



สหมิตรเครื่องกล
SAHAMIT MACHINERY



2021

ANNUAL REPORT





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

■ SPECIAL STEEL



■ MACHINE TOOLS



■ TOOLING



■ WOOD



■ PAPER



■ ELECTRIC





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Message from the Board of Directors

Dear Shareholders,

From the beginning of 2020 until the end of 2021 every business sector in Thailand and all over the world was challenged by the impact of the COVID-19 pandemic. In addition, the situation was protracted more than we anticipated which has resulted in declining in the employment rate. Many businesses were required to adjust by implementing cost controlling and human resources strategies in order to maintain profitable business and operations.

However, during the second quarter of 2021, the manufacturing sector started to gain its recovery, purchasing order was gradually increased and the large, medium and small factories were started their full capacity operations which, resulted in a significant increase in export growth rate in 2021 even while the uncertainty still existed. Combined with the rising of energy price, materials and transportation costs which caused the production and operation cost escalated and became substantial effects on the slowdown of business investment.

The Company had realized and anticipated the challenges above and was prepared by adjusted and balanced inventory e.g., materials, tools, equipment and machines to be in line with market demands. We also take this opportunity to enhance and develop employee skills to enable them to present and to be excelled in future technology products and services which will bring long-term business sustainability to customers and the Company.

In 2022, the Company shall complete its 49 years of services and operations and continue its journey to the next phase. These are the pride of Founders, Executives and all employees in establishing the Company of Thais that hold long history and conducting business with integrity, honesty including adhering to the principle of Good Governance. All of which have reflected in high-standard products and services we have been delivering to our value customers, business partners and shareholders for over 49 years and shall be continued to the next target for further accomplishments in the future.

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

Mr. Chaisilp Tamesirichai
Chairman of the Board of Directors

Mr. Phut Sorayarnthanawut
Director / Managing Director

FINANCIAL HIGHLIGHTS

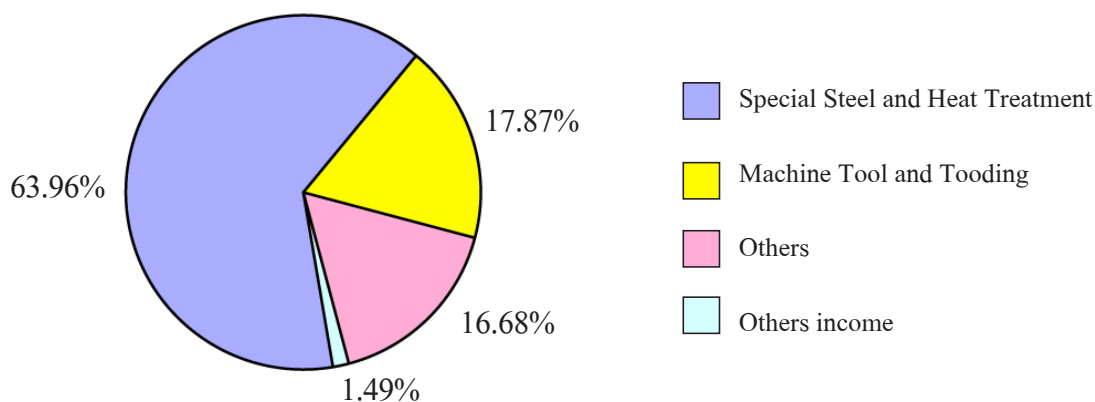


	2021	2020	2019	Unit
Total assets	2,867.17	2,589.64	2,491.76	Million Baht
Total liabilities	377.44	271.22	233.17	Million Baht
Total shareholders' equity	2,489.73	2,318.42	2,258.59	Million Baht
Total revenue	2,078.53	1,690.04	2,044.46	Million Baht
Net profit	290.53	147.32	182.21	Million Baht
Book value per share	4.70	4.37	4.26	Baht
Earnings per share	0.55	0.28	0.34	Baht
Dividend per share	0.30	0.30	0.34	Baht
At the closed price	4.82	3.90	3.76	Baht
Net profit margin	13.98	8.72	8.91	%
Return on equity	12.40	6.44	8.06	%
Return on asset	11.04	5.80	7.14	%
Dividend Yield	7.50	8.21	9.57	%
Debt to Equity ratio	0.15	0.12	0.10	เท่า
Employees	467	485	515	คน

Revenue Structure Unit: Million Baht	2021		2020		2019	
	amount	%	amount	%	amount	%
Special Steel and Heat Treatment	1,329.43	63.96	1,008.21	59.66	1,208.50	59.11
Machine Tools and Tooling	371.39	17.87	366.99	21.72	493.13	24.12
Others*	346.71	16.68	295.49	17.48	310.70	15.20
Other Income**	31.00	1.49	19.35	1.14	32.13	1.57
Total income	2,078.53	100.00	1,690.04	100.00	2,044.46	100.00

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

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



*** Investors can study additional details of the issuer from the Company's Annual Information Disclosure Form (Form 56-1)

on the SEC's website: www.sec.or.th or the Company website: www.sahamit.co.th



1. Organizational Structure and Operation

1.1 Policy and Business Overview

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

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

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

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

1.1.1 Vision, Mission, Objective and Strategy

Vision:

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

Mission:

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

**Objective:**

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

Strategy:

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

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

1.1.2 History and Major Development

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



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

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

None-

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

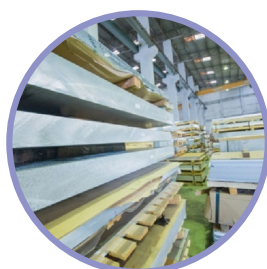
-None-

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

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

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

-None-





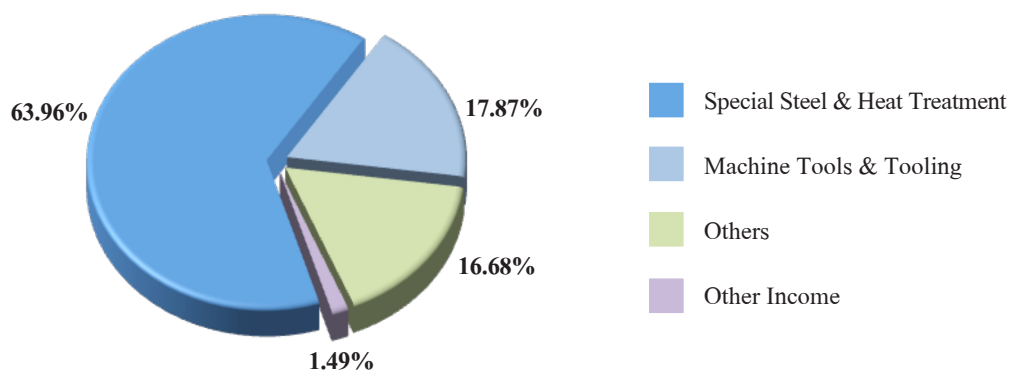
1.2 Nature of Business

1.2.1 Income Structure

Revenue Structure (Unit : Million Baht)	2021		2020		2019	
	Income	%	Income	%	Income	%
Special Steel & Heat Treatment	1,329.43	63.96	1,008.21	59.66	1,208.50	59.11
Machine Tools & Tooling	371.39	17.87	366.99	21.72	493.13	24.12
Others *	346.71	16.68	295.49	17.48	310.70	15.20
Other Income **	31.00	1.49	19.35	1.14	32.13	1.57
Total Income	2,078.53	100.00	1,690.04	100.00	2,044.46	100.00

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

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





1.2.1 Products & Services

(1) Products & Services

1. SPECIAL STEEL

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

2. MACHINE TOOLS AND TOOLING

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

3. PAPER

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

4. MACHINERY AND EQUIPMENT FOR WOOD PROCESSING

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

5. ELECTRICAL ENGINEERING

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



Heat Treatment Services

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

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

- **Vacuum Quenching Furnaces**

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

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

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

- **Atmosphere Controlled Furnaces**

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

(2) Industry and Competition

- **Overview of Mould & Die Industry**

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

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

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

- **Overview of Paper Industry**

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



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

- **Overview of Wood and Furniture Industry**

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

- **Overview of Electrical Industry**

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

(3) Products and Services Provision

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

(4) Assets Used in Business Operation

As of 31 December 2021, the major assets used in business operations are as follows:

Assets	Ownership	Book Value (Million Baht)	Obligation
Land and land improvement	Ownership	507.15	None
Building	Ownership	63.04	None
Machinery	Ownership	183.03	None
Vehicles	Ownership	20.46	None
Furniture and office equipment	Ownership	2.13	None
Electrical systems and warehouse equipment	Ownership	13.69	None
Total		789.50	



Intangible Assets (as of 31 December 2021) -None-

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

Investment policy in subsidiaries and associates

The company has no subsidiaries or associated companies.

(5) Undelivered high-value Project (as of 31 December 2021)

-None-

1.3 Shareholding Structure of the Company Group

1.3.1 Shareholding Structure of the Company Group

-None -

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

-None-

1.3.3 Relationship with the major shareholder's business group

-None-

1.3.4 Shareholders





(1) Major Shareholders

(a) Top 10 Major Shareholders as of 31 December 2021, comparing with last two years as follows:

As of December 31, 2021				As of December 31, 2020				As of December 31, 2019			
No.	Name	Number of Shares	%	No.	Name	Number of Shares	%	No.	Name	Number of Shares	%
1	Group “Mr.Chaisilp Tamesirichai”			1	Group “Mr.Chaisilp Tamesirichai”			1	Group “Mr.Chaisilp Tamesirichai”		
	- Mr.Chaisilp Tamesirichai	43,469,346	8.20		- Mr.Chaisilp Tamesirichai	43,469,346	8.20		- Mr.Chaisilp Tamesirichai	43,603,346	8.23
	- Mrs.Jirawan Tamesirichai	5,940,000	1.12		- Mrs.Jirawan Tamesirichai	5,940,000	1.12		- Mrs.Jirawan Tamesirichai	5,940,000	1.12
	- Mr.Chardej Tamesirichai	2,000,000	0.38		- Mr.Chardej Tamesirichai	-	-		- Mr.Chardej Tamesirichai	-	-
	- Ms.Piyanuch Tamesirichai	15,410,100	2.91		- Ms.Piyanuch Tamesirichai	15,410,100	2.91		- Ms.Piyanuch Tamesirichai	15,400,100	2.91
	- Ms.Nuttaporn Tamesirichai	21,950,400	4.14		- Ms.Nuttaporn Tamesirichai	23,950,400	4.52		- Ms.Nuttaporn Tamesirichai	23,950,400	4.52
	- Mr.Vorarit Tamesirichai	11,319,000	2.14		- Mr.Vorarit Tamesirichai	11,319,000	2.14		- Mr.Vorarit Tamesirichai	11,311,600	2.13
	Total	100,088,846	18.89		Total	100,088,846	18.89		Total	100,205,446	18.91
2	Group “Mr.Prasong Srithornratkul”			2	Group “Mr.Prasong Srithornratkul”			2	Group “Mr.Prasong Srithornratkul”		
	- Mr.Prasong Srithornratkul	42,878,936	8.09		- Mr.Prasong Srithornratkul	42,878,936	8.09		- Mr.Prasong Srithornratkul	42,878,936	8.09
	- Ms.Piyaporn Srithornratkul	25,458,900	4.80		- Ms.Piyaporn Srithornratkul	25,458,900	4.80		- Ms.Piyaporn Srithornratkul	25,458,900	4.80
	- Ms.Piyamol Srithornratkul	28,617,400	5.40		- Ms.Piyamol Srithornratkul	27,960,000	5.28		- Ms.Piyamol Srithornratkul	27,312,800	5.15
	Total	96,955,236	18.29		Total	96,297,836	18.17		Total	95,650,636	18.04
3	Group “Ms.Prangtip Sivaruk”			3	Group “Ms.Prangtip Sivaruk”			3	Group “Ms.Prangtip Sivaruk”		
	- Ms.Prangtip Sivaruk	34,640,000	6.54		- Ms.Prangtip Sivaruk	34,640,000	6.54		- Ms.Prangtip Sivaruk	34,310,300	6.47
	- Ms.Sasirat Sivaruk	30,040,900	5.67		- Ms.Sasirat Sivaruk	30,040,900	5.67		- Ms.Sasirat Sivaruk	30,040,900	5.67
	- Mrs.Suwanna Sivaruk	17,883,072	3.37		- Mrs.Suwanna Sivaruk	17,878,072	3.37		- Mrs.Suwanna Sivaruk	17,858,072	3.37
	Total	82,563,972	15.58		Total	82,558,972	15.58		Total	82,209,272	15.51
4	Group “Mr.Pornsin Thaemsirichai”			4	Group “Mr.Pornsin Thaemsirichai”			4	Group “Mr.Pornsin Thaemsirichai”		
	- Mr.Pornsin Thaemsirichai	12,600,000	2.38		- Mr.Pornsin Thaemsirichai	12,600,000	2.38		- Mr.Pornsin Thaemsirichai	12,600,000	2.38
	- Mrs.Montanut Thaemsirichai	5,400,000	1.02		- Mrs.Montanut Thaemsirichai	5,400,000	1.02		- Mrs.Montanut Thaemsirichai	5,400,000	1.02
	- Mr.Pornprasong Thaemsirichai	10,155,500	1.92		- Mr.Pornprasong Thaemsirichai	10,155,500	1.92		- Mr.Pornprasong Thaemsirichai	10,155,500	1.92
	Total	28,155,500	5.32		Total	28,155,500	5.32		Total	28,155,500	5.32
5	Mr.Chaisit Wiriyaattakul	14,240,000	2.69	5	Mr.Chaisit Wiriyaattakul	18,614,900	3.51	5	Mr.Chaisit Wiriyaattakul	19,350,000	3.65
6	Mr.Chatri Sophonpanich	14,400,000	2.72	6	Mr.Chatri Sophonpanich	14,400,000	2.72	6	Mr.Chatri Sophonpanich	14,400,000	2.72
7	Mrs.Suchada Lisawattakul	10,476,600	1.97	7	Mrs.Suchada Lisawattakul	10,476,600	1.97	7	Mrs.Suchada Lisawattakul	10,476,600	1.97
8	Bangkok Bank PLC.	10,000,000	1.89	8	Bangkok Bank PLC.	10,000,000	1.89	8	Bangkok Bank PLC.	10,000,000	1.89
9	Mr.Prayut Mahakitsiri	6,788,574	1.28	9	Mr.Prayut Mahakitsiri	6,788,574	1.28	9	Mr.Prayut Mahakitsiri	6,788,574	1.28
10	Mr.Thana Senavattanakul	8,280,000	1.56	10	Mr.Thana Senavattanakul	6,192,000	1.17	10	Mr.Thana Senavattanakul	6,025,000	1.14
	Total	64,185,174	12.11		Total	66,472,074	12.54		Total	67,040,174	12.647
11	Others	158,051,272	29.81	11	Others	156,426,772	29.50	11	Others	156,738,972	29.57

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



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

-None-

- (3) Major Shareholder's agreement

-None-

1.4 Registered capital and paid-up capital

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

On 31 December 2021, the Company has a registered capital of 550 million baht, of which 530 million baht is paid up, consisting of 530 ordinary shares at the par value of 1 baht per share.

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

1.4.2 Other securities with rights or conditions different from ordinary shares

-None-

1.4.3 Convertible securities

-None-

1.5 Issuance of other securities

-None-

1.6 Dividend Policy

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

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

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

Year	Net profit	Dividend per Share	Total Amount (Unit : Baht)	Dividend Payout Ratio (%)	Dividend Yield (%)
2020	147,319,548.26	0.26	137,800,000	93.54	8.21
2019	182,207,853.64	0.32	169,600,000	93.08	9.57
2018	263,484,901.70	0.36	190,800,000	72.41	6.10



2. Risk Management

2.1 Risk Management Policy and Plan

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

It is a challenge for the company to balance the risks and outcomes of success that will bring added value to the company, avoid the threat, reduce the negative effect or probability of the threat, which means the company must understand and identify the risks to its own business. An acceptable level of risk is set by management to ensure that any risks involved in an organization's activities are managed properly.

Consequently, the company's Risk Management Sub-Committee has set the risk management policy and plan and applied it to the entire company to defend and decrease impacts from any risks that could affect the business and its interests.

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

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



2.2 Risk factors on business operation

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

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

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

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

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

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

- **Foreign Exchange Rate Fluctuation**

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



- **Risk from Accounts Receivables**

As of 31 December 2021, the company has total accounts receivable of 455.18 million Baht or 22.23% of Total Sales. In 2021, the average collection period is 81 days, and it has the short-term accounts receivable of 447.46 million Baht or 98.30% of net accounts receivable. The company may have the risk in collections from accounts receivable. If the accounts receivable has problem in their business operations, it may affect the company's liquidity in terms of working capital and the business performance.

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

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





3. Business Sustainable Development

3.1 Sustainability management policies and goals

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

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

Sustainable economic growth development

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

Social development

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

Environmental development

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

3.2 Managing impact on stakeholders in the business value chain

3.2.1 Business value chain

Relationship between the company and its stakeholders

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

3.2.2 Analysis of stakeholders in the business value chain

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



	Expectation of Stakeholders	Participation of Stakeholders
Shareholders and Investors	<ul style="list-style-type: none"> • The continuous and sustainable growth of company. • Good corporate governance and risk control planning. • Management with transparency and fairness. • Necessary information is disclosed to the public. 	<ul style="list-style-type: none"> • Organize the annual general meeting of shareholders. to provide opportunities for shareholders to exercise their rights to vote and express opinions equally. • Opportunity Day activities • Contact through the company's secretariat. • Company website and the website of the Stock Exchange of Thailand
Employees	<ul style="list-style-type: none"> • Receiving fair compensation and appropriate welfare in accordance with economic condition • Stability and advancement in work. • Health and safety at work. • Continuous development of knowledge and abilities. 	<ul style="list-style-type: none"> • Explore the payroll in the labor market, and review accordingly with the company's performance • Prepare personnel development plans for employees. • Develop communication channels between companies and staff on LINE application.
Customers	<ul style="list-style-type: none"> • Products meet the quality and standards on-time delivery • Offering products at fair and reasonable prices. • Quality of after-sales service. • Business agreements under fair conditions. • Accurate information about products and services. • Maintain confidential information of customers. 	<ul style="list-style-type: none"> • Customer satisfaction survey. • Provide a system and channel for customers to make complaints about quality and security of goods and services. • Organize a meeting to exchange information and collect opinions. • Provide information about the use of the Company's products and services.
Competitors	<ul style="list-style-type: none"> • Treat trade partners equally and fair in procurement. • Compensation and fair business agreements. • Strictly abide by the contract or agreed terms. 	<ul style="list-style-type: none"> • Establish a transparent procurement system that can be checked. • The Company joined the Private Sector Collective Action Coalition Against Fraud (CAC) • Continuously monitor the progress of work in accordance with the plan.
Community and Society	<ul style="list-style-type: none"> • Take care of the environment. • Strengthen good relationships in the community. • Conduct business with ethics along with participating in social responsibility. 	<ul style="list-style-type: none"> • Social activities and campaigns. • Listen to and exchange opinions with the community. • Cultivate awareness of social and environmental responsibility among employees.
Government Sectors	<ul style="list-style-type: none"> • Operate the business in accordance with the rules and comply with the relevant regulations. • Have good corporate governance. 	<ul style="list-style-type: none"> • Attend training seminars organized by various agencies.



