



T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED



THE LEADER IN HYDRAULICS THAILAND



Scan AR Book

FORM 56-1 ONE REPORT
2022

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 social responsibilities.

THE LEADER IN HYDRAULICS THAILAND

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.



CONTENTS

IMPORTANT FINANCIAL INFORMATION	4
MESSAGE FROM THE CHAIRMAN	5
SECTION 1 BUSINESS OPERATION AND OPERATING PERFORMANCE	
1. STRUCTURE AND BUSINESS OPERATION OF THE COMPANIES	7
2. RISK MANAGEMENT	22
3. DRIVING BUSINESS FOR SUSTAINABILITY	27
4. MANAGEMENT DISCUSSION AND ANALYSIS : MD&A	37
5. GENERAL INFORMATION AND OTHER IMPORTANT INFORMATION	44
SECTION 2 CORPORATE GOVERNANCE	
6. CORPORATE GOVERNANCE POLICY	46
7. CORPORATE GOVERNANCE STRUCTURE AND KEY DATA ON THE BOARD OF DIRECTORS, SUB-COMMITTEE, MANAGEMENT, EMPLOYEES AND OTHERS	51
8. CORPORATE GOVERNANCE IMPORTANT PERFORMANCE REPORT	61
9. INTERNAL CONTROL AND RELATED TRANSACTION	75
SECTION 3 FINANCIAL STATEMENTS	78
ATTACHMENT	
1 DETAILS OF THE DIRECTORS, EXECUTIVES, CONTROLLED PERSON OF THE COMPANY, CHIEF FINANCIAL OFFICER, CHIEF ACCOUNTANT AND COMPANY SECRETARY	129
2 DETAILS ON DIRECTORS OF SUBSIDIARIES	140
3 DETAILS ON THE HEAD OF INTERNAL AUDIT AND HEAD OF COMPLIANCE UNIT OF THE COMPANY	141
4 BUSINESS ASSETS AND DETAILS ON PROPERTY APPRAISAL LIST	144
5 CORPORATE GOVERNANCE POLICY, CODE OF CONDUCT AND ANTI-CORRUPTION POLICY	146
6 REPORT OF THE AUDIT COMMITTEE	147



COMPANY PRODUCTS



THE LEADER IN HYDRAULICS THAILAND



IMPORTANT FINANCIAL INFORMATION

Unit : Million Baht

	2022	2021	2020
Comprehensive income			
Total revenue from sales and service	334.74	292.41	299.25
Total revenue and other income	602.32	303.74	311.30
Gross Profit	72.92	30.09	17.71
Net Profit	266.64	-41.02	-53.85
Total Assets	734.53	709.11	726.73
Total Liabilities	139.37	380.59	356.51
Total shareholders' equity	595.16	328.52	370.22
Financial Ratio			
Gross profit margin (percent)	21.78	10.29	5.92
Net profit margin (percent)	44.27	-13.51	-17.30
Liquidity ratio (times)	5.65	0.42	0.41
Debt to Equity Ratio (Times)	0.23	1.16	0.96
Earnings per share	0.58	-0.09	-0.12

MESSAGE FROM THE CHAIRMAN



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

After going through the difficult monsoon epidemic of Covid-19, relaxation of lockdown measures and restrictions on tourist travel have allowed then the economy to recover and expand even further despite the geopolitical conflict, inflation this year, steel price, fuel price, price of consumer goods have continue to rise. In particular, the price increase of steel is the company's main raw material for production and effects the company's direct cost. As a result the company's products are higher according to which customers have purchasing power after repair to use for many years. These various factors are factors that affect the operation of T.M.C. Industrial Public Company Limited, both sales and services and cost of products.

In 2022, the Company still strictly policy measure of the procurement system and expand to other departments such as Sales and Marketing department for missed target, Engineering department for ambiguous design, Production department for unplanned work schedules and reduction of overtime, Logistic department for inventories management to reduce the issue of deadstock.

From the above factors, the performance in the 2022 the Company was able to close sales and services according to the target set. The annual sales of this year were at 334.74 million Baht increase of 14.48% from the same period of last year. In this year, the Company was able to sell land with buildings at Ban Bueng factory which is a property that does not generate income. The sales of this transaction makes the Company returned to have good liquidity again and free from debt burden. The company's board of directors and management team has adjusted the strategies and used new administrative instruments for making profits in 2023 by targeting to increase sales and decrease production cost as well as to closely monitor results.

On this occasion, I would like to thank you the company's shareholders, customers, financial institutes, executives, employees, and all related parties who always support to the company and pledged to work closely with executive in formulating strategies in order to solve problems, obstacles, competition and develop the business of the company to achieve its goals, have sustainable growth for the benefit of all parties concerned with their full potential.

(Mr. Manu Leopaioote)

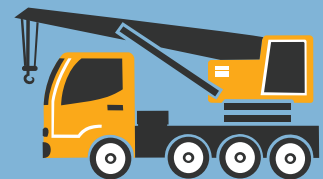
Chairman of the Board of Directors

(Mr. Thaweemit Kamolmongkolsuk)

Chairman of the Executive Committee



**BUSINESS OPERATION
AND 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

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	Important Event
ปี 2014	<ul style="list-style-type: none"> The Securities and Exchange Commission gave award for praise to the Company in the project of "IPO Pride of Provinces".
ปี 2015	<ul style="list-style-type: none"> 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.
ปี 2016	<ul style="list-style-type: none"> 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.
ปี 2017	<ul style="list-style-type: none"> 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.
ปี 2018	<ul style="list-style-type: none"> 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.
ปี 2019	<ul style="list-style-type: none"> 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.
ปี 2020	<ul style="list-style-type: none"> 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).
ปี 2021	<ul style="list-style-type: none"> Cooperated with P.R. Energy Solution Co., Ltd. and Pongthep Group Recycle Co., Ltd. to research and development to produce Recycle Machine (SHREDER).
ปี 2022	<ul style="list-style-type: none"> Research and development of crane 6000S-SC2022 continuously rotating waist 360 degrees for sale in groups of compressed rubber customers and general customers.

Nature of Business

T.M.C. Industrial Public Company Limited : engages in the production and distribution high quality of hydraulic machines 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.
8. The design of 6000S-SC2022 hydraulic crane continuously rotating waist 360 degrees hydraulic system is designed to meet the customers needed who have to work continuously in rotating, grabbing or clamping workpieces for convenience and speed without having to turn back and forth while working.

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	: T.M.C. Industrial Public Company Limited
Location	: Head office 125/10 Moo 5, Bansuan sub-district, Muang district, Chonburi
	: Branch Office No.1 8/42 Moo 6, Bansuan sub-district, Muang 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
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					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Income from sales</u>						
1. Hydraulic press	80.19	26.80	48.93	16.73	56.98	17.02
2. Hydraulic crane	143.57	47.97	157.71	53.93	139.40	41.64
3. Hydraulic handling equipment	12.19	4.07	19.15	6.55	35.95	10.74
4. Contract revenue	-	-	-	-	25.41	7.59
5. Others	19.89	6.65	10.03	3.44	13.33	3.99
Total income from sales	255.84	85.49	235.82	80.65	271.07	80.98
<u>Income from services</u>						
6. Maintenance service	37.98	12.69	34.77	11.89	48.67	14.54
7. Metal machining	5.43	1.82	21.82	7.46	15.00	4.48
Total income from services	43.41	14.51	56.59	19.35	63.67	19.02
Total income from sales and services	299.25	100.00	292.41	100.00	334.74	100.00

1.2.2 Product Information

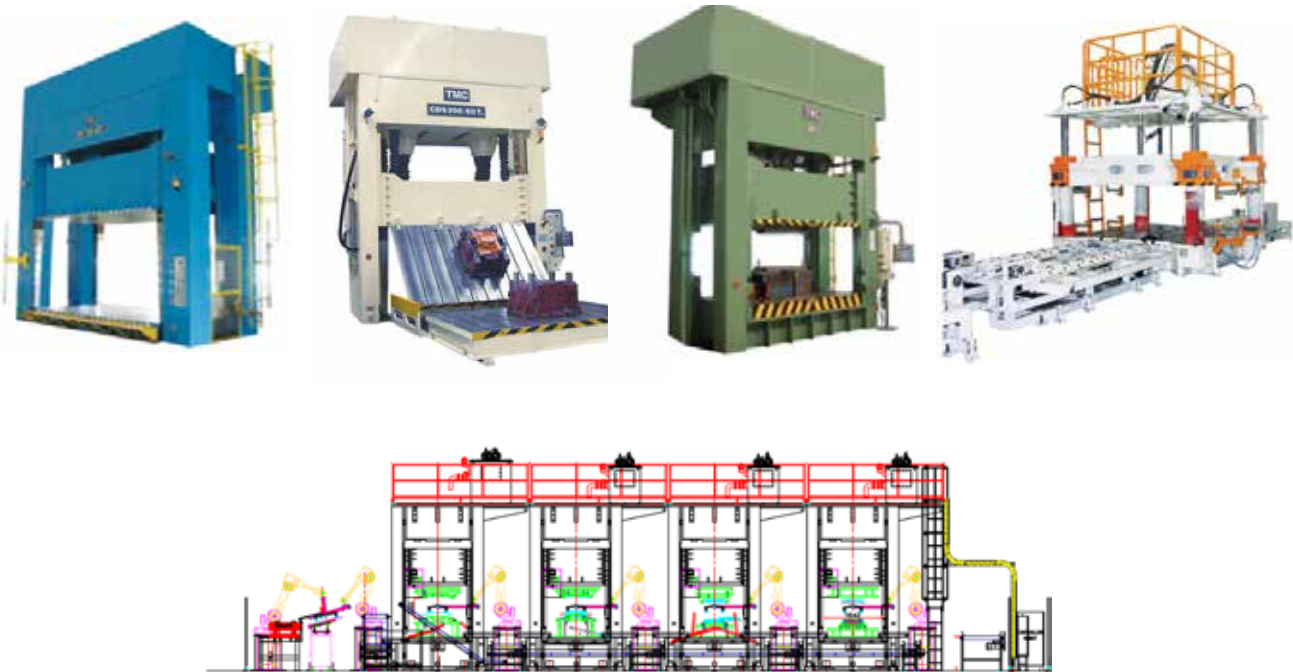
1) Products or Services and Business Innovation Development

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 products and services can be classified into major categories 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)

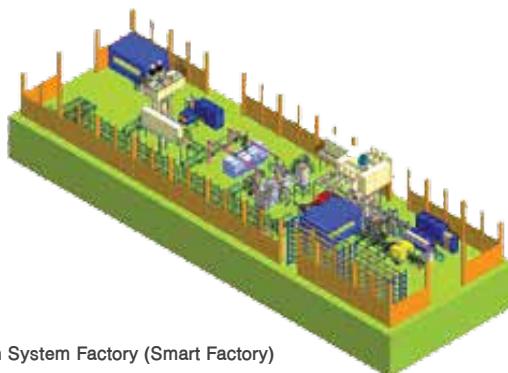
Smart factory is an information innovation in factory which the network connection of equipment is the first step of Smart Factory. However, devices and equipment using in electronics production industry are diverse and distinct. Therefore, the development of system that enables the monitoring of devices 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



Automation System Factory (Smart Factory)



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 2022, 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 2022 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 2022, 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, manufacturing contract and general services i.e. build of iron bridge 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.

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	2022
Maximum Capacity (Ton/Year) ^{1/}	3,096	3,096	3,096	3,096
Actual Production (Ton/Year) ^{2/}	649	531	1,033	508 ^{3/}
Capacity Ratio	20.95%	17.17%	33.37%	16.41%

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.)

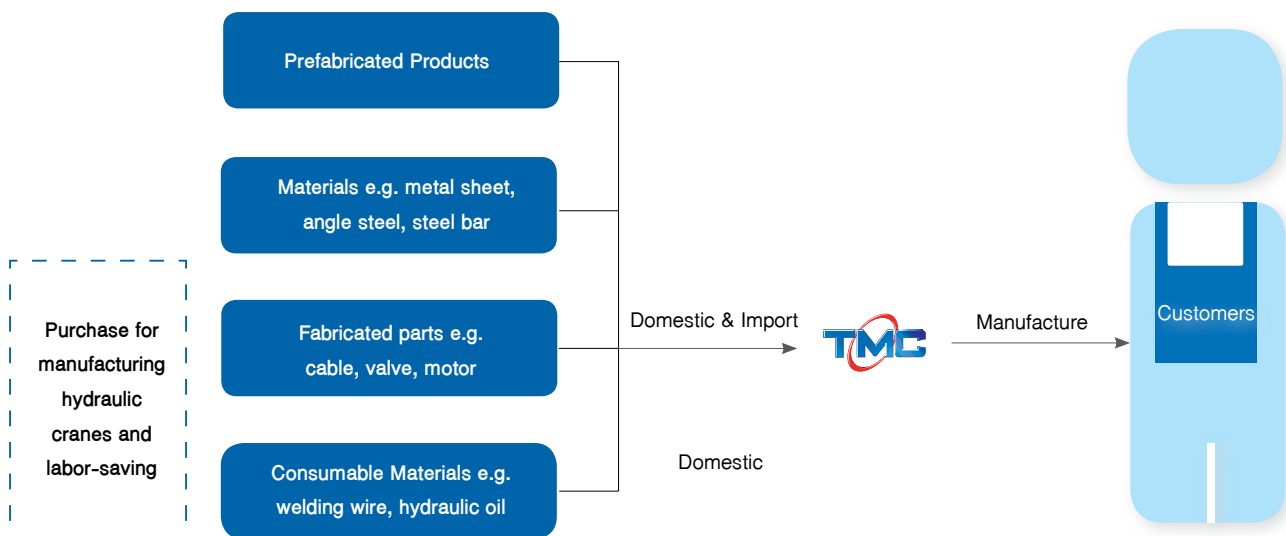
2/ Actual production volume estimated from the weight of hydraulic press machine manufactured each year.

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 November 10, 2022 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
Mrs. Aroonroj	Kamolmongkolsuk	25,040,762	5.458
2. Mr. Kritsada	Akarapattayakul	40,269,200	8.778
3. Mrs. Nattanan	T Thienprasert	22,900,000	4.992
4. Ms. Woranan	Panjaworayan	22,850,000	4.981
5. Mr. Sawaeng	Sirijantaropas	18,950,000	4.131
6. Ms. Nalinpat	Kittisureethorn	16,839,200	3.670
7. Mr. Chuchat	Chaichukiat	14,225,000	3.101
8. Mr. Somsak	Apipattanavis	8,242,700	1.797
9. Mr. Saran	Chaichukiat	8,110,400	1.768
10. Mrs. Sudjai	Wuthisaksilp	7,430,000	1.620
11. Other shareholders		157,043,586	34.230
Total		458,773,722	100.000

Remarks :

* The Kamolmongkolsuk's family group are the executive committee (total 4 persons except Mrs. Aroonroj Kamolmongkolsuk).

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	2020	2021	2022
Earning / Share (Thai Baht)	- 0.12	- 0.09	0.58
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 2022, after barely surviving from COVID-19 outbreak, the relaxation of the lockdown measure and tourist travel control restores and expands the economy remarkably. T.M.C. Industrial Company Limited (Public) realizes risk factors and challenges that had occurred. 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 2022 are as followed.

