

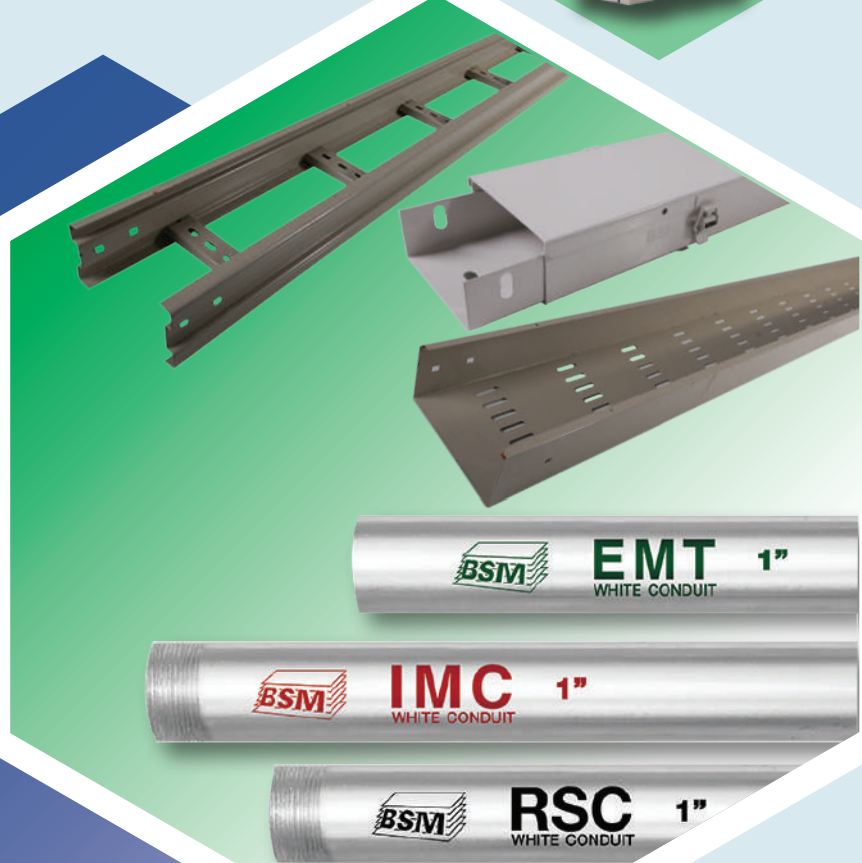
**BANGKOK SHEET METAL**  
PUBLIC COMPANY LIMITED



# ANNUAL REPORT



# 2022





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For more information, the Company's Annual Registration Statement (Form 56-1) is available for investors on [www.sec.or.th](http://www.sec.or.th) or the Company's website at [www.bmpic.co.th](http://www.bmpic.co.th)



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### **Message from Chairman of the Board of Directors of the Company**



Mr. Damnoen Kaewthawee

The Chairman of the Board of Directors

In year 2022, the global economy has slowed down due to the world's crises such as the Russia-Ukraine conflict, China's Zero COVID Policy, and central banks around the world rapidly raised interest rates to ease inflation pressure. During economic uncertainty, Bangkok Sheet Metal Public Company Limited (the Company) has adapted to changing business environment by giving the priority to risk management and exploring sustainable business opportunities. The Company aims to deliver a wide range of products and services, boost export potential to diversify risk, reduce manufacturing costs, and improve product quality with the applications of robotic integration and automation technology.

The Company is accelerating and strengthening its position according to the Company's business expansion plan, in order to serve the requirements of Business-to-Business (B2B) and OEM customers. Presently the Company invests in the construction of new factory in Free Zone on a piece of land 25 Rai, 1 Ngan and 37 square Wah for the expansion of export business, in order to be eligible for import/export duty exemption and to minimize foreign exchange rate risk when the Company importing raw materials in the US Dollar. The Company is making good progress with the construction of the new factory in Free Zone, and it is expected to operate business in Free Zone in year 2023.



The Company's revenue in year 2022 has increased gradually and sales momentum of all product categories is moving forward. In particular, the Company recorded export sales almost double the previous year. In addition, there was a very high demand for TAO BIN coffee vending machines to be installed in several areas, also large orders of metal trunking and white conduit for public and private projects.

The accomplishments in 2022 would not have been possible without dedication and contribution from the management team and all employees of the Company as well as the full support from all shareholders, stakeholders and business alliances. On behalf of the Board of Directors of Bangkok Sheet Metal Public Company Limited, the Company would like to thank you for your continued support, your trust and your confidence. The Company is committed to conducting business with respect for good governance and striving for sustainable growth.

Mr. Damnoen Kaewthawee

The Chairman of the Board of Directors



## Report of the Audit Committee

Dear Shareholders of Bangkok Sheet Metal Public Company Limited

The Audit Committee of Bangkok Sheet Metal Public Company Limited comprises 3 independent directors, which are Assoc. Prof. Prapart Praisuwanna (Chairman of the Audit Committee), Mr. Damnoen Kaewthawee (Audit Committee) and Ms. Namthip Kitsaksakul (Audit Committee). The Audit Committee is empowered by the Board of Directors to examine all matters relating to the financial status of the Company, internal audit and internal control performance practice as per regulation and involved laws, also consider reasonable connected transaction or conflict of interest transaction, sufficient information disclosure, and consider to propose the appointment of accounting auditor and accounting audit fee.

For the year 2022, the Audit Committee that constituted a quorum held four meetings, sometimes meeting with the accounting auditor without the management in attendance. The issues are as follows:

1. To examine the quarterly financial report and financial statements for the year 2022 as audited and monitored by the accounting auditor before proposing to the Board of Directors. The Audit Committee provided the opinions that the Company's financial report was accurate, complete, and reliable, together with sufficiency of information disclosure.
2. To evaluate internal control on a quarterly basis and secure that the Company has sufficient internal control. The Audit Committee considered internal audit report and ensured that the management made improvements as per comments provided by the internal auditor within the defined period.
3. To examine the Company complying with the securities laws, the Stock Exchange of Thailand (SET)'s regulations, other laws relating to the Company's business and the policy of good governance. The Audit Committee audited and provided the opinion that there was no concern issues in compliance with the securities laws, SET's regulations, and other related laws.





4. To audit the connected transaction or conflict of interest transaction according to the securities laws and the SET's regulations. The Audit Committee audited and provided the opinion that the transactions were reasonable and benefited the Company, as well as provided accuracy, complete and sufficiency of information disclosure.
5. The Audit Committee approved the 2022 internal audit plan to ensure that the internal audit operating efficiently and effectively. The Audit Committee audited the internal auditor's scope and responsibility to safeguard the quality of the audit.
6. To consider to propose the appointment of the Company's accounting auditor and the accounting audit fee for the fiscal year 2023. The Audit Committee proposed to the Board of Directors to agree in the shareholders' meeting regarding the appointment of the accounting auditor as follows: Miss Nitinee Kittikunapong (CPA Registration No. 8843); or Miss Wannisa Ngambuathong (CPA Registration No. 6838); or Miss Choitma Kitsirakorn (CPA Registration No. 7318); or Miss Chutinant Kopraserthaworn (CPA Registration No. 9201). All proposed name list is from Dharmniti Auditing Company Limited and one of the proposed accounting auditors shall audit and provide opinion on the Company's financial report for the year 2023. The proposed accounting auditors are qualified, competency, independent, and have no relationships with or interests in the Company. As well, the Audit Committee considered the accounting audit fee of the year 2023 as appropriate.
7. The Audit Committee evaluated operation result in compliance with the audit committee charter that the Audit Committee completely operated, provided report and recommendations, and informed the Board of Director after every meeting.

In conclusion, the Audit Committee has operated and been responsible completely, carefully and independently as defined in the audit committee charter, especially has focused on the reliability, transparency and proper of the internal audit along with good governance.

As stated by the role and function of the Audit Committee as above mentioned, the Audit Committee provided opinion that in overall the internal audit of the Company has been sufficient and



been appropriate to the Company's business. The Company has allocated a sufficient number of employees to support the internal control and audit efficiently, has monitored the Company's operation, accounting system, accuracy and reliability of financial report, and has complied with the securities laws, SET's regulations, and other related laws.

Assoc. Prof. Prapart Praisuwanna

Chairman of the Audit Committee

Bangkok Sheet Metal Public Company Limited



## The Board of Directors and Management Team

### 1. The Board of Directors

As of 31 December 2022 the Board of Directors consisted of 7 members as follows:

Name	Position
1. Mr. Damnoen Kaewthawee	Chairman of the Board of Directors / Audit Committee / Independent Director
2. Assoc. Prof. Prapart Praisuwanna <sup>/1</sup>	Director / Chairman of the Audit Committee / Independent Director
3. Mr. Tanin Sajjaboribun <sup>/1</sup>	Director / Vice Chairman of the Board of Directors
4. Mr. Tirawat Amornthatri	Director
5. Mr. Tanes Sajjaboriboon	Director
6. Mr. Vinai Wongswangrussamee <sup>/1</sup>	Director
7. Ms. Namthip Kitsaksakul	Director / Audit Committee / Independent Director

Remark: <sup>/1</sup> The Board of Directors' Meeting on 23 February 2023 approved the re-election of 3 directors who retired by rotation as the Company's directors for another term; (1) Tanin Sajjaboriboon took the position of Director/Vice Chairman of the Board of Director and (2) Mr. Vinai Wongswangrussamee took the position of Director and (3) Assoc. Prof. Prapart Praisuwanna took the position of Director / Chairman of the Audit Committee / Independent Director and proposed to the 2023 AGM of shareholders for approval.

Mr. Tanes Sajjaboribun acted as the Company Secretary.

Authorized directors:



The authorized directors are Mr. Tanin Sajjaboribun, Mr. Tirawat Amornthatri, Mr. Vinai Vongswangrussamee, and Mr. Tanes Sajjaboribun.

Any above two out of four directors jointly sign along with the Company's seal affixed

## 2. Management Team

As of 31 December 2022 the Management Team consisted of 5 members as follows:

Name	Position
1. Mr. Tanin Sajjaboribun	Chief Executive Officer
2. Mr. Tirawat Amornthatri	Managing Director and Chief Operation Officer (Acting)
3. Mr. Tanes Sajjaboriboon	Chief Financial Officer
4. Mr. Vinai Vongswangrussamee	Chief Marketing and Sales Officer
5. Ms. Laongdao Ngamkara	Director of Accounting and Financial Department



## **Preliminary information of the Company's Directors, Management, and Company Secretary**

**1. Mr. Damnoen Kaewthawee** Chairman of the Board of Directors, Audit Committee,  
and Independent Director

### **Education**

- Master of Science (Computer Science), Chulalongkorn University
- Bachelor of Engineering (Telecommunications), King Mongkut's Institute of Technology  
Ladkrabang
- Certification of Post and Telecommunication School (Class 23)
- Psychological Operations in Administration Course (Class 82)
- Information Technology for Senior Management Course (CIO-20)
- Certificate of Director Accreditation Program (DAP), Thai Institute of Directors (IOD) 66/2007

### **Work experience in the past 5 years**

- |                |   |
|----------------|---|
| 2014 – Present | <ul style="list-style-type: none"><li>- Chairman of the Board of Directors / Audit Committee /<br/>Independent Director of Bangkok Sheet Metal PCL.</li><li>- Type of business: producer and distributor of processed steel, including<br/>wire way, white conduit, communications rack, cabinets, electrical cabinets<br/>and metal parts.</li></ul> |
| 2012 - Present | <ul style="list-style-type: none"><li>- Chairman of Infinite Technology Corporation Company Limited.</li><li>- Type of business: research, design, development, installation and services<br/>for electronic and computer work groups.</li></ul>  |
| 2007 – Present | <ul style="list-style-type: none"><li>- Audit Committee / Independent Director of IT City PCL</li><li>- Type of business: computers, tablets, smartphones, peripherals including<br/>all IT related products and smart phone integrated.</li></ul>  |
| 2004 - 2014    | <ul style="list-style-type: none"><li>- Chairperson of Club Association,<br/><br/>Communication Authority of Thailand</li></ul>   |



- Business type: communication
- 2013 – 2014
  - Information Technology Strategy Subcommittee of Metropolitan Waterworks Authority
  - Type of business: water supply
- 2008 – 2010
  - Audit and Evaluation Committee of Ministry of Culture
  - Type of business: government agency
- 2008 - 2009
  - Advisor, Communication and Telecommunications Commission
  - Secretariat of the House of Representatives
  - Type of business: House of Representatives
- 2006 - 2007
  - Senior Executive Vice President of Information Technology Division of CAT Telecom PCL.
  - Type of business: telecommunication business and service provider
- 2004 - 2007
  - Adviser, Savings Co-Operate LTD, Communications and Authority of Thailand
  - Type of business: Communications of Thailand

**2. Assoc. Prof. Prapart Praisuwanna**

Director, Chairman of the Audit Committee,  
and Independent Director

**Education**

- Master Degree of Electrical Engineering (Electrical Engineer), King Mongkut's Institute of Technology Ladkrabang
- Bachelor Degree of Engineer (Electrical Engineering), King Mongkut's Institute of Technology Ladkrabang
- Advance Management Program, National Institute of Development Administration.
- Executive Leadership Development Program, Institute for Enterprise Development.