3.3 Sustainability management in environmental dimensions

3.3.1 Environmental policies and practices

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

3.3.2 Environmental performance

- To reduce energy consumption, the company has purchase and select computers by considering the need for use. The company purchase devices with features that are not too low and not too high. Computers are recycled, by changing the rotation of use according to the needs of each individual. Some of the good working computers are also collected and donated to temples and schools.
- The company concern on saving electricity by choosing energy-saving equipment and encouraging employees to use electricity economically, such as turning off lights and turning off computer screens during lunch breaks and immediately after work
- The Company has a campaign to recycle single-sided used paper for maximum benefit, refrain from unnecessary use of paper, focus on communication via other channels such as email or line app.
- The company focuses on the management to reduce greenhouse gas problems by trying to reduce the use of air conditioners. The company reduces the pollution caused by the use of fuel from vehicles by focusing on the urging responsible units to check the system and having maintenance carried out regularly.

Greenhouse Gas Management

The company has started to focus on the management to reduce greenhouse gas problems, which is in the process of studying and collecting various information and trying to find a way to manage which at the moment has been conserving energy by using solar cells installed inside the factory.





3.4 Sustainability management in social dimensions

3.4.1 Social policies and practices

Human rights

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

Labor relations

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

Promotion of the disabled

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

Safety

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

3.4.2 Social Operating Results

Staffs and Labors

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

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

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



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

Employment

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

Employees training

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

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

Community and Society

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

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

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



Involvement with Community and Society

The company has promoted participation with society. In recent year, the company is aware of the shortage of medical equipment in hospitals affected by the COVID-19 epidemic. The company donated ventilators to Charoenkrung Pracharak Hospital in order to support the hospital to have the potential to help more patients.



The spread of the COVID-19

As there is an epidemic of the COVID-19, the company has measures to prevent the risk of epidemic which is consistent with the announcement of the Department of Disease Control by promoting public relations to educate about disease and how to protect oneself from infection in both the workplace and public areas. There is a screening test with body temperature measurements and all employees are required to wear masks at all times.

Alcohol gel is available at various units. Cleaning work in risk areas and maintaining cleanliness of the office area and staff's accommodation are always done regularly. There is a social-distancing to maintain hygiene. Alternate meal times were set up to reduce employee aggregation. There is a system of working from home as well as providing various equipment to support working online. There is also a daily health reporting system to monitor and follow up in order to provide assistance to employees in a timely manner.



4. Management Discussion and Analysis (MD&A)

4.1 Business Operations and Financial Position Analysis

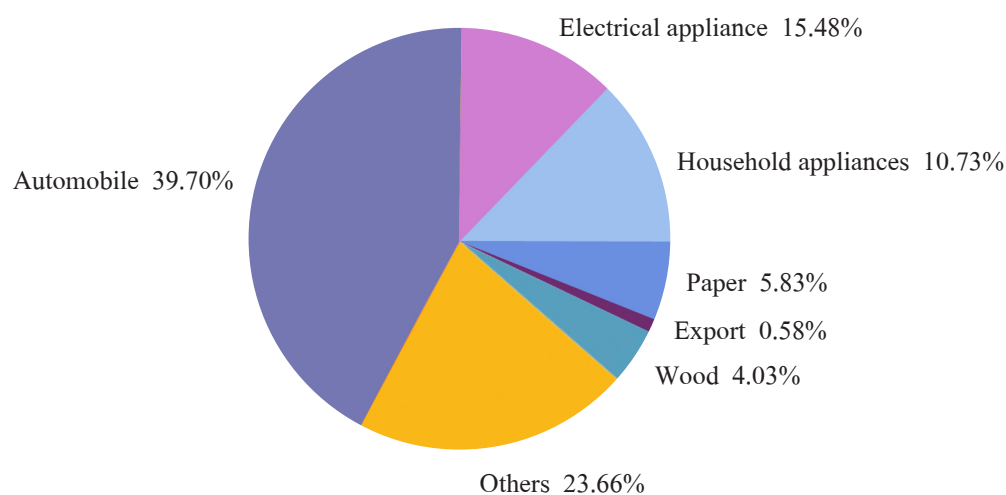
4.1.1 Operating Results

Overall performance of 2021, the company had total revenue of Baht 2,078.53 million which increased by Baht 388.49 million or 22.99% compared to the previous year which achieved total revenue of Baht 1,690.05 million, as a result of the increase in sales volume and the rise of iron ore price in the global market. However, the Covid-19 pandemic impact remained its effects on business and the economy as a whole. Many clients had to implement their business restructuring by controlling expenses, adjusting manpower plans and considering work hours limitations to continue their business sustainably.

Total Revenues

The core revenues of the company in 2021 are as follows:

- Revenues from sales and services amounted to Baht 2,047.54 million, equal to 98.51% of total revenue.
- Commissions amounted to Baht 10.38 million, equal to 0.50% of total revenue.
- The dividend was received in the amount of Baht 5.29 million, equal to 0.25% of total revenue.
- The gain on exchange rates amounted to Baht 9.69 million, equal to 0.47% of total revenue.
- Gain on disposal of assets and other incomes amounted to Baht 5.64 million, equal to 0.27% of total revenue.



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

- Special Steel and Heat Treatment with revenue of Baht 1,329.43 million, equal to 63.96% of total revenue.
- Machine Tools and Tooling with revenue of Baht 371.39 million, equal to 17.87% of total revenue.

Cost of Sales and Services

The company's cost of sales and services in 2021 was Baht 1,349.22 million increased by Baht 208.42 million or equivalent to 18.27% compared to the previous year. The revenue of sales and services also increase in line with the rising in the cost mentioned above.



Gross Profit

The company's gross profit in 2021 was 34.11% slightly increase from the previous year which is at 31.72%. Since the company has managed and adjusted inventory to be in line with market demand and economic situation even when the price of iron ore is escalating.

Total Expenses

In 2021, the company's total expense was Baht 1,724.50 million, equal to 82.97% of Total Revenue which increased by Baht 209.93 million or 13.86% from the previous year.

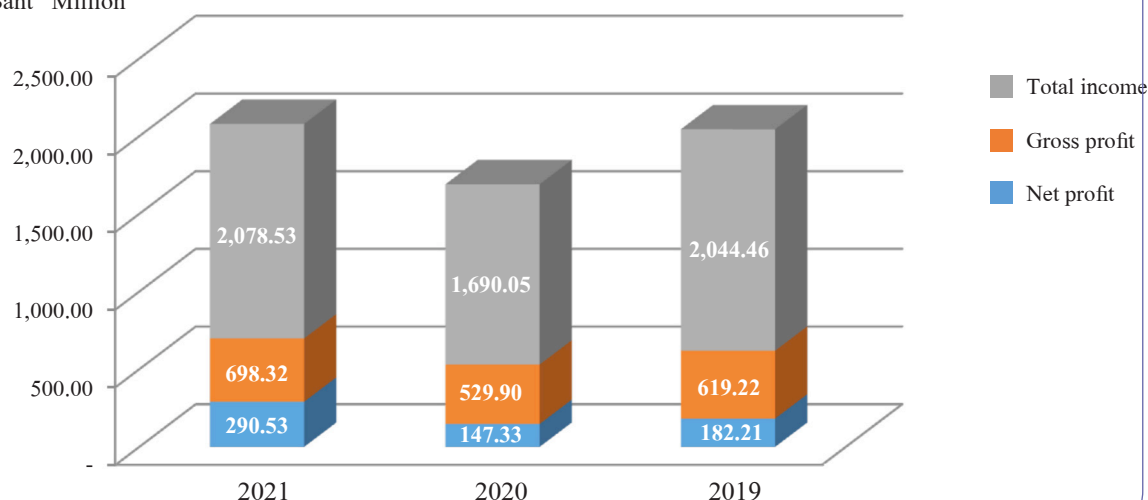
- Cost of sales and services amounted to Baht 1,349.22 million increased by Baht 208.42 million or 18.27% from the previous year.
- Selling expenses amounted to Baht 219.70 million increased by Baht 7.51 million or 3.54% from the previous year.
- Administrative Expenses amounted to Baht 118.82 million increased by Baht 0.03 million or 0.03% from the previous year.
- Management remuneration expenses amounted to Baht 39.51 million increased by Baht 0.97 million or 2.53% from the previous year.
- Unrealised profit from revaluation of the fair value of financial assets amounted to Baht 2.75 million.
- Financial costs amounted to Baht 1.59 million increased by Baht 0.19 million or 13.96% from the previous year.

The company placed importance to cost controlling and controlling administrative expenses by adjusting manpower plans and considering work hours limitations which needed to be in line with workload. Therefore, we were able to maintain all staff until present. The company recognized that our high potential employees are the most valuable asset which will drive business through the future with sustainability.

Net Profit

2021 net profit amounted to Baht 290.53 million or equivalent to 13.98% increased by Baht 143.21 million or equivalent to 97.21% from the previous year which had achieved a net profit of Baht 147.32 million. The increase in net profit was caused by the rising in sales volume and the climbing up of iron ore price. However, considering the proportion of revenue and profit, the company was able to achieve good gross profit, due to the company's distinctive products and services of good quality, which were required in the market. Therefore, the company was able to meet the needs of customers and set the selling price as appropriate according to the market price.

Unit : Baht Million





4.1.2 Financial Position

As of December 31, 2021, the company has total asset at the amount of Baht 2,867.17 million increased by Baht 277.53 million or 10.72% from the previous year.

The total asset comprised of

1. Current asset amounted to Baht 1,937.16 million increased by Baht 273.96 million or 16.47% from the previous year.
2. Non-Current Asset amounted to Baht 930.01 million increased by Baht 3.57 million or 0.38% from the previous year.

ASSETS	As of Dec 31, 2021			As of Dec 31, 2020	
	(Million Baht)	%	%Δ	(Million Baht)	%
Cash and cash equivalents	29.04	1.01	-18.96	35.84	1.38
Trade and other receivables	514.66	17.95	+34.93	381.44	14.73
Other current financial assets	359.81	12.55	-11.41	406.18	15.68
Inventories	1,025.90	35.78	+22.33	838.61	32.38
Other current assets	7.74	0.27	+587.10	1.13	0.04
Total current assets	1,937.16	67.56	+16.47	1,663.20	64.22
Fixed deposit using for guarantee	0.65	0.02	+0.54	0.65	0.03
Other Non-current financial assets	139.72	4.87	+148.38	57.41	2.22
Property, Plant and equipment	789.50	27.54	-8.87	866.32	33.45
Other Non-current assets	0.14	-	-93.06	2.06	0.08
Total Non-current assets	930.01	32.44	+0.38	926.45	35.78
Total Assets	2,867.17	100.00	+10.72	2,589.64	100.00

Accounts Receivable, as of December 31, 2021, amounted to Baht 455.18 million or 22.23% of total sales increased Baht 87.92 million or 23.94% from the previous year, which derived from the increase in revenue from sales and services. Short term receivable, which less than 3 months, amounted to Baht 447.46 million or 98.30% of total accounts receivable. The average debt collection period was 81 days, slightly longer than the previous year which was 80 days. Most of the receivables were during the credit terms period.

However, the company had the policy to thoroughly verify customers' credit before proceeding the credit approval. As of December 31, 2021, the Company had the allowance for doubtful debt amounted to Baht 21.75 million or 4.78% of the total trade accounts receivable.

Other current financial assets, as of December 31, 2021, was Baht 359.81 million. The company has managed financial liquidity by investing in fixed income funds and equity funds which could expect higher returns than savings.

Inventory, as of December 31, 2021, amounted to Baht 1,025.90 million, increased by 22.33% or Baht 187.28 million from 2020. The said increase occurred in every product category, due to the inventory management plan which aimed to manage inventory in line with the current demand of the market.



Other non-current financial assets, as of December 31, 2021, amounted to Baht 139.72 million. The Company had invested in K.S. Mould Parts Co, Ltd. consisted of 127,300 ordinary shares with a value of Baht 450.00 each, equivalent to 10.93% of paid-up capital. The total investment, including all expenses, was Baht 57.41 million. The company had done the share revaluation and recognized the unrealized gain from the change of the share fair value at the amount of Baht 52.01 million and received dividend of Baht 4.37 million in the year 2021. In addition, the company had invested in bonds of 2 private companies amounted to Baht 30 million as they could generate higher returns than savings.

Property, plant and equipment and other assets as of December 31, 2021, amounted to Baht 789.50 million decreased by Baht 76.83 million or 8.87% from the previous year as a consequence of depreciation and selling of rubber-planted land in Prachinburi province.

Liabilities and Shareholders Equity

The company's total liabilities in 2021 amounted to Baht 377.44 million increased by 39.16% or Baht 106.22 million from the previous year. The current liability amounted to Baht 263.76 million or 69.88% of total liability, mostly from trade account payable at the amount of Baht 165.19 million, other account payable amounted to Baht 43.44 million and deferred incomes from selling goods and services at Baht 20.19 million, equivalent to 60.62% of the total liability.

The shareholders equity as of December 31, 2021, amounted to Baht 2,489.73 million comprised of the paid-up capital of Baht 530 million, premium on common shares amounted to Baht 262.26 million, premium on treasury stocks at Baht 12.95 million, surplus on land revaluation at Baht 195.36 million, decreased by Baht 5.56 million or 2.77% from the previous year. In addition, the company had sold the rubber-planted land in Prachinburi province and had retained earnings amounted to Baht 1,392.31 million. Therefore, the shareholders equity as ended on December 31, 2021 was increased by Baht 171.31 million or 7.39% from the previous year.

In 2021, the Company paid the dividend from the operating results of the second half of 2020, totaling Baht 84.80 million combined with the interim dividend payment for the first six months of 2021 operating results, totaling Baht 74.20 million. Therefore, the amount of dividend paid in 2021 was totaling Baht 159.00 million.

Capital Structure

The company's debt-to-equity ratio as ended December 31, 2021 equivalent to 0.15 times slightly increased from the ratio at the end of 2020 which was 0.12 times.

4.2 Financial Highlights

Summary of Auditor report

For the accounting period as ended December 31, 2021, Ms. Thanyaphorn Tangthanopajai, CPA No. 9196 from Dharmniti Auditing Co., Ltd., the auditor of the company has reviewed the company's financial statements and opined that the company financial statements present fairly, in all material respects, the financial position of Sahamit Machinery Public Company Limited as at December 31, 2021, its financial performance, the changing of shareholders equity and cash flows for the year then ended in accordance with Financial Reporting Standards.



Summary of Financial Position

Description	2021 (Audited)		2020 (Audited)		2019 (Audited)	
	(Million Baht)	%	(Million Baht)	%	(Million Baht)	%
ASSETS						
Current Assets						
Cash and cash equivalents	29.04	1.01	35.84	1.38	30.76	1.23
Trade and other receivables	514.66	17.95	381.44	14.73	376.13	15.09
Other current financial assets	359.81	12.55	406.18	15.68	222.36	8.92
Inventories	1,025.90	35.78	838.61	32.38	975.90	39.17
Other current assets	7.74	0.27	1.13	0.04	0.85	0.03
Total Current Assets	1,937.16	67.56	1,663.20	64.23	1,606.00	64.45
Non-Current Assets						
Fixed deposit using for guarantee	0.65	0.02	0.65	0.03	0.65	0.03
Other Non-current financial assets	139.72	4.87	57.41	2.22	57.41	2.30
Property, Plant and equipment	789.50	27.54	866.32	33.45	825.55	33.13
Other Non-current assets	0.14	-	2.06	0.08	2.15	0.09
Total Non-Current Assets	930.01	32.44	926.44	35.77	885.76	35.55
Total Assets	2,867.17	100.00	2,589.64	100.00	2,491.76	100.00
Liabilities and shareholders equity						
Current Liabilities						
Trade payables	165.19	5.76	105.00	4.05	102.60	4.12
Other payables	43.44	1.51	36.13	1.40	21.75	0.87
Cash received in advance from sales and services	20.19	0.70	13.31	0.51	12.32	0.49
Income tax payable	32.81	1.14	9.52	0.37	14.43	0.58
Other current liabilities	2.13	0.07	8.07	0.07	6.47	0.26
Total Current Liabilities	263.76	9.20	172.03	6.64	157.57	6.32
Non-Current Liabilities						
Deferred tax liabilities	32.32	1.13	25.97	1.00	10.77	0.43
Employee benefit obligations	81.36	2.84	73.22	2.83	64.83	2.61
Total Non-Current Liabilities	113.68	3.96	99.19	3.83	75.60	3.04
Total Liabilities	377.44	13.16	271.22	10.47	233.17	9.36
Shareholders Equity						
Authorized share capital	550		550		550	
Issued and fully paid-up	530	18.49	530	20.47	530	21.27
Surplus Capital	275.21	9.60	275.21	10.63	275.21	11.04
Retained earnings	1,447.31	50.48	1,312.29	50.67	1,328.29	53.31
Other components of equity	237.21	8.27	200.92	7.76	125.09	5.02
Total Shareholders Equity	2,489.73	86.84	2,318.42	89.53	2,258.59	90.64
Total Liabilities and Shareholders Equity	2,867.17	100.00	2,589.64	100.00	2,491.76	100.00



Statement of Comprehensive Income

Description	2021 (Audited)		2020 (Audited)		2019 (Audited)	
	(Million Baht)	%	(Million Baht)	%	(Million Baht)	%
Revenues						
Sales and service	2,047.54	98.51	1,670.70	98.86	2,012.34	98.43
Other Income ¹	30.99	1.49	19.34	1.14	32.12	1.57
Total Revenues	2,078.53	100.00	1,690.04	100.00	2,044.46	100.00
Expenses						
Cost of sales	1,349.22	64.91	1,140.80	67.50	1,393.12	68.14
Selling and Administrative expenses	338.52	16.29	330.98	19.59	383.63	18.76
Management benefit expenses	39.51	1.90	38.53	2.28	40.62	1.99
Unrealised loss from revaluation of fair value	(2.75)	(0.13)	4.26	0.37	40.62	1.99
Total Expenses	1,724.50	82.97	1,514.57	89.74	1,817.37	88.89
Income before interest and tax	354.03	17.03	175.48	10.38	227.09	11.11
Expenses	1.59	0.08	1.39	0.08	1.23	0.06
Tax	61.91	2.98	26.76	1.58	43.66	2.14
Comprehensive Income	290.53	13.98	147.32	8.72	182.20	8.91
Comprehensive Income basic earnings per share	0.55		0.28		0.34	
Par Value	1		1		1	
Weighted average number of ordinary shares	530.00		530.00		530.00	
Cash flows from operating activities	112.45		358.28		330.07	
Cash flows from investing activities	39.74		(194.20)		(148.01)	
Cash flows from financing activities	(158.98)		(159.00)		(182.76)	
Increase Cash and Cash Equivalent (Decrease)	(6.79)		5.08		(0.70)	

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



Financial Ratios

Description		2021	2020	2019
<u>Liquidity Ratios</u>				
Current Ratio	(Time)	7.34	9.67	10.19
Quick Ratio	(Time)	3.20	4.70	3.92
Cash flow current ratio	(Time)	0.43	2.08	2.09
Receivable current ratio**	(Time)	4.76	4.55	4.52
Average debt collection period	(Day)	81	80	73
Inventory turnover period**	(Time)	1.76	1.35	1.44
Average selling period	(Day)	230	290	271
Payable current ratio**	(Time)	12.62	11.94	10.91
Loan repayment period	(Day)	31	33	40
Cash Circle	(Day)	280	337	304
<u>Profitability Ratios</u>				
Gross profit margin	(%)	34.11	31.72	30.77
Operating profit margin	(%)	17.29	10.50	11.35
Cash to profit margin	(%)	31.76	204.18	144.56
Net profit margin	(%)	13.98	8.72	8.91
Return on equity**	(%)	12.40	6.44	8.06
<u>Efficiency Ratios</u>				
Return on assets**	(%)	11.04	5.80	7.14
Return on fixed assets**	(%)	41.15	23.99	28.63
Asset turnover	(Time)	0.76	0.67	0.80
<u>Financial policy ratios</u>				
Debt to equity ratio	(Time)	0.15	0.12	0.10
Interest coverage ratio	(Time)	222.72	125.81	185.15
Commitment coverage ratio (Cash basis)	(Time)	71.74	257.87	270.10
<u>Data per share</u>				
Book value per share	(Baht)	4.70	4.37	4.26
Basic earnings per share	(Baht)	0.55	0.28	0.34
Par Value	(Baht)	1.00	1.00	1.00

**Average financial ratio calculated from 12 months average rate.



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

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

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

The board of directors opines that the overall internal control system is satisfactory and can create confidence in the financial statements as of December 31, 2021 of the company.

