotive Co., Ltd. and the other related investments are Nisshinbo Somboon Automotive Co., Ltd. and Somboon Somic Manufacturing Co., Ltd. And Tron Energy Technology Co., Ltd. The Company's cost of investment in the aforementioned companies is for the amount of 483 million baht.

##### - Property, plant and equipment

The Company's property, plant and equipment as of December 31st, 2022 is the amount of 3,213 million baht, and as of December 31st, 2021 is the amount of 3,069 million baht, increased by 144 million baht or 5% due to depreciation on the period for the amount of 353 million baht. The Company and its subsidiaries have made additional investments totaling 497 million baht in the production line to improve productivity.

## Debt

As of December 31st, 2022, total liabilities were at Baht 2,384 million, an increase of Baht 197 million from December 31st, 2021, which is mainly from the increase in accounts payable of Baht 163 million.

## Part of shareholders

### - Capital structure

The Company's shareholders' equity as of December 31<sup>st</sup>, 2022, shareholders' equity was at Baht 7,966 million, an increase of Baht 324 million from Baht 7,642 million as of December 31st, 2021, which is an increase from net profit from operations for the year.

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

The company's profit appropriation in 2021 includes dividends for 2021 operating at the rate of 1.50 baht per share, totaling 638 million baht. The interim dividends at the rate of Baht 0.40 per share, amounting to Baht 170 million were paid in September 2021. Therefore, the remaining dividends of Baht 1.10 per share, in amounting to Baht 468 million will be paid to shareholders in May 2022.

As of December 31st, 2022, the company's capital structure consists of total liability for the amount of 2,385 million baht and a shareholders' equity for the amount of 7,966 million baht; the debt-to-equity ratio is approximately 0.30 times.

## Analysis of Cash Flow Statement

According to the consolidated financial statements as of December 31st, 2022 and of December 31st, 2021, the company's net cash inflow from operating activities is 1,218 million baht and 1,379 million baht (respectively). The company's net cash outflow from investing activities is 174 million baht and 1,268 million baht (respectively), this is the result of the investment in the production line, to enhance production capacity. Net cash outflow from financing activities is 648 million baht and 490 million baht (respectively), which is the result of the total cash dividend paid for the amount of 629 million baht.

## 4.2 Main factors and influences that might effect on operation and financial status in the future

Somboon Advance Technology Public Company Limited is one of Thailand's largest manufacturers of automotive and agricultural machinery parts for domestic and international OEMs. External factors affecting the automotive and agricultural machinery industries thus have a direct impact on the company's business operations and performance, such as the volume of automobile and tractor production in Thailand as well as government policy to support electric vehicles.

According to Thailand Automotive Institute data as of December 2022, a total production of 1.86 million automotive vehicles in Thailand is expected in 2022, representing an 11% increase YOY. Within 1.86 million vehicles, a total production of 1.23 million pickup trucks is expected in 2022, increasing 18% YOY. In agricultural machinery industry, a total production of 78,000 units of agricultural machinery is expected, decreasing -9% YOY. This has both positive and negative implications for the Company's revenue and profit.

The unrest situation in Russia and Ukraine had a significant impact on the global economy in early 2022. The price of the fuel used to generate electricity has an impact on rising production and transportation costs. Furthermore, the US Federal Reserve (FED) announced an increase in interest rates to control inflation, causing a slowdown in the US economy. It has a relatively large impact on exchange rates and raw material prices, affecting both the volatility of Thai automotive production and exports.

The gradual improvement in the COVID-19 situation since the beginning of the year has helped the domestic economy, particularly the tourism industry, gradually recovering, resulting in more money in circulation, which stimulates the country's economy. However, the Thai economy has yet to fully recover, particularly among households and small businesses, due to inflationary pressures and high interest rates, which cause household debt. Such circumstances have an impact on Thai automotive sales. As a result, the company must closely and continuously monitor those external factors that affect domestic automotive demand.

In addition, The Company has risk-prevention guidelines and measures in place. We monitor external and domestic factors to plan for future impacts and factors that may affect the company's operations.

Electric vehicle (EV) growth will become an important factor in stimulating the automotive industry in the long run. The government has issued a policy to encourage the electric vehicle industry, including a tax policy to promote the Thai electric vehicle industry market. In 2022, the policies reflect obvious results. Neta and BYD are two Chinese automakers that have recently entered the Thai market. Furthermore,

at the 39th Motor Show, which took place from November 30 to December 12, 2022, there were 5,800 bookings for electric vehicles, accounting for 15.8% of all vehicles booked at the event, with Chinese brands accounting for 90% of those electric vehicles booked. To summarize, the company observes the fast-changing automotive industry.

To prepare for rapid change, the company accelerated its electric vehicle strategy started in 2021. In 2022, the company formed a joint venture with Tron Energy Technology Co., Ltd, a Taiwanese company that specializes in battery packs, electric vehicle platforms, and the integration of automotive electrical and automation systems. This is to prepare the company for a full entry into the electric vehicle business by importing, developing, manufacturing, assembling, and distributing electric vehicle-related products in a niche segment. Furthermore, as the global automotive industry becomes more competitive, customers are under pressure to reduce production costs. To meet customer needs while maintaining quality, the company must increase its cost competitiveness by selecting appropriate production raw materials for the manufacturing process. We have introduced cutting-edge technology and robotic systems to improve production efficiency. In addition, we have created new businesses, such as agricultural machinery and robotics and automation, to generate long-term income and profits while diversifying risks from core businesses.

In ESG perspective, the company faces GHG reduction challenges in accordance with customer policies and ongoing global trends. This year, the United Nations has adopted a resolution requiring all countries to set a joint goal of reducing GHG emissions to keep global temperature rise no higher than 1.5 and 2 degrees °C. Thereby, Thailand has issued a policy to reduce carbon neutrality in 2050 and net zero greenhouse gas emissions by 2065, causing the domestic automobile and auto parts manufacturing industries to accelerate change and issue policies in line with ESG global policy. Customers are increasingly demanding to part suppliers that we implement strategies and activities to reduce greenhouse gas emissions. The company has developed a strategy that includes investments in the manufacturing process to reduce energy consumption and greenhouse gas emissions. Overall, we made a reasonable investment to make our processes more efficient, thus create the long-term benefits of using fewer resources. The Company has set a target of reducing greenhouse gas emissions by 30% by 2030, in line with the goal of limiting global warming to less than 2°C by reducing GHG emissions by 2.5% per year.

In addition to the previously mentioned factors that cause changes, Thailand's social structure, which has evolved into an aging society, may pose new challenges in attracting talents to work in the company in the future. To address this, the company has developed an employee development plan to

attract employees with knowledge, skills, and abilities that meet the needs of the company in order to jointly develop the business, which is constantly growing, and drive the strategic plan to achieve the organization's goals. The Company also considers the risks of human rights violations, which could result in legal complaint and a negative perception of the organization. Human resource management and long-term organizational growth are prioritized in accordance with the "Somboon Triple Bottom Line" strategic development approach.

### 4.3 Financial Highlights

Table 1 – 1 Consolidated Statement of income

(Unit: Thousand Baht)

Details	Consolidated financial statements		
	2022	2021	2020
<b>Income</b>			
Revenue from sale of goods and rendering of services	8,931,372	8,598,180	5,882,559
Net foreign exchange gain	(7,671)	9,482	424
Dividend income	9,052	3,080	2,386
Other income	149,967	116,480	141,426
Total income	9,093,388	8,727,221	6,026,795
<b>Expenses</b>			
Cost of sale of goods and rendering of services	7,315,802	6,943,351	5,023,298
Selling and administrative expenses	730,788	736,946	583,578
Losses on disposal of investment in subsidiary	-	11,501	-
Total expenses	8,054,261	7,691,798	5,606,876
Profit before financial costs and income tax expense	1,039,127	1,046,924	419,919
Financial costs	(1,978)	(5,790)	(7,752)
Share of profit of joint venture and associates accounted for using the equity method	38,266	84,340	2,833
Tax expense	(139,659)	(158,760)	(40,236)
Profit for the year	935,755	955,213	374,763
Operating profit <sup>1</sup>	1,030,075	1,043,844	417,533

Noted

<sup>1</sup> Operating profit equals to earnings before finance costs and tax expense excluding share of profit from associates and dividend income

Table 1 – 2 Separate Statement of income

(Unit: Thousand Baht)

Details	Seperate statements of income		
	2022	2021	2020
<b>Income</b>			
Revenue from sale of goods and rendering of services	0	2,700,082	1,884,678
Dividend income	689,545	235,500	277,798
Gain on business restructuring	0	182,379	-
Other income	73,577	87,707	124,342
Net foreign exchange gain	342	11,218	4,065
Total income	1,015,761	3,305,578	2,290,882
<b>Expenses</b>			
Cost of sale of goods and rendering of services	0	2,030,233	1,520,364
Selling and administrative expenses	363,822	511,049	334,827
Total expenses	364,135	2,543,946	1,855,191
Profit before financial costs and income tax expense	651,939	764,296	435,691
Financial costs	(313)	(2,664)	(3,285)
Tax expense	(1,525)	(84,637)	(22,502)
Profit for the year	653,151	676,995	409,905
Operating profit <sup>1</sup>	(37,606)	346,417	132,107

Noted

<sup>1</sup> Operating profit equals to earnings before finance costs and tax expense excluding share of profit from associates and dividend income



Table 2-1 Consolidated statement of financial position

(Unit: Thousand Baht)

Details	Consolidated financial statements		
	2022	2021	2020
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3,135,945	2,998,530	2,330,599
Trade accounts receivable	1,645,390	1,531,158	1,206,210
Inventories	775,558	593,652	564,882
Other receivables	223,510	219,546	104,934
Short-term loans to related parties	50,000	200,000	200,000
<b>Total current assets</b>	<b>5,830,403</b>	<b>5,542,888</b>	<b>4,406,626</b>
<b>Non-current assets</b>			
Investments under the equity method.	956,839	938,990	867,067
Other non-current financial assets	98,524	92,483	26,651
Property, plant and equipment	3,213,120	3,069,095	3,403,146
Other non-current assets	251,917	186,652	251,818
<b>Total non-current assets</b>	<b>4,520,400</b>	<b>4,287,220</b>	<b>4,548,682</b>
<b>Total assets</b>	<b>10,350,803</b>	<b>9,830,107</b>	<b>8,955,308</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Short-term loans from financial institutions	-	-	12,210
Trade accounts payable	1,335,355	1,227,744	974,475
Current portion of long-term loans	13,338	12,548	73,023
Other current liabilities	705,538	651,820	441,053
<b>Total current liabilities</b>	<b>2,054,231</b>	<b>1,892,112</b>	<b>1,500,761</b>
<b>Non-current liabilities</b>			
Other Long-term loans	23,393	18,407	69,975
Other Non-current liabilities	306,883	277,180	293,828
<b>Total Non-current liabilities</b>	<b>330,276</b>	<b>295,587</b>	<b>363,803</b>
<b>Total Liabilities</b>	<b>2,348,508</b>	<b>2,187,699</b>	<b>1,864,565</b>
<b>Equity</b>			
Authorized share capital	425,194	425,194	425,194
Issued and paid-up share capital	425,194	425,194	425,194
Premium on ordinary shares	716,443	716,443	716,443
Retained earnings	6,808,869	6,500,772	5,900,637
<b>Total equity</b>	<b>7,950,507</b>	<b>7,642,409</b>	<b>7,042,274</b>
Non-controlling interests	15,788	-	48,469
<b>Total equity</b>	<b>7,966,295</b>	<b>7,642,409</b>	<b>7,090,743</b>
<b>Total liabilities and equity</b>	<b>10,350,802</b>	<b>9,830,107</b>	<b>8,955,308</b>

Table 2 – 2 Separate statements of financial position

(Unit: Thousand Baht)

Details	Separate financial statements		
	2022	2021	2020
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	795,121	580,634	522,779
Trade accounts receivable	-	544,319	419,692
Inventories	-	-	134,797
Short-term loans to related parties	110,000	400,000	420,000
Other receivables	96,320	99,062	68,473
<b>Total current assets</b>	<b>1,001,441</b>	<b>1,624,015</b>	<b>1,565,741</b>
<b>Non-current assets</b>			
Investments under the equity method	4,187,512	4,157,512	2,907,512
Other non-current financial assets	45,108	45,108	-
Property, plant and equipment	57,367	63,348	1,066,710
Other non-current assets	33,717	21,978	40,017
<b>Total non-current assets</b>	<b>4,323,703</b>	<b>4,287,946</b>	<b>4,014,240</b>
<b>Total assets</b>	<b>5,325,143</b>	<b>5,911,962</b>	<b>5,579,981</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Short-term loans from financial institutions	-	-	-
Trade accounts payable	-	402,627	351,191
Current portion of long-term loans	1,583	4,762	49,503
Other current liabilities	56,504	271,326	139,479
<b>Total current liabilities</b>	<b>58,087</b>	<b>678,715</b>	<b>540,173</b>
<b>Non-current liabilities</b>			
Other Long-term loans	2,688	3,513	51,558
Other Non-current liabilities	84,001	60,944	126,322
<b>Total Non-current liabilities</b>	<b>86,689</b>	<b>64,457</b>	<b>177,880</b>
<b>Total Liabilities</b>	<b>144,776</b>	<b>743,172</b>	<b>718,053</b>
<b>Equity</b>			
Authorized share capital	425,194	425,194	425,194
Issued and paid-up share capital	425,194	425,194	425,194
Premium on ordinary shares	716,443	716,443	716,443
Retained earnings	4,038,730	4,027,153	3,720,290
<b>Total equity</b>	<b>5,180,367</b>	<b>5,168,790</b>	<b>4,861,928</b>
<b>Total liabilities and equity</b>	<b>5,325,143</b>	<b>5,911,962</b>	<b>5,579,981</b>

Table 3 Statement of cash flows

(Unit: Thousand Baht)

Details	Consolidated Financial statements			Separate financial statement		
	2022	2021	2020	2022	2021	2020
Cash flows from operating activities	(1,218,394)	1,379,065	1,028,661	(5,497)	508,644	329,752
Cash flows from investing activities	(174,312)	(1,267,937)	(58,807)	(818,981)	(5,212)	207,392
Cash flows from financing activities	(647,687)	(489,988)	(692,075)	(632,909)	(475,832)	(529,456)
Net increase (decrease) in cash and cash equivalents	396,395	(378,860)	277,779	134,575	27,601	7,688
Cash and cash equivalents at 1 January	1,601,653	1,980,513	1,702,734	450,379	422,778	415,090
Cash and cash equivalents at 31 December	1,998,049	1,601,653	1,980,513	584,954	450,379	422,778

Table 4 Important financial ratios for Consolidated Financial statements

(Unit: Thousand Baht)

Ratios	Consolidated Financial statements		
	2022	2021	2020
<b>Liquidity Ratio</b>			
Liquidity Ratio	2.84	2.93	2.94
Quick Ratio	2.33	2.39	2.36
Operating Cash Flow to Debt Ratio	0.62	0.73	0.52
Account Receivable Turnover Ratio	5.62	6.28	4.59
Average Correction Period (days)	65	57	78
Inventory Turnover Ratio	10.69	11.99	8.80
Average Turnover Period (days)	34	30	41
Account Payable Turnover Ratio	5.71	6.31	5.37
Average Payment Period (days)	64	57	67
Cash Conversion Cycle (days)	35	30	52
<b>Profitability Ratio</b>			
Gross Profit (%)	18.09%	19.25%	15.15%
Operating Profit Margin (%)	12.04%	12.96%	7.05%
Other Profit Margins (%)	1.75%	1.48%	2.39%
Operating Cash Flow to Net Profit Ratio (%)	113.30%	123.80%	186.39%
Net Profit Margin (%)	10.29%	10.95%	6.22%
Return on Equity (%)	11.99%	13.01%	5.28%
<b>Efficiency Ratio</b>			
Return on Total Assets Ratio (%)	9.27%	10.17%	4.10%
Return on Fixed Assets Ratio (%)	46.18%	47.20%	29.09%
Total Assets Turnover Ratio	0.90	0.93	0.66
<b>Leverage Ratio</b>			
Interest-Bearing Debt to Equity Ratio	0.00	0.00	0.02
Debt to Equity Ratio	0.30	0.29	0.26
Times Interest Earned (TIE) Ratio	687.41	266.61	105.97
Cash Ratio	0.94	1.79	0.74
Dividend Payout Ratio (%)	67.87%	67%	69%
<b>Growth Ratio</b>			
Sale Growth Rate (%)	3.88%	46.16%	-26.52%
COGS Growth Rate (%)	5.36%	39.11%	-23.35%
Selling and Administrative Expense Growth Rate(%)	-0.84%	19.74%	-16.40%
Net Profit Growth Rate (%)	-2.04%	154.88%	-58.30%

Table 5 Important financial ratios for Separate financial statement

Ratios	Separate financial statement		
	2022	2021	2020
<b>Liquidity Ratio</b>			
Liquidity Ratio	17.24	2.39	2.90
Quick Ratio	13.69	1.66	1.74
Operating Cash Flow to Debt Ratio	-0.14	0.75	0.61
Account Receivable Turnover Ratio	-	5.60	4.52
Average Correction Period (days)	-	64	80
Inventory Turnover Ratio	-	30.12	12.31
Average Turnover Period (days)	-	12	29
Account Payable Turnover Ratio	-	5.39	4.77
Average Payment Period (days)	-	67	76
Cash Conversion Cycle (days)	-	9	33
<b>Profitability Ratio</b>			
Gross Profit (%)	64.15%	24.81%	19.33%
Operating Profit Margin (%)	-	28.21%	22.94%
Other Profit Margins (%)	75.16%	15.63%	17.73%
Operating Cash Flow to Net Profit Ratio (%)	7.9%	66.78%	76.26%
Net Profit Margin (%)	64.30%	20.48%	17.89%
Return on Equity (%)	12.62%	13.50%	8.37%
<b>Efficiency Ratio</b>			
Return on Total Assets Ratio (%)	11.62%	11.78%	7.31%
Return on Fixed Assets Ratio (%)	1,115.58%	134.80%	41.61%
Total Assets Turnover Ratio	0.18	0.58	0.41
<b>Leverage Ratio</b>			
Interest-Bearing Debt to Equity Ratio	0.00	0.00	0.02
Debt to Equity Ratio	0.03	0.14	0.15
Times Interest Earned (TIE) Ratio	-168.61	223.68	108.24
Cash Ratio	-0.07	1.11	0.47
Dividend Payout Ratio (%)	97.40%	91%	57%
<b>Growth Ratio</b>			
Sale Growth Rate (%)	-100.00%	43.26%	-26.03%
COGS Growth Rate (%)	-100.00%	33.54%	-21.30%
Selling and Administrative Expense Growth Rate(%)	-28.81%	52.63%	-22.99%
Net Profit Growth Rate (%)	-3.52%	65.16%	-18.12%

## 5. General information and other material facts

### 5.1 Other material facts

General Information of the subsidiaries

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

### 5.2 Legal disputes

As of 31 December 2022, the Company, its subsidiaries, and related companies have neither significant legal dispute affecting to the Company's business nor negative impacts on the Company's assets amounting to more than 5 percent of shareholder's equity.

### 5.3 Secondary market -None-

### 5.4 Financial institution with regular contact -None-



## Part 2 Corporate Governance

### 6. Corporate Governance Policy

#### 6.1 Overview of the Policy and Guidelines

##### 1. Structure of the Board of Directors

###### 1.1 Diversity of the Structure of the Board of Directors

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

As of 31 December 2022, the Board of Directors comprises of nine members as follows:

First-Last Name	Position
1. Mr. Sansern Wongcha-um	Independent Director/ Chairman of the Board of Directors
2. Mr. Yongyuth Kitaphanich	Director/ Vice Chairman of the Board of Directors
3. Dr. Panja Senadisai	Independent Director/ Chairman of the Audit and Corporate Governance Committee/ member of the Nomination and Remuneration Committee
4. Mr. Ajarin Sarasas	Independent Director / Chairman of the Executive Board / Member of the Nomination and Remuneration Committee
5. Mr. Paitoon Taveebhol	Independent Director / Member of the Audit and Corporate Governance Committee/ Chairman of the Nomination and Remuneration Committee
6. Dr. Suthad Setboonsarng	Independent Director/ Member of the Audit and Corporate Governance Committee
7. Mr. Prayong Hirunyawonich	Independent Director / Executive Board
8. Mr. Yongkiat Kitaphanich	Director/ Vice Chairman of the Executive Board
9. Ms. Napatsorn Kitaphanich	Director / President

The Chairman of the Board of Directors is an independent director. The Board of Directors has at least one female director.

The Board of Directors consists of 88.88% of non-executive directors and 8 of them are non-executives (6 independent directors and 2 non-executive directors).

The Board of Directors consists of 66.67% of independent directors and 1 executive director, which is completely under the Board of Directors' structure, and there is no directors holding positions in more than 5 listed companies.

## 1.2 Criteria and procedures for nomination and appointment of directors:

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

Subject to the structure of the Board of Directors, it shall nominate those who will serve as directors, provided that this is an important factor to help increasing the efficiency and performance of the Board of Directors. To recruit and select the directors, it will consider the elements according to the Board Skill Matrix in order to determine the qualifications, knowledge, skills and experience required for such nominated directors, and the Board of Directors will consider the necessary skills that are lacking in the Board of Directors regardless of the gender, age, education history, professional experience, skills and knowledge to serve as directors in order to ensure that the Board of Directors will perform more efficiently and be in line with business strategies, and support the composition of the entire Board of Directors to be completed in terms of knowledge, competency, experience and diversity dimensions that contribute to the most efficient work, as

well as without prohibited characteristics under the law and good corporate governance principles. Also, Director Pool shall be applied in order to help considering the nomination of new directors.

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

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

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

- (a) Qualified and not of prohibited characteristics as defined in Public Companies Laws and shall not have a characteristic that implies a lack of appropriateness to be trusted to manage the Company from shareholders as announced by the Securities and Exchange Commission.



(b) Have specialized knowledge, skills, profession, experience and expertise, especially in relation to the production of automotive parts, agricultural machinery, future automotive technology and international trade depending on the suitability of the company's situation during that time according to the structure of the diversity of the Board of Directors. The nomination and appointment of directors is based on knowledge and competency and use the diversity criteria for consideration.

(c) Be fully dedicated, especially in making important decisions and protecting the interests of the Company, and attending the Board of Directors' meeting and shareholders' meetings every time, unless the force majeure is occurred.

(d) Be virtuous, ethical and have an additional qualification required by law or as appropriated of the Board of Directors;

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

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

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

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

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

### **1.4 Director's tenure at other companies**

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

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

Performance: In 2022, there is no directors who served as directors in listed companies more than 5 companies.

- (2) No executive directors have been held as directors in other listed companies outside the business group more than 2 companies.

- (3) Directors and executives of the Company has never been an employee or partner of an external auditing company used by the Company in the past two years.

- (4) To be a director at other companies of the President and executive of the Company: The President and executive of the Company can serve as directors in other companies but shall be approved by the Board of Directors.

### **1.5 Term of Director**

- (1) At every annual general meeting, the directors shall leave their positions at a rate, with the longest-in-position directors leaving their positions first. If the number of directors who are divided directly into three parts is not, the directors shall issue the closest number to the one-third section, and the Company's Regulations Article 18.

- (2) The term of independent directors shall be defined for up to 9 years without conditions to start from 1 January 2015 onwards.

## **2. Supervisory Duties**

### **2.1 Roles of the Chairman of the Board of Directors**

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

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

## 2.2 The Board of Directors prepares corporate governance policy

### 1) Overview of corporate governance policies and practices

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

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

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

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

### Performance results in the year 2022

1. Communication and reporting to the Board of Directors achieved 100% through the board meetings.
2. Conducting training on Code of Conduct, as well as anti-corruption, along with testing the knowledge of executives in the level of manager and assistant general manager achieved 100%, signed, acknowledged, and complied with the training program.
3. providing training through the course. "Ethics...and Corporate Sustainability" for new executives and employees at all levels to understanding of Code of Conducts achieved 100%
4. Organize a caravan of corporate culture and ethics with organizational sustainability for 300 employees of all levels.
5. There have been no violations of corporate governance practices.

In 2022, the Board of Directors supervised and monitored the directors, executives and employees at all levels to follow good corporate governance principles and Code of Conducts by taking into the consideration of the stakeholders in all areas and created value for the business, environment and social sustainability and received the assessment's result on corporate governance and awards as follows:

1. The company was evaluated from the Corporate Governance Report of Thai Listed Companies Project (CGR) as one of 750 listed companies rated "Excellent CG Scoring" for 2022 from the Thai Institute of Directors Association (IOD), with Excellent score in all categories.
2. The 2022 Annual General Meeting of Shareholders (AGM Checklist) was assessed by 100 points. from Thai Investors Association.



3. Received the Investors' Choice Award 4th for the year 2022 from the Stock Exchange of Thailand's Investor Association
4. Awards from the Stock Exchange of Thailand
  - Sustainability Awards of Honor
  - Selected to be listed as "Sustainable Shares" or Thailand Sustainability Investment (THSI)



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

### 2.3 Supervision of subsidiaries and Joint Venture Companies

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

The Board of Directors will monitor the Board of Directors and executives of its subsidiaries and joint venture companies to comply with their duties and responsibilities under the laws, Company's Articles of Associations and policies, and

also have the internal control system, risk management system and anti-corruption system, as well as to establish the appropriate, efficient and sufficient monitoring measures to ensure that the performance of subsidiaries and joint venture companies are implemented according to the plan, budget and company's Policy (Supervision details specified in Section 8 Clause 3) Supervision of subsidiaries and Joint Venture Companies Page 105

### 2.4 Supervisory Operations

1. The Board of Directors holds a regular review of the scopes, roles and authorities of company's directors and subsidiaries' directors at least once a year.
2. The Board of Directors has reviewed and approved the company's vision, mission and strategy in order to improve them to be in line with its goals and business operations by requiring an agenda to monitor the progress of the strategy, implement the strategy and monitor the management's performance every quarter. In 2021, the change of the Company's Vision and Missions was approved by the Board of Directors in the board meeting and became effective on January 1, 2022. During the year 2022, the Board of Directors has entrusted executive management with reviewing strategies and planning in each function to align with the new vision, mission, and company goal, as well as adopting the strategy to implement at the management level. To ensure that all management and employees are in the same direction toward a common goal, the Company has established the guidelines as follows:
  - 1) Determine the Company's vision, mission, strategies, goals, business plans, and budgets by having independent opinions from the Board of Directors and senior executives at a regular annual workshop.
  - 2) Review the strategic progress on a regular basis to ensure that management is adhering to the work plan and operational direction.
  - 3) Organize independent discussions in which management can express their opinions in order to establish an organizational direction and framework as well as to prepare for and deal with changing economic conditions.
  - 4) Provide suggestions, opinions, and organizational management guidelines for the development of a detailed work plan that meets the Company's objectives.
  - 5) Communicate policies, goals, and operational trends to all levels of employees throughout the organization. The Top-Management Communication Activity (TCA) is held



four times a year for management communication. The biannual "Chab Khao Kui Kan" activity led by the Presidents serves as a forum for employees communication.

- 6) Monitor the management's strategic results on a quarterly basis.

The Board of Directors and top management jointly determine strategic directions aimed at increasing competitiveness in the current business groups of automotive parts and agricultural machinery production in order to retain current customers, such as developing more efficient production processes in terms of quality and cost, reducing energy and resource consumption, and improving engineering capabilities. The emphasis is also on expanding the Company's adjacent and complimentary business, such as EV, agricultural machinery, and robotics and automation. The Company's goal is to achieve 7-8% average total income growth while adhering to the Somboon Triple Bottom Line principle, which focuses on growing the business while creating value for its major stakeholders.

3. The implementation of SAT's strategies is monitored by the Board of Directors. A review of the management's operational results, performance, and importantly the strategic plan and financial targets, is on the agenda for monthly meetings. This is to ensure that the executions are in line with the planned strategies, which are as follows:



**The goal isto  
achieve average  
gross income  
growth 7-8%  
per year.**

**7-8 %**

#### **1) Current business operation plan**

- (1) Prioritize cost competitiveness improvement in order to prepare for fierce competitive conditions in the future
- (2) Regularly monitor the evolving trends of technologies and movement of competitors.
- (3) Cope with business uncertainty, which has an impact on the overall performance of the Company.
- (4) Conduct product research and development to gain a competitive advantage through collaboration with customers and partners.

- (5) Enhance the efficiency of the Company's production processes by investing in automation systems while maintaining the quality and standards that customers expect.

- (6) Continuously implementing the "Somboon Triple Bottom Line" principle to reduce environmental impact, resource usage, and greenhouse gas emissions while also developing nearby communities.

#### **2) Action Plan for New Business Operation**

- (1) Develop business opportunities by building partnerships, such as development of joint venture in the EV industry.
- (2) Collaborate with partners to create prototypes and test them in order to address customer pain points.
- (3) Study and develop new business models that can leverage existing businesses to align with changing external factors, as well as solutions for building a new ecosystem.

#### **3) The Company's Internal Management**

- (1) Review and adjust organizational structures, as well as use technology to reduce costs and improve workflow efficiency.
- (2) Prepare the organization's readiness and strengthen employees' competencies to adapt to business transformations and be fully prepared for industry rapid changes.
- (3) Improve employee competencies and teamwork effectiveness
- (4) Provide opportunities for employees to contribute to the development of innovations and improvement of work processes.
- (5) Develop employee measures and policies, especially succession plans for management and other key positions, to ensure seamless operations.
- (6) Encourage participation and employee engagement, which demonstrate their motivation and commitment to working toward organizational goals.

## 2.5 Internal Control and Risk Management

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

## 2.6 The Company provides responsible persons or regulatory agencies.

To provide compliance units to supervise compliance with the appointment of Mr. Wasumeth Kullachote. Assistant General Manager - Compliance Department starting from 1 July 2021.

The Compliance Department has overseen corporate governance as follows:

- (1) Promote, disseminate Corporate Governance Policy and Code of Conduct.
- (2) Study, revisit, evaluate, review, suggest corporate governance guidelines and Code of Conduct to be up to date in accordance with the laws and criteria of the Stock Exchange of Thailand and the Securities and Exchange Commission and the best practices of leading organizations that are international standards.

- (3) To ensure an evaluation of the Company's compliance with corporate governance and Code of Conduct, as well as to review the implementation of the CG Code principles to apply to the Company's business operations, as well as to supervise anti-corruption by reporting to the Board of Directors quarterly through the Audit Committee.
- (4) Perform other actions as assigned by the Audit and Corporate Governance Committee.