- Corporate Governance Program for Directors and Top Executives of State Enterprises and Public Organizations (PDI6), Institute of the development of Directors and Top Executives of Public Organizations.
- Certificate Director Accreditation Program (DAP), Thai Institute of Directors (IDO) 119/2009
- Certificate, Financial Statements for Directors (FSD), Thai Institute of Directors Association (IDO) 20/2013
- Certificate Program, Capital Market Academy (CMA), Class 17

**Work experience in the past 5 years**

- |                |  |
|----------------|--|
| 2014 - Present | <ul style="list-style-type: none"><li>- Director, Chairman of the Audit Committee and Independent Director of Bangkok Sheet Metal PCL.</li><li>- Type of business: producer and distributor of processed steel, including wire way, white conduit, communications rack, cabinets, electrical cabinets and metal parts.</li></ul>   |
| 2015 – Present | <ul style="list-style-type: none"><li>- Director of KMIT Company Limited Ladkrabang</li><li>- Type of business: research and experimental development business in natural science</li></ul>  |
| 2014 – Present | <ul style="list-style-type: none"><li>- Director PEA-ENCOM International Company Limited</li><li>- Type of business: invest in electricity in Thailand and abroad, organize training on electrical systems</li></ul>   |
| 2015 - Present | <ul style="list-style-type: none"><li>- Director / Audit Committee / Independent Directors of Communication and Systems Solutions Public Company Limited.</li><li>- Type of business: distribution of electrical wiring products and other equipment related to the electrical system and providing telecommunication system design and installation services, as well as maintenance services for telecommunication systems</li></ul> |
| 2013 – 2014    | <ul style="list-style-type: none"><li>- National Cyber Security Committee</li></ul>  |



	- Type of business: national cyber security
2012 - Present	- Audit Committee / Independent Director of CPT Dry and Power Public Company Limited
	- Business type: design and assembly of electrical cabinets for controlling machines in industrial plants
2010 - Present	- Director's Pool
	- Type of business: government agency
2012 - 2014	- Vice President of King Mongkut's Institute of Technology Ladkrabang
	- Type of business: education
2009 - 2014	- Director of Provincial Electricity Authority (PEA)
	- Type of business: electricity of the government sector
2011 - 2014	- Vice Chairman of the Board of Directors Deputy Director / Vice President / Nomination Committee / Executive Committee / Structural Supervisory Committee / Human Resource Executive Committee / Assessment Committee of Executive Team / Coordinating Committee between CAT Telecom Public Company Limited and Office of the National Broadcasting and the Telecommunications Commission (NBTC), CAT Telecom PCL.
	- Type of business: telecommunication business and services provider
2011 – 2014	- Subcommittee on Performance Evaluation of Governor, PEA
	- Type of business: electricity of the government sector
2010 - 2014	- Chairman of the Nomination and Compensation Committee, PEA
	- Type of business: electricity of the government sector
2010	- Dean's Advisor, Faculty of Engineering, King Mongkut's Institute of Technology Ladkrabang
	- Type of business: education
2009 - 2014	- Chairman of Subcommittee on Appeal of Staff Punishment, PEA





- Type of business: electricity of the government sector
- 2009 - 2013
  - Committee, Institute Council of King Mongkut's Institute of Technology Ladkrabang
  - Type of business: education
- 2009 - 2011
  - Director / Independent Director / Governance Committee, PEA
  - Type of business: electricity of the government sector

**3. Mr. Tanin Sajjaboriboon** Director, Chairman of Executive Committee  
and Chief Executive Officer

#### **Education**

- Bachelor of Engineering (Electrical Engineering) King Mongkut's Institute of Technology Ladkrabang
- Certificate of Director Accreditation Program (DAP), Thai Institute of Directors Association (DAP 63/2007)
- Certificate of Understanding the Fundamental of Financial Statement (UFS), Thai Institute of Directors Association (UFS 10/2007)

#### **Work experience in the past 5 years**

- 1995 - Present
  - Director, Chairman of the Executive Committee and Chief Executive Officer of Bangkok Sheet Metal PCL.
  - Type of business: producer and distributor of processed steel, including wire way, white conduit, communications rack, cabinets, electrical cabinets and metal parts.
- 1987 - 2019
  - Managing Partner of Sinboribunsingthor Limited Partner
  - Type of business: textile
- 1983 - 1986
  - Engineering of Supamitr Co., Ltd.
  - Type of business: contractor



**4. Mr. Tirawat Amornthatri**

Director, Executive Committee, Managing Director and  
Chief Operating Officer (Acting)

**Education**

- Master of Engineering (Mechanical Engineering), King Mongkut's Institute of Technology North Bangkok
- Bachelor of Industrial Education and Science (Mechanical Engineering) King Mongkut's Institute of Technology North Bangkok
- Certificate, Department of Motor Mechanics Changkon Pathumwan College
- Certificate of Director Accreditation Program (DAP), Thai Institute of Directors (IOD) 62/2007
- Certificate of Understanding the Fundamental of Financial Statement (UFS), Thai Institute of Directors (IOD) 10/2007

**Work experience in the past 5 years**

- |                |  |
|----------------|--|
| 2006 - Present | <ul style="list-style-type: none"><li>- Director, Executive Committee, Managing Director and Operation Officer (acting) of Bangkok Sheet Metal PCL</li><li>- Type of business: producer and distributor of processed steel, including wire way, white conduit, communications rack, cabinets, electrical cabinets and metal parts.</li></ul> |
| 1996 – 2006    | <ul style="list-style-type: none"><li>- Director and Deputy Managing Director of Bangkok Sheet Metal Co., Ltd.</li><li>- Type of business: producer and distributor of processed steel, including wire way, white conduit, communications rack, cabinets, electrical cabinets and metal parts.</li></ul>                                     |
| 1998 – 2002    | <ul style="list-style-type: none"><li>- Dean, Faculty of Engineering of St. John's University</li><li>- Type of business: education</li></ul>  |
| 1993 - 1997    | <ul style="list-style-type: none"><li>- Deputy Dean, Faculty of Engineering / Head of Mechanical Engineering of St. John's University</li></ul>  |



- Type of business: education
- 1988 – 1993
  - Consulting Engineer at CH Machinery Company Limited
  - Type of business: plastic manufacturer
- 1988 - 1992
  - Head of Mechanics Department of St. John Polytechnic School
  - Type of business: education
- 1987 - 1988
  - Engineer at Mahaphant Asbestos Tile Company Limited
  - Type of business: construction material
- 1980 – 1987
  - Head of Department at St. John Vocational School
  - Type of business: education

**5. Mr. Tanes Sajjaboriboon** Director, Executive Committee, Chief Financial Officer,  
and Company Secretary

#### **Education**

- Bachelor of Commerce and Accountancy Industrial Management Thammasat University
- Certificate of Director Accreditation Program (DAP), Thai Institute of Directors (IOD) 76/2008
- Certificate of Company Secretary Program (CSP), Thai Institute (IOD) 56/2014

#### **Work experience in the past 5 years**

- 2013 – Present
  - Director, Executive Committee, Chief Financial Officer,  
Company Secretary of Bangkok Sheet Metal PCL.
  - Type of business: producer and distributor of processed steel, including  
wire way, white conduit, communications rack, cabinets, electrical cabinets  
and metal parts.
- 2009 – 2013
  - Marketing & Sales Director of Bangkok Sheet Metal PCL.
  - Type of business: producer and distributor of processed steel, including  
wire way, white conduit, communications rack, cabinets, electrical cabinets  
and metal parts.



- 2006 - 2009
- Sales Manager of Bangkok Sheet Metal PCL
  - Type of business: producer and distributor of processed steel, including wire way, white conduit, communications rack, cabinets, electrical cabinets and metal parts.
- 1990- 2006
- Assistant Manager of Sinboriboon Limited Partner
  - Type of business: textile

**6. Mr. Vinai Vongsawangramee** Director, Executive Committee, Chief Marketing Officer

**Education**

- Master of Marketing, Thammasat University.
- Bachelor of Business Administration (Marketing) University of the Thai Chamber of Commerce
- Certificate of Director Accreditation Program (DAP), Thai Institute of Directors (IOD) 62/2007

**Work experience in the past 5 years**

- 2013 - Present
- Director, Executive Committee, and Chief Marketing Officer of Bangkok Sheet Metal PCL.
  - Type of business: producer and distributor of processed steel, including wire way, white conduit, communications rack, cabinets, electrical cabinets and metal parts
- 2000 - 2013
- Marketing & Sales Director of Bangkok Sheet Metal Company Limited.
  - Type of business: producer and distributor of processed steel, including wire way, white conduit, communications rack, cabinets, electrical cabinets and metal parts
- 1994 - 1999
- Sales Manager of Lighting and Equipment Company Limited  
(Currently named Lighting and Equipment Public Company Limited)



- Type of business: manufacturer and distribute of electric lamps, electric bulbs and lighting equipment including design and installation of lighting systems.

1986 - 1993

- Sales Manager of Yong Enterprise Limited Partner
- Type of business: import, distribute of electrical equipment

## **7. Ms. Namthip Kitsaksakul**

Director, Audit Committee and Independent Director

### **Education**

- Master of Business Administration, Major in International Management, University of Dallas, Texas, USA
- Bachelor of Commerce and Accountancy, Thammasat University
- Certificate of Director Accreditation Program (DAP), Thai Institute of Directors (IOD) 110/2014
- Certificate of Advance Audit Committee Program (AACP), Thai Institute of Directors (IOD) 16/2014

### **Work experience in the past 5 years**

2014 - Present

- Director, Audit Committee and Independent Director of Bangkok Sheet Metal PLC.
- Type of business: producer and distributor of processed steel, including wire way, white conduit, communications rack, cabinets, electrical cabinets and metal parts

2006 - 2009

- Deputy Managing Director, Internal Audit, Deputy Managing Director, Accounting Department of Golden Land Property Development Public Limited Company
- Type of business: real estate

2003 - 2005

- Senior Finance and Administration Manager of Carrier Linde Refrigeration (Thailand) Company Limited



- Type of business: manufacture, import, distribute, and install refrigeration systems and maintain refrigeration for commercial use.
- 1999 - 2003
  - Finance and Administration Manager of Linde B.Grim Refrigeration Limited
  - Type of business: manufacture, import, distribute, and install refrigeration systems and maintain refrigeration for commercial use.
- 1995 – 1999
  - Cost Manager of Bangkok Post Public Company Limited.
  - Type of business: advertisement
- 1989 - 1995
  - Accounting Manager of Philips Electronics (Thailand) Limited
  - Type of business: electrical appliances, medical apparatus and instruments.