Mr. Chaisilp Tamesirichai
Chairman of the Board



5. General Information and other material facts

5.1 General Information

Company Name	SAHAMIT MACHINERY PUBLIC COMPANY LIMITED
Company Registration Number	0107537002664
Stock Symbol	SMIT
Market	SET
Industry	Industrials
Sector	Steel and Metal Products
Established Date	7 June 1973
First Trade Date in SET	18 May 2005
Head Office	42, 48 Soi 53, Rama 3, Bangpongpan Yannawa, Bangkok 10120 Tel : 66 (0) 2295 1000-8, 66 (0) 2295 1901-9 Fax : 66 (0) 2295 1009, 66 (0) 2295 1020
Facility Center	152, 155 Moo 14 Sukhumvit Rd. Bangpakong, Chachoengsao Tel : 66 (0) 3883 2035-8 Fax : 66 (0) 3883 2044-5
Registered Capital	550 million Baht
Paid-up Capital	530 million Baht, Comprised of 530 Million Ordinary shares
Par value	1 Baht par value
Preferred Share	None
Fiscal Year	January 1 – December 31 of each year
Website	www.sahamit.co.th
Contact of Investor Relations	Miss Prangtip Sivaruk Tel : 66 (0) 2295 1000-8 ext.1515 Email info@sahamit.co.th
Registrar	Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel : 66 (0) 2009 9386 Fax : 66 (0) 2009 9476 TSD Call Center : 66 (0) 2009 9999 Website: http://www.set.or.th/tsd
Auditor	Dharmniti Auditing Company Limited Miss Thanyaporn Tangtanopajai CPA Registration No. 9169 178 Dharmniti Building, 6 th Floor Soi Permsap (Prachachuen 20) Prachachuen Road, Bangsue, Bangkok 10800 Tel : 66 (0) 2555 0605 Fax : 66 (0) 2555 0666

5.2 Others material facts

-None-

5.3 Legal Disputes

-None-



6. Corporate Governance Policy

6.1 Overview of the Policy and Guidelines

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

Rights of Shareholders and Equitable Treatments of Shareholders

1. The company provides shareholders, prior to a meeting, with information on the date, time, venue, and all agenda items with complete support data concerning issues to be decided. A notice of a meeting and support document are sent to shareholders at least 7 days in advance. The notice of shareholders meeting 2020 is posted on the company's website so that shareholders can study all the information prior to receiving the notice in documentation.
2. The company's website where shareholders and those interested may download financial information, company profile, and meeting information is www.sahamit.co.th. Inquiries may be Email to info@sahamit.co.th.
3. The invitation to the Annual General Meeting contains information and guidelines for the shareholders relevant to the meeting including voting procedure. In case the company shareholders cannot personally attend the meeting, the Company shareholders may use the proxy form provides as attachment or may download from the Company's website to appoint the Audit Committee members, Board of Directors, or any persons to be the shareholder's proxy to attend and vote in the Annual General Meeting of Shareholders. The Company also gives right to the shareholders arrive late to vote for the agenda that have not been voted by the time the shareholders attend the meeting unless the shareholders' meeting has disagreed.
4. The Company held the Annual General Meeting 2021 on April 29, 2021, there were 14 members of the Board of Director attended the meeting (from the total members of the Board of Directors: 15 members). Shareholders were given opportunities to directly ask the Company Directors and Committees any relevant questions. The Company does not deprive its shareholders of access to company information. For instance, all important information is included in distributed notices without any last-minute addition of agendas or changes in important matters. Shareholders who arrive late are always allowed to attend meetings.
5. The Company allows shareholders to propose matters to be included in a meeting's agenda, prior to the meeting, with requirements and procedures. For instance, there must holding minimum shares not less than 500,000 shares and continuously held those shares for one year by the date when the shareholder proposes the agenda. A meeting agenda is presented in detail. Criteria for approving or rejecting proposed matters as part of meetings' agendas are stated clearly. There are channels and periods of time for accepting



shareholders' proposals. After proposals are accepted, the board of directors' meeting will consider and select the proposals. Shareholders will be informed about the board's meeting decision and reasons in detail regarding the proposals through the shareholders' meeting. In 2021, shareholders did not propose any additional matters to be included in shareholders' meeting agendas. Besides, the Company has given an opportunity for shareholders to submit their opinions or questions concerning agenda in the 2021 Annual General Meeting of Shareholders to the Company's Board of Directors prior to the meeting via email: info@sahamit.co.th.

6. In the 2021 AGM, the chairman informed company shareholders about procedures relevant to the meeting including voting procedure. Shareholders were given opportunities to express their opinions and ask questions. There were inquiries about the Company's financial statement and operating results. Shareholders voted on an individual director. Voting cards were used in case of disagreement over the meeting agenda. The meeting was recorded on video.
7. In minutes of the 2021 Annual General Meeting of Shareholders, list of directors who attend and did not attend the meeting were shown. Summaries of clarifications, questions, answers, opinions, voting procedure, and vote count were provided. Regarding disagreement, the meeting resolution was presented along with the total of votes in favor/ against and no vote. The minutes were posted on the company website within 14 days after the AGM.
8. Regarding the use and protection of inside information, the Company has established measures to prevent the use of inside information by directors, management, and employees for abusive self-dealing. (Details are shown in The Use and Protection of Inside Information Section.)
9. The Company requires that a director must not operate or have any position in any ordinary partnership, or be a general partner in limited partnership, or be a director in any other limited company or public company limited that operates businesses of the same nature and that is the company's direct and indirect competition, unless the information about their positions is disclosed before the appointment. Directors must inform the company immediately about their direct and indirect conflicts of interest arising in any company contracts done between fiscal years, or due to change in their acquisition of shares or debentures of the company or its subsidiaries between fiscal years. The Company encourages its directors, management and those related to the board to disclose information about their conflicts of interest as part of the board's meeting agendas. Directors who have conflicts of interest in any issues being considered are not allowed to vote on those particular issues.

Roles of Stakeholders

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



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

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

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

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

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

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

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



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

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

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

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

Safety Health And Environment

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

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

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

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

Disclosure of Information and Transparency

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



1. Disclosure of the information in annual report (56-1 one-report) and both Thai and English languages through various information channels such as company website, www.sahamit.co.th and the Stock Exchange of Thailand (SET) [website, www.sec.or.th](http://www.sec.or.th). There are also updates related news to the Company on the website to facilitate decision-making of those involved.
2. In the previous year, the Company's disclosure of information and transparency were approved by the Securities and Exchange Commission and the SET, as its practice was in accordance with disclosure requirements.
3. In the 2021 annual report, the Company's board of directors' roles and responsibilities together with those of its committees are disclosed. Also, company policies on remuneration payment for directors and managements, a summary of Company governance, policies on the environment and society, the company practices and a summary of company business ethics.
4. A statement of the board of directors' responsibilities concerning the Company's financial report is provided alongside the auditor report in the Company annual report. The contents include the certification that the Company's financial statements are fairly presented in accordance with generally accepted accounting principles and regulations. The statement is signed by the Company chairman.
5. Contents of the Company's website consist of corporate governance and results of practices in line with Company policies, business ethics, ownership structure, board structure, vision/missions, policies on the environment and society, annual report, financial statement, news and updates in both Thai and English.
6. The Company is well aware of the importance of disclosing information to investors with accuracy, transparency, and accessibility. The Company set up investor relations division to coordinate communications between the Company, investors, and shareholders can be reached by email info@sahamit.co.th or contact Miss Prangtip Sivaruk Tel. 66 (0) 2295 1000-8 ext. 1515

Supervision of use of inside information

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

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



4. Important inside information and confidential documents saved as hard copies or soft files are protected and access is limited to top executives only when necessary. If any inside information needs to be disclosed to Company employees, the employees will be informed properly about the limitation of the use of that information. An employee who discloses Company confidential information will be penalized.
5. To monitor irregularity in Company operating results, random examination is done to security trade, the Company's information system and outside information sources.

6.2 Code of conduct

The Board of Directors believes that conducting business under the framework of good morals and ethics, social responsibility, environment, and all stakeholders will lead to success and sustainable growth. Therefore, the Board of Directors has established good standard guidelines and prepared a written code of conduct, as well as announce and communicate to the board, executives and employees at all levels to understand and strictly adhere to code of conduct with honesty, fairness and responsibility to stakeholders, shareholders and all related parties. The Board of Directors regularly reviews and improves corporate governance principles. The Internal Audit and Human Resources Department is assigned to support and monitor the corporate governance of the Board of Directors, to review and improve the good corporate governance policy and code of conduct to be in line with changes that may occur from business operations, environment, circumstances, including changing rules and regulations, as well as monitoring compliance with the code of conduct and good corporate governance. And the corporate governance policy and code of conduct are disclosed on the company's website. More details can be found at www.sahamit.co.th

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

Risk Management Policy

In 2021, the Risk Management Sub-Committee reviewed and improved the risk management plan to suit the Company's current business conditions and in accordance with international standards to serve as a framework for the board of director to implement in conducting business with due diligence in order to bring the maximum benefit to the company in the future.

Anti-Corruption Policy

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

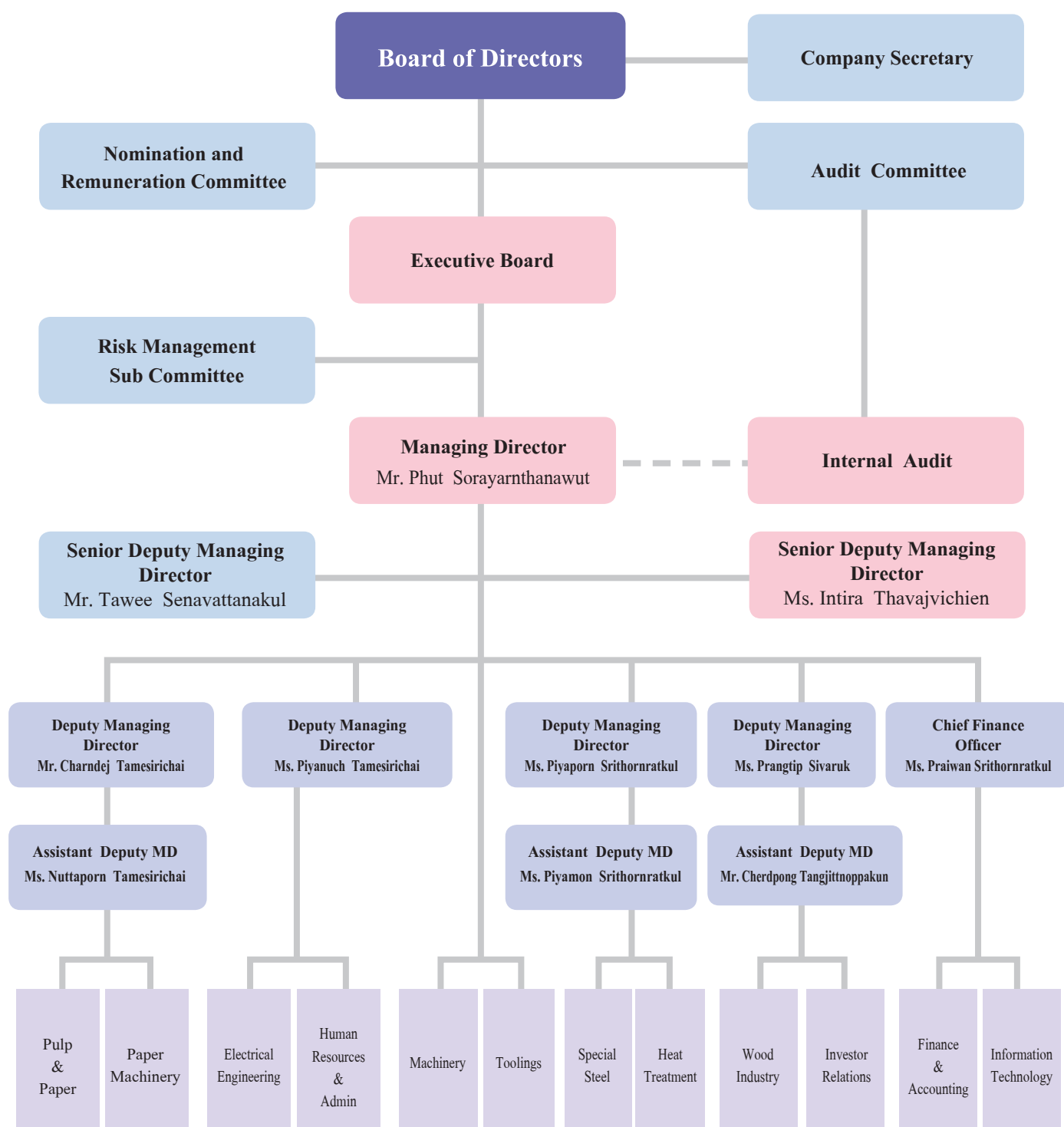
Implementation of the CGR Project and the AGM Quality Assessment Program

In 2021, the Company received a "Very Good" (4 stars) rating on corporate governance of Thai Listed Companies (CGR) from the Corporate Governance Survey Project, done by the Thai Institute of Directors, under the support of the Stock Exchange of Thailand considering that the company has complied with the assessment criteria, which are divided into 5 main categories: rights of shareholders; equitable treatment of shareholders, role of stakeholders, disclosure & transparency and the responsibilities of the board.



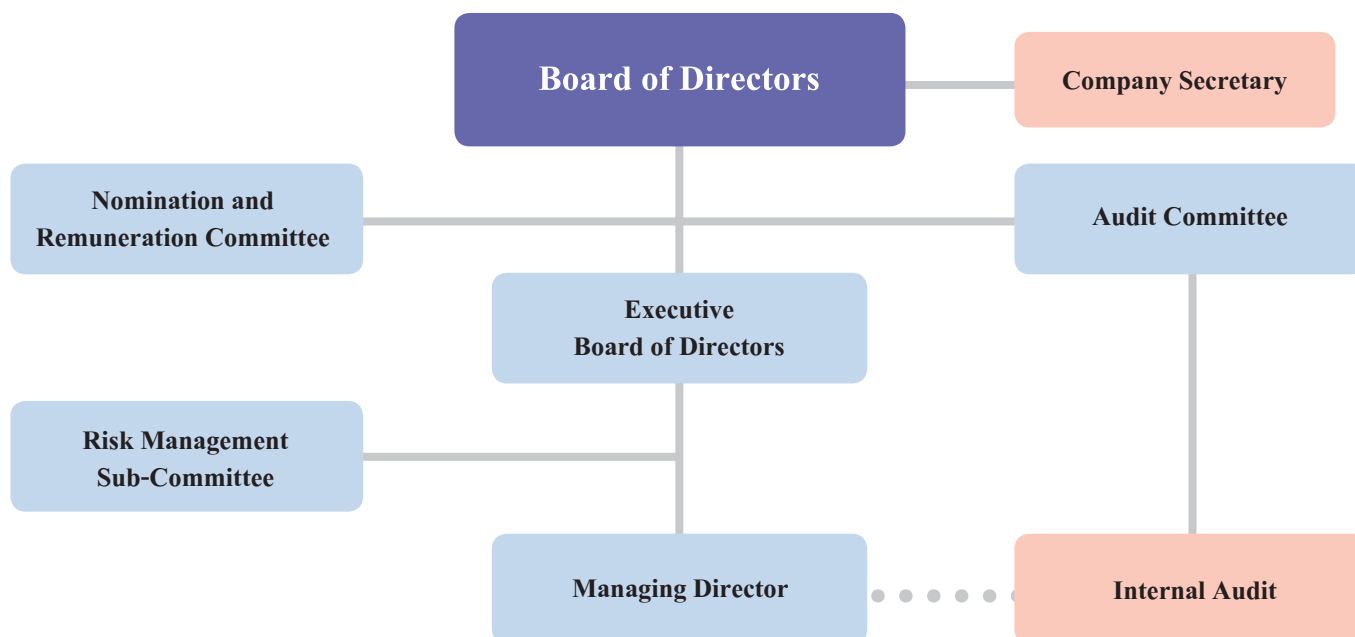
7. Corporate Governance Structure and Material Facts related to the Board, Subcommittees, Executives, Employees and Others

7.1 Corporate Governance Structure





Management Structure



As of December 31, 2021, the company management structure consists of the board of directors and its four sub-committees, namely executive committee, audit committee, nomination and remuneration committee, and the risk management sub-committee which each sub-committee is to assist in studying and scrutinizing details of particular matters.

7.2 Board of Directors

7.2.1 The composition of the board of directors

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

At present, the board of directors has a total of 15 people (as of December 31, 2021), comprising 7 executive directors and 8 non-executive directors, with a proper balance from representatives of other groups of shareholders. and have 5 independent directors, who are qualified and independent, according to the rules prescribed by the SEC that require listed companies to have independent directors of more than or equal to one-third of the total number of directors.

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



Names of the Board of Directors

As of December 31, 2021, the company's Board of Directors consists of 15 members including:

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

* Details of directors' biographies appear in Attachment 1

Authorized Signatory / Controlling Person of the Company

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

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

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

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

• Duties and Responsibilities of the Chairman

1. Convening and chairing any board meetings and general meetings of shareholders, as well as, establishing meeting agenda in tandem with the Vice President and Managing Director.
2. Controlling the Board and shareholders' meetings to be effective in accordance with the company's regulations, while encouraging directors and shareholders to express their independent views with information duly provided.