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

The Board of Directors schedules meetings of the General and Subordinate Committees in advance of the year, which will consider the schedule of meetings during the month. The meeting is held more than six times each year, as well as special meetings as needed. Both agenda to know and to consider for discussion and share opinion. The supporting documents must be sufficiently complete and delivered to the directors at least 7 days in advance to allow the directors to have sufficient time to study the information before attending the meeting, and on the day of the meeting, the President must allocate time so that all committee members can freely discuss and express their opinions and the Chairman will process the opinions, summarize the priorities obtained from the meeting, with the preparation of the minutes of the meeting on a case-by-case basis by the Secretary of the Board of Directors. After receiving the meeting's approval, the documents will be stored at the Company Secretariat, 2<sup>nd</sup> Floor, Building 11, Head Office (Attendance details specified in Section 2) Attendance of the Faculty of Directors page 103.



In 2022, the entire Board of Directors attended 100% of the total number of meetings both Physical Meeting and E-Meeting.

100%

## Q1

### Duty of the Board of Directors in 2022

## Q2

1. To consider the schedule and agenda of the Annual General Meeting of Shareholders
  - To consider and approve the record date to determine the list of shareholders eligible for the 2022 annual meeting and the right to receive dividends.
  - To consider and acknowledge the company's performance
  - To approve and propose the AGM to approve the financial statements ended 31 Dec 2021
  - To consider and acknowledge the interim dividend payment
  - To consider and approve the allocation of profit from annual performance
  - To consider and approve the appointment of director place of those retiring by rotation
  - To consider and approve the remuneration of directors
  - To consider and appoint an auditor and determine the annual audit remuneration
2. To consider the financial statements and performance of the past year
3. To consider and acknowledge the performance of the Audit and Corporate Governance Committee in the past year
4. To consider and approve the director remuneration
5. To acknowledge the performance of the corporate strategy.
6. To approve the criteria of 2022 KPI Bonus for employee
7. To acknowledge the performance of investor relation
8. To approve the executive successor plan and organization structure
9. To approve the risk management plan
10. To approve investment plan
11. To arrange the Meeting of Non-Executive Director
12. To acknowledge annual self-evaluation result of the Board of Directors

1. To arrange the 2022 Annual General Meeting of Shareholders
2. To approve the appointment of directors to return in the sub-committee
3. To approve the financial statements and the results of the first quarter.
4. To acknowledge the performance of the Audit and Corporate Governance Committee of the first quarter.
5. To approve investment plan
6. To acknowledge the progress report on organizational strategy's
7. To acknowledge the restructuring of subsidiary company

## Q3

1. To approve the payment of interim dividend
2. To approve the financial statements and the results of the second quarter.
3. To acknowledge the performance of Audit and Corporate Governance Committee of the second quarter
4. To acknowledge the risk management report of the second quarter
5. To acknowledge the status of the Company restructure
6. To acknowledge the progress of organizational strategy

## Q4

1. To acknowledge the progress of investment relations plan
2. To acknowledge the progress of joint venture
3. Activities for the 60th Anniversary and the Grand Opening of the Headquarters
4. To approve 2023 budget
5. To approve the financial statement and operating results of the third quarter
6. To acknowledge performance of Audit and Corporate Governance Committee of the third quarter
7. To approve the Meeting schedule of the Board of Director and Sub-Committee in advance
8. To acknowledge the report of risk management in the third quarter
9. To approve the appointment of auditors and to fix the remuneration in the year 2023
10. To approve the 2023 manpower and organization structure
11. To approve the bonus payment and annual salary adjustment for employees

## **2.8 The Company established the quorum policy of two-third**

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

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

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

In 2022, the NED's meeting was arranged 2 times on 24 March 2022 and 21 July 2022, the Chairman discussed issue on nomination of directors in place of those retiring by rotation, the qualifications of directors, and nomination process of directors in place of those retiring by rotation. The results of the meeting were reported to the Board of Directors by added in the agenda of the Board of Directors' meeting so that the directors can jointly discuss and share their opinions.

## **2.10 The Company discloses the policy President and Executive**

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

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

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

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

The remuneration of the President is aimed to reward the success of implementation of short-term and long-term strategies including the performance of the President as assigned by the Board of Directors. The Nomination and Remuneration Committee is assigned to evaluate and present to the Board of Directors for approval. The results of the President's evaluation shall be deemed as confidentiality and undisclosed. The criteria that evaluating the President for short-term and long-term remuneration are divided into 2 sections as follows:

1. Organizational Key Performance Indicators according to the business plan and strategy in short-term and long-term.
2. To Support transparent and sustainable growth

The criteria are covered the establishment and execution of strategy, planning and financial performance, management and personnel relations, leadership, as well as solutions impacting organization and stakeholder. The evaluation results will be determined as salary increase rates and bonus of the President approved by the Board of Directors (details of remuneration disclosure of CEO specified in Section 3), the total amount of the Executive's Compensation Page 95.

### **3) The Performance evaluation of Executives**

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

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

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

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

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

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

## 2.12 Governance on internal information

1. The Company has required that the directors, executives, and employees, who are acknowledge significant internal information, which may impact the fluctuation of the trading price of the securities, shall suspend trading of the Company's securities during 1 month prior to the Company's announcement, of its operating information, is made to the public.

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

In 2022,

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

## 3. Performance Evaluation of the Board of Directors

The Board of Directors has evaluated its entire performance at least once a year to review whether the governance in various operations is adequate and be used such information supporting the management to enhance and develop management efficiency. The Company also adjust the self-assessment form, according to an example and guideline of the Stock Exchange of Thailand, with appropriation and consistency of characteristics of the Board of Directors; and further inform the Board of Directors of the assessment results analyzed to improve the performance efficiency, by divided into the following: (1) Self-assessment of the entire Board of Directors, (2) Self-assessment of the Directors individually, and (3) Self-assessment of the three sub-committees, namely the Executive Board, the Audit and Corporate Governance Committee, and the Nomination and Remuneration Committee. The Board of Directors, therefore, jointly consider the performance evaluation and solve the problem for further improvement and development. (Evaluation details specified in Section 1) Nomination, Development and Evaluation of The Performance of the Board of Directors Page 98 - 102



## 4. Directors and Executive Development

### 1. Director Orientation

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

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

In 2022, the Company did not nominate a new director. However, to keep up with the current and update information, the Company report and update the new regulation and law such as the corporate governance policies, code of conduct, anti-corruption measures and ASEAN CG Scorecard guidelines that directors should know.

### 2. Knowledge Development for Directors and Executives

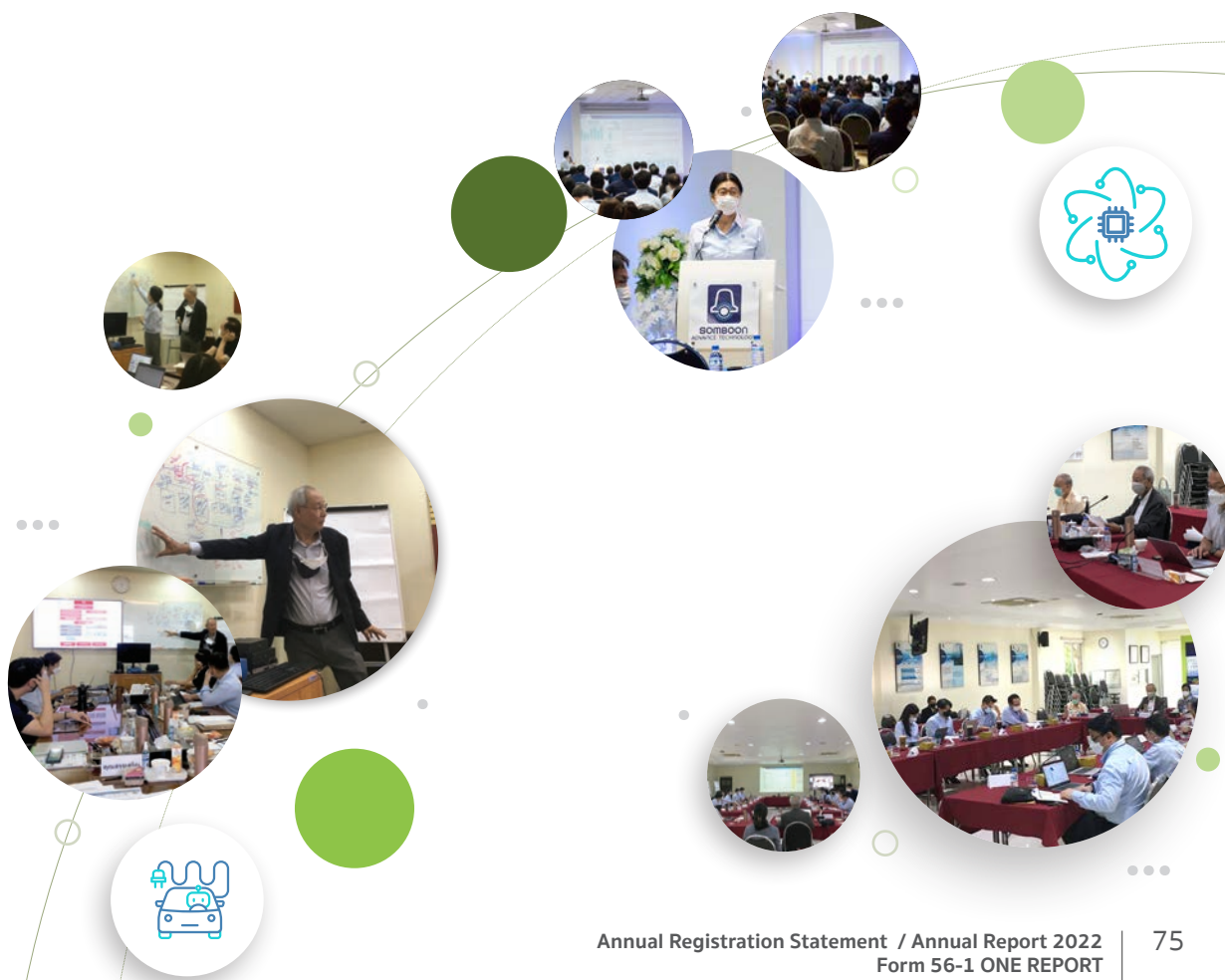
The Company support the directors and executives to participate in the seminar that will be benefited to perform their duty. The Company Secretary will coordinate with the director to participate in the course provided by Thai Institute of Directors and other institutions including Directors Certification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

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

Director Certification Program (DCP) with total 6 participants  
Director Accreditation Program (DAP) with total 5 participants  
In total, there are 9 participants, accounting for 100 percent of all board members.

In addition, the Company has provided information on useful seminars and training for the Board of Directors.

(evaluation details specified in Section 8.1, Recruitment, Development and Evaluation of The Board of Directors Page 98 - 99



## Policies and practices relating shareholders and stakeholders

### 1. Rights of Shareholders

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

#### Operating Year 2022

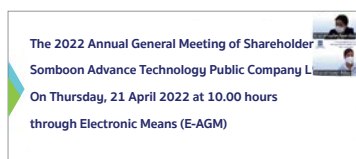
- 1.1 The shareholders are given the opportunity to propose matters to be included in the meeting's agenda and propose the name of qualified persons to nominate as directors between 29 September 2022 to 31 December 2022 by informing the shareholders through the News System of the Stock Exchange of Thailand as well as published clear instructions and process on the Company's website at [www.satpcl.co.th](http://www.satpcl.co.th) under the Investor Relations section, shareholders information, and select sub-heading "Shareholders' Meeting".
- 1.2 The shareholders are given the opportunity to submit questions related to the agenda of the 2022 Annual General Meeting of Shareholders In advance between 18 March 2022 to 7 April 2022 by informing the shareholders through the news system of the Stock Exchange of Thailand as well as published clear instructions and process on the Company's website at [www.satpcl.co.th](http://www.satpcl.co.th) under the Investor Relations section, shareholders information, and select sub-heading "Submission channels for questions regarding the meeting agenda".
- 1.3 Due to 2022 Annual General Meeting of Shareholders being held through electronic means (E-AGM) in accordance with the Emergency Decree of Electronic Meetings B.E. 2020 and other relevant laws and regulations, the Company used the system for electronic meetings.  
  
The Company announced the number and ratio of the shareholders attending the meeting and the proxies attending the meeting, the voting and counting process prior to the shareholders' meeting.  
  
Due to the fact that the 2022 Annual General Meeting of Shareholders was held through electronic media (E-AGM), there will be no voting cards issued to attendees.  
  
The shareholders would be able to cast their votes through the electronic voting system by selecting "Agree," "Disagree," or "Abstain" for each agenda item within the designated time frame of one minute. Shareholders who do not cast their votes or do not

press any buttons will be deemed to have voted in favor of the proposed resolution.

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

- 1.4 To propose the guidelines and procedures for the proposal of the directors' remuneration by explaining the composition and proposed remuneration for the Company's directors of all arrangements divided into monthly remuneration, meeting allowance, annual remuneration and other privileges for the shareholders consideration on a yearly basis.
- 1.5 To propose the policies, methods, and criteria for the remuneration of the directors in each position for the shareholders' acknowledgement.
- 1.6 The opportunity is given for the shareholders to cast an election vote for a director individually by presenting the name of the director for the shareholders to vote one by one.
- 1.7 The Company has an independent inspector, which is a non-stakeholder, from LS Horizon Limited. to attend the meeting  
  
In order to demonstrate transparency and good governance in vote counting for the meeting, the vote counting will be conducted through an electronic media system. Therefore, the Company cannot invite volunteers to witness the vote counting process. Additionally, the E-AGM system that applied by the Company. meets the standards to ensure the security as required by law.
- 1.8 In the 2022 Annual General Meeting of Shareholders, the Company has clearly specified the shareholders meeting agenda divided into different categories without any addition to the meeting agenda or changes of important information without noticing the shareholders in advance and the shareholders are given the opportunity to share their views and raise questions at the meeting, in which the details are recorded in the shareholders meeting minutes.
- 1.9 To facilitate the shareholder meetings, the Company provides the opportunity for the shareholders to participate in the meeting through electronic media (E-AGM) in accordance with the Emergency Decree of Electronic Meetings B.E. 2020 and other relevant laws and regulations. The Company has implemented an electronic meeting system and has provided instructions on how to participate in the meeting, ask questions, receive answers, and cast votes to the shareholders through the Guidelines for Attending the Annual General Meeting of Shareholders through Electronic Means (E-AGM).

- 1.10 The Board of Directors altogether does not hold more than 25 percent of the total Company's issued shares.
- 1.11 To promote the ratio of the common shares held by minority shareholders (Free Float) at more than 40% of the total issued shares of the Company.
- 1.12 The shareholders are given the opportunity to connect and communicate among each other without the Company's obstruction or hindrance.
- 1.13 In the event that the shareholders will enter into a shareholder's agreement, the Company will ensure that the agreement between the shareholders does not have a significant impact to the Company or other shareholders.
- 1.14 The Company has utilized technology to facilitate shareholder meetings by providing convenience in verifying shareholder documents and registration using a barcode system, as well as online voting and vote counting systems during electronic shareholder meetings. This ensures fast, accurate, and precise reporting of voting results and meeting proceedings.



#### Before the Meeting Date

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

#### 1.15 The Annual General Meeting of Shareholders

In addition to the fundamental rights of shareholders, in the year 2022, the Company provided various initiatives to promote and exercise the shareholder rights, as follows:

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

Due to the outbreak of COVID-19 in the year 2022, the Company has been aware of and prioritized the safety of shareholders to reduce the risk of virus transmission. Therefore, the Company held the 2022 Annual General Meeting of Shareholders through electronic means (E-AGM) on April 21, 2022, from 10:00 a.m. to 12:00 p.m. in accordance with the Emergency Decree of Electronic Meetings B.E. 2020 and other relevant laws and regulations.



#### On Meeting Date

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

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

## Section 2 Equitable Treatment of the Shareholders:

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

### Operating Year 2022

- 2.1 The Company has attached a proxy form B. together with the meeting invitation letter, which is a form which enables the shareholders to set their own directions in the vote casting in each agenda, to allow the excused shareholder to authorize an independent director or other persons to attend the meeting and cast a vote on their behalf. It is also published on the Company's website for the shareholders to download by themselves.
- 2.2 The Company has issued a procedure for shareholders meeting attached with the shareholders meeting invitation letter in order for the attending shareholders and/or the proxies (in the cases where proxies are assigned) to be able to prepare documents/evidence as a self-identification to properly enter the meeting in accordance with the law and the Company's regulation whereby the Company does not stipulate conditions in an obstructive manner or unreasonably create a burden to the shareholders.
- 2.3 The Company has held 1 shareholders' meeting, which are: The 2022 Annual General Meeting of Shareholders on 21 April 2022, with all 9 directors presenting at the meeting and has authorized Thailand Securities Depository Co., Ltd., which is the Company's share registrar, to send out the meeting invitation letter in both Thai and English language to the shareholders 24 days in advance, as well as publicized the meeting invitation letter including the supporting documents on the Company's website in both Thai and English language 34 days in advance in order for the shareholders to learn the information prior to the date of the meeting.
- 2.4 The Company grants equal voting rights to the shareholders, which is one share per one vote, according to the number of shares held.
- 2.5 The Company has no transaction for the financial support to the company which is not the subsidiary or affiliate of the Company.
- 2.6 In 2022, the Company did not violate or fail to comply with the criteria related to the share buyback, preventing the shareholders to communicate with each other, or fail to disclose agreements between the shareholders.

## Section 3 Conflict of Interest Prevention

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

### Operating Year 2022

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

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

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

In 2022, the Compliance Department sent an email to relevant persons to inform in advance of the blackout period, and found no evidence that directors, executives, or related employees traded security during the specified period as prohibited by the Company.

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

In 2022, the director and executives conducted a total of 3 transactions. Upon fact determination, it found that these transactions were fully complied with the Company's policy.



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

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

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

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

**In 2022, we has performed as follows:**

- (1) Conducting training on Code of Conduct, as well as anti-corruption, along with testing the knowledge of executives in the level of manager and assistant general manager achieved 100%, signed, acknowledged, and complied with the training program.
- (2) providing training through the course. "Ethics...and Corporate Sustainability" for new executives and employees at all levels to understanding of Code of Conducts achieved 100%
- (3) Organize a caravan of corporate culture and ethics with organizational sustainability for 300 employees of all levels.

- 3.4 The Board of Directors establishes the criteria for the Directors of the Company, subsidiaries and executives reporting on the conflict of interest transaction of themselves and related persons under Section 89/14 of the Securities and Exchange Act B.E. 2535 (1992),

upon first time in office and require a review of the report every year and/or every time the information is changed by submitting the report to the Compliance Department within 7 business days.

- 3.5 In the event of a connected transaction that is deemed to be subject to the approval of shareholders in accordance with the rules of the SET and SEC. Before entering in the transaction, the Company shall disclose the details and reasons for the transaction to the shareholders before entering to the transaction every time.
- 3.6 The Company establishes a policy for the related transactions to be considered and approved by the Board of Directors, and in 2022 there are no the related transactions that may cause significant conflicts of interest.
- 3.7 The related transaction will process with fairness and under market price and will be the normal as business standard practice. In 2022 the Company has no the related transactions that is not comply with the rule of related transaction.
- 3.8 Prevention of conflicts of interest

The Company has the policy that the directors, executives and staff shall not use the opportunities from their status in the Company to acquire personal interests eventually imposes the practices as follows.

1. They shall avoid a transacting having involvement with themselves which may cause the conflict of interest to the company.
2. In case such transacting is needed for the Company's interest it shall be carried out as if a transacting with an outsider having trade agreement reasonably same as transacting contracts in general over a trading negotiation authority with no influence from being directors, executives or related persons and not participating in a consideration for approval including having to comply the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission on the transaction information disclosure and connected transactions.

In 2022, the Company found no conflict-of-interest acts and we has performed as follows:

- Conducting training on Code of Conduct, as well as anti-corruption, along with testing the knowledge of executives in the level of manager and assistant general manager achieved 100%, signed, acknowledged, and complied with the training program.



- Providing training through the course. "Ethics...and Corporate Sustainability" for new executives and employees at all levels to understanding of Code of Conducts achieved 100%
- Organizing a caravan of corporate culture and ethics with organizational sustainability for 300 employees of all levels.
- Monitoring the directors, executives, and employees to prepare the 2022 conflict of interest report to prevent conflicts of interest, with a 100% completion rate via the system.

#### Section 4 Role of Stakeholders:

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

#### Operating Year 2022

- 4.1 The Company has prepared a sustainability report in accordance with the frame by Global Reporting Initiative (GRI) both in Thai and English language which is separated from the annual report and the Company has published the mentioned sustainability report on the Company's website
- 4.2 The Company has issued policies and procedure regarding safety and hygiene in the workplace as well as a disclosure on the statistics of accidents or the rate of absence and the occupational illness rate (the details are in the sustainability report).
- 4.3 The Company has established policies and procedures as follows:
- (1) the Company's business operations do not involve in human rights violations
  - (2) fair and responsible practices towards customers, competitors, and business partners including selection processes for suppliers and creditors, guarantee condition, capital management and actions taken in cases of debt default; and
  - (3) non-infringement of intellectual property rights and copyrights (detailed in the Code of Conduct).

- 4.4 The Company has established policies and practices concerning all stakeholders, such as shareholders, employees, customers, partners, creditors, and competitors, clearly and concentrated with the guidelines of safety, occupational health, environment, community, and society, as well as a variety of social activities (details are provided in the Code of Conduct).
- 4.5 The Company has established the Personal Data Protection Policy on its website to demonstrate transparency in its operations and stated in the Code of Conduct. The Company is committed to taking responsibility and providing protection for the personal data of all parties involved, including shareholders, company personnel, customers, business partners, and external parties. The Data Protection Officer has responsibility to manage with operational guidelines in line with the Personal Data Protection Act (PDPA), covering the following details (the details are in the Code of Conduct).



#### Employee

- 4.6 The Company has issued policies and procedure regarding the employees' remuneration and benefits which is in consistent with the Company's operational performance as follows:
- 1) The Company is committed to paying fair compensation as well as providing fair benefits to the employees, suitable with the economic conditions and in coherent with the law and the compensation paid by other competitive companies in the same industry.

- 2) The Company provides opportunities for all employees to demonstrate their full capabilities and have an evaluation system through individual scorecard (KPIs) that are linked to annual business plans and short- and long-term strategy goals and the Company shall determine the appropriate returns and creating a motivation in a form of the annual merit increase, bonus for the employee who work and support the business plan and the short-term and long-term strategy.
- 3) The Company provides a welfare which responds to the basic needs of employees such as provident fund, meal allowance, diligence allowance, providing scholarships for employees, employee uniforms, shuttle bus, and various other financial support for employees, etc.

### Fair Remuneration

The Company has set a minimum wage rate for general employees without experiences in accordance with the minimum wage rate set by the law. The Company then proceeds to adjust the employees' entry remuneration rate according to their qualifications and fields used in the work operation in accordance with the specific requirements of the position, as well as adjust the outcome to reduce the wage gap from the adjustment of the minimum wage and the mentioned entry wage among the new employees and the current employees.

### To provide appropriate welfare to the employees and other supports

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

- The Company provides (plain) rice for the employees at every meal
- Increase the lunch allowance and control the food cost to remain lower than the market price.
- Infirmary service and scheduled doctor's service
- Employees' health insurance and life insurance by arranging an annual health check for the employees including a group health insurance and group accident insurance.

- The Company has adjusted the health insurance to include employees' families.
- Employees' children education funds support and financial support in the event of the death of the employee, the employee's spouse, or the employee's parents.
- The employees are given the opportunity to express their opinions through the internal suggestions channel.
- To provide transportation for employee

### Measures to take care the employee during the spread of Coronavirus 2019 (COVID-19)

In 2022 although the spread of COVID-19 has lessened but there are still employees being infected during the changing season. The Company continuously takes care of employees' health and safety and aims to raise awareness of individual hygiene for working groups within the company. The Company has taken the following measures.

- 1) To communicate and build the knowledge for all employees to raise awareness of contagious diseases for themselves, family, and society seriously and continuity.
- 2) To provide medical masks for all employees.
- 3) To regulate working process in accordance with D-M-H-T
  - To provide hand sanitizer and alcohol gel in all areas especially in the common contact area such as a door, door handle, railing, employees' shuttle van, as well as regularly clean in the common contact area.
  - To provide the ATK test regularly for employees who have respiratory disease, fever, or those risk group by nurse, to ensure employees' safety from the virus, and prevent the spread of the virus within the Company.
- 4) In case the employees were infected, the Company will frequently ask for the update to ensure employees safety and provide a gift basket for employee who came back to work. The Company also provides regular checkups for the Long Covid of the employees with the purpose of recovering.

## The establishment of funds, Provident fund, Compensation fund and Cremation Aid Association

Regarding the provident fund, the Company pays contribution and benefits to the employees to promote savings for the employees to have a reserve which can be used once they retire and/or leave the job, as another one of the employees' welfares.

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

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

## The policies and procedures regarding the development of knowledge and potentials of employees

The Company has issued policies and procedures regarding the development of knowledge and potentials of employees at every level by building an education center for the companies in the Somboon Group, which was established in 2014 (2557 B.E.), to develop and enhance the competency of employees at every level of the Company as well as the stakeholders and the society, with important mission as follows.

1. Develop and enhance the ethics and morals including knowledge and skills in terms of quality, safety, technology, administration, and capabilities according to their career path.
2. Reinforce healthy people's behavior to be consistent with the corporate culture.
3. Develop and improve trading partners in terms of procedures and business ethics.
4. To be the learning center of the community, students, university students through activities and various projects. Where the imperative goal is to operate under the philosophy of "Somboon Triple Bottom Line".

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



12.44 11.96

Success Indicator

2021

2022

## Execution plan and result of employee satisfaction improvement

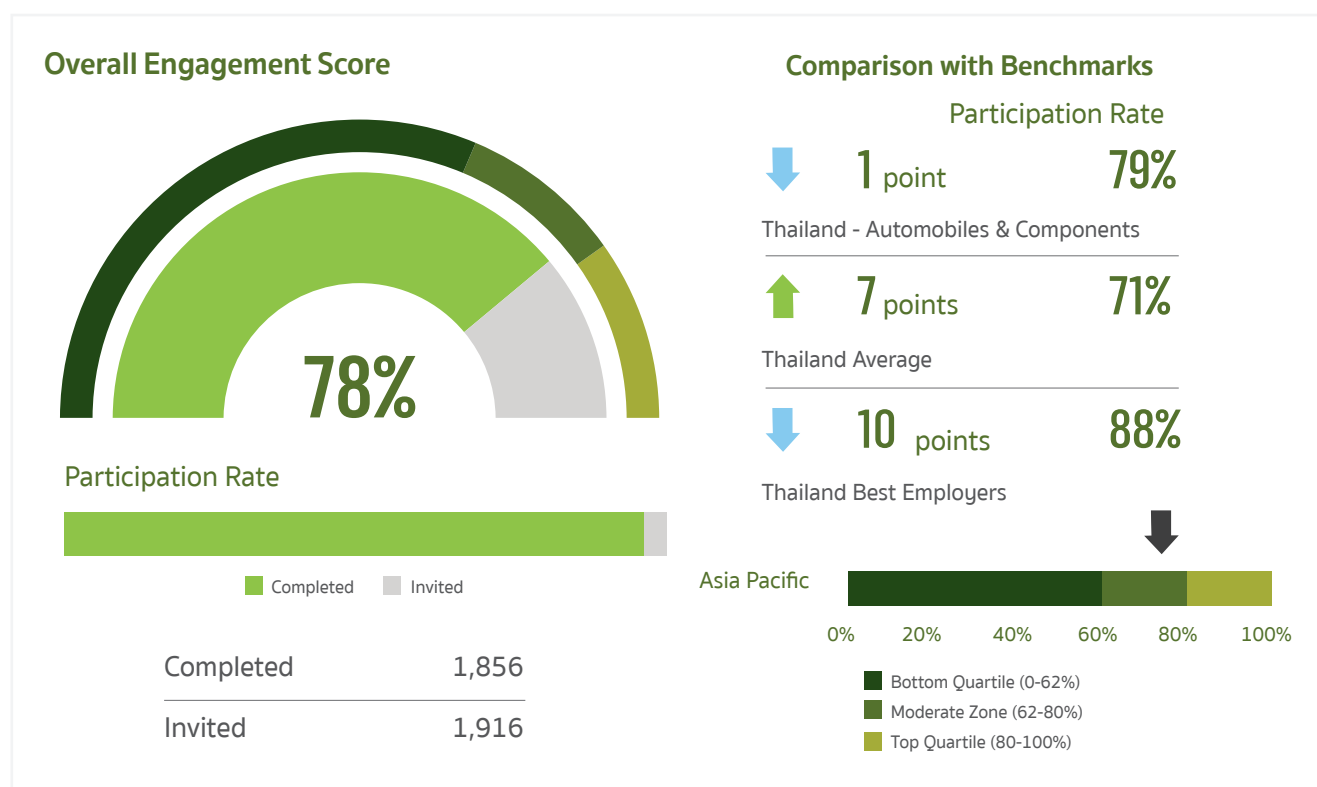
1. Present execution plan for increasing employee satisfaction and engagement.
2. Percentage of employee satisfaction and engagement. The Company decided to change the survey to an employee engagement survey which has been introduced by the outsource company, comparing a level of employee engagement score with other companies. The survey is set to take place twice a year.

The result of the employee engagement survey in 2022 is 78 percent which is higher than Thailand's average of around 7 percent but lower than the average level of employee engagement score of Thailand – Automobiles & Components about 1 percent.

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

4.7 The Company has provided fair employment conditions for its employees and the policy to provide employees with short-term and long-term remuneration, such as the appropriate salaries and bonuses based on employees' performance and the results of the Company's performance, as well as the Provident Fund for employees.

4.8 The Company has a policy and comply with the practice of labor fairly, placing importance on treating employees with fairness and respect individuality and human dignity under the principles of international human rights and good ethical standards to bring peace in society for the Company with sustainable growth. The Company has established the Employee Relations Department responsible to prepare the operational plans, arrange activities, and communicate the relevant news and information to employees on a regular basis.



## Customer

4.9 The Company has a policy and play the importance on creating value and growing together with customers, as well as being a trusted partner to be the factor contributing to the success of the Company's business. The Company shall be sincere and courtesy towards customers, and intend to seek the efficient ways to fulfill customer needs and comply with the agreed conditions upon the customers or the creditors strictly, due to the best interest of the Company based on fairness principle according to terms and conditions mutually agreed to conduct business together.

## Partner and/or Creditor

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

Trade partners selection criteria covering 6 aspects are as follows:

- 1) Financial status
- 2) Expertise and experience
- 3) Technical abilities
- 4) Complaint's history
- 5) Conflict of interests / connected transaction
- 6) Anti-corruption policies and quality policies

4.11 The Company has a strict compliance policy with the conditions, contracts and obligations as agreed with the creditors, whether in terms of objectives of the expense, repayment, quality assurance of the collateral and other matters which have been agreed with the creditors. If any of the conditions cannot be fulfilled, the Company will notify the creditors promptly to jointly consider on a solution. The Company is committed to maintain a sustainable relationship with the creditors and convey a mutual trust.

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

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

### Business competitors

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

In 2022, the Company has complied with the policy of fair competition towards competitors, and there is no disputes with the trade competition.