**8. Ms. Laongdao Ngamkara** Director of Financial and Accounting

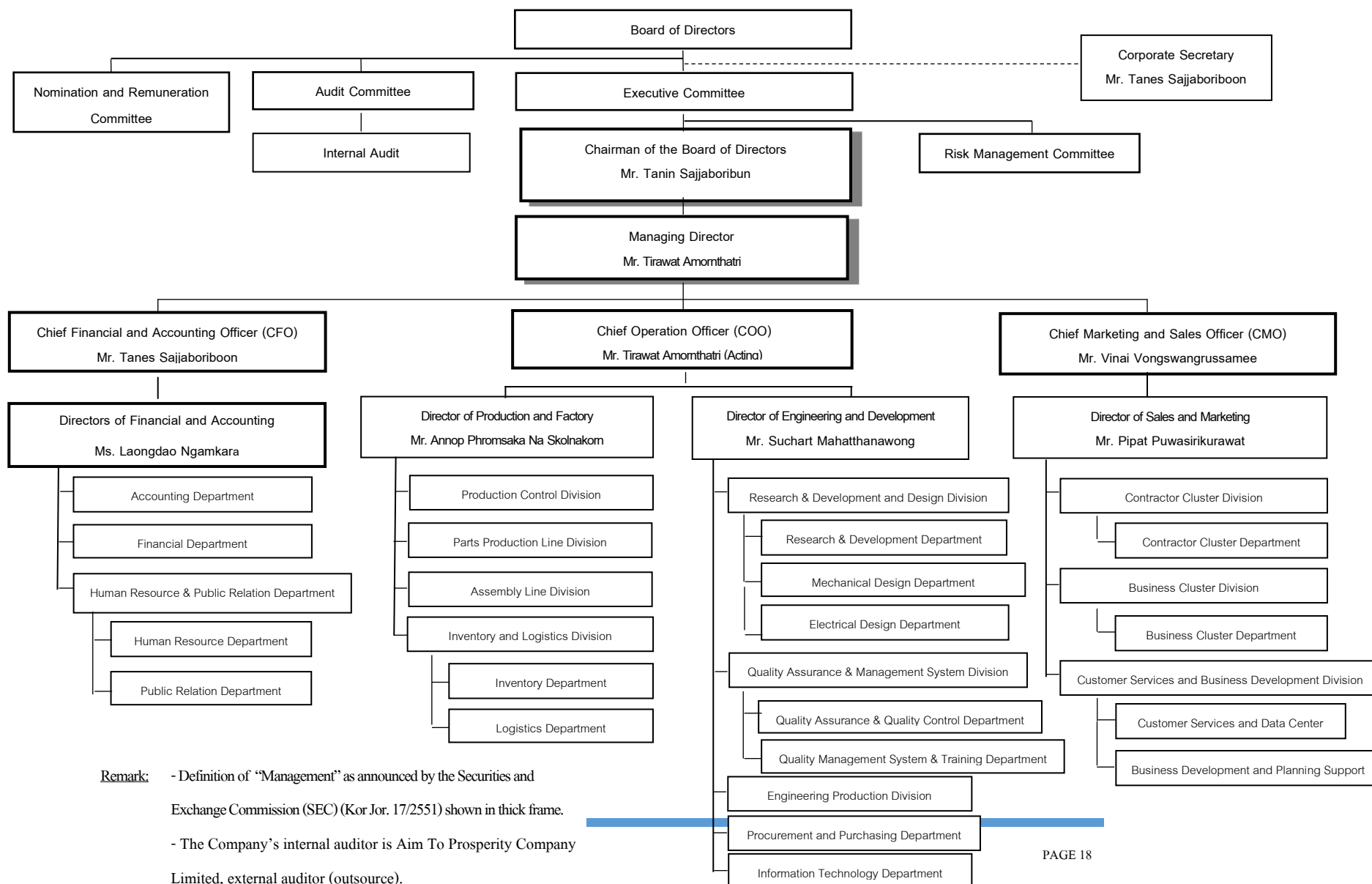
**Education** - Bachelor of Accounting of Dhurakij Pundit University

**Work experience in the past 5 years**

- 2015 - Present
  - Financial and Accounting Director of Bangkok Sheet Metal PLC.
  - Type of business: producer and distributor of processed steel, including wire way, white conduit, communications rack, cabinets, electrical cabinets and metal parts
- 2007 - 2014
  - Financial and Accounting Manager of Bangkok Sheet Metal PCL.
  - Type of business: producer and distributor of processed steel, including wire way, white conduit, communications rack, cabinets, electrical cabinets and metal parts
- 2005 – 2007
  - Manager, Cost Division of Intech Feed Company Limited
  - Type of business: manufacture and distribute raw material for animal food
- 1995 – 2005
  - Accounting Manager of City Wood Company Limited
  - Type of business: manufacture rubber wood furniture for export.



## Management Structure





## General Information

### 1. General information of securities issuer company

Issuer company	: Bangkok Sheet Metal Public Company Limited
Company's registration number	: 0107558000229
Stock symbol	: BM
Nature of business	: Manufacturing company and distributor for steel processing products such as metal trunking, communication racks & enclosures, and electrical switchboards for the buildings, condominiums, offices, shopping malls, industrial factories and mass rapid transits, etc., and other steel forming products as customized by customers, also being distributor of white conduit.
Head Office / Factory	: 149 Moo 6, Suksawad Road, Bangjak, Prapradang, Samutprakarn 10130 Thailand
Telephone	: +66-2817-5555-7, +66-2817-5440-3
Fax.	: +66-2817-5432 , +662817-5443
Website (URL)	: <a href="http://www.bmplc.co.th">www.bmplc.co.th</a>
Registered capital	: THB 343,148,101
Paid-up capital	: THB 259,229,379
Par value	: THB 0.50





## 2. Information of references

Security registrar of common stocks	: Thailand Securities Depository Co., Ltd. (TSD)  The Stock Exchange of Thailand Building  1 <sup>st</sup> Floor Tower B (next to Chinese Embassy)  93, Ratchadaphisek Road, Dindang, Dindang, Bangkok  10400  Tel: +66-2009-9000  Fax: +66-2009-9991  TSD Call center: +66-2009-9999
Accounting auditor	: Miss Wannisa Ngambuathong  Certified Public Accountant Registration No. 6838  Dharmniti Auditing Company Limited  178, Dharmniti Building, 6-7th Floor,  Soi Persap (Prachachuen 20), Prachachuen Road,  Bang Sue, Bangkok, 10800  Tel: +66-2596-0500 ext. 610  Fax: +66-2596-0567
Law advisor	: Thep Company Limited  1193, Exim Building, 11th Floor, Phaholyothin Road,  Samsennai, Phayathai, Bangkok 10400  Tel: +66-2278-1679-84  Fax: +66-2271-2367
Financial advisor	: -None-



### 3. Information of juristic persons which the Company holding more than 10% of all shares

Company name	: Nitto Kogyo BM (Thailand) Company Limited
Company's registration number	: 0105558039123
Nature of business	: Manufacturing, trading and sales of electric and mechanical equipment such as panel boards, consumer units, metal enclosures, racks and so on
Head Office / Factory	: No. 41/1, Moo 4, Tambol Uthai, Amphur Uthai, Ayutthaya 13210
Telephone	: +66-(0)35-958-100
Fax.	: +66-(0)35-958-101
Website (URL)	: <a href="http://www.th.nito-bm.com">www.th.nito-bm.com</a>
Registered capital	: THB 150,000,000
Paid-up capital	: THB 150,000,000
Par value	: THB 1,000



Company name : BM Innotech Industry Company Limited

Company's registration number : 0115563020915

Nature of business : Design, Research, Development and Improvement  
Machinery System

Head office / factory : 149 Moo 6, Suksawad Road, Bangjak, Prapadang,  
Samutprakarn 10130 Thailand

Telephone : +66-2817-5555-7, +66-2817-5440-3

Fax. : +66-2817-5432 , +662817-5443

Registered capital : THB 1,000,000

Paid-up capital : THB 1,000,000

Par value : THB 100

**List of the Shareholders**

The top 10 shareholders of the Company in the shareholder registration book as of 14 March 2023 are listed below:

Name	As of 14 March 2023 (Par value of THB 0.50)	
	Number of shares	Ratio (percent)
<b><u>1. Sajjaboribun Family</u></b>	<b><u>130,005,200</u></b>	<b><u>25.07</u></b>
1.1 Mr. Tanin Sajjaboribun <sup>/1</sup>	31,699,000	6.11
1.2 Mr. Tanes Sujjaboriboorn <sup>/2</sup>	54,407,333	10.49
1.3 Mr. Worakul Sajjaboribun	12,226,800	2.36
1.4 Ms. Aree Sajjaboribun	10,555,500	2.04
1.5 Mr. Suvakit Sajjaboribun	7,892,867	1.52
1.6 Mr. Gorrasarn Sajjaboribun	8,188,700	1.58
1.7 Ms.Chureeporn Sajjaboribun	5,000,000	0.96
1.8 Ms. Arisa Sajjaboribun	35,000	0.01
<b><u>2. Pho-ob Family</u></b>	<b><u>73,309,560</u></b>	<b><u>14.14</u></b>
2.1 Mr. Luecha Pho-ob	29,735,710	5.74
2.2 Mr. Varit Pho-ob	37,079,950	7.15
2.3 Ms. Onicha Pho-ob	1,538,800	0.30
2.4 Ms.Chanthra Pho-ob	220,000	0.04
2.5 Ms.Charna Pho-ob	4,735,100	0.91
<b><u>3. Amornthatri Family</u></b>	<b><u>64,016,000</u></b>	<b><u>12.36</u></b>
3.1 Mr. Tirawat Amornthatri <sup>/3</sup>	63,596,000	12.27
3.2 Ms.Wanna Amornthatri	250,000	0.05



Name	As of 14 March 2023 (Par value of THB 0.50)	
	Number of shares	Ratio (percent)
3.3 Ms. Arunya Amornthatri	140,000	0.03
3.4 Mr. Pipat Amornthatri	30,000	0.01
<b><i>3. Vongsawangrussamee Family</i></b>	<b><i>46,682,200</i></b>	<b><i>9.00</i></b>
3.1 Mr. Vinai Vongswangrussamee <sup>/4</sup>	21,592,200	4.16
3.2 Mr. Pavit Wongsawangrussamee	11,902,800	2.30
3.3 Mr. Somchai Wongsawangrussamee	1,655,000	0.32
3.4 Mr. Thatchaphong Wongsawangrussamee	11,532,200	2.22
<b><i>5. Nitto Kogyo Corporation</i></b>	<b><i>40,000,000</i></b>	<b><i>7.72</i></b>
<b><i>6. MECT Holding Company Limited</i></b>	<b><i>20,714,100</i></b>	<b><i>4.00</i></b>
<b><i>7. MECT Company Limited</i></b>	<b><i>18,503,050</i></b>	<b><i>3.57</i></b>
<b><i>8. Limsowan Family</i></b>	<b><i>15,829,500</i></b>	<b><i>3.05</i></b>
8.1 Mr. Sithichai Limsowan	15,803,100	3.05
8.2 Ms. Chanoknad Limsowan	15,000	0.00
8.3 Mr. Visrut Limsowan	11,400	0.00
<b><i>9. Ms. Monthip Wittayakorn</i></b>	<b><i>7,908,000</i></b>	<b><i>1.53</i></b>
<b><i>10. Mr. Kittipong Uchin</i></b>	<b><i>7,560,100</i></b>	<b><i>1.46</i></b>
<b><i>11. Other shareholders</i></b>	<b><i>93,931,048</i></b>	<b><i>18.10</i></b>
<b>Total</b>	<b>518,458,758</b>	<b>100.00</b>

Remark: The shareholders are grouped by family name, not by related persons specified under Section 258 of the Securities and Exchange Act B.E. 2535 (1992) or by shareholder control.



<sup>/1</sup> Mr. Tanin Sajjaboribun is taking position of Director, Authorized Director, Chairman of Executive Committee and Chief Executive Officer.

<sup>/2</sup> Mr. Tanes Sajjaboriboon is taking position of Director, Authorized Director, Executive Committee, Chief Financial Officer and Company Secretary.

<sup>/3</sup> Mr. Tirawat Amornthatri is taking position of Director, Authorized Director, Executive Committee, Managing Director and Chief Operation Officer (Acting).

<sup>/4</sup> Mr. Vinai Vongswangrussamee is taking position of Director, Authorized Director, Executive Committee and Chief Marketing and Sales Officer.



## **Dividend policy**

The Company sets the annual dividend payment policy at the rate of not less than 40% of net profit after tax and statutory reserve, as stated in the Company's Articles of Association and the law. On 9 August 2018, the Company approved the issuance and offering of Warrants to purchase the ordinary shares of the Company Series 1 (BM-W1), which were allocated proportionally to the existing shareholders (Rights Offering) at the ratio of 4 existing shares to 1 Warrant for free. The calculation of the allocation for each shareholder shall be adjusted in accordance with the rights adjustment conditions. The Company shall cash dividend payment in not exceeding 80 percent of Company's income after tax in any financial year (Separate Financial Statement) during the maturity period of the Warrants. However, the dividend payment may be changed, depending on the operating results, financial position, investment plans, liquidity, necessity and other appropriate circumstances in the future, as the Board of Directors shall deem appropriate. The annual dividend payment of the Company must be approved by the shareholders' meeting, except the interim dividend payment. The Board of Directors shall be entitled to approve the interim dividend payment and report to the shareholders' meeting at the next meeting.

## **Nature of Business**

Bangkok Sheet Metal Public Company Limited or BM was established on 11 May 1995. At present, the Company conducts business of manufacturer and sell the steel processing products such as metal trunking, communication racks, cabinets, enclosures and electrical switchboards for buildings, condominiums, offices, shopping malls, industry factories, electricity power plants, etc. under “BSM”, “BM” and “BEST” brands, plus other steel processing products as per customer's requirement. Also the Company sells white conduit by outsourcing to supplier to manufacture white conduit under the Company's brand, while the Company conversely is a dealer of the white conduit supplier.