3. Encourage and support the Board to work to their utmost ability, based on their duties and responsibilities under corporate governance.
4. Supervise and follow up the work of the Board and the committee to ensure that objectives are reached.
5. Cast a decisive vote in Board meetings in case of equal votes of both sides.

- **Duties and Responsibilities of the Board of Directors**

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

1. The Board of Directors shall be responsible to the shareholders and shall act in the best interest of and fulfill the fiduciary obligations to shareholders while taking into account the interests of other stakeholders of the Company by adhering to four practices:
 - To perform duties for the company in an honest, integrity, transparent, due care, and justifiable manner for the best interest of the company.
 - To respect the legal rights of shareholders and treat all shareholders and stakeholders fairly and equally.
 - To disclosure of information must be accurate, adequate, and timely distributed, and the companies must allow all investors equal access to the information.
 - To comply with the law, policies, regulations of the company, the resolutions of the Board of Directors and the resolutions of the shareholders' meeting.
2. Operates with compliance to Articles of Association, the Securities and Exchange Act, regulations of the Stock Exchange of Thailand, or other relevant laws related to the company's business, as well as resolutions of the board and shareholders' meetings of the company.
3. Determine the company's important policies and business directions such as vision, mission, strategy, financial goals, risks, budgets, and plans related to operations.
4. Consider and define a structure for management, nominating, appointing and clearly defined duties and responsibilities to enable the Executive Board to operate in order to accomplish the mission and goals of the organization.
5. Monitor and supervise the Executive Committee to operate in accordance with the policies and plans set for efficiency and effectiveness, as well as to evaluate the performance and determine appropriate remuneration for the Executive Committee.
6. Devote adequate time and avoid conflicting interests or personal advantages to override the company's interests and must not take any actions that conflicts or competes with the company's interests.
7. Establish appropriate policies and procedures in order to govern and enhance the company's internal control system to be effective and efficient, as well as monitoring and evaluating the internal control system and risk management annually.



8. Ensure the company has adhered to operating its business with transparency, honesty and be able to examine under the policies and guidelines for good corporate governance, the code of business conduct and anti-corruption by having regular reviews at least once a year.
9. Provide protection of the rights of both major and minor shareholders in accordance with their rights fairly and encourage shareholders to exercise their basic rights to protect their interests and obtain information accurately, completely, transparently, verifiable, and timeliness.
10. Encourage and facilitate whistleblowing with clear and appropriate measures and procedures regarding whistleblowing of stakeholders of all groups.
11. Consider the development plan and a succession plan for senior management and supervise to have an effective performance appraisal and an appropriate compensation system consistent with the performance.
12. Attend the Board of Directors' meetings and shareholders' meetings unless there is a force majeure event. Directors unable to attend the meeting must inform the Chairperson of the Board or Company Secretary in advance of the meeting.

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

- **Board of Directors Meeting**

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

7.3 Sub-Committees of Board of Directors

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



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

Executive Committee

The Executive Committee Total 7 members (As of December 31, 2021) as the following:

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

Duties and Responsibilities of the Executive Committee

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

1. To operate and manage the business of the company according to the given objectives, regulations, policies, guidelines, rules, mandates, and all resolutions of the board of directors meeting and/or the resolutions reached at the shareholders meeting.
2. To review and establish policies, directions, strategies, operating plans for the company, formulate financial plans, human resource budgets, invest in information technology, to grow and promote the business while ensuring that the duties performed by the appointed personnel adhere to the set goals.
3. To review the annual budget allocation as presented by the Management before subsequently presenting it to the board of directors for approval. In doing so, the executive committee is authorized to review and approve the amendments to the annual budget between board of directors' meetings and to present the changes to the board of directors at the next meeting held.
4. To review and approve payments in the course of conducting company's usual business such as purchase of an asset, purchase of a vehicle, provided that the transaction amount is not greater than Baht 50 million.
5. To approve the payment for necessary investment included in the annual budget as directed by the company's board of directors or provided that the transaction has already been approved in theory by the board of directors.
6. To review and approve the borrowing of funds, obtainment a credit line, issuance of debt instruments, and to issue a loan collateral or to seek a loan of any type on behalf for the company.



7. To act as a panel of management advisors with regards to the financial, marketing, human resource management, and other operating policies.
8. To establish the organization structure, the authorities to manage the company as well as authorities to appoint, hire, and transfer personnel, establish compensation guidelines, remunerations, bonuses for executives, as well as lay off personnel.
9. The executive committee is authorized to delegate one or more executive or another person to act on its behalf under the executive committee's supervision or to delegate to the said person the power deemed appropriate by the Executive Board for a time period specified by the executive committee whereby the executive committee has the right to revoke, amend, change the delegate or the delegated power as it sees fit.
10. To carry out other businesses as directed by the executive committee on a case-by-case basis.

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

Audit Committee

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

The audit committee consists of four independent directors who are qualified according to the criteria of the Stock Exchange of Thailand and one member of the audit committee, namely Mr. Prayoon Vivetpuvanonth, who has knowledge, understanding, and experience in accounting and finance and internal audit work as well.

Audit Committee Total 4 members (As of December 31, 2021) as the following:

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



Composition of Audit Committee

- 1) The audit committee shall be comprised of four independent directors of the board who are qualified in accordance with the criteria prescribed in the notification of the Securities and Exchange Commission (SEC) and are appointed by the board of directors. At least one of the audit committee's members shall have knowledge and experiences that are sufficient to review creditability of financial statements.
- 2) The audit committee shall select one member of the audit committee to be chairman of the audit committee.
- 3) Internal audit manager serves as the secretary of the audit committee by position.

Duties and Responsibilities of the Audit Committee

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

Nomination and Remuneration Committee

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



Nomination and Remuneration Committee Total 3 Members (as of December 31, 2021) as the following:

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

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

Composition of Nomination and Remuneration Committee

- 1) The nomination and remuneration committee shall be comprised at least three (3) directors from the company's board of directors and one third of total members of the committee members must be independent directors; chairperson of the committee must also be an independent director.
- 2) The board of directors shall consider and appoint its directors to perform the duty as the chairman and members of the nomination and remuneration committee

Duties and Responsibilities of the Nomination and Remuneration Committee

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

Risk Management Sub-Committee

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



Risk Management Sub-Committee Total 5 members (as of December 31, 2021) as the following:

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

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

Composition of Risk Management Sub-Committee

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

Duties and Responsibilities of Risk Management Sub-Committee

- 1) Review and approve the risk management policy and associated frameworks, processes and practices of the company including risk appetite levels before proposing them to the Board of Directors for approval on an annual basis.
- 2) Review the company's risk management manual and approve the annual risk management plan.
- 3) Review of risk management guidelines and tools to ensure that they are effective, appropriate and cover risks throughout the organization.
- 4) Analyze and review stipulation of adequate and appropriate risk tolerance ceiling including determining countermeasures are formulated, including action plans to manage risks at the acceptable level.
- 5) Supervise and develop compliance with policies and risk management frameworks on an ongoing basis.
- 6) Monitor and acknowledge the results of the risk assessment and make recommendations to the risk management team to improve and develop the organization's risk management system.
- 7) Make regular reports to the board of directors on the risks and management of key risks.
- 8) Assess new risk factor that might have occurs from the new product and/or new business, the corruption risk including guidelines for preventing future risks.
- 9) Promote and support the risk management as value added process to regular operations.
- 10) Perform any other tasks as assigned by the Board of Directors.

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



Remuneration of the Board of Directors and Sub-Committee as of 31 December 2021

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

(In 2021, there were 4 Board of Directors meetings / 4 Audit Committee meetings / 1 Nomination and Remuneration Committee meeting / 1 AGM.)

Other Remuneration -None-

Meeting attendance and total remuneration of directors and individual committees in 2021

Name	Position	Remuneration			Attendance Fee					Total
		Board	Audit Committee	Nomination and Remuneration Committee	Number of Meeting	Board/ AGM	Number of Meeting	Audit Committee	Nomination and Remuneration Committee	
1. Mr.Chaisilp Tamesirichai	Chairman of the Board	120,000	-	-	5/5	25,000		-	-	145,000
2. Mr.Prasong Srithornratkul	Vice President and Director	120,000	-	-	5/5	25,000		-	-	145,000
3. Mr.Pornsin Thaemsirichai	Director	120,000	-	-	5/5	25,000		-	-	145,000
4. Mr.Thana Senavattanakul	Director	120,000	-	-	5/5	25,000		-	-	145,000
5. Mr.Pichai Nithivasin	Director	120,000	-	-	5/5	20,000		-	-	140,000
6. Mr.Phut Sorayarnthanawut	Director	120,000	-	-	5/5	25,000		-	-	145,000
7. Mr.Chardej Tamesirichai	Director	120,000	-	-	5/5	25,000		-	-	145,000
8. Ms.Piyanuch Tamesirichai	Director	120,000	-	-	5/5	25,000		-	-	145,000
9. Ms.Piyaporn Srithornratkul	Director, Nomination and Remuneration Committee	120,000	-	30,000	5/5	25,000		-	1/1 5,000	180,000
10. Ms.Prangtip Sivaruk	Director	120,000	-	-	5/5	25,000		-	-	145,000
11. Mr.Kriangrai Boonkitticharoen	Independent Director	120,000	-	-	5/5	25,000		-	-	145,000
12. General Vapirom Manasrangsi	Independent Director, Chairman of the Audit Committee	120,000	240,000	-	5/5	25,000	4/4 20,000		-	405,000
13. Mr.Karun Kittisataporn	Independent Director, Audit Committee, Chairman of the Nomination and Remuneration Committee	120,000	240,000	30,000	4/5	20,000	3/4 15,000	1/1 5,000		430,000
14. Mr.Prayoon Viivetpuvanonth	Independent Director, Audit Committee	120,000	240,000	-	5/5	25,000	4/4 20,000		-	405,000
15. Mr.Chayakorn Limpsiripun	Independent Director, Audit Committee, Nomination and Remuneration Committee	120,000	240,000	30,000	5/5	25,000	4/4 20,000	1/1 5,000		440,000
Total		1,800,000	960,000	90,000		365,000		75,000	15,000	3,305,000



7.4 Executive Committee

Executive Committee Total of 10 members (as of December 31, 2021), as the following:

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

Directors and Executives Remuneration Policy

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

Total of the remunerations of directors and executives

Total remuneration of the Management in 2021

Total remuneration of the Management (Baht)	35,243,880
Other remuneration – Provident Fund (Baht)	325,152
Numbers of the Management (person)	10
Monetary remuneration type	Salary and bonus and provident fund
Other remuneration type	Company cars



7.5 Information of Personnel

As of December 31, 2021 Total of 467 employees (Excluding Directors and Executives) as the following :

Groups	2021
Special Steel	190
Heat Treatment	79
Machine Tools & Tooling	79
Paper	24
Machinery & Equipment for Wood Processing	31
Electrical	10
Financial Accounting & Information Technology	27
Human Resource & Administrative	25
Internal Audit	2
Total of Employees (Persons)	467
Total Remuneration (Million Baht)	147.17
Other Remuneration – Provident Fund (Million Baht)	1.43

Significant Change in Number of Employees over the Past 3 Years

-None-

Personnel Development Policy

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

In 2021, the company has encouraged personnel in the organization to attend training to increase potential and efficiency in operations such as seminars on quality management systems for the automotive industry, HRM Best Practices During COVID-19, Time Record Processing System Training Business Plus Time Attendance for Windows, Labor Law that business owners, executives and HR must know, organized by Nation Multimedia Group Plc. Training is also available through Online Training on topics such as "Gears and Automotive", "METAL TUBES & RODS", "BOARD & WOOD", "Focus market bonded", "BONDED CHINA", "Wood Sanding, Lacquer Sanding" by Hermes, "Automotive OEM", etc.



7.6 Other significant Information

7.6.1 List of Personnel Directly Responsible for the following specific positions

- Company Secretary

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

- Accounting and Financial Manager

The company assigns Ms. Tasanee Thavornchaiwat, manager of accounting and finance department, to be directly responsible for supervising accounting operations since November 29, 2018. Profile details appear in attachment 1.

- Internal Audit Manager

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

The audit committee has appointed Ms. Chanchira Raksawong holds the position of internal audit manager with scope and duties as follows:

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



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

Internal Audit Manager's profile are shown in Attachment 3

- Investor Relations Manager

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

Investor relations can be contacted directly through the following channels.

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

Telephone: 02-295-1000 Ext. 1515

Email: info@sahamit.co.th

7.6.2 The remuneration of the auditor for the fiscal year ended 31 December 2021

The Corporate Auditor for the fiscal year ended 31 December 2021 was Ms. Thanyaporn Tangtanopajai Certified Public Accountant, registration number 9169 of Dharmniti Auditing Co., Ltd. The remuneration of the auditor details are as follows:

The remuneration of auditor		
1. Interim financial Statement	Baht	495,000
2. Financial Statement	Baht	565,000
3. Performance Examination according to BOI Condition@ Baht 35,000 x 3	Baht	80,000
Total amount	Baht	1,140,000



8. Corporate Governance Report

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

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

8.1.1.1 Selection

(1) Directors

Qualifications of Directors

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

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

Selection and Nomination Procedure of Directors

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

The Board currently consists of 15 directors, including 5 independent directors or one-third of the total number of directors to contribute effectively and provide a balance of views at both Board and Board Committee meetings in considering various meeting agendas appropriately. The number of directors was appropriated to current business size.

Tenure of Directors

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

- The term of service of Directors is three years and a retiring Director is entitled to re-election.



- At every Annual General Meeting of Shareholders, one-third of the directors shall retire from the office; the director who has held the office longest shall be the first person to retire. If the number of directors is not a multiple of three, then the number of directors nearest to one-third must retire from the office. The retired shall be eligible for reappointment.
- Apart from retirement by rotation, the directors shall vacate upon:
 - Death
 - Resignation
 - Lack of qualifications or being disqualified under law governing Public Limited Companies or under law governing Securities and Stock Exchange
 - The Board of Directors or shareholders have a resolution to vacate the position.

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

(2) Independent Directors

Qualifications of Independent Directors

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

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



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

Selection and Nomination Procedure of Independent Directors

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

(3) Chief Executives

Selection and Nomination Procedure of Chief Executives

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

Right of minor shareholders in nominating directors

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

Appointment of directors

The appointment of each director must be approved by simple majority of votes of those shareholders present or duly represented at the meeting and in possession of voting rights, as follows:



- (1) A shareholder shall have one vote for each share which he holds or represents.
- (2) Each shareholder may exercise all the votes he has under the (1) above to elect one or several director(s).
In the event of electing several directors, he may not allot his votes to each unequally.
- (3) The persons receiving the highest votes in their respective order of the votes shall be elected as directors at the number equal to the number of directors required at that time. In the event of an equality of votes among the persons elected in order of respective high numbers of votes, which number exceeds the required number of directors of the Company at that time, the chairman of the meeting shall be entitled to casting vote.

Orientation of New Directors

The Board of Directors recognizes the importance of new director orientation to properly prepare them for director assignments and to understand the roles, duties, responsibilities including the organizational structure and business nature. The Company Secretary is assigned to provide them with documents and information relevant to the directors' duties such as Directors Guidelines, Corporate Governance and Code of Conduct, Related Laws, relevant rules and regulations, director training courses and other information pertaining to the Company's business in order to enhance the new directors' knowledge and understanding of the Company's operations in all respects.

8.1.1.2 Development of Directors and Chief Executives

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

In the past year, the Board of Directors supported the directors and executives attended courses as follows:

Ms. Piyanuch Tamesirichai (Deputy Managing Director) had attended Labour Law for Owner and Human Resource Program of Nation Multimedia PLC. / HRM Best Practices during Covid-19 of Unique Seminar and Training

Ms. Praiwan Srithornratkul (Chief Financial Officer) had attended Transformative Accounting of Dhamniti Training and Seminar

Succession Plans

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



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

8.1.2 Meeting attendance and remuneration payment to Board member

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

1) The Remuneration of the Board of Directors (Baht / person / year)	120,000 Baht
2) The Remuneration of the Audit Committees (Baht / person / year)	20,000 Baht
3) The Remuneration of the Nomination and Remuneration Committee (Baht / person / year)	30,000 Baht
4) Meeting Allowance (Baht / person / time)	5,000 Baht
(In 2021, there were 4 Board of Directors meetings, 4 Audit Committee meetings, 1 Nomination and Remuneration Committee meeting and 1 AGM.)	
5) Other compensation	- None -

Details of meeting attendance and remuneration of individual committees for the year 2021 can be found in

page 50

8.1.3 Supervision of Subsidiaries and associated companies

- The Company has no associated companies and subsidiaries –

8.1.4 Monitoring of compliance with the corporate governance policy and guideline

Prevention of conflicts of interest

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



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

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

In the past year (2021), the company does not have any connected transactions that are subject to approval from shareholders. The details of transactions that may have conflicts of interest have been disclosed in the topic "Related Party transactions" page 64.

Supervision of use of inside information

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

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



3. Should there be any changes in security holdings of the Company's directors and executives, the changes must be reported to the board of directors in security holdings matter on the agenda.
4. Important inside information and confidential documents saved as hard copies or soft files are protected and access is limited to top executives only when necessary. If any inside information needs to be disclosed to Company employees, the employees will be informed properly about the limitation of the use of that information. An employee who discloses Company confidential information will be penalized.
5. To monitor irregularity in Company operating results, random examination is done to security trade, the Company's information system and outside information sources.

Anti – Corruption Policy

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

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

Whistleblowing

The Company always realizes the importance of all stakeholders as mentioned. Moreover, it values all suggestions, opinions, and comments that enable development and improvement of the Company operation. All stakeholders can contact the Company's management, the head of internal audit committee, the head of human resource department, or the chairman of audit committee to report improper incidents, complain, request for clarifications or correction, or make any suggestions (Whistle Blowing Policy) by details as follows



By E-mail :

Chairman of the Audit Committee : ac@sahamit.co.th

Human Resources : hrm@sahamit.co.th

Company Secretary : corporatesecretary@sahamit.co.th

By Post :

Chairman of the Audit Committee

Sahamit Machinery Public Co.,Ltd.

42, 48 Rama 3 Soi 53 Road., Bangpongpan, Yannawa, Bangkok 10120

By Company Website : www.sahamit.co.th

By Line : @SAHAMIT MACHINERY

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

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

Process when receiving complaints

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



Measures to protect complainants

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

In 2021, the company has not been notified of any wrongdoing or complaints related to non-compliance with rules that are considered unethical business and anti-corruption policies.

8.2 Report on the performance of the Audit Committee

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

8.3 Summary of the performance of the sub-committees

Appears in "the number of meeting attendance and total remunerations of the Directors and sub-committees page 51 and attachment 6 "Report of Audit Committee and Report of Nomination and remuneration committees page 118.



