



T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED



**THE LEADER IN  
HYDRAULICS THAILAND**

ANNUAL REPORT | **2021**  
(Form 56-1 One Report)



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## OUR VISION

T.M.C. Industrial Public Company Limited is leadership in innovation, creation, manufacturing and supply machinery which were added value and response to customer demand according to international standards.



## OUR MISSION

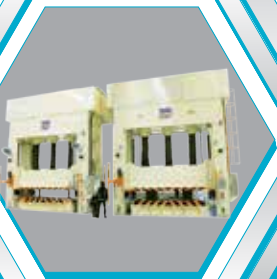
- |                            |  |
|----------------------------|--|
| Continuous Improvement     | : Improve and develop every activities of the company.   |
| Customer Satisfaction      | : Respond to customer demand and satisfaction guarantee.   |
| Quality Product Innovation | : Machinery is an innovation with international standard quality.                                    |
| Sustainable Growth         | : Create sustainable growth under ethics of business and corporate corporatesocial responsibilities. |

# CONTENT

Important Financial Information	4
Message from the Chairman	5
<b>SECTION 1 BUSINESS OPERATIONS AND OPERATING PERFORMANCE</b>	
1. Structure and Business Operation of the Company	7
2. Risk Management	22
3. Driving Business for Sustainability	27
4. Management Discussion and Analysis: MD&A	33
5. General Information and Other Important Information	41
<b>SECTION 2 CORPORATE GOVERNANCE</b>	
6. Corporate Governance Policy	43
7. Corporate Governance Structure and Key Data on the Board of Directors, Sub-committee, Management, Employees and Others	49
8. Corporate Governance Important Performance Report	60
9. Internal Control and Related Transactions	75
<b>SECTION 3 FINANCIAL STATEMENTS</b>	78
<b>ATTACHMENTS</b>	
Attachment 1 Details of the Directors, Executives, Controlled Person of the Company, Chief Financial Officer and Company Secretary	138
Attachment 2 Details on Directors of Subsidiaries	149
Attachment 3 Details on the Head of Internal Audit and Head of Compliance Unit of the company	150
Attachment 4 Business Assets and Details on Property Appraisal List	153
Attachment 5 Corporate Governance Policy, Code of Conduct and Anti-Corruption Policy	156
Attachment 6 Report of the Audit Committee	157



COMPANY PRODUCTS



## IMPORTANT FINANCIAL INFORMATION

Unit : Million Baht

	2021	2020	2019
<b>Comprehensive income</b>			
Total revenue from sales and service	292.41	299.25	542.45
Total revenue and other income	303.74	311.30	544.17
Gross Profit	30.09	17.71	37.38
Net Profit	-41.02	-53.85	-59.17
Total Assets	709.11	726.73	881.79
Total Liabilities	380.59	356.51	457.58
Total shareholders' equity	328.52	370.22	424.20
<b>Financial Ratio</b>			
Gross profit margin (percent)	10.29	5.92	6.89
Net profit margin (percent)	-13.51	-17.30	-10.87
Liquidity ratio (times)	0.42	0.41	0.58
Debt to Equity Ratio (Times)	1.16	0.96	1.08
Earnings per share	-0.09	-0.12	-0.13



## MESSAGE FROM THE CHAIRMAN



### To Shareholders of T.M.C. Industrial Public Company Limited

According to the COVID-19 pandemic ranging from the species of Wuhan, Alpha and Delta to the latest Omicron; the economic expansion has been slowed down. In 2021, the prices of steel, fuel, and commodity products were adjusted higher. Particularly, the higher price of steel which is our main raw production materials had direct effects on the company's cost so our product prices had to be adjusted higher as well. Consequently, the customers postponed orders, their spending power was lower, the customers requested for expanding the payment period, and competition was high. All these factors had effects on the performance of T.M.C. Industrial Public Company Limited in terms of sales, services, and product cost.

The above factors resulted in the 2021 company performance unable to close sales and services as targeted. The annual sales of this year closed at 292.41 million baht i.e., 2.28% lower than the previous year.

In 2021, the company adjusted the procurement system to obtain necessary raw materials, products, and other different materials with the exact properties in the correct numbers within the specified time and in fair prices from suppliers. The company's board of directors

and the executive team set plans for strictly preventing and controlling the COVID-19 pandemic in order for the company to cope with problems and to continue the corporate operation. The executive team has adjusted the strategies and used new administrative instruments for making profits in 2022 by targeting to increase sales and decrease production cost as well as to closely monitor the operation.

On this occasion, I would like to thank you the company's shareholders, customers, financial institutes, administrators, employees, and all related parties for your good support to the company. I promise that I will closely coordinate with the management team to set strategies for the company to overcome problems, obstacles, and competition. We will fully attempt to develop our business potentials to gain success as targeted with sustainable growth for the benefits of all related parties.

(Mr. Manu Leopaiprote)

Chairman of the Board of Directors

(Mr. Thaweemit Kamolmongkolsuk)

Chairman of the Executive Committee

## BUSINESS OPERATIONS AND OPERATING PERFORMANCE

# 1. STRUCTURE AND BUSINESS OPERATION OF THE COMPANIES

## 1.1 Business Policy and Overview

### 1.1.1 Vision and Mission

Vision T.M.C. Industrial Public Company Limited is leadership in innovation, creation, manufacturing and supply machinery which were added value and response to customer demand according to international standards.

Mission

Continuous Improvement : Improve and develop every activities of the company.  
Customer Satisfaction : Respond to customer demand and satisfaction guarantee.  
Quality Product Innovation : Machinery is an innovation with international standard quality.  
Sustainable Growth : Create sustainable growth under ethics of business and corporate social responsibilities.

#### Business Goals

Balancing between company profit, innovation and technology, and build a culture by focus on improvement to create sustainable competition

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Balancing between company profit, innovation and technology, and build a culture by focus on improvement to create sustainable competition

#### The Company Operations Strategy

1. Cost Leadership; creating a balance of cost price strategy to be able to produce products that corresponding to the customer use and step into can set the product price in the market.
2. Improving production line's team to achieve fast productively coupled with quality and accurate cost.
3. Sales and marketing development. Access to customer needs such as cost, innovation and technology impressive service both of domestic and international market.
4. Financial strategies for cash flow management to effect expenses and find suitable funding opportunities.

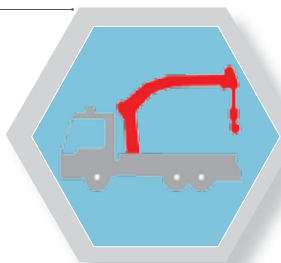
### 1.1.2 Change and Important Development

T.M.C. Industrial Public Co., Ltd. was established and named TMC Industrial Co., Ltd. in 1982 with a million Baht registered capital. We have been manufacturing and selling hydraulic machines and hydraulic materials handling, such as press machine, crane, motorcycle-car lifts, height-adjustable desk etc. More capital has been invested to constantly increase production capacity and develop the products for decades.

In the early 2011, the company raised and paid 200 million Baht registered capital. In the same year, the company increased registered capital up to 290 million Baht and was registered as a public company for listing securities in Market for Alternative Investment (MAI). The company's Initial Public Offering (IPO) was 90,000,000 shares. The first day trade in The Stock Exchange of Thailand was on October 26, 2012.

#### Year 2020

- Research and development to produce a telescopic cranes and folding arm cranes to support the public and private sectors with a streamlined design that can rotate 360 degrees.
- Cooperated with CMT & Son Company Limited to research and development to produce a Sugar Cane Tipping Bin Trailer (Mark -3 - 185 R.



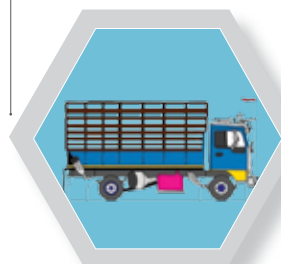
#### Year 2021

- Cooperated with P.R. Energy Solution Co., Ltd. and Pongthep Group Recycle Co., Ltd. to research and development to produce Recycle Machine (SHREDER).



#### Year 2019

- Cooperated with CMT & Son Company Limited to produce a prototype car sugar cane side tipping bin trailer for the sugar cane industry before entering the sugar cane crusher plant.



#### Year 2018

- Cooperated in Automation System Integration (SI) and develop automation system such as Smart Quality System, Smart Maintenance System, Smart Operation System, Smart Warehouse System and Smart Factory System with Thai German Institute (TGI).
- Cooperated with King Mongkut's University of Technology North Bangkok, the Sirindhorn International Thai-German Graduate School of Engineering (TGGS) in the design of hollow cylinder workpiece by simulating with finite element method in automatic production line.



#### Year 2017

- The warrants to purchase ordinary share of T.M.C. Industrial Public Company Limited No.1 (TMC-W1), term 2 years. The last exercise date is December 15, 2017, and the result of the exercise of the warrants to purchase ordinary share of T.M.C. Industrial Public Company Limited No.1 (TMC-W1) is totally 96,273,722 shares, at par Baht 1.
- Share capital registered and fully paid up Baht 458,773,722.

#### Year 2016

- Warrants of T.M.C. Industrial Public Company Limited No.1 (TMC-W1) is a securities in Marketing for Alternative Investment ("mai") on 19 January 2016, Number of warrants 181,249,573 units, Number of ordinary shares 181,249,573 shares at the par value allocated to 1.00, Term of Warrants 2 Years from issuance.
- The Board of Directors passed resolutions to approved investment in Celflow Company Limited established Sahaphat Amorn Company Limited which has a registered share capital of Baht 101 million. The company has 19.80% of share capital registered and invested about Baht 20 million (the company did not manage in Sahaphat Amorn Company Limited) Sahaphat Amorn Company Limited to engage in the development of machinery related to water resources development and related business and distributor of machinery which produce by T.M.C. Industrial Public Company Limited only.
- Share capital registered and fully paid up Baht 364,078,675.



#### Year 2015

- Increasing in share capital from Baht 290,000,000 to Baht 543,750,000 through the issuance of 253,750,000 shares additional ordinary shares with a par value of Baht 1 each, 72,500,000 ordinary shares to be offered to the existing shareholders and 181,250,000 ordinary shares to reserve for the exercise of rights to convert TMC-W1 warrants to existing shareholders.
- Share capital registered and fully paid up Baht 362,500,000.



#### Year 2014

- The Securities and Exchange Commission gave award for praise to the Company in the project of "IPO Pride of Provinces".

### **Nature of Business**

**T.M.C. Industrial Public Company Limited** : engages in the production and distribution high quality of hydraulic machines which are categorized 7 types as follow:

1. Hydraulic Press Machine with 1 ton pressure up to 3,500 tons pressure.
2. Hydraulic Crane both truck - mounted cranes and fixed crane.
3. Hydraulic Handling Equipment such as motorcycle lifter and table lift.
4. Hydraulic repair and maintenance services and metal machining.
5. Mechanical Press Machine is a metal forming machine using mechanism (Mechanical Press) which have both O-frame and C-frame
6. Automation System Design for manufacturing : designing and manufacturing of automation system through control from master programs and SCADA systems.
7. Sugar Cane Side Tipping Bin Trailer : this product used with sugar cane harvester to reduce sugar cane burning rate and extend sugar cane cycle from 3 years to 5 years.

#### **1.1.3 Fundraising**

-None-

#### **1.1.4 Company Obligation**

-None-

#### **1.1.5 Company name, Head office address, Type of business, Registered No., Telephone and Facsimile No., Company website, Type and numbers of shares issued**

Company name : Head office 125/10 Moo 5, Bansuan sub-district, Muang district,  
Location : Head office 125/10 Moo 5, Bansuan sub-district, Muang district, Chonburi  
Branch office No. 1 1 8/42 Moo 6, Bansuan sub-district, Muang district, Chonburi  
Branch office No. 2 Branch Office No.2 88/22 Moo 2, Nong Chak sub-district, Ban Bueng district, Chonburi  
Type of Business : Manufacture and distribute of high quality hydraulic products i.e. Hydraulic Press Machine, Hydraulic Crane, Hydraulic Handling Equipment, Hydraulic repair and Maintenance services, Metal machining, Mechanical Press Machine and Automation System Design for Manufacturing.  
Registration No : 0107554000089  
Telephone : (6638) 271-933 - 4  
Facsimile : (6638) 271-931  
Website : <http://www.tmc.co.th>  
Registered capital : 543,750,000.00 Baht, are Ordinary shares 543,750,000 shares  
Par value : 1.00 Baht per share  
Paid-up capital : 458,773,722 .00 Baht

## 1.2 Nature of Business

### 1.2.1 Revenue Structure of Company

Details	Separate Financial Statements					
	2019		2020		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
<b><u>Income from sales</u></b>						
1. Hydraulic press	325.10	59.93	80.19	26.80	48.93	16.73
2. Hydraulic crane	120.68	22.25	143.57	47.97	157.71	53.93
3. Hydraulic handling equipment	21.48	3.96	12.19	4.07	19.15	6.55
4. Others	10.41	1.92	19.89	6.65	10.03	3.44
<b>Total income from sales</b>	<b>477.67</b>	<b>88.06</b>	<b>255.84</b>	<b>85.49</b>	<b>235.82</b>	<b>80.65</b>
<b><u>Income from services</u></b>						
5. Maintenance service	46.08	8.49	37.98	12.69	34.77	11.89
6. Metal machining	18.70	3.45	5.43	1.82	21.82	7.46
<b>Total income from services</b>	<b>64.78</b>	<b>11.94</b>	<b>43.41</b>	<b>14.51</b>	<b>56.59</b>	<b>19.35</b>
<b>Total income from sales and services</b>	<b>542.45</b>	<b>100.00</b>	<b>299.25</b>	<b>100.00</b>	<b>292.41</b>	<b>100.00</b>

### 1.2.2 Product Information

#### 1) Products or Services and Business Innovation Development

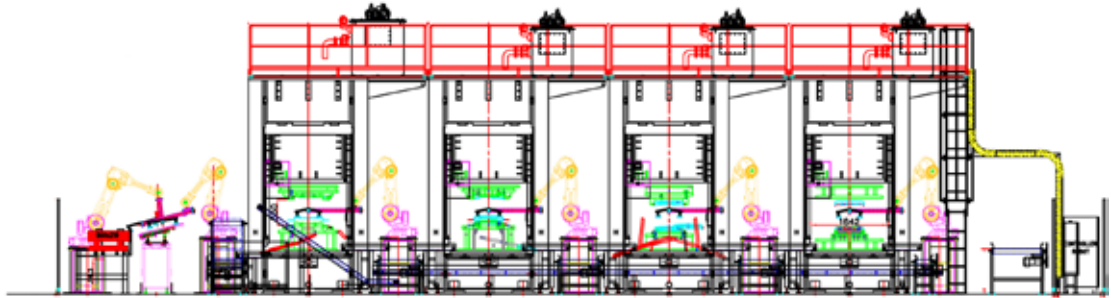
T.M.C. Industrial Public Company Limited engages in operation and distribution hydraulic system machine for all of industrial i.e. Automotive Industrial, Electrical Appliance Industrial, Agro product processing industrial, Mold Industrial and Renewable energy industrial etc. The hydraulic machines are categorized to 7 types as follow:

1. Hydraulic press machine
2. Hydraulic crane
3. Hydraulic handling equipment
4. Hydraulic repair and maintenance services and metal machining
5. Mechanical press machine
6. Smart Factory System Design for Manufacturing
7. Sugar Cane Side Tipping Bin Trailer

##### 1. Hydraulic press

Hydraulic press is the machine that uses fluid (hydraulic oil) to transfer force to drive hydraulic cylinder to generate pressure force on the piece of work for molding products or for other purposes as per design of the machine. Main customers of hydraulic press are automotive industries, electrical appliances industries as well as mold and die industries. Currently, the Company can design and manufacture hydraulic presses that can generate up to 3,500 tons pressures, the highest pressure that can be manufactured in Thailand.





Automatic machinery with higher labor cost adjustment and lack of labor, especially in the industry that needs labors with intensive workforce, the industry has lost its competitive status for both domestic and international competitions. Hence, “Manufacturing Automation System” is collaboration between Mechanical + Electrical + Electronic and Information Technology to create a collaborative system through the driver system. At present, the company can produce automatic machinery for production in the industry perfectly whether in a single production line, starting from the input of raw materials, the process, and the output. Moreover, it the connection to the robot kit, the conveyor system, and security system are designed which can be extended to the Smart Factory that will be present and widespread in the future.

## 2. Hydraulic Cranes

Hydraulic crane is an equipment used for lifting objects vertically and moving them horizontally. There are 2 main types of hydraulic cranes: straight-arm crane and folding-arm crane. The differences are that straight-arm crane cannot fold their arms. The Company manufactures only folding-arm hydraulic crane. The Company produces both fixed cranes for lifting objects within the factory or the regular work area and truck-mounted crane so that crane can be moved to particular areas conveniently without wasting time for installation



### 3. Hydraulic Handling Equipment

Hydraulic handling equipment is used to lift and move the objects. The Company produces various types of handling equipment to support various types of work which can be divided into 2 main types as follows:

- 3.1 Handling equipment for lifting and moving objects. It can lift up the objects with weight from 350 kilograms up to 20 tons.



- 3.2. Handling equipment used in the automobile service center. It is used in the automobile and motorcycle service center and it can lift up materials with weight from 50 kilograms up to 150 tons.



### 4. Metal machining services and hydraulic machines maintenance services.

Apart from the availability machines and production technology, the Company also provides various services to respond to the customers' demand. Services rendered by the Company are:

- 4.1 **Metal machining services.** Metal machining is to deform plate steel, cast iron or structural work into the desired form, such as drilling, lathing, milling, surfacing, etc.
- 4.2. **Hydraulic machines maintenance service.** The Company has the experienced and skilled maintenance teams in various areas, i.e. mechanic hydraulic, electricity, electronics and other fields relating the machineries to render services for the customers on timely and promptly manner.



## 5. Mechanical Press Machine

It is a metal pump with metallurgical system, and it is the metal pump that can be used with almost all types of industries by using mechanical techniques in power transmission with the electrical and electronic equipment. Processing of the work piece caused by the pump process has a steady work piece thickness, and it can mold the complex work through the use of device or mold.



## 6. Smart Factory System Design for manufacturing

### 6.1) Automation System Factory (Smart Factory)

Smart factory is an information innovation in factory which the network connection of equipment is the first step of Smart Factory. However, devices and equipment using in electronics production industry are diverse and distinct. Therefore, the development of system that enables the monitoring of devices and equipment is difficult. For this reason, the main challenge to the factory manager is to find the efficient method for gathering production data from each different brand device that uses the different connection protocol in order to analyze the long range monitoring, minimize the operational and maintenance cost, and enhance the efficiency of production process monitoring.



### 6.2) Development of production line for Smart Quality monitoring

### 6.3) Development of Smart Maintenance

- 6.4) Development of Smart Operation
- 6.5) Development of Smart Warehouse



Process Flow Smart Quality & Smart Warehouse



Process Flow Smart Operation & Smart Maintenance

## 7. Sugar Cane Side Tipping Bin Trailer

The efficient utilization of agricultural machine in all processes of domestic sugarcane harvesting around November-March pertaining to the announcement of sugarcane and sugar plants is the key success. The efficient enrichment and harvesting will definitely reduce labour cost, as well as time consuming per Rai. While envisioning the opportunity in supporting sugarcane farmers and relieving PM 2.5 problem from the burning off prior to the transferring to the plants, TMC has collaborated with the partner in researching and developing 8-Tons and 6-Tons Sugar Cane Side Tipping Bin Trailers for transferring the products from the farms. It's can create awareness in reducing the sugarcane burn off among the farmers and can prolong the lifespan of the sugarcane stump from 3-5 years.



#### Business Innovation Development

In 2021, the company has improved reporting system in production system at real time via ERP program, and take the results of the data to managed and can reduction the steps of reporting and able to bring information to use in a timely manner.

About the products, the company has linked the machine data to be the SMART even more by linking with System Indicator (SI) to meet the needs and have more coverage of customers.

## **2) Marketing and Competition**

In 2021 the company has defined marketing in two parts;

1. Domestic market; the Company has defined a group of products and distribution channels and opportunities for domestic business growth such as hydraulic press group will determine the sales direction based on price quoted to the customer and monitor the performance of customers as well as introduce new products of the company to customers. Hydraulic crane group determine the placement of crane specifications or characteristics with dealer to bid job with the government in advance. For the private sector we analyzed according to the government policy on investment in various construction including renewable energy.
2. International market; has established trade alliances and designs with customers. The company has been entrusted to produce products to foreign countries such as South Africa, Pakistan and India, etc.

#### **Competitive Strategy**

##### **1) Quality of Products**

The company gives an importance to the quality and efficiency of design and production steps; the design that satisfies the customers' need created by the proficient engineering team and, the use of new technology, as well as the quality control in every production steps to ensure that the products meet international standard and the requirement of customers.

##### **2) Ability to manufacture complete service**

The company manufactures the complete service to fully support the customers; starts with product design, production, and installation in which the company is able to design the machine and parts, try out the modern program to test the product in order to ensure the ability of bearing strength while using the machine and the production ability. The company has adequacy of human resources who are proficient and skillful in production and assembly in which the company can respond to the need of customers promptly.

##### **3) After Sales Service**

The company highlights the after sales service by increasing sales channels for preventive maintenance and visiting customers as well as presenting news and product information to the customers who purchase the company's machine and the customers who use the machine of the competitors. The company pays attention to its 24 hours service to ensure that customers business meets their goals. Moreover, the company staff are knowledgeable and very well understand the product so they can analyze the damage and quickly repair the machine accurately.

4) Appropriate Pricing

The products of company are variety to support the requirement of customers from all industries. Each type of product manufacturing based on the universal standard that is the same standard with other competitors. Therefore, the company sets the price based on the appropriateness of each product according to the competition and sales channel.

5) Customers' Trustworthiness

From the long experience in hydraulic machine manufacturing and repair and service, the company earns the trustworthiness from the customers in customer service, both fair price and high class service, as well as the design that satisfies the customers.

6) Technology Development

The company studies and researches the new technology constantly such as engineering design that applies automatic production system to respond to the customer demand. The design of automatic production system integrating Automatic Machine Builder (AMB) to System Integrator (SI) as the Cyber-Physical Production System (CPPS) is the full-automatic production line system or Smart Factory that currently fulfills the customer's need very well, both from current and new production lines.

**Customer Groups and Target Groups**

**Customer Groups:** The Company classifies the customers into 2 groups.

1. Domestic Customers The Company distributes the product in the country to the customers in both government and private sector. The customers in private sector are the entrepreneurs in the industries who use the machine directly such as the entrepreneurs of the automotive industry, electric appliances industry, construction industry, renewable energy industry and other industries e.g. sawmill plant, sugar factory and the customers in repair and service center. In 2020, the company added distribution channel through broker. The additional channel included direct sales in order to create a chance for higher distribution, and online selling via Facebook, Line, Shopee and other platforms. For offline selling, the company aimed to conduct the distribution via modern trade showroom and improve catalogue and brochure for customer's convenient access to the products.
2. Customers in Foreign Countries The Company distributes the products to foreign countries by exporting by the company and via the customers' supplier, as well as via the brokers that the company explores more market in the foreign countries. This is the policy that creates the new business alliances so that the company can distribute and explore the markets in the foreign countries to increase competitive opportunity.

**Target Customer Groups :**

Regarding the overview of company industry, the sales target is the renewable energy industry especially the crane products group and the industrial sectors that are promoted in the Eastern Economic Corridor (EEC) and the customers in automotive and electric appliance industry who wish to develop the production line to become automatic system and produce a prototype car sugar cane side tipping bin trailer for the sugar cane industry before entering the sugar cane crusher plant.

### Distribution and Distribution Channel

In regard to the distribution management, the company sets the distribution pattern to cover all industries which consists of direct sale to provide service for the customers who need special qualification product or made-to-order product, distribution through the suppliers for the low price products and frequently use that distribute to the government/real estate sector, and shop selling which the company operates one shop: at Ban Bueng bypass intersection, Chonburi Province. This shop is not only the shop but also the accessible repair and service center to facilitate the customers. In the past year, the company increased the distribution channel through Modern Trading, by cooperating with other leading companies, as the product distribution center for industrial products, construction system work and other materials. All channels will facilitate the customers to access products and services of the company.

### 3) Materials and Products Supplies

#### Capacity and Production Volume

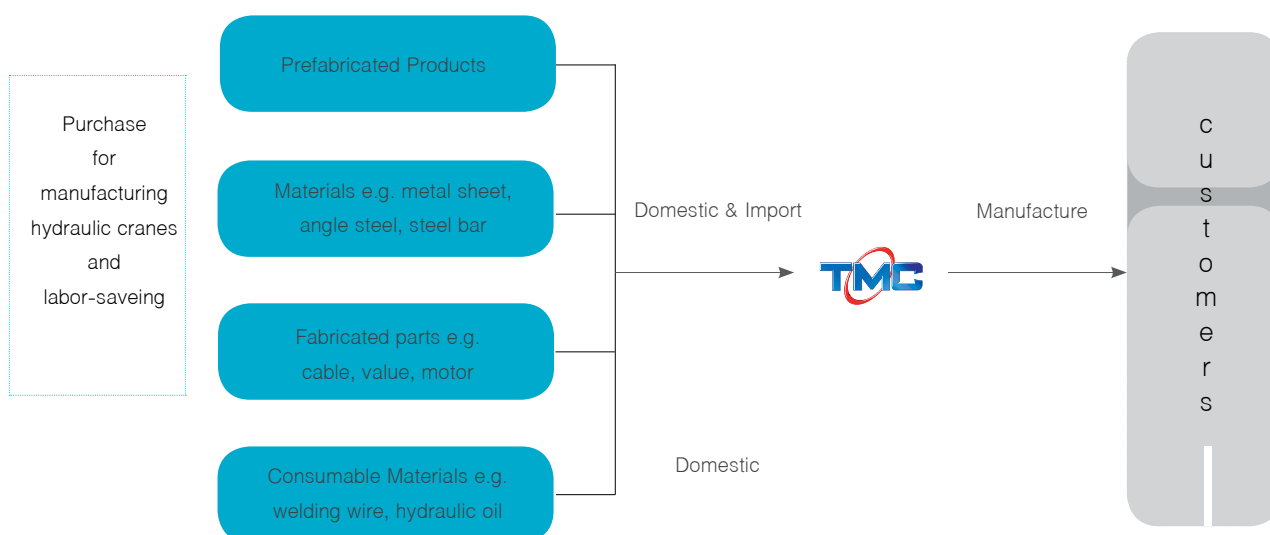
Item	2019	2020	2021
Maximum Capacity (Ton/Year) <sup>1/</sup>	3,096	3,096	3,096
Actual Production (Ton/Year) <sup>2/</sup>	649	531	1,033 <sup>3/</sup>
Capacity Ratio	20.95%	17.17%	33.37%

#### Remarks

1. The maximum capacity per year estimated from the average weight of hydraulic press machine, which is 40 tons/machine multiply by the average number of machine that the company can manufacture per year. The hypothesis is that the company's working hour is 10.5 hrs/day (including overtime 2.5 hrs.)
2. Actual production volume estimated from the weight of hydraulic press machine manufactured each year.
3. The decreasing production capacity was the result of the decreasing number of press hydraulic machine and higher purchasing order of crane products from overseas. Those affected the decline in production capacity in preparing, welding, and processing jobs. However, the assembly and installation jobs employed normal production capacity

#### Materials and Products Supplies

The company supplies materials, parts, and products from domestic sources and foreign countries as following details.



Materials and fabricated parts used in manufacturing process

The company purchases hydraulic materials and parts, as well as consumable for using in hydraulic machine manufacturing for 96% of the total cost of material and product purchase as the following details.

Material : main materials used in production process such as types of steels e.g. steel sheet, angle steel, steel bar. The company processes the steels such as cutting, welding, and milling to set the pattern and structure as desired. The steel used in the company can be divided into 2 main classes.

- 1) Standard steel that can purchase from general supplier in Thailand. To purchase the steels, the company will place an order with the domestic suppliers by comparing the price from few suppliers to acquire the quality steel in a reasonable price.
- 2) Special steel i.e. the steel with extra thickness or width which does not manufactured in Thailand. The company will purchase the special steel from foreign countries directly such as China in which the cost is cheaper than purchasing from the supplier.

In order to purchase the steel for hydraulic press machine manufacture, the company will process the purchasing when receiving the order from customer. To order the steel used for hydraulic cranes and labor-saving devices, the company will place an order in advance to be enough for manufacture one month.

Fabricated parts : fabricated parts used in hydraulic machine are hydraulic cable, hydraulic valve, motor, and cable. The company normally orders the fabricated parts from the domestic supplier after having price comparison.

Consumables : Welding wire, drill bit, and hydraulic oil. The company will purchase consumable materials from the domestic suppliers after having price comparison.

**4) Business Assets**

The main fix assets and important intangible assets that the company use for business i.e. land and buildings, factory, machineries, trademarks and others, the details are as shown in the attachment 4.

**1.3 Shareholding Structure of Company Group**

**1.3.1 Shareholding Structure of Company Group**

-None-

**1.3.2 The Conflict of Interest person who holding the subsidiary or associate company's shares more than 10 percentage**

-None-

**1.3.3 Relations with Major Shareholders' Business Group**

-None-

#### 1.3.4 Shareholders

Name of top 10 shareholders as per listed in the book of shareholders' registration as of March 11, 2021 were as follows:

Name		No. of Shares (shares)	Percentage of Shareholding
			Proportion
1.	Kamolmongkolsuk Family *	141,913,636	30.932
	Mr. Thaweemit Kamolmongkolsuk	36,750,000	8.010
	Mrs. Tubtim Kamolmongkolsuk	30,882,350	6.731
	Ms. Pacharawalai Kamolmongkolsuk	25,038,212	5.458
	Ms. Pailin Kamolmongkolsuk	24,202,312	5.275
	Mr. Surachet Kamolmongkolsuk **	24,853,262	5.417
	Mrs. Aroonroj Kamolmongkolsuk **	187,500	0.041
2.	Mr. Kritsada Akarapattayakul	30,885,950	6.732
3.	Mrs. Natthanan T. Tianprasert	22,900,000	4.992
4.	Ms. Woranan Panjaworayan	21,301,000	4.643
5.	Mr. Sawaeng Sirijantaropas	18,950,000	4.131
6.	Ms. Nalinpat Kittisureethorn	16,839,200	3.670
7.	Ms. Pannee Akkarat	12,350,000	2.692
8.	Mrs. Wilai Korkerkiat	8,242,700	1.797
9.	Mr. Thanakorn Sirisoda	6,809,000	1.484
10.	Mrs. Siriwan Yodsakda	6,500,000	1.417

Remarks :

\* The Kamolmongkolsuk's family group are the executive committee total 4 persons ; 1) Mr. Thaweemit Kamolmongkolsuk  
2) Mrs. Tubtim Kamolmongkolsuk 3) Ms. Pacharawalai Kamolmongkolsuk and 4) Ms. Pailin Kamolmongkolsuk.

\*\* Mr. Surachet Kamolmongkolsuk, Director and CEO was pass away on July 7, 2021 and Mrs. Aroonroj Kamolmongkolsuk is his spouse.

#### 1.4 Registered and Paid-up Capital

The Company registered capital totaled 543,750,000 Baht, Paid-up capital 458,773,722.00 Baht, Common Shares 458,773,722 shares at 1 Baht per share

#### 1.5 Issuance of Other Securities

-None-

### 1.6 Dividend Policy

The Company has the policy of paying dividend to shareholders at no less than 40% of net profit according to the separate financial statement after deduction of corporate income tax, legal reserve and other reserves. However, the Company may pay the dividend less than above rate, depending on the necessity of working capital use for business expansion and other factors relating to the business operation and management. In addition, the resolution of the Board of Directors on approval for dividend payment must be proposed and requested for approval from the shareholders' meeting, except for interim dividend payment which can be approved by the Board of Directors and reported at the next shareholders' meeting.