### Community and Society

4.13 The Company has promoted to live together with the community and society with happiness, The Company focus on creating opportunities for education and career development for youth and disadvantaged person, particularly in vocational education to have knowledge for self-reliance and the ability to stand on their own. Additionally, the Company aims to work together with the community and promote various community activities both nearby and far away under the Company's policy in accordance with the direction of development of the government and the community for the sustainable development of quality of life and economy of the community. (as detail specified in the Sustainability Report)

4.14 The Company has promoted the use of resources with efficiency and worthiness and directed employees to be definitely attentive and perform duties with consciousness by taking into account the safety and environment, encouraging stakeholders of the Company to participate in the developments of the community and societies and still adhering to and develop the practical performance towards the stakeholders continuously by revealing accident statistics, rate of strike and illness rate of work. (as detail specified in the sustainability report)

4.15 To establish policies and procedures on anti-corruption prevention measures on receiving and giving of gifts or other benefits to persuade the other party to commit a wrongful act and cause a conflict, by revealing the practical guidelines to the Company's trading partners' general acknowledgement, as well as establish a procedure to assess risks from corruption, supervising, control, monitoring and evaluation. In this matter, the Company had organized a training session for the employees and trading partners to create awareness regarding the policies and procedures in the practice of anticorruption. Moreover, the Company has a procedure to manage complaints regarding a possibility of a wrongful act and has a guideline in the protection of the employees or the informant of such behavior.

4.16 To support the employees to exercise their political rights in neutrality.

4.17 In order to lead to a serious practice, the Company has organized a preparation of a manual on "Code of Conduct" as a discipline in which the directors, executives and all employees must strictly adhere to. If there is a violation or non-compliance, it will be considered as a violation of discipline in accordance with the personnel management regulations.

4.18 The Company is consideration of the equal rights and morality in accordance with human rights by treating the employees in the same way as other stakeholders.



## Section 5: Disclosure and transparency

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

### Operations Year 2022

- 5.1 To submit the financial report quarterly and annually, which are certified unconditionally by auditor, to the Securities and Exchange Commission / Stock Exchange of Thailand within the specified period. The Company has no history of being ordered to amend financial report from the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 5.2 The Company provide and disclose the Management Discussion and Analysis (MD&A) comparing to the previous year and if there is any change, the Company shall explain the reason.
- 5.3 The Company appointed the certified auditor by the 2022 Annual General Meeting of Shareholders. All auditors' qualifications had qualified with the requirements of the Stock Exchange of Thailand and the audit fee for the year 2022 was 450,000 Baht which is lower than year 2021. Also, none of the auditors provide other services to the Company or have any relationship or interest in or with the Company or its subsidiaries, executives or major shareholders and any related persons.
- 5.4 To disclose the information in Annual Report and the Company's website such as shareholder structure, information of director and executives, vision and mission, nature of business operation, corporate governance policy, corporate social responsibility policy, financial statement and analysis from the analyst and institutions, annual report, sustainability report, annual registration statement, shareholder's meeting, names of major shareholders, news informed to SET and news from printing media
- 5.5 To disclose the criteria on directors and executives' remuneration.
- 5.6 To disclose the roles and duties of the Board of Directors and the sub-committees, as well as the number of meeting and each meeting attendance records in the past year including professional training program and development consecutively.
- 5.7 To disclose the information regarding directors and executives' shareholding in the Company and specify the policy for directors and executives to report on the followings.
  - (1) To acquire and dispose of the Company's share under the policy : Directors and executives shall be responsible to report the trading of the Company's securities/the changes in the holding of the securities each time they are acquired and disposed to the Office of Securities and Exchange Commission and notify the Company at least 1 day prior conducting the securities' acquired or disposed share to Compliance Department, the Audit and Corporate Governance Committee and report to the Board of Directors.
  - (2) Report on Interests of Directors and Executives: The Company establishes the policy for directors and executives to prepare the Report on Interest of Directors and Executives to prevent the conflicts of interest of directors and executives by Compliance Department and report to the Audit and Corporate Governance Committee quarterly. The Audit and Corporate Governance Committee will consider the Related Parties Transaction and the Report of Interests, and report to the Board of Directors quarterly.
- 5.8 The Board of Directors established the policy to prevent the use of internal information by prohibiting to take the opportunity or information received from being in the position of executive director or employee for personal gain or to operate the business that competes with the Company or related the Company's business as well as not using the internal information to acquire or dispose the Company' share for personal gain or disclose the internal information to others for the benefit to acquire or dispose the Company's share and not to acquire, dispose, or transfer shares in advance at least 1 month before the operation result and/ or internal information disclosed to public by news system of SET. In addition, the directors and executives must report the trading of the Company's securities/ the changes in the holding of the securities to the Office of Securities and Exchange Commission according to Section 59 of the Securities and Exchange Act. B.E. 2535 (1992)
- 5.9 The Board of Directors has specified the principle for the directors of the Company, subsidiaries, and executive to report on their conflict of interest and related person according to the Section 89/14 of the Securities and Exchange Act B.E. 2535 (1992) and require revising the report every year and/ or any change every time by sending to Compliance Department within 7 working days.

The Company has also required the employee of the Company and its subsidiaries at the management level, the manager up level and related employees in manager down level considered by Vice President in each division to provide such report of the conflict of interest according to the Corporate Governance Policy.

In 2022, there were the report of 128 persons in total and the results shows that there were no executives, employee and related persons involved with the interest and entering transaction with the Company and its subsidiaries and then report to the Audit and Corporate Governance Committee for further informing to the Board of Directors for acknowledgement.

- 5.10 The Company has the Investor Relation Section to be the channel to communicate all information and question to respond to investor queries via the email address: [ir@somboon.co.th](mailto:ir@somboon.co.th) and telephone number 02-080-8197.

### Investor Relationships

The top executives of the Company pay an important role in the investor relations by participating in the meeting, giving information, and exchanging opinions with the shareholders, the investors the analyst and the reporter regularly. The Company has established the Investor Relations Department since registering in the Stock Exchange of Thailand so that the shareholders, the investors, the analyst, the reporter and general interested people can quickly access to the Company's information. The Company's information is correct, complete, clear, and up-to-date especially the significant information that would affect the share price of the Company. Moreover, such information can be used for decision-making for effective investment which would affect the true value of the Company.

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

The COVID-19 pandemic has begun since 2019 and the situation recovered in 2022. The company has arranged activities to appropriately present direct and indirect information to stakeholders, which are in line with the government and company's measure to the situation. The activities in 2022 are as follows:

1. To present the information to investors (Road Show) communicating to both domestic and foreign investors for 7 times.
2. 4 Quarterly Analyst Meetings to clarify the performance result.
3. To conduct the Company's Site Visit or to discuss with the executives of the Company (Company Visit) and conference calls from the analysts and investors from both domestic and foreign institutes for 14 times.
4. To present the information in the Opportunity Day organized by the Stock Exchange of Thailand for 4 times.
5. To publish news to mass media and the Executives have interviewed to the domestic newspaper for 5 times.
6. To publish Press Releases when the Company had the investment activities or significant business activities.
7. To give information and answer questions of the investors and press regularly via email at [ir@somboon.co.th](mailto:ir@somboon.co.th) and telephone no. 02-080-8197.

### 6.2 Business Ethics

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

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

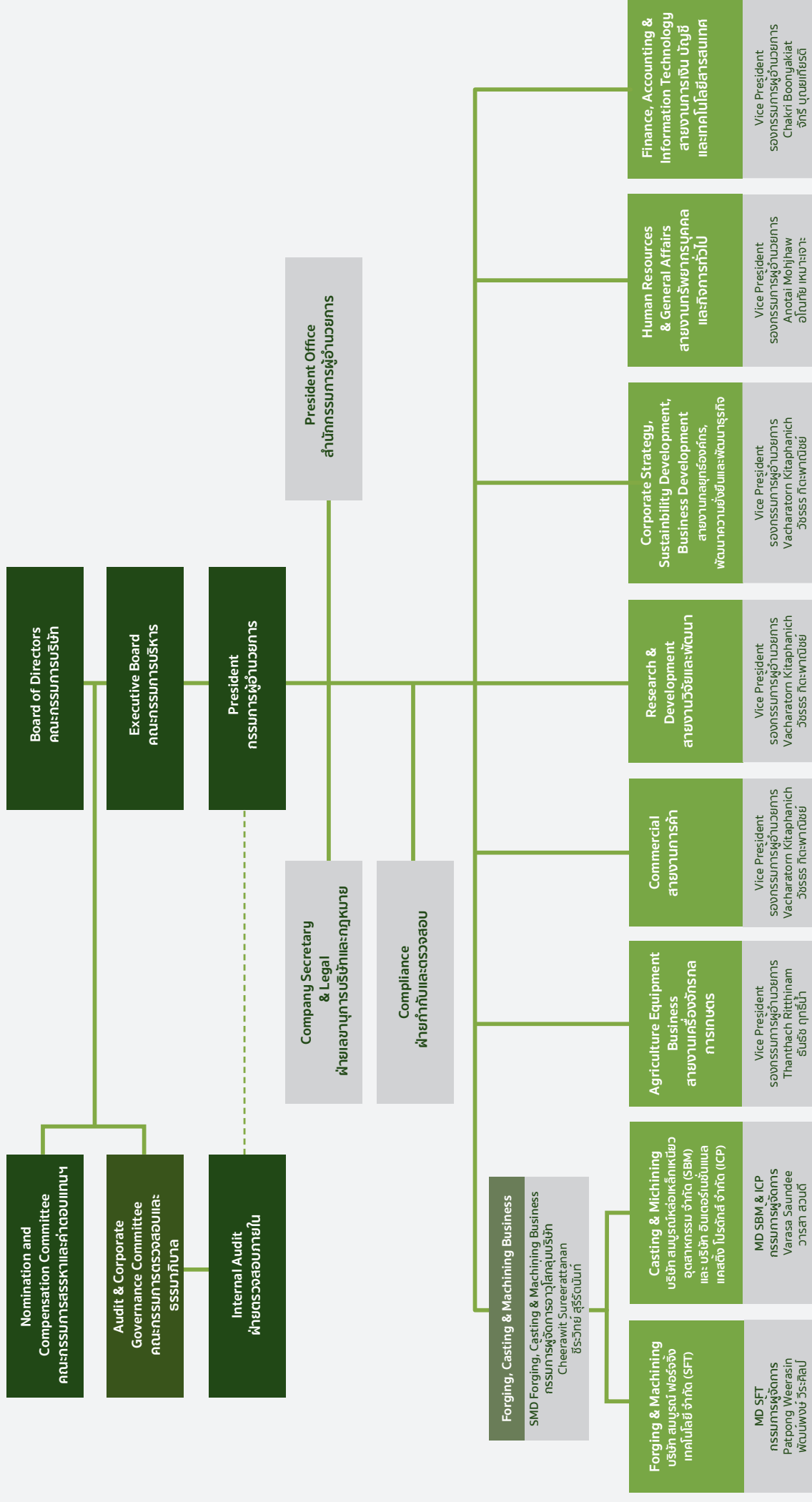
In 2022, the Board of Directors significantly approved and reviewed the policy, guideline, and Code of Conduct to be aligned with business context, related law, rules, and regulations, which are:

1. To review the policy and guideline on Anti-corruption.
2. To review the development of partners to participate in the Anti-Corruption Project

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

### 7.1 Corporate Governance Structure

#### Organization Structure Somboon Advance Technology Public Company Limited



## 7.2 Information on the Board of Directors

The Company's management structure consists of the Board of Directors and 3 Sub-committees which are Executive Board, Audit and Corporate Governance Committee and Nomination and Remuneration Committee.

### 1) Elements of the Board of Directors

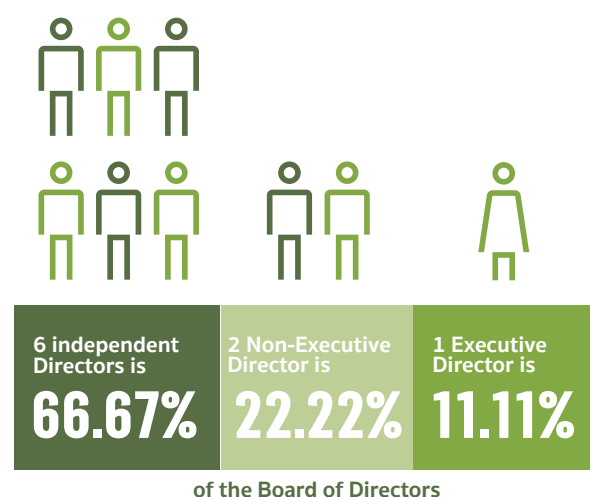
The Articles of Association of the Company is prescribed the elements of the Board of Directors that:

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

However, the current structure of Directors has consisted of 9 persons which are 1 Executive Director and 8 Non-Executives Directors (of these are 6 Independent Directors).

**Independent Director is 66.67 % of the Board of Directors, which consists of;**

1. Mr. Sansern Wongcha-um
2. Dr. Panja Senadisai
3. Mr. Ajarin Sarasas
4. Mr. Paitoon Taveebhol
5. Dr. Suthad Setboonsarng
6. Mr. Prayong Hirunyanich



### 2) The information on each director and controlling person.

Name		Position
1. Mr. Sansern	Wongcha-um	Independent director/Chairman
2. Mr. Yongyuth	Kitaphanich	Director/Vice Chairman
3. Dr. Panja	Senadisai	Independent director/Chairman of the Audit and CG Committee/Member of the Nomination and Remuneration Committee
4. Mr. Ajarin	Sarasas	Independent director/Chairman of Executive Board/Member of the Nomination and Remuneration Committee
5. Mr. Paitoon	Taveebhol	Independent director/Member of the Audit and CG Committee/Chairman of the Nomination and Remuneration Committee
6. Dr. Suthad	Setboonsarng	Independent director/Member of the Audit and CG Committee
7. Mr. Prayong	Hirunyanich	Independent director/Executive Board
8. Mr. Yongkiat	Kitaphanich	Director/Vice Chairman of the Executive Board
9. Ms. Napatsorn	Kitaphanich	Director/President

### Authorized Directors

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

### 3) Scope of Powers and Duties of the Board of Directors

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

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

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

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

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

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

**The definition of "Independent Director" of the Company are as following;**

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



- (4) not having or having had a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder or controlling person in a manner that may interfere with independent discretion, which includes not being or having been a significant shareholder or the controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder or controlling person, unless such foregoing relationships have ended for at least two years prior to the appointment date.

The business relationship under Paragraph 1 shall include normal business transactions, rental or lease of real estate, transactions related to assets or services or granting or receipt of financial assistance through receiving or extending loan, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or the counterparty being subject to indebtedness payable to the other party in an amount starting from three percent of the net tangible assets of the Company or from twenty million baht or more, whichever amount is lower. In this regard, the calculation of such indebtedness shall be in accordance with the method for calculating the value of related party transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Execution of Related Party Transactions, mutatis mutandis. In any case, the consideration of such indebtedness shall include the indebtedness incurred during the period of one year to the date of establishing the business relationship with the related person;

- (5) not being or having been an auditor of the Company, its parent company, subsidiary, associate company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of the audit firm which employs the auditor of the Company, its parent company, subsidiary, associate company, majority shareholder, or controlling person, unless the foregoing relationship has ended for not less than two years prior to the appointment date;
- (6) not being or having been a provider of professional services, which includes serving as a legal advisor or financial advisor being paid with a service fee of more than two million baht per year by the Company, its parent company, subsidiary, associated company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of such provider of professional services, unless the foregoing relationship has ended for not less than two years prior to the appointment date;

- (7) not being a director who is appointed as the representative of directors of the Company, major shareholder, or shareholder who is a connected person of a majority shareholder;
- (8) not undertaking any business of the same nature and in significant competition with the business of the Company or its subsidiary, or not being a significant partner in a partnership, or an executive director, employee, staff, advisor earning regular monthly salary, or holding more than one percent of the voting shares of another company that undertakes a business of the same nature and in significant competition with the business of the Company or its subsidiary;
- (9) not having any other characteristics that cause the inability to express independent opinions on the business operation of the Company; and
- (10) Determining term of independent director for not exceeding 9 consecutive years, starting from 1 January 2015 onwards.

#### The Role of Chairman

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

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

## Tenure Committee

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

Name	Year of appointment	Year of the latest election (2022)	Type of Director	Nomination/ Appointment to be director in 2023	Next due for Appointment
1. Mr. Sansern Wongcha-um	2008	2020	Chairman/ Independent Director	Yes	2023
2. Mr. Yongyuth Kitaphanich	2004	2022	Non-Executives	No	2025
3. Mr. Panja Senadisai	2004	2021	Independent Director	No	2024
4. Mr. Ajarin Sarasas	2009	2020	Independent Director	Yes	2023
5. Mr. Paitoon Taveebhol	2008	2020	Independent Director	Yes	2023
6. Dr. Suthad Setboonsarng	2018	2021	Independent Director	No	2024
7. Mr. Prayong Hirunyanich	2017	2022	Independent Director	No	2025
8. Mr. Yongkiat Kitaphanich	2004	2021	Non-Executives	No	2024
9. Ms. Napatsorn Kitaphanich	2004	2022	Executive Director	No	2025

## 7.3 Information on subcommittees

The Sub-committees consist of:

### 1) Executive Board

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

Name	Position
1. Mr. Ajarin Sarasas	Chairman
2. Mr. Yongkiat Kitaphanich	Vice Chairman
3. Mr. Prayong Hirunyanich	Director
4. Mr. Napatsorn Kitaphanich	Director

The Executive Director holds a term for 3 years.

Ms. Pasucha Sinchai is a secretary of Executive Board.

## Scope of Powers and Duties of the Executive Board

### 1. Audit

- Policy, direction, business strategies and management structure, as well as business operational criteria of the Company are screened in alignment with the economic conditions and competitions
- Business plan and annual budget
- Every Investment project
- Annual Manpower Plan
- The recruitment / selection of a new executive in the Vice President level according to the rules of Nomination and Remuneration Committee designated by the applicant

to consider the selection of at least two but not more than three people, excluding the President. For the return value considering to the salary structure except (1) the promotion (2) the remuneration which is not in accordance with the rules should be proposed to Nomination and Remuneration Committee for consideration.

### 2. Approve or not approve

Investment project in the capital not exceeded 100 million baht which should be involved the main business of the company and IRR not less than 15% excepted investment for maintenance, improve efficiency or machinery compensation.

- Open and Close the account of the Company in other Financial Institute
- Written-off assets
- Sell non-operation assets not exceeding 10 million baht
- Improvement, change and modify the organizational structure in Department Level and report to the Board of Directors (lower than Department level approved by President)
- Loan or financial assistance to subsidiaries for ordinary business exceeding 30 million baht per time or accumulate amount of each subsidiaries exceeding 100 million baht.

### 3. Follow and supervisory the operations

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

#### 4. Report to Board of Directors

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

#### 5. Perform any acts designated by the Board of Directors

##### 2) Audit and Corporate Governance Committee

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

Name		Position
1. Dr. Panja	Senadisai	Chairman
2. Mr. Paitoon	Taveebhol	Director
3. Dr. Suthad	Setboonsarng	Director

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

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

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

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

###### Audit

1. Review financial reports against the accounting standard and ensure adequate disclosure.
2. Review the internal control and internal audits to ensure suitability and effectiveness; consider independency of the Internal Audit Unit.
3. Review the Company's performance against the law on securities and stock exchange, Stock Exchange's requirements, or applicable laws.
4. Review related-party transactions or any actions with potential conflicts of interests against applicable rules and ordinances.
5. Review the suitability and adequacy of risk management of the Company.
6. Consider, select, nominate, appoint, terminate and propose Company external auditor emolument; determine auditor independency; hold a meeting with auditors at least once a year without management participation.

7. Concur with appointment, transfer, terminate and laurels of the Chief of Internal Control Unit; consider concurring with plans, budgets and manpower of the Unit.

8. Furnish a corporate governance report of the Audit and Corporate Governance Committee inside the Company's annual report, signed by the Chairman of Audit and Corporate Governance Committee and containing at least the following key attributes:

- (1) Accuracy and reliability of the financial report.
- (2) Adequacy of the internal control.
- (3) Compliance with the law on securities, SET requirements or applicable laws.
- (4) Auditors' fitness.
- (5) Transactions with potential conflicts of interests.
- (6) Audit Committee meetings and attendance of individual members.
- (7) Opinions or notices arising out of performing duties.
- (8) Any other matters the shareholders and general investors should know.

9. In performing its duties, the Audit and Corporate Governance Committee is empowered to invite the management or pertaining staff of the Company to give opinions, join a meeting, or submit documents deemed relevant or necessary.

10. Have power to hire a consultant or third parties to provide opinions or consultancy in case of necessity, the expenses borne by the Company.

11. Consider and review the scope of powers and duties and responsibilities and evaluate the Audit Committee's performance regularly on a yearly basis.

12. Perform any acts designated by the Board of Director and already approved by the Audit and Corporate Governance Committee.

13. Report the Audit Committee's performance to the Board of Directors every quarter.

14. Conduct an audit and report the preliminary audit to the SEC Office and auditors. In case the Audit Committee is informed by the auditors of any reasonably suspicious events, action must be taken within 30 days from its receipt of such notification.

## Corporate Governance

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

### 3) Nomination and Remuneration Committee for Directors and Executives

consists of all independent directors

Name	Position
1. Mr. Paitoon Taveebhol	Chairman
2. Dr. Panja Senadisai	Director
3. Mr. Ajarin Sarasas	Director

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

Dr. Anotai Mohjhaw is a secretary of the Nomination and Remuneration Committee

### Scope of Powers and Duties of the Nomination and Remuneration Committee

#### Nomination and Selection and Remuneration

1. To formulate policies for submission to the Board of Directors as follows.
  - 1.1 Policy, criteria and method for nomination of the directors and president.
  - 1.2 Policy, criteria and method for payment of remunerations and other benefits to the Board of Directors, subcommittees and president.

2. To select and nominate the persons with suitable qualifications to the Board of Directors as follows.

#### 2.1. Directors

- 2.2. Subcommittee members of various sub-committee assigned with authority, duty and responsibility directly from the board of directors of the company.

- 2.3. President and vice president. For the vice president position, the president is required to make an initial screen before submission is made to the Nomination and Remuneration Committee for approval and to the board of directors for consideration.

3. To supervise the board of directors of the company to ensure that its size and components are suitable to the organization, including adjustment in response to the changing environment.
4. To supervise directors and president to ensure that their remuneration is suitable to their duties and responsibilities assigned.
5. To determine guideline, present and approve the performance evaluation on the directors and president for adjustment of remuneration and bonus payment annually.
6. To monitor the preparation of the succession plan for the president and vice president for submission to the board of director of the company for consideration at least twice a year.
7. To submit a performance report to the board of directors once a year.
8. To perform any acts designated by the board of directors.

### Sustainability

1. To specify the social responsibility and sustainability policies.
2. To review and follow up the company's operation to be in line with the policy as concern of impact on all stakeholders twice a year.
3. To consider appointing the working team to work on the social responsibility and sustainability as appropriate.
4. To perform any acts designated by the board of directors.

#### 4) Enterprise Risk Management Committee

Consists of the Executive of the Company

Name	Position
1. President	Chairman
2. All Vice President	Director
3. Senior Managing Director/ All Managing Director	Director

Ms. Patcharapa Kitaphanich Asst. General Manager – Corporate Strategy & Sustainability Development is a secretary of the Enterprise Risk Management Committee

#### Scope of Powers and Duties of the Enterprise Risk Management Committee

1. Prepare enterprise risk management plan, including risk assessment and treatment plan and integrate them with corporate strategy and perform yearly review.
2. Prepare procedure, criterion and measurement of enterprise risk management, including identifying, analyzing, monitoring and communicating at enterprise level and related functions continuously.
3. Follow up risk treatment plan to control enterprise risks according to company's targets and report to the Audit and Corporate Governance Committee.
4. Appoint the functional risk management working team (FRM) of each business unit and monitor performance of the functional risk management working team quarterly.
5. Promote risk awareness to business units and support functions, including suggestion and support necessary resources for effective implementation with sufficient control.
6. Conduct a meeting to review the performance according to the risk management system in order to maintain the organization's ability to achieve its goals with measures to control risks at acceptable levels and in accordance with the business environment.

#### 7.4 Information on executives

##### 1) Names and positions of the highest ranking executive

Management consists of

Name	Position
1. Ms. Napatsorn Kitaphanich	President
2. Dr. Cheerawit Sureerattanun	Senior Managing Director for Forging, Casting & Machining Business
3. Mr. Patpong Weerasin	Managing Director SFT
4. Mr. Thanthach Ritthinam	Vice President – Agriculture Business Group
5. Dr. Anotai Mohjhaw	Vice President - Human Resources and Administration
6. Mr. Vacharatorn Kitaphanich	Vice President - Commercial Acting Vice President - Research and Development and Vice President - Corporate Strategy, Sustainability Development, and Business Development
7. Mr. Varasa Saundee	Managing Director SBM & ICP
8. Mr. Chakri Boonyakiat	Vice President-Finance, Accounting & Information Technology

Remarks:

1. Mr. Varasa Saundee hold the position as Managing Director SBM & ICP on January 1, 2022
2. Mr. Vacharatorn Kitaphanich hold the position as Acting Vice President -Research and Development and Vice President -Corporate Strategy, Sustainability Development, and Business Development On March 1, 2022
3. Mr. Chakri Boonyakiat hold the position as Vice President-Finance, Accounting & Information Technology during 3 May 2022-31 December 2022.

#### Scope of Powers and Duties of the President

1. To prepare the policy, business conduct strategy guidelines, target, work plan and annual budget of the company and subsidiaries submitted to the Board of Directors for the Approval.
2. To undertake in accordance with the policy, business conduct strategy guidelines, target, work plan and annual budget of the company and subsidiaries as approved by the Board of Directors.
3. To report the monthly and quarterly business performance of the company and subsidiaries in comparison of the plan and budget to the Board of Directors together with the recommendations.
4. To approve the expenses and investment capital that



are not in the annual budget for not exceeding one million baht on each occasion but the report has to be made to the Board of Directors for acknowledgement.

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

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

## 2) Remuneration policy for executive directors and executives

### The Remuneration of Management Policy and Payment Criteria

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

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

## 3) Total amount of the remunerations of executive directors

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

Units : Baht	Number of executives	Y 2022	Number of executives	Y 2021
Salary	8	32,637,133.34	7	25,506,610.00
Bonus	7	13,270,091.00	6	7,487,494.00
<b>Total</b>	<b>8</b>	<b>45,907,224.34</b>	<b>7</b>	<b>32,994,104.00</b>

Remark: In 2022, the Management consisted of 7 executives which are Ms. Napatsorn Kitaphanich, Dr. Anotai Mohjhw, Dr. Cheerawit Sureerattanun, Mr. Patpong Weerasin, Mr. Vacharatorn Kitaphanich, Mr. Thanthach Ritthitnam and Mr. Varasa Saundee

## 2. Other remunerations

### Contributions to the Provident Fund

In 2022, the Company paid the following contributions to the Company's executives:

Units : Baht	Number of executives	Y 2022	Number of executives	Y 2021
Provident Fund	7	1,348,569.60	7	1,171,669.80

Remark: In 2022, the Management consisted of 7 executives which are Ms. Napatsorn Kitaphanich, Dr. Anotai Mohjhw, Dr. Cheerawit Sureerattanun, Mr. Patpong Weerasin, Mr. Vacharatorn Kitaphanich, Mr. Thanthach Ritthitnam and Mr. Varasa Saundee

## 7.5 Information on employees

### 1) Number of employees

Number of employees as at December 31, 2022 and at December 31, 2021 of the Company and its subsidiaries are as follows;

Company	Number of (people)			
	December 31, 2022		December 31, 2021	
	Male	Female	Male	Female
1 Somboon Advance Technology Public Company Limited	80	74	490	137
2 Somboon Malleable Iron Industrial Company Limited	694	113	662	112
3 Bangkok Spring Industrial Company Limited	1	-	36	7
4 International Casting Products Company Limited	555	57	499	52
5 Somboon Forging Technology Company Limited	474	61	44	5
<b>Total</b>	<b>1,804</b>	<b>305</b>	<b>1,731</b>	<b>313</b>
Amount of Employee by type of employment	Male	Female	Male	Female
Employee	1,691	304	1,634	307
Subcontract	113	1	97	6

Remark: Disabled people are not included / Sub Contract

Number of employees as at December 31, 2022 and at December 31, 2021 of the Company and its subsidiaries can be classified by the primary work as follows:

Department	Number of (people)	
	December 31, 2022	December 31, 2021
1. Production Department/ Engineering Laboratory -Jig Shop	1,257	1,217
2. Engineering Department	91	93
3. Maintenance/Warranty/ Planning	334	325
4. Warehouse Sourcing and Procurement	160	155
5. Human Resources and Administration (including individual BU)	66	61
6. Finance and Accounting	39	40
7. Sales and Marketing	21	23
8. Quality Development/ Product Development/ Development Pprocess	25	25
9. Management/ Operations Management	60	51
10. Information Technology Department / Division BPI	13	13
11. Others (CSBD/Legal/SEE/ Audit/BOI/SQMR)	43	41
<b>Total</b>	<b>2,109</b>	<b>2,044</b>

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

## 2) Remunerations of employees

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

Units :	Y 2022		Y 2021	
	Baht	Number of employees	Baht	Number of employees
Salary	2,139	589,160,120	2,102	552,655,086
Bonus	1,975	213,907,379	1,907	194,163,760
<b>Total</b>	<b>803,067,499</b>	<b>746,818,846</b>		

The proportion of female employees to male employees is 14.53% female, 85.47% male.

## 3) Other remunerations

### Contributions to the Provident Fund

In 2022, the Company paid the following contributions to the Company's employees:

Units :	Y 2022		Y 2021	
	Baht	Number of employees	Baht	Number of employees
Provident Fund	1,342	19,450,472.24	1,125	14,698,714.69

The proportion of employees who have contributed to the Company's provident fund is 66% of the total employees.

Remark: In 2022, the number of MSA and SST employees are not included.

## 7.6 Other significant information

### The Company Secretary

#### Biographies

#### Ms. Pasucha Sinchai

- Master of Indiana University, Bloomington INUSA, LLM.
- Bachelor of Laws Thammasat University

#### Qualification:

Having knowledge in business law and other related, work experience in arrangement of Board of Director's meeting and preparing the minutes together with good personality.