1) Liquidity Risk

As the company has been running at a continual loss for many years from the investment in a non-performing asset (new plant) and from the unrests occurred in 2022, 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.

During Q3/2022, the Company was able to sell the land and buildings at Ban Bueng factory, allowing the company to unlock liquidity risks and maintenance cost, but the company's management has maintained the same measures and plans to use the money more concisely.

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, 2022, the Company had net trade receivables 41.45 million baht, representing 12.38% of sales and service income. The Company has an average debt collection in 2022 equals to 54 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. 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.
6. 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-

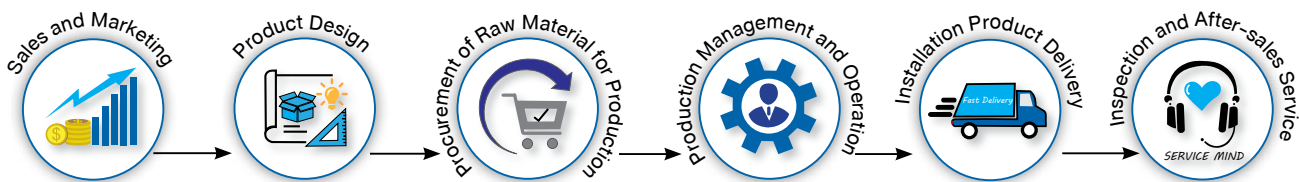
3. DRIVING BUSINESS FOR SUSTAINABILITY

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



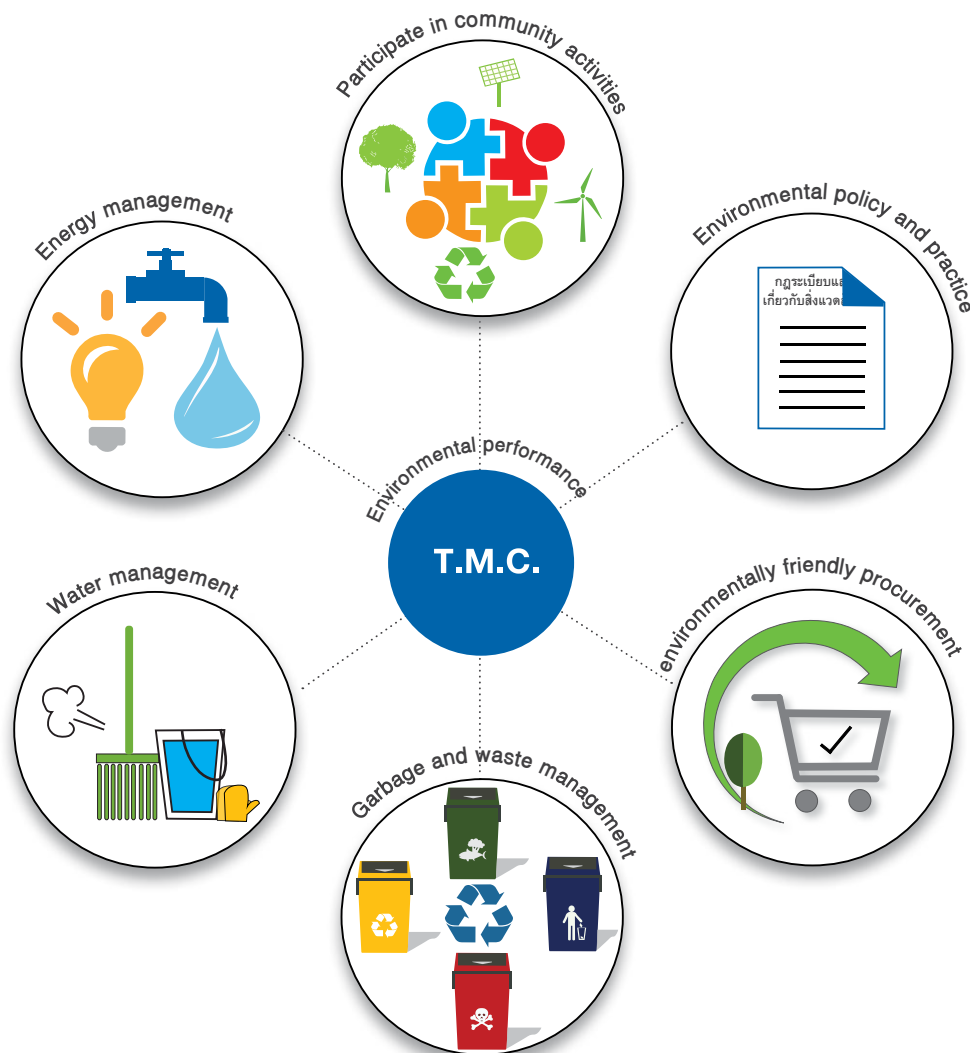
Stakeholder Group	Communication Relationship Activities	Expectation	Operation to meet Expectation
employees	<ul style="list-style-type: none"> Small group meeting of each department in the morning before start working Company announcement Internal electronic mail Satisfaction survey Complaint channel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

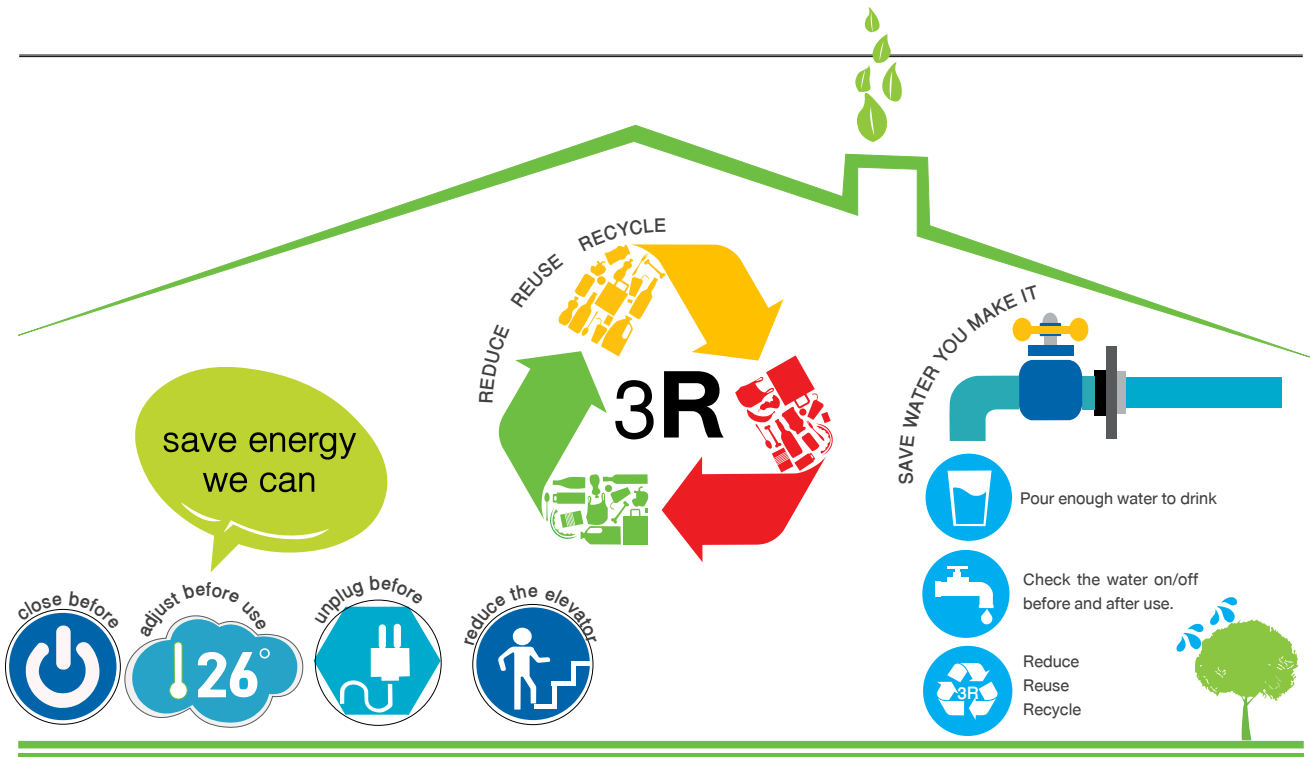
3.3 Environmental sustainability management

3.3.1 Environmental policy and practice

T.M.C. Industrial Public Co., Ltd. manufactures hydraulic presses, hydraulic cranes, and all hydraulic tools and equipment. The company is determined and aware of environmental responsibilities and safety and health of all employees. Therefore, the following guidelines are determined to achieve the policy efficiently

1. Follow the environmental laws, regulations, and other relevant rules strictly to control the environmental impact.
2. Determine to improve the environment with environmental-friendly procurement
3. Aim to manage the waste and hazardous waste accurately and efficiently.
4. Focus on cleanliness and orderliness in the office.
5. Mitigate electricity and water consumption by using them economically and efficiently.
6. Participate in environmental conservation and restoration activities regularly and constantly.





3.3.2 Environmental performance

- Energy management

The company cooperates with the government sector, the Ministry of Industry, to execute the Level 2 Green Industry for the sustainable use of electric power for production and the use of electricity and lighting in the factory. The company also encourages all employees to save energy by turning off all electric appliances and air-conditioners after use, before the lunch break, and before going home.

- Water management

The company uses water for consumption only. Regarding the measure of water management for the environment and worthiness, the company surveys the water consumption by calculating the water use per capita and compares it with the actual use and increasing expense. Moreover, the company organizes the activity to campaign water saving and monitors the equipment and water pipes regularly to avoid leakage.

- Garbage and waste management

The company classifies the garbage into four categories.

1. Solid waste and waste - the company disposes of the solid waste and waste by coordinating with the local municipality for disposal.
2. Recycling waste - the company sorts the waste to sell and chooses the certified company by the Ministry of Industry to handle it.
3. Hazardous waste - the company sends the hazardous waste to be disposed of with the certified company by the Ministry of Industry.
4. Production waste
 - 1.1. Used oil will be sold to a legally certified company by the Ministry of Industry.
 - 1.2. Used coolant will be sent for disposal by the legally certified company by the Ministry of Industry.
 - 1.3. All steel scraps will be sold to a legally certified company by the Ministry of Industry.

- Greenhouse gas management

In 2022, T.M.C. Industrial Public Co., Ltd. cooperates with Natural Power Energy Co., Ltd. to study the solar rooftop project to minimize CO₂ emission, which is currently under contract review. The project is expected to complete in 2023.

3.4 Sustainability management in the social dimension

3.4.1 Policies and guidelines on societies

The Company has continually reviewed and improve its corporate governance policy with focus on participation which is appropriate and in accordance with the corporate governance principles, relevant international laws and guidelines. The Company has a campaign against corruption related to interests of each department to create awareness and good practices for all employees in the Company, as well as reviewing emerging risk issue and jointly finding way to prevent such as information technology risk by establishing a security and cyber security management system including the Personal Data Protection Act (PDPA) for all employees, including customers and partners.

3.4.2 Social performance

- Respect to human rights

The company set the policy on human resource management and policy on human rights in workplaces, and with the 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 2022, 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., and care for every employee to feel engagement to the organization as the same family. In 2022, the company's main performance on employees are as follows.

1. Employee ratio separate by gender



Details	2022		2021		2020	
	total	percentage	total	percentage	total	percentage
Male	160	72.40	164	72.89	188	72.31
Female	61	27.60	61	27.11	72	27.69
Total	221	100	225	100	260	100

2. Proportion of disabled employee



Details	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
Fulltime employee	160	61	164	61	188	72
Disabled employee	1	2	1	2	1	2
Total	161	63	165	63	189	74

3. Employee ratio separate by age



Details	2022		2021		2020	
	total	percentage	total	percentage	total	percentage
Under 30 years old	12	5.36	8	3.56	10	3.85
Age between 30-50 years	145	64.74	174	77.33	188	72.31
Over 50-60 years old	60	26.79	41	18.22	60	23.08
Over 60 years old	7	3.13	2	0.89	2	0.77
Total	224	100	225	100	260	100

- Employee training

The training in 2022, 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 E.g. Deploying Strategies of Procurement, Cost Saving Management after COVID 19, Cost Reduction, Industry 4.0 and Technology Trend, Inspection and Industrial Development, Open World of Trade, Business Negotiations, Conquer Export Markets 2022. The total of employee trainees are 117 persons, i.e. 52.94% of all employees. In 2022, Institute of Skill Development required each company to arrange the training for at least 30% 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 2022, the company was rated on customer satisfaction at 96.39% decrease from 97.35% in 2021. The company also gave importance on innovation creation in production engineering, as detailed in the project description in the company's 2022 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 2022, 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 2022 the company organize activities and join the community as following;

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



Donate blood to National Blood Center 3, Chonburi province.



- Safety, occupational health, and working environment

In 2022, 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 2022	The system is workable. The electrical systems and equipment have to be maintained properly according to the engineering principles.	8 th June 2022	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"> • 1st inspection on 22nd March 2022 • 2nd inspection on 8th September 2022 	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 are reiterate the supervisors to supervise the employee operation during the working hours and train the employees to perform work procedure correctly and strictly.

Organize a work safety committee meeting to participate in the work of employees in expanding safety ideas to cover both of safety and occupation health and working environment. The matters presented at the meeting be reported by monthly on security improvements which has proposed to the safety committee to know about the risk assessment and monitoring the working area to see where there is a risk of accidents and repair immediately, and report employee accident statistics to the meeting and find solutions together.

Safety officers are encouraged to work at the professional level training for additional skill in development of safety in the workplace training guideline course to educate employees on occupational and environmental discusses.



4. MANAGEMENT DISCUSSION AND ANALYSIS : MD&A

4.1 Performance and financial status

The comparison of the 2022 performance and the 2021 and 2020 performances is presented below.

							Compared to the same period			
Million Baht	2022		2021		2020		2022 VS 2021		2021 VS 2020	
	sales	%	sales	%	sales	%	sales	%	sales	%
Income from sales										
Hydraulic press	56.98	17.02	48.93	16.73	80.19	26.80	8.05	16.45%	(31.26)	-38.98%
Hydraulic crane	139.40	41.64	157.71	53.93	143.57	47.97	(18.31)	-11.61%	14.14	9.85%
Hydraulic handling equipment	35.95	10.74	19.15	6.55	12.19	4.07	16.80	87.73%	6.96	57.10%
Contract revenue - Project	25.41	7.59					25.41			
Others	13.33	3.98	10.03	3.44	19.89	6.65	3.29	32.77%	(9.85)	-49.52%
Total income from sales	271.07	80.98	235.82	80.65	255.84	85.49	35.24	14.94%	(20.01)	-7.82%
Income from services										
Maintenance services	48.67	14.54	34.77	11.89	37.98	12.69	13.90	39.98%	(3.21)	-8.45%
Metal machining	15.00	4.48	21.82	7.46	5.43	1.82	(6.81)	-31.22%	16.39	301.84%
Total income from services	63.67	19.02	56.59	19.35	43.41	14.51	7.09	12.53%	13.18	30.36%
Total income from sales and services	334.74	100.00	292.41	100.00	299.25	100.00	42.33	14.48%	(6.84)	-2.28%
Cost of sales and services	261.82	78.22	262.32	89.71	281.54	94.08	-0.50	-0.19%	-19.22	-6.82%
Gross profit	72.92	21.78	30.10	10.29	17.71	5.92	42.83	142.33%	12.39	69.87%
Gross profit %	21.78		10.29		5.92					
Profit from disposal of assets	171.44	51.22								
Transfer back impairment of assets	66.79	19.95								
Other income	29.34	8.77	11.32	3.87	12.05	4.03	18.02	159.17%	-0.73	-6.06%
Selling and administrative expense	63.20	18.88	71.65	24.50	71.34	23.84	-8.45	11.79%	0.31	0.43%
Finance cost	10.65	3.18	10.79	3.69	12.27	4.10	-0.14	-1.314%	-1.48	-12.04%
Loss for the year	266.64	79.66	(41.02)	(14.03)	(53.85)	(17.99)	307.67	749.99%	12.83	23.82%
EBITDA	279.72	83.56	(14.72)	(5.03)	(23.34)	(7.80)	294.45	1998.98%	8.62	-36.93%
Earnings per share	0.58		(0.09)		(0.12)		0.67		0.03	

1. Overview performance of 2023

After barely surviving from COVID-19 outbreak, the relaxation of the lockdown measure and tourist travel control restores and expands the economy remarkably, even though the geopolitics conflict still exists. Inflation affects the higher cost of products, and the private and government sector start investing again.