#### Dividend Payment Data

Details	2019	2020	2021
Earning / Share (Thai Baht)	- 0.13	- 0.12	-0.09
Dividend / Share (Thai Baht)	No distribution	No distribution	No distribution
Dividend Ratio (%)	0	0	0

## 2. RISK MANAGEMENT

### 2.1 Policy and Risk Management Plan

In 2021, the world had experienced negative economic growth due to various factors, for example, the epidemic of different variants of Coronavirus 2019 from Wuhan coronavirus, Alphacoronavirus, Delta Coronavirus, and the latest Omicron. Thailand's economic had recessed beyond the assessment of the Bank of Thailand due to consumption and investment of private sector, the change of customer's behavior, and the operation of preventive measures of Covid-19, while the disbursement under the framed budget of public sector had enlarged the economy. T.M.C. Industrial Company Limited (Public) realizes risk factors and challenges that had occurred throughout 2021. Therefore, the company's committee and executives have formed the proactive measure focusing on management to reduce chance of any risks that might occur, as well as the defensive measure were there to be any risk occur in order to minimize the effect to the organization's goal. The company has been continually following and managing risk by implementing protective and preventive measures, employee and visitor screen, a group of Covid-19 sentinel surveillance, direct report of significant risk and risk management plan to chief executives and the company's committee to achieve business plan, strategy, and goals. In addition, all sectors manage risk closely during the epidemic of coronavirus 2019. The hygienic risk is looked into to ensure continual business' operation. They also observe other risks resulted from the pandemic, and the preventive measure which significantly affects the company's operation. The careful, sufficient, and appropriate risk handling method and risk management are considered aligning with the attempt to conserve values for all interested persons. This consideration also covers the risks which affect the company's stability by communicating and educating all sectors to form awareness, efficient and effective risk management for the company's stability.

### 2.2 Risk Management towards the Company's Operation

#### 2.2.1 Risk towards the Company's Operation

Risk factors which affect the company's operation in 2021 are as followed.

1) Liquidity Risk

As the company has been running at a continual loss for many years from the investment in a nonperforming asset (new plant) and from the unrests occurred in 2021, the financial liquidity is at risk resulted from the decreased income, the retarded turnover, and long-term loan close to due. Therefore, the executives need appropriate management plan to secure circulating fund in the business.

The company's accounting and financial department monitor and place the company's financial plan every month. It controls and plan liquidity management to ensure that the company secure sufficient business cost, for example, advanced negotiation for source of investment fund with financial institutes, company, and outsiders. The negotiation is made for long-term loan with loan credit office to expand and delay the payment in order to support the loan close to due etc. The company also improves procurement management, credit term management, controls production cost and expenses, and work process for better efficiency and effectiveness. The company enhances budget suitable for current situation, efficiency wage and other expenses, inventory management for optimal inventory balance, and dead stock for sufficient working capital in the business.

2) The Risk from the Fluctuation of Raw Material Prices

The company uses steel plates, steel bars and hydraulic tubes as the main raw materials for the company's manufacture of engines, which is considered approximately 50.00% of the material costs. As a result of the spread of the coronavirus 19, the rise and fall of the steel prices depends on the demand and supply that effected world selling price always changed, including import tariffs rate

and surcharges, etc. Thus, the company has to face the risk if the steel prices rise, resulting in the company's higher production costs.

The company calculate costing based on price of material at that date. Therefore, the prices of these products can be adjusted in accordance with the material costs before quoting the prices for customers and the company compares the steel prices of many distributors and find raw materials source from other countries to create competition in the quoting of prices. As for the selling prices of the company's standard products, the price list will be created to be used as standard prices and adjust price when cost is increasing by which will be adjusted by using the policy to determine the selling prices of products by considering the company's costs of sales together with the competitors' prices at that moment.

3) The Risk from the Foreign Exchange Rates

The company's business is connected to foreign currency, i.e., the ordering of raw materials, parts and products from overseas and the selling of the company's products in other countries. The payment and the receiving of foreign currencies which was effective in case rate of exchange has changed according to time period.

The company is able to prevent the risk from the US dollar exchange rates by opened a Foreign Currency Deposit Account (FCD) for the transactions which are involved with US dollar currency. In other foreign currency, the company has monitored the change of currency closely so that it can use other financial tools i.e. Forward Contract to prevent the risk from the fluctuation of exchange rates in the future. However, the company shall convert some foreign rate to Thai baht as appropriated to the use and trend of exchange rate.

4) Risk of economic situation

The current Thailand and worldwide economic recession entail the decrease of industrial investment. With this association, the demand in the company's product is inevitably decreased while the price competition is augmented.

The company has been trying to pull down the risk from economic recession by creating and offering new customer's on-demand product, as well as developing the product's efficiency. The company provide post-purchase maintenance and adjustment services so they can be reused as new. The market has been extended to the expanding industrial segments which still need our product. We invent and develop the products which meet the requirement in those industries and modification of sales from sold as a one machine product change to operation line machine sales, include robot and innovation technology that to meet customer.

5) The Risk from the Lack of Skilled Employees

Being the machinery manufacturer which requires complicated and specific skill, the company has to rely on the people with those skills such as experienced welders, mechanical engineer and electrical engineer who can write machine codes program etc.,. For this reason, the company has the risk of lacking skillful persons, especially the old labors who have high experience and near retirement and the new recruit labors must learning and add more working skill for the company requirement.

The company has the policy to retain the human resource of the old labors who have high experience and near retirement to meet work requirement by renew work annually and transfer knowledge to new employees by training for more working skills. At the same time, the relationship with business alliances who are proficient in each area is developed to enable the support to company.

6) The Risk in Developing New Products and Extending Market to New Group of Customers

As the company's unchanged products have been sold for a long time, new products have been developed and produced for the company's regular customers. Also, the company develops or modify the old products and present them to new customers who need products in that industry. There might be cost risk and expenses in opening that market as the abilities in meeting customer's expectation and being successful are still insecure. Production cost calculation for pricing during market opening and hidden costs that might occur can cause failure in reaching the prospective gain.

However, the company communicated with customers about their expected products and the consideration on the company's existed potential and proficiency in order to minimize the risk in developing new products. The company improves, fixes, and presents products suited with customer's need. We also study the opportunity in selling products in more new markets and new groups of customers. The information on cost and technical data are also collected and used to develop and reduce production cost to secure that errors, production problems, and future production costs are minimized and that the company's products are developed to meet customer's needs.

7) Risk of uncertainty of income

As the company's products mainly rely on automotive industry, the long-term halt in the past years of the industry entails the decrease of sales revenues of products and services and the company's uncertain income. The company has then altered sales platform to other industry groups, for example the power generation industry, electronic industry, the agriculture industry, construction industry etc. Sales income is uncertain as it is the project sale and the products are made-to-order that takes a long time to produce, start from the company gives advice the product designs, makes cost estimation and proposes to the customer for making decision. Then, the company starts production and delivers the products to customer at the agreed period. Thus, the income uncertainty occurs. The income showing on the financial statement can be confirmed after the delivery only. Further, the company's product lifetime is quite long so there is no frequent order from customer.

However, the company has a development and wide range of products used in many industries. In addition, the company has continually designed and developed its products to meet the needs of different customers in different industries with different investments in order that the revenue of the company is continuing. The company also has standardized products promptly to be sold to the customers for the company's stable earnings.

8) Risk from customer credit

On December 31, 2021, the Company had net trade receivables 38.81 million baht, representing 11.27% of sales and service income. The Company has an average debt collection in 2021 equals to 48 days, so the Company may have a risk of debt collection from trade receivables. This may cause the Company to incur debt collection expenses. If the Company's trade receivables are in trouble, it may affect the Company's profit and financial position.

The company has had efficient and effective debt collection policy. The company focuses on the individual customer's credit assessment, for example performances, biography, address, cash flow, payment history (in case of regular customers) before selling and strictly give credit to customers. Credit will be signed approve by the company's chief executives so that the company can assure sale approval and debt collection from the individual customer.

9) Strategic risk

The risk has been resulted from intense business competition and the change of marketing trend, business impact from pandemic and other forces occurred in 2021. These cause global economic slowdown for both Business to Business (B2B) and Business to Consumer who have subdued purchasing power with greater caution in spending money. This makes business operation following the planned strategy difficult. The company's mitigation plan has been suitable for current situation and the approaches are as the following.

- Extend customer and find new customers who still have purchasing power in both domestic and international markets. The extension could be made among groups of customers, who trust our products, in hydraulic press business and hydraulic crane in international market, such as Africa, Japan, Pakistan, Vietnam etc.
- The addition of new distribution channels in order to provide better convenient customer's access to products, for example hydraulic labor-saving machines. Product distribution channel are shifted to online and social network markets in order to support current customer's needs and satisfaction.
- Promotion and marketing activities are promoted to trigger customer's purchasing motives by utilizing and making the most of promotion and marketing activities.
- Work process is improved for the project of engineering business by cutting down some duplicated and unnecessary works in order to boost efficiency and appropriately reduce operation cost. New selling price structure is made suitable for motivation and competitiveness.
- Bond good relationship with all groups of customers. Create contact and develop continual connection.

## 2.2.2 The Risk toward Investment of Shareholders

Despite good investment returns in stocks from dividend and profits from sale of shares, the certainty and stability of these returns cannot be guaranteed. The important thing which should always be kept in the investors' consideration is "No investment is 100% risk free." Investment in a high-risk property comes with high expectation on returns to compensate that risk as said "High Risk High Expectation Return". On the other hand, investment in low-risk property comes with the investors' lower expectation. There are many risk factors which might affect the investors' investment returns

1. The business profits: The relevant industries and economic condition are significant factors which determine the level of investment returns. The situation of stock market trading is also a factor. Good economy and good business profits surely provide high returns for investors. On the opposite side, the economic recession and the decrease of business profits will certainly pay lower returns for investors.
2. The uncertainty of rate of return to be received: The investors might sell stocks in lower price than expected or the company might pay little or no dividend at all. The lower return than expected might cause from the uncertain cash flow of the issuer. It also leads to the uncertain investors' returns. The issuers' business risk and financial risk are the causes of the business uncertain cash flow received.

3. Business risk is the risk from the specific type of business, for example the revenue structure business, business' expenses etc. The factors which affect business operation might be macro factors, such as the increase of fuel price, inflation, labor costs etc. They influence the increase of production cost. There are also other factors which affect business operation, such as social change, technology, politics, and regulations etc. However, the severity of effect also depends on micro factors in the business. For example, some businesses put high investment in fixed assets which results in high depreciation and it goes the other way round. Low sales volume with certain high fixed cost will push the business' profit into the great deficit and the investors' expected return will also be low.
4. Financial risk is the result of some financial commitments, such as indebtedness. Payment of interest, which is a high fixed cost, comes with great indebtedness. If the business cannot reach the targeted profits, the budget to pay for the interest will be insufficient. When the business lacks of the ability to pay the committed interests, the risk of prosecution will fall on the company.
5. Liquidity risk: It causes from the inability to change the invested stocks into cash timely without loss as there is trivial turnover of those negotiable stocks in the secondary market.
6. Interest Rates Risk: The fluctuation of interest rate in financial market affects the investors' prospective return rate when the trend of interest rate progresses. As they expect higher return rate, they need to buy stocks and other properties at the lower price. Therefore, the increase of interest rate will lower the price of properties.
7. Inflation Risk: Inflation is the situation when the general prices of product and service are gradually higher. High inflation lessens the value of cash which means fewer numbers of products can be purchased. It can be explained that 5% of the return rate in form of cash minus with 3% inflation rate will be the actual return rate received which is equal to only 2%. The higher inflation rate, the lower the actual return received. Although, the investment in stocks cannot avoid inflation rate, the perpetual change of stocks' price and the payment of dividend following business performance are believed to be elements which make the investment in stocks the preventive measure against inflation better than bank deposit which gives stable returns. However, the investors need to always be aware of investment risk as there is no guaranteed of regular high returns to the investors. The returns can be high or low or none. Therefore, the investors should select the investment fits for the investors' acceptable risk level. The medium-risk investment should be an option for low acceptable risk level and receive moderate level of return. If the investors can accept high risk, they can select high-risk investment.

### **2.2.3 Risks facing investing in foreign securities**

-None-

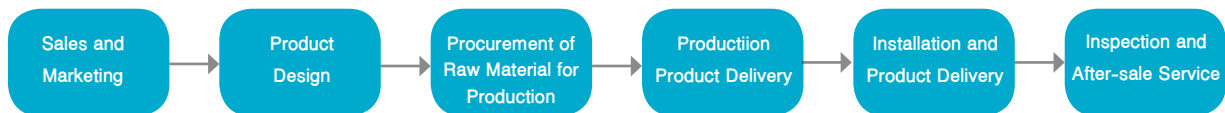
### 3. DRIVING BUSINESS FOR SUSTAINABILITY

#### 3.1 Policies and goals for the management of sustainability

T.C.M. Industrial Public Company Limited has the policies for running business according to sustainable development. The company emphasizes on business operation with good corporate governance as the fundamental to sustainability, and the company is aware of responsibilities for stakeholders throughout the value chain in economic, social and environmental dimensions. This emphasis is in accordance with the company vision as a guarantee on behaviors and practices of the company's committee, administrators, and employees in compliance to laws, rules, and regulations. In addition, the management system is performed with governance, and the production process is managed without any negative effects or destroy on environment in order to obtain the highest effectiveness and the organizational sustainability.

#### 3.2 Management of effects on stakeholders in business value chain

##### 3.2.1 Business Value Chain



Under the company's value chain, the main operational and supporting activities are as follows.

- Sales and marketing  
The company responds to customers' demand for them to get the highest satisfaction. As most of the company products are relevant to design work and are made to each customer's order, the company has set the fair and competitive prices in the market.
- Product design  
The company has the engineering team responsible for designing products under the manufacturing scope of the company by considering mainly on raw materials supplied from the trade partners of the company. All work has been implemented under the control of quality, production cost, and customers' demand before delivering the design for production and description of customers' demand to the factory for production.
- Management of production factors  
Regarding the procurement, coordination has been made with the main trade partners for supplying raw materials from domestic and international suppliers. In addition, the trade partners in parts processing are recruited as an additional part of the factory's production power.
- Production management  
New technology is applied in production for continuously developing the product quality and reducing environmental effects from production such as reduction of production waste etc.
- Product installation and delivery  
Before on-site product installation and delivery, the company allows the customers to inspect and test the product operation for ensuring that the product quality and use conforms to the customers' demand as much as possible.
- After-sales service  
The products are guaranteed, the machine inspection is performed according to the use period, and good consulting and after-sales services are available.

### 3.2.2 Impact Management to Stakeholders in the Business Value Chain

Stakeholder Group	Communication Relationship Activities	Expectation	Operation to meet Expectation
<p>employees</p> 	<ul style="list-style-type: none"> <li>Small group meeting of each department in the morning before start working</li> <li>Company announcement</li> <li>Internal electronic mail</li> <li>Satisfaction survey</li> <li>Complaint channel</li> </ul>	<ul style="list-style-type: none"> <li>Received good compensation and benefits</li> <li>Have career advancement and stability</li> <li>Have a safe working environment</li> </ul>	<ul style="list-style-type: none"> <li>Paying reasonable and fair compensation and benefits</li> <li>Promote and develop opportunity to grow in the line of work that suitable for knowledge and abilities</li> <li>Manage a healthy and safe working environment</li> </ul>
<p>Supplier / Business partners</p> 	<ul style="list-style-type: none"> <li>Telephone communication</li> <li>Internal electronic mail</li> <li>Meeting or plant visit and inspection</li> </ul>	<ul style="list-style-type: none"> <li>Fair and transparent trade competition</li> <li>Perform trade term as agreement</li> </ul>	<ul style="list-style-type: none"> <li>Promote fair trade competition and business appropriate mutual benefit</li> <li>Exchange of knowledge and new technology between each other and grow business together</li> </ul>
<p>customer and consumer</p> 	<ul style="list-style-type: none"> <li>Telephone communication</li> <li>Electronic mail</li> <li>Customer visit</li> <li>Satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>Quality products and service exactly as required and reasonable price</li> <li>Delivery of products or services on time, have guarantee and good aftersales service</li> </ul>	<ul style="list-style-type: none"> <li>Continuously develop products and services in order for customers to be satisfied and confident in the products and services of the company</li> </ul>
<p>Community</p> 	<ul style="list-style-type: none"> <li>Visit communities nearby factory to listen to opinions and complaints</li> </ul>	<ul style="list-style-type: none"> <li>Production process does not affect the environment and various pollution to the community</li> <li>Support community activities</li> </ul>	<ul style="list-style-type: none"> <li>Supervise the quality of the environment and pollution</li> <li>Join to support public activities for the benefit of the community</li> </ul>
<p>Competitor</p> 	<ul style="list-style-type: none"> <li>Business operations</li> </ul>	<ul style="list-style-type: none"> <li>Do the business operation according to the framework of honest competition and fair</li> </ul>	<ul style="list-style-type: none"> <li>Commitment to business according to the company's code of conduct</li> </ul>
<p>Creditor</p> 	<ul style="list-style-type: none"> <li>Telephone communication</li> <li>Electronic mail</li> <li>Visit creditors</li> </ul>	<ul style="list-style-type: none"> <li>Pay debts in full and on time</li> </ul>	<ul style="list-style-type: none"> <li>Comply with the conditions strictly agreed</li> </ul>
<p>Shareholder and Investor</p> 	<ul style="list-style-type: none"> <li>Annual general meeting of shareholders</li> <li>Annual report</li> <li>Disclosure on company website and SETLink</li> <li>Contact via the company's investor relation</li> </ul>	<ul style="list-style-type: none"> <li>Reasonable return from good operation and company profit</li> <li>Good corporate governance management</li> </ul>	<ul style="list-style-type: none"> <li>Commitment to business operations for good performance and consistently profitable</li> <li>Comply with good corporate governance and code of conducts strictly</li> </ul>

### 3.4 Sustainability management in the social dimension

#### 3.4.1 Policies and guidelines on societies

The company set policies and implementation on sustainability in the social dimension by focusing on participation, readiness to listen, and responsibility to stakeholders including employees, customers, communities and societies. We implemented by participating in development and assistance for communities and public societies.

#### 3.4.2 Social performance

- Respect to human rights

The company set the policy on human rights in workplaces, and policy on human resource management with the emphasis on the practice in terms of labor and respect to human rights with fairness and equality without discrimination in employment, payment, promotion, training, and employee development. In addition, we do not support discrimination in terms of genders, skin colors, ages, languages, educational institutions, races, and religions. We support employment for underprivileged people such as disabled and elderly people in order to provide them with chances, occupations, and stable incomes. Moreover, the company supports every employee and personnel to feel engage with the organization like in the same family. In 2021, the company did not receive any complaints on human rights from the employees.

- Fair labor treatment

Employees and labors were treated with consideration on human rights including fairness in employment and payment, employee training and development, employee satisfaction development, safety management, occupational health, and working environment etc. In addition, we attempted to reduce risks in employee or labor disputes, maintain competitive abilities, attract potentials people to work with us, and develop employee engagement to the organization.

The company performed according to the human right principles ranging from employment to employee care for every employee to feel engagement to the organization as the same family. In 2021, the company's main performance on employees are as follows.

#### 1. Employee ratio separate by gender



Details	2021		2020	
	Total	Percentage	Total	Percentage
Male	164	72.89	188	72.31
Female	61	27.11	72	27.69
Total	225	100	260	100

#### 2. Proportion of disabled employee



Details	2021		2020	
	Male	Female	Male	Female
Full time employee	164	61	188	72
Disabled employee	1	2	1	2
Total	165	63	189	74

### 3. Employee ratio separate by age



Details	2021		2020	
	Total	Percentage	Total	Percentage
Under 30 years old	8	3.56	10	3.85
Age between 30-50 years	174	77.33	188	72.31
Over 50-60 years old	41	18.22	60	23.08
Over 60 years old	2	0.89	2	0.77
Total	225	100	260	100

- **Employee training**

The COVID-19 pandemic was the main obstacle on training in 2021. However, the company tried to arrange the training for increasing the employees' skills and work potentials through the on-site and Zoom platforms. In total, the company arranged 12 training courses for 104 employee trainees i.e., 41% of all employees. In 2021, Institute of Skill Development required each company to arrange the training for at least 20% of the total employees.

- **Responsibility to customers**

The company gave high importance on customers in responding to customer satisfaction on products and services with consideration on quality of products and services delivered to the customers. The company continuously developed quality products and after-sales services. In 2021, the company was rated on customer satisfaction at 97.25% i.e., increase from 93.00% in 2020. The company also gave importance on innovation creation in production engineering, as detailed in the project description in the company's 2021 performance report on sustainability.

- **Responsibility to communities and societies**

The company runs the business with responsibilities to communities and societies by giving importance on reducing environmental effects and avoiding implementation which might have negative effects on quality of life of the surrounding communities. In 2021, the company did not receive any complaints on social or environmental issues from any communities. Moreover, the company participated in quality-of-life development and promotion of community participation. In 2021 the company organize activities and join the community as following;

| Screening check of Coronavirus 2019 by Social Security office, Chonburi province.



| Donate of working table to Chompookaew Temple, Bansuan district, Chonburi province.



| Donate blood to National Blood Center 3, Chonburi province.

| Donate drinking water to Banbueng Hospital, Banbueng district, Chonburi province.

- **Safety, occupational health, and working environment**

In 2021, the company continuously developed and improved the effectiveness in safety management for reducing sickness, injuries and death as well as for properly taking care of employees' quality of life by doing the following measures.

1) Surveillance and evaluation on occupational health and safety as prescribed by laws.

No.	Inspection List	Inspection Results	Inspection Dates	Inspectors
1	Inspection on safety of the electrical systems in 2021	The system is workable. The electrical systems and equipment have to be maintained properly according to the engineering principles.	13 <sup>th</sup> August 2021	Mr. Uthane Angkhasirikun (Kor For Kor 50673)
2	Inspection on parts and equipment of the stationary and mobile cranes	Most cranes are in safe workable conditions. They unlikely cause dangers to the crane operators and workers in nearby areas. However, these crane parts and equipment must be regularly inspected and maintained.	<ul style="list-style-type: none"> <li>• 1<sup>st</sup> inspection on 22<sup>nd</sup> March 2021</li> <li>• 2<sup>nd</sup> inspection on 30<sup>th</sup> September 2021</li> </ul>	Mr. Chainarong Bunkham (Sor Kor 4713)

According to the above data, the inspection results from the whole surveillance shows safety of the operational conditions. However, the surveillant inspections must be performed regularly and continuously every year.

2) Rehearsal of emergency response plans

The company gives importance on effective preparation and response to emergency situations so we have planned guidelines and practices for stopping negative incidences, reducing negative effects, and coordinating with the external agencies according to the emergency response plans and management plans for coping with critical situations. The company regularly arranges the annual rehearsal as follows.

- Firefighting and protection plan

In addition, the company provides the measures for work safety as follows.

- Reiterate the supervisors to supervise the employee operation during the working hours.
- Train the employees to perform work procedure correctly and strictly.



## 4. MANAGEMENT DISCUSSION AND ANALYSIS: MD&A

### 4.1 Performance and financial status

The comparison of the 2021 performance and the 2020 and 2019 performances is presented below.

Million Baht							Compared to the same period			
	2021		2020		2019		2021 VS 2020		2020 VS 2019	
	sales	%	sales	%	sales	%	sales	%	sales	%
<u>Income from sales</u>										
Hydraulic press	48.93	16.73	80.19	26.80	325.10	59.93	(31.26)	-38.98%	(244.91)	-75.33%
Hydraulic crane	7.71	53.93	143.57	47.97	120.68	22.25	14.14	9.85%	22.89	8.97%
Hydraulic handling equipment	19.15	6.55	12.19	4.07	21.48	3.96	6.96	57.10%	(9.29)	-43.25%
Others	10.03	3.44	19.89	6.65	10.41	1.92	(9.85)	-49.52%	9.48	91.07%
<u>Total income from sales</u>	235.82	80.65	255.84	85.49	477.67	88.06	(20.01)	-7.82%	(221.83)	-46.44%
<u>Income from services</u>										
Maintenance services	34.77	11.89	37.98	12.69	46.08	8.49	(3.21)	-8.45%	(8.10)	-17.58%
Metal machining	21.82	7.46	5.43	1.82	18.70	3.45	16.39	301.84%	(13.27)	-70.96%
Total income from services	56.59	19.35	43.41	14.51	64.78	11.94	13.18	30.36%	(21.37)	-32.99%
Total income from sales and services	292.41	100.00	299.25	100.00	542.45	100.00	(6.84)	-2.28%	(243.20)	-44.83%
Cost of sales and services	262.32	89.71	281.54	94.08	505.07	93.11	-19.22	-6.82%	(223.53)	-44.26%
Gross profit	30.10	10.29	17.71	5.92	37.38	6.89	12.39	69.87%	(19.67)	-52.62%
Gross profit %	10.29		5.92		6.89		-181.41		8.09	
Other income	11.32	3.87	12.05	4.03	1.72	0.32	-0.73	-6.06%	10.33	600.58%
Selling and administrative expense	71.65	24.50	71.34	23.84	85.49	15.76	0.31	0.43%	(14.15)	-16.55%
Finance cost	10.79	3.69	12.27	4.10	12.78	2.36	-1.48	-12.04%	(0.51)	-3.99%
Loss for the year	(41.02)	(14.03)	(53.85)	(17.99)	(59.17)	(10.91)	12.83	23.82%	5.32	8.99%
EBITDA	(14.72)	(5.03)	(23.34)	(7.80)	(29.18)	(5.38)	8.62	-36.93%	5.84	-20.01%
Earnings per share	(0.09)		(0.12)		(0.13)		0.03		0.01	

1. Overview of the 2021 performance

According to the COVID-19 pandemic ranging from the species of Wuhan, Alpha, and Delta to the latest Omicron; the economic expansion has been slowed down. In 2021, the prices of steel, fuel, and commodity products were adjusted higher. Particularly, the higher price of steel which is our main raw production materials had direct effects on the company's cost so our product prices had to be adjusted higher as well. Consequently, the customers postponed orders, their spending power was lower, different projects of the government and private sectors were postponed or cancelled, competition was high, and the customers who had already placed orders requested for expanding the payment period.

On 1<sup>st</sup> February 2021, the company adjusted the procurement system for obtaining necessary raw materials, products, and different materials with the exact properties in the correct numbers within the specified time, and in fair prices from suppliers in order to make the product cost lower and capable to compete in such highly competitive situations. As a result, the company earned income from sales and services at the total of 292.41 million baht (2.28% lower). The incomes were from product sales at 235.53 million baht (7.82% lower); services and maintenance at 56.59 million baht (30.36% higher); and other incomes at 11.32 million baht (6.05% lower). In addition, cost of sales and service was at 262.32 million baht (6.82% lower), sales and administrative expenses at 71.65 million baht (0.43% lower), and financial cost at 10.79 million baht (12.06% lower). This led to higher gross profit margin from 5.92% in 2020 to 10.29% in 2021; and the net loss at 41.02 million baht (23.82% lower) i.e., the net loss per share at 0.09 baht per share in 2021 and 0.12 baht per share in 2020.

In Quarter 4/2021, the company reviewed the sales plans, set the sales prices and policies for the sales units, and controlled the production cost management of the factory in order to reduce work with mistakes and errors. In addition, the company controlled the working hours and time as planned for each task, analyzed each task for improving and adjusting various errors with engineering methods, and thought up solutions to correct and prevents mistakes and problems.

2. Performance and profitability

2.1 Income from sales and services

- During 2019 - 2021, the company's sales of hydraulic press was at 325.10 million baht, 80.19 million baht, and 48.93 million baht respectively, with the decreased proportion at 75.33% in 2020 and 38.98% in 2021 due to the COVID-19 pandemic and the postponement from the government and private sectors.
- During 2019 - 2021, the company's sales of hydraulic cranes was at 120.68 million baht, 143.57 million baht, and 157.71 million baht respectively, with the increased proportion at 18.97% in 2020 and 9.85% in 2021 since the customers in para wood chip production group invested in hydraulic cranes for clamping wood.
- During 2019 - 2021, the company's sales of services was at 64.78 million baht, 43.41 million baht, and 56.59 million baht respectively, with the decreased proportion at 32.99% in 2020 and with the increased proportion at 30.36% in 2021 since the customers focused on repairs rather than buying new products.

- During 2019 - 2021, the company's income from both sales and services was at 542.45 million baht, 299.25 million baht, and 292.41 million baht respectively, with the decreased proportion at 44.83% in 2020 and 2.28 % in 2021 due to the COVID-19 pandemic and the postponement from the government and private sectors.
- During 2019 - 2021, the company's other income was at 1.72 million baht, 12.05 million baht, and 11.32 million baht respectively. In 2021, the company earned other incomes at 11.32 million baht: rents at 10.26 million baht, profits from the exchange rate at 0.63 million baht, and doubtful accounts receivable at 0.41million baht.

## 2.2 Cost of sales

During 2019 - 2021, the company's cost of sales and services was at 505.07 million baht, 281.54 million baht, and 262.32 million baht respectively, with the decreased proportion at 44.26% in 2020 and 6.82% in 2021 since the company adjusted the procurement for increasing effectiveness, reducing product cost, and being able to compete in highly competitive situations.

## 2.3 Sales and administrative expense

During 2019 - 2021, the company's sales and administrative expense was at 85.49 million baht, 71.34 million baht, and 71.65 million baht respectively, with the decreased proportion at 16.55% in 2020 and 0.43 in 2021.

## 2.4 Financial cost

During 2019 - 2021, the company's financial cost was at 10.79 million baht, 12.27 million baht, and 10.79 million baht respectively, with the decreased proportion at 3.99% and 12.04% respectively.

## 2.5 Profitability

During 2019 - 2021, the company managed new effective procurement so the gross profit margin was at 6.89 million baht, 5.92 million baht, and 10.92 million baht respectively, with the decreased proportion at 52.62% in 2020 and 69.87% in 2021.

According to the above reasons, the company's loss was lower to 59.85 million baht and 41.02 million baht respectively, with the decreased proportion at 8.99% and 23.82% respectively, the net loss per share at 0.09 baht per share in 2021, and 0.12 baht per share in 2020, and EBITDA at -14.72 million baht, -23.34 million baht, and -29.18 million baht respectively

## 3. Capability in asset management

### Statement of financial position

On 31<sup>st</sup> December 2021, the company had the total asset at 790.12 million baht, lower than 726.73 million baht in 2019 and 881.79 million baht in 2020. The reduction of the total asset in 2021 was caused by the on-site installation problems which made the inventory increase at 28.75 million baht, reduction from fixed asset depreciation at 31.72 million baht. The current assets as a part of deposits in financial institutions at 12.37 million baht, and tax refund from Revenue Department at 1.90 million baht.

The return on asset ratio, the return on fixed asset ratio, and the return on current asset ratio in 2021 were with the increased proportion at the folds of 2.33%, 0.54%, and 0.47% in comparison to the ratios in 2020 at the folds of 1.62%, 1.10%, and 0.44% respectively, due to the reduced loss

4. Liquidity and capital adequacy

On 31<sup>st</sup> December 2021, the company had the net cash flow at the end of the period lower to 3.21 million baht from the previous amount of 15.58 million baht because the net cash from the operation of -31.61 million baht was deducted from the cash spending in investment activities at 3.34 million baht, and the cash spending in financing activities at 15.76 million baht. Therefore, the cash flow reduced 12.37 million baht.

The cash flow was reduced from investment activities to buy raw production materials, especially steel with higher prices. In addition, most traders changed from buying with credit cards to buying in cash. In 2021, the company had a big basket work of 43 sugar crane dumpers.

5. Liabilities and management of off-balance sheet liabilities

On 30<sup>th</sup> April 2021, the company cancelled the agreement for leasing a commercial building used as a showroom in Hat Yai District, Songkhla Province at the rent of 23,000.00 baht per month in order to reduce the company's expense in comparison with the sales and the expense of the showroom.