#### Training Program:

Effective Minutes Taking (EMT) 44/2019 (IOD)

- Company Secretary Program(CSP) 83/2017 (IOD)
- Company Reporting Program (CRP) 18/2017 (IOD)
- Basic Course Company Secretary 1/2015 (Thai LCA)

The director's meeting No.4/2018 had the resolution to appoint Ms. Pasucha Sinchai, Assistance General Manager-Legal, to be Company Secretary, effectively on May 1, 2018, to perform the duties according to the law and Securities and Exchange Act, Section 89/15 and 89/16 as follows:

- (1) To be center of document in document preparation and filing.
- (2) To provide director registration, invitation notice, shareholder meeting 's minutes, the board of directors' meeting minutes
- (3) To arrange shareholder meeting, director meeting in compliance with law and coordinate and follow up to be applied with the resolution of meeting

- (4) To provide the report on interest filed by a director or an executive
- (5) To arrange activities between directors and executives for good relationships
- (6) To disclose information in responsible part to the Stock Exchange of Thailand
- (7) Others business assigned by the Board of Directors

#### **The person assigned to take direct responsibility for accounting supervision**

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

#### **Heads of the Internal Audit**

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

#### **Heads of the Compliance Units**

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

#### **Head of the Investor Relations**

The person assigned to be the head investment relation is Ms. Nopamas Panthong, Manager – Investment Relation, to communicate a wide range of communication and respond to inquiries from investors and mass media through E-mail: [ir@somboon.co.th](mailto:ir@somboon.co.th), by telephone 0-2080-8197, or by the Company's website [www.satpcl.co.th](http://www.satpcl.co.th).

#### **Auditor Remuneration**

The Company appoints the auditors from KPMG Phoomchai Audit Limited to be the Company's auditor by approval of the 2022 Annual General Meeting of the Shareholders for 7 consecutive years which considered and viewed that the auditor has qualifications meet the requirement of regulations of the Stock Exchange of Thailand, which he remuneration for the year 2022 amounts to Baht 450,000 which decreased from the year 2021. The auditors do not receive any other non-audit fee from the Company. None of the above auditors provides other services to the Company or has any relationship and/or conflict of interest with the Company/ its subsidiaries/ executives/ major shareholders or any related person of such persons.

With respect to the 4 subsidiaries i.e. (1) Bangkok Spring Industrial Company Limited (2) Somboon Malleable Iron Industrial Company Limited (3) International Casting Products Company Limited and (4) Somboon Forging Technology Company Limited, appoint of auditors of KPMG Phoomchai Audit Limited to be the Company's auditors for the year 2022 being the same audit firm as the Company, the remuneration for these 4 companies are collectively Baht 3,191,000, which includes the audit work relating to the BOI promoted business. The auditors do not receive any other non-audit fee from the Company.

## 8. Corporate Governance Performance Report

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

#### 1) Nomination, development and evaluation of the performance of the Board of Directors

##### (1) Independent Director

The definition of "Independent Director" is as follows:

- (1) Holding no more than 0.5% of the total voting shares of the Company, the company, the subsidiary. The company shares, major shareholders or the controlling authority of the authorized person, including the shareholding of the relevant persons of the independent director.
  - (2) Not be or have been a director who is involved in management Employees, employees, consultants with regular salary, or controlling authority of the company, the company, the subsidiary. Associates, subsidiaries of the same order Major shareholders or of the authorized person's control unless they are cleared. As a result of this nature, it has been at least 2 years prior to the date of application for permission to the office. Such prohibited characteristics do not include cases where independent directors have been public servants or advisors of government offices that are major shareholders or controlling authority of the Company.
  - (3) Not a person with a blood relationship or by legal registration in a manner that is parents, spouses. Siblings and children, as well as spouses of children of other directors, executives, major shareholders, controlling authorities, or persons who will be proposed as directors. Executives or controlling authorities of the Company or its subsidiaries
  - (4) No or ever have a business relationship with a licensor, a large company, a subsidiary Associates, major shareholders or controlling authority of the Company In a manner that may impede the use of their independent judgment, including not being or has been an implicit shareholder or controlling person of a person with a business relationship with a company, a major company, a subsidiary. Unless the company has been removed from such characteristics at least 2 years prior to the date of filing an application for permission to the Office of a non-auditor of the Company. Subsidiaries Associates Legal entities that may have conflicts
- Business relations in accordance with paragraph one, including the transaction of trades that are normally done for business purposes. Renting or renting a property List of assets or services, or providing or receiving financial assistance by receiving or lending guarantees Assets are collateral liabilities, as well as other similar circumstances, resulting in the company or its counterparties. There
- is a debt obligation to be paid to the other party, from 3% of the company's net tangible assets or 20 million baht or more, whichever is lower. The calculation of such debt obligations is based on the method of calculating the value of connected items in accordance with the Notification of the Capital Market Supervisory Board on the rules for intertwined transactions. However, in determining the debt obligations, count the debt obligations incurred during the 1 year prior to the date of business relationship with the same person.
- (5) Not be or have been an auditor of a company, a major company, a subsidiary Associates, major shareholders or controlling persons of the Company and are not implicit shareholders. The supervisor or partner of the audit office, which has the auditor of the company, the company, the subsidiary, the subsidiary. Unless the nomination of directors and senior executives has been removed from such characteristics at least two years prior to the date of filing the application for permission to the Office of the Board of Directors. SEC
  - (6) Not be or have been a professional service provider, including providing services as legal advisors or financial advisors, which receive service fees in excess of 2 million baht per year from the company, the subsidiary. Associates, major shareholders or controlling authority of the licensee and are not implicit shareholders. Unless you have been removed from such characteristics at least 2 years prior to the date of application to the office.
  - (7) Not to be a director appointed to represent the Directors of the Company. Major shareholders or shareholders who are related to major shareholders
  - (8) Not operate in the same condition and be a competition that implies the business of the Company or its subsidiaries, or is not a partner with implications in the partnership or as a member of the participating directors. Employees, employees, consultants who receive regular salaries or hold more than 1% of the total voting rights of other companies, which operate the same and competitive business implicit to the company's business or its subsidiaries.
  - (9) There are no other characteristics that make it impossible to provide an independent opinion on the Company's operations.
  - (10) Set an independent director term for no more than 9 years starting from January 1, 2015.

##### (2) Nomination of directors

In 2022, the Company has qualified directors at the 2022 Annual General Meeting of Shareholders.

The Nomination and Remuneration Committee by the Board of Directors considers the criteria and procedures for nomination from the Board of Directors' structure and moderates the qualifications of directors in various areas, including performance in the positions of directors. Individually With thoroughness and caution. The company proposed to the 2022 Annual General Meeting of Shareholders to consider the appointment of the original directors who have completed their term. 3 persons returned to the board of directors. For another term, it is 1. Mr. Yongyuth Kitapanich serves as a Director 2. Mr. Prayong Hirunyanich serves as an independent director 3. Ms. Napatsorn Kitapanich serves as a Director

The Company give opportunity for the shareholders to propose the

The Company will give opportunity for the shareholders to propose qualified candidate for nomination as the director through the Company's website, during September 28, 2022 - December 31, 2022. But no shareholder propose the qualified candidate as the director.

However, this is Criteria and procedures for the nomination of independent directors reported under Section 2 Corporate Governance Topic 1.2 Criteria and procedures for nomination and appointment of directors Page 66.

### (3) Senior Executive Recruitment

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

In recruiting senior executives The administration has recruited, recruited and nominated qualified persons. Appropriate qualifications, skills and experience that benefit the Company's operations and proposed to the Nomination and Remuneration Committee and the Board of Directors, which in 2022, the Company appointed a new executive, Mr. Chakri Boonyakiat as the position, Vice President-Accounting and Information Technology on 3 May 2022.

However, this is Criteria and process for recruitment Report under Section 2 Corporate Governance Topic 2.10 Criteria and procedures for nominating directors and senior executives Page 73.

### (4) Development of Knowledge of Directors and Executives

The Board of Directors and senior executives attach importance to participating in courses related to the development of knowledge and ability to perform director duties regularly. The Company's directors have been trained with the Thai Institute of Directors Association. (IOD) in courses related to the performance of director duties. 100% of the total number of directors, with IOD courses being Directors Certification Program (DCP) as of 66.67% of total number of directors, Directors Accreditation Program (DAP) as of 55.56% of the total number of directors, as well as attendances in more details, shown in detail of the director's history in Attachment 1.

In 2022, the Company had directors and senior executives trained in the post-formula. as follows

Directors	Curriculum
1. Mr. Sansern Wongcha-um Chairman of the Board of Directors	<ul style="list-style-type: none"> <li>To follow up strategy plan</li> <li>Organization Strategy</li> <li>Tutor, Sustainable Landscape Program Maejo University</li> </ul>
2. Mr. Yongyuth Kitapanich Vice Chairman	<ul style="list-style-type: none"> <li>To follow up strategy plan</li> <li>Organization Strategy</li> </ul>
3. Dr. Panja Senadisai Chairman of the Audit and Governance Committee	<ul style="list-style-type: none"> <li>To follow up strategy plan</li> </ul>
4. Mr. Ajarin Sarasas Chairman of the Executive Committee	<ul style="list-style-type: none"> <li>To follow up strategy plan</li> <li>Organization Strategy</li> </ul>
5. Mr. Paitoon Taveebhol Chairman of the Nomination and Remuneration Committee	<ul style="list-style-type: none"> <li>To follow up strategy plan</li> </ul>
6. Dr. Suthad Setboonsang Independent Director	<ul style="list-style-type: none"> <li>To follow up strategy plan</li> </ul>
7. Mr. Prayong Hiranyawanich Independent Director	<ul style="list-style-type: none"> <li>To follow up strategy plan</li> </ul>
8. Mr. Yongkiat Kitapanich Vice Chairman of the Executive Committee	<ul style="list-style-type: none"> <li>To follow up strategy plan</li> <li>Organization Strategy</li> </ul>
9. Ms. Napasorn Kitapanich Director	<ul style="list-style-type: none"> <li>To follow up strategy plan</li> <li>Organization Strategy</li> </ul>
Executives	Curriculum
1. Dr. Cheerawit Sureerattananun	<ul style="list-style-type: none"> <li>Organization Strategy</li> </ul>
2. Mr. Patpong Weerasin	<ul style="list-style-type: none"> <li>Director's Briefing 16/2022: Digital Transformation Trends &amp; Journey: The Secret Sauce of Driving Successful Digital Transformation</li> <li>HCM Webinar 2/2022: Growth Mindset Can Overcome Business Disruption</li> <li>Reinventing HR to thrive in the 'Never Normal'</li> </ul>
3. Mr. Vacharatorn Kitaphanich	<ul style="list-style-type: none"> <li>Organization Strategy</li> </ul>



## (5) Performance Evaluation of the Board of Directors

### rule

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

### process

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

### Self-Assessment Process – the entire Board of Directors/ the Sub Committee

Performance Evaluation of The Board of Directors' entire board of directors The assessment is divided into 6 main topics according to the Stock Exchange of Thailand guidelines. as follows

1. Structure and qualifications of the Board of Directors: consists of a variety of directors. Proportion of Directors Qualifications of each sub-committee
2. Roles, duties and responsibilities of the Board of Directors: Consists of the use of sufficient time to consider important matters. Items with conflicts of interest, internal control system, risk management
3. Board meeting: Includes: Schedule meetings in advance for the whole year, document quality There is sufficient information to make decisions of the directors.
4. Performing duties of directors: Includes: Regular attendance Free expression
5. Relationship with management: It consists of allowing for discussions. Allow participation in troubleshooting
6. Self-development of directors and executive development: Includes role understanding Knowledge of the company's business encourages directors to attend training, succession plans, etc.

### The criteria for self-assessment - the entire Board of Directors/ the Sub Committee are as follows:

1. The Board of Directors approves and reviews the evaluation form to ensure accuracy, completeness and compliance with the criteria set by the regulatory authorities.
2. The Company Secretary concludes and analyzes the results of the Performance Assessment of the Board of Directors and reports the results of the analysis from the assessment to the Board of Directors.
3. The Company Secretary leads the analysis and additional opinions to inform and improve the performance of the Board of Directors.
4. To the result of evaluation to discuss in the Board's meeting.

### Self-Assessment Process - Individual Directors

Individual evaluation of the performance of the Board of Directors, divided into three main topics. as follows

1. Features of the Board of Directors: Variety of Boards  
Approval for the performance of duties of directors
2. Roles, Duties and Responsibilities: Independence of Directors Adequate commentary and participation  
Internal control system and risk management Disclosure
3. Meetings: Meetings, meeting comments Studying the data in advance
4. Other comments that are condescending to the administration Manage organizations

### With self-assessment guidelines - Individual Directors as follows:

1. The Board of Directors approves and reviews the evaluation form to ensure accuracy, completeness and compliance with the criteria set by the regulatory authorities.
2. Individual directors are self-assessing to express their views on the roles of directors. independence Management Structure Knowledge development and opinions on organizational management
3. The Company Secretary is the summary and analysis of the evaluation results and reports to the Board of Directors to improve the performance of the Board of Directors.
4. To the result of evaluation to discuss in the Board's meeting.

In 2021, the Company assessed the performance of the Board of Directors.

(1) Self-assessment of the entire board of directors,  
(2) self-assessment of directors individually,  
(3) self-assessment of the three sub-committees: the Executive Committee, the Audit and Governance Committee, and the Nomination and Remuneration Committee.

#### 1) Self-assessment results of the entire board of directors for the year 2022

**The average score of 2.86 is quite good.**

##### Estimate header

- Structure and qualifications of directors Average 2.79
- Roles, Duties and Responsibilities Average 2.85 of Directors
- Board meeting Average 2.90
- Performing duties of the Board Average 2.92 of Directors
- Management relations Average 2.91
- Self-improvement and management Average 2.76

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

#### 2) Results of individual self-assessment of directors for the year 2022

**The average score of 2.83 is quite good.**

##### Estimate header

- Structure and qualifications of directors Average 2.75
- Board meeting Average 2.90
- Roles, Duties and Responsibilities Average 2.84 of Directors

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

#### (3) Self-assessment results of the Sub-Committee for the year 2022

##### **3.1 The Executive Board averages 2.77 is quite good.** Estimate header

- Structure and qualifications of directors Average 2.50
- Board meeting Average 2.88
- Roles, Duties and Responsibilities Average 2.58 of Directors
- Self-improvement Average 2.83

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

##### **3.2 The Audit and Governance Committee averaged 3.00 very good.**

##### Estimate header

- Performing the overall duties of the Directors Average 3.00
- Review of related financial/ system reports Average 3.00
- Independence of directors Average 3.00
- Compliance with law, Average 3.00
- Director's Reporting Average 3.00

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

##### **3.3 The Nomination and Remuneration Committee averaged 3.00 very good.**

##### Estimate header

- Structure and qualifications of directors Average 3.00
- Roles, Duties and Responsibilities Average 3.00 of Directors
- Acting directors Average 3.00
- Self-improvement Average 3.00

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

## 2) Attendance and remuneration of individual committees

### Attendance of the Board of Directors

The Board of Directors has scheduled a full-year schedule of board of directors' meetings and sub-committees, which will consider the schedule for the meeting from September to October of each year, with more than six meetings held each year, as well as holding special meetings as needed, with each meeting setting out a clear agenda, both agendas to consider, to be informed, to discuss and express their opinions, to have sufficient documentation and to submit to the directors at least 7 days in advance, so that the directors have sufficient time to study the information before attending the meeting, and at the meeting the Chairman has allocated time so that all directors can discuss and express their opinions freely, and the Chairman will codify the opinions and summarize the issues obtained from

the meeting. The minutes of the meeting are prepared in writing by the Secretary of the Board of Directors, after the meeting is approved, and will be stored at the Company Secretary's Office. 2nd Floor, Building 11, Head Office

In 2022, the covid-19 pandemic in Thailand has still spread in 2021. The Board of Directors held electronic meetings in order to comply with covid-19 prevention and control measures. In 2022, there were 11 meetings both physical meetings and e-meetings and the Non-Executive Directors was held 2 times on March 24, 2022 and 21 July 2022 to discuss for the director selection, selection process, director qualification, principle of remuneration payment and informed and reported the Board of Directors.

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

First-Last Name			All Attendances / Meetings (Times)						
			The Board of Directors	Physical Meeting	Via electronic media	The Executive Board	The Audit and Governance Committee	The Nomination and Remuneration Committee	The Non-executive Directors' Meeting
1. Mr. Sansern	Wongcha-um	Independent Director/ Chairman of the Board of Directors	11/11	6/11	5/11	-	-	-	2/2
2. Mr. Yongyuth	Kitaphanich	Director / Vice Chairman	11/11	6/11	5/11	-	-	-	-
3. Dr. Panja	Senadisai	Independent Director/ Chairman of the Audit Committee/ Member of the Nomination and Remuneration Committee	11/11	6/11	5/11	-	8/8	2/2	2/2
4. Mr. Ajarin	Sarasas	Independent Director/ Chairman of the Executive Board/ Member of the Nomination and Remuneration Committee	11/11	6/11	5/11	12/12	-	2/2	2/2
5. Mr. Paitoon	Taveebhol	Independent Director / Member of the Audit and Governance Committee/ Chairman of the Nomination Committee and remuneration	11/11	6/11	5/11	-	8/8	2/2	2/2
6. Dr. Suthad	Setboonsarng	Independent Director / Member of the Audit Committee	11/11	6/11	5/11	-	8/8	-	2/2
7. Mr. Prayong	Hirunyawonich	Independent Director / Executive Director	11/11	6/11	5/11	12/12	-	-	2/2
8. Mr. Yongkiat	Kitaphanich	Director/ Vice Chairman of the Executive Committee	11/11	6/11	5/11	12/12	-	-	-
9. Ms. Napatsorn	Kitaphanich	Director/ President	11/11	6/11	5/11	12/12	-	-	-

Note: In 2022, there were 11 the Board of Directors' meetings.

The entire board of directors attends meetings	percentage	percentage
	100 per year	100 of the total meetings

## Remuneration of Directors

### Policy and Criteria for Remuneration of the Board of Directors

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

In 2022, the Nomination and Remuneration Committee and the Board of Directors presented to the AGM to approve the 2022 remuneration of directors on April 21, 2022

#### 1. Monthly recurring and meeting allowances

position	Monthly remuneration paid (Baht)		Meeting Allowance / Time (Baht)		
	Board of Directors	The Board of Directors	The Executive Board	The Audit and Governance Committee	The Nomination and Remuneration Committee
1. Chairman	36,000	54,000	45,000	45,000	45,000
2. Vice Chairman	25,000	37,500	37,500	-	-
3. Director	20,000	30,000	30,000	30,000	30,000

#### 2. Monetary compensation for the year ended 31 December 2022

Monetary remuneration of the Board of Directors in the form of meeting allowances Monthly and annual remuneration totaling 14,536,500 baht Details are as follows:

Board of Directors		Remuneration year 2022 (Baht)	Monthly remuneration and meeting allowance (Baht)				Total Remuneration (Baht)
			The Board of Directors	The Executive Board	The Audit and Governance Committee	The Nomination and Remuneration Committee	
1. Mr. Sansern	Wongcha-um	1,074,627	1,134,000				2,208,627
2. Mr. Yongyuth	Kitaphanich	746,268	712,500				1,458,768
3. Dr. Panja	Senadisai	597,015	630,000		360,000	60,000	1,647,015
4. Mr. Ajarin	Sarasas	597,015	630,000	540,000		60,000	1,827,015
5. Mr. Paitoon	Taveebhol	597,015	630,000		240,000	90,000	1,557,015
6. Dr. Suthad	Setboonsarng	597,015	630,000		240,000		1,467,015
7. Mr. Prayong	Hirunyananich	597,015	630,000	360,000			1,587,015
8. Mr. Yongkiat	Kitaphanich	597,015	570,000	450,000			1,617,015
9. Ms. Napatsorn	Kitaphanich	597,015	570,000				1,167,015
			Total				14,536,500

Remark : 1. Annual remuneration is calculated based on 2022 performance paid in 2023.

#### 3. Other compensation

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



### 3) Supervision of subsidiaries and associates

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

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

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

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

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

10. To take care to disclose important information under the corporate governance.

**Agreement between the company and other shareholders to manage subsidiaries and associates - None-**

### Director Remuneration of the Subsidiaries as the main business

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

List of Directors		2022 Remuneration (Baht)
1.	Mr. Yongyuth Kitaphanich	60,000
2.	Mr. Yongkiat Kitaphanich	48,000
3.	Mrs. Kasamon Kitiampon	48,000
4.	Ms. Napatsorn Kitphanich	48,000
5.	Mr. Patpong Weerasin	48,000
6.	Dr. Cheerawit Sureerattanan	48,000

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

List of Directors		2022 Remuneration (Baht)
1.	Mr. Yongyuth Kitaphanich	60,000
2.	Mr. Yongkiat Kitaphanich	48,000
3.	Mrs. Kasamon Kitiampon	48,000
4.	Ms. Napatsorn Kitphanich	48,000
5.	Dr. Cheerawit Sureerattanan	48,000
6.	Mr. Varasa Saundee	48,000

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

List of Directors		2022 Remuneration (Baht)
1. Mr. Yongkiat	Kitaphanich	60,000
2. Mr. Yongyuth	Kitaphanich	48,000
3. Mrs. Kasamon	Kitiampon	48,000
4. Ms. Napatsorn	Kitphanich	48,000
5. Dr. Cheerawit	Sureerattanan	48,000
6. Mr. Varasa	Saundee	48,000

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

List of Directors		2022 Remuneration (Baht)
1. Mr. Yongyuth	Kitaphanich	60,000
2. Mr. Yongkiat	Kitaphanich	48,000
3. Mrs. Kasamon	Kitiampon	48,000
4. Ms. Napatsorn	Kitphanich	48,000
5. Dr. Anotai	Mohjhaw	48,000

## 4) Monitoring compliance with corporate governance policies and practices

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

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

### Conflict of interest prevention

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

1. Avoid transactions related to yourself and/or related parties that may cause conflicts of interest to the Company.
2. In the event that the transaction is required, for the

benefit of the Company, make the transaction as if making a transaction with a third party with a trade agreement in the same way that the Vigneault should act with the general parties with the power of trade bargaining without influence to be a director. Executives or related persons and must not be involved in the approval and are obliged to: Comply with the requirements of the SET and the Securities and Exchange Commission. In regards to the disclosure of connected transactions

3. It must be prepared to prepare a report of their own interests and related persons. Under Section 89/14 of the Securities and Exchange Act In 1992, the report was reported upon taking office for the first time and required a review of the report every year and/or every time the information was changed, sending a report to the Supervisory and Audit Department within 7 working days and reporting it to the Audit and Governance Committee quarterly. The Audit and Governance Committee will review the linkage and report on the interests and report it to the Board of Directors quarterly.

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

In 2022 A total of 128 were reported the conflict of interest form. The survey showed that there were no executives, employees and individuals involved. Have a stake and make transactions with companies and subsidiaries. And report to the Audit and Governance Committee to inform the Board of Directors' meeting.

### Use of internal information for exploitation

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

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

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

In 2022, No director, executive and employee traded security in the period 1 month prior to the announcement of its operating results or internal information.

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

In 2022, there were 2 executives trading securities and they informed the Company 15 days in advance before trading, They informed SEC within 3 business days from the date of the trading via the SEC's website.

### Anti-corruption

The Board of Directors is committed to conducting business with integrity, fairness and combating corruption to lead to a truly transparent organization. Disciplined, knowledgeable and you're a good man.

The Company was one of the first 27 organizations to announce its intention to fight corruption and was one of the first nine organizations to be approved by the Thai Private Sector Collective Action Against Corruption (CAC) Committee on July 29, 2013.

In 2022, the Company set out its plans and goals for combating corruption and supported its partner companies by continuing to provide benefits to partners participating in the CAC SME program, which can persuade partners according to the plans and goals set, receiving the Change Agent Award 2022 from the Thai Private Sector Anti-Corruption Coalition. As companies committed to expanding the private anti-corruption coalition network during the COVID-19 pandemic demonstrated their power and commitment to participate in and promote transparent business, continuing to expand the network, pushing partners into an anti-corruption coalition. This leads to a reduction in corruption in the future.

**The company does not accept corruption in all forms, directly or indirectly, and has policies / requirements / practices against corruption of the Group as follows:**

### Limitation

1. Directors are forbidden. Executives and Employees of the Somboon Group Conduct or accept all forms of corruption directly or indirectly, including giving and receiving gifts, receptions, income, donations and other benefits to themselves from individuals who complete business with the Group companies.
2. To publish this anti-corruption policy, educate, understand, cover all employees, partners, customers and stakeholders at home and abroad, and provide regular review of anti-corruption policies at least once a year, as well as review practices and requirements to comply with business changes. Periodical regulations, regulations and legal requirements
3. The Board of Directors is responsible for establishing policies and supervising the Company's effective and adequate anti-corruption support system. As well as focusing on the group's complete anti-corruption focus.
4. The Audit Committee is responsible for reviewing the financial and accounting reporting system. Internal control system, internal audit system, as well as receiving fraudulent whistleblowers Fact-checking Monitoring of compliance with policies, including important reports to the Board of Directors
5. Director, Faculty of Management and Management It has a duty and responsibility to implement this policy thoroughly. Define and support the work system needed to combat corruption and to communicate to employees and stakeholders, as well as review the suitability of the work system in various matters in accordance with business changes. Regulations, Regulations and Laws
6. The Internal Audit Department is responsible for reviewing the risk assessment of the risk of corruption of the organization, as well as reviewing to ensure that the Company has the appropriate control system. Sufficient to control such risks. Agencies are treated correctly, in line with the policy. This includes advising on corruption prevention guidelines and regularly reporting the results of the review to the Audit Committee. The results of the review are reported urgently in case of detecting issues important to the company. to senior management and board of directors

## Guidelines

1. Director Executives and Employees of the Group Must comply with anti-corruption policies and work ethics and practices. It must not be involved in corruption, directly or indirectly.
2. Employees of the Group complete Do not neglect or ignore it. When seeing any corrupt conduct in relation to the Company/subsidiary, the supervisor or responsible person must be notified and cooperate in the investigation. If you have any questions or questions, consult your supervisor or designated person responsible for monitoring business ethics compliance through designated channels.
3. The Company will be fair and protect employees who refuse or report corruption related to the Company and its subsidiaries by using measures to protect complainants or those who cooperate in reporting corruption as defined by the Company in the complaints and recommendations policy.
4. Those who commit corruption are considered unethical acts of the Company, which must be considered disciplinary penalties in accordance with the regulations set by the Company and punished by law. If the act is illegal,
5. The Company/subsidiary recognizes the importance of disseminating, educating and understanding other persons who must perform duties in relation to the Company and its subsidiaries, including its stakeholders, in accordance with this anti-corruption policy.
6. The Company is committed to developing and creating "Complete" to have good conscience and behave as a good citizen of society and the nation. Create a culture that does not accept all forms of corruption.

## Principles and procedures for assessing corruption risks

The Company requires an assessment of corruption risks. Separate from enterprise risk assessment with risk management in conjunction with supervision and audit department. Collaborate with various departments Identify corruption risks associated with the operation of all potential aspects of the business, as well as gather such risk levels, consider finding processes for preventing and investigating corruption risks. efficiently

Besides, let the internal audit. Review the corruption risk control process for each of the Company's activities to analyze the channels and opportunities for corruption, and assess

the opportunities and consequences involved (according to the level of ratings, assessment of opportunities and impacts. According to the criteria of the Corporate Risk Management Manual), the results of the risk assessment are prepared annually and reviewed annually.

## The Board of Directors requires a follow-up approach to the implementation of anti-corruption policies. as follows

1. Conduct a survey of the "Interests" of directors. And the first 4 executives, as required by law, and expanded the survey to executives at all levels with authority to act, including employees with interests, to prevent conflicts of interest that would lead to corruption.
2. Define whistleblowing channels and whistleblower protection measures on the Company's website by communicating to employees at all levels to make complaints and whistleblowers, and to be disciplined and dutiful to employees.
3. Require the Supervision and Audit Department to review the risks of corruption and prepare a review plan in accordance with the annual internal audit plan.
4. Those who commit corruption are considered unethical of the Company, which must be considered disciplinary penalties in accordance with the regulations set by the Company and punished by law. If the act is illegal,
5. Promote knowledge through the curriculum "Ethics...and corporate sustainability" for new employees to understand business ethics and work practices. Anti-corruption policy and guidelines for receiving items and providing items or other benefits of the Group in complete.
6. Prepare cognitive tests on business ethics and work practices and anti-corruption through the Company's Intranet system and apply the results to assess the level of knowledge and understanding to review and develop business ethics and work practices, as well as raise awareness of all forms of anti-corruption.

## Guidelines for receiving items or other benefits

- (1) Executives and employees are prohibited from receiving, receiving, receiving, providing, providing, financial support, any winnings from customers, creditors or stakeholders who do business with the Company.
- (2) Request for support in the form of money or items can be made in the form of an organization with the organization. It must be signed by authorized directors only.

- (3) Except on occasions or festivals that are traditionally treated by the general public. By any other item or benefit. The price or receipt value must not exceed 2,000 baht and/or it is necessary to maintain good relationships between individuals or organizations.
  - (4) Require the Senior Executive to represent the organization to receive any other items or benefits and submit the Director through the Company Secretary's Office within 5 working days from the date of receipt of any other items or benefits.
  - (5) Except for traditional festival tributes Employees can receive it with a value not exceeding 500 baht, such as key chains, calendars, notebooks, etc. with the emblem of the organization, designated by the senior executive as the representative of the receiving and reporting to the Director through the Office of the Company Secretary in writing.
  - (6) In order to prevent conflicts of interest, the Company does not allow employees to represent the organization to receive any other items or benefits unless force majeure causes the executives below 1 step (their own or other lines of work) to be consigned and report to senior management immediately.
2. The Company promotes knowledge in training/ seminars, workshops and activities to contribute to the new corporate culture. Under the plan to promote and cultivate corporate ethics as follows
    - 2.1 The Company defines the "Ethics... and Corporate Sustainability" course with a focus on the company's policies, ethics and work consciousness, morality, honesty, integrity, adherence to accountability for oneself and others, and a conscience of anti-corruption for newly entered employees at all levels to gain an understanding of the company's principles of good corporate governance and business ethics, and to lead the organization to become a "transparent and quality organization" that can be monitored in all processes In 2022, training sessions were conducted for 20 new employees as well as provided the annual training for management level for 105 persons.
    - 2.2 For review Regularly review management's compliance with corruption policies. The Company conducts all executives to take tests and review their knowledge of anti-corruption from the Corporate Governance (CG) knowledge test through the Company's Intranet system. It found that all executives have a good understanding of the company's anti-corruption.
    - 2.3 The Board of Directors has a policy to encourage partners. Stakeholders grow with complete group companies by formulating business enrichment strategies. From the beginning of the Thai Private Sector Anti-Corruption Coalition Project To ensure that the Supply Chain process is truly transparent, it has expanded its network of declarations to suppliers by promoting their understanding and seeing the importance of combating corruption. To continuously expand Thailand's private anti-corruption network.
    - 2.4 Report on roadmap and implementation of anti-corruption and compliance with corporate governance principles That's good to the Board of Directors through the Audit and Governance Committee every quarter.
    - 2.5 The Board of Directors defines whistle blower channels, allowing all employees and stakeholders to be informed. To independently comment and report whistleblowing of illegal or corrupt conduct with the goal of (1) providing clear whistle blower channels, (2) revising/improving management, (3)

#### Guidelines for providing items or other benefits

- (1) Giving items to be given on the occasion of traditional festivals that people should treat each other. By any other item or benefit. The Company conducts a supply that sets a price or value not exceeding 2,000 baht and provides a survey/inspection of suitability before proceeding. To prevent the lead to corruption.
- (2) Assign senior executives to represent the organization. To provide any other items or benefits;

#### Operating Year 2022

1. The Company formulates strategies for raising good governance. Risk management, responsibility to stakeholders and society based on knowledge of virtues, are one of the six main missions of the organizational strategy to ensure sustainable business growth in accordance with the Sufficiency Economy Philosophy and to build good immunity in business operations and encourage employees at all levels throughout the organization. Knowledge and understanding Be conscious of performing duties with responsibility, careful, honesty, honesty.



reviewing the facts, and requiring the Company Secretary and The Supervision and Audit of the Company's duties as such corporate governance and business ethics complaints agencies.