The company has adjusted the procurement policy since 2021. Even though the price of rice has increased, the procurement policy has it under control. Therefore, the company emphasizes the following three divisions.

1. Sales and Marketing; The turnover prediction should be more precise, and the target customer should be determined clearly. New and current customers, sales plans, product development, and inventory sales at the minimum gross profit should be reviewed. Moreover, the after-sale follow-up should be implemented in case of the customer postpones the plan. A survey to find new customers or products of hydraulic tools must be conducted.
2. Production and Engineering; The task operational plan should be set to control the working hour of humans and machines under the estimated hours. The minimization of overtime work and production waste reduces the cost and helps keep up with the deadline. The task analysis to learn from mistakes, and the adaptation to engineering is crucial to find the solution and avoid the same problem. The model will be examined before the actual use to mitigate the mistake and reduce the work that does not respond to the customer's need.
3. Logistics (inventory); A verification measure of the dead stock is in place for modification and selling at a lower price. Only the used or best seller products are stocked so the number of dead stock reduces remarkably.

Consequently, the company's income from sales and service is 334.74 million Baht, which increases by 14.48%; 271.07 million Baht are from product sales, which increases by 14.94%, and 63.67 million Baht are from services and maintenance, which increases by 12.53%. The cost of sales and service is 261.82 million Baht, which decreases by 0.19%. Other income is 29.34 million Baht, which increases by 159.17%. Profit from selling the Ban Bueng factory is 171.44 million Baht, and asset impairment reversal is 66.79 million Baht. Sales and administrative expenses are 63.20 million Baht, which decreases by 11.79%. The cost of financing is 10.65 million Baht, which decreased by 1.31%. As a result, the gross profit increased by 10.29% in 2021 and 21.78% in 2022. Moreover, the net loss in 2021 of 41.02 million Baht became a net profit of 266.64 million Baht, which increased by 749.99%; it accounted for 0.58 Baht net profit per share in 2022 and 0.09 Baht net loss per share in 2021.

2. Performance and profitability**2.1 Sales and services income**

- From 2020 to 2022, the turnover of the hydraulic press was 80.19, 48.93, and 56.98 million Baht, respectively. It decreased by 38.98% in 2021 due to the COVID-19 outbreak and the postponement of events organized by the government and private sector. The increment in 2022 by 16.45% was from the relaxing situation of the COVID-19 pandemic in which the infection rate was lower, so there were more purchasing orders from the government and private sector
- From 2020 to 2022, the turnover of the hydraulic crane was 143.57, 157.71, and 139.40 million Baht, respectively. It increased by 9.85% in 2021 because the manufacturer of woodchips from rubber wood invested in purchasing the hydraulic crane tong. In 2022, it decreased by 11.61% because the agricultural products customers postponed the purchasing plan because of the double cost of raw materials from the previous year.

- In 2022, the company earned an income of 25.41 million Baht from the waste sorting machine project.
- From 2020 to 2022, the service revenue was 43.41, 56.59, and 63.67 million Baht, respectively. It increased by 30.36% in 2021 and 12.53% in 2022 because customers repaired the machine rather than buying new ones.
- From 2020 to 2022, the total sales and services revenue was 299.25, 292.41, and 334.74 million Baht, respectively. It decreased by 2.28% in 2021 because of the COVID-19 pandemic and the postponement of events organized by the government and private sector. However, it increased by 14.48% in 2022 because of the relaxing situation of COVID-19 pandemic in which the infection rate was lower, so there were more purchasing orders from the government and private sector.
- From 2020 to 2022, the other revenue was 12.05, 11.32, and 29.34 million Baht, respectively. In 2022, another revenue was 29.34 million Baht, which was 16.01 million Baht from the rental and utilities revenue, 2.35 million Baht from ISGEC mechanic press machine sale, 0.41 million Baht from the profit from the exchange rate, and 10.00 million Baht from the deposit forfeit.
- In 2022, there was asset impairment remittance transaction was 66.79 million Baht from the impairment of the Ban Bueng factory in 2016.
- In 2022, the company recorded a profit from selling the Ban Bueng factory at 171.441 million Baht, which was sold and transferred the ownership to the buyer on 15 December 2022.

2.2 Cost of sales

From 2020 to 2022, the cost of sales and service was 281.54, 262.32, and 261.82 million Baht, respectively. It decreased by 6.82 and 0.19% in 2021 and 2022, respectively, since the company adjusted the procurement policy of Purchasing, Sales and Marketing, and Production and Engineering Division, and inventory as mentioned above.

2.3 Sales and administrative expense

From 2020 to 2022, the sales and administrative expense was 71.34, 71.65, and 63.20 million Baht, respectively. It increased by 0.43% in 2021 and decreased by 11.79% in 2022.

2.4 Financial cost

From 2020 to 2022, the financial cost was 12.27, 10.79, and 10.65 million Baht, respectively. It decreased by 12.04 and 1.31%, respectively.

2.5 Profitability

From 2020 to 2022, the management, procurement of the sales and marketing division, production and engineering, and the company inventory were efficient. As a result, the gross profit was 5.92, 10.29, and 21.78, respectively. It decreased by 69.87 and 142.33% in 2021 and 2022, respectively.

For the above reasons, the company performance changed from a loss in 2020 and 2021 (net loss was 53.85 and 41.02 million Baht, respectively) to a profit in 2022 (net profit was 266.64 million Baht), which decreased by 23.82% and increased by 749.99%, accounting for 0.58 Baht of net profit per share in 2022 and 0.09 Baht net loss per share in 2021. EBITDA was -23.34, -14.73, and 279.72 million Baht, respectively.

3. Asset management Capabilities**Financial statement**

As of 31 December 2022, the total asset was 734.53 million Baht, which increased from 726.73 and 709.12 million Baht in 2020 and 2021, respectively. The increment of the total asset in 2021 was from the problem of installation issue of the customer, so the inventory increased by 15.28 million Baht. Cash and cash equivalent was 98.34 million Baht, and other current asset was 300.00 million Baht. However, it decreased because of the fixed asset depreciation of 22.36 million Baht, and real estate for the investment of 375.04 million Baht. The return on asset, return on fixed asset, and total asset turnover in 2022 increased to 36.30, 1.98%, and 0.46 times, respectively, from -5.78, -0.09%, and 0.41 times in 2021, and -7.41, -0.04%, and 0.41 times in 2020, respectively.

4. Liquidity and Capital adequacy

As of 31 December 2022, the net cash flow at the end of the period increased to 101.55 from 3.21 million Baht from 28.72 million Baht of net cash from operations and 314.60 million Baht from the investment, deducting the cash spent for the fundraising activity at 245.04 million Baht. Consequently, the cash flow increased by 98.34 million Baht.

The cash flow increasing from the investment was the asset selling for investment that was not leveraged. The maintenance cost and other expenses and interest were reduced whereas the company's liquidity was enhanced.

Cash spent for fundraising increased due to the loan repayment. Consequently, the company had no outstanding loan with the financial institute or external party.

4.2 Factors or incident affecting the significant financial status or performance in the future

As of 31 December 2022, the current asset was higher than the current liability by 468.24 million Baht. In 2021 and 2020, the current liability was higher than the current asset by 197.56 and 186.01 million Baht, respectively. The company maintained the measure for operation adjustment for higher profit, timely debt collection, production cost management, and minimization of undesired or unfitted jobs.

Table of financial ratio summary

		2022	2021	2020
Liquidity ratio	Times	5.65	0.42	0.41
Accounts Receivable Turnover Ratio	Times	6.88	7.64	7.71
Average Collection Period	Days	53.02	47.75	47.34
Inventory Turnover Ratio	Times	2.22	2.56	3.81
Average Inventory Period	Days	164.38	142.80	95.78
Account Payable Turnover Ratio	Times	2.80	3.10	3.76
Average Payment Period	Days	130.32	117.92	97.01
Cash Cycle	Days	87.07	72.63	46.10

Table of financial ratio summary (CONTINUED)

		2022	2021	2020
Gross Profit Margin	%	21.78%	10.29%	5.92%
Net Profit Margin	%	44.27%	-13.51%	-17.30%
Return on Equity (ROE)	%	44.80%	-12.49%	-14.55%
Return on asset (ROA)	%	36.30%	-5.78%	-7.41%
Debt to Equity Ratio : D/E	Times	0.23%	115.85%	96.30%
Debt to Equity Ratio	Times	0.00	0.57	0.49
Dividend Payout Ratio	%	N/A	N/A	N/A
Book Value Per Share (BVPS)	Baht	1.30	0.72	0.81
Earnings Per Share (EPS)	Baht	0.58	(0.09)	(0.12)
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

	2022		2021		2020	
	Baht	%	Baht	%	Baht	%
Assets						
Current Assets						
Cash and cash equivalent items	101,549,535.72	13.83%	3,207,646.51	0.45%	15,577,758.24	2.14%
Trade and other receivables	48,622,541.56	6.62%	38,257,451.07	5.40%	38,808,805.76	5.34%
Inventories-Net	117,907,729.00	16.05%	102,630,360.60	14.47%	73,876,684.75	10.17%
Other current financial assets	300,000,000.00	40.84%				
Other current assets	785,993.93	0.11%	290,718.30	0.04%	606,411.68	0.08%
Total current assets	568,865,800.29	77.45%	144,386,176.48	20.36%	128,869,660.43	17.73%
Non-current assets						
Other non-current financial assets	18,364,397.36	2.50%	19,998,000.00	2.82%	19,998,000.00	2.75%
Investment property	-	0.00%	375,038,628.99	52.89%	-	0.00%
Property, plant and equipment-Net	141,414,834.64	19.25%	163,775,784.14	23.10%	570,534,565.86	78.51%
Right of use assets	738,503.34	0.10%	1,294,337.42	0.18%	2,448,928.45	0.34%
Intangible assets	325,060.66	0.04%	423,971.16	0.06%	858,734.53	0.12%
Other non-current assets	4,824,897.58	0.66%	4,200,193.11	0.59%	4,024,585.13	0.55%
Total non-current assets	165,667,693.58	22.55%	564,730,914.82	79.64%	597,864,813.97	82.27%
Total assets	734,533,493.87	100.00%	709,117,091.30	100.00%	726,734,474.40	100.00%

Statement of financial position as of December 31 ((CONTINUED))

	2022		2021		2020	
	Baht	%	Baht	%	Baht	%
Liabilities and shareholders' equity						
Current Liabilities						
Short-term loan from institutions	-	0.00%	147,465,646.93	20.80%	140,000,000.00	19.26%
Trade and other payables	93,483,935.17	13.18%	84,751,139.75	11.95%	74,827,879.31	10.30%
Current portion - Leasing	370,945.84	0.05%	548,041.44	0.08%	780,393.39	0.11%
Current portion - Long-term loan	-	0.00%	39,000,000.00	5.50%	40,000,000.00	5.50%
Loan from other person	-	0.00%	58,000,000.00	8.18%	48,000,000.00	6.60%
Provision warrantees	6,031,501.73	0.85%	10,066,148.93	1.42%	9,749,661.34	1.34%
Other current liabilities	745,696.71	0.11%	2,110,741.57	0.30%	1,521,102.36	0.21%
Total current liabilities	100,632,079.43	14.19%	341,941,718.62	48.22%	314,879,036.40	43.33%
Non-current liabilities						
Lease liabilities	-	0.00%	370,945.83	0.05%	1,276,743.44	0.18%
Other non-current liabilities	186,915.89	0.03%	186,915.89	0.03%	186,915.89	0.03%
Employee benefit obligation	38,552,397.29	5.25%	38,095,056.19	5.37%	40,171,429.77	5.53%
Total liabilities	139,371,392.61	18.97%	380,594,636.53	53.67%	356,514,125.50	49.06%
Shareholders' equity						
Authorized share capital	543,750,000.00	74.03%	543,750,000.00	76.68%	543,750,000.00	74.82%
Unpaid capital	(84,976,278.00)	-11.57%	(84,976,278.00)	-11.98%	(84,976,278.00)	-11.69%
Premium on ordinary share	1.59	0.00%	1.59	0.00%	1.59	0.00%
Retained earnings						
Unappropriated retained earnings - beginning of period	(134,955,275.58)	-18.37%	(87,113,575.69)	-12.28%	(33,264,146.40)	-4.58%
The impact of the change in accounting policy	(138,139.93)	-0.02%	(138,139.93)	-0.02%	(138,139.93)	-0.02%
Legal reserve	6,819,418.68	0.93%	-	0.00%	-	0.00%
Dividend	-	0.00%	-	0.00%	-	0.00%
Other comprehensive income	(1,977,271.99)	-0.27%	(1,977,271.99)	-0.28%	(1,301,659.07)	-0.18%
Profit(loss)	266,639,646.49	36.30%	(41,022,281.21)	-5.78%	(53,849,429.29)	-7.41%
Total retained earnings	136,388,377.67	18.57%	(130,251,268.82)	-18.37%	(88,553,374.69)	-12.19%
Total shareholders' equity	595,162,101.26	81.03%	328,522,454.77	46.33%	370,220,348.90	50.94%
Total liabilities and shareholders' equity	734,533,493.87	100.00%	709,117,091.30	100.00%	726,734,474.40	100.00%