**4.2 Factors or incidences with possible significant effects on financial position or performance in the future**

On 31<sup>st</sup> December 2021, 2020, and 2019 the company had the current liabilities higher than the current assets at 197.56 million baht, 186.01 million baht, and 177.95 million baht respectively. The company is in an on-going process for improving the performance in profitability, management of debt collection as scheduled, production cost management, reduction of undesirable tasks, plans to sell the factory at Ban Bueng (due to over capacity of current production) and finding loan sources from financial institution and outsiders to get enough liquidity for operation.

In 2021, the financial instruments of the company included cash and cash equivalents, account receivables and other receivables, account payables and other payables, loans and financial debts. This is to reduce risks in credits of account receivables and other receivables, risks of changes in currency exchange, risks of interest rates, risks of liquidity and fair value of the financial instruments.

		2021	2020	2019
Liquidity ratio	Times	0.42	0.41	0.58
Accounts Receivable Turnover Ratio	Times	7.64	7.71	3.75
Average Collection Period	Days	47.75	47.34	97.44
Inventory Turnover Ratio	Times	2.56	3.81	5.94
Average Inventory Period	Days	142.80	95.78	61.49
Account Payable Turnover Ratio	Times	3.10	3.76	3.84
Average Payment Period	Days	117.92	97.01	95.10
Cash Cycle	Days	72.63	46.10	63.83
Gross Profit Margin	%	10.29%	5.92%	6.89%
Net Profit Margin	%	-13.51%	-17.30%	-10.87%
Return on Equity (ROE)	%	-12.49%	-14.55%	-13.95%
Return on asset (ROA)	%	-5.78%	-7.41%	-6.71%
Debt to Equity Ratio : D/E	Times	115.85%	96.30%	107.87%
Debt to Equity Ratio	Times	0.57	0.49	0.50
Dividend Payout Ratio	%	N/A	N/A	N/A
Book Value Per Share (BVPS)	Baht	0.72	0.81	0.92
Earnings Per Share (EPS)	Baht	(0.09)	(0.12)	(0.13)
Dividend Per Share (DPS)	Baht	N/A	N/A	N/A

#### 4.3 Data for presenting the financial position and comparison of performances in 3 years

The summary of the financial position and performance is presented in the table showing the financial position and the profit and loss statements in 2 previous years and the latest year.

##### Statement of financial position as of December 31

	2021		2020		2019	
	Baht	%	Baht	%	Baht	%
<u>Assets</u>						
Current Assets						
Cash and cash equivalent items	3,207,646.51	0.45%	15,577,758.24	2.14%	9,802,012.65	1.11%
Trade and other receivables	38,257,451.07	5.40%	38,808,805.76	5.34%	144,817,622.56	16.42%
Inventories-Net	102,630,360.60	14.47%	73,876,684.75	10.17%	85,081,750.02	9.65%
Other current assets	290,718.30	0.04%	606,411.68	0.08%	1,111,207.19	0.13%
Total current assets	144,386,176.48	20.36%	128,869,660.43	17.73%	240,812,592.42	27.31%
Non-current assets						
Other non-current financial assets	19,998,000.00	2.82%	19,998,000.00	2.75%	19,998,000.00	2.27%
Investment property	375,038,628.99	52.89%	-	0.00%	-	0.00%
Property, plant and equipment-Net	163,775,784.14	23.10%	570,534,565.86	78.51%	600,799,384.35	68.13%
Right of use assets	1,294,337.42	0.18%	2,448,928.45	0.34%	-	0.00%
Bank fixed deposits pledged as collateral	-	0.00%	-	0.00%	14,287,313.58	1.62%
Intangible assets	423,971.16	0.06%	858,734.53	0.12%	2,098,919.82	0.24%
Other non-current assets	4,200,193.11	0.59%	4,024,585.13	0.55%	3,795,214.41	0.43%
Total non-current assets	564,730,914.82	79.64%	597,864,813.97	82.27%	640,978,832.16	72.69%
Total assets	709,117,091.30	100.00%	726,734,474.40	100.00%	881,791,424.58	100.00%

**Statement of financial position as of December 31**

	2021		2020		2019	
	Baht	%	Baht	%	Baht	%
Liabilities and shareholders' equity						
Current Liabilities						
Short-term loan from institutions	147,465,646.93	20.80%	140,000,000.00	19.26%	164,279,682.60	18.63%
Trade and other payables	709,117,091.30	100.00%	726,734,474.40	100.00%	131,594,158.67	14.92%
Current portion - Leasing	548,041.44	0.08%	780,393.39	0.11%	351,882.12	0.04%
Current portion - Long-term loan	39,000,000.00	5.50%	40,000,000.00	5.50%	48,000,000.00	5.44%
Loan from other person	58,000,000.00	8.18%	48,000,000.00	6.60%	57,000,000.00	6.46%
Provision warrantees	10,066,148.93	1.42%	9,749,661.34	1.34%	11,149,087.11	1.26%
Other current liabilities	2,110,741.57	0.30%	1,521,102.36	0.21%	6,392,113.89	0.72%
Total current liabilities	709,117,091.30	100.00%	726,734,474.40	100.00%	418,766,924.39	47.49%
Non-current liabilities						
Lease liabilities	370,945.83	0.05%	1,276,743.44	0.18%	1,130,154.63	0.13%
Other non-current liabilities	186,915.89	0.03%	186,915.89	0.03%	-	0.00%
Employee benefit obligation	38,095,056.19	5.37%	40,171,429.77	5.53%	37,686,427.44	4.27%
Total liabilities	709,117,091.30	100.00%	726,734,474.40	100.00%	457,583,506.46	51.89%
Shareholders' equity						
Authorized share capital	543,750,000.00	76.68%	543,750,000.00	74.82%	543,750,000.00	61.66%
Unpaid capital	(84,976,278.00)	-11.98%	(84,976,278.00)	-11.69%	(84,976,278.00)	-9.64%
Premium on ordinary share	1.59	0.00%	1.59	0.00%	41,266,007.59	4.68%
Retained earnings						
Unappropriated retained earnings - beginning of period	(87,113,575.69)	-12.28%	(33,264,146.40)	-4.58%	(15,357,996.00)	-1.74%
The impact of the change in accounting policy	(138,139.93)	-0.02%	(138,139.93)	-0.02%	-	0.00%
Legal reserve	-	0.00%	-	0.00%	-	0.00%
Dividend	-	0.00%	-	0.00%	-	0.00%
Other comprehensive income	(1,977,271.99)	-0.28%	(1,301,659.07)	-0.18%	(1,301,659.07)	-0.15%
Profit(loss)	(41,022,281.21)	-5.78%	(53,849,429.29)	-7.41%	(59,172,156.40)	-6.71%
Total retained earnings	(130,251,268.82)	-18.37%	(88,553,374.69)	-12.19%	(75,831,811.47)	-8.60%
Total shareholders' equity	328,522,454.77	46.33%	370,220,348.90	50.94%	424,207,918.12	48.11%
Total liabilities and shareholders' equity	709,117,091.30	100.00%	726,734,474.40	100.00%	881,791,424.58	100.00%

## Statement of comprehensive income

For the year ended 31 December

	2021		2020		2019	
	Baht	%	Baht	%	Baht	%
Revenue:-						
Revenue from sales	235,477,067.25	77.53%	248,714,622.10	79.89%	477,673,731.55	87.78%
Revenue from services	56,936,784.13	18.75%	50,536,812.30	16.23%	64,779,222.91	11.90%
Revenue from sales and services	292,413,851.38	96.27%	299,251,434.40	96.13%	542,452,954.46	99.68%
Other income	11,323,977.42	3.73%	12,053,090.00	3.87%	1,719,755.79	0.32%
Total revenue	303,737,828.80	100.00%	311,304,524.40	100.00%	544,172,710.25	100.00%
Expenditure:-						
Cost of goods sold	262,323,262.56	86.37%	281,537,846.30	90.44%	505,071,929.68	92.81%
Selling and distribution expenses	17,026,845.61	5.61%	16,726,256.53	5.37%	22,238,032.50	4.09%
Administrative expenses	54,616,672.54	17.98%	54,619,026.58	17.55%	63,257,752.45	11.62%
Finance cost	10,793,329.30	3.55%	12,270,824.28	3.94%	12,777,152.02	2.35%
Total cost of sales and expenses	344,760,110.01	113.51%	365,153,953.69	117.30%	603,344,866.65	110.87%
Profit (loss) before tax	-41,022,281.21	-13.51%	-53,849,429.29	-17.30%	(59,172,156.40)	-10.87%
Income tax expenses	-	0.00%	-	0.00%	-	0.00%
Profit (loss) after tax	-41,022,281.21	-13.51%	-53,849,429.29	-17.30%	-59,172,156.40	-10.87%
Other comprehensive income	-675,612.92	-0.22%	0	0.00%	-16,659,655.07	-3.06%
Actuarial Losses						
Total comprehensive income (loss)	-41,697,894.13	-13.73%	-53,849,429.29	-17.30%	-75,831,811.47	-13.94%
for the year						
Basic loss per share	(0.09)		(0.12)		(0.13)	

## 5. GENERAL INFORMATION AND OTHER IMPORTANT INFORMATION

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### 5.1 General Information

Share Registrar	Thailand Securities Depository Co., Ltd. 93 Ratchadapisek Road, Dindaeng district, Bangkok 10400 Tel. (66) 2009 9000 Fax. (66) 2009 9991
Auditor	SAM NAK-NGAN A.M.C Company Limited 19 <sup>th</sup> Floor, Unit 4, Silom Complex Building, 191 Silom Road, Bangrak, Bangkok 10500 Tel. (66) 2231 3980-7 Fax. (66) 2231 3988

5.2 Other Important Information -None-

5.3 Legal Dispute -None-

5.4 Secondary Market -None-

STAFF

SHAREHOLDERS

MARKETING

BUSINESS  
VALUES

MISSION

COMPLIANCE

ROLES

ETHICS

BOARD

COMPLIANCE

## SECTION 2 CORPORATE GOVERNANCE

## 6. CORPORATE GOVERNANCE POLICY

### 6.1 Overview on CG Policy and Guidelines

The Board of Director has given importance to run a business by the good corporate governance principles for listed companies of the Stock Exchange of Thailand and The Securities and Exchange Commission. The company had applied such principles as the Good Corporate Governance Policy and Code of Conducts to guidelines for the company's operation and distributed to the directors, the executives, all employees as the guidelines for the operation with virtuously, ethics and transparency to build confidence and bring maximum benefit to all group of stakeholders which will be the basis of business driving to develop towards stable and sustainable growth, and also been published on the company's website [www.tmc.co.th](http://www.tmc.co.th), and the details are as the following;

1. The company aims to reach the goals according to the vision and mission of the company in the environmentally and socially friendly manner together with the application of corporate governance for sustainable development.
2. The directors, the executives and all employees are committed to applying the good corporate governance principles and business ethics as the guidelines for the company's works and operations.
3. The directors, the executives and all employees will work with determination, responsibility, honesty, trustworthiness, transparency and respect to human rights and stakeholders' rights by following the laws, the company's rules and related announcements
4. The directors, the executives and all employees will fight against corruption and intellectual property infringement. After such problems are discovered and the investigations are finalized, the company will have clear and strict penalties.

#### 6.1.1 Policy and Guideline for the Board of Director

##### 1) Nomination of the directors and top management

With regard to the policy of nomination of the members of the Board of Directors and top management i.e. Chief Executive Officer or Managing Director, even though the Company does not have the Nomination and Remuneration Committee in place, but the nomination of the director and top management shall be made by the Board of Directors by taking into account the qualifications on knowledge, competency, experiences, vision and credibility and such candidate must not possess the qualifications prohibited by the laws. Especially on the part of directors give the shareholders the opportunity to nominate persons for consider being appointed as a director following company regulation. After that this matter shall be proposed to the shareholders' meeting for further consideration and appointment. Essence of criteria and methods specified by the Company can be summarized as follows:

1. The Company's Board of Directors must consist of at least 5 directors and not less than one half of total directors must reside in the Kingdom of Thailand.
2. The election of the directors shall be made at the shareholders' meeting pursuant to the following criteria and method:
  - (a) Each shareholder shall have a number of votes equal to the number of shares held.
  - (b) Each shareholder may exercise all the votes he/she has under (a) to elect one or several persons as director or directors, but the shareholder may not allot his/her votes to any person in any number.
  - (c) The election of the directors shall be based on the majority votes. In case of a tied vote, the Chairman is entitled to a casting vote.
3. During every annual general meeting, at least one-third of directors shall retire. If the number of directors is not a multiple of three, then the number of director closet to one-third shall retire. The directors who shall retire in the first and the second year after the registration of the Company

shall be selected by drawing lot, and for subsequently years, the longest serving directors shall be retired. A retired director may be re-appointed.

4. In case of vacancy of director's position due to reasons other than by retirement in due course, the Board of Directors may appoint a person who is qualified and does not possess any prohibited qualifications specified by the laws to be the director in the next Board of Directors' meeting. Except in a case where the remaining term of a director is less than 2 months, then the term of the newly appointed director shall expire at the same time as the director he/she substitutes. Resolution on election of the director to replace the vacant position must consist of not less than three-fourth of the total number of the remaining directors.
5. The shareholders' meeting may pass the resolution to dismiss any director from the position before retirement on due course with the majority votes of at least three-fourth of total number of shareholders presented and have the voting rights and the accumulated shares must not less than half of total shares held by the shareholders presented and have the voting rights

In the case of Independent Director, must possess the qualifications pursuant to the notifications of the Stock Exchange of Thailand and The Securities and Exchange Commission, the Capital Market Supervisory Board RE: Feature of Independent Director with details as follows

1. Holding shares not exceeding 1 percent of the total number of voting shares of the Company, its parent company, its subsidiary, its associated company or a controlling person of the Company, provided that, the shares held by the related person of such Independent Director shall also be counted for this purpose.
2. Not being or having been a director involved in the management, an employee, a consultant with a monthly wage or a controlling person of the Company, its parent company, its subsidiary, its associated company, a subsidiary in the same level, a major shareholder or a controlling person of the Company, except he/she has resigned from such position at least 2 years prior to the date submitting the approval request to the Office of the Securities and Exchange Commission (SEC), provided such prohibition shall not include the case where the independent Director was once a government official or the advisor of the government agency which is the major shareholder or the controlling person of the Company.
3. Not being related by blood or legal registration as a father, mother, spouse, sibling and child, including as a spouse of the child of an executive officer, a major shareholder, a controlling person or a person who will be nominated to become an executive officer or a controlling person of the Company or its subsidiary.
4. Not having or had a business relationship with the Company, its parent company, its subsidiary, its associated company, a major shareholder or a controlling person of the Company in the manner which may interfere the exercise of independent judgment, including not being or having been a major shareholder, or a controlling person of a person having a business relationship with the Company, its parent company, its subsidiary, its associated company, a major shareholder or a controlling person of the Company, except where such restriction had passed for not less than 2 years prior to the date submitting the approval request to the SEC.
5. Not being or having been an auditor of the Company, its parent company, its subsidiary, its associated company, a major shareholder or a controlling person of the Company, and not being a major shareholder, a controlling person or a partner of an audit office for which the auditor of

the Company, its parent company, its subsidiary, its associated company, a major shareholder or a controlling person of the Company work, except where such restriction had passed for not less than 2 years prior to the date submitting the approval request to the SEC.

6. Not being or having been a professional service provider, including a legal consultant or financial advisor who receives service fees exceeding Baht 2 million from the Company, its parent company, its subsidiary, its associated company, a major shareholder or a controlling person of the Company, and must not be a significant shareholder, a controlling person or a partner of such professional service provider, except where such restriction had passed for not less than 2 years prior to the date submitting the approval request to the SEC.
7. Not being a director appointed to represent the Company's Board of Directors, a major shareholder or a shareholder who is related to the Company's major shareholder.
8. Not being in a business of the same nature as, and of significant competition to that of the Company or its subsidiary or not being a significant partner of a partnership or not being a director who is involved with management tasks, a staff member, an employee, a consultant with a monthly wage or holds shares more than 1.0 percent of total shares with voting rights of another company which is engaged in a business of the same nature as and of significant competition to that of the Company or its subsidiary.
9. Not possessing any characteristics which prevent the giving of an independent opinion on operations of the Company.

Independent directors have a term of 3 years, which is rotated according to the terms of 1/3 of the total number of directors. Upon expiration of the term, the directors may be considered for further consideration and nominated to the Annual General Meeting of Shareholders for re-election as directors. In this regard, the independent directors can hold the position for not more than 3 consecutive terms or not more than 9 years from the date of holding the position. Unless there is a necessary and appropriate reason that is beneficial to the company, allowing the Board of Directors to consider the extension of the term of independent directors.

## 2) Remunerations for Directors and Executives

The remunerations for the independent directors and non-executive directors are the monthly payment and the meeting allowance per time (without other benefits) which must be in accordance with the average standard of the same industry. The remunerations must match the directors' duties and responsibilities. As for the executive directors, they do not receive the monthly payment and the meeting allowance per time. Instead, they gain the salary and the annual bonus which is largely based on the company's result of operation. The sum of the annual remunerations of the directors and the executives must not be unusually high compared to the average remunerations of registered companies in the Stock Exchange of Thailand. The main consideration will be on the shareholders' maximum benefit. Besides, the directors' remunerations must be approved during the annual general meeting.

3) Independence of the broad of directors and the management

The company clearly divides authority, functions, and responsibilities of the broad of directors and management. The broad of directors has authority and functions in determining the corporate objectives, goals, policies, and directions of the company business operation; supervising the operation of the management; and integrating principles of business responsibilities into the main objectives and goals for sustainable corporate value creation. On the other hand, the management performs duties in determining strategies, business plans, budgets, administrative structure; and controls the company's work management in accordance with the policies prescribed by the broad of directors; and reports work performance to the broad of directors. Therefore, the chairman of the broad of directors is not the same person as the chief executive officer and the managing director. The chairman of the broad of directors is not an executive committee member and does not involve with the company's work management.

4) The Development of Directors and Executives

The company has the policy to support the trainings for those who are related to the company's corporate governance system i.e. directors, audit committee, executives and company secretary etc. for continual improvement of operation and the documents and the plans are systematically prepared to enable the new directors to continue the work smoothly in case there is replacement in the Board

5) Orientation for the new director

The company conducted orientation for the new director who take new position under The Board of Directors for acknowledge all information such as The nature of business, policy, target, performance other rules that relate to his position of listed companies etc. Company Secretary have to provide document set, The Annual report and watch Webcast of the Company, including visit the actual work of the company for highly benefit to new comer.

6) The Self-evaluation of Directors

The Company has self-assess the performance of the Board of Directors and the Board of Directors for both group and individual, at least once a year, to collect the scores of the directors and sub-committees, and summarize the performance of the Board during the year to report to the Board of Directors on the performance and problems for further improvement. Moreover, the rules will be set to compare performance, and the results of the assessment shall be disclosed in the annual report.

Self-assessment of the Committee: The company secretary submits the self-assessment form of the committee for the broad of directors and the sub-committees to assess their own work performance. The committee self-assessment form is applied from the example form of Good Governance Development and alliance Department, Stock Exchange of Thailand (SET). The self-assessment form is sent to the broad of directors and the subcommittee to assess their work performance in individual and in groups in December. After the committee has assessed their work performance, they returned the forms to the company secretary for collecting the assessing results; concluding the analyzing results from assessing the work performance of the broad of directors and the subcommittee throughout the year; and reporting to the broad of directors for considering about the achievement of the corporate objectives. The evaluation criterias full scores are 4.00 and the details are as follow; 4.00 = very good, 3.00 - 3.99 = good, 2.00 - 2.99 = quite good, 1.00 - 1.99 = fair and lower 1.00 = should improve.

### 6.1.2 Policy and Guidelines Related to Shareholders and Stakeholders

The company realizes and respects the rights of ownership of its shareholders and has the policy to support and encourage all groups of shareholders to exercise their rights, including the basic rights of shareholders, the right to access information sufficiently and in time as well as the right to attend shareholders' meetings to determine the direction of operation and to decide on the matters which significantly affect the company. The Company has an equitable treatment policy for all shareholders, which include the shareholders who are the minority shareholders and the foreign shareholders, and disclosed policy and guidelines related to shareholders and stakeholders in Good Corporate Governance and Code of Conduct handbook as the details in Attachment 5 Corporate Governance policy and Code of conduct and shown at the company's website [www.tmc.co.th](http://www.tmc.co.th).

## 6.2 Code of Conduct

The code of conduct is business ethics or behavioral guidelines with awareness of moral, ethics, and honest in business operation; responsibilities for societies and all groups of the company's stakeholders; respect in dignity and equality of individual people and groups; and not destroying resources and environment. The company sets this good code of conduct or business ethics for the committee, administrators, and employees to be compliant, leading to the company's goals. In business operation, the awareness should be raised on environmental friendliness and societies in parallel to the corporate governance for the sustainable development.

The company manages for disseminating the policies of good corporate governance and code of conduct through the company website [www.tmc.co.th](http://www.tmc.co.th), and communicates to the employees through training and new employee orientation to continuously educate them about the policies of good corporate governance and code of conduct. Moreover, the manual of corporate governance and code of conduct is arranged and distributed to the committee, administrators, and employees to be guidelines in their work operation. In addition, the employees' annual self-assessment includes compliance to the code of conduct in order to use the performance results for improving and correcting weaknesses, and for making understanding about stability of the employees' business ethic which is the basis for driving the business to sustainable and stable development and growth, and there are various policies as follows;

1. Conflict of Interest Policy
2. Maintaining and Using the Corporate Assets Policy
3. Gift Value, Service Charge, and other expenses Policy
4. Company's Securities Trading and Inside Information Policy
5. Internal Controls and Audits systems, and Financial Reporting Policy
6. Responsibilities to Shareholders Policy
7. Customer Relations and Product Quality Policy
8. Suppliers and/or Creditors Policy
9. Treatment of Employees Policy
10. Treatment of Competitors Policy
11. Employee self practice and treating to other employee Policy
12. Social Responsibility and Community Policy
13. Political Assistance Policy
14. Charity Donation and Financial Support Policy

The details of the complete information on each code of conduct policy are shown in Attachment 5 Corporate Governance policy and Code of conduct, and the company's website [www.tmc.co.th](http://www.tmc.co.th).

The details of the complete information on each code of conduct policy are shown in Attachment 5 Corporate Governance policy and Code of conduct, and the company's website [www.tmc.co.th](http://www.tmc.co.th).

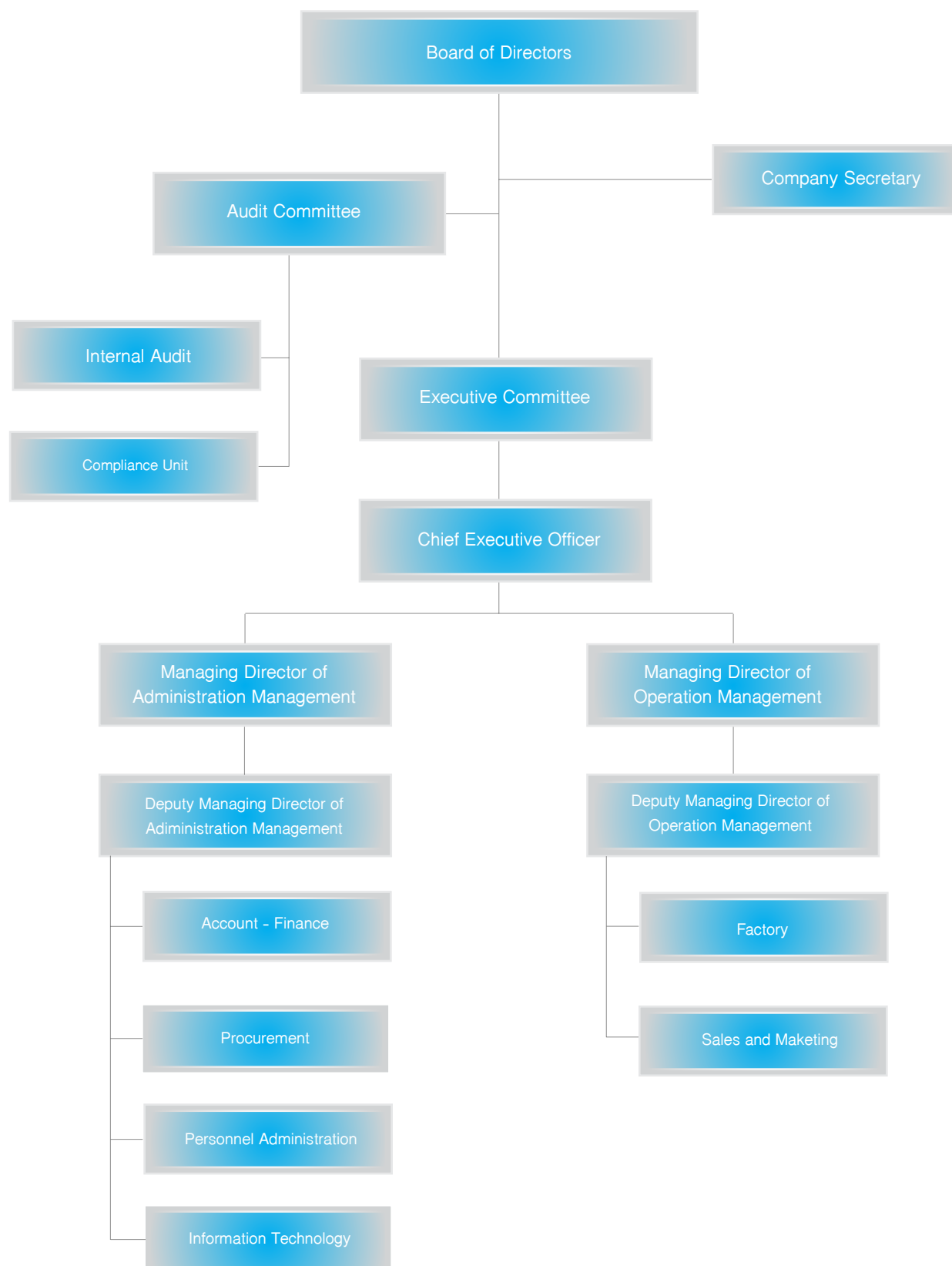
### 6.3 Changing and Milestone Development on CG Policy, Guideline and System in the past year

The Board of Director arranged to review the Good Corporate Governance Policy continuously at least once a year to increase efficiency good corporate governance in line with good corporate governance principle for listed company year 2017 of The Securities and Exchange Commission and suitable for the current operations of the business. In 2021, , the Board of Director Meeting No.3/2021 dated 10 August, 2021 had resolutions approved the revised “Good Corporate Governance and Code of Conduct Manual year 2021” and the details are as the following;

- 1) Approval to additional of scope of power and duties of the board of directors total 2 items;
  - 1.1 Supervise to arrange a policy and guidelines of anti-corruption, and communicate to all of level in the company and outsider for practice, and arrange a process of receiving complaints and clues.
  - 1.2 Focus and support the innovation that creates value for the business along with creating benefits for customers or people involved, and responsible to social and environment.
- 2) Approval to change the number of the board of directors and executive committee, due to death of director 1 person; Mr. Surachet Kamolmongkolsuk, Director/Executive Director and Chief Executive Officer.
- 3) Approval to update document “Approval authority revision year 2021” to be consistent with the management structure and company operation.

## 7. CORPORATE GOVERNANCE STRUCTURE AND KEY DATA ON THE BOARD OF DIRECTORS, SUB-COMMITTEE, MANAGEMENT EMPLOYEES AND OTHERS

### 7.1 Corporate Governance Structure as of 31 December 2021



## 7.2 Information about the Board

### 7.2.1 Composition of the Board of Directors

The Board of Directors as of December 31, 2021 consisted of 8 directors. All of them are knowledgeable and have experiences in the field of the Company's business. There were 4 executive directors, and 4 non-executive director (percentage ratio is 50 of all directors) and 3 of non-executive directors were independent directors (which were no less than one third of the whole Board and percentage ratio is 37.50) and were appointed to audit committee to counterbalance the voting on different matters and to review the management's administration for the company's maximum benefit. The Board of Directors were appoint the Company Secretary whose duty was to provide legal advice and other suggestions concerning related regulations that the directors needed to be aware of and also had to oversee the Board's activities and coordinate to implement the Board's decisions.

### 7.2.2 Information of the Board of Directors

As of December 31, 2021, the Board of Directors composed of 8 members are as follows:

Name		Position
1. Mr. Manu	Leopairote *	Chairman of the Board of Directors / Independent Director /
		Member of the Audit Committee
2. Mr. Arthit	Wuthikaro	Director / Independent Director / Chairman of the Audit Committee
3. Mr. Thaweemit	Kamolmongkolsuk *	Director / Chairman of the Executive Committee /
		Chief Executive Officer
4. Mrs. Tubtim	Kamolmongkolsuk	Director / Vice Chairman of the Executive Committee
5. Mr. Mitthong	Chulitawong	Director / Independent Director / Member of the Audit Committee
6. Mr. Panom	Ratanarat	Director
7. Ms. Pacharawalai	Kamolmongkolsuk	Director / Member of the Executive Committee
8. Ms. Pailin	Kamolmongkolsuk	Director / Member of the Executive Committee

Remarks: \* The Company has policy to separated the Chairman of the Board of Directors and the Chief Executive Committee to be different persons to prevent any person from having unlimited power, Mr. Manu Leopairote is the Chairman of the Board of Directors and Mr. Thaweemit Kamolmongkolsuk, is a Chief Executive Director. The Board of Directors is the person who determines the authority and select people to take up such position.

#### Authorized Signatories Director

The authorized signatories director are Mr. Thaweemit Kamolmongkolsuk or Mrs. Tubtim Kamolmongkolsuk sign together with Ms. Pacharawalai Kamolmongkolsuk or Ms. Pailin Kamolmongkolsuk with the Company's seal affixed.

### 7.2.3 Roles, Duties and Responsibilities of the Board

#### 7.2.3.1 Scope of power and duties of the Board of Directors

The Board of Directors has the powers, duties and responsibilities to manage the Company by realizing to roles and responsibilities as a leader who create for the sustainable business value. A summary of the substantial duties and responsibilities of the Board of Directors is set out below:

1. To perform duties pursuant to the applicable laws, the Company's objectives and Article of Association as well as the resolutions of the shareholders' meeting with honesty and prudence in the best interests of the Company and all stakeholders.
2. In charge of specifying the objectives and the main target of the business as well as integrating the business responsibility principles into the main objectives and goals to create a sustainable business value along with the business.
3. To establish vision, policy and operational directions of the Company including to supervise to ensure that the management team effectively and efficiently conducts operations in accordance with the specified policy and work plan to maximize economic values to the business and for maximum stability for its shareholders
4. The company had set the Good Corporate Governance Policy and Code of Conducts to guidelines for the operation of the directors, the executives and all employees, and follow up to ensure compliance with the said policy and reviewed its regularly.
5. To monitor the performance to ensure that they follow the policy and business operation, provided that, the indices to be used as the practical guidelines must be clearly specified, by taking into consideration the possibility and reasonableness, and such policy including its compliance must be reviewed continually.
6. To carefully consider the conflict of interest and the transaction which may cause a conflict of interest by specifying the clear guidelines and they must be for the benefits of the Company and the overall shareholders. The interested person shall not take part in making decision for such transactions. To supervise the transaction which may have a conflict of interest to ensure that it is correctly, completely and transparently.
7. To authorize and specify the approval level on the conduct of any transaction and activity related to the Company's business to the group of persons or a person as appropriated and pursuant to the relevant laws, by preparing as the authority manual and such manual must be reviewed at least once a year.
8. Manage the accounting system to arrange reliable finance and audit reports, and disclose important information with accuracy, sufficiently, and in time in accordance to related rules, regulations, standards, and guidelines; and to supervise sufficiency of financial liquidity and ability to repay debts when the business is in suffering financial situations or likely facing problems. The committee should ensure that the business has plans or other mechanisms for solving financial problems under consideration on the stakeholders' rights.
9. Manage the control system to supervise the practice in the company and control compliance to rules, regulations, and policies with effects on the company's work performance. Accordingly, Internal Audit Unit and Compliance Unit are established to ensure that the company is operated in an effective way. Monitoring and evaluating activities are regularly arranged by independent work units and the reports are submitted directly to the audit committee.