9. Internal Control and Related Party Transactions

9.1 Internal Control

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

In the Board of Directors' meeting No. 1/21, dated February 25, 2021, in which the Audit Committee attended the meeting, the Board of Directors has assessed the company's internal control system from the review of the sufficiency assessment of the internal control system according to the guidelines set by Securities and Exchange Commission. And from questioning information from the managers and Internal Audit Department, the Audit Committee together with the Board of Directors are of the view that the company has appropriate, concise and adequate internal control in all aspects. It is consistent with the opinion of the auditor who commented that no weaknesses or defects of the internal control system, that will materially affect the accuracy of the financial statements or achieving the goals of the company, were found.

9.2 Related Party Transactions

9.2.1 Group of persons who may have a conflict of interest, nature of relationship

In the year 2021, the Company disclosed related party transactions that might be conflicts of interest in notes to the audited financial statement as follows:

PART 2 : CORPORATE GOVERNANCE



Relationship	Description	Transaction	Transaction amount and balance (Unit: Thousand Baht)		
			2021	2020	2019
1. KS Mould Part Co., Ltd.					
Is a manufacturer of ejector pins. It is the joint venture between Kanzaki Mfg Co., Ltd. and Sahamit Holding Co., Ltd. holding shares by 24.48% and 60.08% respectively.					
(1) Executives of the Company which are Mr.Chaisilp Tamesirichai and Mr.Prasong Srithornratkul are also the directors and shareholders in Sahamit Holding Co., Ltd.	The Company is a distributor of ejector pin for KS Mould Part since the Company was appointed to be a sole distributor in Thailand.	Buy	58,454	60,674	82,518
		Accounts Payable	10,234	9,607	10,539
	The Company sold its products to KS Mould Part.	Sell	42,211	57,797	33,174
		Accounts Receivable	7,555	1,768	6,004
(2) Sahamit Machinery PCL is a shareholder of KS Mould Part with the shares of 10.93% of registered capital.					
2. Rien Thong Wittaya Co., Ltd.					
Is a manufacturer and distributor of books, files, also provides the paper cutting services.					
Mr.Kriangkrai Boonkitticharoen is the President of Reanthongvittaya Co., Ltd. and a director of Sahamit Machinery PCL.	The Company sold paper to Reanthongvittaya Co., Ltd.	Sell	220	194	288
		Accounts Receivable	-	-	36
3. Khon Khaen Sugar PCL.					
Is a manufacturer of sugar and other related business.					
Mr.Pornsins Tamesirichai is a co-sign director of Khon Khaen Sugar PCL. and a director of Sahamit Machinery PCL.	The Company sold spare parts and chemical products for Khon Khaen Sugar PCL.	Sell	1,998	1,139	4,536
		Accounts Receivable	1,273	258	2,441
4. Bangkok Industrial Gas Co., Ltd.					
Is a distributor of Nitrogen Gas					
Mr.Pichai Nithivasin is a director of Bangkok Industrial Gas Co., Ltd., and a director of Sahamit Machinery PCL.	The company bought Nitrogen gas to be use in the Heat Treatment Plant at market price.	Buy	2,962	2,570	3,002
		Accounts Payable	480	440	416
5. Tamaka Sugar Co.,Ltd.					
Is a manufacturer of sugar and other related business.					
Mr. Pornsins Tamesirichai is a director of Tamaka Sugar Co.,Ltd. and also a director of Sahamit Machinery PCL.	The Company sold steel and spare parts for the manufacturing plant to Tamaka Sugar Co.,Ltd.	Buy	36	-	-
		Accounts Payable	-	-	-
6. New Krung Thai Sugar Industries Co.,Ltd.					
Is a manufacturer of sugar and other related business					
Mr.Pornsins Tamesirichai is a co-sign director of New Krung Thai Sugar Industries Co.,Ltd. and also a director of Sahamit Machinery PCL.	The Company sold steel and spare parts for the manufacturing plant to New Krung Thai Sugar Industries Co.,Ltd.	Sell	52	-	-
		Accounts Receivable	17	-	-
7. Khon Kaen Sugar Power Plant Co., Ltd.					
Is a distributor of power plant and stream					
Mr. Pornsins Tamesirichai is a Managing Director of Khon Khaen Sugar Power Plant PCL. and a director of Sahamit Machinery PCL.	The Company sold steel and spare parts for the manufacturing plant to Khon Kaen Sugar Power Plant Co.,Ltd.	Sell	127	-	-
		Accounts Receivable	-	-	-
8. Hua Kee Co., Ltd.					
Is the distributor of paper products					
Mr.Pichai Nithivasin is a Managing Director of Hua Kee Co., Ltd., and a director of Sahamit Machinery PCL.	The company sold paper for the manufacturing plant to Hua Kee Co., Ltd.	Sell	315	604	634
		Accounts Receivable	-	37	37
9. P.M.T. Comercial Co., Ltd.					
Is a service apartment					
Mr. Pornsins Tamesirichai is a director of P.M.T. Commercial Co., Ltd. and a director of Sahamit Machinery PCL.	The company sold electrical device to be install in the P.M.T. Comercial Co., Ltd.'s Building.	Sell	12	791	1,761
		Accounts Receivable	-	-	-



9.2.2 The necessity and reasonableness of such transactions

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

9.2.3 The policy and procedure of approval on transactions

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

9.2.4 The policy and future trends of related party transactions

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



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

Opinion

I have audited the financial statements of Sahamit Machinery Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2021, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Sahamit Machinery Public Company Limited as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

Inventory and the allowance for diminution in value of inventory

The Company's inventories as at December 31, 2021 amounted to Baht 1,025.90 million or 35.78% of total assets which is a significant amount to the financial statements. The Company has disclosed the accounting policy for inventories and detailed inventories are disclosed in the notes to the financial statements in Notes 10. Inventories are stated at the lower of cost or net realizable value, whichever is lower. The management must exercise judgment in determining the amount of allowance for diminution in value of slow-moving or obsolete inventories in each product life group which the management has determined higher percentage in accordance with product life and provided an individual detailed analysis of obsolete stock. Therefore, the internal control on inventories, existence and measurement of inventories are significant risk that requires special attention in the audit.

Risk response by the auditor

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



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

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

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

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

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

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

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

(Ms.Thanyaphorn Tangthanopajai)

Certified Public Accountant

Registration No.9169

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 24, 2022

STATEMENT OF FINANCIAL POSITION



AS AT DECEMBER 31, 2021

		ASSETS	
		Baht	
	Notes	2021	2020
CURRENT ASSETS			
Cash and cash equivalents	7	29,044,549.53	35,838,823.73
Trade and other current receivables	5, 8	514,661,623.30	381,441,627.40
Other current financial assets	9	359,812,636.36	406,175,646.67
Inventories	10	1,025,899,417.41	838,614,468.36
Other current assets		7,743,752.35	1,127,023.10
Total current assets		1,937,161,978.95	1,663,197,589.26
NON-CURRENT ASSETS			
Fixed deposit using for guarantee	14	654,279.44	650,787.75
Other non-current financial assets	11	139,718,215.10	57,407,130.63
Property, plant and equipment	12.1, 12.2	789,497,445.87	866,327,837.62
Other non-current assets		143,013.74	2,061,318.96
Total non-current assets		930,012,954.15	926,447,074.96
TOTAL ASSETS		2,867,174,933.10	2,589,644,664.22

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

STATEMENT OF FINANCIAL POSITION (CONT.)



AS AT DECEMBER 31, 2021

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht	
	Notes	2021	2020
CURRENT LIABILITIES			
Trade payables	5	165,194,922.14	105,003,580.71
Other current payables		43,437,087.39	36,133,805.59
Cash received in advance from sales and services		20,191,956.20	13,307,279.20
Income tax payable		32,807,547.68	9,519,377.61
Other current liabilities		2,132,405.21	8,066,048.64
Total current liabilities		263,763,918.62	172,030,091.75
NON-CURRENT LIABILITIES			
Deferred tax liabilities	13	32,321,065.46	25,972,580.06
Employee benefit obligations	15	81,358,770.97	73,219,657.97
Total non-current liabilities		113,679,836.43	99,192,238.03
TOTAL LIABILITIES		377,443,755.05	271,222,329.78
SHAREHOLDERS' EQUITY			
Share capital			
Authorized share capital			
550,000,000 shares, Baht 1.00 par value each		550,000,000.00	550,000,000.00
Issued and fully paid-up			
530,000,000 shares, Baht 1.00 par value each		530,000,000.00	530,000,000.00
Surplus capital			
Premium on common stocks		262,262,300.00	262,262,300.00
Premium on treasury shares		12,951,122.72	12,951,122.72
Retained earnings			
Appropriated			
Legal reserves	16	55,000,000.00	55,000,000.00
Unappropriated		1,392,307,994.15	1,257,285,909.32
Other components of equity		237,209,761.18	200,923,002.40
Total shareholders' equity		2,489,731,178.05	2,318,422,334.44
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,867,174,933.10	2,589,644,664.22

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

STATEMENT OF COMPREHENSIVE INCOME



FOR THE YEAR ENDED DECEMBER 31, 2021

		Baht	
	Notes	2021	2020
REVENUES			
Sales and services	5, 24	2,047,535,653.78	1,670,696,156.63
Other income			
Commissions		10,382,121.27	8,972,408.55
Dividend income		5,285,779.95	4,370,102.73
Gain on exchange rate	23.3	9,691,169.52	2,315,127.04
Gain on disposal of assets		2,157,152.31	1,060,633.00
Others		3,482,061.70	2,629,672.05
Total revenues		2,078,533,938.53	1,690,044,100.00
EXPENSES			
Cost of sales and services	5	1,349,224,769.61	1,140,803,011.05
Selling expenses		219,699,229.10	212,185,299.14
Administrative expenses		118,824,865.84	118,790,944.04
Management benefit expenses	5	39,505,167.00	38,530,789.00
Unrealised (gain) loss from revaluation of fair value of financial assets		(2,753,407.91)	4,255,811.70
Total expenses		1,724,500,623.64	1,514,565,854.93
Operating Income		354,033,314.89	175,478,245.07
Finance costs		1,589,596.00	1,394,811.42
Profit before Profit tax expenses		352,443,718.89	174,083,433.65
Profit tax expenses	17	61,911,778.06	26,763,885.39
Profit for the year		290,531,940.83	147,319,548.26
Other comprehensive income :-			
Item that will not be reclassified to profit or loss in subsequent years			
Reversal revaluation surplus from disposal on land - net of income tax	12	(5,562,108.80)	-
Gain on land revaluation - net of income tax	12	-	77,103,448.80
Unrealized gain (loss) on changes in the fair value of equity securities - net of income tax	11	41,606,793.90	-
		36,044,685.10	77,103,448.80
Item that may be reclassified subsequently to profit or loss			
Unrealized gain (loss) on changes in the fair value of debt - securities - net of income tax	11	242,073.68	-
		242,073.68	-
Other comprehensive income for the year		36,286,758.78	77,103,448.80
Total comprehensive income for the year		326,818,699.61	224,422,997.06
Basic earnings per share (Baht per share)	20	0.55	0.28

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

STATEMENT OF COMPREHENSIVE INCOME



FOR THE YEAR ENDED DECEMBER 31, 2021

		Baht							Total shareholders' equity	
		Share capital issued and fully paid-up	Premium on common stocks	Premium on treasury shares	Retained earnings		Other components of equity			
					Appropriated - Legal reserves	Unappropriated	Surplus on land revaluation	Gain (loss) from financial assets measured at fair value		Total
Notes										
Beginning balance as at										
January 1, 2020 - as reported		530,000,000.00	262,262,300.00	12,951,122.72	55,000,000.00	1,273,290,953.34	123,819,553.60	1,265,172.71	125,084,726.31	2,258,589,102.37
Impact of first-time adoption of										
new accounting standards		-	-	-	-	(4,324,592.28)	-	(1,265,172.71)	(1,265,172.71)	(5,589,764.99)
Ending balance as at										
January 1, 2020 - restated		530,000,000.00	262,262,300.00	12,951,122.72	55,000,000.00	1,268,966,361.06	123,819,553.60	-	123,819,553.60	2,252,999,337.38
Dividend payment	19	-	-	-	-	(159,000,000.00)	-	-	-	(159,000,000.00)
Other comprehensive income										
for the year	12	-	-	-	-	-	77,103,448.80	-	77,103,448.80	77,103,448.80
Total comprehensive income										
for the year		-	-	-	-	147,319,548.26	-	-	-	147,319,548.26
Ending balance as at										
December 31, 2020		530,000,000.00	262,262,300.00	12,951,122.72	55,000,000.00	1,257,285,909.32	200,923,002.40	-	200,923,002.40	2,318,422,334.44
Dividend payment	19	-	-	-	-	(158,984,592.00)	-	-	-	(158,984,592.00)
Other comprehensive income										
for the year	11	-	-	-	-	-	(5,562,108.80)	41,848,867.58	36,286,758.78	36,286,758.78
Gain on disposal of land	12	-	-	-	-	3,474,736.00	-	-	-	3,474,736.00
Total comprehensive income										
for the year		-	-	-	-	290,531,940.83	-	-	-	290,531,940.83
Ending balance as at										
December 31, 2021		530,000,000.00	262,262,300.00	12,951,122.72	55,000,000.00	1,392,307,994.15	195,360,893.60	41,848,867.58	237,209,761.18	2,489,731,178.05

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021



	Baht	
	2021	2020
<u>Cash flows from operating activities :</u>		
Profit for the year	290,531,940.83	147,319,548.26
Adjustments to reconcile income for the year to net cash provided by (used in) operating activities :		
Depreciations	62,380,503.30	69,531,862.23
Allowance for doubtful accounts	8,128,628.21	1,609,677.13
Bad debts	1,170,307.64	652,606.73
Gain on disposal of other current financial assets	(2,482,586.96)	(2,049,494.95)
(Gain) loss from other current financial assets measured at fair value	(2,753,407.91)	4,255,811.70
Gain on disposal of fixed assets	(2,157,152.31)	(1,092,180.41)
Unrealized (gain) loss on exchange rates	337,114.82	(489,713.93)
Employee benefit expenses	7,981,517.00	7,305,527.00
Loss on land revaluations	-	778,611.00
Dividend income	(5,285,779.95)	(4,370,102.73)
Interest income	(886,968.93)	(49,564.66)
Interest expenses	1,589,596.00	1,394,811.42
Income tax expenses	61,911,778.06	26,763,885.39
Profit from operating before changes in operating assets and liabilities	420,465,489.80	251,561,284.18
(Increased) decreased in operating assets		
Trade and other current receivables	(142,415,719.73)	(14,589,627.17)
Inventories	(187,284,949.05)	137,282,331.81
Other current assets	(6,616,729.25)	(272,504.81)
Other non-current assets	1,918,305.22	95,081.08
Increased (decreased) in operating liabilities		
Trade payables	59,884,288.56	2,931,856.55
Other current payables	7,303,281.80	14,378,127.61
Cash received in advance	6,884,677.00	985,640.47
Other current liabilities	(4,910,982.95)	577,238.31
Cash generated from operations	155,227,661.40	392,949,428.03
Payment for employee benefit obligation	(1,432,000.00)	(313,600.00)
Payment for income tax	(41,346,812.28)	(34,351,232.30)
Net cash provided by operating activities	112,448,849.12	358,284,595.73

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

STATEMENT OF CASH FLOWS (CONT.)



FOR THE YEAR ENDED DECEMBER 31, 2021

	Baht	
	2021	2020
<u>Cash flows from investing activities :</u>		
Cash paid for invesment in other current financial assets	(499,717,150.29)	(580,228,933.00)
Cash received form investmsnt in other current financial assets	550,293,494.99	395,228,933.00
Cash paid for invesment in other non-current financial assets	(30,000,000.00)	-
Increased in fixed deposit using for guarantee	(3,491.69)	(5,753.52)
Dividend income from investments	5,285,779.95	4,370,102.73
Cash paid for purchase of the fixed assets	(30,453,671.68)	(15,278,023.62)
Cash received from sales of the fixed assets	43,582,812.44	1,662,556.07
Cash received from interest income	753,694.96	49,564.66
Net cash used in investing activities	39,741,468.68	(194,201,553.68)
<u>Cash flows from financing activities :</u>		
Proceed form short-term loans from financial institutions	157,367,462.04	163,840,928.52
Repayment of short-term loans from financial institutions	(157,367,462.04)	(163,840,928.52)
Cash paid for dividend	(158,984,592.00)	(159,000,000.00)
Cash paid for interest expenses	-	(623.42)
Net cash used in financing activities	(158,984,592.00)	(159,000,623.42)
Net increased (decreased) in cash and cash equivalents	(6,794,274.20)	5,082,418.63
Cash and cash equivalents at the beginning of year	35,838,823.73	30,756,405.10
Cash and cash equivalents at the end of year	29,044,549.53	35,838,823.73

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



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1. **GENERAL INFORMATION**

(a) Address and legal status

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

(b) Nature of the Company's operations

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

2. **CORONAVIRUS DISEASE 2019 PANDEMIC**

The Coronavirus disease 2019 pandemic is a new wave and continuing to evolve, and adversely impacting most businesses and industries as a whole. This situation may affect the results of operations of business. Nevertheless, the Group's management will continue to monitor the ongoing development and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities. The management has applied the estimates and the judgements on various issues when the situation changes.

3. **BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES**

3.1 Basis for preparation of the financial statements

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

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

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

3.2 Financial reporting standards that became effective in the current period

During the year, the Company have adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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



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3.3 Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued several revised financial reporting standards and has been published in the Government Gazette, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and for some financial reporting standards, providing temporary reliefs or temporary exemptions for users.

The management of the Company have assessed that these revised standards will not have any significant impact on the financial statements in the year when they are adopted.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenues and expenses recognition

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

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

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

The Company recognized service revenue over time when services have been rendered considering the stage of completion. When services have been rendered taking into account the stage of completion, measuring based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs.

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

4.2 Cash and cash equivalents

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

4.3 Trade receivables and allowance expected credit losses

Trade accounts receivable and other current receivable are stated at cost net of the allowance for expected credit loss. The allowance for expected credit loss is disclosed in Note 4.4.

4.4 Financial instruments

Classification and valuation of financial assets

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

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



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

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

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

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

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

Classification and valuation of financial liabilities

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

Derivative

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



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Derecognition of financial instruments

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

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

Impairment of financial assets

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

Offset of financial instruments

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

4.5 Inventories

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

Finished goods - weighted average method

Work in process - weighted average method

Raw materials and supplies - weighted average method

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

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

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



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4.6 Property, plant and equipment and depreciation

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

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

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

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

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

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

Depreciation is included in determining income.