Statement of comprehensive income

For the year ended 31 December

	2022		2021		2020	
	Baht	%	Baht	%	Baht	%
Revenue:-						
Revenue from sales	263,988,629.49	43.83%	235,477,067.25	77.53%	248,714,622.10	79.89%
Revenue from services	70,755,023.16	11.75%	56,936,784.13	18.75%	50,536,812.30	16.23%
Revenue from sales and services	334,743,652.65	55.58%	292,413,851.38	96.27%	299,251,434.40	96.13%
Profit from disposal assets	171,440,166.44	28.46%				
Transfer back allowance for impairment loss	66,793,867.69	11.09%				
Other income	29,343,932.12	4.87%	11,323,977.42	3.73%	12,053,090.00	3.87%
Total revenue	602,321,618.90	100.00%	303,737,828.80	100.00%	311,304,524.40	100.00%
Expenditure:-						
Cost of goods sold	261,824,740.94	43.47%	262,323,262.56	86.37%	281,537,846.30	90.44%
Selling and distribution expenses	14,404,723.87	2.39%	17,026,845.61	5.61%	16,726,256.53	5.37%
Administrative expenses	48,800,900.85	8.10%	54,616,672.54	17.98%	54,619,026.58	17.55%
Finance cost	10,651,606.75	1.77%	10,793,329.30	3.55%	12,270,824.28	3.94%
Total cost of sales and expenses	335,681,972.41	55.73%	344,760,110.01	113.51%	365,153,953.69	117.30%
Profit (loss) before tax	266,639,646.49	44.27%	-41,022,281.21	-13.51%	-53,849,429.29	-17.30%
Income tax expenses	-	0.00%	-	0.00%	-	0.00%
Profit (loss) after tax	266,639,646.49	44.27%	-41,022,281.21	-13.51%	-53,849,429.29	-17.30%
Other comprehensive income						
Actuarial Losses	-	0.00%	-675,612.92	-0.22%	0	0.00%
Total comprehensive income (loss) for the year	266,639,646.49	44.27%	-41,697,894.13	-13.73%	-53,849,429.29	-17.30%
Basic loss per share	0.58		(0.09)		(0.12)	

5. GENERAL INFORMATION AND OTHER IMPORTANT INFORMATION

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

19th 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

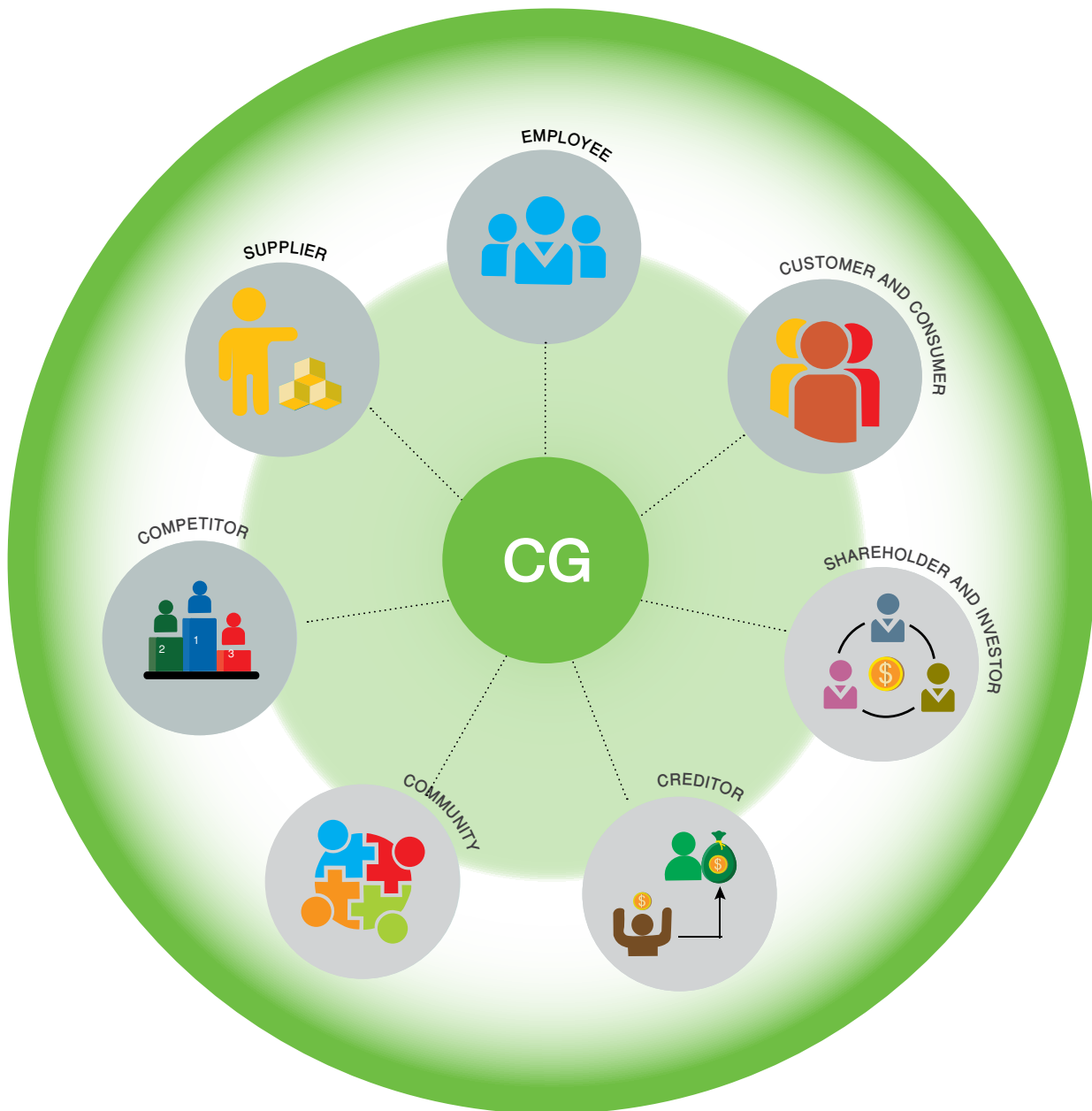
-None-

5.3 Legal Dispute

-None-

5.4 Secondary Market

-None-



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, 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 0.5 percentage 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.

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, 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.

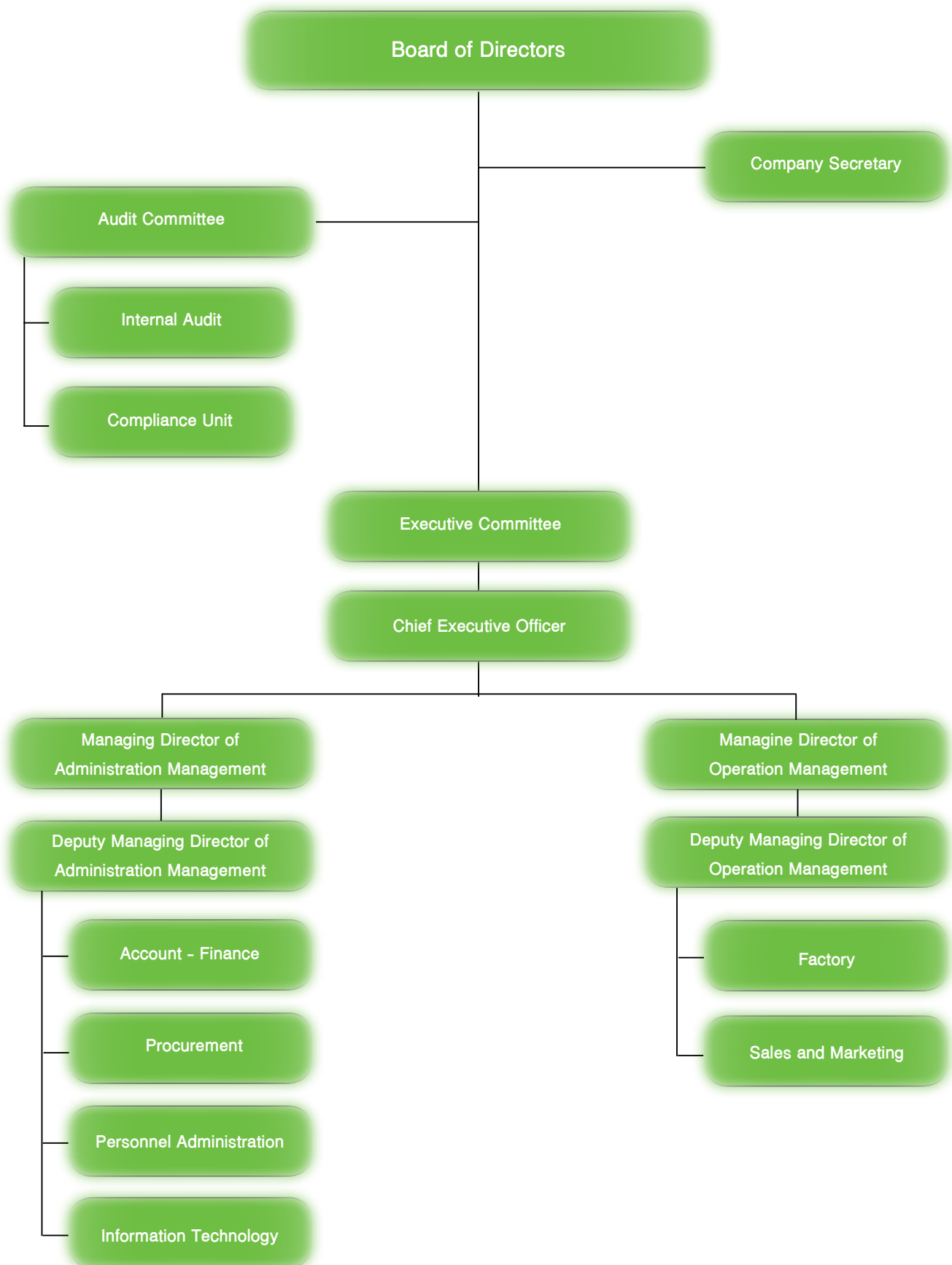
6.3 Changing and Milestone Development on CG Policy, Guideline and System in the past year

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 2022, the Board of Director Meeting No.3/2022 dated 8 August, 2022 had resolutions approved the revised "Good Corporate Governance and Code of Conduct Manual year 2022" and the details are as the following;

1. Additional scope of authority of Audit Committee in article 4 as follows: to consider, select, propose the appointment and dismissal 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
2. Audit qualification of independent director about shareholding matter: is holding shares not exceeding 0.5 percentage 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.
3. The Company has brought good corporate governance principle year 2017 edition issued by the Securities and Exchange Commission (SEC) to define more to be the main principle of implementation to the directors who is the leader or the highest responsible person of the organization has been used in corporate governance to provide the business with good long-term performance and credible for the benefit of creating sustainable business value. The practice for the directors 8 main articles details as attachment 5 the Corporate Governance Policy, Code of Conduct and Anti-Corruption Policy.

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 2022



7.2 Information about the Board

7.2.1 Composition of the Board of Directors

The Board of Directors as of December 31, 2022 consisted of 9 directors. All of them are knowledgeable and have experiences in the field of the Company's business. There were 4 executive directors, and 5 non-executive director (percentage ratio is 55.55 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 33.33) 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, 2022, the Board of Directors composed of 9 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 / Executive Director
8. Ms. Pailin	Kamolmongkolsuk	Director / Executive Director
9. Mr. Boonlerd	lewpornchai**	Director

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.

** Mr. Boonlerd lewpornchai was appointed as Director on December 14, 2022.

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. 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 board of directors quarterly in order to regularly monitoring and evaluating effectiveness of the risk management. In addition, the board of directors arrange for considering sufficiently of the internal control system and risk management system at least once a 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, 2022, 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 Rattanasettachai 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 and dismissal 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

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, 2022, 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, 2022, The Company's Management was consists of 6 members as follows:

Name		Position
1. Mr. Thaweemit	Kamolmongkolsuk	Chairman of the Executive Committee / Chief Executive Officer
2. Mrs. Tubtim	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

Remarks :

* 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.

7.4.2 Remuneration of the Management

In 2022, the Management of the company has 6 persons. The company has paid remuneration to the company's management in the total amount Baht 13,573,932.43. This compensation consist of salary Baht 12,713,464.00 and other compensation is contributions to the provident fund Baht 860,468.43.

7.5 Employees

As of December 31, 2022, the total of employees (exclude management team) are as follows:

Department	Number of Employees (person)
Administration	2
Factory	5
Production	83
Engineering	22
Maintenance	6
Planning and Logistic	20
Preventive Maintenance and Service	25
Quality Control and Quality Management System	6
Sales & Marketing	17
Account & Finance	9
Procurement	7
Personnel Administration	14
Information Technology	2
Internal Audit	1
Total	219

Total employees remuneration (exclude management team)

In 2022, the total employees remuneration is 85,787,337.80 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.

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.

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 Rattanasettachai, 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.

4. Head of Compliance Unit

The Company appointed Mr. Paiboon Rattanasettachai 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.

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 : 038-276083

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.

7.6.3 Audit Fee

The 2022 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 2022.

Audit fee

The company paid the Audit fee in 2022 was Baht 1,030,000. This fee included audit fee and total accounting review.

Non-audit fee

In 2022, the Company paid for auditor allowance and transportation expense were Baht 59,235.

8. CORPORATE GOVERNANCE IMPORTANT PERFORMANCE REPORT

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 2022 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 2022, there were 6 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.3/2022 on August 8, 2022 has approved good corporate governance policy and code of conduct year 2022 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 unuual 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.
6. Considered and presented to the annual general meeting of sahreholders to consider and approval of the disposal of land with buildings, which is Ban Bueng factory on the land with an area of 57 Rai, 3 Ngan, 17 Square Wah, as well as, 2 sets of 5-MT Bridge Girder, located at No.88/22 Moo.2, Nong Chak sub-district, Ban Bueng district, Chonburi province, to SAM PRECISION (THAILAND) CO., LTD., which is a juristic person having no related with the Company, at the price of 660,000,000 Baht. This asset is a new factory of the Company, which was completely constructed since October 2017, and not utilized by the Company because of economic slowdown resulting the size of new factory exceeds the Company's production capacity. The meeting of the Board of Directors opined that to enter into this transaction shall benefit the Company and the shareholders. Considering from the potential on utilization of the land with buildings and Bridge Girder of Ban Bueng factory, it is found that to sell the assets which is not yet utilized by the Company shall benefit the Company and the shareholders, both on the Company's business operation and most-effective allocation of fund and assets.

8.1.1 Nomination, Development and Performance Assessment of the Board

Nomination: In 2022, the Extraordinary General Meeting of Shareholders No.1/2022 on December 14, 2022 to considered and approved the appointment of Mr. Boonlerd lewpornchai to hold a position of Director, because he has a knowledge, capability and high experience in management which will be beneficial to the Company. The board of directors are selected by consideration from knowledge criteria, capability, experience, vision and reliability including be qualified in accordance with the company's articles of association, the Stock Exchange of Thailand and the the Securities and Exchange Commission, and there are no prohibited characteristics as prescribed by law and approved by the board of directors meeting No.5/2022 on October 25, 2022.

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 2022, 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:

- "Tutor to 100 year 2022" on January 28, 2022, online training, organized by Thai Investors Association (Company Secretary Section).
- "Executive Safety Officer" on March 30-31, 2022, inhouse training, organized by Ecot Development Center Co., Ltd. (Manager and Deputy Managing Director Level).
- "Project Survey Criteria CGR year 2022" on June 23, 2022, online training, organized by Thai Institute of Directors Association (Company Secretary Section).
- "Industry 4.0 and Technology Trend - Industrial IOT for Smart Factory" on July 6, 2022, onsite training, organized by Thai-German Institute (Manager and Deputy Managing Director Level).
- "How to manage business money that accountants should know" on July 25, 2022, online training, organized by Accounting Coach (Thailand) Co.,Ltd. (Deputy Managing Director / CFO)
- "In-depth Seminars of Project Survey Guidelines CGR year 2023" on September 19, 2022, online training, organized by Thai Institute of Directors Association (Company Secretary Section).