10. 10.Set the policies in risk management by determining and assessing risks in coverage of the whole organization. Set the preventive and risk managing measures to avoid negative effects on the company. The management is assigned for the implementation and report to the auditor committee monthly and to the broad of directors quarterly in order to regularly monitoring and evaluating effectiveness of the risk management. In addition, the broad of directors arrange for considering sufficiently of the internal control system and risk management system at least once and year and disclosing the annual reports.
11. Supervise for the arrangement of clear policies and guidelines in anti-corruption, and communicate to every level of the organization and to outsiders, leading to real practice. Set the process for receiving complaints and taking actions in whistle-blowing cases
12. Give importance and support on innovation creation for value creation for business together with benefits for customers and related people with responsibilities for societies and environment.
13. To appoint the subcommittee or any person to oversee, monitor and control the essential management work of the Company under the supervision of the Board of Directors and to assess the performance and fix the remuneration of such subcommittee or person, or to assign authority to such subcommittee or person as the Board deems appropriated and within the specified time as the Board of Directors may think fit and the Board of Directors may revoke, cancel, change or modify such authority.

For this purpose, the delegation of authority to the subcommittee or person as mentioned above shall not include the delegation of authority which entitled such subcommittee or person to consider and approve the transaction that such person or the person who may have a conflict, interest or may have a conflict of interest in any other manner with the Company or the subsidiaries. In addition, the approval from the shareholders' meeting is required for conducting any connected transaction or acquisition or disposal of the material assets of the Company so as to be compliance with the regulations of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand. In the event when any director or the potential interest person (pursuant to the notification of the Office of Securities and Exchange Commission and/or the Stock Exchange of Thailand) has interest or conflict of interest, such director or the potential interest person is not entitled to vote or authorize to approve such transaction. Moreover, the Board of Directors may authorize such subcommittee or person as mentioned above to undertake the transaction concerning the operation and the investment under normal course of business of the Company, provided that, the scope of work and amount of money in each level must be clearly defined. No authorization is granted without limiting any monetary amount.

#### **7.2.3.2 Roles and duties of the Chairman of the Board of Director**

- 1) Take responsibility as the leader of the board of director in supervising, instructing, monitoring, and supporting the operation of the management and other subcommittee in order to pursue the determined objectives, policy, and strategy.
- 2) Support and encourage the board of director in working tirelessly according to the scope of their responsibility and good business governance.
- 3) Being a person who calls for board of director meeting and acts as a chairman of the meeting. If the request for meeting is proposed by more than 2 directors, the chairman will define the meeting date within 14 days from the request issued date.
- 4) Being a person who holds the adjudge vote for the tie vote in case there's a vote occurs in the board of director meeting.

- 5) Being a person who calls for the shareholders meeting and acts as a chairman of the meeting. Participate in defining the meeting agenda with managing director.
- 6) Efficiently take responsibility in controlling and conducting the board of director meeting and shareholders meetings to follow the company's regulations. Support and give chance for the director or shareholders to independently share their opinions.

#### **7.2.3.3 Roles and duties of the Chief Executive Officer**

- 1) Authorized by the company in managing the business in accordance with the objectives, regulations, policy, rules, command, the agreement from shareholder's meeting and/or the agreement from the committee and executives meeting.
- 2) Manage business governance; define strategic plan, and daily administration, as well as command and governing overall operations for the utmost administrative benefits.
- 3) Prepare and present business policy, plan, objectives, operation plan, strategy, funding, business yearly budget, yearly report, and defined administrative power to be proposed to the executives, audit committee, and company committee.
- 4) Constantly follow up and assess the company performance. Report the performance and progression to the executives, audit committee, and company committee.
- 5) Hold the power to direct, contact, command, as well as sign in any contract, letter of command, and announcement as stated in the authorization manual.
- 6) Consider in making contract about normal business operation, new business investment, or business close down according to the authorization manual.
- 7) Consider the company profit and loss. Propose interim or yearly dividend payment to the executive for the approval.
- 8) Consider in approving the payment for normal operational expenditure as stated in the approved authorization regulations.
- 9) Define organizational structure, management method which covers the information in recruiting, training, employing, and laying off. Determine wage, salary, compensation, bonus, and other welfares for the employees.
- 10) Scope the duty, appoint, translocate, cut down or reduce wage, relieve, consider meritorious acts, disciplinary punishment, reward the employees from manager downwards.
- 11) Appoint and manage working groups for good and transparent benefits and efficiency. The power of a right of subrogation and /or assign the third party will act for the company for the specific operation. The subrogation rights and/or that kind of assignment must be conducted under its extent according to the power of attorney and/or assignment regulation and the approved command from the committee.
- 12) The power to command the rules, announcement, note for the operation to follow the company's policy and benefits and to maintain the organizational rules and discipline. Duty and responsibility assignment of the committee will neither be the assignment nor the subrogation which authorizes the chief executive officer/managing director or the committee's attorney to approve the record of conflict (according to the definition of all concerned sectors), the record of interests, or the conflict of interests with subsidiaries, except only it's the regular approval with clear extent.
- 13) Conduct any process as being assigned from the board of executive directors and/or the company board of directors.

### 7.3 Information about Sub-committees

As of December 31, 2021, sub-committee of the company comprised of 2 groups as follows:

#### 1. The Audit Committee

The Audit Committee consisted of 3 members as follows:

Name		Position
1. Mr. Arthit	Wuthikaro	Chairman of the Audit Committee
2. Mr. Manu	Leopairote	Member of the Audit Committee
3. Mr. Mitthong	Chulitawong	Member of the Audit Committee

- Mr. Paiboon Rattanasetchai is a Secretary of the Audit Committee

Audit Committee has the complete composition and qualifications in line with the guidelines set forth by the SEC and the SET, consisting of three independent non-executive directors, and at least one director must be a member of the Audit Committee. The audit committee is responsible for reviewing the reliability of the financial statements. The audit committee has a term of 3 years. However, the committee that retires by rotation according to the company's regulations may be reappointed. And in case that the position of the Audit Committee becomes vacant for any other reason. In case the expiration of the term, the Board of Directors has appointed a fully qualified person as a replacement audit committee. So the audit committee has the total amount as specified by the board of directors. The newly appointed audit committee will be in the position for the remaining term of the replacement audit committee only.

Audit Committee arranges the meeting for at least once a quarter, with a clearly defined agenda in advance. The meeting documents should be sent to the Audit Committee and the attendees in advance, so that the Audit Committee has time to consider matters or ask for additional information. The agenda covers the topics as assigned by the Board of Directors

The audit committee were Mr. Arthit Wuthikaro hold a position of the Chairman of the Audit Committee, Mr. Manu Leopairote and Mr. Mitthong Chulitawong hold a position of member of the Audit Committee. Mr Mitthong Chulitawong was equipped with enough accounting knowledge and experience to conduct a review of the reliability of the company's financial statements.

#### Scope of duties and responsibilities of the Audit Committee

1. To verify that the Company has accurate financial reports and adequate disclosure of information by coordinating with the external auditor and the executives in charge of preparation of the quarterly and annual financial reports before proposal to the Board of Directors.
2. To verify that the Company has proper and effective internal control and internal audit system, to verify the independences of internal audit department, and to approve the appointment, removal and dismissal of the head of the internal audit department or any other department in charge of internal audit.
3. To verify that the Company conforms with laws regarding securities and securities exchange, regulations of the Stock Exchange of Thailand, as well as other laws, rules, regulations and requirements relevant to the business of the Company.

4. To consider, select, propose the appointment of an independent person to perform as the auditor of the Company, to propose remuneration for the auditor to the Board of Directors for further appointment by the general shareholders' meeting, to coordinate with the auditor for the audit purpose, scope, guideline, work plan, problems found during the audit and other important issues, and to attend meeting with the auditor without management attendance at least once a year.
5. To ensure complete and correct disclosure of information concerning the connected transaction or the transactions that may involve conflict of interest in accordance with the laws and regulations of the Stock Exchange of Thailand, as well as to disclose complete and correct information of such transactions to ensure that they are reasonable and are in the best interest of the Company.
6. To verify that the Company's risk management system is appropriate and efficient.
7. To prepare the Audit Committee's report for disclosure in the annual report, and such report shall be signed by the Chairman of the Audit Committee and it must at least contain the followings:
  - Opinion on correctness, completeness and reliability of the financial reports of the Company;
  - Opinion on adequacy of the internal control system;
  - Opinion on compliance with the laws regarding securities and securities exchange, regulations of the SET, or the laws relevant to the business of the Company;
  - Opinion on appropriateness and remuneration of the auditor;
  - Opinion on transactions that might have conflict of interest;
  - Number of the Audit Committee meetings and attendance of each member;
  - Opinions or observations in overall from the Audit Committee's performance of duty in compliance with the Charter; and
  - Other issues that should be made known to and acknowledged by the shareholders and investors within the scope of duties and responsibilities assigned by the Board of Directors.
8. To perform other duties within the scope of its responsibilities as assigned by the Board of Directors and to report directly to the Board of Directors. In the performance of such duties, the Audit Committee must have direct accountability to the Board of Directors and the Board of Directors must have accountability regarding the Company's business operation to external parties.
9. If the Audit Committee finds or suspects that any transaction or action may have material impact on the financial position or operation of the Company, e.g. transaction that causes conflict of interest, fraud or unusual transaction or material deficiency in the Company's internal control system, violation or infringement of laws regarding securities and securities exchange, etc. the Audit Committee shall report to the Board of Directors for rectification and improvement in a timely manner as considered appropriate by the Audit Committee. In case the Board of Directors or the Management fails to rectify or improve such issue or incident in a timely manner as considered appropriate by the Audit Committee, any member of the Audit Committee may report such issue or incident to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

## 2. The Executive Committee

As of December 31, 2021, the Executive Committee consists of 4 members as follows:

Name		Position
1. Mr. Thaweemit	Kamolmongkolsuk	Chairman of the Executive Committee
2. Mrs. Tubtim	Kamolmongkolsuk	Vice Chairman of the Executive Committee
3. Ms. Pacharawalai	Kamolmongkolsuk	Executive Director
4. Ms. Pailin	Kamolmongkolsuk	Executive Director

#### **Scope of duties and responsibilities of the Executive Committee**

1. To supervise the management of the Company to ensure the compliance with the policies specified by the Board of Directors and to report the operational results to the Board of Directors.
2. To specify strategy and business plan, budget, as well as management structure, so as to comply with the policies and targets set by the Board of Directors, and to present them to the Board for consideration.
3. To authorize and specify approval level of each person as appropriated and to segregate the duties which might be favorable for corruption and present to the Board of Directors for approval as well as to supervise the adherence of the approved principles and requirements.
4. To consider the organizational structure, to authorize management power, salary structure of the Company as well as to have power to define scope of duty, assign, appoint, transfer, cut or reduce wage, dismiss, terminate employment, consider benefits, impose disciplinary penalty, reward to Deputy Managing Director and lower. These powers may be assigned to the Managing Director or the authorized person assigned by the Managing Director, to act on the Company's behalf for signing in the employment contract.
5. To consider and approve the financial transaction with the bank/financial institutes for supporting the normal business operation, such as opening bank account, providing loan, borrowing money, procurement of credit, pledge, mortgage, guarantee and etc., including purchase and sale and register for any land ownership for normal business operation pursuant to the approval power and order approved by the Board of Directors.
6. To consider and approve the investment and define the investment budget pursuant to the power specified in the manual.
7. To consider the new business operation or business discontinuation to propose to the Board of Director for further approval.
8. To consider other matters assigned by the Board of Directors. However, the delegation of authority as mentioned above shall not be in the manner of delegation of authority or sub-authority which entitled the Executive Committee or the authorized person of the Executive Committee to approve the transaction that the Executive Committee Director or the person who might have conflict of interest, interest or any other benefits as per specified by the SEC with the Company or its subsidiary, except it is the approval of transaction under the criteria approved by the Board of Directors.

However, the approval of such transaction with conflict of interest must be performed pursuant to the notification of the SET, the Capital Market Supervisory Board and/or the Office of the SEC Re: Criteria, method and disclosure of the connected transactions of the listed companies. In addition, the Executive Committee may be appointed or removed by the Board of Directors' meeting or the shareholder's meeting.

#### **7.4 The Management**

As of December 31, 2021, The Company's Management was consists of 6 members as follows:

Name		Position
1. Mr. Thaweemit	Kamolmongkolsuk *	Vice Chairman of the Executive Committee
2. Mrs. Tuftim	Kamolmongkolsuk **	Vice Chairman of the Executive Committee
3. Ms. Pacharawalai	Kamolmongkolsuk	Managing Director of Administration Management
4. Ms. Pailin	Kamolmongkolsuk	Managing Director of Operation management
5. Mr. Yotsakorn	Bomlai	Deputy Managing Director of Operation management
6. Mr. Naphatra	Chatvichian	Deputy Managing Director of Administration Management
Mr. Surachet	Kamolmongkolsuk *	Chief Executive Officer

Remarks : \* Mr. Thaweemit Kamolmongkolsuk was appointed to the position Chief Executive Officer since August 11, 2021 according to the resolution of the board of directors meeting No.3/2021 on August 10, 2021 to substitute Mr. Surachet Kamolmongkolsuk who died on July 7, 2021.

\*\* although Mrs. Tubtim is the Vice Chairman of the Executive Committee but she manage business in the company everyday likes the management and has the monthly salary, therefore the financial advisor regarded her as the Company's management.

The information and details of management as shown in Attachment 1 (details of Directors, Executives, Controlled Person of the Company, Chief Financial Officer, Chief Accountant and Company Secretary) and the company's website [www.tmc.co.th](http://www.tmc.co.th)

#### 7.4.2 Remuneration of the Management

In 2021, the Management of the company has 6 persons. The company has paid remuneration to the company's management in the total amount Baht 12,732,783.53. This compensation consist of salary Baht 11,961,087.00 and other compensation is contributions to the provident fund Baht 160,770.00.

### 7.5 Employees

As of December 31, 2021, the total of employees (exclude management team) are as follows:

Department	Number of Employees (person)
Administration	2
Factory	5
Production	102
Engineering	20
Maintenance	9
Planning and Logistic	21
Preventive Maintenance and Service	17
Quality Control and Quality Management System	5
Sales & Marketing	20
Account & Finance	9
Procurement	7
Personnel Administration	16
Information Technology	2
Internal Audit	1
<b>รวม</b>	<b>236</b>

#### Total employees remuneration (exclude management team)

In 2021, the total employees remuneration is 99.80 Million Baht, employee remuneration i.e. salary, wage, overtime, cost of living, special allowance, contribution to the social security fund and provident fund etc.

## 7.6 Other Important Information

### 7.6.1 Chief Accountant, Company Secretary, Head of Internal Audit and Head of Compliance Unit

#### 1. Chief Accountant

Mr. Naphatra Chatvichian, Deputy Management Director of Administration Management / CFO, is the person assigned to be responsible in the supervision of accounting and company's financial to be effective in accordance with accounting standards and company regulations. The details of Mr. Naphatra Chatvichian as shown in Attachment 1 (Details of the Directors, Executives, Controlled Person of the Company, Chief Financial Officer, Chief Accountant and Company Secretary) and company's website [www.tmc.co.th](http://www.tmc.co.th).

#### 2. Company Secretary

The Board of Directors meeting No.2/2016 on May 14, 2016 resolved to appoint Mr. Naphatra Chatvichian the Company Secretary whose duty was to provide legal advice and other suggestions concerning related regulations according to the Securities and Exchange Act that the directors needed to be aware of. The secretary also had to oversee the Board's activities and coordinate to implement the Board's decisions. The details of the Company Secretary as shown in Attachment 1 (Details of the Directors, Executives, Controlled Person of the Company, Chief Financial Officer, Chief Accountant and Company Secretary) and company's website [www.tmc.co.th](http://www.tmc.co.th).

#### 3. Head of Internal Audit

The company hired the outsource called Professional Internal Audit Service Co., Ltd., an experienced and good proficient internal audit company, to work with the head of company's internal audit is Mr. Paiboon Rattanasetchai, to examine and take care of the internal control system and to check important items regularly to make sure that the company had an efficient internal audit system which would enhance the reliability of the financial statements. The details of Head of Internal Audit as shown in Attachment 3 (Details on the Head of Internal Audit and Head of Compliance Unit of the company) and company's website [www.tmc.co.th](http://www.tmc.co.th).

#### 4. Head of Compliance Unit

The Company appointed Mr. Paiboon Rattanasetchai responsible to Head of Compliance Unit to ensure that the company complies with related regulations, disciplines and laws, both internal and external ones, accurately and efficiently. The regular monitoring and assessment was also arranged. The compliance unit was independent and would directly report the result of operation to the Audit Committee. The details of Head of Compliance Unit as shown in Attachment 3 (Details on the Head of Internal Audit and Head of Compliance Unit of the company) and company's website [www.tmc.co.th](http://www.tmc.co.th).

### 7.6.2 Head of Investor Relations

In terms of investor relations, the company assigns the person who will act as the center for the disclosure of important information to the investors and related parties in order to facilitate the stakeholders' access to information through various channels. The contact person is:

**Mr. Naphatra Chatvichian**

DMD of Administration Management / CFO and Company Secretary

Telephone : 038-271933 Ext. 411

Fax : 038-271931

Email : [naphatra@tmc.co.th](mailto:naphatra@tmc.co.th)

Moreover, the company also sends out information through the news alert system to the investors and people who are interested via the e-mail. Also, it is possible to leave questions in the system by subscribing and logging in to the IR Services under the topic “Info Request” in the company’s website [www.tmc.co.th](http://www.tmc.co.th).

### 7.6.3 Audit Fee

The 2021 Annual General Meeting of Shareholders has a resolution to approved the appointment of Mr. Amphol Jamnongwat Certified Public Accountant No.4663, or Miss Prapasri Leelasupa Certified Public Accountant No.4664, or Mr. Narit Saowalaksakul Certified Public Accountant No.5369 or other auditors of the SAM NAK-NGAN A.M.C Company Limited to become auditors of the company in 2021.

#### Audit fee

The company paid the Audit fee in 2021 was Baht 1,130,000. This fee included audit fee and total accounting review.

#### Non-audit fee

In 2021, the Company paid for auditor allowance and transportation expense were Baht 33,757.00.

## 8. CORPORATE GOVERNANCE IMPORTANT PERFORMANCE REPROT

The company has participated in the Corporate Governance Report of Thai Listed Companies, prepared by the Stock Exchange of Thailand in associated with the Thai Institute of Directors Association. The 2021 score results was 82%, level very good



### 8.1 Summary of the Board of Director's Performance in the past year

Summary of the Board of Director's Performance in 2021 are as follows;

1. The company organizes the Board of Directors' meetings regularly at least once every 3 months. In 2021, there were 4 meetings of the Board of Directors. The meeting schedules of the whole year are fixed in advance so that the directors can properly allocate time to join the meetings. In the Board of Directors's meeting, the chairman of the board give an opportunity to director for comment and suggestions to review of the company's operations independently, and while the board of directors vote in the meeting the quorum of the directors no less than 2 out of 3 of its members in every meeting.
2. The broad of directors and the sub-committee are the audit committee and the executive committee to perform duties with full attempt for supervising business operation under the economic crises from the COVID-19 pandemic by setting policies and business strategies to solve the problems from such crises. In addition, they supervise, control, review, and support the management to operate work according to the set policies and plans in an efficient and effective way.
3. Considered and approved to review good corporate governance policy and code of conduct annually to be current, appropriate and in line with business conditions. The Board of Directors meeting No.3/2021 on August 10, 2021 has approved good corporate governance policy and code of conduct year 2021 and make a manual to give that the directors, the executives and all employees could apply it as the guidelines for the operation.
4. Considered and approved to hired internal audit company from outside, that has experience and expertise in good audits to work together with the company's internal audit unit to examine and take care of the internal control system and check important items regularly to make sure that the company had an efficient internal audit system which would enhance the reliability of the financial statements. Afterwards, the Audit Committee would double-check the efficiency of the internal audit system as well which cover operation, compliance control, risk management and attention to unuaual item by the audit committee will report directly to the board of director to know and consider further action.
5. The Board of Directors arranges for risk management by establishing and assessing. The Company's risks Defining and managing risks that may affect the company's operations by assigning management to be the operator and report to the Audit Committee by monthly and the Board of Directors by quarter, in order to follow up and evaluate of effectiveness regularly. The Board of Directors arranges for organize a hearing on the sufficiency of internal control system and risk management of the company at least once a year. The details are revealed in the annual report.

#### 8.1.1 Nomination, Development and Performance Assessment of the Board

**Nomination** : In 2021, the company has appointed the top executive, Mr. Thaweemit Kamolmongkolsuk, to replace the vacancy of the chairperson of the chief executive officer (due to the death of the ex-chairperson, Mr. Surachet Kamolmongkolsuk, on 7th July 2021). Accordingly, the broad of directors considered the selection by using the criteria on knowledge, skills, experience, visions, and reliability as well as complete qualification without legal incompatibility. The consideration was approved in the broad of directors meeting No. 3/2564 on 10th August 2021.

Development : The company has the policy to support the trainings for those who are related to the company's corporate governance system i.e. the directors, the audit committee, the executives and the company secretary for continual improvement of operation. In 2021, the company encouraged participation in trainings and the seminars organized by the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, the Thai Institute of Directors Association (IOD) and other agencies as follows:

- "Provide capital market mechanisms to support handicapped for create jobs and build careers" on July 21, 2021, online training, organized by the Securities and Exchange Commission (*Mr. Naphatra Chatvichian CFO / Company Secretary*)
- "Sustainability Reporting by Industrial Group : Industrial Group Products" on August 17-18, 2021, online training, organized by Sustainable Capital Market Development, the Stock Exchange of Thailand (*the Executive and Company's Sustainable Management Team*)
- "Inventories and Interesting Accounting Issues" on August 31, 2021, online training, organized by Accounting Coach (*Mr. Naphatra Chatvichian CFO / Company Secretary*)
- "Know the Business by Financial Analysis" on August 31, 2021, online training, organized by Accounting Coach (Thailand) Company Limited (*นายณภัทร ฉัตรวิเชียร CFO/เลขานุการบริษัท*)
- "The Trend of doing M&A Key Points to consider and strategies for a successful M&A" on September 29, 2021, online training, organized by the Stock Exchange of Thailand (*Mr. Naphatra Chatvichian CFO / Company Secretary*)
- "Business and Human Rights, and Guideline for Filling out Human Rights information in the 56-1 One Report" on November 23, 2021, online training, organized by the Securities and Exchange Commission (*Company Secretary Section*)
- "CGR Workshop 2/2021" on November 30, 2021, online training, organized by the Thai Institute of Directors Association (IOD) (*Company Secretary Section*)

The Self-evaluation of Directors : In 2021, the company evaluated the self-assessment of the Board of Directors and Audit Committee by group and individual, and the assessment of the Chief Executive Officer's result of operation (by the directors) The results of the assessment in 2021 are as follows:

1. the self-assessment of the directors :  
By group = 3.97 (good), by individual = between 3.73 - 4.00 (good - very good)
2. the self-assessment of the audit committee  
By group = 3.92 (good), by individual = between 3.82 - 4.00 (good - very good)
3. the assessment of the CEO's result
  - 3.1 Mr. Surachet Kamolmongkolsuk (hold a position during Jan. - Jul. 2021) = 3.89 (good)
  - 3.2 Mr. Thaweemit Kamolmongkolsuk (hold a position during Aug. - Dec. 2021) = 3.85 (good)

The details of Nomination, Development and Self-evaluation of Directors are shown in "6.1.1 Policy and Guideline for the Board of Director"

### 8.1.2 Meeting Attendance and Remuneration for Individual Directors

#### Meeting Attendance

The company organizes the Board of Directors' meetings regularly at least once every 3 months. The meeting schedules of the whole year are fixed in advance so that the directors can properly allocate time to join the meetings or may have a special meeting additional as needed. The agenda together with other documents will be sent to every director at least 7 days in advance so that the directors have sufficient time to consider and study the information. The Chairman of the Board encourages every director to attend every meeting or no less than 75% of all meetings of the Board of Directors in a year. It is specified that the minimum number of quorums required by the Board of Directors at the Board of Directors' meeting shall be at least 2/3 of the total number of directors. Moreover, the report of operation is sent to the directors on the months without meeting so that the directors can control and supervise the management's operation continually and in time. The company secretary is in charge of supervising the activities during each meeting of the Board of Directors and preparing the minute which must be kept properly and exclusively for easy examination.

In 2021, The company arranged a meeting of the Board of Directors total 4 times, the total of directors 8 persons were attended the board of directors' meeting 100% 7 persons, 75% 1 person, and arranged the Annual General Meeting of Shareholders 1 time, the total of directors 8 persons were attended the board of directors' meeting 100%, the details are as follows;

Name		Position	Board of Director Meeting (total 4 times)	Annual General Meeting of Shareholders (total 1 time)
1. Mr. Manu	Leopairote	Chairman of the Board of Directors / Independent Director / Member of the Audit Committee	4/4	1/1
2. Mr. Arthit	Wuthikaro	Director / Independent Director / Chairman of the Audit Committee	4/4	1/1
3. Mr. Thaweemit	Kamolmongkolsuk	Director / Chairman of the Executive Committee	4/4	1/1
4. Mrs. Tubtim	Kamolmongkolsuk	Director / Vice Chairman of the Executive Committee	4/4	1/1
5. Mr. Mitthong	Chulitawong *	Director / Independent Director / Member of the Audit Committee	3/4	1/1
6. Mr. Panom	Ratanarat	Director	4/4	1/1
7. Ms. Pacharawalai	Kamolmongkolsuk	Director / Executive Director	4/4	1/1
8. Ms. Pailin	Kamolmongkolsuk	Director / Executive Director	4/4	1/1

Remark : \* Mr. Mitthong Chulitawong did not attend the meeting due to have a mission

#### Remuneration for Individual Directors

The Company has the policy to pay remuneration to the director as the monthly salary and meeting allowance as follows:

Position	Monthly Remuneration	Meeting Allowance/Time
Chairman of the Board of Directors	Baht 50,000	Baht 5,000
Director	Baht 30,000	Baht 5,000
Chairman of the Audit Committee	Baht 40,000	Baht 5,000
Member of the Audit Committee	Baht 30,000	Baht 5,000

#### Remarks :

- The Director remuneration in 2021 was specified to be not exceeding Baht 3,000,000 (Three million Baht only).
- The directors who are the Management and the Executive Director are not entitled to the director remuneration.

From the resolution of the AGM 2021 on April 24, 2021, in the name of the company's Chairman of the Board of Director and the Chairman of the Audit Committee, proposed to decrease 25% of monthly compensation to the shareholder's meeting. According to the company's on-going loss and COVID-19 crisis, the agreement is the same every year (only monthly compensation, excluding meeting attendance fee).

In 2021, total director's remuneration as monthly salary and meeting allowance (no other compensation) amounting to Baht 1,425,000, Baht as follows:

#### Monthly Remuneration

Name		Position	Monthly Remuneration (Baht)		
			2019	2020	2021
1. Mr. Manu	Leopairote	Chairman of the Board of Directors / Independent Director / Member of the Audit Committee	450,000	450,000	450,000
2. Mr. Thaweemit	Kamolmongkolsuk	Director / Chief Executive Officer	-	-	-
3. Mrs. Tubtim	Kamolmongkolsuk	Director	-	-	-
4. Ms. Pacharawalai	Kamolmongkolsuk	Director / Managing Director of Administration Management	-	-	-
5. Ms. Pailin	Kamolmongkolsuk	Director / Managing Director of Operation Management	-	-	-
6. Mr. Arthit	Wuthikaro	Director / Independent Director / Chairman of the Audit committee	360,000	360,000	360,000
7. Mr. Mitthong	Chulitawong	Director / Independent Director / Member of the Audit committee	270,000	270,000	270,000
8. Mr. Panom	Ratanarat	Director	270,000	270,000	270,000
Total			1,350,000	1,350,000	1,350,000

### Meeting Allowance

Name	Position	Meeting Allowance (Baht)		
		2019	2020	2021
1. Mr. Manu Leopairote	Chairman of the Board of Directors / Independent Director / Member of the Audit Committee	20,000	20,000	20,000
2. Mr. Thaweemit Kamolmongkolsuk	Director / Chief Executive Officer	-	-	-
3. Mrs. Tubtim Kamolmongkolsuk	Director	-	-	-
4. Ms. Pacharawalai Kamolmongkolsuk	Director / Managing Director of Administration Management	-	-	-
5. Ms. Pailin Kamolmongkolsuk	Director / Managing Director of Operation Management	-	-	-
6. Mr. Arthit Wuthikaro	Director / Independent Director / Chairman of the Audit committee	20,000	15,000	20,000
7. Mr. Mitthong Chulitawong	Director / Independent Director / Member of the Audit committee	15,000	15,000	15,000
8. Mr. Panom Ratanarat	Director	20,000	20,000	20,000
รวม		75,000	70,000	75,000

### 8.1.3 Governance of Subsidiaries and Associates

-None-

### 8.1.4 Following up on Compliance with Corporate Governance Policies and Practices

In 2021, the company has implemented about corporate governance on the key of principle 5 sections, the details are as follows;

#### 1) Rights of Shareholders

In 2021, the company organized the shareholders meeting for 1 time. There is 2021 Annual General Meeting of Shareholders on Saturday, April 24, 2021 at 14.00 - 14.55 hrs., via teleconferences through an electronic device (E-AGM) and live broadcast from Mongkolsuk Meeting Room, T.M.C. Industrial Public Company Limited, head office, No.125/10 Moo 5, Tambol Bansuan, Amphur Muang, Chonburi 20000.

- The 2021 Annual General Meeting will be held online (E-AGM) due to COVID-19 pandemic unrest. This is to keep social distancing in respect to COVID-19 Preventive Measure as advised by World Health Organization. This E-AGM is held via Application IR PLUS AGM under the Emergency Decree on Electronic Meetings, B.E. 2563 (2020). The log files of all meeting attendees will be stored as the evidences, such as username of the attendees, date and time when the meeting is started and dismissed, meeting photos and voice records, voting results of the attendees etc. The meeting is conducted in correspond to the company's regulation and rules regarding Annual General Meeting assigned by the governing bodies of the Thai listed companies, such as Ministry of Commerce, The Stock Exchange of Thailand, The Securities

and Exchange Commission, and Information Security Policy which is agree with the Emergency Decree on Electronic Meetings, B.E. 2563 (2020) and relevant announcement. In addition, the company has formed the meeting guideline and COVID-19 preventive measure for the company's committee, meeting attendees, and the e-meeting liaisons.