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

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

4.7 Rubber trees plantation costs

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

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

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

4.8 Related parties

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



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

4.9 Impairment of assets non financial asset

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

4.10 Foreign currency transactions

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

4.11 Provisions

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

4.12 Treasury shares

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

4.13 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

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



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Deferred tax

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

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

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

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

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

4.14 Employee benefits

Short-term employee benefits

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

Post-employment benefit (Defined contribution plans)

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

Post-employment benefits (Defined benefit plans)

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

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

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



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4.15 Significant accounting judgements and estimates

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

Allowance for doubtful accounts

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

Allowance for declining in value of inventory

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

Property, plant and equipment/Depreciation

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

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

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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



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Fair valuation of financial assets and derivatives

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company use judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 23.5

5. RELATED PARTIES TRANSACTIONS

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

For the years ended December 31, 2021 and 2020, the significant transactions with related parties can be summarized as follows :-

Related companies	Pricing policy	Baht	
		2021	2020
Sales			
K.S Mould Parts Co., Ltd. (Common directorships)	Market Price	42,210,801.50	57,796,850.18
Reanthong Wittaya Co., Ltd. (Common directorships)	Market Price	220,082.00	193,654.00
Khon Kaen Sugar Industry Pcl. (Common directorships)	Market Price	1,997,757.52	1,138,899.75
Hua Ki Paper Co., Ltd. (Common directorships)	Market Price	314,850.00	603,700.00
P.M.T. Commercial Co., Ltd. (Common directorships)	Market Price	11,900.00	791,192.00
Tamaka Sugar Industry Co., Ltd. (Common directorships)	Market Price	36,454.00	-
New Krung Thai Sugar Factory Co., Ltd. (Common directorships)	Market Price	52,292.00	-
Khon Kean Sugar Power Plant Co., Ltd. (Common directorships)	Market Price	127,445.60	-
Purchases			
K.S Mould Parts Co., Ltd. (Common directorships)	Market Price	58,453,547.70	60,673,723.70
Bangkok Industrial Gas Co., Ltd. (Common directorships)	Market Price	2,961,555.05	2,570,291.04

The outstanding balances as at December 31, 2021 and 2020 are as follows :-

	Baht	
	2021	2020
Trade receivables - Related companies		
K.S Mould Parts Co., Ltd.	7,554,740.67	1,767,604.75
Khon Kaen Sugar Industry Pcl.	1,273,027.17	257,843.00
Hua Ki Paper Co., Ltd.	-	37,236.00
New Krung Thai Sugar Factory Co.,Ltd.	16,998.02	-
Trade payables - Related companies		
K.S Mould Parts Co., Ltd.	10,234,435.46	9,606,666.89
Bangkok Industrial Gas Co., Ltd.	480,454.01	440,489.57

Management benefit expenses

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



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For the years ended December 31, 2021 and 2020, management benefit expenses as follow :-

	Baht	
	2021	2022
Management benefit expenses		
Short-term employee benefits	38,548,880.00	37,661,680.00
Post-employment benefits - current	956,287.00	869,109.00
	<u>39,505,167.00</u>	<u>38,530,789.00</u>

6. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The company's classified the financial assets and financial liabilities as at December 31, 2021 and 2020 below :-

	Bah				
	FVPL	Fair value - Derivatives	FVOCI	Amortized cost	Total
Financial assets as at December 31, 2021					
Cash and cash equivalents	-	-	-	29,044,549.53	29,044,549.53
Trade and other current receivables	-	-	-	455,178,110.04	455,178,110.04
Other current financial assets	359,563,301.02	249,335.34	-	-	359,812,636.36
Fixed deposit using for guarantee	-	-	-	654,279.44	654,279.44
Other non-current financial assets	-	-	139,718,215.10	-	139,718,215.10
Other non - current	-	-	-	143,013.74	143,013.74
	<u>359,563,301.02</u>	<u>249,335.34</u>	<u>139,718,215.10</u>	<u>485,019,952.75</u>	<u>984,550,804.21</u>
Financial liabilities as at December 31, 2021					
Trade payables	-	-	-	165,194,922.14	165,194,922.14
Other current payables	-	-	-	43,437,087.39	43,437,087.39
Other current liabilities	-	-	-	2,132,405.21	2,132,405.21
	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,764,414.74</u>	<u>210,764,414.74</u>
	Bah				
	FVPL	Fair value - Derivatives	FVOCI	Amortized cost	Total
Financial assets as at December 31, 2020					
Cash and cash equivalents	-	-	-	35,838,823.73	35,838,823.73
Trade and other current receivables	-	-	-	367,253,669.31	367,253,669.31
Other current financial assets	406,175,646.67	-	-	-	406,175,646.67
Fixed deposit using for guarantee	-	-	-	650,787.75	650,787.75
Other non-current financial assets	-	-	57,407,130.63	-	57,407,130.63
Other non - current	-	-	-	143,013.74	143,013.74
	<u>406,175,646.67</u>	<u>-</u>	<u>57,407,130.63</u>	<u>403,886,294.53</u>	<u>867,469,071.83</u>
Financial liabilities as at December 31, 2020					
Trade payables	-	-	-	105,003,580.71	105,003,580.71
Other current payables	-	-	-	36,133,805.59	36,133,805.59
Other current liabilities	-	1,022,660.48	-	7,043,388.16	8,066,048.64
	<u>-</u>	<u>1,022,660.48</u>	<u>-</u>	<u>148,180,774.46</u>	<u>149,203,434.94</u>



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7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of :-

	Baht	
	2021	2020
Cash in hand	404,875.99	380,068.35
Cash at bank - current accounts	18,854,112.19	24,928,017.73
Cash at bank - saving accounts	9,785,561.35	10,530,737.65
Total	29,044,549.53	35,838,823.73

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

8. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables consisted of :-

	Baht	
	2021	2020
<u>Trade receivables</u> , classified by age analysis :-		
- <u>Domestic</u>		
Not yet due	275,832,209.01	214,748,795.53
Overdue :		
Not over 3 months	165,051,905.16	138,657,284.25
Over 3 - 6 months	10,887,614.74	9,073,875.51
Over 6 - 12 months	3,318,199.52	5,543,274.67
Over 12 months	15,266,221.54	8,781,889.44
Total	470,356,149.97	376,805,119.40
- <u>Foreign</u>		
Not yet due	6,575,789.83	5,244,059.10
Total	6,575,789.83	5,244,059.10
Total trade receivables	476,931,939.80	382,049,178.50
<u>Less</u> Allowance expected credit losses	(21,753,829.76)	(14,795,509.19)
Total trade receivables - net	455,178,110.04	367,253,669.31
<u>Other current receivables</u>		
- Accrued interest income	133,273.97	-
- Advance payable	481,974.60	216,045.11
- Prepaid expenses	1,529,044.29	2,019,844.99
- Cash deposit for goods	57,279,710.48	11,952,067.99
- Accrued commission income	59,509.92	-
Total	59,483,513.26	14,187,958.09
Total trade and other current receivables - net	514,661,623.30	381,441,627.40



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As at December 31, 2021 and 2020, the movements of allowance for doubtful accounts are as follows :-

	Baht	
	2021	2020
Beginning balance	14,795,509.19	13,838,438.79
Increase (decrease) during the period	8,128,628.21	1,609,677.13
Bad debts written off during the period	(1,170,307.64)	(652,606.73)
Ending balance	21,753,829.76	14,795,509.19

As at December 31, 2021, and 2020 the Company had installment receivable less than 12 months in the amount of Baht 14.62 million and Baht 10.87 million, respectively. That installment receivable was classified by age in trade receivables-domestic not yet due.

9. OTHER CURRENT FINANCIAL ASSETS

As at December 31, 2021 and 2020, details of other current financial assets are as below :-

	Baht	
	2021	2020
Debt securities to measured at fair value through profit or loss		
Unit trusts Mutual Fund	359,733,574.26	407,827,332.00
<u>Less</u> Unrealized gain (loss) on changes in the fair value of financial assets	(170,273.24)	(1,651,685.33)
Financial assets to measured at fair value through profit or loss		
Forward contracts receivable	249,335.34	-
Total other current financial assets	359,812,636.36	406,175,646.67

For the year ended December 31, 2021 and 2020, the Company had disposed of investment units, which had fair value totaling Baht 550.29 million and Baht 395.23 million, respectively, and had a profit from the disposal of such investment amounting to Baht 2.48 million and Baht 2.05 million, respectively. The Company had stated in the statement of comprehensive income and classified the fair value measurement in level 2 of the fair value hierarchy as described in Note 23.5.

10. INVENTORIES

Inventories consisted of :-

	Baht	
	2021	2020
Inventories	893,503,203.68	767,206,186.32
Work in process	12,984,775.02	6,740,785.26
Raw materials and supplies	28,581,498.83	30,631,223.41
Goods in transit	98,129,939.88	41,336,273.37
Total	1,033,199,417.41	845,914,468.36
<u>Less</u> Provision for the decline in value of inventory	(7,300,000.00)	(7,300,000.00)
Inventories - net	1,025,899,417.41	838,614,468.36



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11. OTHER NON - CURRENT FINANCIAL ASSETS

As at December 31, 2021 and 2020, details of other non - current financial assets are as below :-

	Baht	
	2021	2020
Equity securities measured at fair value through other comprehensive income		
General investment - K.S Mould Parts Co., Ltd.	57,407,130.63	57,407,130.63
<u>Add Unrealized gain (loss) on changes in the fair value</u>		
of financial assets	52,008,492.37	-
Total	109,415,623.00	57,407,130.63
Debt securities measured at fair value through other comprehensive income		
Debt securities - Corporate debentures	30,000,000.00	-
<u>Add Unrealized gain (loss) on changes in the fair value</u>		
of financial assets	302,592.10	-
Total	30,302,592.10	-
Total other non-current financial assets	139,718,215.10	57,407,130.63

General investment

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

The Company had hired Agency for Real Estate Affairs Co., Ltd., an independent appraiser to appraise the fair value of general investments in K.S Mould Parts Co., Ltd. by the net asset value method (NAV) along with the market approach, cost approach and new replacement cost. The appraisal of the share value had the fair value at Baht 859.51 per share in accordance with the report dated February 8, 2021 and the Company had classified the fair value that was assessed at level 3 of the fair value hierarchy as described in Note 23.5. The Company recognises the difference as unrealised profit (loss) from the change in fair value through other comprehensive income.

Debenture investment

The debentures held by the Company are debentures of 2 private companies that are classified at fair value through other comprehensive income. The debentures were initially recognised at fair value, including transaction costs. The subsequent changes in the book value of debentures are incurred from impairment gain or loss and interest income calculated by the effective interest method which is recognised in profit or loss.

For the year ended December 31, 2021, the fair value of the debentures is calculated from the latest bidding price or yields announced by the Thai Bond Market Association in level 2 of the fair value hierarchy as described in Note 23.5.



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12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of :-

12.1 Property, plant and equipment for operations consisted of :-

	Baht				
	Balance per book as at December 31, 2020	Additions	Deductions	Transferred in (Transferred out)	Balance per book as at December 31, 2021
<u>At appraised</u>					
Land and improvements					
- Cost	287,274,811.96	-	-	-	287,274,811.96
- Surplus on land revaluation	244,201,117.00	-	-	-	244,201,117.00
- Loss on land revaluation	(24,323,999.68)	-	-	-	(24,323,999.68)
Total land and improvements - at appraised value	507,151,929.28	-	-	-	507,151,929.28
<u>At cost</u>					
Buildings and improvements	319,195,964.43	866,173.41	(561,456.79)	2,950,088.85	322,450,769.90
Machinery and equipment	763,295,310.72	13,477,924.71	(12,761,139.49)	2,355,211.54	766,367,307.48
Furniture, fixtures and office equipment	42,954,015.70	699,292.33	(299,640.51)	144,000.00	43,497,667.52
Vehicles	119,324,029.76	12,327,921.09	(8,233,149.53)	-	123,418,801.32
Assets in progress	3,622,845.55	3,436,801.04	(354,440.90)	(5,449,300.39)	1,255,905.30
Total buildings and equipment - at cost	1,248,392,166.16	30,808,112.58	(22,209,827.22)	-	1,256,990,451.52
Total	1,755,544,095.44				1,764,142,380.80
<u>Less Accumulated depreciation</u>					
Buildings and improvements	249,994,453.06	10,280,954.44	(327,257.91)	-	259,948,149.59
Machinery and equipment	536,872,594.81	43,343,952.31	(9,848,265.31)	-	570,368,281.81
Furniture, fixtures and office equipment	39,792,268.32	1,856,448.70	(277,978.44)	-	41,370,738.58
Vehicles	104,291,741.63	6,899,147.85	(8,233,124.53)	-	102,957,764.95
Total	930,951,057.82	62,380,503.30	(18,686,626.19)	-	974,644,934.93
Property, plant and equipment - net	824,593,037.62				789,497,445.87



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	Baht				
	Balance per book as at December 31, 2019	Additions	Deductions	Transferred in (Transferred out)	Balance per book as at December 31, 2020
<u>At appraised</u>					
Land and improvements					
- Cost	287,274,811.96	-	-	-	287,274,811.96
- Surplus on land revaluation	154,774,442.00	89,426,675.00	-	-	244,201,117.00
- Loss on land revaluation	(20,063,224.68)	(15,110,000.00)	10,849,225.00	-	(24,323,999.68)
Total land and improvements - at appraised value	421,986,029.28	74,316,675.00	10,849,225.00	-	507,151,929.28
<u>At cost</u>					
Buildings and improvements	319,126,964.43	69,000.00	-	-	319,195,964.43
Machinery and equipment	755,095,165.60	8,226,395.81	(732,642.65)	706,391.96	763,295,310.72
Furniture, fixtures and office equipment	47,942,067.67	388,945.14	(5,376,997.11)	-	42,954,015.70
Vehicles	122,635,169.97	3,293,850.46	(6,604,990.67)	-	119,324,029.76
Assets in progress	1,029,405.30	3,299,832.21	-	(706,391.96)	3,622,845.55
Total buildings and equipment - at cost	1,245,828,772.97	15,278,023.62	(12,714,630.43)	-	1,248,392,166.16
Total	1,667,814,802.25				1,755,544,095.44
<u>Less Accumulated depreciation</u>					
Buildings and improvements	239,356,034.90	10,638,418.16	-	-	249,994,453.06
Machinery and equipment	488,557,759.51	48,777,876.36	(463,041.06)	-	536,872,594.81
Furniture, fixtures and office equipment	42,634,472.54	2,511,229.54	(5,353,433.76)	-	39,792,268.32
Vehicles	103,015,183.41	7,604,338.17	(6,327,779.95)	-	104,291,741.63
Total	873,563,450.36	69,531,862.23	(12,144,254.77)	-	930,951,057.82
Property, plant and equipment - net	794,251,351.89				824,593,037.62

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

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

The fair value of land was revalued by an independent appraiser using the market comparable approach that reflects recent transaction prices for similar properties with fair value hierarchy in level 2 as described in note 23.5.



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As at December 31, 2021 and 2020, the Company had the fixed assets have been fully depreciated which are still in use as follows :-

	Baht	
	2021	2020
<u>At cost</u>		
Buildings and improvements	148,041,103.20	144,965,641.25
Machinery and equipment	337,207,817.17	210,279,015.11
Furniture, fixtures and office equipment	37,502,328.33	34,062,979.69
Vehicles	85,116,235.93	81,308,552.10
Total	607,867,484.63	470,616,188.15

12.2 Land for rubber trees plantation consisted of :-

	Baht	
	2021	2020
Land for rubber trees plantation - at cost	-	34,782,164.47
<u>Less</u> Loss on land revaluation	-	6,952,635.53
Land for rubber trees plantation - at appraised value	-	41,734,800.00
Rubber trees plantation costs	-	1,918,305.22

The Company had utilized such land for rubber trees plantation. In December 2020, the Company had revalued its land as stated in Note 12.1. As a result, there was a capital surplus from land revaluation in the total amount of Baht 10.43 million. The Company was reversal of loss on land revaluation amounted Baht 3.48 million, the balance as capital surplus from land revaluation amounted Baht 6.95 million (net from income tax: Baht 5.56 million) that was credited to account "Other components of shareholders' equity" in the statement of financial position.

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

In the first quarter of 2021, the Company had sold the rubber plantation land to a company amounted Baht 38.56 million and earned net the profit from sale amounted Baht 3.47 million and the Company had a reversal record the profit from the land valuation in the statement of other comprehensive income from net of income tax amounted Baht 5.56 million.



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13. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Changes in deferred tax assets and deferred tax liabilities for the year ended December 31, 2021 and 2020 are summarized as follows :-

	Balance per book as at January 1, 2021	Baht		Balance per book as at December 31, 2021
		Revenue (expenses) during the year In profit or loss	In other comprehensive income	
Deferred tax assets :				
Trade receivables	2,959,101.84	1,391,664.11	-	4,350,765.95
Inventories	1,460,000.00	-	-	1,460,000.00
Unrealized loss on land revaluation	4,864,800.03	-	-	4,864,800.03
Employee benefit obligations	14,643,931.60	1,627,822.59	-	16,271,754.19
Gain (loss) from other current financial assets measured at fair value	330,337.07	(296,282.42)	-	34,054.65
Total	24,258,170.54	2,723,204.28	-	26,981,374.82
Deferred tax liabilities :				
Gain (loss) from other non-current financial assets measured at fair value	-	-	10,462,216.88	10,462,216.88
Unrealized gain on land revaluation	50,230,750.60	-	(1,390,527.20)	48,840,223.40
Total	50,230,750.60	-	9,071,689.68	59,302,440.28
Net	(25,972,580.06)			(32,321,065.46)

	Balance per book as at January 1, 2020	Baht		Balance per book as at December 31, 2020
		Revenue (expenses) during the year In profit or loss	In other comprehensive income	
Deferred tax assets :				
Trade receivables	2,767,687.76	191,414.08	-	2,959,101.84
Inventories	1,460,000.00	-	-	1,460,000.00
Unrealized loss on land revaluation	4,709,077.83	155,722.20	-	4,864,800.03
Employee benefit obligations	12,966,708.59	1,677,223.01	-	14,643,931.60
Gain (loss) from other current financial assets measured at fair value	(316,293.18)	646,630.25	-	330,337.07
Total	21,587,181.00	2,670,989.54	-	24,258,170.54
Deferred tax liabilities :				
Unrealized gain on land revaluation	30,954,888.40	-	19,275,862.20	50,230,750.60
Total	30,954,888.40	-	19,275,862.20	50,230,750.60
Net	(9,367,707.40)			(25,972,580.06)



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

As at December 31, 2021 and 2020, the Company has overdrafts and other credit lines from local financial institutions totaling Baht 1,350 million and USD 21 million which the overdrafts from a local financial institution guaranteed by fixed deposits in amount of Baht 0.50 million and other credit lines without any collateral.

15. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefits obligations, as follow :-

The statements of financial position

For the year ended December 31, 2021 and 2020

	Baht	
	2021	2020
Defined benefit obligations at January 1,	73,219,657.97	64,833,542.97
Employee benefit paid by project	(1,549,380.00)	(313,600.00)
Current service costs and interest	9,688,493.00	8,699,715.00
Defined benefit obligations at September 30,	81,358,770.97	73,219,657.97

Expense recognized in the statements of comprehensive income

For the year ended December 31, 2021 and 2020

	Baht	
	2021	2020
Current service costs		
Administrative expenses	7,142,610.00	6,436,418.00
Management benefit expenses	956,287.00	869,109.00
	8,098,897.00	7,305,527.00
Interest on obligation	1,589,596.00	1,394,188.00
Total	9,688,493.00	8,699,715.00

Principal actuarial assumptions at the reporting date

	Percentage	
	For the year ended December 31,	
	2021	2020
Discount rate	2.33	2.33
Salary increase rate	5.00	5.00
Employee turnover rate	0.00 - 24.00	0.00 - 24.00
	(classification of age)	(classification of age)
Mortality rate	100 of Thai mortality table 2017	100 of Thai mortality table 2017



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Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2021 are summarized below:

	Baht	
	Employee benefits obligations increase (decrease)	
	1% increase	1% decrease
Discount rate	(7,889,417.00)	9,252,269.00
Salary increase rate	10,538,064.00	(9,072,480.00)
Employee turnover rate	(8,448,918.00)	6,412,334.00
Mortality rate	486,834.00	(482,987.00)

16. LEGAL RESERVE

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

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

For the year ended December 31, 2021 and 2020 consisted of

	Baht	
	2021	2020
Income tax expense shown in profit or loss :		
Current tax expense :		
Income tax expense for the year	64,634,982.35	29,118,581.75
Deferred tax expense :		
Changes in temporary differences relating to the original recognition and reversal	(2,723,204.29)	(2,354,696.36)
Total	61,911,778.06	26,763,885.39
Income tax expense relation to components of other		
Comprehensive income :		
Deferred tax expense :		
Gain on land revaluation	-	19,275,862.20
Reversal revaluation surplus from disposal on land	(1,390,527.20)	-
Unrealized gain (loss) on changes in the fair value of financial assets investments	10,462,216.88	-
Total	9,071,689.68	19,275,862.20



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

For the year ended December 31, 2021 and 2020 are summarized as follows :-

	Baht	
	2021	2020
Accounting profit for the year	352,443,718.89	174,083,433.65
The applicable tax rate	20%	20%
Tax expense at the applicable tax rate	70,488,743.78	34,816,686.73
Reconciliation items :		
Tax effect of expenses that are not deductible in determining tax profit:		
- Expenses not allowed as expenses in determining taxable profit	219,098.79	549,943.03
- Gain on disposal of land	694,947.20	-
Tax effect of income or profit that are not required in determining taxable profit:		
- Exemption of non-taxable dividend income	(874,020.55)	(874,020.55)
- The exemption of profit of the promoted business (BOI)	(7,374,886.20)	(5,553,053.15)
- Expenses deducted as expenses added in taxable	(1,242,104.96)	(2,175,670.67)
Total reconciliation items	(8,576,965.72)	(8,052,801.34)
Total income tax expenses	61,911,778.06	26,763,885.39

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

For the year ended December 31, 2021 and 2020 are summarized as follows :-

	2021		2020	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	352,443,718.89		174,083,433.65	
Tax expense at the applicable tax rate	70,488,743.78	20.00	34,816,686.73	20.00
Reconciliation items	(8,576,965.72)	(2.43)	(8,052,801.34)	(4.63)
Tax expense at the average effective tax rate	61,911,778.06	17.57	26,763,885.39	15.37

18. CAPITAL MANAGEMENT

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

According to the statements of financial position as at December 31, 2021 and 2020, the Company's debt-to-equity ratios were 0.15:1 and 0.12:1, respectively.



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19. DIVIDENDFor the year 2021

At the Board of Directors' Meeting No. 3/2021 held on August 11, 2021, the board approved to pay interim dividends from the operating results for the six-month period 2021 amounting to 74.20 million at the rate of Baht 0.14 per share.

At the Shareholder's Annual General Meeting for the year 2021 held on April 29, 2021, it was approved to pay the year dividends from the Company's earnings as at December 31, 2020 to the shareholders at the rate of Baht 0.16 per share, totalling Baht 84.80 million.

Totalling pay dividends in the year 2021 amounting to Baht 159.00 million.

For the year 2020

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

At the Board of Directors' Meeting No. 3/2020 held on April 21, 2020, it was approved to pay the interim dividends from the Company's earnings as at December 31, 2019 to the shareholders at the rate of Baht 0.20 per share, totalling Baht 106.00 million.

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

20. BASIC EARNINGS PER SHARE

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

	2021	2020
Profit for the year of ordinary shareholders(Baht)	290,531,940.83	147,319,548.26
Weighted average number of ordinary shares (Shares)	530,000,000	530,000,000
Basic earnings per share (Baht per share)	0.55	0.28

21. EXPENSE BY NATURE

Significant expenses by nature are as follow :-

	Baht	
	2021	2020
Purchase	1,423,670,071.74	901,471,267.76
Changes in inventory and work in process	(181,840,965.97)	141,513,033.87
Raw materials and consumables used	68,987,380.26	53,926,784.00
Employee costs	195,828,054.84	190,568,739.85
Management benefit expenses	39,505,167.00	38,530,789.00
Depreciation	62,380,503.30	69,531,862.23
Transportation and gasoline expenses	19,909,247.63	17,096,447.15



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22. PROVIDENT FUND

The Company and its employees jointly established a provident fund scheme. Both the employees and the Company contribute to this fund. The fund is managed by the Bank of Ayudhya Public Company Limited and will be paid to the employees upon termination in accordance with the fund's policy. For the year ended December 31, 2021 and 2020, the Company contributed to the fund totaling Baht 1.75 million and Baht 1.72 million, respectively.

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

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

23.2 Interest rate risk

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

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

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

Net balance of financial instruments at as December 31, 2021

	The interest rate fluctuates according to the market rate.	Fixed Interest rate	No interest rate	Total
<u>Financial assets</u>				
Cash and cash equivalents	28,231,332.60	-	813,216.93	29,044,549.53
Trade and other current receivables	-	-	455,178,110.04	455,178,110.04
Other current financial assets	-	-	359,812,636.36	359,812,636.36
Fixed deposit using for guarantee	-	654,279.44	-	654,279.44
Other non-current assets	-	30,302,592.10	109,415,623.00	139,718,215.10
<u>Financial liabilities</u>				
Trade payables	-	-	165,194,922.14	165,194,922.14
Other current payables	-	-	43,437,087.39	43,437,087.39
Cash received in advance from sales and services	-	-	20,191,956.20	20,191,956.20
Other current liabilities	-	-	2,132,405.21	2,132,405.21



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23.3 Foreign currency risk

As at December 31, 2021 and 2020, the Company has significant exchange rate risk related to transactions in foreign currencies. The balances of foreign currency denominated financial assets and liabilities are as follows:

	(Unit: Thousand foreign currency unit)					
	Financial assets		Financial liabilities		Average exchange rate	
	As at Dec 31, 2021	As at Dec 31, 2020	As at Dec 31, 2021	As at Dec 31, 2020	(Unit: Baht per 1 foreign currency unit)	
					As at Dec 31, 2021	As at Dec 31, 2020
EUR	1,145	439	1,961	503	37.8948	36.8764
USD	3,531	1,233	984	1,230	33.4199	30.0371
JPY	14,807	9,537	9,167	5,545	0.2906	0.2907
CHF	-	-	14	2	36.5228	34.0287

Forward foreign exchange contracts

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

As at December 31, 2021 and 2020, the Company had forward foreign exchange contracts with maturities of less than 1 year as follows:

	Foreign currency		Fair values		Exchange rate on contract	
	As at Dec	As at Dec	As at Dec	As at Dec	As at Dec	As at Dec
	31, 2021	31, 2020	31, 2021	31, 2020	31, 2021	31, 2020
USD	949,472.70	1,115,494.50	31,731,282.66	33,230,581.16	32.72 - 33.53	29.80 - 31.20

Net fair values

As at December 31, 2021, the net fair values of open forward foreign exchange contracts were stated as net assets of Baht 0.25 million present within other current financial assets and arranged the fair value hierarchy at level 2.

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

23.4 Credit Risk

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



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23.5 Fair value

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

Fair value hierarchy

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

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

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

As at December 31, 2021, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :-

	Baht			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other current assets				
- Forward foreign exchange contracts	-	31,731,282.66	-	31,731,282.66
- Unit trusts	-	359,563,301.02	-	359,563,301.02
Other non-current assets				
- General investment	-	-	109,415,623.00	109,415,623.00
- Debenture	-	30,302,592.10	-	30,302,592.10
- Land and improvements	-	507,151,920.28	-	507,151,920.28

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

Valuation techniques and inputs of fair value to level 2

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

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

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

Valuation techniques and inputs of fair value to level 3

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



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24. PRIVILEGES AND BENEFITS UNDER INVESTMENT PROMOTION

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

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

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

Sales and services for the year ended December 31, 2021 and 2020 consisted of :-

	Thousand Baht					
	2021			2020		
	BOI	Non-BOI	Total	BOI	Non-BOI	Total
Sales and services						
- Domestic	95,745	1,933,256	2,029,001	109,480	1,547,435	1,656,915
- Export	-	18,535	18,535	-	13,781	13,781
Total	95,745	1,951,791	2,047,536	109,480	1,561,216	1,670,696

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

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



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25. SEGMENT INFORMATION

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

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

Segment information's for the year ended December 31, 2021 are as follows :-

	Thousand Baht			
	Steel & Heat treatment	Machine tools & Tooling	Others	Total
Sales and services	1,329,432	371,392	346,712	2,047,536
Gross profit from segment	513,426	86,195	98,690	698,311
Other income	11,381	151	11,058	22,590
Net income	524,807	86,346	109,748	720,901
Non segment :				
Other income				8,409
Selling expenses				(219,699)
Administrative expenses				(118,825)
Management benefit expenses				(39,505)
Unrealised gain from revaluation of fair value of financial assets				2,753
Finance costs				(1,590)
Income tax expenses				(61,912)
Profit for the period				290,532
<u>Statement of financial position as at December 31, 2021</u>				
Trade and other current receivables				514,662
Other current financial assets				359,813
Inventories				1,025,899
Property, plant and equipment				789,497
Total other assets				177,304
Total				2,867,175



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

	Thousand Baht			
	Steel & Heat treatment	Machine tools & Tooling	Others	Total
Sales and services	1,008,209	366,994	295,493	1,670,696
Gross profit from segment	352,680	88,171	89,042	529,893
Other income	1,279	2,890	8,693	12,862
Net income	353,959	91,061	97,735	542,755
Non segment :				
Other income				6,487
Selling expenses				(212,185)
Administrative expenses				(118,791)
Management benefit expenses				(38,531)
Unrealised gain from revaluation of fair value of financial assets				(4,256)
Finance costs				(1,395)
Income tax expenses				(26,764)
Profit for the period				147,320
<u>Statement of financial position as at December 31, 2020</u>				
Trade and other current receivables				381,442
Other current financial assets				406,176
Inventories				838,614
Property, plant and equipment				866,328
Total other assets				97,085
Total				2,589,645

26. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the year ended December 31, 2021 and 2020 are as follows:

	Baht			
	2021			Balance as at December 31, 2021
	Balance as at December 31, 2020	Cash flows Increase*	Cash flows (decrease)*	
Short-term loans from financial institutions	-	157,367,462.04	(157,367,462.04)	-
Total	-	157,367,462.04	(157,367,462.04)	-



DECEMBER 31, 2021

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

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

27. COMMITMENTS AND CONTINGENT LIABILITIES

27.1 Commitment

As at December 31, 2021, the Company had commitment as follows :-

- The Company had a commitment and obligation to the royalty agreement entered with a company overseas. The Company shall pay a royalty fee at the rate 1.5% of local sales and 1% of export sales.
- The Company has commitment from purchase that has not been delivered for USD 4.00 million, EUR 0.37 million and THB 12.28 million.
- The Company had unused letters of credit from a financial institutions amounting to Baht 64.80 million.

27.2 Guarantee

As at December 31, 2021, the Company had guarantee as follows :-

- The Company had letters of guarantee issued by the banks of Baht 7.47 million for guaranteed using electricity and in respect of certain as required in the normal course of the Company's business.

28. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors' Meeting No.1/2022 held on February 24, 2022, it had the resolutions as The Company will propose for the approval in the Annual General Shareholders' Meeting of 2022. To approve the dividend payment for the year 2021 from the retained earnings-unappropriated of the Company at the rate of Baht 0.36 per share, totaling Baht 190.80 million, net from interim dividend of Baht 0.14 per share. The balance of dividend paid at the rate of Baht 0.22 per share was totaled Baht 116.60 million.

29. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on February 24, 2022.



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

Name	Educational Background	Work Experience	
		Period	Position / Company
Mr. Chaisilp Tamesirichai Age (year), 78 % of share, 8.20 As of 31 December 2021, Number of Shares held by Self: 43,469,346 shares Spouse/Immature Children: 5,940,000 shares / 1.12%	<u>Education</u> - MA. Political Science, Ramkamhaeng University - Certificate MINI MBA, Chulalongkorn University - BA, Ramkamhaeng University - Assumption Commercial College <u>Training</u> - Finance for Non-Finance Directors (FN) (15/2005) - Director Certification Program (DCP) (53/2005) - Director Accreditation Program (DAP) of IOD (26/2004)	1974 - Present 1988 - Present 1976 - Present	<u>Position in listed Company</u> Chairman of the Board of Directors and Executive Board, Sahamit Machinery PCL. <u>Non-Listed Company</u> Director, K.S. Mould Parts Co., Ltd. Director, Sahamit Holding Co., Ltd.
Mr. Prasong Srithornratkul Age (year), 78 % of share, 8.09 As of 31 December 2021, Number of Shares held by Self: 42,878,936 shares Spouse/Immature Children: None	<u>Education</u> - Assumption Commercial College <u>Training</u> - Director Accreditation Program (DAP) of IOD (28/2004)	1974 - Present 1988 - Present 1976 - Present	<u>Position in listed Company</u> Vice-Chairman of the Board of Directors and Executive Board, Sahamit Machinery PCL. <u>Non-Listed Company</u> Director, K.S. Mould Parts Co., Ltd. Director, Sahamit Holding Co., Ltd.
Mr. Thana Senavattanagul Age (year), 80 % of share, 1.56 As of 31 December 2021, Number of Shares held by Self: 6,192,000 shares Spouse/Immature Children: None	<u>Education</u> - Japanese Course, Tokyo - Sahakunsuksa School	1994 - Present 1999 - Present	<u>Position in listed Company</u> Director, Sahamit Machinery PCL. <u>Non-Listed Company</u> Chairman of the Board, Nokhon Luang Paper Co., Ltd.
Mr. Kriangkrai Boonkitticharoen Age (year), 78 % of share, 0.01 As of 31 December 2021, Number of Shares held by Self: 36,000 shares Spouse/Immature Children: None	<u>Education</u> - B.A. Business Administration, Thammasat University <u>Training</u> - Director Accreditation Program (DAP) of IOD (17/2004)	1994 - Present 1990 - Present 1987 - Present	<u>Position in listed Company</u> Independent Director, Sahamit Machinery PCL. <u>Non-Listed Company</u> Chairman of the Board, Reanthongvittaya Co., Ltd. Executive Director, Tata Co., Ltd.



Name	Educational Background	Work Experience	
		Period	Position / Company
Mr. Pichai Nithivasin Age (year), 78 % of share, 0.50 As of 31 December 2021, Number of Shares held by Self: 2,672,464 shares Spouse/Immature Children: None	<u>Education</u> - Diploma. Business Administration. Golden Gate College, San Francisco, USA <u>Training</u> - Director Accreditation Program (DAP) of IOD (26/2004)	1994 - Present 2015 - Present 1998 - Present 1997 - Present 1996 - Present 1996 - Present 1993 - Present 1989 - Present 1988 - Present 1988 - Present 1988 - Present 1988 - Present 1975 - Present	<u>Position in listed Company</u> Director, Sahamit Machinery PCL. <u>Non-Listed Company</u> Director, BST Specialty Co., Ltd. Director, Bangkok Industrial Gas Co., Ltd. Director, Foamtec International Co., Ltd. Director, BST Elastomers Co., Ltd. Director, Bangkok Cogeneration Co., Ltd. Director, Bangkok Synthetics Co., Ltd. Director, B.I.G Marketing Co., Ltd. Executive Director, International Resources Development Ltd. Executive Director, Narai Property Co., Ltd. Executive Director, Narairuamphiphat Co., Ltd. President, Narai Hotel Co., Ltd. Managing Director, Hua Kee Paper Co., Ltd.
Mr. Pornsin Thaemsirichai Age (year), 76 % of share, 2.38 As of 31 December 2021, Number of Shares held by Self: 12,600,000 shares Spouse/Immature Children: 5,400,000 shares / 1.02%	<u>Education</u> - Honorary Ph.D. (Business Administration), Ramkhamhaeng University - MBA. The University of Southern Queensland, Australia - M.S. (Engineering), North Dakota State University, USA - B.E. (Civil Engineering), Chulalongkorn University <u>Training</u> - Director Certification Program (DCP) (50/2004) - Director Accreditation Program (DAP) of IOD (18/2004)	2013 - Present 2004 - Present 2012 - Present 2010 - Present 2007 - Present 2006 - Present 2005 - Present 2003 - Present 1983 - Present 1983 - Present 1983 - Present 2003 - 2016	<u>Position in listed Company</u> Director, Sahamit Machinery PCL. Director and Senior Vice President, Khon Kaen Sugar Industry PCL. <u>Non-Listed Company</u> President, P.M.T. Precious Group Co., Ltd. Chairman, Koh Kong Plantation Co., Ltd. Director, Savannakhet Sugar Corporation Director, Koh Kong Sugar Industry Co., Ltd. President, P.M.T. Commercial Co., Ltd. Managing Director, Khon Kaen Sugar Power Plant Co., Ltd. Director and Senior Vice President, New Kwang Soon Lee Sugar Co., Ltd. Director and Senior Vice President, New Krung Thai Sugar Factory Co., Ltd. Director and Senior Vice President, Tamaka Sugar Industry Co., Ltd. Director, KSL Material Supply Co., Ltd.
Gen. Vapirom Manasrangsi Age (year), 75 % of share, - As of 31 December 2021, Number of Shares held by Self: None Spouse/Immature Children: None	<u>Education</u> - Honorary Ph.D. (Civil Engineering), Burapha University - M.S. (Information Technology), King Monkut's Institute of Technology Ladkrabang - B.S., Chulachomklao Royal Military Academy <u>Training</u> - Director Accreditation Program (DAP) of IOD (26 /2004)	2004 - Present Present	<u>Position in listed Company</u> Independent Director, Chairman of the Audit Committee, Sahamit Machinery PCL <u>Non-Listed Company</u> Project consultants, Her Royal Highness Princess Maha Chakri Sirindhorn's Personal Affairs Division