In 2022, the company has one complaint and the Company has set the investigation committee to find the fact for fairness with relevant parties

- 2.6 The Company has announced that it will refrimance – provide any form of no gift policy to reduce the risks that may be caused by giving and receiving gifts, and to establish good norms to work without other benefits and to prevent ongoing corruption annually.



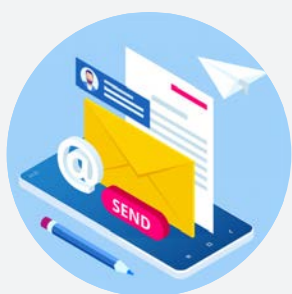
### The operation of the expansion of the anti-corruption network with the Thai Private Corruption Coalition of The Somboon group.

The Company has required all of its partners to sign a declaration of intent to fight corruption with the Somboon Group, and in 2022, the Company set out a plan and anti-corruption target, allowing partners with a total of 10 million baht or more to participate in the declaration of intent with the Thai Private Anti-Corruption Coalition

### Results of declaration of intent with partners with CAC



### Channels for complaints and suggestions via emails of independent directors



**1. Mr. Sansern Wongcha-um**

Email : sansern.w@somboon.co.th or

**2. Dr. Panja Senadisai**

Email : panja.sena@somboon.co.th or

**3. Mr. Ajarin Sarasas**

Email : ajarin.s@somboon.co.th or

**4. Mr. Paitoon Taveebhol**

Email : ptaveebhol@somboon.co.th or

**5. Dr. Suthad Setboonsang**

Email : suthad.setboonsarn@somboon.co.th or

**6. Mr. Prayong Hirunyawonich**

Email : prayongh@somboon.co.th or

**7. Email Supervision and Verification :**

wasumeth.kul@somboon.co.th

or Phone No. 02-080-8143

Or send by post to **Company Secretary**,  
Building 2, 2<sup>nd</sup> Floor,  
Somboon Advance Technology Plc.,  
No. 129 Moo 2, Bangna-Trad Road KM.15  
Tumbol Bangcholeng Amphoe Bang Phli,  
Samut Prakan 10540



On December 8, 2022, the Thai Private Sector Anti-Corruption Coalition (CAC) presented the Change Agent Award 2022 to companies that are a force for expanding the transparency network to the Thai Private Sector Anti-Corruption Coalition (CAC).

### Promoting Partner Training

From covid-19 pandemic The Company continues to promote knowledge to its partners. To expand the anti-corruption project network and provide partners with a conscience and see the importance of combating corruption. To promote all stakeholders to be responsible for themselves and society.

- (1) Have a transparent in-house operating system,
- (2) have a standard of work to be accepted by major and foreign partners,
- (3) reduce the risk of corruption by providing online seminars through WebEx as follows:

- 1) On February 24, 2022, "Immunize organizations from corruption, to reduce cost and create business opportunities."
- 2) On March 17, 2022, the SME Clinic seminar No. 1/2022 "What will SME certify with Thai CAC and create business opportunities? "
- 3) On April 21, 2022, "CAC Announcement to submit document through online effective on 1 July 2022, how to process and how to pass the CAC certification"
- 4) On May 11, 2022, seminar to increase the efficiency for internal control to decrease bribery and special discussion Section 176, under the law
- 5) On May 25, 2022, the SME Clinic seminar No. 2/2022 " What will SME certify with Thai CAC and create business opportunities? "
- 6) On September 6, 2022, the SME Clinic seminar No. 3/2022 to acknowledge the CAC initial learning and certification procedure and to be readiness for 17 evaluation.
- 7) On November 3, 2022, Road to join & SME Briefing 4/2022



## Timeline Somboon Group

### Year 2010

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

### Year 2012

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



### Year 2014

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

### Year 2016

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



2010

2011

2012

2013

2014

2015

2016

2017



### Year 2011

- Provided trainings to the Board of Directors and top executives

### Year 2013

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

### Year 2015

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

### Year 2017

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



## Year 2018

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

## Year 2020

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

## Year 2022

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



## Year 2019

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



## Year 2021

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



## Year 2023

- Target  
The supplier which have purchase amount to 10 Million must declare their intentions against corruption with CAC.



### Report on securities holdings of directors and executives.

referee			Number of ordinary shares As of March 9, 2023	Shareholding Characteristics	Number of shares held Non-ordinary shares
1.	Mr. Sansern	Wongcha-um	-	-	-
2.	Mr. Yongyuth	Kitaphanich	37,986	Direct	-
3.	Dr. Panja	Senadisai	-	-	-
4.	Mr. Ajarin	Sarasas	-	-	-
5.	Mr. Paitoon	Taveebhol	-	-	-
6.	Dr. Suthad	Setboonsarng	-	-	-
7.	Mr. Prayong	Hirunyawanich	-	-	-
8.	Mr. Yongkiat	Kitapanich	3,330,600 489,743	Direct Indirect (Spouse)	- -
9.	Ms. Napasorn	Kitapanich	2,911,590 4,217,386	Direct (Underage children)	- -
10.	Mr. Patpong	Weerasin	250	Direct	-
11.	Dr. Cheerawit	Sureerattanun	-	-	-
12.	Mr. Thanthach	Ritthinam	6,150 45,000	Direct Indirect (Spouse)	- -
13.	Dr. Anotai	Mohjhaw	-	-	-
14.	Mr. Vacharatorn	Kitaphanich	1,000,000	Direct	-
15.	Mr. Varasa	Saundee	5,475	Direct	-
16.	Mr. Chakri	Boonyakiat	-	-	-

### Report on changes in securities holdings of directors and executives.

Name – Last Name			Common Shares (Shares)		
			9 Mar 23	8 Mar 22	Number of shares changed (Increase/decrease)
1.	Mr. Sansern	Wongcha-um	-	-	-
2.	Mr. Yongyuth	Kitaphanich	37,986	37,968	0
3.	Dr. Panja	Senadisai	-	-	-
4.	Mr. Ajarin	Sarasas	-	-	-
5.	Mr. Paitoon	Taveebhol	-	-	-
6.	Dr. Suthad	Setboonsarng	-	-	-
7.	Mr. Prayong	Hirunyawanich	-	-	-
8.	Mr. Yongkiat	Kitaphanich	3,820,343	3,820,343	0
9.	Ms. Napatsorn	Kitaphanich	7,128,976	7,128,976	0
10.	Mr. Patpong	Weerasin	250	250	0
11.	Dr. Cheerawit	Sureerattanun	-	-	-
12.	Mr. Thanthach	Ritthinam	51,150	51,150	0
13.	Dr. Anotai	Mohjhaw	-	-	-
14.	Mr. Vacharatorn	Kitaphanich	1,000,000	0	1,000,000
15.	Mr. Varasa	Saundee	5,475	5,475	0
16.	Mr. Chakri	Boonyakiat	-	-	-



## 8.2 Report of the Audit and Corporate Governance Committee

To: Shareholders of Somboon Advance Technology Public Co., Ltd.

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

In 2022, the Audit and Corporate Governance Committee held a total of 8 meetings and regularly reported to the Company Board of Directors the operational result every quarter. Each Audit and Corporate Governance Committee member attended the meetings detailed as follows:

Dr. Panja Senadisai	Chairman of Audit and Corporate Governance Committee	attending 8/8 meetings
Mr. Paitoon Taveebhol	Member of Audit and Corporate Governance Committee	attending 8/8 meetings
Dr. Suthad Setboonsarng	Member of Audit and Corporate Governance Committee	attending 8/8 meetings

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

### Correction, completeness and credibility of financial report

The Audit and Corporate Governance Committee had verified the financial statement on each quarter and financial budget of year 2022, important accounting policy and significant financial report by reviewing according to accounting standard specified by accounting council including to reveal sufficient information.

### Adequacy and effectiveness of the internal control system, internal audit, risk management and good business management

The Audit and Corporate Governance Committee had reviewed the report of the audit result of internal audit and auditor on the internal control evaluation to review the company to manage the risk and supervise good business and provide recommendations for development and follow up the improvement of the work operation of executives according to recommendation in related business. The Audit and Corporate Governance Committee had the opinion that the internal audit of the company is adequate and effective.

The Audit and Corporate Governance Committee had reviewed and approved the annual internal audit by applying risk-based foundation. Said work operation result and discussion with the head of internal audit regularly so The Audit and Corporate Governance Committee had the opinion that internal audit is independent in the work operation. Also, The Audit and Corporate Governance Committee has continuously supported the improvement of internal auditors' competencies by developing the

various professional and individual training courses as well as pursuing the professional certificate to increase knowledge and skills to meet the International Internal Audit Professional Standard. Moreover, The Audit and Corporate Governance Committee promoted and monitored on the progress and development process of good business management, continuous social responsibility, human right policy, sustainable business operations, and environmental management as well as consideration of the Company's Corporate Governance (CG) to be consistent with the CG Code.

In addition, there was supervision for the company risk management to have management process, suitable standard risk, efficiency and effectiveness by receiving the risk management result report in last year, improvement recommendation and various risk viewpoints.

### Supervision on anti-corruption

After the Company received the certification to be a Thai private sector operation member in fighting corruption and corruption on July 5, 2013 and recertified continuously for the fourth time in December 2022. The Audit and Corporate Governance Committee had prioritized the operation supervision according to fighting corruption method by assigning the internal audit to review the operation according to fighting corruption criteria and strongly support our business partners in taking part in the announcement of intentions against corruption by participating in training with CAC continuously.

### Related items or items that might have conflict of interest

The Audit and Corporate Governance Committee had audited the financial budget and important financial activity between the Company and subsidiaries or joint company by prioritizing an importantly-related transactions or transactions that might have Conflict of Interest to follow the Law and specification of the Stock Exchange of Thailand. The Audit and Corporate Governance Committee saw that related transactions could be normal business with general trade condition, reasonableness, fairness and highest benefits to the Company.

### Suitability of auditor, consideration, selection and proposition of auditor

The Audit and Corporate Governance Committee had evaluated the independence and work operation result of the year 2022. The overall work operating evaluation was in a good level. Auditor had enough independence. The Audit and Corporate Governance Committee had discussed with an auditor without management for one time to know the auditor opinion on the work operation for auditing of operation problem relating to management department.

The consideration for choosing and appointing the auditor for the year 2023, the Audit and Corporate Governance Committee had considered the work operating result, scope, work experience, knowledge, ability, credibility, sufficiency of an audited work resource including independence of auditor comparing to auditing suitable cost for the year 2023. Therefore, the Audit and Corporate Governance Committee was approved by the Board of Directors to propose in the shareholders meeting to appoint an auditor of KPMG Phumchai Audit Co., Ltd. as the auditor to audit and comment to the company financial statement and subsidiary for the year 2023.

### Compliance with the law on stock and stock exchange, specification of stock exchange and related law on the business of the company.

The Audit and Corporate Governance Committee had audited compliance on Securities and Exchange Law, the regulation of the Stock Exchange of Thailand and the related Law to the Company business and follow up the management revision guideline regularly. The Audit and Corporate Governance Committee saw that the Company had followed the Securities and Exchange Law, the regulation of the Stock Exchange of Thailand and the related Law to the Company business strictly and regularly.

### Opinion and overall observation from performing the operation according to the charter of the audit committee

The Audit and Corporate Governance Committee had evaluated their own performance and Corporate Governance Committee in each committee for the year 2022 by evaluating the overall duty and specific duty including 1) review to the company that there is correct and sufficient report 2) review for the company for internal audit and efficient and effective internal audit 3) consideration of related items or items that might have conflict of interest 4) consideration to select and propose to appoint an auditor 5) review of the company to follow the law on stock and stock exchange, specification of the stock exchange of Thailand and the law relating to the business of the company and 6) reporting of The Audit and Corporate Governance Committee.

The Audit and Corporate Governance Committee had overall opinion that have performed the duty and responsibility specified in the charter. The Audit and Corporate Governance Committee had been approved from the committee of the company sufficiently by using the knowledge, ability, care, and sufficient independence for the benefit of people with interest equally.



**Dr. Panja Senadisai**

Chairman of Audit  
and Corporate Governance Committee

## 8.3 Summary of the results of duty performance of subcommittees

### Report of the Nomination and Remuneration Committee of Directors and Executives

The Nomination and Remuneration Committee consists of 3 directors. He is an independent director of the entire faculty, with Mr. Paitoon Taveebhol. The Independent Director serves as chairman of the Nomination and Remuneration Committee and has independent directors in the Nomination and Remuneration Committee, including Dr. Panja Senadisai and Mr. Ajarin. Sarasas has a three-year term in office.

In 2022, the Nomination and Remuneration Committee held two meetings the meetings detailed as follows:

Mr. Paitoon Taveebhol  
Chairman of Nomination and Remuneration Committee of Directors and Executives  
attending 2/2 meetings

Dr. Panja Senadisai  
Member of Nomination and Remuneration Committee of Directors and Executives  
attending 2/2 meetings

Mr. Ajarin Sarasas  
Member of Nomination and Remuneration Committee of Directors and Executives  
attending 2/2 meetings

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

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

2.4. Review the remuneration structure and other benefits of directors In accordance with the responsibilities and duties of the directors.

2.5. Review of directors' remuneration policies and guidelines Considering:

2.5.1 Responsibilities and performance of the Board of Directors

2.5.2 Comparative data referring to other companies in the same industry, including the Survey of Directors' Remuneration of the Thai Institute of Directors Association (IOD)

2.6 Establish social responsibility and sustainable development policies

2.7 Promote, support and allow small shareholders to take part in overseeing the business and comment on the business operations. Nomination of agenda and nomination of persons to be directors On behalf of the directors who have completed the term in advance for the 2022 Annual General Meeting of Shareholders for at least 90 days from September 29, 2022 to December 31, 2022 via the Company's website.



**Mr. Paitoon Taveebhol**  
Chairman of the Nomination  
and Remuneration Committee

## Report of the Executive Board

The Executive Board consists of 4 directors which have two independent directors one non-executive director and one executive director and Mr. Ajarin Sarasas, Independent Director, serves as the Chairman of the Executive Board and the Executive Board's directors are Mr. Yongkiat Kitapanich, Mr. Prayong Hirunyawonich and Ms. Napasorn Kitaphanich with three-year term.

In 2022, the Executive Board held a total of 12 meetings, with all directors attending every meeting to scrutinize and consider the important matters assigned by the Board of Directors.

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



**Mr. Ajarin Sarasas**  
Chairman of the Executive Committee

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

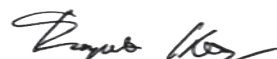
Management has prepared annual financial statements ended December 31, 2022 in accordance with generally accepted accounting standards, adopting appropriate policies and regularly adhering to the financial statements, as well as carefully and reasonably discretion in the preparation of financial statements, as well as adequate disclosure of important information in the notes to the financial statements.

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

From the above practices and supervisions The Refore, the Board of Directors is of the opinion that the financial statements of Somboon Advance Technology Public Company Limited as of December 31, 2022 have accurately expressed their financial position and performance. Reliable, in accordance with generally accepted accounting standards and practices in accordance with applicable laws and regulations.



Mr. Sansern Wongcha-um  
Chairman of the Board



Ms. Napatsorn Kitaphanich  
President



## 9. Internal control and related party transactions

### 9.1 Internal control

In the Board of Directors, there were 3 directors of the Audit and Corporate Governance Committee joined the Meeting and expressed opinion on the adequate and effective internal control system by referring to "evaluation form of the adequacy and effectiveness of internal control system" of the Office of Security and Exchange Commission, Thailand.

The Audit and Corporate Governance Committee has reported the internal audit summary and proposition and inspection which focus on the operating inspection so that it would be efficient continuously. There is follow-up to revise according to the audit result report and report to the company board of directors regularly. From the review, the company has sufficient internal control system. The company has arranged sufficient personnel to operate according to the system efficiently and to have internal control system on follow up the work operation supervision of the company in order to prevent the property of the company and subsidiary from the fact that directors or executives had used illegally or without authorization and to enter into a transaction with people who might have conflict and general related people with the important details as follows.

#### 1. Internal Control System within the Organization

The Company has determined the clear business operation target and can be measured by specifying the annual budget business plan and clear indicator in creating the value to shareholders and enhance the ability and quality of life of personnel as well as promote and monitor a progress of a process in developing corporate governance, social responsibilities, human right policy, sustainable business operations, and environmental management. This would respond to the expectation of customers including the design and product development along with responsibility to environmentally friendly and society by paying incentive reward to personnel and consider from the achievement of the target of personal indicator and profit of the company in order to create the benefit in the development of work operation quality.

Regarding business supervision of the Company, the structure of the supervision consists of the Board of Directors and sub-committee including Executive Board of Directors, Audit and Corporate Governance Committee, and Nomination and Remuneration Committee. Each committee is responsible for shareholders on the business operation of the company and supervise management so that it would be according to the target and has the highest benefit to shareholders and to be in the good ethic frame and be responsible to society, promote and follow up the progress of the good business supervision development process

and social responsibility continuously, the consideration to review CG manual and Code of Conducts and to provide the guideline and other necessary suggestion in order to improve. In this year, the Company has received awards which are Thailand Sustainability Investment (THIS) and SET Sustainability Award of Honor and CSR-DIW Continuous 2022 from Department of Industrial Works.

According to anti-corruption, the Company has joined the project of Collective Anti-Corruption (CAC) by Certified since 2013 and renew continuously the CAC Certificate for the fourth time in 2022. The Company has expanded the result to be the participants to important suppliers of the Company and in order to have continuity, the Company had evaluated the risk related to the corruption inside the company and review the operation according to the policy to the anti-corruption of Thai Private Sector to the anti-corruption in order to confirm that the Company has enough measurement in the fraud protection and corruption inspection effectively.

#### 2. Risk Assessment

The company specifies the risk management policy as important policy by appointing Risk Management Committee in management level including directors and executives performing the duty of evaluating the risk factor from the outside and inside factor affecting the target and business operation of the company and specify risk responsible person in various units and assign risk management of every executives and planning and specifying risk management measure with risk assessment that might affect the business operation and target of the company and arrange follow-up of risk managements of various units in every quarter.

#### 3. The Control of the Work Operation

The Board of Directors had appointed 3 sub-committee consisting of the Executive Board of Directors, Audit and Corporate Governance Committee, and Nomination and Remuneration Committee.

The 3 groups of committee had performed the work under the scope or duty assigned in order to sufficiently monitor the executive.

Moreover, the Audit and Corporate Governance Committee has considered and reviewed and approve the annual audit plan in order to cover all key work operation processes with significant risk and to cover the anticipation of people related to the Company which makes the Company to be sure that the various agencies had sufficient control of the work operation on the finance, work operation, law and compliance, rule, regulation, and the anti-corruption.

the Audit and Corporate Governance Committee has considered the important point and the problem found from an inspection by proposing the executive to revise and to have the report of the revision result and prevent measures.

In case of entering into a transaction with business or relevant people which might lead to the conflict of interest between companies and the business or related people with the Company. The business that happens must go through the approving process according to the regulation of the company just like a normal business and related people to the making of item must consider that transaction is reasonable and according to the normal business by considering the highest benefit of the company and shareholders as it is an action with outside people and legal. The business that would bring about the conflict of interest and the said people with interest would not have the right to vote and reveal the information according to the law.

The Company is determined to develop the production process in order to be accepted in the international standard and to focus on safety in the work and environment maintenance. The Company has certified the quality management system "IATF 16949" and "ISO 14001" which has separate section from the production line to perform of the duty of inspecting and following up to comply with rule and specification regularly. As for the business on finance, purchase and procurement, stipulated the staff and executive must comply the Authority Table and "Procurement Control Manual" specified in writing by clearly stated the criteria, condition and the power in approving to pay the money and entering in procurement contract in order to be careful and prevent fraud in money-related transaction.

#### 4. Information Technology and Telecommunication System

To propose the matter for the Board of Directors to consider, the Company has arranged important information so that the Board of Directors would use in the decision-making by making analytical report comparing the principle and reason along with documents and send the information for studying in advance for 7 days. There is secretary of the Company to provide recommendation on the regulation and various rules and supervise the business of the Board of Directors and coordinate so that there would be operation according to the resolution of the Board of Directors and the agency which is the center in making and storing documents including Director registry, Board of Directors Meeting appointment letter, minutes of the Meeting of the Board of director, shareholder meeting

appointment letter and minutes of shareholder meeting orderly so that shareholders can verify the suitability in the work operation of directors.

As for the storing of accounting record and various accounting, the Company would store it completely in every category for transparency and to be work operation information without notification from an auditor that there is a flaw in this matter.

The Audit and Corporate Governance Committee has considered along with an auditor, internal audit and related people in making the financial statement of the company in every quarter in order to make sure that the company has used accounting policy according to the general accounting principle and suitable with the business type of the company and to reveal suitable information according to the law.

#### 5. Follow-up System

The Company has followed up on the work operation whether it is according to the target by having the Board of Directors, Meeting in 2022 for the total of 11 times and the Executive Board for 12 times in order to follow up the operation in each level starting from the Board of Directors, the Executive Board and Executives in order to follow up the target and supervise the work operation according to the strategy, work plan and the project in the annual business plan that has been approved from the Board of Directors and to solve problems that might happen and to adjust the work plan so that it is consistent with the changed situation and when it is found that the work operation result is different from the specified target and specified the responsible people to present the report in order to review the work operation and analyze the including co-consider to approve the plan to solve problems and to continuous report. The Company has arranged regular internal control system audit. The management would be responsible in supervision of the internal control system and there is Internal Audit Department to inspect and report the result independently to the Audit and Corporate Governance Committee.

## 9.2 Related party transactions

The Company and its subsidiaries related transactions with person(s) who would have been involved in the dispute during the year 2022, 2021 and 2020 were as follows;

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

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price/ Necessity
		2020	2021	2022	
List of ordinary transactions					
The Company ownership interest 99.99%	1. SAT sold scraps material to SBM	0.60	-	-	Market price/ to increase income to SAT by selling scraps material which was normal loss from the production.
	2. SAT sold Semi-finished products to SBM	114.13	168.48	-	Market price
	3. SAT received utilities payment from SBM	8.15	2.53	1.92	Price was close to the Cost/ SBM used utilities of SAT
	4. SAT Dividends received from SBM	99.99	-	279.99	
	5. SAT received management fee from SBM	27.52	39.50	70.80	Price was close to the Cost/ Services for SBM

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

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

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price/ Necessity
		2020	2021	2022	
List of ordinary transactions					
The Company ownership interest 99.99%	1. SAT paid utilities fee to BSK	6.12	6.06	4.58	Price was close to the Cost/ SAT used utilities of BSK
	2.SAT received utilities payment from BSK	0.22	0.41	0.10	Price was close to the Cost/ BSK used utilities of SAT
	3. SAT Dividends received from BSK	20.79	-	-	
	4. SAT disposal of asset to BSK	-	91.13	-	Market price
	5. SAT received management fee from BSK	-	3.71	8.4	Price was close to the Cost/ Services for BSK

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

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

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price/ Necessity
		2020	2021	2022	
List of ordinary transactions					
The Company ownership interest 99.99%	1. SAT sold scraps material to ICP	3.74	7.55	-	Market price/ to increase income to SAT by selling scraps material which was normal loss from the production
	2. SAT received management fee from ICP	25.40	33.56	61.20	Price was close to the Cost/ Services for ICP
	3. SAT Dividends received from ICP	156.99	235.49	337.55	
	4. SAT received utilities payment from ICP	1.63	1.60	1.34	Price was close to the Cost/ ICP used utilities of SAT

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

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

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price/ Necessity
		2020	2021	2022	
List of ordinary transactions					
The Company ownership interest 99.99%	1. SAT was the short-term loan lender of SFT	220.00	200.00	60.00	According to loan agreement
	2. SAT received interest of loan from SFT	4.90	4.49	4.34	According to loan agreement
	3. SAT received utilities payment from SFT	0.40	-	-	Price was close to the Cost/ SFT used utilities of SAT
	4. SAT received management fee from SFT	5.53	6.78	108.00	Price was close to the Cost/ Services for SFT
	5. SAT Dividends received from SFT	-	-	71.99	
	6. SAT invested in addition shares of SFT	-	1,250.00	-	At par value
	7. SAT disposal of asset to SFT	-	1,050.07	-	Market price
	8. SAT sale goods to SFT	-	178.14	-	Market price

Remark: Item 1 - 8 is the items indicated in the notes to the financial statement.

### Somboon Tron Energy Co., Ltd. (STRON)

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price/ Necessity
		2020	2021	2022	
List of ordinary transactions					
The Company holds shares 60.00%	1. SAT had management service agreement with STRON	-	-	3.25	According to the agreement/ provide management service

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

### Tsuchiyoshi Somboon Coated Sand Co., Ltd.

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price/ Necessity
		2020	2021	2022	
List of ordinary transactions					
The Company ownership interest by Somboon Malleable Iron Industrial Co., Ltd. (SBM) 21.25%	1. ICP purchased dry sand from Tsuchiyoshi Somboon Coated Sand Co., Ltd.	30.45	47.39	41.43	Market price/ purchase from time to time in the production.

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

### Mubea Somboon Automotive Co., Ltd. (MSA)

Relationship		Description of important items	Total amount remaining (Million Baht)			Conditions of price/ Necessity
			2020	2021	2022	
List of ordinary transactions						
The Company holds shares 50.00%	1. SAT was the short-term loan lender of MSA	200.00	200.00	50.00	According to loan agreement	
	2. SAT had management service agreement with MSA	12.23	12.34	8.51	According to the agreement/ provide management service	
	3. SAT received interest of loan from MSA	6.66	5.44	2.92	According to loan agreement	
	4. SAT received utilities payment from MSA	2.79	1.22	1.18	Price was close to the Cost/ MSA used utilities of SAT	
	5. BSK had land and building lease agreement with MSA	15.54	4.68	1.35	According to the agreement/ renting land and building	
	6. BSK received utilities payment from MSA	4.39	2.18	2.42	Price was close to the Cost/ MSA used utilities of BSK	
	7. BSK sale goods to MSA	-	140.15	14.47	Market price	

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

### Somboon Siasun Tech Co., Ltd. (SST)

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price/ Necessity
		2020	2021	2022	
List of ordinary transactions					
The Company holds shares 50.00%	1. SAT had management service agreement with SST	-	-	3.75	According to the agreement/ provide management service

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



### Yongkee Co., Ltd.

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price/ Necessity
		2020	2021	2022	
List of ordinary transactions					
Common shareholder of the Company	1. BSK, SAT and SFT sale of goods to Yongkee Co., Ltd.	11.38	14.02	3.44	Approximates market prices/ sales as the normal business

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

### Somboon Holding Co., Ltd. (SBH)

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price/ Necessity
		2020	2021	2022	
List of ordinary transactions					
Major shareholders of the Company holding 30% of shares	1. BSK received utilities fee from Somboon Holding Co., Ltd.	0.15	0.15	0.16	Price was close to the Cost/ SBH used utilities of BSK
	2. SAT had management service agreement with Somboon Holding Co., Ltd.,	15.00	15.00	15.00	According to the provider's actual cost allocated to the services/ considering mainly on the long term expertise in managing automotive manufacturing parts.