- The company informed the shareholders about the decision of the Board of Directors to organize the shareholders' Annual General Meeting 2021 advance 59 days before the meeting date which was February 24, 2021 via the company's website [www.tmc.co.th](http://www.tmc.co.th) and via the Stock Exchange of Thailand's system so that the shareholders could arrange time to attend the meeting.
- The company published the invitation together with the proceedings on the company's website [www.tmc.co.th](http://www.tmc.co.th) on March 22, 2021 (33 days prior to the meeting). The invitation was distributed through the Stock Exchange of Thailand's system and was advertised on daily newspapers 3 days in a row, which were April 1-2 and 5, 2021. Besides, the company assigned Thailand Securities Depository (TSD) which was the company's registrar to send out the documents to the shareholders on April 1, 2021 (23 days prior to the meeting), so that the shareholders had time to study the details of the meeting in advance. Moreover, the shareholders could submit the questions that they wanted the company to clarify in the agenda or ask for other important information from the company before the meeting by contacting the Managing Director at [surachet@tmc.co.th](mailto:surachet@tmc.co.th) or the company's website [www.tmc.co.th](http://www.tmc.co.th).
- The information in the invitation letter consisted of various data which would be useful for the shareholders' consideration of matters during the meeting such as the date, the time, agenda with facts and reasons, the meeting agenda with the opinions of the company's Board of Directors as well as the agenda attachments which provided enough information for the shareholders to make decisions.
- The company supported the voting rights of the shareholders in case that they could not attend the meeting by sending out 2 types of proxies: B and C to be used according to the will of the grantors. The proxies which were in the forms formulated by the Ministry of Commerce were attached to the invitation letter. They could also be downloaded from the company's website.
- The Board of Directors highly emphasizes the importance of the shareholders' meeting since it is their opportunity to answer the shareholders' questions. It is the Board's duty to attend every meeting. During the shareholders' annual general meeting 2021 on April 24, 2021, the 9 of directors and audit committee (from total 9 persons accounted for 100%) attend the meeting. Also, the company's executives, i.e., Deputy Managing Director of Administration Management / CFO, Deputy Managing Director of Operation Management participated in the meeting to explain and answer the shareholders' questions which were related to the meeting's agenda or which required clarification. The company's auditor representative Ms. Siriporn Naruepai from Sam Nak-Ngan A.M.C Co., Ltd. also attended the meeting.
- Before the meeting started, the master of ceremony was assigned by the chairman to inform the participants about the criteria and the procedure of voting, the method to display the result of voting, the right to vote which was not given to the shareholders who had an interest in the matters under consideration and the shareholders' right to object to the voting on each item on the agenda. Also, the shareholders were allowed to express their opinions and ask questions during the meeting. Ms. Marisa Poonmesub representative from the company's auditor Sam Nak-Ngan A.M.C Co., Ltd. was the witness of the counting of votes in 2021 AGM. Such information was informed to the participants and was recorded in the minute.

- The voting to appoint directors was done individually on the agenda to reappoint 3 directors who had retired by rotation. The basic information of the persons who were nominated for the reappointment was sent to the shareholders in advance together with the invitation letter and was also displayed on the screen in the conference room during live boardcast. Since this matter was associated with the directors, related directors were asked to leave the conference room (off-line) during the consideration.
- The 2021 annual general meeting, one shareholder from the Thai Investors Association was Ms. Thanapa Phromchote. She was registered in IR PLUS AGM application system but did not attend and no vote in the meeting.
- The company used the IR PLUS AGM application system to facilitate in e-Meeting on the registration, attendance and the counting of votes on each item on the agenda for greater convenience, promptness, accuracy and precision for the shareholders. Additionally, the company installed the screen which displayed the result of the voting on each item on the agenda so that the shareholders were informed about the result at the same time right after the consideration of each item on the agenda.
- The company distributed the meeting's resolutions and reported the result of the voting on each item on the agenda of the annual general meeting after finished the meeting (on April 26, 2021) via the stock market's system and the company's website so that the shareholders can examine the information without having to wait for the submission of a minute for approval in the next meeting.
- The company prepared the minutes of the 2021 annual general meeting by company secretary. The information was completely, accurately and evidently compiled by the company's secretary. The record showed the names of directors who attended the meeting, the questions and answers and the result of the voting on each agenda including the number of shareholders who voted, voted against and abstained from voting. The minute was signed by the company's chairman of the board of directors who was also the chairman of the meeting. The minute of the annual general meeting was submitted to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission within 14 days (on April 30, 2021). The minute and the photos of the both meeting were also published on the company's website.

## 2) The Equitable Treatment of Shareholders

- The company sent out the invitation letter to invite the shareholders to attend the annual general meeting and distributed the information concerning the annual general meeting, the agenda and the opinions of the Board of Directors towards the items on the agenda for consideration as well as the meeting's rules to all shareholders equally through the documents, the website and the stock market's system in both Thai and English, and the company has conducted the meeting in accordance with the agendas as the invitation letter without adding any other agendas in the meeting other than invitation letter
- The company had announced to invite the minority shareholders for agenda and name of the director nominee proposal in advance with the clear criteria for consideration on company's website [www.tmc.co.th](http://www.tmc.co.th), during October 1, 2020 to December 25, 2020 to be fair and transparent to consider that to add agenda and nominate persons for consideration as directors of the company as proposed by minority shareholders.

- The company facilitated the shareholders who could not attend the meeting by allowing them to authorize independent directors or other people to represent them in the meeting. The company sent out 2 types of proxies: B and C to the shareholders together with the invitation letter. They could also be downloaded from the company's website. The B type of proxy, in particular, allows the shareholders to direct the voting of their proxies. Besides, the company provided revenue stamps for the shareholders to put on their proxies.
- For the consideration on the agenda to reappoint directors who had retired by rotation, the company gave the shareholders the right to vote for the directors individually.
- The Board of Directors and management acknowledge to report any changed of shareholding with Securities and Exchange Commission, Thailand, Article 59 an Act of legislation Securities and Exchange Commission, Thailand B.E. 2558 including disclosure in annual report 2021.
- The Board of Directors prohibited the directors, the executives and the employees who were aware of internal information to wrongfully reveal or use such data for their own or other people's benefits. Additionally, the company prohibited the trading of securities 1 month before the financial statement was revealed to the public. Such information was stated in the "good corporate governance and business ethics" manual which was given to the directors, the executives and all employees and was published in the company's website, and the company's members strictly followed the guidelines that had been set forth.
- The company has been operating and developing continuously to apply the good corporate governance principles with the organization of the shareholders' annual general meeting. The company has joined the annual general meeting quality assessment project which adopts the AGM Checklist set up by the Office of the Securities and Exchange Commission (SEC) and the Thai Investors Association since the shareholders' meeting in 2013. The results of the assessments in 2021 was scored 100.00. The company still has the policy to raise the standard of the company's corporate governance regarding the organization of the annual general meeting in the future.

### 3) Roles of the Stakeholders

The Company set up the policy regarding practices towards stakeholders i.e. shareholders, customers, business partners, competitors, creditors, employees and communities, society, environment by prepared "Code of Conduct" and contained in the Good Corporate Governance and Code of Conduct manual (the details as shown in attachment 5 Corporate Governance Policy, Code of Conduct and Anti-Corruption Policy) which was distributed to the directors, the executives and all employees to aware of such practices and adopted them in their work. The company arranged a yearly employee ethical behavior assessment form. This was conformed to the assessment of the adequacy of internal control system and company's operations.

The Board of Directors has provided channels for all stakeholders to report complaints or clues in matters involving illegal activities and anything that could cause damage to the company as well as unfair story, violated, or unethical actions of management and employees. In this case, clues, complaints and suggestions will be investigated by the Audit Committee, and then it will be reported to the Board of Directors. The information provided by the notifying person and the complaint will be kept confidential. There are measures to ensure that they will not be affected, and the safety of the reporter and the complaints from the clerk and the complainant are taken into account.

#### **Channel of Whistle Blowing or Complaint**

Via registered post

- **The Audit Committee**  
T.M.C. Industrial Public Company Limited  
125/10 M.5, Ban Suan Sub-District,  
Muang Chonburi District, Chonburi Province 20000  
Email : auditcommittee@tmc.co.th

Or Secretary to Audit Committee

- **Mr. Paiboon Rattanasethchai**  
**Secretary to Audit Committee / Internal Auditor**  
Tel. 038-271933-4 ext. 366  
Email : i\_audit@tmc.co.th

#### **4) Disclosure and Transparency**

- The company reveals important information which is related to the company, including the financial information, i.e., the quarterly financial statements and the annual financial statement 2021 which have been prepared in accordance with the accounting standards and approved by the company's auditor Mr. Naris Saowalaksakul, a certified public accountant no. 5369 from SAM NAK-NGAN A.M.C. Company Limited. The information is presented to the Audit Committee and is approved by the company's Board of Directors. As for the non-financial information, it includes the annual registration statement/annual report Form 56-1 One Report.. All of these documents have been prepared accurately, completely and on time according to the standards of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. The shareholders and people in general can easily access such information via the company's website [www.tmc.co.th](http://www.tmc.co.th) and the Stock Exchange of Thailand's system. Also, the documents are submitted to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission so that the shareholders can make use of such information to decide on the investment.
- The company sums up the result of operation according to the good corporate governance and business ethics policies in the company's annual report Form 56-1 One Report, as well as in the company's website.
- The company prepares the management's discussion and analysis of the result of operation which changes more than 20% of the financial statement of every quarter via company's website [www.tmc.co.th](http://www.tmc.co.th) or the Stock Exchange of Thailand's system, and send the document to the Office of the Securities and Exchange Commission, so that the investors are informed about the result of operation and understand the company's changes better.
- The company reveals the audit fee and other fees for the services have been provided by the auditor in the company's annual report Form 56-1 One Report, under the topic of remuneration for auditor.
- The company reveals the roles and duties of the directors and the sub-directors, the number of meetings and the number of times that each director attended the meetings in the past year as well as the trainings and the continual development of vocational knowledge of the directors in the company's annual report Form 56-1 One Report.
- The company by sales and marketing department has conducted a survey on customer satisfaction. As well as receiving complaints from customers in order to improve the quality and service. By evaluating results from service of delivery and quality with an overall score of 97.25% of the customer's satisfaction survey in 2021.

- In terms of investor relations, the company assigns the person who will act as the center for the disclosure of important information to the investors and related parties in order to facilitate the stakeholders' access to information through various channels. The contact person is:

© **Mr. Naphatra Chatvichian**

DMD of Administration Management / CFO and Company Secretary

Telephone : 038-271933 Ext. 411

Fax : 038-276083

Email : naphatra@tmc.co.th

Moreover, the company also sends out information through the news alert system to the investors and people who are interested via the e-mail. Also, it is possible to leave questions in the system by subscribing and logging in to the IR Services under the topic "Info Request" in the company's website [www.tmc.co.th](http://www.tmc.co.th).

#### 5) Board Responsibilities

- The Board of Directors as of December 31, 2021 consisted of 8 directors which were 4 executive directors, 1 non- executive director and independent directors which were no less than one third of the whole Board, i.e., 3 independent directors. 3 independent directors were appointed audit directors to counterbalance the voting on different matters and to review the management's administration for the company's maximum benefit. The 3 audit directors were the Chairman of the Audit Committee Mr. Arthit Wuthikaro and 2 Audit Directors Mr. Manu Leopairote and Mr. Mitthong Chulitawong. Mr. Mitthong Chulitawong was equipped with enough accounting knowledge and experience to conduct a review of the reliability of the company's financial statements.
- The Company has separated the Chairman of the Board of Directors and the Chief Executive Officer to be different persons to prevent any person from having unlimited power, Mr. Manu Leopairote is the Chairman of the Board of Directors and Mr. Thaweemit Kamolmongkolsuk, is a Chief Executive Officer.
- The Board of Directors resolved to appoint Mr.Naphatra Chatvichian the Company Secretary whose duty was to provide legal advice and other suggestions concerning related regulations according to the Securities and Exchange Act that the directors needed to be aware of. The company secretary also had to oversee the Board's activities and coordinate to implement the Board's decisions.
- To considered and approval strategy, business plan and management restructure to be able to run a business under COVID-19 critical economic, supervise and follow up the management to proceed to be in accordance with the policies and plan set to efficiently and effectively for maximize economic value to the company and the shareholders.
- The company improved the policy of Corporate Governance and Code of Conduct, revision year 2021 which was approved by the Board of Directors meeting No.3/2021 on August 10, 2021 so that the directors, the executives and all employees could apply it as the guidelines for the operation. Besides, the "Good Corporate Governance and Code of Conduct" manual was prepared and distributed to the directors, the executives and all employees. It was also published on the company's website [www.tmc.co.th](http://www.tmc.co.th).
- Consider and approve authority and approval levels in financial transaction and implementation relevant to the company in the revision edition in 2021 for suitability for the administrative structure in 2021.
- Arrange reliable financial and audit reports, and disclose important information with accuracy, sufficiently, and in time in accordance to related rules, regulations, standards, and guidelines. Supervise sufficiency of financial liquidity and ability to repay debts.

- The Board of Directors approved the appointment of the compliance unit to ensure that the company complies with related regulations, disciplines and laws, both internal and external ones, accurately and efficiently. The regular monitoring and assessment was also arranged. The compliance unit was independent and would directly report the result of operation to the Audit Committee. The penalties for non-compliance were clearly and strictly determined.
- The company hired the outsource called Professional Internal Audit Service Co., Ltd., an experienced and proficient internal audit company, to work with the company's internal audit agency to examine and take care of the internal control system and to check important items regularly to make sure that the company had an efficient internal audit system which would enhance the reliability of the financial statements. Afterwards, the Audit Committee would double-check the efficiency of the internal audit system as well.
- The Board of Directors and the Audit Committee organized a hearing on the sufficiency of the company's internal audit system and risk management at least once a year. The details were described in the annual report.
- Supervise for the arrangement of clear policies and guidelines in anti-corruption, and communicate to every level of the organization and to outsiders, leading to real practice. Set the process for receiving complaints and taking actions in whistle-blowing cases.
- Give importance and support on innovation creation for value creation for business together with benefits for customers and related people with responsibilities for societies and environment.

In addition, the company have also practiced the good corporate governance 4 more issues as follows;

**1. Prevention of Conflict of Interest**

The company set up "the Code of Conducts", Section : Conflict of Interest Policy, for their ethical practices, honesty in doing business and social responsibility include all group of company's stakeholders, and for the directors, the executives and all employees practice as the guidelines for their Conflict of Interest Policy as follows;

- 1) The director and employees of all levels should avoid any acts of conflict of the interests, either from the business communication with, for example, partner, customer, competitor, or use the privilege of being the director or employee for personal benefits. They are expected to avoid owning the competitive business with the company or work other jobs than the company's which affects undesirably to their appropriate duties.
- 2) The director and the employees of all levels are not expected to hold any share in the competitors' businesses if that affects their performance and duties. If those shares have been owned before the start working day or from the legacy, the committee must report to the president and to their supervisor for the general staff.

**2. Using Inside Information for Exploitation**

The Company has the policy and the supervision method on usage of the Company's inside information of the directors and management which has not yet been disclosed to the public for their personal gain as well as the purchase and sale of the securities are as follows:

- 1) To provide information to the directors as well as the executives in various departments on their obligations to report about their securities holdings including the securities holding of their spouse and children under legal age to the Office of the SEC and the Stock Exchange of Thailand pursuant to Section 59 and the penalty clause under Section 275 of the Securities and Exchange Act B.E.2535.
- 2) To specify that the executives are required to file a report on a change of their securities holdings to the Office of the SEC and the Stock Exchange of Thailand pursuant to the Section 59 of the Securities and Exchange Act B.E.2535 and are required to send this report to the Company on the same day they submit to the Office of the SEC and the Stock Exchange of Thailand.
- 3) To inform that the executive who can obtain the material inside information which may impact to the change of the securities prices shall not purchase and sell the Company's securities within 1 month before the financial or such inside information is disclosed to the public and such material information is prohibited to disclose to other third parties.

The company included such matters in the "Good Corporate Governance and Code of Conduct" manual. Also, the company has imposed disciplinary actions towards those who try to benefit from using or exposing the company's internal information which might cause damages to the company. The degrees of penalties depend on the cases, including verbal warning, text warning, probation and termination of employment by dismissal, discharge or furlough, etc.

#### Shareholding of the Board of Directors and Management

The Board of Directors and Management are responsible for reporting changes in securities holding to the Securities and Exchange Commission (SEC). And the company has a policy that requires directors and management to report changes in the holding of securities of the company through the company secretary by quarterly basis. Holding securities by the Board and Management as of December 31, 2021 as below;

Name		31 December, 2020	31 December, 2021	+ / (-)
<u>Directors</u>				
1. Mr. Manu	Leopairote	500,000	500,000	-
- Mr. Many	Leopairote	-	-	-
- Mr. Kornkit	Leopairote (Son)	500,000	500,000	-
2. Mr. Thaweemit	amolmongkolsuk	36,750,000	36,750,000	-
3. Mrs. Tubtim	Kamolmongkolsuk	30,033,850	30,882,350	848,500
4. Mr. Surachet	Kamolmongkolsuk	25,040,762	25,040,762	-
- Mr. Surachet	Kamolmongkolsuk	24,853,262	24,853,262	-
- Mrs. Aroonroj	Kamolmongkolsuk(Spouse)	187,500	187,500	-
5. Ms. Pacharawalai	Kamolmongkolsuk	25,038,212	25,038,212	-
6. Ms. Pailin	Kamolmongkolsuk	24,202,312	24,202,312	-
7. Mr. Arthit	Wuthikaro	-	-	-
8. Mr. Mitthong	Chulitawong	-	-	-
9. Mr. Panom	Ratanarat	-	-	-
<u>Management</u>				
1. Mr. Yotsakorn	Bomlai	-	-	-
2. Mr. Naphatra	Chatvichian	110,000	-	(110,000)

### **3. Anti-Corruption Policy**

The Company has recognized the importance of combining against corruption and has instituted anti-corruption policy to demonstrate its commitment in the private sector to cooperate in preventing and anti-corruption, and establishing the standard for higher business ethics together. It also supports and encourages personnel at all levels of the company to have consciousness to fight against corruption in all forms in order to establish standards for good and sustainable business. Therefore, the directors, executives, employees, and related persons are required to hold this anti-corruption policy to operate the business to encourage the company to be a good management organization, effective, ethical, and ethical business practices. The details of the anti- corruption policy and practice guidelines as shown in attachment 5 Corporate Governance Policy, Code of Conduct and Anti-Corruption Policy.

#### 4. Whistleblowing

Measures and channels for whistleblowing or complaints about corruption

Whistleblowing means the notification to report an information, clues, complaints, or questions related to a suspected action which may violate or not comply with the Code of Ethics and Business Ethics, incorrect financial reporting, or a defective internal control system.

The Company has measures and channels to report any clues, complaints or concerns about corruption in various channels. The clerk or complainant must provide details of the clues or complaint, along with the name, address, telephone number that can be contacted, and then send to the following channels:

- Channel of communication between employees and the company  
Employees can contact us for information, providing complaints, and inquiring about corruption, making observations, or reporting corruption issues in writing to the **Audit Committee or Internal Audit Department**

- Channel of communication between various groups of stakeholders with the Company

[The Stakeholders can contact us to inform the clues or complaints, and doubting about corruption, making observations or raise a corruption issues by writing to the company at;

<u>Via post</u>	<b>Audit Committee or Internal Audit Department</b>	
	T.M.C. Industrial Public Company Limited	
	125/10 M.5, Ban Suan Sub-District,	
	Muang Chonburi District, Chonburi Province 20000	
<u>Via E-mail</u>	<b>Audit Committee</b>	auditcommittee@tmc.co.th
	<b>Internal audit plan</b>	i_audit@tmc.co.th

#### Protection Measurement and Confidentiality

The company will provide protection to the complainants, the one who provide the information with good faith, and witnesses. The company will seal the name, address, or any data that can indicate the complainants, the information provider, or witnesses. Additionally, the data, complaints, and evidence shall be preserved as confidential. Besides, the company holds the policy not to decrease the position, perform punishment, or provide negative result for the employees who perform with good faith to deny performing corruption.

#### The process carried out when the clue is notified

The Audit Committee and the Internal Audit Department shall be responsible for overseeing and investigating the matter in a timely and appropriate manner by collecting facts, evidence, screening details, and evaluating. If the case is serious or complicated, it may be considered by the committee or the ad hoc committee to carry out the task through the consideration process and screening process as necessary or as appropriate.

Thus, if it is found from the investigation that there is a truth or there is a real corruption, the measures to disciplinary action or the law will be proposed, and the related organizations shall consider for the problem solving together to prevent not to have corruption channel again. Thus, the result of the investigation related to telling clues shall be done within 30 days from the date that the matter has been settled and completely.

In 2021, the company did not receive a clues and complaints about corruption or violation of policy and practice of corporate governance in anyhow.

## 8.2 Audit Committee Performance Report in the Past Year

8.2.1 In 2021, the company arranged the Audit Committee's Meeting total 4 times and the Audit Directors are attended the meeting individual as follows;

Name		Position	Attendance (4 times)
Mr. Arthit	Wuthikaro	Chairman of the Audit Committee	4/4
Mr. Manu	Leopairote	Member of the Audit Committee	4/4
Mr. Mitthong	Chulitawong	Member of the Audit Committee	3/4

8.2.2 Audit Committee Performance year 2021

The details as shown in attachment 6 Report of the Audit Committee 2021.

## 8.3 Summary of Other Sub-Committee's Performance

### Executive Committee Performance

In 2021, the Executive Committee has a meeting total 8 times and the Executive Directors are attended the meeting individual as follows;

Name		Position	Attendance (7 times)
Mr. Thaweemit	Kamolmongkolsuk	Chairman of the Executive Committee	8/8
Mrs. Tubtim	Kamolmongkolsuk	Vice Chairman of the Executive Committee	8/8
Ms. Pacharawalai	Kamolmongkolsuk	Executive Director	8/8
Ms. Pailin	Kamolmongkolsuk	Executive Director	8/8

Executive Committee Performance year 2021 as follows;

1. To supervise the management of the Company to ensure the compliance with the policies specified by the Board of Directors and to report the operational results to the Board of Directors.
2. To specify strategy, business plan and management restructure to be able to run a business under COVID-19 critical economic, and present them to the Board of Directors for consideration and proceed to achieve the goals set.
3. To update authorize and specify the individual approval level to be appropriate to the management restructure year 2021, and presented to the Board of Directors for approval and control for compliance that has been approved.
4. To consider and approve the financial transaction with the bank/financial institutes for supporting the normal business operation such as opening bank account, providing loan, borrowing money, procurement of credit, pledge, mortgage, guarantee and etc. pursuant to the approval power.
5. To consider to appointed a team to carry out sustainability management of the company and disclose in company's sustainability report.
6. To consider other matters assigned by the Board of Directors.

## 9. INTERNAL CONTROL AND RELATED TRANSACTIONS

### 9.1 Internal Control

On the meeting of the Board of Directors No. 1/2022, dated on 21 February 2022, with the Audit Committees participated, the board reviewed internal audit sufficiency in T.M.C. Industrial Public Co., Ltd. by inquiring managing team and concluded that the Internal Audit of the company consists of 5 following elements

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information System and Communication
5. Monitoring Activities

The Board regards that internal audit system of the company is sufficient, appropriate and conformable to internal audit assessment of The Securities and Exchange Committee. The company has prepared suitable numbers of personnel to efficiently perform the system, and arranged monitoring and control activities system to prevent the use of the company's asset from wrongful or unauthorized act by its management members, any transaction with personally related party who may lead to conflict and other issues. Thus, the Board approved that the arrangement of 5 elements of audit control system of the company is adequate and effectively able to accomplish our objective. Regarding to Internal Audit, the company's policy indicates to employ an outsource auditor to audit and evaluated internal control, and submit the result to Audit Committee and the Board of Directors. The company has employed Professional Internal Audit Service Co., Ltd. from 2014 to present, the auditor of the said company recommended about the improvement of internal audit for our higher efficiency. TMC has continuously followed the suggestions. In addition, TMC appointed internal audit department to coordinate and collaborate with the independent (outsources) along with monitoring practice in accordance with the recommendation of auditor, after that, propose to Audit Committee. In considering and approving the appointment, removal and transfer of the person who holding the position of company's head of the internal audit must be agreed and approved by the Audit Committee. The qualification details of a position head of internal audit as shown in attachment 3.

Audit Committee approved the 2021 audit plan of Professional Internal Audit Service Co., Ltd., on the meeting of the Board of Director No. 4/2020, dated on 11 November 2020. In the annual internal audit for the year 2021 has performed according to the audit plan approved by the Audit Committee for all 6 projects and has presented the audit results to the Audit Committee by reviewing the operation and evaluating the internal control system of important work systems, such as offer for sale product design, manufacturing and installation work, after sale service work (repair under warranty), repair and services and procurement. The auditor's overall evaluation shows that the result is in good level due to the company's essentially sufficient and appreciate control system setting. Anyhow, it's still needed to adjust the existing controls to the change of operating procedure. Consequently, the executives place an attention and follow up with the responsible person in acting up to the auditor's entire recommendations. The improvement progresses have already been presented to the Audit Committee.

The company assigned Mr. Paiboon Rattanasattachai hold a position acting head of compliance unit to supervise the compliance of company's business rules. The qualification details of a position head of compliance unit as shown in attachment 3.

## 9.2 Related Transactions

Transaction between the company and the persons that may have conflict of interest in 2021 were summarized as follows:

Person that may have conflict of interest	Relation
1. Mr. Surachet Kamolmongkolsuk	In position of Director and Chief Executive Officer of the company
2. Kanyong Electric Public Company Limited	Co-director is Mr. Manu Leopairote

## Nature of Related transactions

Party having Conflict of Interest	Description of Transaction	Value of Related Transaction (Baht)	Necessity and Reasonableness of the Related Transaction
1. Mr. Surachet Kamolmongkolsuk	T.M.C. Industrial Public Company Limited borrows money from Mr. Surachet Kamolmongkolsuk. Director and CEO to use as working capital in the company. Repayment of principle plus interest on demand at an interest rate of 0.50% per annum.	10,000,000.00	The Audit Committee is of the opinion that such transaction had a loan agreement with interest rate of 0.50% per annum so that transaction is appropriate and sensible.
	Accrued interest in the year 2020	13,661.20	
	Accrued interest in Q1/2021	12,328.78	
	Accrued interest in Q2/2021	12,465.76	
	Accrued interest in Q3/2021	12,602.75	
	Accrued interest in Q4/2021	821.92	
	<u>Outstanding balance</u>	0.00	
	Short-term loan	0.00	
2. Kang Yong Electric Public Company Limited	Accrued interest		
	<u>Service income from maintenance press machine HCD 150/50T and machine check service HTP 100T:</u>	97,000.00	
	The company has service income from maintenance and machine check service of press machinery HCD 150/50 Ton and machine check HTP 100 Ton to Kang Yong Electric Public Company Limited. This service is normal business of company and using market pricing that same as other companies.		
	<u>Outstanding balance</u>		The Audit Committee is of the opinion that such transaction normal business, pricing policy is market price and trade condition is same as other company so that transaction is appropriate and sensible.
	Account Receivable	0.00	

Remarks: The shareholders and the investor can view historical data to compare 3 years of data from company's website

TAX

ANALYSIS

SAVINGS

FINANCE

FORECAST

VALUES

VALUES

VALUES



## SECTION 3 FINANCIAL STATEMENT

## AUDITOR'S REPORT

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To the Shareholders of T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED

### **Opinion**

I have audited the accompanying financial statements of T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED, which comprise the statement of financial position as at December 31, 2021, and statement of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements and a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of T.M.C. INDUSTRIAL PUBLIC COMPANY as at December 31, 2021, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for opinion**

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

### **Key audit matters**

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

## 1. Revenue recognition

Revenue from sales and services are the Company's significant accounts because the amounts of revenue recorded would directly affect the Company's profit or loss for the year. There are therefore risks with respect to the amount and timing of revenue recognition. For this reason, I have paid particular attention to the Company's revenue recognition in order to ensure that the revenues are recorded correctly and in accordance with the relevant financial reporting standards, Accounting policies and detail of revenues are disclosed in Notes 3.12 and 27 to the financial statements, respectively.

### How my audit addressed the key audit matter

I have examined the Company's revenue recognition by evaluating the effectiveness of the Company's internal controls with respect to revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. On a sampling basis, I also examined supporting documents for revenue transactions occurring during the year and near the end of the accounting period. I reviewed credit notes issued by the Company to its customers after the period-end. In addition, gained an understanding of process to assess the percentage of completion for projects construction, checked appropriate of estimates of project costs to the project budgets, examined actual costs against supporting documents and revenue recognition and including performed analytical review procedures on the revenues account to identify possible irregularities in revenue transactions throughout the period, particularly for accounting entries made through journal vouchers.

## 2. Inventories

The Company shall report the value of the inventory at the lower of cost or net realizable value. The estimation of the net realizable value of inventory is an area requiring management to exercise judgment for policies on allowance for diminution in value of slow-moving and obsolete inventory. This requires detailed analysis of the aging of inventories, competitive environment, economic circumstances and the situation within the industry. The estimation of net realizable value of inventory thus affects both the allowance of inventory expense recorded in profit and loss and the balance of inventories presented at period-end, this is focus area in my audit. The accounting policies and details of allowance for diminution in value of inventory were disclosed in Notes 3.4 and 8 to the financial statements, respectively.

**How my audit addressed the key audit matter**

I assessed the method, the assumptions and gaining an understanding of the basis applied by management in determining of the policies on determining allowance for diminution in value of inventories on a basis of aging and reviewing the consistency of the application of that basis. I reviewed the preparation of the inventories aging report and tested the calculation of allowance for diminution in value of inventories in accordance with these policies. Apart from this, my procedures included testing the calculation of the measurement of net realizable value of inventories by reviewed the preparation of the comparison report between net realizable value of inventory and the cost of inventory and examined supporting documents on a sampling basis for actual sales transactions occurring after the period-end.

**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 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 of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

**Responsibilities of management and those charged with governance for the financial statements**

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

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, 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 on the audit resulting in this independent auditor's report is

SAM NAK-NGAN A.M.C. CO., LTD.



(Mr. Naris Saowalagsakul)

Certified Public Accountant Registration No. 5369

Bangkok,

February 21, 2022

## STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

(Unit : Baht)

	Notes	December 31, 2021	December 31, 2020
<u>Assets</u>			
Current assets			
Cash and cash equivalent items	6	3,207,646.51	15,577,758.24
Trade and other receivables	7	38,257,451.07	38,808,805.76
Inventories	8	102,630,360.60	73,876,684.75
Other current assets		290,718.30	606,411.68
Total current assets		144,386,176.48	128,869,660.43
Non-current assets			
Other non-current financial assets	9	19,998,000.00	19,998,000.00
Investment property	10	375,038,628.99	-
Property, plant and equipment	11	163,775,784.14	570,534,565.86
Right of use assets	12	1,294,337.42	2,448,928.45
Intangible assets	13	423,971.16	858,734.53
Other non-current assets		4,200,193.11	4,024,585.13
Total non-current assets		564,730,914.82	597,864,813.97
Total assets		709,117,091.30	726,734,474.40

Note to financial statements are an integral part of these financial statements.

## STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

(Unit : Baht)

	Notes	December 31, 2021	December 31, 2020
<u>Liabilities and shareholders' equity</u>			
Current liabilities			
Short-term loans from financial institutions	14	147,465,646.93	140,000,000.00
Trade and other payables	4.1 and 15	84,751,139.75	74,827,879.31
Short-term loans from related person and party	4.1	-	10,000,000.00
Short-term loans from other person	16	58,000,000.00	38,000,000.00
Current portion of long-term liabilities			
Long-term loans from financial institutions	17	39,000,000.00	40,000,000.00
Lease liabilities	18	548,041.44	780,393.39
Provision	19	10,066,148.93	9,749,661.34
Other current liabilities		2,110,741.57	1,521,102.36
Total current liabilities		341,941,718.62	314,879,036.40
Non-current liabilities			
Lease liabilities	18	370,945.83	1,276,743.44
Employee benefit obligations	20	38,095,056.19	40,171,429.77
Other non-current liabilities		186,915.89	186,915.89
Total non-current liabilities		38,652,917.91	41,635,089.10
Total liabilities		380,594,636.53	356,514,125.50

Note to financial statements are an integral part of these financial statements.

## STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

		(Unit : Baht)	
	Notes	December 31, 2021	December 31, 2020
Shareholders' equity			
Share capital	21		
Authorized share capital			
543,750,000 ordinary shares @ Baht 1.00 each		543,750,000.00	543,750,000.00
Issued and paid-up share capital			
458,773,722 ordinary shares @ Baht 1.00 each		458,773,722.00	458,773,722.00
Premiums on ordinary shares	22	1.59	1.59
Deficit			
Unappropriated		(130,251,268.82)	(88,553,374.69)
Total shareholders' equity		328,522,454.77	370,220,348.90
Total liabilities and shareholders' equity		709,117,091.30	726,734,474.40



Director

(Mrs. Tubtim Kamolmongkolsuk)





Director

(Ms. Pacharawalai Kamolmongkolsuk)

Note to financial statements are an integral part of these financial statements.

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2021

		(Unit : Baht)	
	Notes	2021	2020
Revenue from sales and service		292,413,851.38	299,251,434.40
Cost of sales and service	8	(262,323,262.56)	(281,537,846.30)
Gross profit		30,090,588.82	17,713,588.10
Other income		11,323,977.42	12,053,090.00
Selling and distribution expenses		(17,026,845.61)	(16,726,256.53)
Administrative expenses		(54,616,672.54)	(54,619,026.58)
Loss from operating activities		(30,228,951.91)	(41,578,605.01)
Finance cost		(10,793,329.30)	(12,270,824.28)
Loss before income tax		(41,022,281.21)	(53,849,429.29)
Income tax expense	25	-	-
Loss for the year		(41,022,281.21)	(53,849,429.29)
Other comprehensive income			
Item that will not be reclassified to profit and loss			
Actuarial loss arising from defined benefit plan	20	(675,612.92)	-
Total comprehensive income for the year		(41,697,894.13)	(53,849,429.29)
Basic loss per share	26	(0.09)	(0.12)

Note to financial statements are an integral part of these financial statements.

## STATEMENT OF CHANGES IN SHAREHOLDER' EQUITY

For the year ended December 31, 2021

(Unit : Baht)					
		Issued and paid-up share capital	Premiums on ordinary shares	Deficit Unappropriated	Total shareholders' equity
	Note				
Balance as at January 1, 2020		458,773,722.00	41,266,007.59	(75,969,951.40)	424,069,778.19
Loss for the year		-	-	(53,849,429.29)	(53,849,429.29)
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	(53,849,429.29)	(53,849,429.29)
Premium on shares transferred to eliminate deficit	22	-	(41,266,006.00)	41,266,006.00	-
Balance as at December 31, 2020		458,773,722.00	1.59	(88,553,374.69)	370,220,348.90
Loss for the year		-	-	(41,022,281.21)	(41,022,281.21)
Other comprehensive income for the year		-	-	(675,612.92)	(675,612.92)
Total comprehensive income for the year		-	-	(41,697,894.13)	(41,697,894.13)
Balance as at December 31, 2021		458,773,722.00	1.59	(130,251,268.82)	328,522,454.77

Note to financial statements are an integral part of these financial statements.

## STATEMENT OF CASH FLOW

For the year ended December 31, 2021

	(Unit : Baht)	
	2021	2020
Cash flow from operating activities		
Loss for the year	(41,022,281.21)	(53,849,429.29)
Adjustments to reconcile loss for the year for cash received (payment) from operations		
Reversal expected credit loss	(406,745.50)	(511,575.15)
Reversal for decline in value of inventories	(3,315,570.85)	(179,140.29)
Depreciation	25,066,323.95	28,465,241.59
Depreciation - Right of use assets	641,370.80	804,076.49
Transfer of construction in progress to expenses	229,000.00	295,000.00
Transfer of right of use assets to expenses	-	454.35
Amortized intangible assets	434,763.37	1,240,181.29
Loss from disposal and written-off property, plant and equipment	3,089,470.25	3,826.26
Increase in provision	4,460,962.58	2,870,423.16
(Gain) loss from unrealized exchange rate	(184,575.75)	140,646.17
Gain from lease canceled	(15,452.63)	-
Employee benefits expenses	3,062,742.64	3,109,511.56
Interest expenses from lease liabilities	54,746.42	99,248.43
Interest expenses	10,738,582.88	11,787,958.04
Profit (loss) from operation before changes in operating assets and liabilities	2,833,336.95	(5,723,577.39)
Operating assets (increase) decrease		
Trade and other receivables	958,624.24	106,381,992.18
Inventories	(25,438,105.00)	11,384,205.56
Other current assets	313,353.38	504,795.51
Operating liabilities increase (decrease)		
Trade and other payables	12,458,011.39	(69,172,665.64)
Provision	(4,144,474.99)	(4,269,848.93)
Other current liabilities	589,639.21	(4,871,011.53)
Employee benefits obligations	(5,814,729.14)	(624,509.23)
Cash received (paid) from operating activities	(18,244,343.96)	33,609,380.53
Cash payment in interest expenses	(13,193,275.95)	(9,557,736.53)
Cash received in income tax	1,900,481.88	1,791,127.24
Cash payment in income tax	(2,073,749.86)	(2,020,497.96)
Net cash received from (used in) operating activities	(31,610,887.89)	23,822,273.28

Note to financial statements are an integral part of these financial statements.

## STATEMENT OF CASH FLOW

For the year ended December 31,2021

	(Unit : Baht)	
	2021	2020
Cash flow from investing activities		
Cash received from deposit receipt for property and plant	-	10,000,100.00
Decrease in restricted bank deposit	-	14,287,313.58
Cash paid for purchase plant and equipment	(862,817.14)	(210,023.24)
Cash received from sales equipment	4,198,175.67	-
Net cash received from investing activities	3,335,358.53	24,077,390.34
Cash flow from financing activities		
Increase (Decrease) in Short-term loan from financial institutions	7,465,646.93	(24,279,682.60)
Cash paid to payable of asset purchased	(40,690.72)	-
Cash received for short-term loan from related person	-	10,000,000.00
Cash paid for short-term loan from related person and party	(10,000,000.00)	(10,000,000.00)
Cash received for short-term loan from other person or party	30,000,000.00	54,000,000.00
Cash paid for short-term loan from other person or party	(10,000,000.00)	(63,000,000.00)
Cash paid for long-term loans from financial institutions	(1,000,000.00)	(8,000,000.00)
Cash paid for liabilities under finance lease agreement	(664,223.12)	(839,223.15)
Net cash received form (used in) financing activities	15,760,733.09	(42,118,905.75)
Effects of exchange rate on cash and cash equivalents	144,684.54	(5,012.28)
Cash and cash equivalent items increase (decrease)-net	(12,370,111.73)	5,775,745.59
Cash and cash equivalent items at the beginning of the year	15,577,758.24	9,802,012.65
Cash and cash equivalent items at the end of the year	3,207,646.51	15,577,758.24

### Additional disclosure

Significant non-cash items in the financial statements are as follows :-

- Purchases of property, plant and equipment which had not yet been paid	-	40,690.72
- Transfer property, plant and equipment to investment property	375,038,628.99	-

Note to financial statements are an integral part of these financial statements.

## NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2021

### 1. General information

T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED is a public company incorporated and domiciled in Thailand. The Company listed with the Stock Exchange of Thailand. The registered office is located at 125/10, Moo 5 Ban Saun Subdistrict, Muang Chonburi, Chonburi.

The major shareholder of the Company is Kamolmongkolsuk family, which holds 30.93% of the Company's capital.

The Company is principally engaged in the manufacture distribution of hydraulic machinery and handling equipment and the provision of machine repair and maintenance and metal machining services.

### 2. Basis of financial statements preparation

#### 2.1 Going concern

As at 31 December 2021 and 2020, the Company's current liabilities exceeded its current assets by Baht 197.56 million and Baht 186.01 million respectively, such above event cause doubt as to whether there will be uncertainly that is materiality which may cause substantial doubt regarding ability in continuous operation of the Company. However, the Company's management is in the process of improving its operating, requesting additional credit facilities from financial institutions and finding new sources of funds. The Company's management believe that it is able to improve its operation and obtain adequate credit facilities for continuing its operation. For these reasons, the financial statements therefore have been prepared on the going concern basis.

2.2 The financial statements are issued for reporting purposes to be used in Thailand are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

- 2.3 The financial statements were prepared in accordance with the generally accepted accounting principles under the Accounting Act B.E. 2543, which include the already announced accounting standards, financial reporting standards and their interpretation including accounting guidance issued by the Federation of Accounting Professionals (“TFAC”) established under the Accounting Professions Act B.E. 2547 and regulations in accordance with the determination of the Office of the Securities and Exchange Commission on the subject of preparation and presentation of the financial reports.

The presentation of financial statements is in accordance with the determination stated in the Notification of the Department of Business Development dated December 26, 2019, issued under the Accounting Act, B.E. 2543.

These financial statements were prepared by using historical cost basis except those disclosed otherwise in the accounting policies.

## 2.4 New financial reporting standards

### 2.4.1 New and revised financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised accounting standards, financial reporting standards, accounting standard interpretations and financial reporting interpretations including the conceptual framework for financial reporting (new), 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 revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company financial statements.

#### 2.4.2 Financial reporting standards that will become effective in the future

The Federation of Accounting Professions issued a number of revised financial reporting standards, which will be effective for the financial statement for the period beginning on or after January 1, 2022 onwards. 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 standards, providing temporary reliefs or temporary exemptions for users. The Company management believes that the revised financial reporting standards will not have any significant impact on the financial statements when they are adopted.

- 2.5 Preparation of the financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are resulted from experience and other factors that the management has reasonably assurance under such circumstance. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected. The significant estimates and assumptions are as follows :-

##### Right of use asset and lease liabilities

In determining right of use asset and lease liabilities, the management needs to make judgment and estimated of the purchase option or renewal option exercised including review the estimate useful lives and residual values of the underlying asset when there are any changes.

In addition, the management is required to review right-of-use asset for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

#### Lease agreement

Lease – where the Company is the lessor, in determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding significant risk and rewards of ownership of the leased assets have been transferred, taking into consideration terms and conditions of the arrangement.

#### Expected credit loss

In determining the expected credit loss, the management needs to use judgment in estimating the expected loss and forecasts for the future about economic factors affecting credit risk of financial assets.

#### Reduce inventory cost to net realisable value

In determining a reduction of inventory cost to net realisable value, the management makes judgement and estimates net realisable value of inventory based on the amount of the inventories are expected to realise. These estimates take into consideration fluctuations of selling price or cost directly relating to events occurring after the end of the reporting period. Also, the management makes judgement and estimates the expected loss from stock obsolescence based upon aging profile of inventories and the prevailing economic condition.

#### Investment property, property, plant and equipment and depreciation

In determining depreciation of investment property, property, 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 estimate 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 impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

#### Estimate on employee benefit obligations

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

#### Provision for product warranty

In determining provision for product warranty, the management needs to exercise judgement to estimate expenses, with reference to past experience.

#### Litigation

Contingent liabilities as a result of the litigation, The management has used judgement to assess of the results of the litigation and estimated contingent damage.

Other estimates are disclosed under related caption in these notes to financial statements.

### 3. Summary of significant accounting policies

3.1 Cash and cash equivalent items includes cash, savings account deposits, current account deposits and not exceeding 3 months fixed deposits and all highly liquid investments with an original maturity of three months or less from the date of acquisition and not subject to withdrawal restrictions.

#### 3.2 Trade and other receivables

Trade and other receivables are stated at the net realisable value and recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at its present value.

The Company applies the TFRS 9 simplified approach to measuring expected credit losses which requires expected lifetime losses. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected credit loss rate are based on the payment profiles and corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors effecting the ability of the customers to settle the receivables. The impairment losses are recognized in profit or loss within administrative. Bad debts are written off when incurred.

### 3.3 Financial assets and financial liabilities

#### Classification and measurement of financial assets

The Company classifies its debt instruments in the following categories:

- Financial assets measured subsequently at fair value either through other comprehensive income (FVOCI) or through profit or loss (FVPL) and
- Financial assets measured at amortized cost.

At initial recognition, the Company measures a financial asset at its fair value plus or minus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Company classifies its debt instruments:

- Amortized cost: A financial asset will be measured at amortized cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss. Impairment losses are presented in profit or loss.
- FVOCI: A financial assets will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income which are recognized in profit or loss. When the financial asset is

derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment expenses are presented in profit or loss.

- FVPL: Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss in the period in which it arises.

The Company reclassifies debt instruments when and only when its business model for managing those assets change.

#### Equity instrument

The equity instrument held must be irrevocably classified to two measurement categories at fair value through profit or loss (FVPL), or at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

Dividends from such investments continue to be recognized in profit or loss when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### Classification and measurement of financial liabilities and equity

Financial instruments issued by the Company must be classified as financial liabilities or equity securities by considering contractual obligations.

- Where the Company has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Company's own equity instruments.

- Where the Company has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

At initial recognition, the Company measures financial liabilities at fair value. The Company reclassifies all financial liabilities as subsequently measured at amortized cost.

### Derivative

Derivative classifies and measured at fair value through profit and loss unless hedge accounting is applied to the derivative contracts.

### Recognition and derecognition

The Company shall recognize a financial asset or a financial liabilities in its statement of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. An entity shall remove a financial liability from its statement of financial position when, and only when, it is extinguished.

### Impairment of financial assets

The Company recognizes allowance for expected credit losses on all debt instruments that are not measured at fair value through profit or loss. The expected credit loss is calculated as the difference between the cash flows due under the contract and the expected total cash flows that the Company expects to be settled, and discounted by the estimated effective interest rate of the financial assets at the date of acquisition.

In the event that the credit risk of the asset has not increased significantly since the initial recognition The Company measures expected credit losses based on possible defaults in the next 12 months. Whereas if the asset's credit risk increases significantly since the initial recognition losses are measured at an amount equal to the expected credit losses incurred over the remaining life of the financial instrument.

Financial assets are written off from the account when the entity expects to no longer receive the return of the contracted cash flows.

- 3.4 Inventory are valued at the lower of cost and net realisable value. Cost determined by the moving average method. The costs of inventories comprise of the purchase price, conversion cost and other costs directly attributed to the acquisition of goods. In the case of finished goods, semi-finished goods and work-in-progress, cost includes direct labor, other direct costs and related production overheads, the latter being allocated on the basis of normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Allowance for diminution in value of inventories or slow-moving are recorded by considering obsolete inventories and slow moving inventories.

- 3.5 Investment property is defined as land or a building or part of a building, or both, held to earn rental or for capital appreciation or both, rather than for use in the production or supply of goods and services, for administrative purposes, or for making sales in the ordinary course of business.

Investment property of the Company are measured initially at cost. Subsequent to initial recognition, investment property are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

The depreciation of the investment properties is calculated by reference to their costs on the straight-line basis over the estimated useful life as follows :-

- |                     |          |
|---------------------|----------|
| - Factory buildings | 20 Years |
|---------------------|----------|

The depreciation of the investment properties is included in the calculation for the operating result. No depreciation is calculated for investment properties in case of land and construction in progress.

The Company recognizes the difference between the assets' net realizable value and book value in the profit or loss for the period the investment properties are derecognized from the account.

Transfers investment property to property and plant or transfers property and plant to investment property are stated at carrying amount of the property transferred at the date of the change in use and measured in accordance with accounting policy of property and plant and investment property.

3.6 Property, plant and equipment are stated at cost less accumulated depreciation and the allowance for impairment (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income or other expense in profit or loss.

Subsequent costs, the cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment. The estimated useful lives are as follows:

Building and improvements	20 years
Machinery and equipment	5-15 years
Furniture and office equipment	4-5 years
Vehicles	5 years

No depreciation is calculated for land and asset under construction and installation.

- 3.7 The intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortized on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss. A summary of the intangible assets with finite useful lives is as follows:

Computer software	5-10 years
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- 3.8 Leases agreement

Leases - where The Company is the leasee

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right of use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Company uses the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- Fixed payments including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price, under a purchase option that the lessee is reasonably certain to exercise an option to extend the lease or to purchase the underlying assets, lease payments in an optional renewal period; and
- Payments of penalties for early termination of a lease if the Company is reasonably certain to terminate early.

The Company measures the ROU asset at cost, less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liability. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the ROU asset reflects that the Company will exercise a purchase option, the Company depreciates the ROU asset from the commencement date to the end of the useful life of the underlying asset. The useful life of the ROU asset is determined on the same basis as those of property, plant and equipment.

Right of use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right of use assets, as follows:

Land	3 years, plus renewal option reasonably certain to be exercised
Building	1 year plus renewal option reasonably certain to be exercised
Vehicles	5 years

The lease liability is re-measured when there is a change in future leases payments arising from the following items:

- A change in an index or a rate used to determine those payments
- A change in the Company's estimate of the amount expected to be payable under a residual value guarantee
- The Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured to reflect changes to the lease payments, the Company recognizes the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the remeasurement in profit or loss.

#### Short-term leases and leases of low-value assets

The Company has elected not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### Leases - where The Company is the lessor

The Company determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfer substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When assets are leased out under a finance lease, the present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Lease income is recognized over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognized over the lease term.

Assets leased out under operating leases are included in investment property and property plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar investment property and property plant and equipment owned by the Company. Rental income ( net of any incentives given to lessees) is recognized on a straight-line basis over the lease term.

### 3.9 Non-financial assets impairment

The carrying amounts of assets are assessed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated of asset or its cash-generating unit to which the asset is included in. An impairment loss is recognized when the recoverable amount less than the carrying amount of the asset or its cash generating unit.

Other intangible assets with indefinite useful lives, and intangible assets not yet available for use, are tested for impairment annually, even though there is no indicator of impairment are identified.

Impairment loss is recognized as expenses in profit or loss immediately.

#### Calculation of recoverable amount

- The recoverable amount is the higher of the asset's fair value less cost to sell of asset or the cash-generating unit and its value in use.
- In assessing value in use of an asset, the estimated future cash flows are discounted to their present value which using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the asset.
- The asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

#### Reversals of impairment loss

- The loss on impairment of assets excluding goodwill recognized in the prior period will be reversed if the estimation of net realizable value changes since the last impairment loss was recognized. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortization), if no impairment loss had been recognized.
- Reversals of impairment loss will be recognized as income in profit or loss immediately.

### 3.10 Employee benefits

#### Short-term employee benefits

The Company recognize salaries, wages, bonuses and contributions to Social Security Fund as expense when incurred.

#### Post-employment benefits (Defined contribution plans)

The Company and 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 it must make to employees upon retirement under labor law. The Company treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plans is determined by a professionally qualified actuary based on actuarial techniques, using the projected unit credit method on a regular basis. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Actuarial gains and losses arising from post-employment benefits are recognized immediately in other comprehensive income in the period in which they arise.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment.

- 3.11 Provision is recognized in the statements of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.
- 3.12 Revenue are recognized when customer control of the goods and services in an amount that reflects the consideration to which the entity expects to be entitled excludes value added taxes and present net off trade discounts with the following policies:-
- 3.12.1 Revenue from sales and services are recognized at the point in time when control of the goods and services are transferred to the customer, generally on delivery of the goods and services.
- 3.12.2 Revenue from rendering of project construction service is recognized over time when services have been rendered considering the progress of completion by input methods by reference to comparison of actual costs incurred up to the end of the period and total anticipated cost to be incurred to completion. The recognized revenue that is not yet due per the contract has been presented under the caption of “Contractual assets” in the statement of financial position, while revenue received before it is earned or before service is rendered is presented as “Contractual liabilities” in the statement of financial position. When the progress of completion cannot be estimated reliably, revenue from rendering of project construction service is recognized only to the extent of contract costs incurred that are likely to be recoverable.
- 3.12.3 Interest are recognized on an accrual basis based on the effective interest rate.
- 3.12.4 Other income are recognized on an accrual basis.
- 3.13 Expenses recognition are as follows :-
- 3.13.1 The cost of project construction service related to satisfying performance obligations under the contracts is recognized in the profit and loss when the cost incurred and when it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense in profit and loss immediately.

3.13.2 Finance costs such as interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

3.13.3 Other expenses are recognized by accrual basis.

3.14 Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that related to items recognized in other comprehensive income or recognized directly in equity which will recognize in other comprehensive income or recognized directly in equity as same as that items.

#### Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

#### Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settle.

The Company recognize deferred tax liabilities for all taxable temporary differences while they recognize deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.

At each reporting date, the Company review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

### 3.15 Basic earning (loss) per shares

Basic earnings (loss) per share are calculated by dividing the profit ( loss) for the year attributable to equity holders (excluding other comprehensive income) by the weighted average number of common shares outstanding during the year.

Diluted earnings (loss) per share are calculated by net income for the years attributable to ordinary shareholders of the Company, by the weighted average number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares.

3.16 Foreign currency transactions are translated into Baht at the rates ruling on the occurrence dates. Assets and liabilities in foreign currency outstanding on the reporting date are translated into Baht at the rates ruling on that date. Exchange gains and losses are included as incomes or expenses in profit or loss.

3.17 The related parties and related companies with the Company meant individuals or enterprises which have the controlling power over the Company or are controlled by the Company either directly or indirectly, or under the same control with the Company. Furthermore, the related parties or related companies are also meant the associated companies and the parties whose holding the shares with voting rights, either directly or indirectly and have significant influence to the Company, important management, directors or the employees of the Company who have the power to plan and control the operations of the Company including the family members close to the said persons which could persuade or have power to persuade to act in compliance with the said persons and business that the said persons have control power or significant influence, either directly or indirectly.

3.18 The sectoral business operation is disclosed under the separate business sectors of the Company, by the business sector that acquires products or provides services which have different risks and return from the risks and return of the products or services provide by other business sectors.

### 3.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measure fair value using valuation technique that are appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on categorize of input to be used in fair value measurement as follows:-

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities.

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

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

At the end of each reporting period, the Company determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### 4. Related person and parties transactions

The Company incurred business transactions with related parties, which have the same group of shareholders or mutual directors. Such transactions are based on commercial terms and according to criteria agreed between the Company and those companies which are in ordinary course of business. The transactions are summarized as follows: -

##### 4.1 Inter-assets and liabilities

		(Unit : Baht)	
		<u>As at December 31,</u>	
<u>Type of items/company name</u>	<u>2021</u>	<u>2020</u>	
- Accrued interest payable			
Director	-	13,661.21	
- Unearned revenue			
TPI Polene Power Public Company Limited	855,000.00	-	
- Short-term loans			
Related Party			
Kamolmongkolsuk Company Limited			
Beginning balance	-	10,000,000.00	
Repayment	-	(10,000,000.00)	
Ending balance	-	-	
Related persons			
Director			
Beginning balance	10,000,000.00	-	
Additional	-	10,000,000.00	
Repayment	(10,000,000.00)	-	
Ending balance	-	10,000,000.00	
Total	-	10,000,000.00	

Short-term loan from related party is loan from related party under agreement with bearing interest rate 0.50% per annum and due to repayment on December 31, 2020, currently the Company has completed repayment.

Short-term loan from related person is loan from related person in form of promissory note, type at call, bearing interest rate 0.50% per annum and no collateral, currently the Company has completed repayment.

#### 4.2 Inter-revenues and expenses

(Unit : Baht)			
<u>Type of items/company name</u>	<u>Transfer pricing policy</u>	<u>For the year ended December 31,</u>	
		<u>2021</u>	<u>2020</u>
- Revenue from sales and service			
Kang Yong Electric Public Company Limited	Market price	97,000.00	101,000.00
TPI Polene Power Public Company Limited	Agreement price, reference to market price	-	5,640,000.00
Total		<u>97,000.00</u>	<u>5,741,000.00</u>
- Interest expense			
Kamolmongkolsuk Company Limited	Contract price	-	18,579.23
Director	Contract price	38,219.21	13,661.21
Total		<u>38,219.21</u>	<u>32,240.44</u>

#### 4.3 Directors and management's benefits

(Unit : Baht)		
	<u>For the year ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	13,729,252.00	15,148,937.00
Post-employment benefits	428,531.53	441,430.87
Total	<u>14,157,783.53</u>	<u>15,590,367.87</u>

#### 4.4 Guarantees provided by directors

The Company's directors and director's land has guaranteed the Company's credit facilities from banks as mention in the note to financial statement No.14 and No.30.1. No fees are charged for these guarantees.

#### 4.5 The relationship

The relationship between the Company and its related person or related parties are summarised below.

<u>Company's name</u>	<u>Relationship</u>
KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED	Common director
KANG YONG ELECTRIC PUBLIC COMPANY LIMITED	Common director
TPI POLENE POWER PUBLIC COMPANY LIMITED	Common director
KAMOLMONGKOLSUK COMPANY LIMITED	Common director and shareholders
RELATED PERSONS	Director

## 5. Financial assets and liabilities

As at December, 2021 and 2020, the Company's management has assessed which business models applied to the financial assets and liabilities held by The Company and has classified the materiality financial assets and liabilities as follow:-

	(Unit : Baht)			
	<u>Fair value through profit or loss</u>		<u>Amortized cost</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Financial assets</u>				
Cash and cash equivalents	-	-	3,207,646.51	15,577,758.24
Trade and other receivables	-	-	38,257,451.07	38,808,805.76
Other non-current financial asset	19,998,000.00	19,998,000.00	-	-
Total	19,998,000.00	19,998,000.00	41,465,097.58	54,386,564.00
<u>Financial liabilities</u>				
Short-term loans from financial institutions	-	-	147,465,646.93	140,000,000.00
Trade and other payables	-	-	84,751,139.75	74,827,879.31
Short-term loan from related person and party	-	-	-	10,000,000.00
Short-term loan from other persons and party	-	-	58,000,000.00	38,000,000.00
Long-term loan from financial institutions	-	-	39,000,000.00	40,000,000.00
Lease liabilities	-	-	918,987.24	2,057,136.83
Total	-	-	330,135,773.92	304,885,016.14

## 6. Cash and cash equivalent items

Consisted of :-

	(Unit : Baht)	
	<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>
Cash on hand	295,176.00	305,949.00
Cheque on hand	24,250.00	381,369.00
Saving accounts deposit	2,479,543.23	2,091,952.91
Current accounts deposit	408,677.28	12,797,485.29
Fixed deposit not over 3 months	-	1,002.04
Total	3,207,646.51	15,577,758.24

## 7. Trade and other receivables

Consisted of :-

	(Unit : Baht)	
	<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>
Trade receivables-other parties	36,390,545.70	42,953,949.60
<u>Less</u> Allowance for expected credit losses	(3,429,783.77)	(5,989,822.08)
Total trade receivables-net	32,960,761.93	36,964,127.52
Other receivables	249,741.32	259,774.84
Advance payment for inventories	4,531,795.45	952,746.42
Prepaid expenses	982,752.37	1,073,342.98
Accrued income	-	2,150.00
Advance Payment	218,400.00	242,664.00
Total other receivables	5,982,689.14	2,530,678.24
<u>Less</u> Allowance for expected credit losses	(686,000.00)	(686,000.00)
Total other receivables-net	5,296,689.14	1,844,678.24
Total trade and other receivables	38,257,451.07	38,808,805.76

Aging analyzes for trade receivables are as follows :-

	(Unit : Baht)	
	<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>
Other receivables-other parties		
Not yet due	17,257,425.87	14,461,160.80
Overdue not over 3 months	15,532,779.14	20,410,379.30
Overdue over 3 months not over 12 months	179,660.00	2,348,436.00
Overdue over 12 months	3,420,680.69	5,733,973.50
Total	36,390,545.70	42,953,949.60
<u>Less</u> Allowance for expected credit losses	(3,429,783.77)	(5,989,822.08)
Total trade receivables-other parties	32,960,761.93	36,964,127.52

The normal credit term granted by the Company ranges from 7 days to 90 days.

Movement of allowance for expected credit loss for the year ended December 31, 2021 and 2020 as follow:-

	(Unit : Baht)	
	<u>2021</u>	<u>2020</u>
Beginning balance as at January 1,	(6,675,822.08)	(6,164,246.93)
Allowance for expected credit losses	-	(686,000.00)
Reversal of allowance for expected credit losses	406,745.50	174,424.85
Written off during the year	2,153,292.81	-
Ending balance as at December 31,	<u>(4,115,783.77)</u>	<u>(6,675,822.08)</u>

#### 8. Inventories

Consisted of :-

	(Unit : Baht)	
	<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>
Finished goods	11,850,511.95	12,242,735.22
Semi-finished goods	42,676,299.40	52,252,057.86
Work in process	87,309,206.84	53,369,575.92
Raw materials	16,381,785.18	10,298,045.56
Supplies	691,899.00	466,846.94
Goods in transit	1,448,841.28	6,291,177.15
Total	160,358,543.65	134,920,438.65
<u>Less</u> Allowance for decline in value of inventories	<u>(57,728,183.05)</u>	<u>(61,043,753.90)</u>
Net	<u>102,630,360.60</u>	<u>73,876,684.75</u>

Movement of allowance for decline in value of inventories for the year ended December 31, 2021 and 2020 as follow :-

	(Unit : Baht)	
	<u>2021</u>	<u>2020</u>
Beginning balance as at January 1,	(61,043,753.90)	(61,222,894.19)
Reversal for decline in value of inventories	3,315,570.85	179,140.29
Ending balance as at December 31,	<u>(57,728,183.05)</u>	<u>(61,043,753.90)</u>

Cost of inventory record as expense and include in the cost of good sold were as follow :-

(Unit : Baht)		
<u>For the year ended December 31,</u>		
	<u>2021</u>	<u>2020</u>
Cost of good sold	265,638,833.41	281,716,986.59
Reversal for decline in value of inventories	(3,315,570.85)	(179,140.29)
Total	<u>262,323,262.56</u>	<u>281,537,846.30</u>

9. Other non-current financial asset

Consisted of :-

(Unit : Thousand Baht)							
<u>Company</u>	<u>Paid-up</u>		<u>Percentage of</u>		<u>Investment</u>		<u>Dividend</u>
	<u>Share capital</u>		<u>Investment (%)</u>		<u>as measurement at FVPL</u>		<u>For the year</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>ended December 31,</u>
Sahapat Amorn Company Limited	101,100	101,100	19.80	19.80	19,998	19,998	-

As at December 31, 2021 and 2020, investment in Sahapat Amorn Company Limited is investment in non-marketability security. The Company measured fair value of investment by cost value of investment due to insufficient recent information is available to measure fair value. However, the fair value of an investment as at December 31, 2021 does not significant difference with the cost of investment, which fair value is determined by using net asset value in the investee's financial statement with audited by Certified Public Accountant. Therefore, the fair value using unobservable information and classifield as level 3 in fair value hierarchy.

**10. Investment property**

Consisted of :-

	(Unit : Baht)		
	Land	Buildings	Total
Cost :			
As at January 1, 2021	-	-	-
Transfer from property and plant	200,749,306.09	312,108,139.60	512,857,445.69
As at December 31, 2021	200,749,306.09	312,108,139.60	512,857,445.69
Accumulated depreciation :			
As at January 1, 2021	-	-	-
Transfer from property and plant	-	(48,747,979.41)	(48,747,979.41)
As at December 31, 2021	-	(48,747,979.41)	(48,747,979.41)
Allowance for impairment loss :			
As at January 1, 2021	-	-	-
Transfer from property and plant	-	(89,070,837.29)	(89,070,837.29)
As at December 31, 2021	-	(89,070,837.29)	(89,070,837.29)
Net Book Value:			
As at December 31, 2021	200,749,306.09	174,289,322.90	375,038,628.99

As at December 31, 2021, investment property has transferred from land and building according to the resolutions of the Executive Committee Meeting No.8/2021 held on December 17, 2021. due to the Company changes the purpose of use.

As at December 31, 2021, investment property contributed rental income which recognized in profit or loss of Baht 9.80 million.

As at December 31, 2021, the fair value of investment property is in accordance to the valuation report dated on November 2018 was Baht 515.43 million. The fair value of investment property is determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) by using Market Approach for the land valuation and Cost Approach for the buildings valuation. The fair value of investment property is hierarchical level 3.

As at December 31, 2021, the Company has investment property at cost value of Baht 534.37 million and net book value of Baht 340.03 million are pledged as collateral against credit facilities received from financial institutions as mention in the notes to the financial statements No. 14, 17 and 30.1.