The Self-evaluation of Directors : In 2022, 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 2022 are as follows:

1. the self-assessment of the directors
 By group = 3.78 (good)
 By individual = between 3.00 - 4.00 (good - very good)
2. the self-assessment of the audit committee
 By group = 3.87 (good)
 By individual = between 3.82 - 4.00 (good - very good)
3. the assessment of the CEO's result
 Mr. Thaweemit Kamolmongkolsuk = 3.72 (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 2022, The company arranged a meeting of the Board of Directors total 6 times, the total of directors 8 persons were attended the board of directors' meeting 100% 6 persons, 83.33% 1 person and 66.66% 1 person, and arranged the Annual General Meeting of Shareholders 1 time and Extraordinary General Meeting of Shareholders 1 time the total of directors 8 persons were attended the meeting 100%, the details are as follows;

Name	Position	Board of Director Meeting (total 6 times)	Annual General Meeting of Shareholders 2022 (total 1 time)	Extraordinary General Meeting of Shareholders 2022 (total 1 time)
1. Mr. Manu Leoparote	Chairman of the Board of Directors/ Independent Director/ Member of the Audit Committee	6/6	1/1	1/1
2. Mr. Arthit Wuthikaro	Director/ Independent Director/ Chairman of the Audit Committee	6/6	1/1	1/1
3. Mr. Thaweemit Kamolmongkolsuk	Director/ Chairman of the Executive Committee	6/6	1/1	1/1
4. Mrs. Tubtim Kamolmongkolsuk	Director/ Vice Chairman of the Executive Committee	6/6	1/1	1/1
5. Mr. Mitthong Chulitawong*	Director/ Independent Director/ Member of the Audit Committee	4/6	1/1	1/1
6. Mr. Panom Ratanarat	Director	6/6	1/1	1/1
7. Ms. Pacharawalai Kamolmongkolsuk	Director / Executive Director	6/6	1/1	1/1
8. Ms. Pailin Kamolmongkolsuk*	Director / Executive Director	5/6	1/1	1/1
9. Mr. Boonlerd lewporchai**	Director	-	-	-

Remark :

* Mr. Mitthong Chulitawong and Ms. Pailin Kamolmongkolsuk did not attend the meeting due to have a mission

** Mr. Boonlerd lewporchai was appointed as Director on December 14, 2022.

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 :

1. The Director remuneration in 2022 was specified to be not exceeding Baht 3,000,000 (Three million Baht only).
2. The directors who are the Management and the Executive Director are not entitled to the director remuneration.

From the resolution of the AGM 2022 on April 23, 2022, in the name of the company's Chairman of the Board of Director and the Chairman of the Audit Committee, proposed to decrease 20% of monthly compensation to the shareholder's meeting according to the company's on-going loss (only monthly compensation, excluding meeting attendance fee).

In 2022, total director's remuneration as monthly salary and meeting allowance (no other compensation) amounting to Baht 1,532,000, Baht as follows:

Monthly Remuneration

Name	Position	Monthly Remuneration (Baht)		
		2020	2021	2022
1. Mr. Manu Leopairrote	Chairman of the Board of Directors / Independent Director / Member of the Audit committee	450,000	450,000	470,000
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	376,000
7. Mr. Mitthong Chulitawong	Director / Independent Director / Member of the Audit committee	270,000	270,000	282,000
8. Mr. Panom Ratanarat	Director	270,000	270,000	282,000
9. Mr. Boonlerd lewporchai*	Director	-	-	12,000
Total		1,350,000	1,350,000	1,422,000

Meeting Allowance

Name	Position	Meeting Allowance (Baht)		
		2020	2021	2022
1. Mr. Manu Leopairote	Chairman of the Board of Directors / Independent Director / Member of the Audit Committee	20,000	20,000	30,000
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	15,000	20,000	30,000
7. Mr. Mitthong Chulitawong	Director / Independent Director / Member of the Audit committee	15,000	15,000	20,000
8. Mr. Panom Ratanarat	Director	20,000	20,000	30,000
9. Mr. Boonlerd lewpornchai *	Director	-	-	-
Total		70,000	75,000	110,000

Remarks : * Mr. Boonlerd lewpornchai was appointed as Director on December 14, 2022.

8.1.3 Governance of Subsidiaries and Associates

-None-

8.1.4 Following up on Compliance with Corporate Governance Policies and Practices

In 2022, the company has implemented about corporate governance on the key of principle 5 sections, the details are as follows;

1. Rights of Shareholders

In 2022, the company organized the shareholders meeting for 2 time. There are 2022 Annual General Meeting of Shareholders on Saturday, April 23, 2022 at 14.00-15.25 hrs. and Extraordinary General Meeting of Shareholders No.1/2022 on Wednesday, December 14, 2022 at 10.00-11.00 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 shareholders's 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 2022 advance 60 days before the meeting date which was February 22, 2022 via the company's website 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 on March 22, 2022 (32 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 and 4-5, 2022. 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, 2022 (22 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 Deputy Managing Director of Administration Management at naphatra@tmc.co.th or the company's website 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 2022 on April 23, 2022, the 8 of directors and audit committee (from total 8 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 2022 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 2022 annual general meeting, one shareholder from the Thai Investors Association was Ms. Chanatip Wittayakul. She was attended and 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 25, 2022) 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 2022 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 29, 2022). 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, during October 1, 2021 to December 28, 2021 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 2022 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 Rattanaseththachai**
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 2022 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 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 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 96.39% of the customer's satisfaction survey in 2022.
- 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.

5. Board Responsibilities

- The Board of Directors as of December 31, 2022 consisted of 9 directors which were 4 executive directors, 2 non- executive directors 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 Leopairrote 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 Leopairrote 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 2022 which was approved by the Board of Directors meeting No.3/2022 on August 8, 2022 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.”
- 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, 2022 as below;

Name		31 December, 2021	31 December, 2022	+ / (-)
<u>Directors</u>				
1. Mr. Manu	Leopairote	500,000	500,000	-
• Mr. Manu	Leopairote	-	-	-
• Mr. Kornkit	Leopairote (Son)	500,000	500,000	-
2. Mr. Thaweemit	Kamolmongkolsuk	36,750,000	36,750,000	-
3. Mrs. Tubtim	Kamolmongkolsuk	30,882,350	30,882,350	-
4. Ms. Pacharawalai	Kamolmongkolsuk	25,038,212	25,038,212	-
5. Ms. Pailin	Kamolmongkolsuk	24,202,312	-	(24,202,312)
6. Mr. Arthit	Wuthikaro	-	-	-
7. Mr. Mitthong	Chulitawong	-	-	-
8. Mr. Panom	Ratanarat	-	-	-
9. Mr. Boonlerd	Iewpornchai	-	-	-
<u>Management</u>				
1. Mr. Yotsakorn	Bomlai	-	-	-
2. Mr. Naphatra	Chatvichian	-	-	-

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>	Audit Committee or Internal Audit Department	
	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>	Audit Committee	auditcommittee@tmc.co.th
	Internal audit plan	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 2022, 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 2022, 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	4/4

8.2.2 Audit Committee Performance year 2022

The details as shown in attachment 6 Report of the Audit Committee 2022.

8.3 Summary of Other Sub-Committee's Performance

Executive Committee Performance

In 2022, the Executive Committee has a meeting total 6 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	6/6
Mrs. Tubtim	Kamolmongkolsuk	Vice Chairman of the Executive Committee	6/6
Ms. Pacharawalai	Kamolmongkolsuk	Executive Director	6/6
Ms. Pailin	Kamolmongkolsuk	Executive Director	6/6

Executive Committee Performance year 2022 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 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.
4. Consider moderation, check and follow the steps to make the data in the disposal of land with buildings, which is Ban Bueng factory on the land with an area of 57 Rai, 3 Ngan, 17 Square Wah, as well as, 2 sets of 5-MT Bridge Girder, including information reporting to the Securities of Thailand (SET) and present to the directors and shareholders to consider and approve. Entry into this transaction shall benefit the Company and the shareholders, both on the Company's business operation and most-effective allocation of fund and assets.
5. 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. 1/2023, dated on 22 February 2023, 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.

Audit Committee approved the 2022 audit plan of Professional Internal Audit Service Co., Ltd., on the meeting of the Board of Director No. 4/2021, dated on 9 November 2021. In the annual internal audit for the year 2022 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. 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 2022 were summarized as follows:

Person that may have conflict of interest	Relation
1. Kang Yong Electric Public Company Limited	Co-director is Mr. Manu Leopaiprote
2. TPI Polene Power Public Company Limited	Co-director is Mr. Manu Leopaiprote

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. Kang Yong Electric Public Company Limited	<u>Income from installation of new cover spring and maintenance press machine HCD 50/150Ton:</u> The company has income from installation new cover spring and maintenance press machine HCD 150/50 Ton to Kang Yong Electric Public Company Limited. This service is normal business of company and using market pricing that same as other companies.	158,000.00	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.
	<u>Outstanding balance</u> Account Receivable	0.00	
2. TPI Polene Power Public Company Limited	<u>Income from sale a wooden tongs GP-350BIO and Rotator GV12 fang5 and closed tongs 1.9 m.:</u> The company has Income from sale wooden tongs GP-350BIO and Rotator GV12 fang5 and closed tongs 1.9 m. to TPI Polene Power Public Company Limited. This service is normal business of company and using market pricing that same as other companies.	1,075,000.00	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.
	<u>Outstanding balance</u> Account Receivable	0.00	

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

FINANCIAL



AUDITOR'S REPORT

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, 2022, 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, 2022, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for opinion

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

Key audit matters

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

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 7 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 22, 2023

STATEMENT OF FINANCIAL POSITION

As at December 31,2022

(Unit : Baht)

	Notes	2022	2021
Assets			
Current assets			
Cash and cash equivalent items	5	101,549,535.72	3,207,646.51
Trade and other receivables	6	48,622,541.56	38,257,451.07
Inventories	7	117,907,729.08	102,630,360.60
Other current financial assets	8	300,000,000.00	-
Other current assets		785,993.93	290,718.30
Total current assets		568,865,800.29	144,386,176.48
Non-current assets			
Other non-current financial assets	9	18,364,397.36	19,998,000.00
Investment property	10	-	375,038,628.99
Property, plant and equipment	11	141,414,834.64	163,775,784.14
Right of use assets	12	738,503.34	1,294,337.42
Intangible assets	13	325,060.66	423,971.16
Other non-current assets		4,824,897.58	4,200,193.11
Total non-current assets		165,667,693.58	564,730,914.82
Total assets		734,533,493.87	709,117,091.30

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

STATEMENT OF FINANCIAL POSITION

As at December 31,2022

(Unit : Baht)

	Notes	2022	2021
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from financial institutions	14	-	147,465,646.93
Trade and other payables	4.1 and 15	93,483,935.17	84,751,139.75
Short-term loans from other person	16	-	58,000,000.00
Current portion of long-term liabilities			
Long-term loans from financial institutions	17	-	39,000,000.00
Lease liabilities	18	370,945.84	548,041.44
Provision	19	6,031,501.71	10,066,148.93
Other current liabilities		745,696.71	2,110,741.57
Total current liabilities		100,632,079.43	341,941,718.62
Non-current liabilities			
Lease liabilities	18	-	370,945.83
Employee benefit obligations	20	38,552,397.29	38,095,056.19
Other non-current liabilities		186,915.89	186,915.89
Total non-current liabilities		38,739,313.18	38,652,917.91
Total liabilities		139,371,392.61	380,594,636.53

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


STATEMENT OF FINANCIAL POSITION

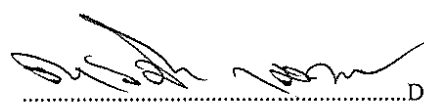
As at December 31, 2022

(Unit : Baht)

	Notes	2022	2021
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		1.59	1.59
Retained earnings (deficit)			
Appropriated-Legal reserve	22	6,918,282.28	-
Unappropriated		129,470,095.39	(130,251,268.82)
Total shareholders' equity		595,162,101.26	328,522,454.77
Total liabilities and shareholders' equity		734,533,493.87	709,117,091.30




Director
 (Mr. Warin Phadungsinth)


Director
 (Mr. Thaweemit Kamolmongkolsuk)

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

STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2022

		(Unit : Baht)	
	Notes	2022	2021
Revenue from sales and service		334,743,652.65	292,413,851.38
Cost of sales and service	7	(261,824,740.94)	(262,323,262.56)
Gross profit		72,918,911.71	30,090,588.82
Other income		29,343,932.12	11,323,977.42
Profit from sales investment property	10	171,440,166.44	-
Reversal allowance for impairment loss on assets	10	66,793,867.69	-
Selling expenses		(14,404,723.87)	(17,026,845.61)
Administrative expenses		(48,800,900.85)	(54,616,672.54)
Profit (loss) from operating activities		277,291,253.24	(30,228,951.91)
Finance cost		(10,651,606.75)	(10,793,329.30)
Profit (loss) before income tax		266,639,646.49	(41,022,281.21)
Income tax expense	25	-	-
Profit (loss) for the year		266,639,646.49	(41,022,281.21)
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		266,639,646.49	(41,697,894.13)
Basic earnings (loss) per share	26	0.58	(0.09)

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

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

For the year ended December OR 11, 2022

(Unit : Baht)

	Note	Issued and paid-up share capital	Premiums on ordinary shares	Retained earnings (deficit)		Total shareholders' equity
				Appropriated Legal reserve	Unappropriated	
Balance as at January 1, 2021		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
Profit for the year		-	-	-	266,639,646.49	266,639,646.49
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	266,639,646.49	266,639,646.49
Legal reserve	22	-	-	6,918,282.28	(6,918,282.28)	-
Balance as at December 31, 2022		458,773,722.00	1.59	6,918,282.28	129,470,095.39	595,162,101.26

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

STATEMENT OF CASH FLOW

For the year ended December 31, 2022

	(Unit : Baht)	
	2022	2021
Cash flow from operating activities		
Profit (loss) for the year	266,639,646.49	(41,022,281.21)
Adjustments to reconcile profit (loss) for cash received (payment) from operations		
Expected credit loss(reversal)	47,981.15	(406,745.50)
Reversal for decline in value of inventories	(10,463,308.56)	(3,315,570.85)
Reversal of allowance for impairment loss on assets	(66,793,867.69)	-
Loss from change of fair value of other non-current financial assets	1,633,602.64	-
Depreciation - investment property	8,655,056.46	-
Depreciation - property, plant and equipment	12,253,301.70	25,066,323.95
Depreciation - right of use assets	555,834.08	641,370.80
Transfer of construction in progress to expenses	-	229,000.00
Amortized intangible assets	281,810.50	434,763.37
(Gain) loss from disposal and written-off property, plant and equipment	(171,440,166.44)	3,089,470.25
Increase (decrease) in provision	(532,074.34)	4,460,962.58
(Gain) loss from unrealized exchange rate	(18,082.55)	(184,575.75)
Gain from lease canceled	-	(15,452.63)
Employee benefits expenses	2,779,389.24	3,062,742.64
Interest received	(32,583.49)	-
Interest expenses from lease liabilities	24,181.69	54,746.42
Interest expenses	10,627,425.06	10,738,582.88
Profit from operation before changes in operating assets and liabilities	54,218,145.94	2,833,336.95
Changes in operating assets and liabilities		
Trade and other receivables	(10,533,019.33)	958,624.24
Inventories	(4,814,059.92)	(25,438,105.00)
Other current assets	(495,275.63)	313,353.38
Other non-current assets	(110,000.00)	-
Trade and other payables	8,875,169.75	12,458,011.39
Provision	(3,502,572.88)	(4,144,474.99)
Other current liabilities	(1,365,044.86)	589,639.21
Employee benefits obligations	(2,322,048.14)	(5,814,729.14)
Cash received (paid) from operating activities	39,951,294.93	(18,244,343.96)
Cash received from interest	32,583.49	-
Cash payment in interest expenses	(10,745,050.81)	(13,193,275.95)
Cash received from income tax	2,021,068.25	1,900,481.88
Cash payment in income tax	(2,535,772.72)	(2,073,749.86)
Net cash received from (used in) operating activities	28,724,123.14	(31,610,887.89)