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

## Somboon Advance Technology Public Company Limited and its Subsidiaries

Financial statements for the year ended  
31 December 2022  
and  
Independent Auditor's Report

## Independent Auditor's Report

To the Shareholders of Somboon Advance Technology Public Company Limited

### Opinion

I have audited the consolidated and separate financial statements of Somboon Advance Technology Public Company Limited and its subsidiaries (the "Group") and of Somboon Advance Technology Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2022, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2022 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### Basis for Opinion

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

### Key Audit Matters

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

Valuation of inventories	
Refer to Note 3(g) and 7 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>Financial performance of the Group is mainly dependent upon the automotive market and car manufacturers. Sales volume of each product of the Group depends on demand of each car model which can vary. Fluctuations on sale of car manufacturers and changing in the technology for car manufacturing of each model may result in slow-moving inventories especially supplies and spare parts for machinery. The management has to use judgment in order to set up policy for allowance for decline in value for each aging of inventories.</p> <p>I focused on valuation of inventories because this account is significant. Also, the allowance for decline in value of inventories subject to significant estimation and judgment of the management. Therefore, I considered this matter as key audit matter.</p>	<p>Our audit procedures performed included:</p> <ul style="list-style-type: none"><li>• inquiring of the management in order to understand the Group's policy relating to estimation of allowance for decline in value of inventories;</li><li>• assessing the reasonableness of management's assumptions use for the above estimation by considering the historical data and inventory turnover analysis;</li><li>• testing the inventory aging report by, on a sampling basis, inspecting supporting documents to assess an appropriateness of aging classification as well as testing the calculation of allowance for decline in value whether it is in accordance with the Group's policy;</li><li>• assessing adequacy of disclosures in the financial statements according to TFRSs.</li></ul>

## Other Information

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

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

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

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

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

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

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

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

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

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

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

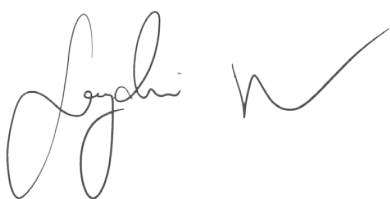
- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



**(Songchai Wongpiriyaporn)**  
 Certified Public Accountant  
 Registration No. 10996

KPMG Phoomchai Audit Ltd.  
 Bangkok  
 23 February 2023



Somboon Advance Technology Public Company Limited  
and its Subsidiaries  
Statement of Financial Position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Assets	Note	2022	2021	2022	2021
		(in Baht)			
<i>Current assets</i>					
Cash and cash equivalents	5	1,998,048,701	1,601,653,414	584,954,217	450,379,218
Other current financial assets	20	1,137,896,671	1,396,877,566	210,166,792	130,254,653
Trade accounts receivable	4, 6	1,645,389,591	1,531,158,148	-	544,319,345
Other receivables	4	223,510,364	219,546,493	96,319,794	99,062,153
Short-term loans to related parties	4, 20	50,000,000	200,000,000	110,000,000	400,000,000
Inventories	7	775,557,655	593,651,926	-	-
<b>Total current assets</b>		<b>5,830,402,982</b>	<b>5,542,887,547</b>	<b>1,001,440,803</b>	<b>1,624,015,369</b>
<i>Non-current assets</i>					
Investments in associates	8	544,524,945	556,746,308	-	-
Investments in subsidiaries	9	-	-	3,822,011,902	3,792,012,202
Investments in joint ventures	8	412,313,763	382,244,180	365,499,900	365,499,900
Other non-current financial assets	20	98,523,850	92,483,233	45,107,524	45,107,524
Investment properties	10	58,561,500	58,561,500	-	-
Property, plant and equipment	11	3,213,119,825	3,069,095,354	57,366,753	63,347,711
Goodwill		17,934,556	17,934,556	-	-
Intangible assets		25,952,718	20,755,315	13,938,499	8,007,988
Deferred tax assets	17	53,275,511	31,211,291	16,575,289	11,977,628
Other non-current assets		96,193,182	58,188,038	3,202,821	1,993,404
<b>Total non-current assets</b>		<b>4,520,399,850</b>	<b>4,287,219,775</b>	<b>4,323,702,688</b>	<b>4,287,946,357</b>
<b>Total assets</b>		<b>10,350,802,832</b>	<b>9,830,107,322</b>	<b>5,325,143,491</b>	<b>5,911,961,726</b>

The accompanying notes are an integral part of these financial statements

Somboon Advance Technology Public Company Limited  
and its Subsidiaries  
Statement of Financial Position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity	Note	2022	2021	2022	2021
		(in Baht)			
<b>Current liabilities</b>					
Trade accounts payable	4, 20	1,335,355,318	1,227,744,287	-	402,627,415
Other payables	4, 12, 20	491,644,214	465,776,679	51,616,458	190,675,147
Accounts payable - purchase of assets		133,859,824	104,294,712	4,887,329	43,736,285
Current portion of lease liabilities		13,338,321	12,548,048	1,583,333	4,762,265
Income tax payable		80,033,974	81,747,906	-	36,913,884
<b>Total current liabilities</b>		<b>2,054,231,651</b>	<b>1,892,111,632</b>	<b>58,087,120</b>	<b>678,714,996</b>
<b>Non-current liabilities</b>					
Lease liabilities		23,393,544	18,406,619	2,687,913	3,512,519
Non-current provisions for employee benefits	13	305,814,494	276,194,999	82,915,990	59,942,537
Other non-current liabilities		1,068,450	985,398	1,085,222	1,002,168
<b>Total non-current liabilities</b>		<b>330,276,488</b>	<b>295,587,016</b>	<b>86,689,125</b>	<b>64,457,224</b>
<b>Total liabilities</b>		<b>2,384,508,139</b>	<b>2,187,698,648</b>	<b>144,776,245</b>	<b>743,172,220</b>
<b>Equity</b>					
Share capital					
Authorised share capital					
(425,193,894 ordinary shares, par value at Baht 1 per share)		425,193,894	425,193,894	425,193,894	425,193,894
Issued and paid-up share capital					
(425,193,894 ordinary shares, par value at Baht 1 per share)		425,193,894	425,193,894	425,193,894	425,193,894
Premium on ordinary shares		716,443,452	716,443,452	716,443,452	716,443,452
Retained earnings					
Appropriated					
Legal reserve	14	55,671,181	55,671,181	42,671,181	42,671,181
Unappropriated		6,731,784,788	6,428,519,288	3,996,058,719	3,984,480,979
Other components of equity		21,413,353	16,580,859	-	-
<b>Equity attributable to owners of the parent</b>		<b>7,950,506,668</b>	<b>7,642,408,674</b>	<b>5,180,367,246</b>	<b>5,168,789,506</b>
Non-controlling interests		15,788,025	-	-	-
<b>Total equity</b>		<b>7,966,294,693</b>	<b>7,642,408,674</b>	<b>5,180,367,246</b>	<b>5,168,789,506</b>
<b>Total liabilities and equity</b>		<b>10,350,802,832</b>	<b>9,830,107,322</b>	<b>5,325,143,491</b>	<b>5,911,961,726</b>

The accompanying notes are an integral part of these financial statements

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

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2022	2021	2022	2021
		(in Baht)			
<b>Income</b>					
Revenue from sale of goods					
and rendering of services	4, 15	8,931,372,337	8,598,180,158	-	2,700,082,221
Management fee income	4, 15	2,996,910	5,136,000	252,296,910	88,692,000
Net foreign exchange gain		-	9,481,647	341,937	11,217,719
Dividend income	4, 8, 9	9,051,958	3,079,959	689,545,209	235,499,994
Gain on business restructuring		-	-	-	182,378,637
Other income	4	149,966,577	111,343,633	73,576,604	87,707,416
<b>Total income</b>		<b>9,093,387,782</b>	<b>8,727,221,397</b>	<b>1,015,760,660</b>	<b>3,305,577,987</b>
<b>Expenses</b>					
	16				
Cost of sale of goods and					
rendering of services	4	7,315,802,385	6,943,350,843	-	2,030,232,777
Distribution costs	4	200,600,587	254,830,199	-	170,104,545
Administrative expenses	4	530,187,469	482,115,643	363,822,185	340,944,651
Losses on disposal of investment in subsidiary	9	-	11,501,364	-	-
Net foreign exchange loss		7,670,880	-	-	-
Finance costs		1,978,478	5,789,784	312,603	2,664,229
<b>Total expenses</b>		<b>8,056,239,799</b>	<b>7,697,587,833</b>	<b>364,134,788</b>	<b>2,543,946,202</b>
Share of profit of joint ventures and associates					
accounted for using equity method	8	38,266,220	84,339,738	-	-
<b>Profit before income tax expense</b>		<b>1,075,414,203</b>	<b>1,113,973,302</b>	<b>651,625,872</b>	<b>761,631,785</b>
Tax (expense) income	17	(139,659,031)	(158,759,972)	1,524,991	(84,636,961)
<b>Profit for the year</b>		<b>935,755,172</b>	<b>955,213,330</b>	<b>653,150,863</b>	<b>676,994,824</b>
<b>Basic earnings per share</b>	18	<b>2.21</b>	<b>2.24</b>	<b>1.54</b>	<b>1.59</b>
<b>Profit attributable to:</b>					
Owners of the parent		939,967,447	952,650,017	653,150,863	676,994,824
Non-controlling interests		(4,212,275)	2,563,313	-	-
<b>Profit for the year</b>		<b>935,755,172</b>	<b>955,213,330</b>	<b>653,150,863</b>	<b>676,994,824</b>

The accompanying notes are an integral part of these financial statements

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

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
Note	2022	2021	2022	2021
	(in Baht)			
<b>Profit for the year</b>	<b>935,755,172</b>	<b>955,213,330</b>	<b>653,150,863</b>	<b>676,994,824</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Gain on investments in equity instruments designated at FVOCI	6,040,617	20,724,563	-	-
Gain (loss) on remeasurements of defined benefit plans	13 (9,783,344)	5,457,020	(15,363,349)	5,041,208
Income tax relating to items that will not be reclassified to profit or loss	1,160,509	(6,555,835)	3,072,670	(1,008,242)
<b>Total items that will not be reclassified to profit or loss</b>	<b>(2,582,218)</b>	<b>19,625,748</b>	<b>(12,290,679)</b>	<b>4,032,966</b>
<b>Other comprehensive income (expense) for the year, net of tax</b>	<b>-2,582,218</b>	<b>19,625,748</b>	<b>(12,290,679)</b>	<b>4,032,966</b>
<b>Total comprehensive income for the year</b>	<b>933,172,954</b>	<b>974,839,078</b>	<b>640,860,184</b>	<b>681,027,790</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	937,385,229	972,447,281	640,860,184	681,027,790
Non-controlling interests	(4,212,275)	2,391,797	-	-
<b>Total comprehensive income for the year</b>	<b>933,172,954</b>	<b>974,839,078</b>	<b>640,860,184</b>	<b>681,027,790</b>

The accompanying notes are an integral part of these financial statements

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

		Consolidated financial statements					
		Retained earnings		Other components of equity		Equity attributable to owners of the parent	
		Legal reserve	Unappropriated	Fair value reserve			
		(in Baht)					
		Issued and paid-up share capital	Shares premium			Non-controlling interests	Total equity
Note							
<b>Year ended 31 December 2021</b>							
	<b>Balance at 1 January 2021</b>	<b>425,193,894</b>	<b>716,443,452</b>	<b>55,671,181</b>	<b>5,844,965,198</b>	<b>-</b>	<b>7,042,273,725</b>
<b>Transactions with owners, recorded directly in equity</b>							
<i>Distributions to owners of the Company</i>							
19	Dividends to owners of the Company	-	-	-	(374,166,093)	-	(374,166,093)
	<b>Total distributions to owners of the parent</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(374,166,093)</b>	<b>-</b>	<b>(374,166,093)</b>
<i>Changes in ownership interests in subsidiary</i>							
9	Loss of control from disposal in subsidiary	-	-	-	1,853,761	-	1,853,761
	<b>Total changes in ownership interests in subsidiary</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,853,761</b>	<b>(50,861,333)</b>	<b>(49,007,572)</b>
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(372,312,332)</b>	<b>-50,861,333</b>	<b>(423,173,665)</b>
<b>Comprehensive income for the year</b>							
	Profit	-	-	-	952,650,017	-	952,650,017
	Other comprehensive income	-	-	-	3,216,405	16,580,859	19,797,264
	<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>955,866,422</b>	<b>16,580,859</b>	<b>972,447,281</b>
	<b>Balance at 31 December 2021</b>	<b>425,193,894</b>	<b>716,443,452</b>	<b>55,671,181</b>	<b>6,428,519,288</b>	<b>-</b>	<b>7,642,408,674</b>

The accompanying notes are an integral part of these financial statements



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

Consolidated financial statements								
		Retained earnings		Other components of equity			Equity attributable to owners of the parent	Total equity

The accompanying notes are an integral part of these financial statements

Somboon Advance Technology Public Company Limited  
and its Subsidiaries

Statement of Changes in equity

	Separate financial statements					Total equity
	Issued and paid-up share capital	Share premium	Legal reserve (in Baht)	Unappropriated		
Year ended 31 December 2021						
Balance at 1 January 2021	425,193,894	716,443,452	42,671,181	3,677,619,282		4,861,927,809
Transaction with owners, recorded directly in equity						
Distributions to owners of the Company						
Dividends to owners of the Company	-	-	-	(374,166,093)		(374,166,093)
Total transaction with owners, recorded directly in equity	-	-	-	(374,166,093)		(374,166,093)
Comprehensive income for the year						
Profit	-	-	-	676,994,824		676,994,824
Other comprehensive income	-	-	-	4,032,966		4,032,966
Total comprehensive income for the year	-	-	-	681,027,790		681,027,790
Balance at 31 December 2021	425,193,894	716,443,452	42,671,181	3,984,480,979		5,168,789,506

The accompanying notes are an integral part of these financial statements

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

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

The accompanying notes are an integral part of these financial statements

Somboon Advance Technology Public Company Limited  
and its Subsidiaries  
Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2022	2021	2022	2021
	(in Baht)			
<b><i>Cash flows from operating activities</i></b>				
Profit for the year	935,755,172	955,213,330	653,150,863	676,994,824
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense (income)	139,659,031	158,759,972	-1,524,991	84,636,961
Finance costs	1,978,478	5,789,784	312,603	2,664,229
Depreciation and amortisation	514,668,448	572,267,490	20,182,661	203,932,757
Impairment loss recognised in profit or loss	-	284,117	-	-
(Reversal of) impairment loss of plant and equipment	3,909,919	-6,998,663	-	-
Written-off property, plant and equipment	23,086,434	12,527,372	-	1,855,605
Interest income	-13,010,840	-14,650,227	-9,093,512	-11,639,470
(Reversal of) losses on inventories devaluation	-4,978,371	9,817,889	-	346,811
Unrealised (gain) loss on exchange	10,204,087	-291,701	-7,262	-239,928
(Gain) loss on disposal of property, plant and equipment	4,553,930	3,715,495	141,259	(36,669,939)
Gain on business restructuring	-	-	-	(182,378,637)
Losses on disposal of investment in subsidiary	-	11,501,364	-	-
Share of profit of joint ventures and associates				
accounted for using equity method	-38,266,220	-84,339,738	-	-
Dividends income	-9,051,958	-3,079,959	(689,545,209)	(235,499,994)
Provisions for employee benefits	31,386,386	22,979,360	8,481,024	9,754,915
	<u>1,599,894,496</u>	<u>1,643,495,885</u>	<u>-17,902,564</u>	<u>513,758,134</u>
<b><i>Changes in operating assets and liabilities</i></b>				
Trade accounts receivable	-124,474,296	-431,612,709	544,319,345	-124,344,809
Other receivables	5,734,562	-68,724,761	8,742,094	-29,670,337
Inventories	-176,927,359	-136,624,595	-	134,450,595
Other non-current assets	-38,005,144	-20,381,620	-1,209,417	2,097,473
Trade accounts payable	107,585,032	317,986,851	-402,627,415	51,442,108
Other payables	25,914,153	182,605,778	-139,051,427	82,600,681
Other non-current liabilities	83,053	34,185	83,054	34,188
Net cash generated from (used in) operations	<u>1,399,804,497</u>	<u>1,486,779,014</u>	<u>-7,646,330</u>	<u>630,368,033</u>
Employee benefit paid	-11,550,235	-24,118,260	-870,920	-70,125,448
Taxes paid	<u>-169,860,119</u>	<u>-83,595,349</u>	<u>-42,979,264</u>	<u>-51,598,672</u>
<b>Net cash from (used in) operating activities</b>	<u><b>1,218,394,143</b></u>	<u><b>1,379,065,405</b></u>	<u><b>-51,496,514</b></u>	<u><b>508,643,913</b></u>

The accompanying notes are an integral part of these financial statements

Somboon Advance Technology Public Company Limited  
and its Subsidiaries  
Statement of cash flows

	Consolidated		Separate		
	financial statements		financial statements		
	Year ended 31 December		Year ended 31 December		
Note	2022	2021	2022	2021	
	(in Baht)				
<b>Cash flows from investing activities</b>					
Acquisition in share capital of subsidiary	9	-	-	-29,999,700	-
Proceeds from call-up of share capital of subsidiary - non-controlling interests	9	20,000,300	-	-	-
Proceeds from disposal of investment in subsidiary, net of cash disposed of		-	60,234,422	-	-
Increase in restricted deposit at financial institution		-	-66,523	-	-
Interest received		10,895,851	13,951,405	9,159,157	10,720,691
(Increase) decrease in other current financial assets		258,980,895	(1,046,877,737)	-79,912,139	-30,254,653
Dividends received		29,469,958	15,496,959	689,545,209	235,499,994
Short-term loans to related parties		(50,000,000)	(200,000,000)	-710,000,000	-1,120,000,000
Proceeds from repayment of short-term loans to related parties		200,000,000	200,000,000	1,000,000,000	1,140,000,000
Acquisition of property, plant and equipment		(635,751,509)	(268,520,691)	-52,589,753	-83,669,676
Proceeds from sale of property, plant and equipment		1,453,403	8,080,742	25,883	1,138,185,988
Acquisition of interest in subsidiary		-	-	-	-1,250,000,000
Proceeds from sale of intangible assets		-	-	-	3,768,158
Acquisition of intangible assets		-9,360,400	-5,127,687	(7,247,700)	(4,354,527)
Increase in other non-current financial assets		-	-45,107,524	-	-45,107,524
<b>Net cash from (used in) investing activities</b>		<b>-174,311,502</b>	<b>-1,267,936,634</b>	<b>818,980,957</b>	<b>-5,211,549</b>
<b>Cash flows from financing activities</b>					
Interest paid		-1,978,478	-4,573,270	-312,603	-2,163,875
Payment of lease liabilities		-16,421,641	-17,135,952	(3,314,397)	(7,859,052)
Increase in short-term loans from financial institutions		-	15,768,377	-	-
Repayment of borrowings from financial institutions		-	-109,881,519	-	-91,642,630
Proceeds from short-term loans from related parties		-	-	-	1,000,000,000
Repayment of short-term loans from related parties		-	-	-	-1,000,000,000
Dividends paid to owners of the Company		-629,287,235	-374,166,093	-629,282,444	-374,166,093
<b>Net cash used in financing activities</b>		<b>-647,687,354</b>	<b>-489,988,457</b>	<b>-632,909,444</b>	<b>-475,831,650</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>396,395,287</b>	<b>-378,859,686</b>	<b>134,574,999</b>	<b>27,600,714</b>
Cash and cash equivalents at 1 January		1,601,653,414	1,980,513,100	450,379,218	422,778,504
<b>Cash and cash equivalents at 31 December</b>		<b>1,998,048,701</b>	<b>1,601,653,414</b>	<b>584,954,217</b>	<b>450,379,218</b>
<b>Non-cash transactions</b>					
Increase (decrease) in right-of-use assets		22,198,840	25,159,579	-831,390	6,206,652

The accompanying notes are an integral part of these financial statements



Somboon Advance Technology Public Company Limited  
and its Subsidiaries

**Notes to financial statements**

For the year ended 31 December 2022

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Somboon Advance Technology Public Company Limited  
and its Subsidiaries

**Notes to financial statements**

For the year ended 31 December 2022

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 23 February 2023.

**1 General information**

**(a) General information**

Somboon Advance Technology Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in January 2005. The Company’s registered office at

Head Office : 129 Moo 2, Bangna- Trad Road, Tambon Bangchalong, Amphur Bangplee, Samutprakarn 10540.

Branch : 7/389 Moo 6, Tambon Mapyangporn, Amphur Pluak Daeng, Rayong 21140.

The Company’s major shareholders during the financial year were Somboon Holding Company Limited (29.92% shareholding) which was incorporated in Thailand and Kitaphanich family (13.48% shareholding).

During the year 2021, the Company pursuant to the restructuring plan which was approved by the Extraordinary General Meeting of Shareholders held on 9 September 2021, the shareholders approved the restructuring plan and transferred partial business which are the production and distribution of axel shaft business to Somboon Forging Technology Co., Ltd., a subsidiary. Since 27 December 2021, the principal business of the Company is a holding Company.

The principal activities of the Group are the manufacture of axles and trunnion shafts. Details of the Company’s subsidiaries as at 31 December 2022 and 2021 are given in note 9.

**2 Basis of preparation of the financial statements**

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Group’s functional currency. The accounting policies, described in the note 3, have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that are described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

### 3 Significant accounting policies

#### (a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint ventures.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. In addition, when there is a change in the Group’s interest in a subsidiary that does not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received from the acquisition or disposal of the non-controlling interests with no change in control is accounted for as other surplus/deficit in shareholders’ equity.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group recognised investments in associates and joint ventures using the equity method in the consolidated financial statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### *Business combinations*

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less net fair value of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group estimates provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Business combination under common control are accounted for using a method similar to the pooling of interest method, by recognising assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the transaction date. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or deficit from business combinations under common control in shareholder's equity. The surplus or deficit will be written off upon divestment of the businesses acquired. The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

**(b) *Investments in subsidiaries, associates and joint ventures***

Investments in subsidiaries, associates and joint ventures in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

**(c) *Foreign currencies***

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date.

Foreign currency differences are generally recognised in profit or loss.

**(d) Financial instruments**

*(d.1) Classification and measurement*

Other financial assets and financial liabilities (except trade accounts receivable (see note 3(f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss on the date on which the Group's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

*(d.2) Derecognition and offset*

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.



*(d.3) Impairment of financial assets other than trade accounts receivable*

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade and other accounts receivable, and loans to related parties).

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group recognises ECLs for low credit risk financial asset as 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group takes action such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

*(d.4) Write offs*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

*(d.5) Interest*

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

**(e) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which have maturities of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

**(f) Trade and other accounts receivable**

A receivable is recognised when the Group has an unconditional right to receive consideration. A receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

**(g) Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost of finished goods and works in process are calculated using the average cost principle. Raw materials, factory supplies and spare parts for machinery are calculated using the first in first out principle. Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

**(h) Investment properties**

Investment properties are measured at cost less impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed assets includes capitalised borrowing costs.

No depreciation is charged on freehold land.

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

**(i) Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

*Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

*Depreciation*

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land, assets under construction and spare parts for machinery.

The estimated useful lives are as follows:

Buildings and other constructions	5 - 40 years
Machinery and factory equipment	2 - 30 years
Office furniture, fixtures and equipment	2 - 5 years
Vehicles	5 years
Right-of-use assets	2 - 4 years

*(j) Goodwill*

Goodwill is measured as the excess of the cost of acquisition over the fair value of the identifiable assets acquired. After initial recognition, goodwill is measured at cost less accumulated impairment losses.

*(k) Other intangible assets*

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Software licences	3 - 10 years
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*(l) Leases*

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

*As a lessee*

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which are recognised as expenses on a straight-line basis over the respective lease terms.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the

present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### *As a lessor*

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Group considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

The Group recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

### **(m) *Impairment of non-financial assets***

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised in profit or loss if the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss of asset recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### **(n) *Employee benefits***

#### *Defined contribution plans*



Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

#### *Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### **(o) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

#### **(p) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received.

**(q) Revenue**

*Revenue from contracts with customers*

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognise revenue and cost of sales for the estimated products to be returned.

Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

*Dividend income*

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

**(r) Income tax**

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither

accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) **Earnings per share**

Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

**4 Related parties**

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that is under common control or under the same significant influence as the Group; or a person or entity over which the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making.

Relationships with subsidiaries, associates and joint ventures are described in notes 8 and 9. Other related parties which the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/ nationality		Nature of relationships	
Somboon Holding Company Limited	Thailand		A 29.92% shareholding in the Company	
Yongkee Co., Ltd.	Thailand		A common shareholder of the Company	
<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
<b>Subsidiaries</b>				
Sales of goods	-	-	-	341
Dividend income	-	-	690	236
Interest income	-	-	4	4
Management fee income	-	-	249	84
Facilities income	-	-	-	1
Rental income	-	-	2	1
Sales of scraps	-	-	-	8
Other income	-	-	8	3

<b>Significant transactions with related parties</b> <b>Year ended 31 December</b>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Disposal of assets from partial business transfer	-	-	-	1,034
Sale of fixed assets	-	-	-	92
Purchases of goods	-	-	-	35
Lease-related expense	-	-	3	3
Facilities expense	-	-	1	3
<b>Joint ventures</b>				
Sales of goods	14	143	-	-
Rental income	3	6	1	1
Interest income	3	5	3	5
Management fee income	3	5	3	5
Other income	11	9	9	7
Purchase of goods	-	40	-	-
Lease-related expense	1	3	-	-
<b>Associates</b>				
Dividend income	20	12	-	-
Purchases of goods	41	47	-	-
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term benefits	66	66	65	53
Long-term benefits	3	2	3	2
<b>Total key management personnel compensation</b>	<b>69</b>	<b>68</b>	<b>68</b>	<b>55</b>
<b>Other related parties</b>				
Sales of goods	3	14	-	14
Rental income	4	2	-	-
Management fee	15	15	15	15
Purchases of goods	-	1	-	-
<b>Balances with related parties</b> <b>At 31 December</b>				
	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Trade accounts receivable</b>				
Subsidiaries	-	-	-	29,224
Joint ventures	-	37,502	-	-
Other related parties	500	4,602	-	4,602
<b>Total</b>	<b>500</b>	<b>42,104</b>	<b>-</b>	<b>33,826</b>

**Other receivables**

Subsidiaries	-	-	49,980	51,919
Joint ventures	3,072	5,727	2,326	3,935
Other related parties	859	623	6	4
<b>Total</b>	<b>3,931</b>	<b>6,350</b>	<b>52,312</b>	<b>55,858</b>

**Loans to**

Subsidiaries	-	-	60,000	200,000
Joint ventures	50,000	200,000	50,000	200,000
<b>Total</b>	<b>50,000</b>	<b>200,000</b>	<b>110,000</b>	<b>400,000</b>

Short-term loans to related parties carry interest at MMR (Money Market Rate) per annum.

<b>Balances with related parties At 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Trade accounts payable</b>				
Subsidiaries	-	-	-	7,632
Joint ventures	-	701	-	-
Associates	8,612	12,676	-	-
Other related parties	-	329	-	-
<b>Total</b>	<b>8,612</b>	<b>13,706</b>	<b>-</b>	<b>7,632</b>
<b>Other payables</b>				
Subsidiaries	-	-	835	1,006
Joint ventures	1,216	52	1,171	5
Associates	184	235	-	-
Other related parties	1,338	1,338	1,338	1,338
<b>Total</b>	<b>2,738</b>	<b>1,625</b>	<b>3,344</b>	<b>2,349</b>

**(1) Land and building lease agreement**

A subsidiary has land and building lease agreements with a joint venture for the period of 1 year. The agreement is effective from 1 January 2022 to 31 December 2022. The subsidiary will receive land and building rental fees as stipulated in the agreement. However, the new agreement is currently in process of consideration of conditions and preparation by both parties.

**(2) Management service agreement with joint venture**

The Company had a management service agreement with a joint venture for the period of 3 years. The agreement is effective from 1 January 2022 to 31 December 2024. Under the terms of the agreement, the Company will provide management services and will receive service fee as stipulated in the agreement.

**(3) Management service agreement with related party**

The Company entered into a management service agreement with a related company whereby the latter will provide consulting services as stipulated in the agreement. The Company is committed to pay annual fees amounting to Baht 15 million. The agreement is effective from 1 January 2021 to 31 December 2023.

## 5 Cash and cash equivalents

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Cash on hand	100	220	70	90
Cash at banks	1,607,413	1,601,433	434,803	450,289
Highly liquid short-term investments	390,536	-	150,081	-
<b>Total</b>	<b><u>1,998,049</u></b>	<b><u>1,601,653</u></b>	<b><u>584,954</u></b>	<b><u>450,379</u></b>



## 6 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
<b>Related parties</b>	4				
Within credit terms		500	42,104	-	33,826
		<b>500</b>	<b>42,104</b>	-	<b>33,826</b>
<b>Other parties</b>					
Within credit terms		1,644,888	1,489,054	-	510,493
Overdue:					
Less than 3 months		2	-	-	-
		<b>1,644,890</b>	<b>1,489,054</b>	-	<b>510,493</b>
Less allowance for expected credit loss		-	-	-	-
		<b>1,644,890</b>	<b>1,531,158</b>	-	<b>544,319</b>
<b>Net</b>		<b>1,645,390</b>	<b>1,531,158</b>	-	<b>544,319</b>

Information of credit risk is disclosed in note 20 (b.1).

## 7 Inventories

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Finished goods	455,813	280,000	-	-
Work in process	50,204	53,038	-	-
Raw materials	24,140	41,321	-	-
Factory supplies	111,960	125,419	-	-
Spare parts for machinery	185,288	151,134	-	-
Goods in transit	1,411	977	-	-
<b>Total</b>	<b>828,816</b>	<b>651,889</b>	-	-
Less allowance for decline in value	(53,258)	(58,237)	-	-
<b>Net</b>	<b>775,558</b>	<b>593,652</b>	-	-

## 8 Investments in associates and joint ventures

Consolidated financial statements								
Type of business	Ownership Interest		Paid-up capital		Cost		At equity method	Dividend income for the years
	2022	2021	2022	2021	2022	2021		
	(in thousand Baht)							
<b>Associates</b>								
Tsuchiyoshi Somboon Coated Sand Co., Ltd.	21.25	21.25	72,000	72,000	15,300	47,649	53,704	6,120
Yamada Somboon Company Limited	20.00	20.00	150,000	150,000	30,807	496,876	503,042	6,297
					<u>46,107</u>	<u>544,525</u>	<u>556,746</u>	<u>12,417</u>
<b>Joint ventures</b>								
Mubea Somboon Automotive Co., Ltd.	50.00	50.00	701,000	701,000	350,500	404,731	369,428	-
Providing service and consultation in system design including engineering system and automation								
Somboon Siasun Tech Co., Ltd.	50.00	50.00	30,000	30,000	15,000	7,583	12,816	-
					<u>365,500</u>	<u>412,314</u>	<u>382,244</u>	-
<b>Total</b>					<u>411,607</u>	<u>956,839</u>	<u>20,418</u>	<u>12,417</u>

	Separate financial statements					
	Ownership Interest		Paid-up capital		Cost	
	2022	2021	2022	2021	2022	2021
	(%)		(in thousand Baht)			
<b>Joint ventures</b>						
Mubea Somboon Automotive Co., Ltd.	50.00	50.00	701,000	701,000	350,500	350,500
Somboon Siasun Tech Co., Ltd.	50.00	50.00	30,000	30,000	15,000	15,000
<b>Total</b>					<b>365,500</b>	<b>365,500</b>

All associates and joint ventures were incorporated and operate in Thailand.

None of the Group's associates and joint ventures are publicly listed and consequently do not have published price quotations.

## 9 Investments in subsidiaries

	Type of business	Ownership		Paid-up capital		Cost		Dividend income	
		2022	2021	2022	2021	2022	2021	for the years	
		(%)				(in thousand Baht)		2022	2021
<b>Direct Subsidiaries</b>									
Somboon Malleable Iron Industrial Company Limited	Manufacture and sale of auto parts	100	100	500,000	500,000	875,989	875,989	279,995	-
Bangkok Spring Industrial Company Limited	Manufacture and sale of auto parts and rent of real estate	100	100	130,000	130,000	519,989	519,989	-	-
International Casting Products Co., Ltd.	Manufacture and sale of auto parts	100	100	785,000	785,000	796,034	796,034	337,550	235,500
Somboon Forging Technology Company Limited	Manufacture and sale of auto parts	100	100	1,600,000	1,600,000	1,600,000	1,600,000	72,000	-
Somboon Tron Energy Co., Ltd.	Import, research, analyse, design, develop and sale of electric car propulsion structures, electric cars and batteries	60	-	50,000	-	30,000	-	-	-
<b>Total</b>				<b>3,822,012</b>	<b>3,792,012</b>	<b>689,545</b>	<b>235,500</b>		

All subsidiaries were incorporated and operate in Thailand.

**Material Movement****Year ended 31 December****Consolidated financial statements**

2022	2021
<i>(in million Baht)</i>	

Disposal of investment in Nippon Kikai Engineering Co., Ltd.	-	70
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**Material Movement****Year ended 31 December****Separate financial statements**

2022	2021
<i>(in million Baht)</i>	

Acquire investment in Somboon Tron Energy Co., Ltd.	30	-
Increase capital of Somboon Forging Technology Co., Ltd.	-	1,250

*Acquisition of investment in subsidiary*

On 28 January 2022, the Company entered into the joint venture agreement with Tron Energy Technology Co., Ltd. which was incorporated under the law of Taiwan, to established in a new Company, Somboon Tron Energy Co., Ltd., which has an authorised share capital 500,000 ordinary shares at the par value of Baht 100 per share and registered with the Ministry of Commerce on 26 May 2022. The Company has a shareholding of 60% in this subsidiary.