## 11. Property, plant and equipment

Consisted of :-

	(Unit : Baht)						
	Land	Buildings and building improvement	Machinery and equipment	Furniture and office equipment	Vehicles	Assets under construction and installation	Total
Cost :							
As at January 1, 2020	292,034,088.09	402,345,567.37	332,615,728.48	30,877,951.92	58,188,457.92	1,787,000.00	1,117,848,793.78
Purchase	-	-	207,677.43	38,036.53	-	5,000.00	250,713.96
Disposal / written off	-	-	(6,036,220.47)	(4,868,482.51)	(2,653,461.14)	-	(13,558,164.12)
Transfer to expense	-	-	-	-	-	(295,000.00)	(295,000.00)
As at December 31, 2020	292,034,088.09	402,345,567.37	326,787,185.44	26,047,505.94	55,534,996.78	1,497,000.00	1,104,246,343.62
Purchase	-	-	506,167.14	21,150.00	23,500.00	312,000.00	862,817.14
Transfer in	-	-	1,580,000.00	-	-	-	1,580,000.00
Disposal / written off	-	-	(51,284,364.95)	(636,125.31)	(7,252,991.55)	-	(59,173,481.81)
Transfer out	-	-	-	-	-	(1,580,000.00)	(1,580,000.00)
Transfer to investment property	(200,749,306.09)	(312,108,139.60)	-	-	-	-	(512,857,445.69)
Transfer to expense	-	-	-	-	-	(229,000.00)	(229,000.00)
As at December 31, 2021	91,284,782.00	90,237,427.77	277,588,987.63	25,432,530.63	48,305,505.23	-	532,849,233.26
Accumulated depreciation :							
As at January 1, 2020	-	(77,885,261.45)	(265,853,224.72)	(29,519,499.77)	(56,472,054.80)	-	(429,730,040.74)
Depreciation for the year	-	(14,393,908.64)	(12,855,055.17)	(744,425.93)	(471,851.85)	-	(28,465,241.59)
Disposal / written off	-	-	6,032,773.98	4,868,109.74	2,653,458.14	-	13,554,341.86
As at December 31, 2020	-	(92,279,170.09)	(272,675,505.91)	(25,395,815.96)	(54,290,448.51)	-	(444,640,940.47)
Depreciation for the year	-	(14,370,068.91)	(10,030,455.78)	(321,704.26)	(344,095.00)	-	(25,066,323.95)
Disposal / written off	-	-	43,998,416.84	634,436.50	7,252,982.55	-	51,885,835.89
Transfer to investment property	-	48,747,979.41	-	-	-	-	48,747,979.41
As at December 31, 2021	-	(57,901,259.59)	(238,707,544.85)	(25,083,083.72)	(47,381,560.96)	-	(369,073,449.12)
Allowance for impairment loss :							
As at January 1, 2020	-	(89,070,837.29)	-	-	-	-	(89,070,837.29)
Increase (Decrease) during the year	-	-	-	-	-	-	-
As at December 31, 2020	-	(89,070,837.29)	-	-	-	-	(89,070,837.29)
Transfer to investment property	-	89,070,837.29	-	-	-	-	89,070,837.29
As at December 31, 2021	-	-	-	-	-	-	-
Net Book Value:							
As at December 31, 2020	292,034,088.09	220,995,559.99	54,111,679.53	651,689.98	1,244,548.27	1,497,000.00	570,534,565.86
As at December 31, 2021	91,284,782.00	32,336,168.18	38,881,442.78	349,446.91	923,944.27	-	163,775,784.14
Depreciation was show in profit or loss for the years							
Ended December 31, 2020							28,465,241.59
Ended December 31, 2021							25,066,323.95

As at December 31, 2021 and 2020, the Company had land with premises thereon and machineries at net book value of Baht 185.24 million and Baht 509.24 million respectively are pledged as collateral against credit facilities received from financial institutions as mention in the notes to the financial statements No. 14, 17 and 30.1.

As at December 31, 2021 and 2020, the Company had the assets which fully depreciated but still in used. The cost price was Baht 319.52 million and the book value was Baht 2,578.10 and the cost price was Baht 310.77 million and the book value was Baht 173,943.43 million respectively.

## 12. Right of use assets

Consisted of :-

(Unit : Baht)

### Right of use assets:-

	Land	Buildings	Vehicles	Total
As at January 1, 2020	654,537.02	855,367.04	1,961,000.00	3,470,904.06
Increase during the year	-	-	-	-
As at December 31, 2020	654,537.02	855,367.04	1,961,000.00	3,470,904.06
Written off	-	(855,367.04)	-	(855,367.04)
As at December 31, 2021	654,537.02	-	1,961,000.00	2,615,537.02

### Accumulated depreciation :

As at January 1, 2020	-	-	(209,531.40)	(209,531.40)
Depreciation for the year	(163,634.31)	(248,242.39)	(392,199.79)	(804,076.49)
Rental adjustment items	-	(8,367.72)	-	(8,367.72)
As at December 31, 2020	(163,634.31)	(256,610.11)	(601,731.19)	(1,021,975.61)
Depreciation for the year	(163,634.30)	(85,536.70)	(392,199.80)	(641,370.80)
Written off	-	342,146.81	-	342,146.81
As at December 31, 2021	(327,268.61)	-	(993,930.99)	(1,321,199.60)

### Net Book Value:

As at December 31, 2020	490,902.71	598,756.93	1,359,268.81	2,448,928.45
As at December 31, 2021	327,268.41	-	967,069.01	1,294,337.42

### Depreciation was show in profit or loss for the years

Ended December 31, 2020	804,076.44
Ended December 31, 2021	641,370.80

### 13. Intangible assets

Consisted of:-

	(Unit : Baht)
	<u>Computer software</u>
Cost :	
As at January 1, 2020	24,916,189.65
Disposal / written off	(131,846.30)
As at December 31, 2020	24,784,343.35
Purchase	-
As at December 31, 2021	24,784,343.35
Accumulated amortization :	
As at January 1, 2020	(22,817,269.83)
Amortization for the year	(1,240,181.29)
Disposal / written off	131,842.30
As at December 31, 2020	(23,925,608.82)
Amortization for the year	(434,763.37)
As at December 31, 2021	(24,360,372.19)
Net book value :	
As at December 31, 2020	858,734.53
As at December 31, 2021	423,971.16
Amortization in profit or loss for the years	
Ended at December 31, 2020	1,240,181.29
Ended at December 31, 2021	434,763.37

14. Short-term loans from financial institutions

	(Unit : Baht)	
	<u>2021</u>	<u>2020</u>
Bank overdraft	12,465,646.93	-
Promissory notes	135,000,000.00	140,000,000.00
Total	<u>147,465,646.93</u>	<u>140,000,000.00</u>

As at December 31, 2021 and 2020, the Company obtained loans from financial institutions in form of bank overdrafts and promissory notes with the terms range from 3 months from commercial bank bearing the interest rates at 4.00-5.88 % and 3.25-4.25% respectively.

Loans in the form of promissory note have the collateral as mention in the notes to financial statements No. 4,4, 10 and 11.

15. Trade and other payables

Consisted of:-

	(Unit : Baht)	
	<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>
Trade payables	33,071,365.51	47,212,200.62
Other payables		
Other payables	353,211.21	263,239.45
Payable for asset purchased	-	40,690.72
Accrued interest payable-related person and party	-	13,661.21
Accrued expenses	2,785,710.90	5,141,128.90
Deposit received	1,050,000.00	-
Deposit received from contract to sell investment property	10,000,100.00	10,000,100.00
Unearned revenue-related party	855,000.00	-
Unearned revenue	36,635,752.13	12,156,858.41
Total other payables	<u>51,679,774.24</u>	<u>27,615,678.69</u>
Total trade and other payables	<u>84,751,139.75</u>	<u>74,827,879.31</u>

#### 16. Short-term loan from other persons

As at December 31, 2021 and 2020, the whole amount of short-term loans from other person is loan under loan agreement in amount of 7 and 5 contracts respectively with bearing interest rate 9.00% per annum and no collateral which can be summarized as follows:-

<u>No.</u>	<u>Credit facility (Unit : Million Baht)</u>		<u>Agreement date</u>	<u>Due to repayment</u>
	<u>2021</u>	<u>2020</u>		
1	4.00	4.00	October 30, 2019	At call
2	4.00	4.00	November 27, 2019	At call
3	15.00	15.00	February 24, 2020	At call
4	10.00	10.00	May 5, 2020	At call
5	5.00	5.00	October 26, 2020	At call
6	10.00	-	August 23, 2021	November 20, 2021
7	10.00	-	October 7, 2021	At call
Total	58.00	38.00		

#### 17. Long-term loans from financial institutions

(Unit : Baht)

	<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>
Long-term loans from financial institutions	39,000,000.00	40,000,000.00
<u>Less</u> Current portion of long-term loans	(39,000,000.00)	(40,000,000.00)
Net	-	-

Movement for the year ended December 31, 2021 and 2020, are as follows :-

	<u>(Unit : Baht)</u>	
	<u>2021</u>	<u>2020</u>
Beginning balance as at January 1,	40,000,000.00	48,000,000.00
Repaid in the year	(1,000,000.00)	(8,000,000.00)
Ending balance as at December 31,	39,000,000.00	40,000,000.00

Long-term loans has revised the installment for repayment and interest in accordance with loan agreement (Revise No.4) dated August 6, 2021 which can be summarized as follows:-

<u>Credit limit (Unit : Million Baht)</u>		<u>Period</u>	<u>Interest rate</u>	<u>Repayment schedule</u>
<u>2021</u>	<u>2020</u>			
150.00	150.00	June 2017 to January 2022	BIBOR+3% p.a.	<p>- June-August 2017 payment interest only.</p> <p>- September 2017-August 2018 principal payment of Baht 1.00 million per installment.</p> <p>- September 2018-August 2019 principal payment of Baht 1.50 million per installment.</p> <p>- September 2019-March 2020 principal payment of Baht 2.00 million per installment.</p> <p>- April-October 2020 not payment in accordance with delay loan payment plan.</p> <p>- November 2020-June 2021 not payment principle.</p> <p>- July-December 2021 principal payment of Baht 0.20 million per installment.</p> <p>- January-April 2022 principal payment of Baht 0.50 million per installment.</p> <p>- May-November 2022 principal payment of Baht 1.00 million per installment.</p> <p>- December 31, 2022 Last installment must be repaid all outstanding.</p>

Agreements contain covenants of which the Company has to maintain. However, the Company was unable to maintain certain covenant stipulated in an agreement. However the Company has been inform by the lender, grading a waiver for such non-compliance subject. The Company has classified the loan as per original repayment schedule.

The long-term loans are secured by the mortgages investment property and certain plots of land with premises thereon as mention in the note to financial statements No. 10 and 11.

## 18. Lease liabilities

Movement in the lease liabilities are as follows :-

	(Unit : Baht)	
	<u>As at December 31, 2021</u>	
	<u>2021</u>	<u>2020</u>
Beginning lease liabilities	2,057,136.83	1,295,120.86
Increase during the year	-	1,509,904.08
Repaid in the year	(609,476.70)	(739,974.72)
Adjustment from terminated of lease contract	(528,672.86)	-
Rental adjustment items	-	(7,913.39)
Ending lease liabilities	<u>918,987.27</u>	<u>2,057,136.83</u>

Maturity analysis of lease payment as at December 31, 2021 and 2020, are as follows :-

	(Unit : Baht)		
	<u>As at December 31, 2021</u>		
	<u>Lease</u>	<u>Deferred</u>	
	<u>liabilities</u>	<u>interest expenses</u>	<u>Net</u>
Within 1 year	572,223.15	(24,181.71)	548,041.44
Over 1 year but not over 5 years	373,743.09	(2,797.26)	370,945.83
Total	<u>945,966.24</u>	<u>(26,978.97)</u>	<u>918,987.27</u>

	(Unit : Baht)		
	<u>As at December 31, 2020</u>		
	<u>Lease</u>	<u>Deferred</u>	
	<u>liabilities</u>	<u>interest expenses</u>	<u>Net</u>
Within 1 year	848,223.15	(67,829.76)	780,393.39
Over 1 year but not over 5 years	1,313,966.21	(37,222.77)	1,276,743.44
Total	<u>2,162,189.36</u>	<u>(105,052.53)</u>	<u>2,057,136.83</u>

As at December 31, 2021 and 2020, for transactions related to lease are as follows :-

	(Unit : Baht)	
	<u>2021</u>	<u>2020</u>
Finance cost relating to lease	54,746.42	99,248.43
Expense relating to short term leases	584,895.90	538,439.20
Cash outflow for leases	664,223.12	839,223.15

19. Provision

	(Unit : Baht)	
	<u>Provision for product warranty</u>	
	<u>2021</u>	<u>2020</u>
As at January 1,	9,749,661.34	11,149,087.11
Increase during the year	4,460,962.58	2,870,423.16
Utilised	(4,144,474.99)	(4,269,848.93)
As at December 31,	<u>10,066,148.93</u>	<u>9,749,661.34</u>

20. Employee benefit obligation

Movement in the employee benefit obligation are as follows :-

	(Unit : Baht)	
	<u>2021</u>	<u>2020</u>
Employee benefit obligations as at January 1,	40,171,429.77	37,686,427.44
Current service cost	2,106,204.26	2,172,188.66
Interest cost	956,538.38	937,322.90
Benefit paid	(5,814,729.14)	(624,509.23)
Actuarial loss arising from defined benefit plan	675,612.92	-
Employee benefit obligations as at December 31,	<u>38,095,056.19</u>	<u>40,171,429.77</u>

Movement actuarial loss arising from defined benefit plan which recognized in statement of comprehensive income as an unappropriated retained earnings (deficit) are as follow :-

(Unit : Baht)

	<u>As at 31 December</u>	
	<u>2021</u>	<u>2020</u>
Beginning book value	(1,301,659.07)	(1,301,659.07)
Recognized during the year	(675,612.92)	-
Ending book value	<u>(1,977,271.99)</u>	<u>(1,301,659.07)</u>

Expenses recognized in statement of comprehensive income for the years ended December 31, 2021 and 2020 are as follows :-

(Unit : Baht)

	<u>2021</u>	<u>2020</u>
<u>Recognized in profit or loss</u>		
Cost of sales and service	1,868,551.96	1,920,456.36
Selling expenses	298,368.72	284,850.28
Administrative expenses	467,290.43	462,774.05
Management's benefits	428,531.53	441,430.87
Total	<u>3,062,742.64</u>	<u>3,109,511.56</u>

Recognized in other comprehensive income

Actuarial loss arising from defined benefit plan		
Financial assumptions changes	2,250,765.77	-
Experience adjustments	(1,575,152.85)	-
Total	<u>675,612.92</u>	<u>-</u>

Principal actuarial assumptions are as follows :-

	<u>2021</u>	<u>2020</u>
Discount rate	2.22%	2.92%
Salary increase rate	3.00%	3.00%
Employee turnover rate	1.91-22.92%	1.91-22.92%

### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	(Unit : Baht)	
	<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>
Discount increase rate (0.5% movement)	(1,637,347.22)	(1,650,724.73)
Discount decrease rate (0.5% movement)	1,765,622.66	1,776,727.58
Future salary growth increase (1% movement)	3,604,138.67	4,383,196.51
Future salary growth decrease (1% movement)	(3,163,857.43)	(3,806,266.80)
Employee turnover increase rate (20% movement)	(1,832,910.48)	(2,335,632.98)
Employee turnover decrease rate (20% movement)	2,024,834.39	2,631,987.38

### 21. Share capital

Authorized share capital and paid up share capital are movement as follow :-

		2021		2020	
	Par Value	Number of share	Amount	Number of share	Amount
	(Baht)	(Thousand shares)	(Thousand Baht)	(Thousand shares)	(Thousand Baht)
<b>Authorized share capital</b>					
Beginning ordinary share	1.00	543,750,000	543,750,000.00	543,750,000	543,750,000.00
<u>Add</u> Increase ordinary share	1.00	-	-	-	-
Ending ordinary share	1.00	543,750,000	543,750,000.00	543,750,000	543,750,000.00
<b>Issued and paid up share capital</b>					
Beginning ordinary share	1.00	458,773,722	458,773,722.00	458,773,722	458,773,722.00
<u>Add</u> Increase ordinary share	1.00	-	-	-	-
Ending ordinary share	1.00	458,773,722	458,773,722.00	458,773,722	458,773,722.00

## 22. Premium on share and legal reserve

### Premium on ordinary share

Premium on ordinary shares is stated in accordance with Section 51 of the Public Limited Company Act B.E. 2535, in the event the Company offers the ordinary shares for sale at the price exceeding the registered share price, the Company shall appropriate this surplus as reserve (“Premium on ordinary shares”). This premium on ordinary shares cannot be paid out as dividend.

According to minutes of Annual General of Shareholders' Meeting in 2020 held on April 25, 2020, which approve to transfer premium on ordinary shares amount of Baht 41,266,007.59 to eliminate the Company's deficit amount of Baht 41,266,006.00.

### Legal reserve

Section 116 of the Public Limited Company Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

## 23. Capital management

The primary objectives of the Company’s capital management are to maintain its ability to continue as a going concern, to maintain an appropriate capital structure and to maintain financial ratios not exceeding that specified by the covenants of the loan agreements.

As at December 31, 2021 and 2020, the financial statements present debt to equity ratio at 1.16 : 1.00 and 0.96 : 1.00 respectively.

24. Expenses by nature

	(Unit : Baht)	
	For the year ended December 31,	
	2021	2020
Salaries, wages and other employee benefits	116,537,590.85	118,223,604.43
Depreciation and amortization	26,142,458.12	30,665,887.06
Reversal loss for declining in value of inventories	(3,315,570.85)	(179,140.29)
Raw materials and consumables used	173,537,853.53	159,237,227.44
Changes in inventories of finished goods, semi-finished goods and work in process	(23,971,649.19)	11,169,341.94
Finance cost	10,793,329.30	12,270,824.28
Other expenses	45,036,098.25	33,766,208.83
Total	344,760,110.01	365,153,953.69

25. Income tax expenses

Income tax recognized in profit or loss for the years ended December 31, 2021 and 2020 with the following details :-

	(Unit : Baht)	
	2021	2020
Accounting loss before tax	(41,022,281.21)	(53,849,429.29)
Applicable tax rate	20%	20%
Accounting loss before tax multiplied by applicable tax rate	(8,204,456.24)	(10,769,885.86)
Tax effect of income and expenses that are not considered		
As taxable income or expense as follows:-		
- Tax loss unrecognized as deferred tax assets	9,010,483.19	10,993,128.73
- Provision	63,297.52	(279,885.15)
- Others	(869,324.47)	56,642.28
Income tax expenses reported in profit or loss	-	-

As at December 31, 2021 and 2020, the Company had deductible temporary differences and tax losses carries forward totaling amount of Baht 406.34 million and amount of Baht 419.19 million respectively, which have not been recognized as deferred tax assets in the statements of financial position. Because it is not probable that it will be able to utilize the tax benefit in the foreseeable future.

## 26. Basic loss per share

Basic loss per share is calculated by dividing loss for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of common share in issue during the year.

	(Unit : Baht)	
	<u>For the year ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Loss for the year (Unit : Baht)	(41,022,281.21)	(53,849,429.29)
The number of ordinary shares (Unit : Baht)	458,774,000	458,774,000
Loss per share (Baht/share)	(0.09)	(0.12)

## 27. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company are organised into business units based on their products and services, and have three reportable segments, as follows:-

- Manufacture and distribution of machinery segment, which engages in the manufacture and distribution of hydraulic machines such as press machines, cranes, and handling equipment.
- Services segment, which is engaged in the provision of machine repair and maintenance and metal machining services.
- Project construction service segment, which is engaged in the project construction service by supply machines and installation according to the contract.

Financial information is presented as the segment for the year ended December 31, 2021 and 2020 are as follows : -

(Unit : Thousand Baht)

	For the year ended December 31,							
	Manufacture and		Project		Services		Total	
	distribution of machineries		construction service					
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue from sales and services income	235,477	205,437	-	43,277	56,937	50,537	292,414	299,251
Segment profit (loss)	17,002	14,947	-	(8,277)	13,089	11,044	30,091	17,714
Other income							11,324	12,053
Selling expenses and distribution expenses							(17,027)	(16,726)
Administrative expenses							(54,617)	(54,619)
Loss from operating activities							(30,229)	(41,578)
Finance cost							(10,793)	(12,271)
Loss before income tax							(41,022)	(53,849)
Income tax expense							-	-
Loss for the year							(41,022)	(53,849)
Other comprehensive income for the year							(676)	-
Total comprehensive income for the year							(41,698)	(53,849)

Revenue from external customer is based on locations of the customers for the years ended December 31, 2021 and 2020 as follows :-

(Unit :Baht)

	For the year ended December 31,	
	<u>2021</u>	<u>2020</u>
Revenue from external customer		
Thailand	277,696,034.23	298,175,408.80
Others	14,717,817.15	1,076,025.60
Total	<u>292,413,851.38</u>	<u>299,251,434.40</u>

For the year ended December 31, 2021 and 2020, the Company has one major customers for the both years, whose revenue from sales and service based on revenue from manufacturing and distribution of machine in local totaling amount of Bath 33.62 million and 43.28 million respectively.

## 28. Provident fund

The Company and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company and their employees contributed to the fund monthly at the rates depending on the working life of the employees. A local financial institution is managing the provident fund and will be paid to the employees upon termination in accordance with the fund rules. For the year ended December 31, 2021 and 2020, the Company has provident fund expense in amount of Baht 1.62 million and Baht 1.71 million respectively.

## 29. Financial instrument

### Financial risk management objectives and policies

The Company's financial instruments principally comprise cash and cash equivalents, trade and other receivables, trade and other payables, loans and other financial liabilities. The financial risks associated with these financial instruments and how the Company managed is described below.

#### 29.1 Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable, loans, deposits with banks and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

- Trade and other receivables

The Company manages the risks by adopting appropriate credit control policies including credit limit approval, analysis customer's financial status and collection management. Therefore the Company does not expect any material financial losses from credit risk. The Company does not have high concentrations of credit risk since it has a large and diverse customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses for groups of receivables with similar credit risk characteristics, with the rate of provision for expected credit losses used in the calculation based on age of the outstanding receivables for each group. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and other receivables are written-off in accordance with the Company's policy, when appropriate.

- Deposits and other financial instruments with financial institutions

The Company manages the credit risks regarding deposits and other financial instruments with financial institutions by controlling in place to create an acceptable balance between the cost of risks and the cost of risk management. The credit risk on deposits and financial instrument with financial institutions are limited because the counterparties are banks with high credit-ratings.

## 29.2 Foreign currency risk

The Company is exposed to foreign currency risk mainly in respect of purchase or sales of goods, which are denominated in foreign currencies.

As at 31 December 2021 and 2020, the balances of financial assets and liabilities denominated in foreign currencies are summarized below.

<u>Foreign currency</u>	<u>Financial assets</u>		<u>Financial liabilities</u>		<u>Average exchange rate</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
					(Baht per 1 foreign currency unit)	
USD	36,248.00	6,820.00	-	-	33.25	29.87
EUR	-	-	61,830.00	186,843.79	38.28	37.26

### Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Company's profit (loss) before tax to a reasonably possible change in US dollar and Euro exchange rates, with all other variables held constant. The impact on the Company's profit (loss) before tax is due to changes in the fair value of monetary assets and liabilities as at December 31, 2021 and 2020. The Company's exposure to foreign currency changes for all other currencies is not material.

		As at 31 December 2021
		Effect on profit or loss before tax
Currency	Change in FX rate	increase (decrease)
	(%)	(Baht)
USD	+3.0	36,154.01
	-3.0	(36,154.01)
EUR	+3.0	(71,007.98)
	-3.0	71,007.98
		As at 31 December 2020
		Effect on profit or loss before tax
Currency	Change in FX rate	increase (decrease)
	(%)	(Baht)
USD	+3.0	6,110.87
	-3.0	(6,110.87)
EUR	+3.0	(208,841.66)
	-3.0	208,841.66

### 29.3 Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, short-term loans under financial institution, long-term from related person, long-term loans from financial institution and lease liabilities. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The interest rate risk is expected to be minimal.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date are summarized in the table below

(Unit: : Baht)

As at 31 December 2021							
	Fixed interest rate			Floating Interest rate	Non- Interest bearing	Total	Effective interest rate (% per annum)
	Within	1-5	Over				
	1 year	years	5 years				
<b>Financial assets</b>							
Cash and cash equivalent items	-	-	-	2,479,543.23	728,103.28	3,207,646.51	0.05-0.15
Trade and other receivable	-	-	-	-	38,257,451.07	38,257,451.07	
	-	-	-	2,479,543.23	38,985,554.35	41,465,097.58	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	-	-	-	147,465,646.93	-	147,465,646.93	3.25-4.00
Trade and other payables	-	-	-	-	84,751,139.75	84,751,139.75	-
Short-term loans from other person	58,000,000.00		-	-	-	58,000,000.00	9.00
Long-term loans from financial institutions	-	-	-	39,000,000.00	-	39,000,000.00	3.55
Lease liabilities	548,041.44	370,945.83	-	-	-	918,987.27	4.55
	58,548,041.44	370,945.83		186,465,646.93	84,751,139.75	330,135,773.95	

(Unit: : Baht)

As at 31 December 2020							
	Fixed interest rate			Fixed interest rate	Fixed interest rate	Fixed interest rate	Effective
	Within	Within	Within	Within	rate	Within	interest rate
	1 year	1 year	1 year	1 year	(% per annum)	1 year	(% per annum)
<b><u>Financial assets</u></b>							
Cash and cash equivalent items	-	-		2,092,954.95	13,484,803.29	15,577,758.24	0.05-0.15
Trade and other receivable	-	-		-	38,808,805.76	38,808,805.76	-
	-	-		2,092,954.95	52,293,609.05	54,386,564.00	
<b><u>Financial liabilities</u></b>							
Short-term loans from financial institutions	-	-	-	140,000,000.00	-	140,000,000.00	3.25-4.25
Trade and other payables	-	-	-	-	74,827,879.31	74,827,879.31	-
Short-term loans from related person	10,000,000.00	-	-	-	-	10,000,000.00	0.50
Short-term loans from other person	38,000,000.00	-	-	-	-	38,000,000.00	9.00
Long-term loans from financial institutions	-	-	-	40,000,000.00	-	40,000,000.00	3.55-4.30
Lease liabilities	780,393.39	1,276,743.44	-	-	-	2,057,136.83	4.55
	48,780,393.39	1,276,743.44	-	180,000,000.00	74,827,879.31	304,885,016.14	

### Interest rate sensitivity

The Company does not have any significant impact on profit before tax from changes in interest rates on contingent financial assets and liabilities.

## 29.4 Liquidity risk

The Company monitors the risk of a shortage of liquidity through the use of short-term loans from financial institutions, short-term loans from related person and lease liabilities. The Company has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a variety of sources of funding and sufficient available credit lines.

The table below summarizes the maturity profile of the Company's non-derivative financial liabilities as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit : Baht)					
As at December 31, 2021					
	On demand	Less than 1 year	1 – 5 years	Over 5 years	Total
<b>Non-derivatives</b>					
Short-term loans from financial institutions	-	147,465,646.93	-	-	147,465,646.93
Trade and other payables	-	84,751,139.75	-	-	84,751,139.75
Short-term loans from other person	48,000,000.00	10,000,000.00	-	-	58,000,000.00
Long-term loans from financial institutions	-	39,000,000.00	-	-	39,000,000.00
Lease liabilities	-	548,041.44	370,945.83	-	918,987.27
Total non-derivatives	48,000,000.00	281,764,828.12	370,945.83	-	330,135,773.95
(Unit : Baht)					
As at December 31, 2020					
	On demand	Less than 1 year	1 – 5 years	Over 5 years	Total
<b>Non-derivatives</b>					
Short-term loans from financial institutions	-	140,000,000.00	-	-	140,000,000.00
Trade and other payables	-	74,827,879.31	-	-	74,827,879.31
Short-term loans from related person	-	10,000,000.00	-	-	10,000,000.00
Short-term loans from other person	38,000,000.00	-	-	-	38,000,000.00
Long-term loans from financial institutions	-	40,000,000.00	-	-	40,000,000.00
Lease liabilities	-	780,393.39	1,276,743.44	-	2,057,136.83
Total non-derivatives	38,000,000.00	265,608,272.70	1,276,743.44	-	304,885,016.14

## 29.5 Fair values of financial instruments

Given that some financial assets and financial liabilities are short-term and long term loans or bear interest at rates close to market rates, and Long-term loans denominated in Thai Baht carry interest at market rates, the Company management believes that the fair values of those financial assets and financial liabilities closely approximate their carrying values in the statement of financial position.

### 30. Obligation and contingent liabilities

Apart from liabilities reflected in the statement of financial position as at December 31, 2021 and 2020, the Company held other obligations as follows :-

#### 30.1 Obligation of credit lines for loans from financial institutions :-

		<u>As at December 31,</u>					
		<u>2021</u>			<u>2020</u>		
	<u>Currencies</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
	<u>(Unit : Million)</u>						
Bank overdrafts	Baht	25.00	9.04	15.96	25.00	-	25.00
Letters of guarantee	Baht	22.75	15.60	7.15	22.75	15.58	7.17
Trust receipts and letters of credit	Baht	22.00	14.17	7.83	22.00	6.42	15.58
Short-term loan	Baht	390.00	135.00	255.00	390.00	140.00	250.00
Long-term loan	Baht	150.00	150.00	-	150.00	150.00	-
Forward foreign exchange contract	USD	1.00	-	1.00	1.00	-	1.00
Fleet card	Baht	2.00	0.19	1.81	2.00	-	2.00

The above credit facilities are guaranteed by the collaterals as mentioned in the notes to financial statements No.4.4, 10 and 11. However, letters of guarantee amount of Baht 12.75 million is guaranteed by director's land and the Company's directors including transfer the right to collect of receivable from customer project.

#### 30.2 Obligations in relation to lease contracts and services

As at December 31, 2021 and 2020, the Company has obligations as a lessee regarding operational lease contracts and other services. Future minimum lease payments required under these service contracts and leases contracts were as follows.

	<u>(Unit :Baht)</u>	
	<u>2021</u>	<u>2020</u>
Payable within 1 year	1,885,080.00	799,800.00
Payable over 1 and up to 5 years	33,600.00	-
Total	<u>1,918,680.00</u>	<u>799,800.00</u>

30.3 As at December 31, 2021, the Company has entered into agreement to land as a lessor with other companies amount of 2 contracts which the term of agreements are 1 year, the rental rate per month of Bath 1.03 million.

31. Approval of financial statements

These financial statements have been approved for issuance by the Company's board of directors on February 21, 2022.

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- **ATTACHMENT**

## ATTACHMENT 1: Details of the Directors, Executives, Controlled Person of the Company, Chief Financial Officer, Chief Accountant and Company Secretary

**Name - Surname** Mr. Manu Leopaiprote

**Position** Chairman of the Board / Independent Director /  
Member of Audit Committee

**Date Appointed** 7 March, 2011

**Age (year)** 79

### Education

- Honorary Doctorate Degree in Business Administration, Thammasat University
- Master of Science in Economics, University of Kentucky, U.S.A.
- Bachelor Science in Economics (honors) Thammasat University

### IOD Training

- The Role of Chairman Program 3/2001
- Director Certification Program (DCP) 30/2003
- Director Accreditation Program (DAP) 2003

### Other Training

- Certificate of Industrial Development, Nagoya Training Center, Japan
- Degree of National Defence College of Thailand - 34

**% of Shareholding** -None-

**Family Relation among Directors and Executive** -None-

### Working Experience

2011 - Present Chairman of the Board / Independent Director T.M.C. Industrial Public Co., Ltd.

2018 - Present Member of Audit Committee T.M.C. Industrial Public Co., Ltd.

### Position taking on other companies last year

#### Listed Company

2016 - Present Chairman of Audit Committee TPI Polene Power Public Co., Ltd.