Name	Educational Background	Work Experience	
		Period	Position / Company
Mr. Karun Kittisatporn Age (year), 74 % of share, 0.03 As of 31 December 2021, Number of Shares held by Self: 146,200 shares Spouse/Immature Children: None	<u>Education</u> - M.A. (International Trade), Syracuse University, USA - B.C.A., Victoria University of Wellington, New Zealand - Diploma, GATT Commercial Policy Course, Geneva - Diploma, The National Defence Course Class 8, National Defence College (TNDC 388) <u>Training</u> - Risk Management Program for Corporate Leaders (RCL) 2019 - IOD National Director Conference 2018 “Rising Above Disruptions: A Call for Action” 2018 - Board Nomination and Compensation Program (BNCP) 2018 - Krungsri Executive Forum: Leading Organization & People in Digital Age 2018 - Future Customer Experience in Financial and Banking Services 2018 - IT Security Trend Update 2018 - Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance 2017 - Strategic IT Governance (for non-IT) 2017 - Cyber Resilience Leadership 2017 - Director Briefing “Sleeping Giants of Succession” 2017 - Training on International Financial Reporting Standard 9 (IFRS9) PWC Thailand 2016 - CyberSecurity Awareness Training for Senior Executive 2016 - Anti-Corruption for Executive Program (ACEP) 2013 - Monitoring the Internal Audit Function (MIA) 2013 - Monitoring the Quality of Finance Reporting (MFR) 2011 - Finance Institutions Governance Program (FGP) 2011 - Audit Committee Program (ACP) 2009 - Finance Statements for Directors (FSD) 2009 - Role of the Compensation Committee (RCC) 2008 - Director Certification Program (DCP) 2006	2019 - Present 2019 - Present 2019 - Present 2015 - Present 2011 - Present 2009 - Present 2008 - Present 2017 - 2019 2013 - 2017 2012 - 2017 2010 - 2019 2010 - 2017 2008 - 2019 2019 - Present 2019 - Present 2016 - 2021 2017 - 2021 2008 - 2017	<u>Position in listed Company</u> Chairman of the Nomination and Remuneration Committee, Sahamit Machinery PCL. Chairman of the Board, Bank of Ayudhaya PCL. Chairman of the Independent Director, Central Pattana PCL. Chairman of the Nomination and Remuneration Committee / Audit Committee, Central Pattana PCL. Independent Director, Central Pattana PCL. Independent Director, Bank of Ayudhaya PCL. Independent Director / Audit Committee Member, Sahamit Machinery PCL. Chairman of the Nomination and Remuneration Committee / Risk Management Committee, Khon Kaen Sugar Industry PCL. Corporate Governance Committee, Khon Kaen Sugar Industry PCL. Audit Committee, Khon Kaen Sugar Industry PCL. Independent Director, Khon Kaen Sugar Industry PCL. Nomination and Remuneration Committee, Khon Kaen Sugar Industry PCL. Chairman of the Nomination and Remuneration Committee, Bank of Ayudhaya PCL. <u>Non-Listed Company</u> Vice - Chairman, Committee 6, Council of State Chairman, Krungsri Foundation Member of Committee on International Economic Policy Member of ASEAN Association, Thailand Chairman of the Executive Board, The Support Arts and Craft International Centre of Thailand



Name	Educational Background	Work Experience	
		Period	Position / Company
Mr. Chayakorn Limsiripan Age (year): 52 % of Share: 0.93 As of 31 December 2021, Number of Shares held by Self: 4,917,000 shares Spouse/Immature Children: None	<u>Education</u> - M.B.A., Finance, Clark University, USA - B.A. Management, Assumption University <u>Training</u> - Director Accreditation Program (DAP) of IOD (155 /2018)	2019 - Present 2018 - Present 2012 - Present 2007 - Present 2007 - Present 2016 - Present	<u>Position in listed Company</u> Nomination and Remuneration Committee, Sahamit Machinery PCL. Independent Director / Audit Committee, Sahamit Machinery PCL. <u>Non-Listed Company</u> Managing Director, Krel Co., Ltd. Director, TQP Co., Ltd. Director, Thaiqualitycom Co., Ltd. Director, P J L Property Co., Ltd.
Mr. Prayoon Vivetpuvanonth Age (year), 77 % of share, - As of 31 December 2021, Number of Shares held by Self: None Spouse/Immature Children: None	<u>Education</u> - MBA. Sasin Graduate Institute of Business Administration of Chulalongkorn University - Barrister, The Thai Bar - B.L, Thammasat University - B. Acc, Thammasat University. <u>Training</u> - Director Accreditation Program (DAP) of IOD (35/2005)	2005 - Present 2000 - 2004 Present	<u>Position in listed Company</u> Independent Director and Audit Committee, Sahamit Machinery PCL. Director and Audit Committee, Banpu Plc. <u>Non-Listed Company</u> Executive Director, Wiwechpattana Rice-Mill Co., Ltd.
Mr. Phut Sorayanthanawut Age (year), 59 % of share, 0.59 As of 31 December 2021, Number of Shares held by Self: 3,137,292 shares Spouse/Immature Children: None	<u>Education</u> - B.Eng, King Mongkut's University of Technology Thonburi - MMP 61 Faculty of Accounting, Chulalongkorn University <u>Training</u> - Director Certification Program (DCP) of IOD 227/2016 - Risk Management Program for Corporate Leaders (RCL) of IOD 1/2015 - Director Accreditation Program (DAP) of IOD 109/2014	2016 - Present 2015 - Present 1985 - 2015	<u>Position in listed Company</u> Director and Managing Director, Sahamit Machinery PCL. Chairman of the Risk Management Sub-Committee, Sahamit Machinery PCL. Assistant to President, Sahamit Machinery PCL.
Mr. Thawee Senavattanaagul Age (year), 71 % of share, - As of 31 December 2021, Number of Shares held by Self: None Spouse/Immature Children: None	<u>Education</u> - Assumption Commercial College	1975 - 2021	<u>Position in listed Company</u> Senior Deputy Managing Director, Sahamit Machinery PCL.



Name	Educational Background	Work Experience	
		Period	Position / Company
Mrs. Intira Thavajvichien Age (year), 70 % of share, 0.04 As of 31 December 2021, Number of Shares held by Self: 186,786 shares Spouse/Immature Children: None	<u>Education</u> - Oswestry College of Further Education, U.K.	1974 - Present	<u>Position in listed Company</u> Senior Deputy Managing Director, Sahamit Machinery PCL.
Mr. Charndej Tamesirichai Age (year), 51 % of share, 0.38 As of 31 December 2021, Number of Shares held by Self: 2,000,000 shares Spouse/Immature Children: None	<u>Education</u> - B.A. Tenri University <u>Training</u> - Public Training of The Wisdom Earning Center Co., Ltd. - Director Certification Program (DCP) of IOD 228/2016	2016 - Present 1997 - 2015	<u>Position in listed Company</u> Director and Deputy Managing Director, Sahamit Machinery PCL. Manager, Sahamit Machinery PCL
Ms. Piyanuch Tamesirichai Age (year), 49 % of share, 2.91 As of 31 December 2021, Number of Shares held by Self: 15,410,100 shares Spouse/Immature Children: None	<u>Education</u> - MBA, General Management, Strayer University, Maryland - BBA, General Management, George Washington University At Mount Vernon College <u>Training</u> - HRM Best Practices during Covid-19 (Unique Seminar & Training) - Labour Law for the owner, executives and Human Resources (Nation Multimedia PLC.) - Executive Integrated Medical Management Program Chulabhorn International College of Medicine, Thammasat University Class 4 (EMMP 4) - Top Executive Program of Capital Market Academy Class 27 (CMA27) - Top Executive Program in Commerce and Trade (TEPCoT) 10 - Director Certification Program (DCP) of IOD 249/2017 - Global Business Leaders Program (GBL 2) - Director Accreditation Program (DAP) of IOD 132/2016 - Risk Management Program for Corporate Leaders (RCL) of IOD 5/2016 - Financial and Fiscal Management Program for Senior Executive (FME 3) - Thammasat Leadership Program 7	2016 - Present 2015 - Present 2002 - 2015	<u>Position in listed Company</u> Director and Deputy Managing Director, Sahamit Machinery PCL. Risk Management Sub-Committee, Sahamit Machinery PCL. Manager, Sahamit Machinery PCL.



Name	Educational Background	Work Experience	
		Period	Position / Company
Ms. Piyaporn Srithornratkul Age (year), 48 % of share, 4.80 As of 31 December 2019, Number of Shares held by Self: 25,458,900 shares Spouse/Immature Children: None	<u>Education</u> - M.B.A., Specialist in Finance, California State University, USA - B.B.A., Faculty of Commerce and Accountancy, Chulalongkorn University <u>Training</u> - The Powder Metallurgy and 3D Printing Technologies of National Science and Technology Development Agency (NSTDA) - Board Nomination and Compensation Program (BNCP) 2019 - Director Accreditation Program (DAP) of IOD 138 /2017 - Professional Designation in Database Management System, University of California, Los Angeles (UCLA), USA - Middle Management Leadership, Dale Carnegie Training Saint John's Management Center - Mini Metallurgy Engineering, King Mongkut's University of Technology Thonburi National Metal and Materials Technology Center (MTEC)	2019 - Present 2016 - Present 2015 - Present 2003 - 2015	<u>Position in listed Company</u> Nomination and Remuneration Committee, Sahamit Machinery PCL. Director and Deputy Managing Director, Sahamit Machinery PCL. Risk Management Sub-Committee Member, Sahamit Machinery PCL. Manager, Sahamit Machinery PCL.
Ms. Prangtip Sivaruk Age (year), 46 % of share, 6.54 As of 31 December 2021, Number of Shares held by Self: 34,640,000 shares Spouse/Immature Children: None	<u>Education</u> - Master of Public and Private Management, (M.P.P.M.) NIDA - M.S. Business Administration, San Francisco State University, San Francisco, USA - B.A. Sukothai Thamairat University - B.A. Kasetsart University, second class honor <u>Training</u> - International Trade Law of Thammasat University - Chief Transformation Officer Program (CTO) of SET 2019 - Director Certification Program (DCP) of IOD 227/2016 - Risk Management Program for Corporate Leaders (RCL) of IOD 1/2015 - Director Accreditation Program (DAP) of IOD 109 /2014	2016 - Present 2015 - Present 2004 - 2015	<u>Position in listed Company</u> Director and Deputy Managing Director, Sahamit Machinery PCL. Risk Management Sub-Committee, Sahamit Machinery PCL. Manager / Company Secretary, Sahamit Machinery PCL.



Name	Educational Background	Work Experience	
		Period	Position / Company
Ms. Praiwan Srithornratkul Age (year) : 49 % of Share : - As of 31 December 2021, Number of Shares held by Self : 10,000 Shares Spouse/Immature Children: None	<u>Education</u> - M.Acc., Chulalongkorn University - B.B.A. Rajamangala University of Technology <u>Training</u> - Training Course for Internal Audit of Certificate By Federation of Accounting Professions - Training Course for Internal Audit of Certificate By Federation of Accounting Professions	2019 - Present 2018 - Present 2004 - 2018	<u>Position in listed Company</u> Secretary of Nomination and Remuneration Committee, Sahamit Machinery PCL. Chief Financial Officer, Sahamit Machinery PCL. Internal Audit Manager, Sahamit Machinery PCL.
Ms. Nuttaporn Tamesirichai Age (year), 45 % of share, 4.14 As of 31 December 2021, Number of Shares held by Self: 23,950,400 shares Spouse/Immature Children: None	<u>Education</u> - M.B.A., Marymount University, Arlington, VA - B.B.A., Strayer University, Maryland <u>Training</u> - Company Secretary Program (CSP) By IOD 73/2016 - Property & Asset Management for Family Business Program	2016 - Present 2009 - 2015	<u>Position in listed Company</u> Assistant Deputy Managing Director and Company Secretary, Sahamit Machinery PCL. Assistant Manager, Sahamit Machinery PCL.
Ms. Tasanee Tawornchaiwat Age (year), 47 % of share, :- As of 31 December 2021, Number of Shares held by Self: 3,000 shares Spouse/Immature Children: None	<u>Education</u> - M.B.A., Ramkhamhaeng University - B.B.A., Rajamangala University of Technology <u>Training</u> - Training to the accounting & financial manager Program (Dhamniti Seminar & Training) - Financial Management for the executives (Faculty of Economics, Chulalongkorn University)	2019 - Present 2018 - 2019	<u>Position in listed Company</u> Accounting & Financial Manager, Sahamit Machinery PCL Accounting Manager, Sahamit Machinery PCL



The Positions of Directors, Executives in Related Companies As of December 31, 2021

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

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





Details of Internal Audit Manager

Ms. Chanchira Raksawong

Education : (B. Acc.) Bachelor of Accountancy / Bangkok University
High Vocational Certificate of Accounting / Pranakorn Commercial & Technical College

Experience :

2021 Internal Audit, Manager, Sahamit Machinery Public Co., Ltd.
2002 – 2020 Head of Credit & Product, Pulp & paper, Sahamit Machinery Public Co., Ltd.
1999 – 2001 Head of Account receivable, Accounting, Sahamit Machinery Public Co., Ltd.
1990 – 1998 Head of product account, Accounting, Sahamit Machinery Public Co., Ltd.

Contact : Telephone 66 (0) 2295-1000-9 Ext. 1663
E-mail : ia@sahamit.co.th

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

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



Business Assets and Details on Asset Appraisal

As of 31 December 2021, the major assets used in business operations are as follows:

Assets	Ownership	Book Value (Million Baht)	Obligation
Land and land improvement	Ownership	507.15	None
Building	Ownership	63.04	None
Machinery	Ownership	183.03	None
Vehicles	Ownership	20.46	None
Furniture and office equipment	Ownership	2.13	None
Electrical systems and warehouse equipment	Ownership	13.69	None
Total		789.50	

Intangible Assets (as of 31 December 2021) -None-

Land (as of 31 December 2021)

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



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



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

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

1. Policy and guidelines on corporate governance

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



2. Code of business conduct

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





Report of the Audit Committee

The Audit Committee of the Company consists of 4 independent directors with profound experience, namely, General Vapirom Manasrangsri, Chairman of the Audit Committee, Mr. Karun Kittisataporn, Mr. Prayoon Vivetpuvanonth and Mr. Chayakorn Limpsiriphan as the member of the Audit Committee. Mr. Prayoon Vivetpuvanonth possess extensive expertise and sufficient experience to review the Company's financial statements accurately. The Audit Committee had performed its duties independently and possess qualification as specified by the Audit Committee Charter in accordance with the principles of The Securities and Exchange Commission (SEC).

In year 2021, the Audit Committee held a total of 4 meetings with the management of the Company, internal and external auditors in order to consider the report, comments and give recommendations for business management. In addition, the Audit Committee had arranged 1 meeting with the external auditor without management participating in that meeting. Reports of the Committee was proposed to the Board regularly. The significant activities summarized below.

1. Reviewing Financial Statements; the Audit Committee had reviewed quarterly financial statements and annual financial statements for the year 2021 with consideration of significant accounting policies, accuracy and completeness of financial statements, accounting estimates, accounting records propriety, notes of auditor, sufficiency of information disclosure and independency of auditors. Furthermore, the Audit Committee had arranged 1 meeting with the external auditor without management participating in that meeting to contemplate the independency and freedom of opinion of auditors.

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

2. Reviewing of Internal Control; the Audit Committee had reviewed appropriateness and effectiveness of the Company's internal control by examining report of Internal Auditor and the note to financial statements including, evaluate the internal control adequacy by applying Internal Control Assessment Form of The Securities and Exchange Commission (SEC). There is no significant error in the Company's internal control system.

The Audit Committee agreed that the Company's internal control system is appropriate and adequate to monitor its businesses in accordance with applicable rules and regulations.

3. Oversee Internal Audit; The Audit Committee shall consider and approve internal audit plan annually and consider the independency and sufficiency of resources related to audit operations including, monitor and encourage internal audit department to perform its duties efficiently and able to achieve the plan afore approved.



The Audit Committee agreed that the Company's internal control system is appropriate, efficient and adequate to monitor its businesses.

4. Reviewing of Risk Management; the Company has the Risk Management Sub-committee, which shall consider risk management policies, risk management framework, monitoring and submit risk management report to the Board of Directors and the Audit Committee. The Audit Committee shall review the plan and report of risk management and give advice to improve and develop risk management system of the Company regularly.

The Audit Committee agreed that the Company's risk management is appropriate, efficient and adequate to monitor its businesses.

5. Reviewing of Corporate Governance; the Audit Committee had reviewed the practice of the Company good corporate governance in accordance with CG Code of The Securities and Exchange Commission (SEC). In addition, the Committee has revised, encouraged and promoted the implementation of business ethics and corporate governance policies in practice including, monitored the Company to perform in compliance with regulations of SEC and The Stock Exchange of Thailand (SET) and applicable law which related to the Company businesses. The Committee also encouraged to adopt and implement the Anti-corruption policies, reflecting in providing whistleblowing channel for corruption, fraud and business ethics which providing protection to the complainant or the whistleblower appropriately.

The Audit Committee agreed that the Company has developed and implemented good corporate governance policies constantly conform with regulations of SEC and SET and applicable law appropriate and efficiently.

6. Reviewing of connected transactions or the transactions that may lead to conflicts of interest; the Committee had reviewed connected transactions and transactions which may conflict with the Company's interest quarterly in order to conform to rules and regulations of SEC and SET

The Audit Committee agreed that the connected transactions and the conflicted transactions are normal business practice and was performed reasonably concordance with the company benefit.

7. Considering the appointment of the external auditors and audit fee for the year 2022; the Audit Committee had considered the auditor independency and performance in year 2021, scope of works, resources sufficiency, knowledge and expertise of auditors, including audit fee for year 2022.

The Audit Committee agreed that overall performance of the auditor is at good level. The proposed audit fee for year 2022 is appropriate. Therefore, deemed appropriate to propose the Board of Directors for consideration and propose to the Annual General Meeting of Shareholders for approval of appointment of Dharmniti Auditing Company Limited to be the auditor of the Company for year 2022

On behalf of the Audit Committee

(General Vapirom Manasrangsi)
Chairman of the Audit Committee



Report of Nomination and Remuneration Committee

The Nomination and remuneration committee consists of 3 directors namely

1. Mr. Karun Kittisataporn Chairman of the Nomination and Remuneration Committee / Independent Director
2. Mr. Chayakorn Limsiripan Nomination and Remuneration Committee / Independent Director
3. Ms. Piyaporn Srithornratkul Nomination and Remuneration Committee

The committee has performed duties as assigned by the Board of Directors, which is stipulated in the charter of the nomination and remuneration committee with the duty to recruit qualified persons in holding the position of committee members and members in various sub-committees assigned authority and responsibility directly from the Board of Directors as well as to consider the remuneration of committee members to propose to the Board of Directors. In 2021, the nomination and remuneration committee has held 1 meeting, which can summarize the overall work as follows.

1. Nomination of Directors and Members in Sub-Committees

Nomination and remuneration committee consideration will consider qualifications, knowledge, abilities, skills, experiences, diverse expertise and leadership including a good vision and attitude towards the organization which will be beneficial to the operation of the company. It is with the consideration of taking into account the appropriate size, structure and composition of the Board of Directors, in order to promote good corporate governance and to ensure effective management as well as in accordance with the requirements of the relevant agencies and changing environment.

2. Consideration of Directors' Remuneration

Nomination and remuneration committee considered the form and criteria for the payment of remuneration for the directors and sub-committees, taking into account the suitability of the remuneration and the obligations, assigned responsibility, performance results, company performance, and remuneration for directors in companies operating in the same or similar business and of similar size.

The Nomination and remuneration committee has performed duties as assigned with prudence, transparency, fairness and independence in accordance with the principles of good corporate governance.

Mr. Karun Kittisataporn
Chairman of the Nomination and Remuneration Committee



สหมิตรเครื่องกล
SAHAMIT MACHINERY

2021 ANNUAL REPORT



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