The Company's products are classified into 6 categories:

- 1) Metal Trunking and White Conduit
- 2) Communication Rack, Cabinet and Enclosure
- 3) Electrical Switchboard and Lighting Fixture
- 4) Fabrication and Metal Working
- 5) Mold & Die Making, Machine Tool and Equipment
- 6) Sheet Metal Part, Press Part, Machine Part and Assembly Part

The Company is an ISO 9001: 2015 certified company for the quality management system, issued by the Anglo Japanese American (AJA) Registrars, accredited by the United Kingdom Accreditation Service (UKAS) and the National Accreditation Council of Thailand (NAC Thailand). The Company aims to maintain the quality management system effectively, deliver quality products responding to the customer needs, and achieve high customer satisfaction levels.





## Revenue Structure

### Revenue breakdown by product category in year 2020 - 2022 (in THB)

Revenue	Year 2020		Year 2021		Year 2022	
	Million	%	Million	%	Million	%
1) Revenue of Metal Trunking and White Conduit	413.33	41.09	464.12	40.60	513.99	39.39
2) Revenue of Communication Rack, Cabinet and Enclosure	33.29	3.31	32.38	2.83	51.17	3.92
3) Revenue of Electrical Switchboard and Lighting Fixture	32.27	3.21	23.47	2.05	36.64	2.81
4) Revenue of Fabrication and Metal Working	25.89	2.57	24.45	2.14	17.02	1.30
5) Revenue of Mold & Die Making, Machine Tool and Equipment	300.70	29.89	303.17	26.52	491.79	37.69
6) Revenue of Sheet Metal Part, Press Part, Machine Part and Assembly Part	162.32	16.14	233.14	20.39	147.88	11.33
7) Revenue of Trading <sup>/1</sup>	20.09	2.00	37.55	3.28	18.37	1.41
<b>Revenue of Product Sales</b>	<b>987.89</b>	<b>98.21</b>	<b>1,118.28</b>	<b>97.82</b>	<b>1,276.86</b>	<b>97.86</b>
Revenue of Service <sup>/2</sup>	5.87	0.59	2.71	0.24	11.69	0.90
<b>Revenue of Product Sales and Service</b>	<b>993.76</b>	<b>98.80</b>	<b>1,120.99</b>	<b>98.05</b>	<b>1,288.55</b>	<b>98.76</b>
Dividend	7.04	0.70	7.83	0.68	-	-
Other Revenue <sup>/3</sup>	5.06	0.50	14.41	1.26	16.22	1.24



Revenue	Year 2020		Year 2021		Year 2022	
	Million	%	Million	%	Million	%
<b>Total Revenue</b>	<b>1,005.86</b>	<b>100.00</b>	<b>1,143.23</b>	<b>100.00</b>	<b>1,304.77</b>	<b>100.00</b>

Remark: /1 Revenue of trading is the revenue of selling assembly equipment, painting parts, etc.

/2 Revenue of service is the revenue of painting steel parts for external customers.

/3 other revenue is the revenue of interest income, profit (loss) from asset disposal and amortization, selling scraps, etc.

**Customer cluster by product category**

Product Category	Customer Cluster	
	Contractor	Business
Metal Trunking and White Conduit	✓	✓
Communication Rack, Cabinet and Enclosure	✓	✓
Electrical Switchboard and Lighting Fixture	✓	✓
Fabrication and Metal Working	✓	✓
Mold & Die Making, Machine Tool and Equipment		✓
Sheet Metal Part, Press Part, Machine Part and Assembly Part		✓

**Revenue of product sales and service by customer cluster in year 2020 - 2022 (in THB)**

Customer Cluster	Year 2020		Year 2021		Year 2022	
	Million	%	Million	%	Million	%
Contractor Cluster	445.60	44.84	487.59	43.50	550.63	42.73
Business Cluster	548.16	55.16	633.41	56.50	737.92	57
<b>Revenue of Product Sales and Service</b>	<b>993.76</b>	<b>100.00</b>	<b>1,121.00</b>	<b>100.00</b>	<b>1,288.55</b>	<b>100.00</b>



## **Vision and mission**

### **Vision**

- 1) Create excellence in metal processing and forming products under international quality standards
- 2) Develop technical skills and manufacturing technology responding to customer satisfaction extensively
- 3) Participate in domestic industry development in order to reduce foreign dependency and replace foreign imports
- 4) Expand customer base in The Asian Economic Community (AEC) and international markets

### **Mission**

1. Deliver quality products on time with price satisfaction
2. Focus on developing people and technology to meet international standards
3. Conduct business to earn a fair return for the shareholders and employees
4. Build good relationships with customers and suppliers to be long-term trusted business partners
5. Encourage employees to take part of organizational development for sustainable growth

### **Principle**

1. Develop and maintain quality management system to meet engineering standards
2. Reduce manufacturing expenses to stay competitive in the market
3. Develop and improve operational efficiency and working conditions
4. Enhance team efficiency and workplace collaboration

### **Safety policy**

1. Safety is the top priority and first consideration.



2. Create 5S culture and behaviour: Sort, Set, Shine, Standardize and Sustain
3. Create safety mind at work, including awareness on energy efficiency and environment
4. Reduce annual accident rate in the workplace

#### **Quality policy**

Standard production

Quality service

Employee collaboration

Sustainable development

#### **Work slogan**

Immediate, Consistent, Continuous and Complete

#### **The Company's major activities**

Bangkok Sheet Metal Public Company Limited was established on 11 May 1995 by a group of experienced engineers who specialize and work in a variety of fields, with initial registered capital of 7 million baht. The first factory was built to produce metal products to meet engineering and international standards. The Company, in later years, continuously increased the registered capital to 150 million baht. On 15 May 2015, the Company converted into a public company limited and raised the capital by 50 million baht. On 17 May 2016, the Company started Initial Public Offering (IPO), a listed company on the Market for Alternative Investment (mai), and had the registered capital of 200 million baht.

At present, the Company manufactures and sells metal products such as metal trunking, communication racks, cabinets and enclosures, electrical switchboards for buildings, condominiums, offices, shopping malls, industry factories, power stations, etc. under “BSM”, “BM” and “BEST” brands, and other metal products as per customer requirements. Also the Company sells white



conduit, by outsourcing to supplier to manufacture white conduit under the Company's brand, while the Company conversely is a dealer of the white conduit supplier.

The Company's head office is located at 149 Moo 6, Suksawad Rd., Bangjak, Prapadang, Samutprakarn, 10130, Thailand and the branch office is located at 147-148 Moo 6, Suksawad Rd., Bangjak, Prapadang, Samutprakarn 10130, Thailand.

**Summary of the Company's major activities:**

- Year 1995 - On 11 May 1995, the Company was established by a group of experienced engineers who specialize and work in a variety of fields. Initially the management team rented a mini-factory, located on Suksawad Rd., Prapadang, Samutprakarn, to produce metal products for construction projects under international standards. The first product category is metal trunking (Product Category 1) such as wire way, cable tray, cable ladder and floor trunking under "BSM" brand.
- Year 1996 - On 12 June 1996, the Company increased the registered capital to 16.50 million baht. The common stocks were issued and offered to the existing shareholders proportionally. The investment in production of communication racks, cabinets and enclosures (Product Category 2), also electrical switchboard and lighting fixture (Product Category 3).
- Year 1997 - In April 1997, the Company built a factory on a piece of land (3-1-0 Rai), located at 149 Moo 6, Suksawad Rd., Bangjak, Prapadang, Samutprakarn 10130, Thailand, for business expansion.
- Year 2001 - On 12 September 2001, the Company raised the registered capital to 24.75 million baht. The common stocks were issued and offered to the existing shareholders proportionally for the capital increase to invest in machinery and equipment.



- Year 2003 - On 26 February 2003, the Company first obtained ISO 9001: 2008 certification for quality management system, issued by Anglo Japanese American (AJA) Registrars, accredited by United Kingdom Accreditation Service (UKAS) and National Accreditation Council of Thailand (NAC Thailand).
- Year 2006 - On 10 February 2006, the Company increased the registered capital to 50 million baht in order to expand the current office and increase factory site from 3-1-0 Rai to 6-1-77 Rai, also invest in machinery and equipment for the production of metal working (Product Category 4), die making, machine tool and equipment (Product Category 5), and press parts (Production Category 6). The common stocks were issued and offered to the existing shareholders.
- Year 2007 - On 22 May 2007, the Company increased the registered capital to 60 million baht. The common stocks were issued and offered to the existing shareholders. The investment in machinery and equipment for the production of fabrication and metalworking (Product Category 4).
- Year 2008 - The Company expanded the current office and increased factory site from 6-1-77 Rai to 10-1-97 Rai for business expansion.
- Year 2009 - On 16 July 2009, the Company increased the registered capital to 79 million baht. The common stocks were issued and offered to the existing shareholders proportionally. The investment in new office building and training center, also machinery and equipment for the production of communication racks, cabinets and enclosures, as well as sheet metal parts, press parts, machine parts and assembly parts (Product Category 6).
- On 28 December 2009, the Company increased the registered capital to 91 million baht invest in the purchase of machinery and equipment and installation of painting line. The common stocks were issued and offered to the existing shareholders.
- Year 2013 - In February 2013, the Company purchased a piece of land (9-1-92.5 Rai), on the opposite side of the head office, for new manufacturing facility and



warehouse to store raw materials and finished goods in order to support business expansion in the future.

Year 2015 - On 28 April 2015, the Company increased the registered capital to 150 million baht for better capital structure and preparing to be a listed company on the Market for Alternative Investment (mai). The common stocks were issued and offered to the existing shareholders proportionally.

- On 15 May 2015, the Company converted (from a company limited) into a public company limited and registered with the Ministry of Commerce.

Year 2016 - On 9 - 11 May 2016, the Company offered Initial Public Offering (IPO), totaling 100,000,000 shares with par value of 0.50 baht per share. As a result, the Company's paid-up capital was increased to 200 million baht, and First Trading Day on the Market for Alternative Investment (mai) was on 17 May 2016.

- In quarter 2/2016 and quarter 3/2016, the Company built a new 2-story building at the head office for warehouse and logistics.

Year 2017 - On 12 April 2017, the Company increased the registered capital to 220 million baht by issuing 40,000,000 new ordinary shares with par value of 0.50 baht per share under the General Mandate of the Company and allocating to the private placement.

- On 2 November 2017, the Company received a letter of intent from Nitto Kogyo Corporation (Japan) requesting to purchase the newly issued ordinary shares under the General Mandate of the Company allocated to the private placement of 40,000,000 shares with par value of 0.50 baht per share.

- On 21 November 2017, the Company's paid-up capital was increased from 200 million baht to 220 million baht because the Company sold 40,000,000 newly issued ordinary shares to Nitto Kogyo Corporation with par value of 50 baht per share.

- On 30 November 2017, the Company invested in Nitto Kogyo Trading (Thailand) Company Limited (NKT) (later changed to Nitto Kogyo BM





(Thailand) Company Limited (NBT)) by purchasing ordinary shares from the existing shareholder and holding 41% of the paid-up capital in order to expand market of panel boards, steel cabinets and enclosures.

Year 2018 - On 12 March 2018, the Company additionally purchased ordinary shares and preferred shares of Nitto Kogyo BM (Thailand) Company Limited (NBT) amounted to 7.14 million baht. Consequently, the Company increased the shareholding from 41% to 48% of the paid-up capital.

- On 23 May 2018, the Company invested in the ordinary shares of MECT Company Limited (MECT) amounted to 152.14 million baht, holding 20% of the paid-up capital. MECT's business is to provide electrical, communication, air conditioning, fire protection, sanitary and pipe systems.

- In August 2018, the Company approved the issuance and offering of warrants to purchase ordinary shares of Bangkok Sheet Metal Public Company Limited No.1 (BM-W1) in the amount of not exceeding 110,000,000 units/shares, allocated to the existing shareholders of the Company in proportion to their respective shareholdings (Rights Offering) at the ratio of 4 existing ordinary shares to 1 unit of warrants, at no cost. The warrants have a maturity of 2 years from the issuance date.

Year 2019 - Nitto Kogyo BM (Thailand) Company Limited (NBT), an associated company, increased the capital by 130 million baht, from 20 million baht to 150 million baht. The Company acquired and increased the investment in the ordinary shares of Nitto Kogyo BM (Thailand) Company Limited (NBT) amounted to 62.40 million baht, fully paid on 28 June 2019. Therefore, the Company holds 48% of the paid-up capital or equivalent to 72 million baht in total.