*Acquisition of additional shares in subsidiary*

In December 2021, Somboon Forging Technology Co., Ltd. registered additional ordinary shares of 12,500,000 shares, with a par value of Baht 100 per share. The Company had invested in these additional shares, amounting to Baht 1,250 million. The proportion of ownership remain unchanged.

*Disposal of investment in subsidiary*

In December 2021, the Group sold investment in Nippon Kikai Engineering Co., Ltd., an indirect subsidiary, for Baht 69.97 million in cash. The carrying amount of Nippon Kikai Engineering Co., Ltd.'s net assets in the Group financial statement of Baht 105.67 million and written-off goodwill amounting to Baht 26.66 million. The Group recognised a decrease in non-controlling interests of Baht 50.86 million. The Group recognised losses on disposal of investment in the consolidated statement of income amounting to Baht 11.50 million.

**10 Investment properties**

Investment properties are land not used in its operation of a subsidiary and were revalued by an independent professional valuer in June 2022, at market comparison approach. The appraised value was Baht 105 million. The fair value for investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

## 11 Property, plant and equipment

Consolidated financial statements								
	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation	Spare parts for machinery	Total
<b>Cost</b>								
At 1 January 2021	597,772	1,764,689	8,723,428	202,862	39,649	174,967	101,523	11,604,890
Additions	-	12,612	59,816	9,131	13,302	209,401	41,217	345,479
Transfers	-	37,420	238,031	5,850	-	(220,914)	(60,387)	-
Disposals	-	(2,234)	(435,998)	(21,995)	(10,121)	(73)	(2,080)	(472,501)
Decrease from disposal of subsidiary	(58,344)	(14,134)	(4,426)	(5,189)	(17,198)	(8,525)	-	(107,816)
<b>At 31 December 2021 and 1 January 2022</b>	<b>539,428</b>	<b>1,798,353</b>	<b>8,580,851</b>	<b>190,659</b>	<b>25,632</b>	<b>154,856</b>	<b>80,273</b>	<b>11,370,052</b>
Additions	-	22,886	104,989	14,969	21,505	479,722	43,868	687,939
Transfers	-	29,396	128,306	1,259	-	(119,285)	(39,676)	-
Disposals	-	(21,383)	(161,493)	(225)	(8,099)	-	-	(191,200)
<b>At 31 December 2022</b>	<b>539,428</b>	<b>1,829,252</b>	<b>8,652,653</b>	<b>206,662</b>	<b>39,038</b>	<b>515,293</b>	<b>84,465</b>	<b>11,866,791</b>
<b>Depreciation and impairment losses</b>								
At 1 January 2021	-	1,092,126	6,917,970	173,222	18,426	-	-	8,201,744
Depreciation charge for the year	-	78,876	462,843	13,848	10,574	-	-	566,141
Reversal of impairment losses	-	-	(6,734)	(265)	-	-	-	(6,999)
Disposals	-	(1,562)	(416,680)	(21,935)	(9,405)	-	-	(449,582)
Decrease from disposal of subsidiary	-	(2,129)	(1,800)	(2,182)	(4,236)	-	-	(10,347)
<b>At 31 December 2021 and 1 January 2022</b>	<b>-</b>	<b>1,167,311</b>	<b>6,955,599</b>	<b>162,688</b>	<b>15,359</b>	<b>-</b>	<b>-</b>	<b>8,300,957</b>
Depreciation charge for the year	-	83,786	402,573	16,293	7,150	-	-	509,802
(Reversal of) impairment losses	-	(140)	3,310	132	-	400	208	3,910
Disposals	-	(11,187)	(142,852)	(216)	(6,743)	-	-	(160,998)
<b>At 31 December 2022</b>	<b>-</b>	<b>1,239,770</b>	<b>7,218,630</b>	<b>178,897</b>	<b>15,766</b>	<b>400</b>	<b>208</b>	<b>8,653,671</b>



**Net book value  
At 31 December 2021**

Owned assets  
Right-of-use assets

Consolidated financial statements						
	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation
						Spare parts for machinery
						Total
	539,428	631,042	1,612,378	27,971	632	80,273
	-	-	12,874	-	9,641	-
	<b>539,428</b>	<b>631,042</b>	<b>1,625,252</b>	<b>27,971</b>	<b>10,273</b>	<b>80,273</b>
						<b>3,046,580</b>
						<b>22,515</b>
						<b>3,069,095</b>
	539,428	589,482	1,419,108	27,765	10,306	84,257
	-	-	14,915	-	12,966	-
	<b>539,428</b>	<b>589,482</b>	<b>1,434,023</b>	<b>27,765</b>	<b>23,272</b>	<b>84,257</b>
						<b>3,185,239</b>
						<b>27,881</b>
						<b>3,213,120</b>

**At 31 December 2022**

Owned assets  
Right-of-use assets

Separate financial statements									
	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Spare parts for machinery	Total	
<b>Cost</b>									
At 1 January 2021	91,781	534,643	3,392,176	96,928	14,394	67,947	17,353	4,215,222	
Additions	-	-	7,302	5,937	5,514	97,451	3,214	119,418	
Transfers	-	15,583	165,952	4,288	-	(165,256)	(20,567)	-	
Disposals	(52,790)	(79,141)	(140,934)	(19,018)	(3,439)	-	-	(295,322)	
Decrease from business restructuring	(25,279)	(397,703)	(3,375,764)	(18,295)	(2,053)	-	-	(3,819,094)	
<b>At 31 December 2021 and 1 January 2022</b>	<b>13,712</b>	<b>73,382</b>	<b>48,732</b>	<b>69,840</b>	<b>14,416</b>	<b>142</b>	-	<b>220,224</b>	
Additions	-	-	913	7,773	8,614	-	-	17,300	
Disposals	-	-	(8,824)	(5)	(7,483)	-	-	(16,312)	
<b>At 31 December 2022</b>	<b>13,712</b>	<b>73,382</b>	<b>40,821</b>	<b>77,608</b>	<b>15,547</b>	<b>142</b>	-	<b>221,212</b>	
<b>Depreciation</b>									
At 1 January 2021	-	312,229	2,746,071	79,710	10,502	-	-	3,148,512	
Depreciation charge for the year	-	26,856	162,832	8,397	3,545	-	-	201,630	
Disposals	-	(76,765)	(139,049)	(18,996)	(3,282)	-	-	(238,092)	
Decrease from business restructuring	-	(206,014)	(2,730,790)	(16,453)	(1,917)	-	-	(2,955,174)	
<b>At 31 December 2021 and 1 January 2022</b>	<b>-</b>	<b>56,306</b>	<b>39,064</b>	<b>52,658</b>	<b>8,848</b>	<b>-</b>	<b>-</b>	<b>156,876</b>	
Depreciation charge for the year	-	1,725	4,031	9,587	2,819	-	-	18,162	
Disposals	-	-	(6,631)	-	(4,562)	-	-	(11,193)	
<b>At 31 December 2022</b>	<b>-</b>	<b>58,031</b>	<b>36,464</b>	<b>62,245</b>	<b>7,105</b>	<b>-</b>	<b>-</b>	<b>163,845</b>	

Separate financial statements							
	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	Spare parts for machinery
					(in thousand Baht)		Total
<b>Net book value</b>							
<b>At 31 December 2021</b>							
Owned assets	13,712	17,076	7,172	17,182	16	142	55,300
Right-of-use assets	-	-	2,496	-	5,552	-	8,048
	<b>13,712</b>	<b>17,076</b>	<b>9,668</b>	<b>17,182</b>	<b>5,568</b>	<b>142</b>	<b>63,348</b>
<b>At 31 December 2022</b>							
Owned assets	13,712	15,351	4,357	15,363	4,298	142	53,223
Right-of-use assets	-	-	-	-	4,144	-	4,144
	<b>13,712</b>	<b>15,351</b>	<b>4,357</b>	<b>15,363</b>	<b>8,442</b>	<b>142</b>	<b>57,367</b>

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2022 amounting to Baht 3,616 million (2021: Baht 3,276 million).

As at 31 December 2022 and 2021, land of the Company valued at Baht 2.3 million comprises land for which the legal ownership has yet to be transferred which is in accordance with the agreements to purchase and to sell the land.

As at 31 December 2021, the Group have redeem whole land with structures thereon mortgaged as collateral for credit facilities with commercial banks.

In 2022, the Group leased a machinery for 3 - 4 years and the Group and the Company leased vehicles for 4 years and paid fixed lease payment that are based on usage over the lease term.

In 2022, total cash outflow for leases of the Group and the Company were Baht 18.19 million and Baht 3.34 million, respectively (2021: Baht 19.74 million and Baht 7.45 million, respectively).

## 12 Other payables

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
<b>Related parties</b>	4	2,738	1,625	3,344	2,349
<b>Other parties</b>					
Accrued operating expenses		214,191	285,105	26,304	155,282
Deposits and advances received		64,499	38,930	524	613
Payable to Revenue department		28,869	26,662	12,135	13,296
Others		181,347	113,455	9,309	19,135
<b>Total</b>		<b>491,644</b>	<b>465,777</b>	<b>51,616</b>	<b>190,675</b>

## 13 Non-current provisions for employee benefits

		Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
<b>At 31 December</b>					
Post-employment benefits		282,169	253,228	81,139	58,200
Other long-term employee benefits		23,645	22,967	1,777	1,743
<b>Total</b>		<b>305,814</b>	<b>276,195</b>	<b>82,916</b>	<b>59,943</b>

The Group and the Company operate a post-employment benefits based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

		Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
<b>Present value of the defined benefit obligations</b>					
At 1 January		276,195	292,877	59,943	125,354
<b>Recognised in profit or loss:</b>					
Current service cost		25,164	18,484	7,107	7,788
Interest on obligation		6,222	4,496	1,374	1,967
<b>Recognised in other comprehensive income:</b>					
Actuarial (gain) loss					
- Financial assumptions		(14,377)	(18,940)	(2,962)	(6,653)
- Experience adjustment		24,160	13,483	18,325	1,612
Benefit paid		(11,550)	(24,118)	(871)	(7,863)
Transferred employees from business restructuring business		-	-	-	(62,262)
Decrease from disposal of subsidiary		-	(10,087)	-	-
<b>At 31 December</b>		<b>305,814</b>	<b>276,195</b>	<b>82,916</b>	<b>59,943</b>

<i>Principal actuarial assumptions</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
				(%)
Discount rate	2.90	2.30	2.90	2.30
Future salary growth	5.00	5.00	5.00	5.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2022, the weighted-average duration of the defined benefit obligation was 8 - 9 years (2021: 9 - 10 years).

#### *Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

<i>Effect to the defined benefit obligation</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Increase	Decrease	Increase	Decrease
				(in thousand Baht)
<b><i>At 31 December 2022</i></b>				
Discount rate (0.5% movement)	(12,043)	12,881	(2,426)	2,574
Future salary growth (1% movement)	15,806	(12,803)	5,116	(5,656)
<b><i>At 31 December 2021</i></b>				
Discount rate (0.5% movement)	(12,629)	13,547	(2,370)	1,794
Future salary growth (1% movement)	27,439	(24,194)	5,327	(4,782)

## **14 Legal reserves**

Section 116 of the Public Limited Companies Act B.E. 2535 (1992) Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

## **15 Segment information and disaggregation of revenue**

Segment results that are reported to the Group's CODM (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Management determined that the Group has two reportable segments which are the Group's strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, CODM reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- *Segment 1* Axles and trunnion shafts
- *Segment 2* Other auto parts and others

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.



## Consolidated financial statements

<i>Year ended 31 December</i>	Axles and trunnion shafts		Other auto parts and others		Total		Elimination		Net	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	<i>(in million Baht)</i>									
External revenue from sale of goods and rendering of services	3,488	2,532	5,446	6,071	8,934	8,603	-	-	8,934	8,603
Inter-segment revenue from sale of goods and rendering of services	171	168	2,688	2,466	2,859	2,634	(2,859)	(2,634)	-	-
<b>Total revenue</b>	<b>3,659</b>	<b>2,700</b>	<b>8,134</b>	<b>8,537</b>	<b>11,793</b>	<b>11,237</b>	<b>(2,859)</b>	<b>(2,634)</b>	<b>8,934</b>	<b>8,603</b>
Profit before income tax	541	762*	1,176	805	1,717	1,567	(642)	(453)	1,075	1,114
Segment assets	3,037	5,912	11,907	8,731	14,944	14,643	(4,593)	(4,813)	10,351	9,830
Segment liabilities	1,128	743	1,864	2,296	2,992	3,039	(607)	(851)	2,385	2,188

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

The Group's revenue is recognised at a point in time.

\*Profit before income tax included dividend income from subsidiary Baht 235 million for the year 2021.

*Major customer*

Revenues from certain customers of the Group represents approximately Baht 6,810 million (2021: Baht 6,476 million) of the Group's total revenues.

### *Promotional privileges*

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to The privileges granted significantly include:

- (a) exemption from payment of import duty on machinery approved by the Board;
- (b) exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations, to the extent that the amount of tax exemptions do not exceed investment capital exclusive of land and working capital;
- (c) a 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of five years, commencing from the expiry date in (b) above.

As promoted companies, the Group must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

<b>Consolidated financial statements</b>						
<b>Year ended 31 December</b>	<b>2022</b>			<b>2021</b>		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	228,502	191,525	420,027	192,609	357,985	550,594
Local sales	327,903	10,793,409	11,121,312	1,181,948	9,416,245	10,598,193
Elimination	(855)	(2,609,112)	(2,609,967)	(13,210)	(2,537,397)	(2,550,607)
<b>Total</b>	<b>555,550</b>	<b>8,375,822</b>	<b>8,931,372</b>	<b>1,361,347</b>	<b>7,236,833</b>	<b>8,598,180</b>

<b>Separate financial statements</b>						
<b>Year ended 31 December</b>	<b>2022</b>			<b>2021</b>		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	-	-	-	192,609	336,923	529,532
Local sales	-	-	-	111,502	2,059,048	2,170,550
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>304,111</b>	<b>2,395,971</b>	<b>2,700,082</b>

## 16 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Employee benefit expenses	1,256,479	1,213,080	237,313	450,811
Depreciation and amortisation expenses	514,668	574,354	20,183	203,933
Raw materials and consumables used	4,796,267	4,209,970	-	1,318,425
Changes in inventories of finished goods and work in process	(172,979)	(69,113)	-	83,180
(Reversal of) losses inventories devaluation	(4,979)	9,818	-	(5,658)
Utilities expenses	638,513	542,534	3,031	133,535
Finance costs	1,978	5,790	313	2,664
Losses on disposal of investment in subsidiary	-	11,501	-	-
Repair expenses	391,014	342,691	6,500	98,425
Transportation expenses	208,651	197,805	-	142,928
Others	426,628	659,158	96,795	115,704
<b>Total expenses</b>	<b><u>8,056,240</u></b>	<b><u>7,697,588</u></b>	<b><u>364,135</u></b>	<b><u>2,543,947</u></b>

The defined contribution plan comprise provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 15% of their basic salaries and by the Group at rates ranging from 3% to 6% of the employees' basic salaries. In 2022, the contributions of Baht 16.9 million and Baht 5.5 million were paid by the Group and the Company, respectively (2021: Baht 15.4 million and Baht 7.4 million, respectively). The provident fund is registered with the Ministry of Finance as juristic entity and is managed by a licensed Fund Manager.

## 17 Income tax

<i>Income tax recognised in profit or loss</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Current tax expense</b>				
Current year	<u>160,563</u>	<u>144,404</u>	<u>-</u>	<u>71,420</u>
<b>Deferred tax expense</b>				
Movements in temporary differences	<u>(20,904)</u>	<u>14,356</u>	<u>(1,524)</u>	<u>13,217</u>
<b>Total income tax expense</b>	<u>139,659</u>	<u>158,760</u>	<u>(1,524)</u>	<u>84,637</u>

<b>Consolidated financial statements</b>						
	Before tax	2022 Tax benefit	Net of tax	Before tax	2021 Tax expense	Net of tax
<i>Income tax</i>						
<b>Recognised in other comprehensive income</b>						
Financial assets at FVOCI	6,040	(1,208)	4,832	20,725	(4,144)	16,581
Defined benefit plan actuarial gains (losses)	(9,783)	2,369	(7,414)	5,457	(2,412)	3,045
<b>Total</b>	<u>(3,743)</u>	<u>1,161</u>	<u>(2,582)</u>	<u>26,182</u>	<u>(6,556)</u>	<u>19,626</u>

<b>Separate financial statements</b>						
	Before tax	2022 Tax benefit	Net of tax	Before tax	2021 Tax expense	Net of tax
<i>Income tax</i>						
<b>Recognised in other comprehensive income</b>						
Defined benefit plan actuarial gains (losses)	(15,364)	3,073	12,291	5,041	(1,008)	4,033
<b>Total</b>	<u>(15,364)</u>	<u>3,073</u>	<u>12,291</u>	<u>5,041</u>	<u>(1,008)</u>	<u>4,033</u>

**Reconciliation of effective tax rate**

	<b>Consolidated financial statements</b>			
	2022		2021	
	<i>Rate</i> <i>(%)</i>	<i>(in thousand</i> <i>Baht)</i>	<i>Rate</i> <i>(%)</i>	<i>(in thousand</i> <i>Baht)</i>
Profit before income tax expense		<u>1,075,414</u>		<u>1,113,973</u>
Income tax using the Thai corporation tax rate	20	215,083	20	222,795
Income not subject to tax		(52,133)		(24,059)
Expenses that can be additionally deductible for tax purposes		(23,881)		(26,529)
Share of profit of joint ventures and associates accounted for using equity method		(7,653)		(16,868)
Recognition of previously unrecognised tax losses		(4,972)		(61,378)
Current year losses for which no deferred tax asset was recognised		5,993		-
Expenses not deductible for tax purposes and others		7,222		64,799
<b>Total</b>	<b>13</b>	<b>139,659</b>	<b>14</b>	<b>158,760</b>

**Reconciliation of effective tax rate**

	<b>Separate financial statements</b>			
	2022		2021	
	<i>Rate</i> <i>(%)</i>	<i>(in thousand</i> <i>Baht)</i>	<i>Rate</i> <i>(%)</i>	<i>(in thousand</i> <i>Baht)</i>
Profit before income tax expense		<u>651,626</u>		<u>761,632</u>
Income tax using the Thai corporation tax rate	20	130,325	20	152,326
Income not subject to tax		(137,909)		(66,136)
Expenses that can be additionally deductible for tax purposes		(66)		(2,315)
Current year losses for which no deferred tax asset was recognised		5,928		-
Expenses not deductible for tax purposes and others		198		762
<b>Total</b>	<b>-</b>	<b>(1,524)</b>	<b>11</b>	<b>84,637</b>

<b>Consolidated financial statements</b>				
<b>(Charged) / Credited to</b>				
	<b>At 1 January</b>	<b>Profit or loss</b>	<b>Other comprehensive income</b>	<b>At 31 December</b>
	<i>(in thousand Baht)</i>			
<b>Deferred tax</b>				
<b>2022</b>				
<b>Deferred tax assets</b>				
Inventories	8,508	159	-	8,667
Employee benefit obligations	26,930	18,696	2,369	47,995
Property, plant and equipment	-	2,228	-	2,228
<b>Total</b>	<b>35,438</b>	<b>21,083</b>	<b>2,369</b>	<b>58,890</b>
<b>Deferred tax liabilities</b>				
Financial assets measured at FVOCI	(4,144)		(1,208)	(5,352)
Financial assets measured at FVTPL	(83)	(179)	-	(262)
<b>Total</b>	<b>(4,227)</b>	<b>(179)</b>	<b>(1,208)</b>	<b>(5,614)</b>
<b>Net</b>	<b>31,211</b>	<b>20,904</b>	<b>1,161</b>	<b>53,276</b>

Consolidated financial statements					
(Charged) / Credited to					
	At 1	Profit or	Other	Decrease	At 31
	January	loss	comprehensive	from	December
			income	disposal of	
			(in thousand Baht)	subsidiary	
Deferred tax					
2021					
Deferred tax assets					
Trade accounts receivable	766	56	-	(822)	-
Inventories	12,263	(77)	-	(3,678)	8,508
Employee benefit obligations	44,211	(12,852)	(2,412)	(2,017)	26,930
Property, plant and equipment	1,400	(1,400)	-	-	-
Total	58,640	(14,273)	(2,412)	(6,517)	35,438
Deferred tax liabilities					
Property, plant and equipment	(246)	-	-	246	-
Financial assets measured at FVOCI	-	-	(4,144)	-	(4,144)
Financial assets measured at FVTPL	-	(83)	-	-	(83)
Total	(246)	(83)	(4,144)	246	(4,227)
Net	58,394	(14,356)	(6,556)	(6,271)	31,211



	Separate financial statements (Charged) / Credited to			At 31 December
	At 1 January	Profit or loss (in thousand Baht)	Other comprehensive income	
<b>Deferred tax</b>				
<b>2022</b>				
<b>Deferred tax assets</b>				
Employee benefit obligations	11,988	1,522	3,073	16,583
Property, plant and equipment	-	25	-	25
<b>Total</b>	<b>11,988</b>	<b>1,547</b>	<b>3,073</b>	<b>16,608</b>
<b>Deferred tax liability</b>				
Financial assets at FVTPL	(10)	(23)	-	(33)
<b>Total</b>	<b>(10)</b>	<b>(23)</b>	<b>-</b>	<b>(33)</b>
<b>Net</b>	<b>11,978</b>	<b>1,524</b>	<b>3,073</b>	<b>16,575</b>
<b>2021</b>				
<b>Deferred tax assets</b>				
Inventories	1,132	(1,132)	-	-
Employee benefit obligations	25,071	(12,075)	(1,008)	11,988
<b>Total</b>	<b>26,203</b>	<b>(13,207)</b>	<b>(1,008)</b>	<b>11,988</b>
<b>Deferred tax liability</b>				
Financial assets at FVTPL	-	(10)	-	(10)
<b>Total</b>	<b>-</b>	<b>(10)</b>	<b>-</b>	<b>(10)</b>
<b>Net</b>	<b>26,203</b>	<b>(13,217)</b>	<b>(1,008)</b>	<b>11,978</b>
<b>Unrecognised deferred tax assets</b>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
Tax losses	5,993	4,972	5,928	-
<b>Total</b>	<b>5,993</b>	<b>4,972</b>	<b>5,928</b>	<b>-</b>

The tax losses will expire during 2027. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that there will be sufficient future taxable profit against which subsidiaries can utilise the benefits therefrom.

## 18 Earnings per share

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company	<u>939,967</u>	<u>952,650</u>	<u>653,151</u>	<u>676,995</u>
Number of ordinary shares outstanding	<u>425,194</u>	<u>425,194</u>	<u>425,194</u>	<u>425,194</u>
Earnings per share (basic) <i>(in Baht)</i>	<u>2.21</u>	<u>2.24</u>	<u>1.54</u>	<u>1.59</u>

## 19 Dividends

The shareholders/ Board of Director of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share <i>(in Baht)</i>	Amount <i>(in million Baht)</i>
<b>2022</b>				
2022 Interim dividend	10 August 2022	September 2022	0.38	162
2021 Annual dividend	21 April 2022	May 2022	1.10	468
				<u>630</u>
<b>2021</b>				
2021 Interim dividend	11 August 2021	September 2021	0.40	170
2020 Annual dividend	22 April 2021	May 2021	0.48	204
				<u>374</u>

2022 interim dividend, totalling to Baht 162 million, were paid from the first six-months operation for the year 2022 at Baht 0.38 per share in amounting to Baht 162 million which is derived from the non-promoted business.

2021 annual dividend, totalling to Baht 468 million, were paid from the operation for the year 2021 at the rate of Baht 1.10 per share. The dividends for the year 2021 were paid from the promoted business at Baht 0.0102 per share in amounting to Baht 5 million, from the net profit of corporate income tax at a rate of 10% at Baht 0.1509 per share in amounting to Baht 64 million and from the net profit of corporate income tax at a rate of 20% at Baht 0.9389 per share in amounting to Baht 399 million.

2021 interim dividend, totalling to Baht 170 million, were paid from the first six-months operation for the year 2021 at Baht 0.40 per share in amounting to Baht 170 million which are derived from the promoted business in amounting to Baht 21 million, at Baht 0.0507 per share, from the net profit of corporate income tax at a rate of 10% in amounting to Baht 44 million, at Baht 0.1033 per share and from the net profit of corporate income tax at a rate of 20% in amounting to Baht 105 million, at Baht 0.2460 per share.

2020 annual dividend, totalling to Baht 204 million, were paid from the operation for the year 2020 at the rate of Baht 0.48 per share. The dividends for the year 2020 were paid from the net profit of corporate income tax at a rate of 10% at Baht 0.0588 per share in amounting to Baht 25 million and from the net profit of corporate income tax at a rate of 20% at Baht 0.4212 per share in amounting to Baht 179 million.

## 20 Financial instruments

### (a) Carrying amounts and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, but does not include fair value information for financial assets and financial liabilities measured at amortised cost.

	Consolidated financial statement						
	Carrying amount		Fair value				Total
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Total	Level 1	Level 2	Level 3	
			(in thousand Baht)				
At 31 December 2022							
Financial assets							
Other financial assets:							
Investment in mutual funds	305,838	-	305,838	-	305,838	-	305,838
Other long-term investments	-	98,524	98,524	-	-	98,524	98,524
Total financial assets	305,838	98,524	404,362	-	305,838	98,524	404,362
At 31 December 2021							
Financial assets							
Other financial assets:							
Investment in mutual funds	896,228	-	896,228	-	896,228	-	896,228
Other long-term investments	-	92,483	92,483	-	-	92,483	92,483
Total financial assets	896,228	92,483	988,711	-	896,228	92,483	988,711
	Separate financial statement						
	Carrying amount		Fair value				Total
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Total	Level 1	Level 2	Level 3	
			(in thousand Baht)				
At 31 December 2022							
Financial assets							
Other financial assets:							
Investment in mutual funds	170,167	-	170,167	-	170,617	-	170,167
Other long-term investments	-	45,108	45,108	-	-	45,108	45,108
Total financial assets	170,167	45,108	215,275	-	170,617	45,108	215,275
At 31 December 2021							
Financial assets							
Other financial assets:							
Investment in mutual funds	130,255	-	130,255	-	130,255	-	130,255
Other long-term investments	-	45,108	45,108	-	-	45,108	45,108
Total financial assets	130,255	45,108	175,363	-	130,255	45,108	175,363

### ***Financial instruments measured at fair value***

<b>Type</b>	<b>Valuation technique</b>
Investments in marketable unit trusts classified as financial assets measured at FVTPL	The net asset value as of the reporting date.
Investments in non-marketable equity securities	Adjusted net asset value as of the reporting date.

Since the majority of financial assets and liabilities of the Group were short-term. The fair value of financial assets and liabilities is taken to approximate the carrying value as determined in the statement of financial position.

### ***(b) Financial risk management policies***

#### ***Risk management framework***

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

#### ***(b.1) Credit risk***

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

##### ***(b.1.1) Trade accounts receivable***

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 15.

The Group limits its exposure to credit risk from trade accounts receivable by establishing a maximum payment period of 3 months. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade accounts receivable are disclosed in note 6.

(b.1.2) Cash and cash equivalents and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

**(b.2) Liquidity risk**

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Consolidated financial statements					
			Contractual cash flows		
	Carrying	1 year	More than	More than	
	amount	or less	1 year but	2 years but	
			less than	less than	
			2 years	5 years	
<i>At 31 December</i>			<i>(in thousand Baht)</i>		Total
<b>2022</b>					
<b>Financial liabilities</b>					
Trade accounts payable	1,335,355	1,335,355	-	-	1,335,355
Other payables	491,644	491,644	-	-	491,644
Accounts payable -					
purchase of assets	133,860	133,860	-	-	133,860
Lease liabilities	36,732	14,417	10,854	14,026	39,297
	<u>1,997,591</u>	<u>1,975,276</u>	<u>10,854</u>	<u>14,026</u>	<u>2,000,156</u>
<b>2021</b>					
<b>Financial liabilities</b>					
Trade accounts payable	1,227,744	1,227,744	-	-	1,227,744
Other payables	465,777	465,777	-	-	465,777
Accounts payable -					
purchase of assets	104,295	104,295	-	-	104,295
Lease liabilities	30,955	13,644	14,580	5,183	33,407

Consolidated financial statements					
At 31 December	Carrying amount	1 year or less	Contractual cash flows		Total
			More than 1 year but	More than	
			less than 2 years	2 years but	
				less than 5 years	
(in thousand Baht)					
2022	1,828,771	1,811,460	14,580	5,183	1,831,223

Separate financial statements					
At 31 December	Carrying amount	1 year or less	Contractual cash flows		Total
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	
			(in thousand Baht)		
2022					
Financial liabilities					
Other payables	51,616	51,616	-	-	51,616
Accounts payable - purchase of assets	4,887	4,887	-	-	4,887
Lease liabilities	4,271	1,756	1,756	1,056	4,568
	60,774	58,259	1,756	1,056	61,071

<b>2021</b>					
<b><i>Financial liabilities</i></b>					
Trade accounts payable	402,627	402,627	-	-	402,627
Other payables	190,675	190,675	-	-	190,675
Accounts payable - purchase of assets	43,736	43,736	-	-	43,736
Lease liabilities	8,275	5,047	1,706	2,010	8,763
	<b>645,313</b>	<b>642,085</b>	<b>1,706</b>	<b>2,010</b>	<b>645,801</b>

**(b.3) Market risk**

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

**(b.3.1) Foreign currency risk**

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.



	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><i>United States Dollars</i></b>				
Trade accounts receivable	175,917	102,640	-	102,640
Trade accounts payable	(364)	(2,438)	-	-
Other payables	(1,077)	(75)	(181)	(75)
<b>Net exposure</b>	<b>174,476</b>	<b>100,127</b>	<b>(181)</b>	<b>102,565</b>
 <b><i>Japanese Yen</i></b>				
Other receivables	-	6,052	-	-
Trade accounts payable	(2,176)	(3,406)	-	(342)
Other payables	(3,309)	(2,695)	-	-
Accounts payable - purchase of assets	(557)	(1,466)	-	(916)
<b>Net exposure</b>	<b>(6,042)</b>	<b>(1,515)</b>	<b>-</b>	<b>(1,258)</b>
 <b><i>Euro</i></b>				
Other payable	(1,630)	-	-	-
<b>Net exposure</b>	<b>(1,630)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 21 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

## 22 Commitments with non-related parties

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><i>Capital commitments</i></b>				
Machinery and equipment	<b>51,707</b>	<b>21,933</b>	<b>-</b>	<b>-</b>
 <b><i>Other commitments</i></b>				
Short-term lease commitments	173	4,232	-	58
Unused letters of credit for goods and supplies	21,246	12,299	-	-
Bank guarantees	93,903	68,745	53	15,674
<b>Total</b>	<b>115,322</b>	<b>85,276</b>	<b>53</b>	<b>15,732</b>

The Group entered into technical assistance agreements with several foreign companies covering assistance of the production processes, whereby the Group is to pay fees at the rate as specified in the agreements. The agreements are valid for 3 - 5 years, expiring in various periods up to 2024, and are renewable for a further 3 - 5 years.