2016 - Present Chairman of the Board SVOA Public Co., Ltd.

2010 - Present Director / Chairman of the Nomination  
and Remuneration Committee Kang Yong Electric Public Co., Ltd.

2010 - Present Chairman of the Board ARIP Public Co., Ltd.

2010 - Present Chairman of the Board Jubilee Enterprise Public Co., Ltd.

2006 - Present Chairman of Audit Committee Siam Steel International Public Co., Ltd.

2006 - Present Chairman of the Board Asia Precision Public Co., Ltd.

2004 - Present Chairman of the Board Bangkok Union Insurance Co., Ltd.

2004 - Present Chairman of the Board Polyplex (Thailand) Public Co., Ltd.

2004 - Present Chairman of the Board Khon Kaen Sugar Industry Public Co., Ltd.

2004 - Present Director / Audit Committee Thai Beverage Public Co., Ltd.

### Other Organizations

1999 - 2004 Permanent Secretary Ministry of Industry



**Name - Surname** Mr. Arthit Wuthikaro  
**Position** Director / Independent Director / Chairman of Audit Committee  
**Date Appointed** 7 March, 2011  
**Age (year)** 65



**Education**

- Master Degree in Economics Development, National Institute of Development Administration
- Bachelor Degree in Economics (honors), Ramkhumhaeng University

**IOD Training**

- Director Certification Program (DCP) 118/2009
- Director Accreditation Program (DAP) 27

**Other Training**

- Degree of National Defence College of Thailand - 18/2548

**% of Shareholding** -None-

**Family Relation among Directors and Executive** -None-

**Working Experience**

2011 - Present Director / Independent Director / T.M.C. Industrial Public Co., Ltd.  
Chairman of Audit Committee

**Position taking on other companies last year**

**Listed Company**

-None-

**Other Organizations**

2016 - 2020	Director	Thai Cane and Sugar Corporation Limited
2016 - 2019	Director	S.R.T. Electrified Train Company Limited
2015 - 2017	President	The Association of QC headquarters of Thailand
2015 - 2016	Permanent Secretary	Ministry of Industry
2014 - 2015	Director General	Department of Industrial Promotion
2012 - 2014	Deputy Permanent Secretary	Office of the Permanent Secretary Ministry of Industry
2011 - 2012	Director General	Industrial Works Department
2009 - 2011	Director General	Department of Industrial Promotion
2008 - 2009	Director	The Office of Industrial Economics
2005 - 2008	Inspector	Office of the Permanent Secretary, Ministry of Industry

**Name - Surname** Mr.Thaweemit Kamolmongkolsuk

**Position** Director / Chairman of Executive Committee /  
Company's Authorized Directors

**Date Appointed** 7 March, 2011

**Age (year)** 72

**Education**

- Honorary Degree in Engineering, Rajamangala University of Technology Thanyaburi

**IOD Training**

- Director Accreditation Program (DAP) 89/2011

**Other Training**

- None-

**% of Shareholding** 14.741% (own 8.010% / spouse 6.731%)

**Family Relation among Directors and Executive** Mrs.Tubtim Kamolmongkolsuk's husband  
Miss Pacharawalai Kamolmongkolsuk's father  
Miss Pailain Kamolmongkolsuk's father

**Working Experience**

2011 - Present Director / T.M.C. Industrial Public Co., Ltd.  
Chairman of Executive Committee

2020 - Present Chief Executive Officer T.M.C. Industrial Public Co., Ltd.

**Position taking on other companies last year**

**Listed Company**

-None-

**Other Organizations)**

2005 - 2010 President T.M.C. Manufacturing Co., Ltd.  
1982 - 2011 President T.M.C. Industrial Co., Ltd.  
1972 - 1982 Business Owner Thaweemit Karnchang Machine Shop



**Name - Surname** Mrs. Tubtim Kamolmongkolsuk  
**Position** Director / Vice Chairman of Executive Committee /  
Company's Authorized Directors  
**Date Appointed** 7 March, 2011  
**Age (year)** 75



**Education**

- Honorary Degree in Industrial, Rajamangala University of Technology Thanyaburi

**IOD Training**

- Director Accreditation Program (DAP) 89/2011

**Other Training**

- Thai Small Business Entrepreneur Development course, Generation 17, by the Department of Industrial Promotion

**% of Shareholding** 14.741% (own 6.731% / spouse 8.010%)

**Family Relation among Directors and Executive**

Mr.Thaweemit Kamolmongkolsuk's wife  
Miss Pacharawalai Kamolmongkolsuk's mother  
Miss Pailain Kamolmongkolsuk's mother

**Working Experience**

2011 - Present Director / T.M.C. Industrial Public Co., Ltd.  
Vice Chairman of the Executive Committee

**Position taking on other companies last year**

**Listed Company**

-None-

**Other Organizations**

2005 - 2010	Vice President	T.M.C. Manufacturing Co., Ltd.
1982 - 2011	Vice President	T.M.C. Industrial Co., Ltd
1972 - 1982	Business Owner	Thaweemit Karnchang Machine Shop

**Name - Surname** Mr. Mitthong Chulitawong  
**Position** Director / Independent Director /  
Member of Audit Committee  
**Date Appointed** 25 April, 2014  
**Age (year)** 55

**Education**

- Master Degree in Finance, Siam University
- Bachelor Degree in Business Administration, Ramkhumhaeng University
- Bachelor Degree in Accounting, Sukhothai Thammathirat University

**IOD Training**

- Director Certification Program (DCP) 194/2014

**Other Training**

- -None-

**% of Shareholding** -None-

**Family Relation among Directors and Executive** -None-

**Working Experience**

2011 - Present Director / Independent Director // T.M.C. Industrial Public Co., Ltd.  
Member of Audit Committee

**Position taking on other companies last year**

**Listed Company**

1993 - 2001 Assistant to Stock Exchange Manager KGI Securities (Thailand) Public Co., Ltd.  
Pinklao Branch

**Other Organizations**

2019 - Present Director Sumrej Consultant Co., Ltd.  
2019 - Present Managing Director Fitwhey Co., Ltd.  
2000 - Present Managing Director MSG Consultant Co., Ltd.  
2000 - Present Executive Director FPM Consultant Co., Ltd.  
2000 - 2019 Executive Director Tax Accounting House Co., Ltd.



**Name - Surname** Mr. Panom Ratanarat

**Position** Director

**Date Appointed** 1 June, 2018

**Age (year)** 47

**Education**

- Master Degree in Business Administration, Ramkhumhaeng University
- Bachelor Degree in Business Administration, Banking and Finance, Ramkhumhaeng University

**IOD Training**

- Director Accreditation Program (DAP) 151/2018

**Other Training**

- -None-

**% of Shareholding** -None-

**Family Relation among Directors and Executive** -None-

**Working Experience**

2018 - Present Director T.M.C. Industrial Public Co., Ltd.

**Position taking on other companies last year**

**Listed Company**

2021 - Present	Director / Audit Committee	Health Empire Corporation Public Co., Ltd.
2020 - Present	Director	Planet Communications Asia Public Co., Ltd.
2020 - Present	Director	One To One Contacts Public Co., Ltd.
2019 - 2020	Director	Ubis (Asia) Public Co., Ltd.
2014 - 2017	Director of Debt Securities	RHB Securities (Thailand) Public Co., Ltd.
2002 - 2014	Business Relationship Manager	Bank of Ayudhya Public Co., Ltd.

**Other Organizations**

2021 - Present	Director	Planet Utility Co., Ltd.
2021 - Present	Director	TRC Utility Co., Ltd.



**Name - Surname** Ms. Pacharawalai Kamolmongkolsuk

**Position** Director / Executive Director /  
Company's Authorized Directors

**Date Appointed** 7 March, 2011

**Age (year)** 44

**Education**

- Master Degree in Business Administration, Commerce, Burapha University
- Bachelor Degree in Home Economics, Suan Dusit Rajabhat University

**IOD Training**

- Director Accreditation Program (DAP) 85/2010

**% of Shareholding** 5.458

**Family Relation among Directors and Executive**

Mr.Thaweemit Kamolmongkolsuk's daughter

Mrs.Tubtim Kamolmongkolsuk's daughter

Miss Pailain Kamolmongkolsuk's sister

**Working Experience**

2011 - Present	Director / Executive Director	T.M.C. Industrial Public Co., Ltd.
2021 - Present	Managing Director of Administration Management	T.M.C. Industrial Public Co., Ltd.
2017 - 2021	Deputy Managing Director of Human Resources and Information Technology	T.M.C. Industrial Public Co., Ltd.
2011 - 2017	Deputy Managing Director of Human Resources	T.M.C. Industrial Public Co., Ltd.

**Position taking on other companies last year**

**Listed Company**

-None-

**Other Organizations**

2009 - 2011	Deputy Managing Director	T.M.C. Manufacturing Co., Ltd.
2008 - 2009	Assistant Finance Manager	T.M.C. Industrial Co., Ltd.
2001 - 2006	Procurement Manager	T.M.C. Industrial Co., Ltd.



**Name - Surname** Ms. Pailin Kamolmongkolsuk  
**Position** Director / Executive Director /  
 Company's Authorized Directors  
**Date Appointed** 7 March, 2011  
**Age (year)** 40



#### Education

- Master Degree in Business Administration, Texas A&M University Commerce, U.S.A.
- Bachelor Degree in Business Administration, Assumption University

#### IOD Training (IOD)

- Director Accreditation Program (DAP) 85/2010
- Company Secretary Program (CSP) 46

**% of Shareholding** 5.275

#### Family Relation among Directors and Executive

Mr.Thaweemit Kamolmongkolsuk's daughter  
 Mrs.Tubtim Kamolmongkolsuk's daughter  
 Miss Pacharawalai Kamolmongkolsuk's sister

#### Working Experience

2011 - Present	Director / Executive Director	T.M.C. Industrial Public Co., Ltd.
2021 - Present	Managing Director of Operation Management	T.M.C. Industrial Public Co., Ltd.
2017 - 2021	Deputy Managing Director of Procurement and Trading and Production	T.M.C. Industrial Public Co., Ltd.
2011 - 2017	Deputy Managing Director of Procurement	T.M.C. Industrial Public Co., Ltd.
2012 - 2014	Company Secretary	T.M.C. Industrial Public Co., Ltd.

#### Position taking on other companies last year

#### Listed Company

-None-

#### Other Organizations

2009 - 2010	Procurement Manager	T.M.C. Industrial Co., Ltd.
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**Name - Surname** Mr. Yossakorn Bomlai

**Position** Deputy Managing Director of Operation Management

**Age (year)** 51

**Education**

- Doctor of Industrial Business Administration, King Mongkut's University of Technology North Bangkok
- Master Degree in Education Administration, Ramkhumhaeng University
- Bachelor Degree in Industrial Engineering, Rajamangala University of Technology Thanyaburi

**IOD Training**

- -None-

**Other Training in 2021**

- Sustainability Reporting course by industrial group, class 3 Industrial Product group

**% of Shareholding** -None-

**Family Relation among Directors and Executive** -None-

**Working Experience**

2021 - Present	Deputy Managing Director of Operation Management	T.M.C. Industrial Public Co., Ltd.
2016 - 2021	Deputy Managing Director of Factory	T.M.C. Industrial Public Co., Ltd.
2018 - 2021	Deputy Managing Director - Maintenance & Service Center (Acting)	T.M.C. Industrial Public Co., Ltd.
2014 - 2016	Deputy Managing Director - Sales & Marketing	T.M.C. Industrial Public Co., Ltd.
2015 - 2016	Deputy Managing Director - Factory (Acting)	T.M.C. Industrial Public Co., Ltd.
2013 - 2014	Deputy Managing Director - Business and Marketing Development	T.M.C. Industrial Public Co., Ltd.
2012 - 2013	Deputy Managing Director-Factory	T.M.C. Industrial Public Co., Ltd.

**Position taking on other companies last year**

**Listed Company**

-None-

**Other Organizations**

2009 - 2011	Assistant General Manager	Thai Summit PKK Co., Ltd.
2004 - 2009	General Manager	T.M.C. Industrial Co., Ltd.
1999 - 2004	Assistant Plant manager	Summit Advanced Material Co., Ltd.



**Name - Surname** Mr. Naphatra Chatvichian  
**Position** Deputy Managing Director of Administration Management /  
Chief Financial Officer / Chief Accountant / Company Secretary  
**Age (year)** 53



**Education**

- Bachelor Degree in Accounting at Ramkhumhaeng University

**IOD Training**

- Company Secretary Program 73/2016

**Other Training in 2021**

- Inventory course and accounting issues
- Business literacy course with financial analysis
- The trend of M&A making key points to consider & strategies for M&A successfully
- Sustainability Reporting course by industrial group, class 3 Industrial Product group

**% of Shareholding** -None-

**Family Relation among Directors and Executive** -None-

**Working Experience**

2021 - Present	Deputy Managing Director of Administration Management	T.M.C. Industrial Public Co., Ltd.
2016 - Present	Company Secretary	T.M.C. Industrial Public Co., Ltd.
2015 - 2021	Deputy Managing Director of Account and Finance	T.M.C. Industrial Public Co., Ltd.

**Position taking on other companies last year**

**Listed Company**

-None-

**Other Organizations**

2013 - 2015	Consultant to BSC, KL	Glaxo Smith Kline (Thailand) Co.,Ltd.
2001 - 2013	Assistant Account&Finance Manager	Glaxo Smith Kline (Thailand) Co., Ltd.
1997 - 2001	Assistant Account Manager	Smith Kline Beecham (Thailand) Co.Ltd.
1992 -1997	Auditor	SGV Na Thalang Co.,Ltd.

#### **Roles and responsibilities of company secretary**

1. Prepare and store the company documents which are director registration, invitation letter and Board of Director Meeting minutes, and annual report.
2. Store the report of interest reported by the directors or the executives of the company and submit the copy of report to the Chief Executive Officer and Chairman of Audit Committee within 7 days after receiving the report.
3. Give advice on relevant laws and regulations, and the procedure of activity operation of the directors to comply with laws, objectives and regulations of company.
4. Arrange the Board of Directors meeting and the Shareholders' meeting. Coordinate with the internal divisions to follow the resolution of Board of Directors meeting and the Shareholders' meeting.
5. Coordinate with the governance divisions such as SEC and responsible for the information disclosure and report to the governance division and public according to laws.
6. Organize the orientation to the new appointed directors.
7. Other responsibilities assigned by the Board of Directors.

## ATTACHMENT 2: DETAILS OF THE DIRECTORS OF SUBSIDIARIES

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### Details on Directors of Subsidiaries

-None-

## ATTACHMENT 3: DETAILS ON THE HEAD OF INTERNAL AUDIT AND HEAD OF COMPLIANCE UNIT OF THE COMPANY

### 1. Details on the Head of Internal Audit

#### 1.1 In the case of using outsource

In the audit committee meeting No. 4/2020 on 11th November 2020, the company extended the contract with Professional Internal Audit Service Co. Ltd. to be the company's internal auditors during 1st January - 31st December 2021. Professional Internal Audit Service Co. Ltd. assigned Mr. Suraphong Churangsarit, the managing director, to perform work as the company's internal audit, and Mr. Suraphong Churangsarit is suitable for such responsibility due to his independence and internal audit experience for 7 years. Therefore, he perceived the company's strengths and weaknesses. To enable the internal audit to be implemented continuously, the company set the Internal Audit Unit for coordinating with the outsourcing auditors. However, consideration and approval on appointment, withdrawal, and transfer the head of the company's internal audit unit need to be approved by the audit committee.

#### Details on the Head of Internal Audit from outsource

Company name	: Professional Internal Audit Service Co., Ltd
Address	: No. 299/354 Chaeng Watthana Road, Thung Song Hong Subdistrict, Lak Si District, Bangkok 10210
Responsible Person	: Mr. Surapong Churangsrit
Position	: Management Director
Education	: • Master of Business Administration, Ramkhamhaeng University • Bachelor of Business Administration, General Administration, Ramkhamhaeng University
Diploma of the profession	: • Certified Internal Auditor, CIA • Certified Professional Internal Auditor, CPIA
IOD Training	: • Director Accreditation Program (DAP) 52/2549
Current Position	: • Managing Director, Professional Internal Audit Service Co., Ltd. (PIAS) • Audit Committee, Saint Louis College, Yala Rajabhat University and Nakhon Si Thammarat Rajabhat University • Director, Certified Anti-Corruption (CAC), Thai Institute of Directors Association (IOD) • Director, Integrity & Transparency Assessment of Private sector operations, by National Anti-Corruption Commission • Internal Audit Subcommittee, Thai Media Fund • Consultant, Internal Audit, Equitable Education Fund • Consultant, Risk Management, Office of Trade Competition Commission
Working Experience	: • 1979 - 2014, Executive of Internal Audit, Operations Supervision • Vice President and Chairman of Audit Committee, Rich Asia Corporation Public Co., Ltd. • Chairman of Risk Management Committee and Audit Committee, Chaopraya Mahanakorn Public Co., Ltd. • 2014 - 2015, Association President, The Institute of Internal Auditors of Thailand • Special Instructor, public and private universities • Risk Management Textbook's Writer Team, Sukhothai Thammathirat Open University • The Committee investigates the facts according to the report of Thai Health Promotion Foundation

## 1.2 Internal Audit of the Company

The company has formed an internal audit department to co-ordinate with internal auditor from outsource, the details on the head of internal audit of the company are as follows;

### Details on the Head of Internal Audit of the company

Responsible Person : Mr. Paiboon Rattanasattachai  
Position : Internal Audit Officer and Head of Compliance Unit (acting)  
Education : Bachelor of Accounting, Dhurakij Pundit University  
Working Experience : 2011 - Present Internal Audit Officer, T.M.C. Industrial Public Co., Ltd.  
Head of Compliance Unit (acting),  
2014 - Present Head of Compliance Unit (acting),  
T.M.C. Industrial Public Co., Ltd.  
2003 - 2011 General Accountant Officer,  
Royal Porcelain Public Co., Ltd.

Training : 1. Company Secretary Program 40/2011  
2. Effective Minute Taking 19/2011  
3. Board Reporting Program 6/2011  
4. Company Reporting Program 4/2012  
5. IIA - Tools & Technic for Beginning Auditors  
6. IIAT - Audit Working Paper & Audit Evidence  
7. Adding Value Using Risk-Based Auditing  
8. Internal Audit for new Auditor  
9. Technique for Audit  
10. Annual General Meeting and Board Meeting Guideline  
11. Management of CSR for Sustainable Development  
12. CSR Report Writing  
13. The 2015 CSR Reporting  
14. Audit Program Workshop  
15. Systematic Audit  
16. Audit Report Workshop  
17. Fraud and Fraud Investigations  
18. Internal Control and Internal Control Assessment  
19. Analytical Thinking and Troubleshooting for Auditor

## 2. Details on the Head of Compliance Unit

The company assigned Mr. Paiboon Rattanasattachai to be an acting head of the Compliance Unit for supervising compliance according to regulations of the official agencies overseeing the company business operation. The Head of Compliance Unit is responsible for being a center to make the company business' operation compliant to laws, rules, regulations, requirements, and policies of related agencies such as The Stock Exchange of Thailand (SET), and The Securities and Exchange Commission, Thailand (SEC). In addition, the board of directors approved the Compliance Manual by prescribing the board of directors, the audit committee, top executives, divisions or departments, and employees to be compliant to law. They communicated to employees to be aware that every employee has duties and responsibilities in studying and understanding laws and regulations related to their work responsibilities and being strictly compliant to such rules and regulations.

### Details on the Head of Compliance Unit

Responsible Person	: Mr. Paiboon Rattanasattachai
Position	: Internal Audit Officer and Head of Compliance Unit (acting)
Education	: Bachelor of Accounting, Dhurakij Pundit University
Working Experience	: 2011 - Present Internal Audit Officer, T.M.C. Industrial Public Co., Ltd. 2014 - Present Head of Compliance Unit (acting), T.M.C. Industrial Public Co., Ltd. 2003 - 2011 General Accountant Officer, Royal Porcelain Public Co., Ltd.
Training	: 1. Company Secretary Program 40/2011 2. Effective Minute Taking 19/2011 3. Board Reporting Program 6/2011 4. Company Reporting Program 4/2012 5. IIA - Tools & Technic for Beginning Auditors 6. IIAT - Audit Working Paper & Audit Evidence 7. Adding Value Using Risk-Based Auditing 8. Internal Audit for new Auditor 9. Technique for Audit 10. Annual General Meeting and Board Meeting Guideline 11. Management of CSR for Sustainable Development 12. CSR Report Writing 13. The 2015 CSR Reporting 14. Audit Program Workshop 15. Systematic Audit 16. Audit Report Workshop 17. Fraud and Fraud Investigations 18. Internal Control and Internal Control Assessment 19. Analytical Thinking and Troubleshooting for Auditor

## ATTACHMENT 4 : BUSINESS ASSETS AND DETAILS ON PROPERTY APPRAISAL LIST

### 1. Business Assets

As of December 31, 2021, the details of business assets are as follows;

#### 1.1 Main Business Assets



Asset Type	Proprietary Type	Net worth (million baht)	Obligation
<b>1. Land and Building</b>			
1.1 Head Office Location : 125/10 Moo.5, Tambon Bansuan, Amphoe Muang Chonburi, Chonburi - Area size 15 Rai 1 Ngan 74 Square Wa - Office Building and Factory - Car park area	Owner Owner Rent	84.04 30.63 -	Land and buildings are mortgaged as collateral for the overdraft, promissory note and bank guarantee at Baht 197 million. Lease term 3 years.
1.2 Ban Bueng Factory Location : 88/22 Tambon Nong Chak, Amphoe Ban Bueng, Chonburi - Area size 39 Rai 1 Ngan 26 Square Wa - Factory Building	Owner Owner	136.57 193.42	Land and building are mortgaged as collateral for guarantee the long term loan Baht 150 Million.
1.3 Ban Bueng Factory Location : 88/22 Tambon Nong Chak, Amphoe Ban Bueng, Chonburi - Area size 18 Rai 1 Ngan 91 Square Wa	Owner	64.18	Land and buildings are mortgaged as collateral for the overdraft, promissory note and bank guarantee at Baht 197 million.
1.4 Branch Office 1 (Showroom - Chonburi) Location : 8/42 Moo.6, Sai Om Muang Chonburi Road, Tambon Bansuan, Amphoe Muang Chonburi, Chonburi - Area size 1 Ngan 31 Square Wa - Showroom Building - Sales Office area	Owner Owner Rent	5.24 - -	Land and buildings are mortgaged as collateral for the overdraft, promissory note and bank guarantee at Baht 197 million. Lease term 3 years
1.5 Branch Office 2 (Showroom - Songkhla) Location : 6/10 Rajyindee Road, Tambon Hat Yai, Amphoe Hat Yai, Songkhla	Rent	-	Lease term 1 year

Asset Type	Proprietary Type	Net worth (million baht)	Obligation
2. Machinery	Owner	36.22	10 machines with a net book value at Baht 1.18 million were mortgaged for overdraft, promissory note and bank guarantee at Baht 197 million.
3. Tooling and Equipment	Owner	2.67	-None-
4. Decoration and Office Supplies	Owner	0.34	-None-
5. Vehicles	Owner	0.92	The vehicles are under a hire purchase contract and have a net worth Baht 0.97
6. Intangible Assets - Computer Software	Owner	0.42	-None-
7. Mrs. Tubtim Kamolmongkolsuk	Position Vice Chairman of the Executive Committee	-	Guarantee for overdraft limit, promissory note and bank guarantee Baht 197 million.

Remarks: The company has make the insurance to the fix assets i.e. factory building, office building, Showroom building, machinery and vehicle

## 1.2 Trademarks

T.M.C. Industrial Public Company Limited registered the trademarks "TMC" with Department of Intellectual Property, the details are as follows;

Trademarks	Registration No.	Registration Date
	171122329	March 25, 2011*
	๓298491	July 4, 2008

Remarks \* The company received a certificate of trademark registration, service mark from the Trademark Office Department of Intellectual Property on July 18, 2017.

1.3 Benefits from the Investment Promotion

-None-

1.4 Important Contracts

As of December 31, 2021, the company lease space and buildings for use in its business. All contracts are transaction with persons who are not related parties

Counterparties	Period	Details
Mr. Worathep Paiboonrattanakorn	3 years (January 1, 2021 - December 31, 2023)	The rental contract at soi Bansuan 1, Tambon Bansuan, Amphoe Muang Chonburi, Chonburi, which is opposite of the factory and head office to use as an office car park at rental rate Baht 2,105.26 per month.
Mrs. Wilai Thongkhamtae	3 years (January 1, 2021 - December 31, 2023)	The land lease agreement, Title Deed No. 48737 and 107333, total area size 71 Square Wa, at Tambon Bansuan, Amphoe Muang Chonburi, Chonburi, next to the company's showroom at rental rate Baht 150,000 per annum.
Mr. Jaroon Wachira-anan	1 ปี (May 1, 2020 - April 30, 2021)	The commercial building lease contract for use as a showroom located at No.6/10 Rajyindee road, Hadyai subdistrict, Songkhla at rental rate Baht 23,000 per month.

1.5 Policy of Investment in subsidiaries and Administration in subsidiaries and associates

-None-

2. **Details of Property Appraisal List**

-None-

## ATTACHMENT 5: CORPORATE GOVERNANCE POLICY, CODE OF CONDUCT AND ANTI-CORRUPTION POLICY

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For the details of content, please go to [www.tmc.co.th](http://www.tmc.co.th)

Page - Investor Relations / Shareholders Information / Corporate Governance  
or at the link below

[http://www.irplus.in.th/Listed/TMC/pdf/code\\_of\\_conduct\\_and\\_anti\\_corruption\\_2564.pdf](http://www.irplus.in.th/Listed/TMC/pdf/code_of_conduct_and_anti_corruption_2564.pdf)

## ATTACHMENT 6: REPORT OF THE AUDIT COMMITTEE

Dear Shareholders  
T.M.C. Industrial Public Company Limited



The Audit Committee was appointed by the Board of Directors and comprises three independent directors with qualification in accounting, finance and their qualifications are in line with regulations of the Securities and Exchange Commission (SEC).

In 2021, the Audit Committee organized 4 Audit Committee Meetings, The Audit Committee held the meetings with the attendance of the following members;

<u>Name of the Audit Committee</u>	<u>Position</u>	<u>Number of Attendance</u>
1. Mr. Arthit Wuthikaro	Chairman of the Audit Committee	4/4
2. Mr. Manu Leopairote	Member of the Audit Committee	4/4
3. Mr. Mitthong Chulitawong	Member of the Audit Committee	3/4

The audit committee have performed the duties with independence and fairness within the scope of responsibilities as specified in the audit committee charter, have been assigned by the board of directors, and have received good cooperation from related parties. The audit committee are aware of the importance of the internal control by reviewing and driving the company to be compliant to the good corporate governance principles with a risk management system, sufficient internal control, compliance with the emphasis on organizational transparency, efficient and effective internal control, and reports of accurate and reliable financial statements. Accordingly, the audit committee discuss and share opinions with the internal auditors and accounting auditors every quarter.

The summary of the main points from the audit committee's implementation is as follows.

### 1. Review of Financial Statements

The audit committee have reviewed and considered the quarterly financial statements and the annual financial statement in 2021 together with the corporate accounting auditors. The audit committee inquired and listened to the auditors' explanation about the accuracy and completeness of the financial statements, accounting entry adjustment which have effects on the financial statement, audit scope, sufficiency and appropriateness of the accounting recording method, and sufficient important information disclosure in the remarks of the financial statements. The audit committee also inquired about the risk of unusual accounting entries which might occur or which the accounting auditors might found during the audits.

### 2. Review of Inter-transaction Entries or Entries with Conflict of Interest

The audit committee reviewed on the important disclosure of the inter-transaction entries or the entries with the corporate conflict of interest in accordance with laws and requirements of The Stock Exchange of Thailand (SET) and The Securities and Exchange Commission, Thailand (SEC) in order to ensure that the company was considered with transparency and fairness as well as in sufficiency, accuracy, and completeness of the financial statement disclosure.

The audit committee think that the existing inter-transaction entries and the entries with conflict of interest of the company conform to other general normal business conditions with benefits for the company business.

### 3. Review of Risk Management

The audit committee reviewed on the company's risk management to ensure that various risks of the company are at an acceptable level. The audit committee were informed about the monthly implementation on risk management, followed up the issues which may be risky, and gave suggestions for better development and improvement. The audit committee think that the company manages risks at an appropriate level.

4. Review of Internal Control and Internal Audit System

The audit committee reviewed on the internal auditors' independence, duties, responsibilities, and operational scope as well as quarterly internal audit reports according to the approved audit plans. The audit committee considered the internal audit reports and followed up the improvement from the internal auditors which covered the main work systems of the company. In addition, the consideration was on the results from the assessment of the company's internal control according to the internal control guidelines of The Committee of Sponsoring Organizations of the Treadway Commission (COSO, 2013) by using "The Internal Control System Sufficiency Evaluation Form" of The Securities and Exchange Commission, Thailand (SEC). The audit committee continuously reported the results of auditing the internal control system to the board of directors every quarter. The company's internal control system is efficient, effective, and sufficiency whereas other important issues or weaknesses which might affect the company were not found.

5. Review of Good Corporate Governance

The audit committee reviewed on good corporate governance to ensure that the company had policies and guidelines for appropriate corporate governance as a framework for the company's personnel to be compliant according to the policy of good corporate governance principles and business ethics. The audit committee review the policy of good corporate governance principles once a year including support and promotion for all executives and employees to apply the good corporate governance principles and business ethics in business operation with morality, transparency and social responsibilities.

6. Review of Compliance to Related Regulations, Laws, or Requirements

The audit committee reviewed on compliance to related regulations, laws, or requirements on the basis of The Stock Exchange of Thailand (SET), The Securities and Exchange Commission, Thailand (SEC), and laws related to the company business. The audit committee think that the company is strictly compliant to related regulations, laws, or requirements.

7. Consideration on appointing the accounting auditors and determining the annual remuneration for the accounting auditors

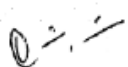
The audit committee think that SAM NAK-NGAN A.M.C. Co., Ltd. is an auditing firm specializing in professions and running business with independence in providing continuous auditing services since SAM NAK-NGAN A.M.C. Co., Ltd. has been corporate auditors for 4 years during 2017 - 2020. Therefore, the audit committee propose the company to appoint SAM NAK-NGAN A.M.C. Co., Ltd. to be the corporate auditor in 2021 with the remuneration of 1,130,000 baht, excluding other allowance such as for travel and accommodation to perform audit in other provinces etc.

The list of auditors are as follows.

- |                              |  |
|------------------------------|--|
| 1) Mr. Ampol Chamnongwat     | a Certified Public Accountant Number 4663 or |
| 2) Miss Praphasri Leelasupha | a Certified Public Accountant Number 4664 or |
| 3) Mr. Naris Saowalagsakul   | a Certified Public Accountant Number 5369    |

For the accounting period as of December 31, 2021, the auditors responsible for certifying the financial statements of the Company is Mr. Naris Saowalagsakul a Certified Public Accountant Number 5369.

In conclusion, the audit committee have performed duties and responsibilities as specified in the audit committee charter with knowledge, skills, carefulness, sufficient independence without limitations in information access or request from executives and related employees. In addition, the audit committee have provided various advices and suggestions useful for all shareholders and stakeholders with equality. Therefore, the audit committee think that the company arranges financial statements and financial information disclosure in a complete, accurate, and reliable way in accordance with the standard of financial statement reports. The company has performed sufficient disclosure of inter-transaction entries or entries with conflict of interest, and the company has policy on good corporate governance, risk management, and internal control system sufficiently and appropriately. In addition, the company is compliant to laws and regulations of The Stock Exchange of Thailand (SET), The Securities and Exchange Commission, Thailand (SEC), and related laws and regulations in business operation.

  
(Mr. Arthit Wuthikaro)

Chairman of the Audit Committee









**T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED**

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