Year 2020 - In August 2020, the Company's paid-up capital increased by 62.50 baht from the existing paid-up capital of 220,000,000 baht to the new paid-up capital of 220,000,062.50 baht by issuing 125 newly issued ordinary shares at the par value



of 0.50 baht to accommodate the exercise of the warrants to purchase ordinary shares of Bangkok Sheet Metal Public Company Limited No.1 (BM-W1).

- Nitto Kogyo BM (Thailand) Company Limited (NBT), an associated company, invested in the construction of new factory (12 Rai) and the purchase of machinery and equipment for the manufacturing of panel boards, steel enclosures and copper parts. The new factory is located at Rojana Industrial Park 2 in Phra Nakorn Sri Ayutthaya.
- The Company invested in the purchase of a new piece of land (25 Rai) to build new manufacturing facility in Free Zone for export business expansion.
- On 28 September 2020, BM Innotech Industry Company Limited (BMI), an associated company, was registered and established with registered capital of 1 million baht. The business type is design, development, machinery and automation services. The Company invests in the proportion of 70% of the total ordinary shares.

Year 2021

- In June 2021, the Company approved the issuance and offering of warrants to purchase ordinary shares of Bangkok Sheet Metal Public Company Limited No.2 (BM-W2) in the amount of not exceeding 146,666,708 units/shares, allocated to the existing shareholders of the Company in proportion to their respective shareholdings (Rights Offering) at the ratio of 3 existing ordinary shares to 1 unit of warrants, at no cost. The warrants have a maturity of 2 years from the issuance date on 25 June 2021 (from 25 June 2021 to 24 June 2023) as follows:
  - o The first exercise date: 24 December 2021
  - o The second exercise date: 24 June 2022
  - o The third exercise date: 24 December 2022
  - o The final date of exercise: 24 June 2023
- On 1 September 2021, the Company entered into the share sale / purchase agreement and sold all ordinary shares of MECT Company Limited, an associated company, to MECT Holding Company Limited. The payment for all shares has



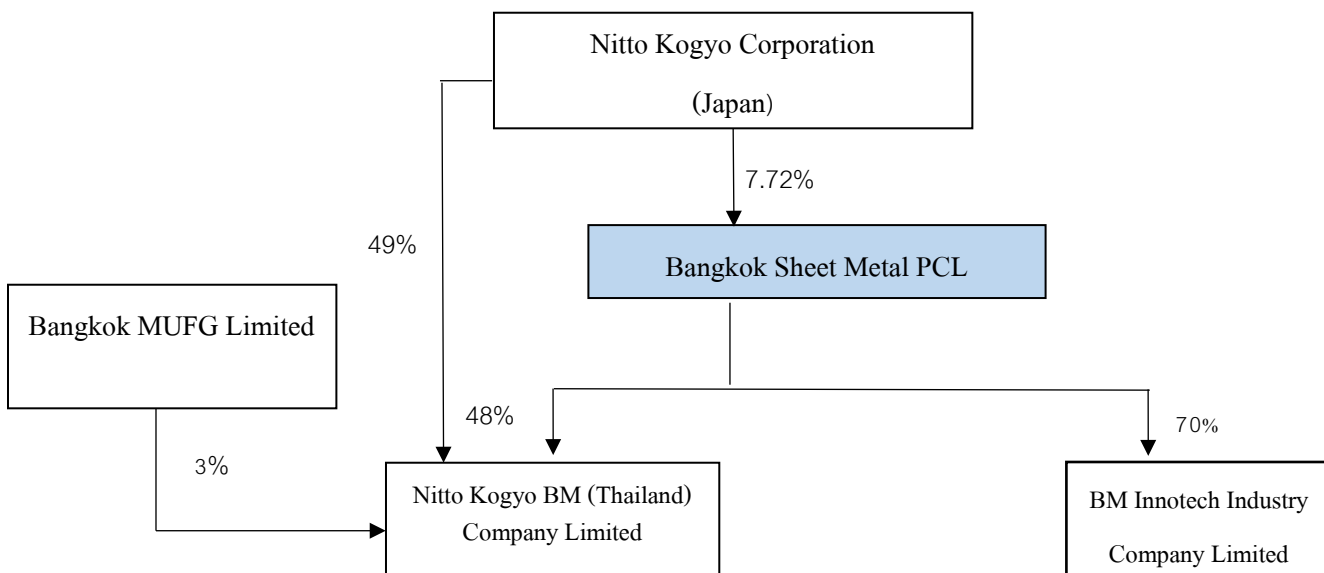
been fully received by the Company and the ownership has been transferred on 27 September 2021.

- In December 2021, the Company's paid-up capital increased by 15,945,816.50 baht from the existing paid-up capital of 220,000,062.50 baht to the new paid-up capital of 235,945,879 baht by issuing 31,891,633 newly issued ordinary shares at the par value of 0.50 baht to accommodate the first exercise of the warrants to purchase ordinary shares of Bangkok Sheet Metal Public Company Limited No.2 (BM-W2).

- Year 2022
- In June 2022, the Company's paid-up capital increased by 1,588,550 baht from the existing paid-up capital of 235,945,879 baht to the new paid-up capital of 237,534,429 baht by issuing 3,177,100 newly issued ordinary shares at the par value of 0.50 baht to accommodate the second exercise of the warrants to purchase ordinary shares of Bangkok Sheet Metal Public Company Limited No.2 (BM-W2).
  - In December 2022, the Company's paid-up capital increased by 21,694,950 baht from the existing paid-up capital of 237,534,429 baht to the new paid-up capital of 259,229,379 baht by issuing 43,389,900 newly issued ordinary shares at the par value of 0.50 baht to accommodate the third exercise of the warrants to purchase ordinary shares of Bangkok Sheet Metal Public Company Limited No.2 (BM-W2).



## Shareholding Structure



## Corporate governance

### 1. Corporate governance policy and manual

The Board of Directors Meeting No. 1/2015 on 18 May 2015 (the first meeting after complete registering of transformation to the public company) officially approved the written corporate governance policy to comply with the Stock Exchange of Thailand (SET) regulation and be a guideline for traceable, transparent and efficient management system in order to build confidence in the shareholders, investors, stakeholders and all related parties. It can be classified into 5 sections:

#### Section 1: Rights of the shareholders

The Board of Directors is aware of the importance of fundamental rights of the shareholders with rightly practice as per related laws such as the rights of stock trading and transfer, receiving dividend and information, attending the shareholders' meeting and voting, appointment of proxy,



appointment of the Company's directors and accounting auditor, providing opinion and enquiry to the directors at the shareholders' meeting, proposing meeting agendas and nominating candidates for director election in advance, etc. The Board of Directors shall treat all rights of the shareholders strictly and not violate or deprive of the shareholders' rights.

1. The shareholders' meeting

At every Annual General Meeting of Shareholders, the Company shall follow the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) regulations.

- 1.1. The Company shall disclose policy to support or promote all shareholders to participate in the shareholders' meeting.
- 1.2. The Company shall give the meeting details such as meeting date, time, venue and agendas, also provide explanation and rationale or resolution for each agenda item together with the invitation to the shareholders' meeting or the enclosures.
- 1.3. The Company shall fully facilitate the shareholders to attend the meeting and vote, and not deprive the rights of the shareholders to attend the meeting such as high expenditure or difficulty in vote casting, inconvenient itinerary to the meeting venue, etc.
- 1.4. The Company shall give an opportunity for the shareholders to submit their enquiry before the meeting date. The enquiry submission rules must be clearly informed to the shareholders, delivered with the invitation to the shareholders' meeting and announced on the Company's website.
- 1.5. The Company shall facilitate the shareholders by providing the proxy forms which grant the proxy to vote on his/her behalf. As well, at least one independent director should be nominated for the appointment as proxy

2. The meeting procedures

- 2.1. The Company shall apply and use technology in the shareholders' meeting for fast, clear and accurate registration, vote counting and result display.



- 2.2. All directors should attend the shareholders' meeting and the shareholders are entitled to submit questions to the sub-committees regarding the related agendas.
- 2.3. At the shareholders' meeting, resolution of each agenda item shall be passed individually.
- 2.4. The Board of Directors shall allow independent person to witness and inspect vote counting at the Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) of shareholders, disclose voting result at the meeting and record into the minutes.
- 2.5. The Board of Directors shall encourage using voting ballots for important agenda items such as connected transaction, asset acquisition or disposal, etc. for transparency and traceability in an event of dispute.
- 2.6. The Chairman of the meeting should allocate appropriate time and provide the shareholders an opportunity to give opinions and questions relating to the Company's business.

3. Minutes and resolution disclosure of the shareholders' meeting

- 3.1. The minutes of the shareholders' meeting shall describe the procedures of voting casting and result display before the meeting begins, also give the shareholders an opportunity to settle issues or ask questions, and record those questions, answers and voting results of "Approval", "Disapproval", and "Abstention" for each agenda item. The names of directors who are absent and preset at the meeting shall be listed and recorded as well.
- 3.2. The Company shall disclose and announce voting result of each agenda item of the AGM and EGM of shareholders on the Company's website.

**Section 2: Equitable treatment of shareholders**



The Board of Directors and management shall reassure the appropriate capital management to give the shareholders confidence in their investment in the Company. The Board of Directors shall secure the fundamental rights of the shareholders equally as follows:

1. The right to appoint a proxy to attend the shareholders' meeting and vote on his/her behalf

In an event that any shareholder is unable to attend the meeting, he/she have the right to appoint a proxy or appoint the independent director as proxy (proposed by the Company) to attend the meeting and vote on his/her behalf. The shareholder is required to submit the proxy form and attach a copy of identification card, passport or other identification document to the Company before the meeting date.

2. The right to propose additional agendas

The Company shall give the shareholders an opportunity to propose the meeting to consider any matters other than those proposed in the agenda items of the AGM of shareholders. The additional agenda proposal shall be made as follows:

- To submit the proposed matters and provide facts, rationale, and necessary information in the AGM agenda proposal form.
- The Company shall determine the status of the shareholders, who submit the proposed matters, from the Company's shareholder registration list as of the closing date. The criteria is that the proposed matters must involve the Company's business or affect the Company's operation significantly. If the Board of Directors approves, the proposed matters shall be added into the agendas of the shareholders' meeting, and shall be noted as "proposed by the shareholders".

3. The right to nominate person to take the position of director

The shareholders have the right to nominate candidates to take the position of director. The Company reserves the right of qualification approval as per the following criteria:



- Appropriately qualified and not be prohibited under the Public Limited Company Act, the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) regulations, and the Company's good corporate governance.
- Possess education, working experiences or other related qualifications as per the Company's recruitment criteria.
- Fully dedicate competency and time to the most benefit of the Company which is the main duty and available to attend the Company's meeting regularly.
- Not take the position of director in more than 5 listed companies as current period.

The Company's independent directors shall consider the qualified candidates and propose to the shareholders' meeting for consideration and approval. If there is no candidate proposed by the independent directors, the candidate names shall be proposed at the shareholders' meeting, which is apart from the Board of Directors' comment. To nominate candidates for director position, the shareholders are requested to attach the following documents: (1) The form of nominating candidate for the director position, and (2) Profile of candidate for the director position, attached with the stock certificate or stock domination confirmation issued by the securities company/broker, certified true copy, and registered mail to the Company within the defined period.

#### 4. Prevention of internal information use

The Company has a policy to limit internal information use for middle-level to high-level management only. The audited financial statements shall be kept by the accounting manager. The other confidential information shall be used for business discussion by manager level only. The Company has penalty policy for the related parties in the event that the internal information use causes disadvantage to the Company. Furthermore, the Company requires the directors and management to report the Company's securities domination to the Securities and Exchange Commission (SEC).

#### 5. Internal securities trading





The Company has a policy not to permit any employee, management and those/insider who internally acknowledge operating results to trade securities, since the acknowledged date until the publicized date of information. As well, the Company do not permit to publicize internal information to raise up value of securities, especially 1 month before trading period which before the financial statements publicized.

The Company's directors and management team have to report the change in securities to the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) under Section 258 of the Securities and Exchange Act B.E. 2535 (1992), also acknowledge penalty under the Securities and Exchange Act B.E. 2535 (1992), and report the change of securities domination by spouse and underage children. Therefore the directors and management team have to submit a copy of such report to the Securities and Exchange Commission (SEC) within 3 working days as defined, and submit to the Company on the same day.