## **23 Events after the reporting period**

### *Dividends*

At the Board of Directors' meeting of the Company held on 23 February 2023, the Board of Directors approved the appropriation of dividends for the year 2022 at the rate of Baht 1.50 per share, totalling Baht 638 million which will be paid from the operation for the year 2022. The interim dividends at the rate of Baht 0.38 per share, in amounting to Baht 162 million were paid in September 2022. Therefore, the remaining dividends of Baht 1.12 per share, in amounting to Baht 476 million will be paid to shareholders in May 2023. The dividends is subject to the approval of the shareholders at the Annual General Meeting.

# Attachment 1

## Detail of Directors, Executives, Controlled Person, the person taking the highest responsibility in finance and accounting and the person supervising accounting

### Board of Director

On December 31, 2022



1. **Mr.Sansern Wongcha-um**  
Independent Director/ Chairman of the Board
2. **Mr. Yongyuth Kitaphanich**  
Director / Vice Chairman
3. **Dr. Panja Senadisai**  
Independent Director /  
Chairman of the Audit and CG Committee /  
Member of the Nomination and Remuneration Committee
4. **Mr. Ajarin Sarasas**  
Independent Director /  
Chairman of the Executive Board /  
Member of the Nomination and Remuneration Committee
5. **Mr.Paitoon Taveebhol**  
Independent Director /  
Chairman of the Nomination and  
Remuneration Committee /  
Member of the Audit and CG Committee
6. **Mr. Suthad Setboonsarng**  
Independent Director /  
Member of the Audit and CG Committee
7. **Mr. Prayong Hirunyawanih**  
Independent Director /  
Member of the Executive Board
8. **Mr. Yongkiat Kitaphanich**  
Director /  
Vice Chairman of the Executive Board
9. **Ms. Napatsorn Kitaphanich**  
Director / President

## Executives

On December 31, 2022



**1. Dr. Cheerawit Sureerattanan**

Senior Managing Director for Forging,  
Casting & Machining Business

**2. Mr. Patpong Weerasin**

Managing Director SFT

**3. Mr. Thanthach Ritthinam**

Vice President - Agriculture Business Group

**4. Dr. Anotai Mohjhaw**

Vice President -  
Human Resources & General Affairs

**5. Mr. Vacharatorn Kitaphanich**

Vice President - Commercial  
Acting Vice President- Research  
and Development  
and Vice President - Corporate Strategy,  
Sustainability Development,  
and Business Development


**6. Mr. Varasa Saundee**

Managing Director SBM&ICP

**7. Mr. Chakri Boonyakiat**

Vice President-Finance,  
Accounting & Information Technology

## Board of Director

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 <b>1. Mr. Sansern Wongcha-um</b> • Chairman of the Board • Independent Director (From 24 March 2008 to present)	75	None	<ul style="list-style-type: none"> <li>• Honorary Doctor of Philosophy in Geosocial Based Sustainable Development, Maejo University</li> <li>• Master of Business Administration (Business Economics), University of Bridgeport, Connecticut, USA</li> <li>• Bachelor of Economics (Money and Public Finance), Thammasat University</li> <li>• Diploma, Thailand National Defence College, Class 37</li> </ul> <b>Training Program</b> <ul style="list-style-type: none"> <li>• Role of the Chairman</li> <li>• Finance for Non-Finance Directors</li> <li>• Director Accreditation Program</li> </ul>	2008-Present	Chairman / Independent Director	Somboon Advance Technology Public Company Limited
				2008 - Apr 2019	Chairman / Independent Director	Bualuang Securities Public Company Limited
				2008 - Feb 2017	Chairman of the Audit Committee / Independent Director	Deves Insurance Public Company Limited
				Number of Listed Company (ies) being in a Position of Director 1 Company		
				Number of Non-Listed Company (ies) being in a Position of Director 1 Company		

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years			
				Period	Position	Company / Organization	
 <b>2. Mr. Yongyuth Kitaphanich</b> <ul style="list-style-type: none"><li>• Vice Chairman</li><li>• Authorized Director</li><li>• Director</li></ul> (From 21 July 2004 to present)	71	0.01	<ul style="list-style-type: none"><li>• Mini MBA, Thammasat University</li><li>• Bachelor of Commerce and Accountancy, Chulalongkorn University</li><li>• Diploma, National Defense Course for the Joint State-Private Sector (Class 9) Thailand National Defense College</li></ul> <b>Training Program</b> <ul style="list-style-type: none"><li>• Director Accreditation Program</li><li>• Role of the Chairman</li></ul>	2022-Present	Advisor	Somboon Holding Company Limited	
				2004 - Present	Director / Vice Chairman	Somboon Advance Technology Public Company Limited	
				2014 - Present	Director	International Casting Products Company Limited	
				2012 - Present	Director	Somboon Forging Technology Company Limited	
				1994 - Present	Director	Somboon Malleable Iron Industrial Company Limited	
					Director	Bangkok Spring Industrial Company Limited	
				2004 - 2022	Director	Somboon Holding Company Limited	
				2004 - 2017	Member of the Executive Board	Somboon Advance Technology Public Company Limited	
				Number of Listed Company (ies) being in a Position of Director			1 Company
				Number of Non-Listed Company (ies) being in a Position of Director			4 Companies




Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 <b>3. Dr. Panja Senadisai</b> <ul style="list-style-type: none"><li>• Chairman of the Audit and CG Committee</li><li>• Member of the Nomination and Remuneration Committee</li><li>• Independent Director (From 21 July 2004 to present)</li></ul>	74	None	<ul style="list-style-type: none"><li>• Doctor of Philosophy in Industrial Business Administration, King Mongkut's Institute of Technology Ladkrabang</li><li>• Master's Degree in Business Administration Suffolk University, Massachusetts, USA</li></ul> <b>Training Program</b> <ul style="list-style-type: none"><li>• Directors Certification Program (DCP) 20/2002</li><li>• Audit Committee Program (ACP) Year 2004</li><li>• Role of the Compensation Committee Program #2/2007</li><li>• Leader Program #8, Capital Market Academy</li><li>• Public Director Certification Program #2, Public Director Institute</li><li>• Top Executive Program in Commerce and Trade (TEPCOT) #4</li><li>• Corporate Governance for Capital Market Intermediaries (CGI) #15/2016</li><li>• Risk Management Program for Corporate Leaders (RCL) #12/2018</li></ul>	2020 - Present	Director	Sukhumvit 62 Medical Company Limited
				2016 - Present	Member of the Enterprise Risk Policy Committee	KCE Electronics Public Company Limited
				2007 - Present	Member of the Nomination and Remuneration Committee	Somboon Advance Technology Public Company Limited
				2006 - Present	Chairman of the Audit and CG Committee	Somboon Advance Technology Public Company Limited
					Director	PAC (Siam) Company Limited
				2005 - Present	Director/ Chairman of the Audit Committee	Pylon Public Company Limited
				2004 - Present	Independent Director	Somboon Advance Technology Public Company Limited
				2002 - Present	Director/ Member of the Audit Committee/ Chairman of the Remuneration Committee	Trinity Watthana Public Company Limited
				1983 - Present	Director	KCE Electronics Public Company Limited
				Number of Listed Company (ies) being in a Position of Director 4 Companies		
Number of Non-Listed Company (ies) being in a Position of Director 2 Companies						

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years			
				Period	Position	Company / Organization	
 <b>4. Mr. Ajarin Sarasas</b> <ul style="list-style-type: none"><li>Chairman of the Executive Board</li><li>Member of the Nomination and Remuneration Committee</li><li>Independent Director (From 16 December 2009 to present)</li></ul>	79	None	<ul style="list-style-type: none"><li>Honorary Doctor of Business Administration Industrial Management, Kensington University (USA)</li><li>Diploma, National Defence Course for the Joint State-Private Sector (Class 1) Thailand National Defence College</li><li>Certificate/ License for Professional Practice: Senior Professional Industrial Engineer</li></ul> <b>Training Program</b> <ul style="list-style-type: none"><li>Director Certification Program</li></ul>	Present	Independent Advisor in Total Quality Management (TQM)		
					Honorary President	Thai Autoparts Manufacturers Association (TAPMA)	
					Honorary Chairman	Automotive Industry Club	
					Advisor to Director	The Thai Automotive Industry Association	
					Advisor	Group of Cobra International Company Limited	
					2018 - Present	Chairman of the Executive Board	Somboon Advance Technology Public Company Limited
					2009 - Present	Independent Director/ Member of the Nomination and Remuneration Committee	Somboon Advance Technology Public Company Limited
					2009 - Apr 2018	Member of Audit and CG Committee	Somboon Advance Technology Public Company Limited
					Number of Listed Company (ies) being in a Position of Director 1 Company		
					Number of Non-Listed Company (ies) being in a Position of Director - None -		

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 <b>5. Mr.Paitoon Taveebhol</b> <ul style="list-style-type: none"><li>Chairman of the Nomination and Remuneration Committee</li><li>Member of the Audit and CG Committee</li><li>Independent Director (From 24 April 2008 to present)</li></ul>	72	None	<ul style="list-style-type: none"><li>M.B.A., Kasetsart University</li><li>B.A. (Accounting), Ramkhamhaeng University</li><li>Certificate in Auditing, Thammasat University</li></ul> <b>Training Program</b> <ul style="list-style-type: none"><li>Director Accreditation Program</li><li>Director Certification Program</li><li>Audit Committee Program</li><li>Role of the Chairman</li><li>Chartered Director Program</li><li>Advanced Audit Committee</li></ul>	2016 - Present	Chairman of the Nomination and Remuneration / Member of the CGR Committee and SD / Member of the Enterprise Risk Policy Committee	KCE Electronics Public Company Limited
				2014 - Present	Chairman of the Board	ZEN Corporation Group Company Limited
				2012 - Present	Independent Director / Chairman of the Audit Committee	KCE Electronics Public Company Limited
				2012-Present	Independent Director / Member of the Audit Committee	Easy Buy Public Company Limited
				2008 - Present	Independent Director / Chairman of the Nomination and Remuneration Committee / Member of the Audit and CG Committee	Somboon Advance Technology Public Company Limited
				2002 - 2022	Independent Director / Chairman of the Audit Committee / Chairman of the Risk Policy Committee	Central Pattana Public Company Limited
				Number of Listed Company (ies) being in a Position of Director 3 Companies		
			Number of Non-Listed Company (ies) being in a Position of Director 1 Company			

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 <b>6. Mr. Suthad Setboonsarng</b> <ul style="list-style-type: none"><li>Member of the Audit and CG Committee</li><li>Independent Director (From 20 April 2018 to present)</li></ul>	72	None	<ul style="list-style-type: none"><li>Ph.D. in Economics, University of Hawaii, USA</li><li>M.A. in Agricultural Economics, University of Hawaii, USA</li><li>B.A. in Economics, Thammasat University</li></ul> <b>Training Program</b> <ul style="list-style-type: none"><li>Director Certification Program # 194/2014</li><li>Boards that Make a Difference # 8/2018</li></ul>	2018 - Present	Independent Director/ Member of the Audit and CG Committee	Somboon Advance Technology Public Company Limited
				2014 - Present	Independent Director/ Member of the Audit Committee	Banpu Public Company Limited
				2013 - Present	Chairman	NawaChiOne Foundation
				2013 - 2022	Chairman, Board of Trustees	International Rice Research Institute (IRRI) Los Banos, the Philippines
				2015 - 2020	Member of the Board / Chairman of the Audit Committee / Member of Risk Oversight Committee	Bank of Thailand
				Number of Listed Company (ies) being in a Position of Director 2 Companies		
Number of Non-Listed Company (ies) being in a Position of Director -None-						


Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 <b>7. Mr. Prayong Hirunyawanch</b> <ul style="list-style-type: none"><li>Member of the Executive Board</li><li>Independent Director (From 23 April 2019 to present)</li></ul>	71	None	<ul style="list-style-type: none"><li>MBA New York University</li><li>Bachelor of Mechanical Engineering, Chulalongkorn University</li></ul> <b>Training Program</b> <ul style="list-style-type: none"><li>Director Accreditation Program</li></ul>	2019 - Present	Independent Director	Somboon Advance Technology Public Company Limited
				2017 - Present	Member of the Executive Board	Somboon Advance Technology Public Company Limited
				2012 - Present	Executive Committee	Anti-Corruption Organizations of Thailand
				2012 - 2021	Independent Director	Zafco FTZ Co., Dubai
				2017 - 2018	Director	Somboon Advance Technology Public Company Limited
				Number of Listed Company (ies) being in a Position of Director 1 Company		
				Number of Non-Listed Company (ies) being in a Position of Director - None -		


Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 <b>8. Mr. Yongkiat Kitaphanich</b> <ul style="list-style-type: none"><li>• Vice Chairman of the Executive Board</li><li>• Authorized Director</li><li>• Director (From 21 August 2004 to present)</li></ul>	60	0.90%	<ul style="list-style-type: none"><li>• M.B.A., National Institute of Development Administration</li><li>• Master of Industrial Engineering, Waseda University (Japan)</li><li>• Bachelor of Mechanical Engineering, King Mongkut's Institute Technology Ladkrabang</li></ul> <b>Training Program</b> <ul style="list-style-type: none"><li>• Director Accreditation Program</li><li>• Finance for Non-Finance Directors</li><li>• Director Certification Program</li></ul>	2022 - Present	Chairman	Somboon Holding Company Limited
				2020 - Present	Director	Mubea Somboon Automotive Company Limited
				2017 - Present	Vice Chairman of the Executive Board	Somboon Advance Technology Public Company Limited
				2017 - Present	Honorary Chairman	Auto Parts Industry Club of the Federation of Thai Industries
				2017 - Present	Honorary President	Thai Auto Parts Manufacturers Association
				2012 - Present	Director	Somboon Forging Technology Company Limited
				2007 - Present	Director	Somboom Malleable Iron Industrial Company Limited
					Director	Bangkok Spring Industrial Company Limited
					Director	International Casting Products Company Limited
				2017 - 2018	Director	Mubea Somboon Automotive Company Limited
2012 - 2017	President	Somboon Advance Technology Public Company Limited				
				Number of Listed Company (ies) being in a Position of Director 1 Company		
				Number of Non-Listed Company (ies) being in a Position of Director 6 Companies		




Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 <b>9. Ms. Napatsorn Kitaphanich</b> <ul style="list-style-type: none"><li>• President</li><li>• Authorized Director</li><li>• Director</li></ul> (From 21 July 2004 to present)	58	1.68%	<ul style="list-style-type: none"><li>• M.B.A., Sasin Graduate Institute of Business Administration of Chulalongkorn University</li><li>• Bachelor of Business Administration in Finance and Management (BBA), Simon Fraser University (Canada)</li><li><b>Training Program</b><ul style="list-style-type: none"><li>• Director Accreditation Program</li><li>• Strategic IQ - Executive Education Harvard Business School</li><li>• Executive Course, Capital Market Academy (Class 25)</li><li>• Director Refreshment Program</li></ul></li></ul>	2022-Present	Director	Somboon Tron Energy Company Limited
	2020 - Present	Director	Somboon Siasun Tech Company Limited			
	2018 - Present	President	Somboon Advance Technology Public Company Limited			
	2014 - Present	Director	Somboon Malleable Iron Industrial Company Limited			
	2012 - Present	Director	Somboon Forging Technology sCompany Limited			
	2007 - Present	Director	International Casting Products Company Limited			
		Director	Bangkok Spring Industrial Company Limited			
	2004 - Present	Director	Somboon Advance Technology Public Company Limited			
	2018 - 2020	Director	Mubea Somboon Automotive Company Limited			
	2014 - 2017	Vice President - President Office	Somboon Advance Technology Public Company Limited			
Number of Listed Company (ies) being in a Position of Director 1 Company						
Number of Non-Listed Company (ies) being in a Position of Director 6 Companies						

## Executives


Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 <b>1. Dr. Cheerawit Sureerattanan</b> • Senior Managing Director for Forging, Casting & Machining Business	57	None	<ul style="list-style-type: none"> <li>• Doctor of Philosophy in Industrial Business Administration(Ph.D.) King Mongkut's Institute of Technology Ladkrabang</li> <li>• Master of Business Administration(M.B.A.), Khon Kaen University</li> <li>• Master of Mechanical Engineering(M.E.) - Course work, Kasetsart University</li> <li>• Bachelor of Mechanical Engineering(M.E.), Rajamangala Institute of Technology</li> </ul> <b>Training Program</b> <ul style="list-style-type: none"> <li>• Director Certification Program (DCP192/2014)</li> <li>• Director Refreshment Program(DRP2/2021)</li> </ul>	2022 - Present	Senior Managing Director	Somboon Forging Technology Company Limited
				2021 - Present	Senior Managing Director	Somboon Malleable Iron Industrial Company Limited
					Senior Managing Director	International Casting Products Company Limited
				2019 - 2020	Managing Director	Somboon Malleable Iron Industrial Company Limited
					Managing Director	International Casting Products Company Limited
				2014 - 2018	Vice President - Sales & Marketing	Somboon Advance Technology Public Company Limited


Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 <b>2. Mr. Patpong Weerasin</b> • Managing Director SFT	54	0.001%	<ul style="list-style-type: none"> <li>• Master of science (Logistic Management), King Mongkut's University of Technology Thonburi</li> <li>• B.B.A Industrial Management, Rajamangala Institute of Technology</li> </ul> <b>Training Program</b> <ul style="list-style-type: none"> <li>• Director Certification Program : DCP 202/2015</li> <li>• Anti- Corruption for Executive Program : ACEP 15/2015</li> <li>• Leading Your Business through Uncertainties : DRP 2/2021</li> <li>• Lessons Learnt form Financial Cases: How Board should React : DRP 3/2021</li> <li>• Director's Briefing 16/2022: Digital Transformation Trends &amp; Journey: The Secret Sauce of Driving Successful DigitalTransformation</li> <li>• Leadership Development Program (LDP6) (2018)</li> <li>• HCM Webinar 2/2022 "Growth Mindset Can Overcome Business Disruption"</li> <li>• Reinventing HR to thrive in the 'Never Normal'</li> </ul>	2015 - Present	Managing Director	Somboon Forging Technology Company Limited
				2015 - 2021	Vice President - Operations	Somboon Advance Technology Public Company Limited

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 <b>3. Mr. Thanthach Ritthinam</b> • Vice President - Agriculture Business Group	49	0.001%	• M.B.A. - General Management (English Program), Ramkhamhaeng University • Master of Science - Computer and Engineering Management (English Program), Assumption University • Certificate of Chemical Engineering, University of Manchester Institute of Science and Technology (UK) • Bachelor of Science in Industrial Chem. (Petrochemical) (1 <sup>st</sup> Class Honor), King Mongkut's Institute of Technology North Bangkok  <b>Training Program</b> • Director Certification Program (DCP) Class#281 • Executive Development Program (EDP) Class #16	2021 - Present	Vice President - Agriculture Business Group	Somboon Advance Technology Public Company Limited
				2021 - Present	Director	Mubea Somboon Automotive Company Limited
				2016 - Present	Vice President - Academic Section/Director	Auto Parts Industry Club - The Federation of Thai Industries Thai Auto Parts Manufacturers Association
				2019 - Present	Managing Director	Mubea Somboon Automotive Company Limited
				2021-Mar. 2022	Vice President	Bangkok Spring Industrial Company Limited
				2019 - 2021	Managing Director	Mubea Somboon Automotive Company Limited
				2016 - 2018	Vice President - Corporate Strategy & Business Development	Somboon Advance Technology Public Company

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 <b>4. Dr. Anotai Mohjhaw</b> • Vice President - Human Resources & General Affairs	51	None	• PhD in Human Resources Development (International Program), Burapha University • Master of Science in Engineering Management, Western, Michigan University (USA) • Bachelor of Mechanical Engineering, Chulalongkorn University	2019 - Present	Vice President - Human Resources & General Affairs	Somboon Advance Technology Public Company Limited
				2017 - 2018	Vice President - Human Resources	Somboon Advance Technology Public Company Limited
				2015 - 2017	General Manager - Human Resources Division	Bangkok Komatsu Sales Company Limited

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 <b>5. Mr. Vacharatorn Kitaphanich</b> • Vice President - Commercial • Acting Vice President - Research and Development and Vice President - Corporate Strategy, Sustainability Development, and Business Development	41	0.24%	• Master of Science in Engineering: University of Liverpool (UK) • Bachelor of Industrial Engineering: University of Sirinthorn International Institute of Technology (SIIT) Thammasat University <b>Training Program</b> • Director Certification Program (DCP) 288/2020 • Financial Statements for Directors (FSD) 44/2021	2022- Present	Director	Somboon Tron Energy Company Limited
				2021-Present	Vice President - Commercial	Somboon Advance Technology Public Company Limited
				2021 - Present	Director	Somboon Holding Company Limited
				2017 - Present	Director	Somboon Siasun Tech Company Limited
				2019 - 2020	Head of Commercial & Business Development	Somboon Advance Technology Public Company
				2019 - 2020	Director	Nippon Kikai Engineering Company Limited
				2018	Assistant General Manager - Sales	Somboon Advance Technology Public Company
				2017	Manager Engineering	Somboon Malleable Iron Industrial Company Limited

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 <b>6. Mr. Varasa Saundee</b> • Managing Director SBM & ICP	49	0.001%	• Master of Business Administration (M.B.A.), Ramkhamhaeng University • Bachelor of Industrial Engineering (I.E.), King Mongkut's Institute of technology North Bangkok <b>Training Program</b> • Director Certification Program	2022 - Present	Managing Director	Somboon Malleable Iron Industrial Company Limited
					Managing Director	International Casting Products Company Limited
				2019 - 2021	Deputy Managing Director	Somboon Malleable Iron Industrial Company Limited
					Deputy Managing Director	International Casting Products Company Limited
				2016-2018	General Manger	Somboon Malleable Iron Industrial Company Limited

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 <b>7. Mr. Chakri Boonyakiatt</b> • Vice President-Finance, Accounting & Information Technology • The person assigned to take the highest responsibility in Accounting and Finance	48	None	• Master of Business Administration, Major in Finance, SASIN Graduate Institute of Business, Administration of Chulalongkorn University • Bachelor of Engineering, Major in Industrial Engineering, Chulalongkorn University	2022 - Present	Vice President-Finance, Accounting & Information Technology	Somboon Advance Technology Public Company Limited



## The person assigned to take direct responsibility for accounting supervision

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
<b>Mrs. Porntip Sangsuk</b> • Head of Accounting Costing & Budgeting • The person assigned to take direct responsibility for accounting supervision	47	None	• Bachelor of Administer in Auditing : Rajamangala University of Technology Krungthep  <b>Training Program</b> • Preparing for Digital transformation plan by systematically class no. 1/2023 • Engagement Quality Reviewer (EQR) project of auditor in the capital market • Training on TFRS No. 15, TFRS 16 and TAS 16 • Accounting Seminar Laws and taxes for Japanese companies 2022 • Training on Transfers pricing • Keeping up with Tax Law changes in 2022	2020 – Present	Head of Accounting Costing & Budgeting	Somboon Advance Technology Public Company Limited
				2015 – 2020	Assistant General Manager - Accounting	Somboon Advance Technology Public Company Limited

## Attachment 2

### Details of the directors of subsidiaries

Name		SAT	SBH	Subsidiaries					Associates				Joint Ventures	
				SBM	BSK	ICP	SFT	STRON	TSC	YSC	NSA	SSMC	MSA	SST
1. Mr. Sansern	Wongcha-um	X, III												
2. Mr. Yongyuth	Kitaphanich	I, V		X	X	I	X							
3. Dr. Panja	Senadisai	II												
4. Mr. Ajarin	Sarasas	III												
5. Mr. Paitoon	Taveebhol	II												
6. Dr. Suthad	Setboonsarng	II												
7. Mr. Prayong	Hirungawanich	III												
8. Mr. Yongkiat	Kitaphanich	I	X	I	I	X	I		I	I	I	I	X	
9. Ms. Napatsorn	Kitaphanich	I, P		I	I	I	I	I						I
10. Mrs. Kasamon	Kittiampon			I	I	I	I							
11. Dr. Cheerawit	Sureerattanun			I, O		I, O	I, O							
12. Mr. Patpong	Weerasin						I, O							
13. Mr. Thanthach	Ritthinam	O											I	
14. Dr. Anotai	Mohjhaw	O			I									
15. Mr. Vacharatorn	Kitaphanich	O	I					I						I
16. Mr. Varasa	Saundee			I, O		I, O								
17 Mr. Chakri	Boonyakiat	O												
18. Mr. Veerachai	Chaochankit							X						X

#### Position symbol of Director and Executive

X	Chairman	II	Independent director/Audit committee
O	Executive	III	Independent director
V	Vice Chairman	P	President
I	Director		

#### Symbol of Companies, Subsidiaries, Associates, Joint Ventures and Indirect Subsidiaries

SAT	Somboon Advance Technology Public Co., Ltd.	YSC	Yamada Somboon Co., Ltd.
SBH	Somboon Holding Co., Ltd.	NSA	Nisshinbo Somboon Automotive Co., Ltd.
SBM	Somboon Malleable Iron Industrial Co., Ltd.	SSMC	Somboon Somic Manufacturing Co., Ltd.
BSK	Bangkok Spring Industrial Co., Ltd.	MSA	Mubea Somboon Automotive Co. Ltd.
ICP	International Casting Products Co., Ltd	SST	Somboon Siasun Tech Co., Ltd.
SFT	Somboon Forging Technology Co., Ltd.	STRON	Somboon Tron Energy Co., Ltd.
TSC	Tsuchiyoshi Somboon Coated Sand Co., Ltd.		

# Attachment 3

## Details of the Heads of the Internal Audit and Compliance

### 1. Head of Internal Audit

The Company has appointed Mr. Wasumeth Kullachote as the Assistant General Manager – Internal Audit, effective from July 1st, 2021. He has qualifications and past work experience in evaluating the adequacy and effectiveness of internal control system, financial reporting, accounting, and regulatory requirements in compliance with applicable laws and related regulations as well as the company's business operations. Thus, the company assures that he could fully utilize his ability to complete all assigned responsibilities with the following duties:

1. To implement and manage the internal audit function as Head of Internal Audit in accordance with the Internal Audit Charter approved by the Audit Committee
2. To be the Secretary to the Audit Committee to assist the Audit Committee in performing work pertaining to summoning of meeting, preparation of agendas, delivery of supporting documents for the meeting and keeping of the minutes
3. The Internal Audit Department is responsible for auditing the internal control system and reporting directly to the Audit Committee

#### Mr. Wasumeth Kullachote Education

MBA (Finance), Western Michigan University, MI USA  
Bachelor of Accounting, Thammasat University

#### Recent work experiences

2021 - Present  
AGM - Internal Audit, Somboon Advance Technology, PCL.

2018 - 2020  
VP - Internal Audit, Allianz Ayudhya Assurance, PCL.

2017 - 2018  
Senior Manager - Internal Audit, Mitropol Group

2015 - 2017  
VP - Internal Audit, VP - Compliance, Thai Insurance, PCL.

#### Qualifications

Certified Internal Auditor, USA, Tax Auditor

### 2. Head of Compliance

The Company has appointed Mr. Wasumeth Kullachote as the Assistant General Manager – Compliance, effective from July 1st, 2021. He has work experience in proposing necessary policies and supervising the company to comply with laws and regulatory requirements as well as creating knowledge, understanding, communication and raising awareness. The company assures that he could fully utilize his ability to complete all assigned responsibilities with the following duties:

1. To develop the Compliance strategic management system in order to support the Company goals and overall business strategy
2. To set up the annual department goals and work plan to align with the Company's directions and strategic goals together with achieving such set-up work plan
3. To be a centric party in creating compliance knowledge, understanding, internal communication and raising awareness as well as review and monitor the company's activities to ensure that such activities are regularly operated in compliance with laws and the related regulations

#### Mr. Wasumeth Kullachote Education

MBA (Finance), Western Michigan University, MI USA  
Bachelor of Accounting, Thammasat University

#### Recent work experiences

2021 - Present  
AGM - Internal Audit, Somboon Advance Technology, PCL.

2018 - 2020  
VP - Internal Audit, Allianz Ayudhya Assurance, PCL.

2017 - 2018  
Senior Manager - Internal Audit, Mitropol Group

2015 - 2017  
VP - Internal Audit, VP - Compliance, Thai Insurance, PCL.

## Attachment 4

### Details of asset appraisal

-None-

## Attachment 5

### Corporate Governance Policy and Code of Conduct

The Board of Directors has established a "Corporate Governance Policy" to promote corporate governance principles and focuses on conducting business with transparency, morality, ethics and integrity on the basis of "Code of Conduct" and apply it as a good practice of directors, executives and employees of Somboon Group at all levels and all stakeholders which will lead to be a truly sustainable organization.

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



QR Code CG Policy



QR Code Code of Conduct

## Attachment 6

### Audit and Governance Committee Report

Detailed as specified in Section 8.2 Report on the performance of the Audit Committee over the past year is shown on page 115-116

## Attachment 7

### Audit of the environmental inventory for organizational carbon footprint assessment 2022



## Center of Excellence for Eco-Energy (CEEE)

Chemical Engineering, Faculty of Engineering, Thammasat University,  
Rangsit Campus, Klong Nueng, Klong Luang, Pathumthaini 12120.

No. ecee.012/66

17 March 2023

Subject Audit of the environmental inventory for organizational carbon footprint assessment 2022

To Board of Directors, Somboon Advance Technology Public Company Limited

With reference that Somboon Advance Technology Public Company Limited hired Thammasat University Research and Consultancy Institute as the manager of “Consulting Project for Organizational Carbon Footprint;” and that hired Thammasat University Research and Consultancy Institute assigned Excellence Center of Eco- Energy, Chemical Engineering, Faculty of Engineering, Thammasat University, to be responsible for this project in accordance. In this regard, internal audit of the environmental inventory was required for part of the project for organizational carbon footprint assessment 2022 to enhance the reliability of data used in annual report.

Now, the implementation was completed. Thus, Excellence Center of Eco- Energy, Chemical Engineering, Faculty of Engineering, Thammasat University, would like to notify of the internal audit result for the environmental inventory Scope 1: Direct greenhouse gas emissions and Scope 2: Indirect greenhouse gas emissions by energy consumption for organizational carbon footprint assessment of Somboon Advance Technology Public Company Limit, Fiscal Year 2022, in accordance with the guidelines on greenhouse gas emissions report preparation for registered companies (The Office of SEC and TGO, 2022), **no evidence was found** to contain materially inaccurate information.

Please be informed accordingly.

(Assoc. Prof. Dr. Phairat Usubharatana)

Project Manager

Excellence Center of Eco-Energy  
Chemical Engineering, Faculty of Engineering,  
Thammasat University