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

STATEMENT OF CASH FLOW

For the year ended December 11, 2022

	(Unit : Baht)	
	2022	2021
Cash flow from investing activities		
Cash paid for purchase of plant and equipment	(225,477.20)	(862,817.14)
Cash paid for purchase of intangible assets	(182,900.00)	-
Cash received from sales of equipment	9,059,629.58	4,198,175.67
Cash received from sales of investment property	605,948,267.04	-
Increase in Other current financial assets	(300,000,000.00)	-
Net cash received from investing activities	314,599,519.42	3,335,358.53
Cash flow from financing activities		
Increase (Decrease) in Short-term loan from financial institutions	(147,465,646.93)	7,465,646.93
Cash paid to payable of asset purchased	-	(40,690.72)
Cash paid for short-term loan from related person and party	-	(10,000,000.00)
Cash received for short-term loan from other person	5,000,000.00	30,000,000.00
Cash paid for short-term loan from other person	(63,000,000.00)	(10,000,000.00)
Cash paid for long-term loans from financial institutions	(39,000,000.00)	(1,000,000.00)
Cash paid for liabilities under finance lease agreement	(572,223.12)	(664,223.12)
Net cash received from (used in) financing activities	(245,037,870.05)	15,760,733.09
Effects of exchange rate on cash and cash equivalents	56,116.70	144,684.54
Cash and cash equivalent items increase (decrease)-net	98,341,889.21	(12,370,111.73)
Cash and cash equivalent items at the beginning of the year	3,207,646.51	15,577,758.24
Cash and cash equivalent items at the end of the year	101,549,535.72	3,207,646.51

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	57,164.96	-
- Transfer of property, plant and equipment to investment property	-	375,038,628.99
- Transfer of investment property to property, plant and equipment	1,279,192.03	-

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

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 20.20 % of the Company's capital.

After the end of the reporting period the major shareholder of the Company is Mr. Nuttapon Panjaworayan, which holds 15.00%.

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 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.

2.2 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.

- 2.3 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 assets and lease liabilities

In estimating the right-of-use assets and lease liabilities, the management needs to make judgement and estimated of the purchase option or renewal option exercised including review estimate useful lives and residual values of underlying asset if any change occurs.

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

Lease

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 judgement regarding significant risk and rewards of ownership of the leased assets have been transferred, taking into consideration terms and conditions of the arrangements.

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.

Reduction of inventories to become net realizable value

In estimating the reduction of inventories to become net realizable value, the management uses the discretion in estimating the net realizable value of inventories. The sum of money expected to receive from inventories is considered from the change in selling price or cost directly related to the events occurring after of report period.

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 investment property, property, plant and equipment and to review estimate useful lives and residual values if any change occurs.

In addition, the management is required to review investment property, property, plant and equipment 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 judgments 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.

3. Summary of significant accounting policies

3.1 Cash and cash equivalent

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 of the consideration. However, the consideration of the impairment of trade and other receivables has shown in Note 3.3.

3.3 Financial instruments

Classification and measurement of financial assets

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs.

Financial assets - debt securities are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets - equity investments, , the Company has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVTPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVTPL.

Financial assets at amortised cost.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI

Debt investments measured at FVOCI are subsequently measured at fair value. Interest income, calculated using the effective interest method and expected credit loss are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets at FVTPL

Financial assets measured at FVTPL are subsequently measured at fair value with net changes in fair value recognised in profit or loss.

Dividends on investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Company's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

For trade and other receivables, the Company applies a simplified approach in calculating an allowance for expected credit losses ("ECLs"). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative

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

- 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

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

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct 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.

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 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 provided on land and assets under installation and construction in progress.

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.

Transferred from owner-occupied property to investment property is stated at carrying amount of the property transferred at the date of the change in use.

3.7 Intangible assets

Intangible assets are shown at cost less by accumulated amortized expense and allowance for impairment (if any) of that asset. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives are as follows :-

- Computer software	5-10 years
---------------------	------------

3.8 Leases

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 is the lessee

The Company applies a single accounting method for the recognition and measurement of all lease contracts. Except for short-term leases and leases where the underlying asset is of low value at the commencement date of the lease. Right-of-use assets representing the right to use the underlying asset and lease liabilities are recorded as lease payments.

Right-of-use assets

Right-of-use assets are measured at cost less accumulated depreciation. Accumulated impairment loss and adjusted with a new measurement of the lease liability. The cost of a right-of-use asset comprises the amount of the lease liability on initial recognition. Initial direct costs incurred The amount paid under the lease agreement on or before the effective date of the lease and deducted by the lease incentive received.

Depreciation of right-of-use assets are calculated by reference to their costs on a straight-line basis over the lease period, as follows:-

Land	3 years
Building	1 year
Vehicles	5 years

If ownership of an underlying asset is transferred to the Company at the end of the lease term or its cost includes the exercise of a purchase option. Depreciation is calculated based on the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments made over the lease term. The lease payments consist of fixed rent less lease incentives, variable rent based on index or rate, the amount expected to be paid under the residual value guarantee including the exercise price of the option, which is reasonably certain that the Company will exercise the option and payment of fines for the termination of the lease if the terms of a lease demonstrate that the Company exercises its right to terminate the lease. The Company recognizes variable rents that are not independent of an index or rate as an expense in the period in which the event or condition relating to the payment occurs.

The Company discounts the present value of the lease payments at the interest rate implied by the lease or the Company 's incremental borrowing rate. After the effective date of the lease agreement, the book value of the lease liabilities will increase from the interest on the lease liabilities and decrease from the payment of the lease liabilities. In addition, the carrying amount of the lease liabilities is remeasured whenever there is a change in the lease term, changes in lease payments, or changes in the assessment of options to purchase the underlying assets.

Short-term leases and leases of low-value assets

Leases with a lease term of 12 months or less from the effective date of the lease or leases on which the underlying asset is low value, it will be recorded as expenses on a straight-line basis over the lease term.

The is the lessorOperating lease

Leases which do not transfer substantially all the risks and rewards incidental to ownership are classified as operating leases. The Company recognizes the amount received under operating leases as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred on an acquisition of an operating lease are included in the carrying amount of the underlying asset and recognized as an expense over the lease term on a basis consistent with the lease income.

Finance lease

Leases that transfer to the lessee all or most of the risks and rewards of ownership of an underlying asset are finance leases. The Company recognizes finance lease receivables by the net investment amount of the lease. It comprises the present value of the lease and its unguaranteed residual value, discounted at the interest rate implied by the lease. Interest income on finance leases is allocated each accounting period to reflect the Company's fixed periodic rate of return on the remaining net investment in the lease.

3.9 Impairment – non financial assets

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.

The recoverable amount is the asset's fair value less costs to sell and its value in use in assessing the value in use of assets. The Company estimates the future cash flows expected to be generated by the asset and is discounted to their present value using a before tax discount rate that reflects current market assessments of the time value of cash and cash flows. The risks that are characteristic of the asset under consideration to determine fair value less costs to sell. The Company uses the best valuation model that is appropriate for the assets. It reflects the amount that the entity can obtain from the disposal of the asset less the cost of disposal by selling, buyers and sellers are knowledgeable and willing to exchange and can freely negotiate prices as those who are not related to each other.

The Company recognizes impairment losses in profit or loss.

In the assessment of asset impairment, if there is any indication that previously recognized impairment losses may no longer exist or may have decreased, the Company estimates the assets recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognized. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

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 The Company are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

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 income is recognized on an accrual basis with using the effective interest method.

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 with using the effective interest method, 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 tax is provided on temporary differences between the tax bases on assets and liabilities and their carrying amounts at the end of each reporting period by using the tax rates enacted at the end of the reporting period.

The Company recognizes deferred tax liabilities for all taxable temporary differences while they recognizes 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 reviews 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.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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.

3.16 Foreign currencies

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 persons or related companies

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 Segment reporting

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>Type of items/company name</u>	<u>2022</u>	<u>2021</u>
Unearned revenue			
	TPI Polene Power Public Company Limited	-	855,000.00

(Unit : Baht)

<u>Type of items/company name</u>	<u>2022</u>	<u>2021</u>
Short-term loans		
Related Persons		
Beginning balance	-	10,000,000.00
Repayment	-	(10,000,000.00)
Ending balance	-	-

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>2022</u>	<u>2021</u>
Revenue from sales and service			
Kang Yong Electric Public Company Limited	Market price	158,000.00	97,000.00
TPI Polene Power Public Company Limited	Market price	1,075,000.00	-
		<u>1,233,000.00</u>	<u>97,000.00</u>
Interest expense			
Director	Contract price		
	0.50 % per annum	-	38,219.21

4.3 Directors and management's benefits

(Unit : Baht)

	<u>For the year ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Short-term employee benefits	13,211,896.00	13,729,252.00
Post-employment benefits	362,036.43	428,531.53
Total	<u>13,573,932.43</u>	<u>14,157,783.53</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. In which during the year 2022, the Company has already released the mortgage of the collateral.

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
RELATED PERSONS	Directors and shareholders

5. Cash and cash equivalent items

	(Unit : Baht)	
	<u>2022</u>	<u>2021</u>
Cash on hand	310,689.00	295,176.00
Cheque on hand	26,750.00	24,250.00
Saving accounts deposit	63,720,529.51	2,479,543.23
Current accounts deposit	2,491,567.21	408,677.28
Fixed deposit not over 3 months	35,000,000.00	-
Total	<u>101,549,535.72</u>	<u>3,207,646.51</u>

6. Trade and other receivables

	(Unit : Baht)	
	<u>2022</u>	<u>2021</u>
Trade receivables-other parties	30,010,337.22	36,390,545.70
<u>Less</u> Allowance for expected credit losses	<u>(3,477,764.92)</u>	<u>(3,429,783.77)</u>
Net	26,532,572.30	32,960,761.93
Contractual assets	14,913,227.89	-
Total trade receivables-net	<u>41,445,800.19</u>	<u>32,960,761.93</u>

	(Unit : Baht)	
	<u>2022</u>	<u>2021</u>
Other receivables	2,306,604.02	249,741.32
Advance payment for inventories	4,787,663.04	4,531,795.45
Prepaid expenses	624,766.31	982,752.37
Advance Payment	143,708.00	218,400.00
Total other receivables	7,862,741.37	5,982,689.14
<u>Less</u> Allowance for expected credit losses	(686,000.00)	(686,000.00)
Total other receivables-net	7,176,741.37	5,296,689.14
Total trade and other receivables	48,622,541.56	38,257,451.07

Aging analyzes for trade receivables are as follows :-

	(Unit : Baht)	
	<u>2022</u>	<u>2021</u>
Other receivables-other parties		
Not yet due	12,329,376.00	17,257,425.87
Overdue not over 3 months	11,972,051.56	15,532,779.14
Overdue over 3 months not over 12 months	2,331,416.13	179,660.00
Overdue over 12 months	3,377,493.53	3,420,680.69
Total	30,010,337.22	36,390,545.70
<u>Less</u> Allowance for expected credit losses	(3,477,764.92)	(3,429,783.77)
Total trade receivables-other parties	26,532,572.30	32,960,761.93

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

Contractual asset from project construction service has detail as following :-

	(Unit : Baht)	
	<u>2022</u>	<u>2021</u>
Contract price	39,075,000.00	-
Recognized of revenues on percentage of completion basis	25,413,227.89	-
<u>Less</u> Amount of total billed	(10,500,000.00)	-
Contractual asset	14,913,227.89	-

As at December, 2022 Contractual asset, the Company expected to bill within 90 days and the Company expects to satisfy these performance obligations within 1 years.

Movement of allowance for expected credit loss for the year ended December 31, 2022 and 2021 as follow:-

	(Unit : Baht)	
	<u>2022</u>	<u>2021</u>
Beginning balance as at January 1,	(4,115,783.77)	(6,675,822.08)
(Increased) reversal allowance for expected credit losses	(47,981.15)	406,745.50
Written off during the year	-	2,153,292.81
Ending balance as at December 31,	<u>(4,163,764.92)</u>	<u>(4,115,783.77)</u>

7. Inventories

	(Unit : Baht)	
	<u>2022</u>	<u>2021</u>
Finished goods	12,089,748.04	11,850,511.95
Semi-finished goods	47,894,254.27	42,676,299.40
Work in process	90,648,931.45	87,309,206.84
Raw materials	13,856,390.49	16,381,785.18
Supplies	683,279.32	691,899.00
Goods in transit	-	1,448,841.28
Total	<u>165,172,603.57</u>	<u>160,358,543.65</u>
<u>Less</u> Allowance for decline in value of inventories	<u>(47,264,874.49)</u>	<u>(57,728,183.05)</u>
Net	<u>117,907,729.08</u>	<u>102,630,360.60</u>

Movement of allowance for decline in value of inventories for the year ended December 31, 2022 and 2021 as follow :-

	(Unit : Baht)	
	<u>2022</u>	<u>2021</u>
Beginning balance as at January 1,	(57,728,183.05)	(61,043,753.90)
Reversal for decline in value of inventories	10,463,308.56	3,315,570.85
Ending balance as at December 31,	<u>(47,264,874.49)</u>	<u>(57,728,183.05)</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>2022</u>	<u>2021</u>
Cost of good sold	272,288,049.50	265,638,833.41
Reversal for decline in value of inventories	(10,463,308.56)	(3,315,570.85)
Total	<u>261,824,740.94</u>	<u>262,323,262.56</u>

8. Other current financial assets

As at December 31, 2022, in the financial statements, fixed deposit for 6-12 months in the whole amount measured at amortized cost and interest is carried by the rate of 1.3%-1.4% per annum.

9. Other non-current financial asset

<u>Company</u>	(Unit : Thousand Baht)							
	<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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>ended December 31,</u>	<u>2021</u>
Sahapat Amorn Company Limited	101,000	101,000	19.80	19.80	19,998	19,998	-	-
Loss from change of fair value					(1,634)	-	-	-
Net					18,364	19,998	-	-

The movement of financial assets measured at fair value through profit and loss are as follows :-

	(Unit : Baht)
As at January 1, 2022	19,998,000.00
The change of fair value during the yaer	(1,633,602.64)
As at December 31, 2022	18,364,397.36

Investment in Sahapat Amorn Company Limited is investment in non-marketability security. The Company was determined fair value using net asset value of the financial statement audited by that company's Certified Public Accountant. Therefore, the fair value using unobservable information and classifield as level 3 in fair value hierarchy.