### **Section 3: Roles of stakeholders**

The Company shall well treat all stakeholders such as customers, employees, business alliances, shareholders or investors, creditors and communities around the Company's location, etc. The stakeholders shall be treated by the Company according to the related laws. The Company shall not violate the rights of the stakeholders as given by the related laws or as agreed. The Company shall enhance the participation, role and duty of the stakeholders to promote the Company's operation. In addition, the Company shall create sustainable growth steadily and give fair benefit to all parties. Moreover, the Company shall provide channels for the stakeholders to provide comment or information to the Board of Directors via the Company's independent directors or Audit Committee.

The Company considers to promote collaboration between the Company and the stakeholders for wealth financial stability and sustainability of the business as follows:



- Be aware of the importance of the Company's employees by giving fairly practice and appropriate remuneration based on their abilities and performances, and developing their knowledge and skills continuously. Significantly focus on environment and safety in workplace and living quality of the employees.
- Purchase products and services from the Company's business alliances and strictly comply with the mutual commercial agreements and conditions for long-term relationships.
- Comply with the conditions of loan agreement.
- Care and be responsible for the customers in terms of product quality, good service, high standards, confidentiality and fair price under pricing policy.
- Follow competition rules, and avoid dishonest approach which damages the business competitors
- Focus on environmental responsibility of neighbor community and society, and support public activities and environmental development in the community and society for better living as appropriate.

#### **Section 4: Information disclosure and transparency**

The Company is aware of the importance of information disclosure including the financial and non-financial information correctly, completely, timely and transparently. Information channels must be convenience, reliability, equally according to the defined law. The Company's information disclosure includes financial statements and non-financial information which shall not impact the Company's securities price in accordance with SET and SEC regulations.

The Company shall maintain the quality of financial report, complying with the accounting accreditation standard and audited by independent accounting auditor as accredited by SEC and SET. Moreover, the Company shall disclose the following information for transparent business conduct:

- Duties of the Board of Directors and Audit Committee such as number of the meeting and number of meeting attendance of each director in the previous year.



- Remuneration policy of the directors and high-level management team.
- Report of good corporate governance policy and result of practice.

The above information shall be publicized via SEC or SET portal and announced on the Company's website.

#### **Section 5: Responsibilities of the Board of Directors**

The Company's Board of Directors comprises of directors who are qualified and experienced to develop to define policy which benefits the Company. The Company's directors are independent to make decision for most benefit of the Company and the shareholders. The Board of Directors has an important role in policy formulation including tracking and monitoring the management's performance and evaluating operation result as per target plan. The Board of Directors consists of 7 directors who are 4 members of management team and 3 members of independent directors, greater than one-third (1/3) of all 7 directors to appropriate counterbalancing of management. In addition, the Company appoints the Audit Committee which consists of 3 independent directors and the period of taking position is 3 years with scope and authorization as obviously defined on the audit committee charter.

The Company sets remuneration obviously and transparently by proposing to the shareholders' meeting for approval. The remuneration shall be approved in appropriate rate per scope and responsibility of each director. The remuneration rate shall be attractive for the directors who dedicate to the Company, and sensible compared to the rate in the same industry.

The Company's directors understand their responsibility as director. The Company's directors are always able to provide their comments independently, perform their duty honestly and carefully and be aware the most benefit to the Company and fair to all shareholders. In addition, all directors dedicate their practices in full responsibility, and attend the Board of Directors meeting unless it is necessary.



The Board of Directors also focuses on appropriate information disclosure to the shareholders, investors and all parties. The disclosed information must be accurate, transparent, thoroughly and timely. Under corporate governance, the Company's financial report, operating results, and other relevant information related to securities price shall be disclosed to the shareholders, investors and relevant parties for their decision-making in investment via the following channels; mail, SEC and SET portal, and the Company's website, after the ordinary shares being registered with SET.

#### The Board of Directors' structure

The Board of Directors consists of 7 members, which are 4 members of management team and 3 members who are not in management team and qualified as independent directors. To appropriate counterbalancing of the Board of Directors, at least one-third of all directors must be independent directors. The qualification, name list, scope and responsibility of director are equivalent to the criteria as defined by SEC, together with the recruitment and selection of director.

The Company has policy to limit number of companies, which each director is able to take director position, not more than 5 listed companies. However, the Company does not define the number of tenure term but in case of director who is knowledgeable and competent, he/she is able to take the position of director for another term.

The Company has policy to appoint different persons to take the positions of Chairman of the Board of Directors and Chief Executive Officer for clear and transparent business administration, while the scopes and responsibilities of these positions are obviously defined, including the qualification and term of each position shall be disclosed in Annual Registration Statement (Form 56-1).



#### Composition, recruitment and selection of the Audit Committee

The Audit Committee shall be appointed by the Board of Directors and agreed by the shareholders to the position of the director and qualified according to the securities law and notice, rule and/or SET regulation. The number of Audit Committee must be at least 3 members which one of them must be qualified in accounting and finance. The term of holding position is 3 years since the appointment date. After full term of holding position, if the Board of Directors or the shareholders' meeting does not appoint new Audit Committee, the existing Audit Committee is permitted to continue practice for another term until new Audit Committee is approved for replacement, and/or to follow the tenure of the Board of Directors.

#### Composition, recruitment and selection of the Executive Committee

The Executive Committee shall be the Company's directors and/or management who are appointed by the Board of Directors. The number of the Audit Committee members shall be considered by the Board of Directors as deemed appropriate, and one of such above members shall be appointed as Chairman of the Executive Committee.

#### Business ethics

The Board of Directors shall set and promote business ethics to the directors, management team and employees for practice and taking responsibilities for the most benefit to all stakeholders, and increasing business reliability for sustainable growth of the Company.

#### Risk management policy

The Board of Directors shall set the Company's risk management policy for overall by initially defining risk identification, risk evaluation, risk monitoring and control, and risk standardization for



risk prevention effectively and continuously. In addition, the Company shall appoint the Risk Management Committee to responsible for risk management procedure in the Company.

#### Guidelines for remuneration of directors and senior management

The Board of Directors approves the remuneration of the directors and senior management based on their duties and scope of works, also considering their performances and the Company's operating results. The remuneration shall be in line with remuneration rate in the labor market or industry, and also be approved by the shareholders' meeting.

Furthermore, the Company appoints the Nomination and Remuneration Committee to define appropriate nomination, recruitment and selection of directors, according to business conduct, and when this agenda coming for the Board of Directors' approval.

#### Director's tenure

In 1 year, one-third of all directors (or the nearest number) shall be retired by rotation and be re-elected to the position. The tenure of director shall start from the appointment date until the date of the AGM of shareholders.

#### Self-evaluation of the Board of Directors

The Board of Directors shall conduct self-evaluation at least once a year. Together the Board of Directors shall consider their performances and concerns in order to improve their efficiency.



#### Development of the directors and management team

The Board of Directors approves to arrange orientation to make new directors understand the Company's business and relevant regulation. Moreover, the Board of Directors has policy to support all directors, high-level management and the company secretary to continuously attend trainings relating to corporate governance from internal and external organizations such as SET, SEC or Thai Institute of Directors (IOD). So, the directors, high-level management and the company secretary shall utilize their additional knowledge and experience to improve and develop the Company in the future.

#### Succession plan

The Board of Directors sets the policy and criteria for the selection and succession plan of the management team in case of emergency or their retirement. The selection shall be transparency and based on their knowledge, abilities, experiences and ethics.

#### Orientation for new director

For new directors and management, the Company shall provide basic information of the Company such as organizational chart and structure, nature of business, main products, corporate rules and regulations, and related laws, including the regulations of SEC and SET. As a result, the new directors and management shall understand the company's operation and be aware of their roles, duties and responsibilities for the positions of director or independent director.

#### Meeting of non-executive directors

The Company shall arrange meeting of the non-executive directors internally as appropriate and give them an opportunity to express opinions or questions and concerns for the development of the Company.



## 2. Sub-committees

The structure of the Company's directors consists of 5 panels, which are the Board of Directors, Audit Committee, Executive Committee, Risk Management Committee, and Nomination and Remuneration Committee. The Board of Directors' Meeting No. 1/2015 on 18 May 2015 (the first Board of Directors' meeting after converting into a public company limited) approved the scopes and responsibilities of 2 sub-committees, which are the Audit Committee and Executive Committee. Later, the Board of Directors' Meeting No. 3/2015 on 12 November 2015 approved the scopes and responsibilities of Risk Management Committee, and Nomination and Remuneration Committee. The details are stated below.

### 2.1 The Audit Committee

As of 31 December 2022 the Audit Committee consisted of 3 members as follows:

Name	Position
1. Assoc. Prof. Prapart Praisuwanna	Chairman of the Audit Committee / Independent Director
2. Mr. Damnoen Kaewthawee	Audit Committee / Independent Director
3. Ms. Namthip Kitsaksakul	Audit Committee / Independent Director

Remark : The Board of Directors' Meeting on 23 February 2023 approved the re-election of 3 directors who retired by rotation as the Company's directors for another term; (1) Tanin Sajjaboriboon took the position of Director/Vice Chairman of the Board of Director and (2) Mr. Vinai Wongswangrussamee took the position of Director and (3) Assoc. Prof. Prapart Praisuwanna took the position of Director / Chairman of the Audit Committee / Independent Director and proposed to the 2023 AGM of shareholders for approval.





Ms. Namthip Kitsaksakul who acts as the Audit Committee possesses adequate knowledge and experience to review the reliability of the financial statements. She graduated Bachelor degree in Accounting, Faculty of Commercial and Accountancy from Chulalongkorn University, and Master degree in International Administration, Faculty of Business Administration from the University of Dallas, Texas (USA). She took the positions of Accounting Manager, Cost Accounting Manager, Financial and Administration Manager, Senior Manager of Financial and Administration, Managing Director of Accounting Department, and Vice Managing Director of Internal Audit (the latest position) of a listed company.

Ms. Laongdao Ngamkara is the secretary of the Audit Committee. The main duty is to support the Audit Committee's operation in terms of meeting appointment, agenda preparation, minutes taking and all activities of the Audit Committee according to the Company's Articles of Association, relevant laws and regulations.

#### Scope and responsibility of the Audit Committee

1. To audit the financial statements to ensure that it is accurate and reliable, as well as information disclosure is adequate. The Audit Committee shall coordinate with the external accounting auditor and executives who are responsible for the preparation of quarterly and yearly financial statements.
2. To audit the adequacy and effectiveness of the Company's internal control system and internal audit. Also consider the internal audit department's independency and responsible for appointment, migration and lay-off the head of internal audit department or relevant department which responsible for the internal audit procedure. Additional comment or suggestion can be proposed to audit or check any items as necessary and significant to the Board of Directors which being audited along with the external accounting auditor and the head of internal audit department.
3. To audit the Company's lawfulness complying securities laws and SET's laws or SET's regulation, policy, rules, regulation and other laws are relevant to the Company's business.



4. To select and nominate the appropriate person who has independency as the accounting auditor and propose the remuneration of the Company's accounting auditor to the Board of Directors. Also attend the meeting with the accounting auditor without the management team at least once a year.
5. To audit the Company's internal audit plan according to general acceptance standard.
6. To consider the connected transaction or benefit conflict transaction complying with laws and SET's regulations. Throughout the disclosure of information on such matters to be accurate and complete to ensure that such matters are reasonable and most benefit to the Company.
7. To audit the Company's risk management system to be suitable and effective.
8. To report the practice result of the Audit Committee to the Board of Directors at least 4 times a year.
9. To prepare the report of the Audit Committee for information disclosure on the Company's annual report which the report has to be signed by Chairman of the Audit Committee and consists of at least information as follows:
  - (A) An opinion on the accuracy, completeness and reliability of the Company's financial statements.
  - (B) An opinion on the adequacy of the Company's internal control.
  - (C) An opinion on lawfulness of securities laws, SET laws and regulations, or relevant laws relating to the Company's business.
  - (D) An opinion of appropriation for the accounting auditor.
  - (E) An opinion of connected transaction or transactions as may lead to conflict of benefits.
  - (F) The number of the Audit Committee meeting and Audit Committee's attendance.
  - (G) An opinion or observation by the Audit Committee from duties performance complying with the audit committee charter.
  - (H) Other matters that the shareholders and investors should know. Under the scope of duties and responsibilities as assigned by the Board of Directors.



10. To give opinion when considering the appointment, withdrawn and evaluation of the internal audit department.
11. To invite the executives or relevant employees to give opinion, attend the meeting or submit relevant documents as necessary.
12. To hire a consultant or outsider according to the Company's regulation for giving opinion or consultation if necessary.
13. The Audit Committee shall conduct self-evaluation, also report the evaluation result and any difficulties which may cause failure to achieve the Audit Committee's objectives to the Board of Directors every year.
14. To review and improve the audit committee charter.
15. To practice as assigned by the Board of Directors under the scope and responsibility of the Audit Committee.

As such above duties, the Audit Committee reports directly to the Board of Directors and be responsible for the Company's operation with outsiders. The three Audit Committees are independent directors and qualified according to Section 17 of Capital Market Supervisory Board (CMSB) Tor Jor. 39/2559.

#### Tenure of the Audit Committee

The Audit Committee shall hold a tenure for 3 years. The 1-year holding term means the period from the AGM's date as appointed until the AGM's date in the next year. When the tenure of the Audit Committee ends, the Audit Committee can be appointed again, except the following incidents:

- 1) Passing away
- 2) Resignation
- 3) Disqualification from the Audit Committee or SET regulation
- 4) Retirement of director position

An Audit Committee, who needs to resign, has to submit resignation letter with reason directly to the Chairman of the Board of Direction by at least 1 month in advance. The resignation must be approved by the Board of Directors. The Company shall inform and send a copy of the resignation



letter to SET. In case of the tenure of all audit committees ends, all of them shall perform as Acting Audit Committee until new Audit Committee being appointed.

In case of a position of the Audit Committee is vacant due to other reason apart from the end of tenure, the Board of Directors shall appoint a qualified person as new Audit Committee. The replacement shall be made within 90 days to secure the full members of the Audit Committee in according with the Company's regulation. The tenure of the new Audit Committee shall end according to the residual tenure of the previous Audit Committee.

## 2.2 The Executive Committee

As of 31 December 2022 the Executive Committee consisted of 5 members as follows:

Name	Position
1. Mr. Tanin Sajjaboribun	Chairman of the Executive Committee
2. Mr. Tirawat Amornthatri	Executive Committee
3. Mr. Tanes Sajjaboriboon	Executive Committee
4. Mr. Vinai Vongswangrussamee	Executive Committee
5. Mr. Suchart Mahatthanawong	Executive Committee

### Scope and responsibility of the Executive Committee

1) To control the Company's management according to the policy as defined by the Board of Directors and report the operation result to the Board of Directors. The meeting of the Executive Committee must consist of not less than half of all Executive Committees. Resolution of the Executive Committee must be passed by a simple majority of the Executive Committee and must be at least half of the Executive Committee.



- 2) To approve the level of authorization for individual properly and provide appropriate segregation of duties to prevent corruption. Also define procedure and business transaction to major the shareholders, directors, executives or relevant persons properly for avoid benefit transition. And propose such principles to the Board of Directors for consideration and approval, including make use of the approved principles.
- 3) To consider annual budget and expenditure procedure and propose to the Board of Directors and control the approved budget from the Board of Directors.
- 4) To approve the Company's operation plan improvement for most benefit of the Company.
- 5) To approve the investment plan and budget as authorized in authorization manual.
- 6) To approve that the contracts are legal bidding as authorized in authorization manual.
- 7) To be responsible for the Company's important information to be adequate for decision-making for the Board of Directors, shareholders, and prepare reliable financial statements as acceptable standard and transparency.
- 8) To consider the Company's profit and loss report and propose annual dividend to the Board of Directors.
- 9) To consider to propose new business opportunity or off business to the Board of Directors.
- 10) To supervise the operation and report usual or unusual or illegal actions to the Executive Committee immediately. In case of such actions above significantly impact the Company, the Executive Committee shall report to the Board of Directors for improvement within appropriate period.
- 11) To activate any activities to support the above mentioned operation or opinion of the Board of Directors or being authorized by the Board of Directors.
- 12) Any agendas approved by the Executive Committee must be reported for acknowledgement to the Board of Directors at the next meeting.

The assignment of scope and responsibility of the Executive Committee above shall not include the authorization and/or sub-authorization to approve matters that the Executive Committee or sub-attorney or those who may have conflict of interest (as defined by Capital Market Supervisory Board



(CMSB)) to the Company. The matters shall be proposed to the Board of Director's meeting and/or the shareholders' meeting (if the case) for approval according to the Company's regulation or relevant law.

### 2.3 The Risk Management Committee

The Company complies with the ministerial regulation regarding the quality assurance in the operation and performance evaluation to meet the Company's goals and policies. The Risk Management Committee issued Announcement No. BM008/2022: The announcement of the appointment of the Risk Management Committee in order to operate the risk management of the Company and to achieve the Company's objectives.

The Risk Management Committee consists of 17 members as follows:

Name	Position
1. Mr. Tirawat Amornthatri	Chairman of the Risk Management Committee
2. Mr. Suchart Mahatthawong	Vice Chairman of the Risk Management Committee
3. Mr. Suphot Lertthana	Vice Chairman of the Risk Management Committee
4. Mr. Khuanchai Phanpanya	Risk Management Committee
5. Mr. Somkiet Nimkham	Risk Management Committee
6. Mr. Pavit Wongsavangrussamee	Risk Management Committee
7. Mr. Wisanu Korphayakkhin	Risk Management Committee
8. Mr. Kittisak Kulchutisin	Risk Management Committee
9. Mr. Pipat Phuwasirikulrawat	Risk Management Committee
10.Ms. Thanaree Nonchattrapong	Risk Management Committee
11.Ms. Laongdao Ngamkara	Risk Management Committee
12. Mr. Komon Jamjan	Risk Management Committee



Name	Position
13. Mr. Suvakit Sajjaboribun	Risk Management Committee
14. Mr. Gorrasarn Sajjaboribun	Risk Management Committee
15. Mr. Cheawrawee Cheawpanich	Risk Management Committee
16. Ms. Suranya JanAkkarakul	Risk Management Committee
17. Ms. Pornpimon Chanwedchasad	Secretary of the Risk Management Committee

#### Scope and responsibility of the Risk Management Committee

1. To set policy and structure of risk management and propose to the Executive Committee according to risk management guideline of SET and the Institute of Internal Auditors of Thailand.
2. To plan strategy according to risk management policy, also evaluate, follow up and control each classified risk at an acceptable and appropriate level. The relevant departments shall cooperate to manage and control these risks.
3. To evaluate risk in organization level and define the risk management approach at an acceptable level, including control the risk management as defined approach.
4. To review the risk management policy, and ensure that the improvements in efficiency and effectiveness are adequate.
5. As authorized to invite and appoint relevant employees at all levels to take roles and duties of risk management as appropriate, and report to the Risk Management Committee to succeed the risk management's objectives.
6. To report the result of risk management to the Executive Committee and Audit Committee, and propose to the Board of Directors on a quarterly basis.
7. To prepare the risk management manual.
8. To specify risks in any matters, then analyze and evaluate the prospective risks and trend of the matters which may affect the Company.



9. To prepare the risk prevention plan or risk reduction.
10. To evaluate and prepare the report of risk management.
11. To deploy an integrated risk management connected with information technology system.
12. To practice other assignments by the Board of Directors as appropriate.

## 2.4 The Nomination and Remuneration Committee

The Board of Directors' Meeting No. 3/2015 on 12 November 2015 approved to appoint the Nomination and Remuneration Committee consisting of 3 members as follows:

Name	Position
1. Mr. Damnoen Kaewthawee	Chairman of the Nomination and Remuneration Committee
2. Assoc. Prof. Prapart Praisuwanna	Nomination and Remuneration Committee
3. Mr. Tanin Sajjaboribun	Nomination and Remuneration Committee

### Scope and responsibility of the Nomination and Remuneration Committee

#### **Recruitment and selection**

1. To define appropriate recruitment approach, qualification, skill and experience which require for the position and suitable with the Company's nature and business operation.
2. To recruit and select the Nomination and Remuneration Committee, when tenure is due, by nominating candidates to the Board of Directors for consideration. The Company may consider the existing committees to continue their position, or openly to receive nomination from the shareholders, or recruitment by external company, or from professional director directory, or each director shall nominate appropriate candidates.
3. To consider the nominated persons and select the appropriate candidate who is qualified according to the defined criteria.





4. To check that the nominated persons are qualified according to the laws and regulations of relevant authorities.
5. To invite the qualified person and ensure that the candidate shall be willing to acquire the position, if appointed by the shareholders.
6. To nominate the candidate to the Board of Directors for consideration, and place the candidate name into the invitation letter to the AGM for consideration and approval.
7. To recruit and select high-level executives as assigned by the Board of Directors.

### **Remuneration approval**

1. To consider the appropriate remuneration criteria of the directors and high-level executives by reviewing the current remuneration criteria, compared to the remuneration rate of other companies in the same industry. Also define the appropriate criteria to boost the outcome as expected and give fair remuneration to those who dedicate to the success of the Company.
2. To review all remunerations such as annual remuneration, remuneration based on performance, and meeting allowance by considering the remuneration in the same industry, turnover and business size, and responsibility, skill, competency and experiences of the Company's directors and high-level executives as per expected.
3. To approve evaluation criteria of Chief Executive Officer (CEO), C-level and high-level executives as assigned by the Board of Directors.
4. To define annual remuneration of directors, CEO, C-level and high-level executives according to the approved criteria, and propose the remuneration of the Managing Director, C-level and high-level executives to the Board of Directors. The remuneration of the Board of Directors shall be proposed to the shareholders' meeting for approval.
5. To consider appropriate opinion in case of offering new securities to the directors and employees, being fair to the shareholders and motivating directors and employees to work and add value in the long term and maintain qualified employees genuinely.



### **3. Recruitment, selection and appointment of the directors and high-level executives**

To appoint the directors or high-level executives of the Company, the appropriate persons shall be qualified completely in accordance with Section 68 of Public Company Limited Act B.E. 2535 (1992) and Capital Market Supervisory Board (CMSB) Tor Jor. 39/2559. The details are as follows:

#### **3.1 Composition, recruitment and selection of the directors**

1. The Company's Board of Directors consists of at least 5 members and not less than half of all directors resident in Thailand. The directors have to be qualified according to relevant laws. Not less than one-third of all directors must be independent directors, and not less than 3 independent directors.
2. The Board of Directors shall be appointed by the shareholders' meeting with the following criteria and procedures:
  - 2.1 Each shareholder shall have a number of votes equal to the total number of shares held.  
1 share shall be entitled to 1 vote.
  - 2.2 Each shareholder shall cast all their votes and select only one person or more to be elected for director position, but vote splitting (distribution of votes among multiple candidates) is not allowed.
  - 2.3 The candidates who receive the highest votes respectively shall be appointed to take director position. The number of selected directors depends on the number of directors who retire by rotation each year. In case the candidates receive the same votes, the Chairman of the meeting shall make the final decision.
3. At every AGM, one-third of all directors (or the nearest number) shall retire by rotation. The directors who retire by rotation may be re-elected as director. In the first and second year after the registration of listed company, the directors shall draw lots to decide who shall retire by rotation. In the later years, the directors with the longest tenures shall be selected to retire by rotation.



4. A director, who needs to resign, shall submit resignation letter to the Company. The resignation shall be effective as of the date that the Company receives the resignation letter.
5. In case of a director position is vacant due to other reason apart from the end of tenure, the Board of Directors shall appoint a qualified person, not prohibited by laws, for the replacement and attendance at the next meeting. Unless the tenure of such director is less than two months, the director who replaces shall only hold tenure as the tenure of the resigned director remains.

The resolution of the Board of Directors for the replacement of director shall be passed by not less than three-fourths of all existing directors.
6. The shareholders' meeting may approve a director to resign before his/her tenure ends. The resolution shall be passed by not less than three-fourths of the shareholders present at the meeting and vote, and having not less than half of all shares of the shareholders present at the meeting and entitled to vote.
7. The directors shall be the Company's shareholders, or shall not be.
8. The Board of Directors shall appoint one director as the Chairman of the Board of Directors. As well, the Board of Directors may appoint one director or more to act as Vice Chairman of the Board of Directors. The duty of Vice Chairman shall be assigned by Chairman of the Board of Directors and in line with the Company's Articles of Association.