10. Investment property

(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
Transfer to property and plant	-	(1,700,000.00)	(1,700,000.00)
Disposal / written off	(200,749,306.09)	(310,408,139.60)	(511,157,445.69)
As at December 31, 2022	-	-	-
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)
Depreciation for the year	-	(8,655,056.46)	(8,655,056.46)
Transfer from allowance for impairment loss and plant	-	(22,276,969.59)	(22,276,969.59)
Transfer to property and plant	-	420,807.97	420,807.97
Disposal / written off	-	79,259,197.49	79,259,197.49
As at December 31, 2022	-	-	-
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)
Reversal of allowance for impairment loss on assets	-	89,070,837.29	89,070,837.29
As at December 31, 2022	-	-	-
Net Book Value:			
As at December 31, 2021	200,749,306.09	174,289,322.90	375,038,628.99
As at December 31, 2022	-	-	-

Depreciation was show in profit or loss for the years

Ended December 31, 2021	-
Ended December 31, 2022	8,655,056.46

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, 2022 and 2021, investment property contributed rental income which recognized in profit or loss of Baht 13.25 million and 9.80 million respectively

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 446.97 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.

Later, the Company's board of executive committee meeting No. 2/2022 held on August 23, 2022, and the Board of Director meeting No. 5/2022 held on October 25, 2022, has resolution to approved sales of Investment property and partial machinery to a company according to the contract at the selling price amount of Baht 660.00 million (excluding related expenses to sales) caused of the Company has assets that exceed company's production capacity. The buyer has already paid a deposit of Baht 40.00 million However, in December 2022, the Company has transferred ownership of land and buildings to the buyer and has completely received the payment according the contract. As a result, the company has a profit from the sale of such assets of 179.11 million baht (net of expenses related to the sale) and reversal allowance for impairment loss which has been recognized in the past as other income in profit and loss in amount of Baht 66.79 million.

11. Property, plant and equipment

(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, 2021	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
Purchase	-	-	126,799.40	155,842.76	-	-	282,642.16
Transfer from investment property	-	1,700,000.00	-	-	-	-	1,700,000.00
Disposal / written off	-	(341,321.83)	(24,762,783.53)	(270,477.15)	(5,782,033.51)	-	(31,156,616.02)
As at December 31, 2022	91,284,782.00	91,596,105.94	252,953,003.50	25,317,896.24	42,523,471.72	-	503,675,259.40
Accumulated depreciation :							
As at January 1, 2021	-	(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)
Depreciation for the year	-	(3,262,102.25)	(8,391,703.12)	(256,796.76)	(342,699.57)	-	(12,253,301.70)
Transfer from investment property	-	(420,807.97)	-	-	-	-	(420,807.97)
Disposal / written off	-	153,594.21	13,281,052.16	270,465.15	5,782,022.51	-	19,487,134.03
As at December 31, 2022	-	(61,430,575.60)	(233,818,195.81)	(25,069,415.33)	(41,942,238.02)	-	(362,260,424.76)
Allowance for impairment loss :							
As at January 1, 2021	-	(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	-	-	-	-	-	-	-
Transfer to investment property	-	-	-	-	-	-	-
As at December 31, 2022	-	-	-	-	-	-	-
Net Book Value:							
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
As at December 31, 2022	91,284,782.00	30,165,530.34	19,134,807.69	248,480.91	581,233.70	-	141,414,834.64

Depreciation was show in profit or loss for the years

Ended December 31, 2021	25,066,323.95
Ended December 31, 2022	12,253,301.70

As at December 31, 2022 and 2021, the Company had land with premises thereon and machineries at net book value of Baht 181.82 million and Baht 185.24 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, 2022 and 2021, the Company had the assets which fully depreciated but still in used. The cost price was Baht 305.88 million and the book value was Baht 2,555.10 and the cost price was Baht 319.52 million and the book value was Baht 2,578.10 million respectively.

12. Right of use assets

(Unit : Baht)

	Land	Buildings	Vehicles	Total
Right of use assets:-				
As at January 1, 2021	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
As at December 31, 2022	654,537.02	-	1,961,000.00	2,615,537.02
Accumulated depreciation :				
As at January 1, 2021	(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)
Depreciation for the year	(163,634.28)	-	(392,199.80)	(555,834.08)
As at December 31, 2022	(490,902.89)	-	(1,386,130.79)	(1,877,033.68)
Net Book Value:				
As at December 31, 2021	327,268.41	-	967,069.01	1,294,337.42
As at December 31, 2022	163,634.13	-	574,869.21	738,503.34

Depreciation was show in profit or loss for the years

Ended December 31, 2021	641,370.80
Ended December 31, 2022	555,834.08

13. Intangible assets

	(Unit : Baht)
	<u>Computer software</u>
Cost :	
As at January 1, 2021	24,784,343.35
As at December 31, 2021	24,784,343.35
Purchase	182,900.00
As at December 31, 2022	24,967,243.35
Accumulated amortization :	
As at January 1, 2021	(23,925,608.82)
Amortization for the year	(434,763.37)
As at December 31, 2021	(24,360,372.19)
Amortization for the year	(281,810.50)
As at December 31, 2022	(24,642,182.69)
Net book value :	
As at December 31, 2021	423,971.16
As at December 31, 2022	325,060.66
Amortization in profit or loss for the years	
Ended at December 31, 2021	434,763.37
Ended at December 31, 2022	281,810.50

14. Short-term loans from financial institutions

		(Unit : Baht)
	<u>2022</u>	<u>2021</u>
Bank overdraft	-	12,465,646.93
Promissory notes	-	135,000,000.00
Total	-	147,465,646.93

As at December 31, 2021, 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 %

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

	(Unit : Baht)	
	<u>2022</u>	<u>2021</u>
Trade payables	44,763,078.20	33,071,365.51
Unbilled costs	258,500.00	-
Other payables	200,655.70	353,211.21
Accrued expenses	14,100,139.93	2,785,710.90
Deposit received	-	1,050,000.00
Deposit received from contract to sell investment property	-	10,000,100.00
Contractual liabilities-related party	-	855,000.00
Contractual liabilities	34,161,561.34	36,635,752.13
Total trade and other payables	93,483,935.17	84,751,139.75

16. Short-term loan from other persons

As at December 31, 2021, the whole amount of short-term loans from other person is loan under loan agreement in amount of 7 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>2022</u>	<u>2021</u>		
1	-	4.00	October 30, 2019	At call
2	-	4.00	November 27, 2019	At call
3	-	15.00	February 24, 2020	At call
4	-	10.00	May 5, 2020	At call
5	-	5.00	October 26, 2020	At call
6	-	10.00	October 7, 2021	At call
7	-	10.00	November 21, 2021	At call
Total	-	58.00		

17. Long-term loans from financial institutions

	(Unit : Baht)	
	<u>2022</u>	<u>2021</u>
Long-term loans from financial institutions	-	39,000,000.00
<u>Less</u> Current portion of long-term loans	-	(39,000,000.00)
Net	-	-

Movement for the year ended December 31, 2022 and 2021, are as follows :-

	(Unit : Baht)	
	<u>2022</u>	<u>2021</u>
Beginning balance as at January 1,	39,000,000.00	40,000,000.00
Repaid in the year	(39,000,000.00)	(1,000,000.00)
Ending balance as at December 31,	-	39,000,000.00

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>2022</u>	<u>2021</u>			
-	150.00	September 2017 to December 2022	BIBOR+3% p.a.	- September-August 2017 payment interest only. - September 2017-August 2018 principal payment of Baht 1.00 million per installment. - September 2018-August 2019 principal payment of Baht 1.50 million per installment. - September 2019-March 2020 principal payment of Baht 2.00 million per installment. - April-October 2020 not payment in accordance with delay loan payment plan. - November 2020-September 2021 not payment principal. - July-December 2021 principal payment of Baht 0.20 million per installment. - January-April 2022 principal payment of Baht 0.50 million per installment. - May-November 2022 principal payment of Baht 1.00 million per installment. - December 31, 2022 last installment must be repaid all outstanding.

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 for the year ended December 31, 2022 and 2021 follows :-

	(Unit : Baht)	
	<u>2022</u>	<u>2021</u>
Beginning lease liabilities	918,987.27	2,057,136.83
Repaid in the year	(548,041.43)	(609,476.70)
Adjustment from terminated of lease contract	-	(528,672.86)
Ending lease liabilities	<u>370,945.84</u>	<u>918,987.27</u>

Maturity analysis of lease payment, are as follows :-

	(Unit : Baht)		
	<u>2022</u>		
	<u>Lease</u>	<u>Deferred</u>	
	<u>liabilities</u>	<u>interest expenses</u>	<u>Net</u>
Within 1 year	373,743.12	(2,797.28)	370,945.84
Over 1 year but not over 5 years	-	-	-
Total	<u>373,743.12</u>	<u>(2,797.28)</u>	<u>370,945.84</u>

	(Unit : Baht)		
	<u>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>

As at December 31, 2022 and 2021, for transactions related to lease are as follows :-

	(Unit : Baht)	
	<u>2022</u>	<u>2021</u>
Finance cost relating to lease	24,181.69	54,746.42
Expense relating to short term leases	535,176.80	584,895.90
Cash outflow for leases	572,223.12	664,223.12

19. Provision

	(Unit : Baht)	
	<u>Provision for product warranty</u>	
	<u>2022</u>	<u>2021</u>
As at January 1,	10,066,148.93	9,749,661.34
Increase during the year	(532,074.34)	4,460,962.58
Utilised	(3,502,572.88)	(4,144,474.99)
As at December 31,	<u>6,031,501.71</u>	<u>10,066,148.93</u>

20. Employee benefit obligation

Movement in the employee benefit obligation are as follows :-

	(Unit : Baht)	
	<u>2022</u>	<u>2021</u>
Employee benefit obligations as at January 1,	38,095,056.19	40,171,429.77
Current service cost	2,078,919.88	2,106,204.26
Interest cost	700,469.36	956,538.38
Benefit paid	(2,322,048.14)	(5,814,729.14)
Actuarial loss arising from defined benefit plan	-	675,612.92
Employee benefit obligations as at December 31,	<u>38,552,397.29</u>	<u>38,095,056.19</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>For the year ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Beginning book value	(1,977,271.99)	(1,301,659.07)
Recognized during the year	-	(675,612.92)
Ending book value	<u>(1,977,271.99)</u>	<u>(1,977,271.99)</u>

Expenses recognized in statement of comprehensive income for the years ended December 31, 2022 and 2021 are as follows :-

	(Unit : Baht)	
	<u>2022</u>	<u>2021</u>
<u>Recognized in profit or loss</u>		
Cost of sales and service	1,810,308.00	1,868,551.96
Selling expenses	200,666.76	298,368.72
Administrative expenses	406,378.04	467,290.43
Management's benefits	362,036.44	428,531.53
Total	<u>2,779,389.24</u>	<u>3,062,742.64</u>
<u>Recognized in other comprehensive income</u>		
Actuarial loss arising from defined benefit plan		
Financial assumptions changes	-	2,250,765.77
Experience adjustments	-	(1,575,152.85)
Total	<u>-</u>	<u>675,612.92</u>

The principal assumptions used for the purposes of the actuarial valuation as at December 31, 2022 and 2021, were as follows :-

Discount rate	2.22%
Salary increase rate	3.00%
Employee turnover rate	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>2022</u>	<u>2021</u>
Discount increase rate 0.5% movement	(1,633,234.68)	(1,637,347.22)
Discount decrease rate 0.5% movement	1,756,006.74	1,765,622.66
Future salary growth increase 1% movement	3,946,309.19	3,604,138.67
Future salary growth decrease 1% movement	(3,462,077.89)	(3,163,857.43)
Employee turnover increase rate 20% movement	(2,011,771.94)	(1,832,910.48)
Employee turnover decrease rate 20% movement	2,224,624.81	2,024,834.39

21. Share capital

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

	Par Value (Baht)	2022		2021	
		Number of share (Thousand shares)	Amount (Thousand Baht)	Number of share (Thousand shares)	Amount (Thousand Baht)
Authorized share capital					
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
Issued and paid up share capital					
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 ordinary share

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. In 2022, the Company appropriated the legal reserve amount of Baht 6.92 million.

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, 2022 and 2021, the financial statements present debt to equity ratio at 0.23 : 1.00 and 1.16 : 1.00 respectively.

24. Expenses by nature

	(Unit : Baht)	
	<u>2022</u>	<u>2021</u>
Salaries, wages and other employee benefits	101,243,705.14	116,537,590.85
Depreciation and amortization	21,746,002.74	26,142,458.12
Reversal loss for declining in value of inventories	(10,463,308.56)	(3,315,570.85)
Raw materials and consumables used	195,646,519.13	173,537,853.53
Changes in inventories of finished goods, semi-finished goods and work in process	(8,796,915.57)	(23,971,649.19)
Finance cost	10,651,606.75	10,793,329.30
Other expenses	25,654,362.78	45,036,098.25
Total	<u>335,681,972.41</u>	<u>344,760,110.01</u>

25. Income tax expenses

Income tax recognized in profit or loss for the years ended December 31, 2022 and 2021 with the following details :-

	(Unit : Baht)	
	<u>2022</u>	<u>2021</u>
Accounting profit (loss) before tax	266,639,646.49	(41,022,281.21)
Applicable tax rate	20%	20%
Accounting profit (loss) before tax multiplied by applicable tax rate	53,327,929.30	(8,204,456.24)
Tax effect of income and expenses that are not considered		
As taxable income or expense as follows:-		
- Provision	(806,929.44)	63,297.52
- Reversal allowance for impairment loss on assests	(13,358,773.54)	-
- Reversal for decline in value of inventories	(2,092,661.71)	(663,114.17)
- Tax losses unrecognized as deferred tax assets	-	9,010,483.19
- Tax losses carry forwards	(38,991,951.50)	-
- Others	1,922,386.89	(206,210.30)
Income tax expenses reported in profit or loss	<u>-</u>	<u>-</u>

As at December 31, 2022 and 2021, the Company had deductible temporary differences and tax losses carries forward totaling amount of Baht 115.13 million and amount of Baht 393.76 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 earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing profit (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.

	<u>For the year ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Profit (loss) for the year (Unit : Baht)	266,639,646.49	(41,022,281.21)
The number of ordinary shares (Unit : Baht)	458,774,000	458,774,000
Profit (loss) per share (Baht/share)	0.58	(0.09)

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, 2022 and 2021 are as follows : -

(Unit : Thousand Baht)

	For the year ended December 31,							
	Manufacture and		Project		Services		Total	
	distribution of machineries		construction service					
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue from sales and services income	238,576	235,477	25,413	-	70,755	56,937	334,744	292,414
Segment profit	49,132	17,002	5,417	-	18,370	13,089	72,919	30,091
Other income							29,344	11,324
Profit from sales investment property							171,440	-
Reversal of allowance for impairment loss on assets							66,794	-
Selling expenses							(14,405)	(17,027)
Administrative expenses							(48,801)	(54,617)
Profit (loss) from operating activities							277,291	(30,229)
Finance cost							(10,651)	(10,793)
Profit (loss) before income tax							266,640	(41,022)
Income tax expense							-	-
Profit (loss) for the year							266,640	(41,022)
Other comprehensive income for the year							-	(676)
Total comprehensive income for the year							266,640	(41,698)

Revenue from external customer is based on locations of the customers for the years ended December 31, 2022 and 2021 as follows :-

(Unit :Baht)

	For the year ended December 31,	
	<u>2022</u>	<u>2021</u>
Revenue from external customer		
Thailand	298,275,828.20	277,696,034.23
Others	36,467,824.45	14,717,817.15
Total	334,743,652.65	292,413,851.38

For the year ended December 31, 2022, the Company has no major customer and for the year ended December 31, 2021, the Company has one major customer, whose revenue from sales and service based on revenue from manufacturing and distribution of machine in local totaling amount of Baht 33.62 million.

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, 2022 and 2021, the Company has provident fund expense in amount of Baht 1.47 million and Baht 1.62 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 December 31, 2022 and 2021, the balances of financial assets and liabilities denominated in foreign currencies are summarized below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2022	2021	2022	2021	2022	2021
					(Baht per 1 foreign currency unit)	
USD	61,809.00	36,248.00	-	-	34.39	33.25
EUR	-	-	293,010.92	61,830.00	37.21	38.28
CNY	-	-	1,736,000.00	-	5.04	-

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, 2022 and 2021.

Currency	Change in FX rate		Effect on profit or loss before tax	
	increase (decrease)			
	2022	2021	2022	2021
	(%)	(%)	(Thousand Baht)	(Thousand Baht)
USD	+3.0	+3.0	64	36
	-3.0	-3.0	(64)	(36)
EUR	+3.0	+3.0	(327)	(71)
	-3.0	-3.0	327	71
CNY	+3.0	-	(262)	-
	-3.0	-	262	-

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 December 31, 2022 and 2021, 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)

	2022						
	Fixed interest rate			Floating Interest rate	Non-Interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
	<u>Financial assets</u>						
Cash and cash equivalent items	-	-	-	99,057,968.51	2,491,567.21	101,549,535.72	0.15-0.375
Trade and other receivable	-	-	-	-	48,622,541.56	48,622,541.56	
Other current financial assets	300,000,000.00	-	-	-	-	300,000,000.00	1.30-1.40
	300,000,000.00	-	-	99,057,968.51	51,114,108.77	450,172,077.28	

Financial liabilities

Trade and other payables	-	-	-	-	93,483,935.17	93,483,935.17	-
Lease liabilities	370,945.84	-	-	-	-	370,945.84	4.55
	370,945.84	-	-	-	93,483,935.17	93,854,881.01	

(Unit : Baht)

	2021						Effective interest rate (% per annum)
	Fixed interest rate			Floating Interest rate	Non-Interest bearing	Total	
	Within 1 year	1-5 years	Over 5 years				
<u>Financial assets</u>							
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	
<u>Financial liabilities</u>							
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	

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 December 31, 2022 and 2021 based on contractual undiscounted cash flows:

	(Unit : Baht)				
	2022				
	On demand	Less than 1 year	1 – 5 years	Over 5 years	Total
<u>Non-derivatives</u>					
Trade and other payables	-	93,483,935.17	-	-	93,483,935.17
Lease liabilities	-	370,945.84	-	-	370,945.84
Total non-derivatives	-	93,854,881.01	-	-	93,854,881.01

	(Unit : Baht)				
	2021				
	On demand	Less than 1 year	1 – 5 years	Over 5 years	Total
<u>Non-derivatives</u>					
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

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

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

		<u>2022</u>			<u>2021</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	-	25.00	25.00	9.04	15.96
Letters of guarantee	Baht	10.00	5.16	4.84	22.75	15.60	7.15
Trust receipts and letters of credit	Baht	22.00	21.76	0.24	22.00	14.17	7.83
Short-term loan	Baht	110.00	-	110.00	390.00	135.00	255.00
Long-term loan	Baht	-	-	-	150.00	150.00	-
Forward foreign exchange contract	USD	1.00	-	1.00	1.00	-	1.00
Fleet card	Baht	2.00	0.28	1.72	2.00	0.19	1.81

The above credit facilities are guaranteed by the collaterals as mentioned in the notes to financial statements No.4,4, 10 and 11

30.2 Obligations in relation to lease contracts and services

As at December 31, 2022 and 2021, 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>2022</u>	<u>2021</u>
Payable within 1 year	1,420,080.00	1,885,080.00
Payable over 1 and up to 5 years	-	33,600.00
Total	<u>1,420,080.00</u>	<u>1,918,680.00</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. Events after the reporting period

In accordance to the minutes of the Company's board of directors meeting No. 2/2023 held on February 22, 2023, the significant resolutions are as follows: -

- It is approved to establish subsidiaries to support investment in other companies that are not the original business of the Company (Holding Company) share registered capital of Baht 60.00 million, paid-up registered capital of Baht 15.00 million, with the 99.99% shareholding.
- It is approve to propose to the annual general shareholders' meeting for the year 2023, to consider and approve issuance and allocation of warrants to purchase newly issued ordinary shares of the T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED No. 2 ("TMC-W2") in proportion to the number of shares held by each shareholder in the allocation ratio of 3 existing ordinary shares per 1 warrant unit. The offering price is Baht 0.05 (5 satang) per unit, 1 unit of warrant is entitled to purchase 1 ordinary share, the exercise price is Baht 2.00 per share.
- It is approve to propose to the annual general shareholders' meeting for the year 2023, to consider and approve the decrease of the registered capital and amendment memorandum of the Company's in the amount of Baht 84,976,278 from the former registered capital Baht 543,750,000 to a new registered capital amount of Baht 458,773,722 by eliminating the number of unsold registered shares 84,976,278 shares with a par value of Baht 1.00 per share, which are remaining shares from the allotment reserved for the exercise of TMC warrants No.1 which expired.
- It is approve to propose to the annual general shareholders' meeting for the year 2023, to consider and approve the increase of the registered capital and amendment memorandum of the Company's in the amount of Baht 152,924,574 from the former registered capital Baht 458,773,722 to new registered capital Bath 611,698,296 by issuing new ordinary shares 152,924,574 shares with a par value of Baht 1.00 per share, to accommodate the exercise of right of warrants of the Company No.2 (TMC-W2) to purchase the Company's ordinary shares in the amount of not more than 152,924,574 shaers.
- It is approve to propose to the annual general shareholders' meeting for the year 2023, to consider and approve the allocation of newly issued ordinary shares, to accommodate the exercise of the warrants and allocation to the existing shareholders of the Company in proportion to the number of shares held by each person of not more than 152,924,574 shaers in the share allocation ratio 3 existing ordinary shares to 1 unit of warrant.

32. Approval of financial statements

These financial statements have been approved for issuance by the Company's board of directors on February 22, 2023.



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) 80

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) 66

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) 73

Education

- Honorary Degree in Engineering, Rajamangala University of Technology Thanyaburi

IOD Training

- Director Accreditation Program (DAP) 89/2011

% 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 Pailin Kamolmongkolsuk's father

Working Experience

2011 - Present	Director / Chairman of Executive Committee	T.M.C. Industrial Public Co., Ltd.
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) 76

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 Pailin 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) 56

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

% 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) 48

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

% 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

Working Experience

2021 - Present	Independent Director / Audit Committee	Health Empire Corporation Public Co., Ltd.
2021 - 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

2022 - Present	Director	M.B.R. Phatthalung Co., Ltd.
2022 - Present	Director	MitrBumrung Co., Ltd.
2022 - Present	Director	Planet EV Co., Ltd.
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) 45

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 Pailin 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) 41

Education

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

IOD Training

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

% of Shareholding -None-

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.
-------------	---------------------	-----------------------------



Name - Surname Mr. Boonlerd lewporchai

Position Director

Date Appointed 14 December, 2022

Age (year) 52

Education

- Master Degree in Engineering (Industrial Engineering), Chulalongkorn University
- Master Degree in Business Administration (Finance), Kasetsart University
- Bachelor Degree in Jurisprudence, Thammasart University
- Bachelor Degree in Engineering (Industrial Engineering), Kasetsart University



IOD Training

- Director Accreditation Program (DAP) 86/2011

% of Shareholding -None-

Family Relation among Directors and Executive -None-

Working Experience

Dec., 2022 - Present Director T.M.C. Industrial Public Co., Ltd.

Position taking on other companies last year

Listed Company

2021	- Present	Executive Director / Chief Executive Officer	Simat Technologies Public Co., Ltd.
2018	- Present	Director / Member of Audit Committee	Alpha Divisions Public Co., Ltd.
2022	- 2022	Director / Member of Audit Committee	Wow Factor Public Co., Ltd.
2020	- 2021	Executive Director / Deputy Chief Executive Officer	One to One Contacts Public Co., Ltd.
2019	- 2020	Executive Director / Chief Financial Officer	Inter Far East Energy Corporation Public Co., Ltd.
2010	- 2020	Member of Audit Committee	Sky ICT Public Co., Ltd.

Other Organizations

2022	- Present	Director	Digital Cable Communication Co., Ltd.
2022	- Present	Director	Natural Power Energy Co., Ltd.
2022	- Present	Director	Hinsitsu (Thailand) Co., Ltd.
2021	- Present	Director	Simat Telecom Co., Ltd.
2016	- 2017	Chief Financial Officer	Equator Solar Co., Ltd.

Name - Surname Mr. Yossakorn Bomlai

Position Deputy Managing Director of Operation Management

Age (year) 52

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 2022

- Industry 4.0 and Technology Trends
- The Safety Officer in Supervising Level

% 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) 54

Education

- Bachelor Degree in Accounting at Ramkhumhaeng University

IOD Training

- Company Secretary Program 73/2016

Other Training in 2022

- The Safety Officer in Supervising Level

% 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 ON DIRECTORS OF SUBSIDIARIES

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. 4/2021 on 9th November 2021, the company extended the contract with Professional Internal Audit Service Co. Ltd. to be the company's internal auditors during 1st January - 31st December 2022. 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 8 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) 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.
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, 2022, the details of business assets are as follows;



1.1 Main Business Assets

Asset Type	Proprietary Type	Net worth (million baht)	Obligation
1. Land and Building			
1.1 Head Office			
Location :125/10 Moo.5, Tambon Bansuan, Amphoe Muang Chonburi, Chonburi			
- Area size 15 Rai 1 Ngan 74 Square Wa	Owner	86.04	- Land and buildings are mortgaged as collateral for the overdraft, promissory note and bank guarantee at Baht 167 million. - Lease term 3 years.
- Office Building and Factory	Owner	30.17	
- Car park area	Rent	-	
1.2 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	Owner	5.24	- Land and buildings are mortgaged as collateral for the overdraft, promissory note and bank guarantee at Baht 167 million. - Lease term 3 years
- Showroom Building	Owner	-	
- Sales Office area	Rent	-	
2. Machinery	Owner	17.17	- 10 machines with a net book value at Baht 1.18 million were mortgaged for overdraft, promissory note and bank guarantee at Baht 167 million.
3. Tooling and Equipment	Owner	1.96	-None-
4. Decoration and Office Supplies	Owner	0.49	-None-
5. Vehicles	Owner	1.16	The vehicles are under a hire purchase contract and have a net worth Baht 0.97 million.
6. Intangible Assets			
- Computer Software	Owner	0.33	-None-

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 *
	ก298491	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, 2022, 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. Woratthep 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.

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

For the details of content, please go to 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_2565.pdf

ATTACHMENT 6 : REPORT OF THE AUDIT COMMITTEE



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

The Audit Committee comprises of independent directors that no participation management in the company and become a qualified person who have sufficient knowledge and experience to review the reliability of financial statements, and their qualifications are in line with regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

In 2022, 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 Leoparote	Member of the Audit Committee	4/4
3. Mr. Mitthong Chulitawong	Member of the Audit Committee	4/4

The Audit Committee had a meeting with the certified public accountant and internal auditor to review the information from the financial statement, internal audit report, and related transactions to get clarification and give suggestions that are useful for the accuracy, completion, and reliability of the financial statement, as well as to improve the internal control efficacy. The meeting outcome summarizes the key points to propose to the board of directors to acknowledge and rectify.

The performance of the audit committee examining the key matters can be concluded as follows.

1. Financial statement review

The audit committee reviewed the quarterly and annual financial report of the company by consulting with the auditor in the absence of the company management to discuss the independence in operations and expressing opinions of the auditor to ensure that the financial statement is issued based on the general certified accounting principle with the accuracy of the essence, adequate, complete and reliable disclosure, remark, and acknowledge the solutions for the company's benefits.

2. Review the related transactions or transaction with conflict of interest

The audit committee reviewed the related transaction or the transaction with conflict of interest to make them reasonable and to comply with laws and regulations prescribed by the Stock Exchange of Thailand and The Office of the Securities and Exchange Commission based on the benefits of all stakeholders. The audit committee agreed that the transactions in 2022 were normal business transactions with the fair pricing policy, which is the normal trade terms. Therefore, the transactions were appropriate and reasonable, and the information was disclosed adequately, accurately, and completely.

3. Review the risk management

The audit committee reviewed the efficacy and effectiveness of the risk management, in which the managing director of the Administration Office is the chairman of the risk management committee, and the committee follows up with the risk every month. The secretary of the risk management committee summarizes the risk that exceeds the indicator and reports to the audit committee monthly and quarterly. The audit committee agreed that the company's risk management was efficient and effective

4. Review the internal control system and internal audit

The audit committee considered having an inclusive and appropriate audit plan for the nature of business by emphasizing the essential system to ensure that the company has an adequate and appropriate internal control system. No abnormality was found from the audit, which would help promote the company's achievement. The governance of the internal audit department and the audit results were acknowledged every quarter focusing on adequate internal control to prevent or mitigate the possible risk. The audit committee also proposed the improvement of the efficient internal control system to be consistent with the standard of the internal audit profession.

5. Review the good governance

The audit committee reviewed the efficacy and effectiveness of good governance and found that the directors, management, and employees complied with the policy strictly. There were promotions and suggestions, and a review of the manual of good governance, business code of conduct, and anti-corruption policy every year. The audit committee monitored the adequate and accurate data disclosure and promoted a good governance and management system for transparency and ethics to construct reliability to the stakeholders, investors, employees, and all concerned parties supported the anti-corruption by providing a channel for complaints internally and externally.

6. Compliance with laws and other regulations

The audit committee reviewed the performance of the company to follow the regulation of The Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, regulations of the Stock Exchange of Thailand, and other relevant laws reasonably, including the obligation that may arise from the contract with the outsider. The company complied with laws and other regulations accurately, appropriately, and timely.

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

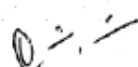
The audit committee think that SAM NAK-NGAN A.M.C. Co., Ltd. is an auditing firm specializing in professions and running business with independence in providing continuous auditing services since SAM NAK-NGAN A.M.C. Co., Ltd. has been corporate auditors for 5 years during 2017 - 2021. Therefore, the audit committee propose the company to appoint SAM NAK-NGAN A.M.C. Co., Ltd. to be the corporate auditor in 2022 with the remuneration of 1,030,000 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, 2022, 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 has performed the assigned duties and responsibilities with knowledge, caution, deliberation, and independence for the benefit of all stakeholders fairly. The audit committee agrees that the company reports and processes the financial data accurately, reliably, and consistently to the general certified accounting standard. The company discloses the related transactions or transactions with the conflict of interest accurately, has a good governance policy and risk management at an acceptable level, implements adequate, appropriate, and effective internal control, and follows the laws, regulations, and rules related to the business operation completely.



(Mr. Arthit Wuthikaro)

Chairman of the Audit Committee



T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED

125/10 Moo 5 Bansuan Subdistrict, Muang District

Chonburi 20000

Tel : 0 3827 1933

Email : I_sale@tmc.co.th



www.tmc.co.th