### **3.2 Composition, recruitment and selection of the Audit Committee**

The Company's Audit Committee shall be appointed by the Board of Directors and the shareholders' meeting and qualified by the securities and SET laws including announcements, rules and /or regulations. The Audit Committee consists of not less than 3 members and at least 1 member must have knowledge and competency in accounting and finance. The tenure of the Audit Committee is 3 years as of the appointment date. When the Audit Committee's tenure ends and the Board of Directors or the shareholder's meeting does not appoint new Audit Committee, the existing Audit



Committee is permitted to perform their duty for another term until new Audit Committee is approved for replace the Audit Committee whose tenure ends and/or to follow the tenure of the Board of Directors. The Audit Committee must be independent director and qualified as follows:

Qualifications of the independent directors

1. Hold not more than 1 percent of all shares with the right to vote of the Company, headquarter, subsidiary, associated company, major shareholder or controlling shareholder, including those who are related to independent director.
2. Not be or used to be executive director, employee, advisor who receives salary or controls a company, headquarter, subsidiary, associated company, major shareholder or controlling shareholder, unless the independent director has left such office at least 2 years before the submission date to SEC and SET. The above mentioned prohibitions shall not include the independent director used to be the government officer or advisor, as major shareholder or controlling shareholder of company.
3. No blood ties or relative-in-law as parent, spouse, sibling and child and also the child's spouse of director, major shareholder, controlling or person who shall be nominated as director or executive to control the Company or subsidiary.
4. Not have or used to have business relationship with the Company, headquarter, subsidiary, associated company, major shareholder or controlling shareholder in terms of obstruction for independent judgment. Also not be or used to be shareholder who significantly influences those who have business relationship to the Company, headquarter, subsidiary, associated company, major shareholder or controlling shareholder unless the independent director has left such office at least 2 years before the submission date of permission request to SEC and SET.



Business relationship includes normal commercial transaction, real estate rental, asset or service transaction or offer/receive financial support in terms of loan application or receiving loan, guarantee, collateral, and relevant transaction accordingly. The above mentioned transactions cause the requester or contractual party has responsibility for paying debt to another party, more than 3 percent of the requester's tangible asset or more than 20 million baht depending on which amount is lower. Therefore, the mentioned debt calculation shall be based on SEC's criteria. The debt responsibility as mentioned shall include debt occurs 1 year before the date of having business relationship with the related person.

5. Not be or used to be the accounting auditor of the Company, headquarter, subsidiary, associated company, major shareholder or controlling shareholder and not be shareholder who significantly controls or partners with accounting auditor office which has accounting auditor of the Company, headquarter, subsidiary, associated company, major shareholder or controlling shareholder affiliated as employee. Unless the independent director has left from such state as mentioned at least 2 years before the submission date of permission request to SEC and SET
6. Not be or used to be legal or financial advisor with annual service fee of more than 2 million baht of the Company, subsidiary, associated company, major shareholder or controlling shareholder. And not be shareholder who significantly influences, controls or partners with the mentioned service provider unless the independent director has left from such state as mentioned at least 2 years before the submission date of permission request to SEC and SET.
7. Not be director who is appointed as representative of the Board of Directors, major shareholder or shareholder who is related to the major shareholder.



8. Not have the same business nature and significantly compete with the Company or subsidiary, or not be business partner or be executive director, employee, advisor who receives salary or holds shares greater than 1 percent of all shares with the right to vote in company that conducts the same business nature and significantly competes with the Company or subsidiary.
9. Not have any qualifications which discourage to give opinion independently relating to the business of the Company.
10. The independent director who is qualified as mentioned above may be assigned by the Board of Directors to make business decision of the Company, headquarter, subsidiary, associated company, major shareholder or controlling shareholder, which is called as collective decision.

#### Qualifications of the Audit Committee

The Audit Committee must have the same qualifications as the Independent Director as described above, and have additional qualifications as follows:

1. Not be director who is assigned by the Board of Directors to make business decision of the Company, headquarter, subsidiary, associated company, major shareholder or controlling shareholder.
2. Not be director of headquarter, subsidiary or subsidiary class of listed company.
3. Possess adequate knowledge and experience to practice as the Audit Committee. At least 1 audit committee must have adequate knowledge and experience to audit the reliability of financial statements.
4. The scope and responsibility of the Audit Committee comply with SET regulation.



### **3.3 Composition, recruitment and selection of the Executive Committee**

The Executive Committee must be the director and/or executive of the Company who is appointed by the Board of Directors with the appropriate number of directors. The Board of Directors shall appoint one director as Chairman of the Executive Committee. The tenure of the Executive Committee is rotated according to the tenure of position in the Company. Unless the Executive Committee, who is appointed by the Board of Directors, does not take position in the Company, the tenure shall be as defined by the Board of Directors.

### **3.4 Composition, recruitment and selection of the Risk Management Committee**

The Risk Management Committee shall be the director, executive and/or employee who is appointed and assigned by the Board of Directors, with the appropriate number of directors approved by the Board of Directors. The Board of Directors shall appoint one of the Risk Management Committee as Chairman of the Risk Management Committee.

### **3.5 Composition, recruitment and selection of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee shall be appointed by the Board of Directors, consist of at least 3 members and mostly be independent director and non-executive director. One of the Nomination and Remuneration Committee shall be appointed as Chairman of the Nomination and Remuneration Committee.

### **3.6 Composition, recruitment and selection of the Chief Executive Officer**

The Chief Executive Officer (CEO) shall be selected from the existing Executive Committee. The candidate name shall be proposed to the Board of Directors to approve the appointment of CEO position.



#### 4. Corporate governance of subsidiary and associated company

The Company shall consider the investment in subsidiary or associated company or other investment project. The Company shall focus on the investment which supports and benefits the Company by carefully considering the investment return, risk and liquidity of the Company. The investment must be considered by the Board of Directors and the shareholders' meeting in accordance with SEC and SET regulations, announcements, and relevant laws. The Company shall assign the directors and/or executives of the Company to take management positions in subsidiary or associated company in order to define business direction and policy of subsidiary or associated company in keeping with the Company's business.

On 30 November 2017, the Company invested in one associated company by purchasing the shares of Nitto Kogyo Trading (Thailand) Company Limited (NKT) (later changed to Nitto Kogyo BM (Thailand) Company Limited) with registered capital of 6 million baht from the existing shareholder. The Company held 41% of NKT's paid-up capital, amounted to 2.46 million baht. Basically, the Company aims to expand customer base and market of panel boards and steel enclosures. The Company assigns 3 directors and executives of the Company to take director positions in the associated company as follows:

Name	Position	
	Bangkok Sheet Metal Public Company Limited	Nitto Kogyo BM (Thailand) Company Limited (NBT)
1. Mr. Tirawat Amornthatri	Director / Managing Director / Chief Operation Officer (Acting)	Director
2. Mr. Sushart Mahatthnawong	Director	Director





3. Mr. Pavit Wongsavangrussamee	Director of Marketing and Business Development	Director
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On 12 March 2018, the Company increased the investment in the ordinary shares and preferred shares of Nitto Kogyo BM (Thailand) Company Limited (NBT) amounted to 7.14 million baht. Therefore, the Company's shareholding proportion increased from 41% to 48% of the paid-up capital.

On 23 May 2018, the Company invested in the ordinary shares of MECT Company Limited amounted to 152.14 million baht, holding 20% of the paid-up capital.

On 13 March 2019, the Board of Directors Meeting No. 2/2019 of the Company approved capital increase of Nitto Kogyo BM (Thailand) Company Limited (NBT), an associated company, from 20 million baht to 150 million baht, increased by 130 million baht. The Company acquired and increased the investment in the ordinary shares of Nitto Kogyo BM (Thailand) Company Limited (NBT) amounted to 62.40 million baht, fully paid on 28 June 2019. As a result, the Company holds 48% of the paid-up capital or equivalent to 72 million baht in total.

On 29 July 2020, the Board of Directors' Meeting No. 7/2020 of the Company had the resolution to approve establishment of BM Innotech Industry Company Limited with registered capital of 1 million baht, which was established later on 28 September 2020. The Company invests in the proportion of 70% of the total ordinary shares.

On 1 September 2021, the Company entered into the share sale / purchase agreement and sold all ordinary shares of MECT Company Limited, an associated company, to MECT Holding Company Limited. The payment for all shares has been fully received by the Company and the ownership has been transferred on 27 September 2021.



## 5. Use of internal information

The Board of Directors' Meeting No. 1/2015 (the first Board of Directors' Meeting after converted into a listed company) on 18 May 2015 approved the Company's regulation for internal information use for itself or others, in accordance with good corporate governance as follows:

1. Directors, executives, employees and workers of the Company are required to take the following actions:

- a) Maintain confidentiality and/or internal information of the Company.
- b) Not disclose the Company's confidentiality and/or internal information, or seek direct or indirect benefits for themselves or others and whether to receive remuneration.
- c) Not trade, transfer or receive the Company's securities by making use of the Company's confidentiality and/or internal information, and/or legal acts by making use of the Company's confidentiality and/or internal information which may cause direct or indirect damage to the Company.

Therefore the directors, executives, employees and workers of the Company, who work in the departments that acknowledge the internal information of the Company, should avoid or halt trading the Company's securities 1 month before the disclosure of financial statements. The above mentioned regulations include spouse and underage child of the Company's directors, executives and employees. Violation shall be seriously liable to penalty.

2. The Company's directors and executives including the accounting auditor must report the changes of their shareholding in the Company including spouse and underage child to SEC under Section 59 of Securities and Exchange Act B.E. 2535 and acknowledge the penalty under Securities and Exchange Act B.E. 2535. Therefore, the directors and executives must submit a copy of the mentioned report to the Securities and Exchange Commission (SEC) within 3 working days since the date of trading, selling, transfer or receiving the securities, and submit to the Company on the same day.



3. The Company shall widely announce the above mentioned regulations to the directors, executives, employees and workers.

## 6. Accounting audit fee

### 6.1 Audit fee

The Company's accounting audit fees for the fiscal year 2021-2023 are presented below. The Company appoints Dharmniti Auditing Company Limited as the accounting auditor who has audit license certified by SEC. The Board of Directors' Meeting No.1/2023 on 23 February 2023 approved to appoint Dharmniti Auditing Company Limited as the Company's accounting auditor for the year 2023.

(Unit: Baht)

Audit Fee	Year 2021	Year 2022	Year 2023 <sup>/1</sup>
1. Annual audit fee	720,000	750,000	770,000
2. Review fee for interim financial statements	660,000	660,000	690,000
3. Audit fee for promoted BOI company	90,000	-	-
<b>Total</b>	<b>1,470,000</b>	<b>1,410,000</b>	<b>1,460,000</b>

Remark: / 1 The review and audit fees of financial statements for the year 2023 were approved by the Board of Directors' Meeting No. 1/2023 on 23 February 2023 and shall be proposed to the 2023 AGM for consideration and approval.

### 6.2 Non audit fee

- None -



## **Corporate social responsibility**

The Company conducts business with corporate social responsibility and environment for business sustainability and overall society under code of business conduct manual and anti-corruption policy, which define principles for corporate social responsibility issued by SET. The 8 principles as follows: 1) Conducting business with fairness, 2) Anti-corruption, 3) Human rights respect, 4) Fair treatment to labor, 5) Responsibility to consumers, 6) Environment caring, 7) Community or society development, 8) Innovation and broadcast which come from responsibility towards society, environment and stakeholders.

### **1. Overall policy**

The Board of Directors' Meeting No. 1/2015 (the first Board of Directors' Meeting after converted into a listed company) on 18 May 2015 approved the written code of business conduct manual and anti-corruption policy officially, being effective in all departments for effective administration, transparent and traceability. Normal business conduct shall build confidence in shareholders, investors, stakeholders and relevant persons, for example, procurement and purchasing with business alliances, suppliers, customers, business partners and co-investors, including production without environmental impact. The Company shall create awareness of role and responsibility of a good society member and establish good relationship between the Company and society based on rightness, transparency, fairness, and promote society and community development activities. Besides, the Company shall arrange safety environment in workplace, treat all employees equally, set guidelines for the directors, executives and employees to perform their duties with honesty, treat customers well, build customer confidence in good product quality, standard, and fair price in order to increase customer satisfaction and deliver good quality products to customers.

The Company has effective management system, and prevents conflict of interest and corruption. The audit shall be conducted by the accounting auditor certified by SEC and SET and internal auditor in order to ensure that the Company acknowledges the rights of stakeholders according



to relevant laws and the Company's policy, including shareholders, employees, customers, business alliances, etc.

## **2. Business operation and report preparation**

The Company defines responsibility towards society, environment and stakeholders under the code of business conduct manual and anti-corruption policy as follows:

### **2.1 Fair business conduct**

The Company manufactures and sells steel products such as wire ways, cable trays, cable ladders, enclosures, cabinets and electrical switchboards for buildings, condominiums, offices, shopping malls, factories, power stations under "BSM", "BM", and "BEST" brands, plus customize steel products as per customer requirements. Moreover, the Company sells white conduit by outsourcing to supplier to manufacture white conduit under the Company's brand, while the Company conversely is a dealer of the white conduit supplier.

The Company has policy to conduct business with honesty, transparency, traceability, social responsibility, lawfulness, integrity and behave well to individual, community, society and environment, and fair to customers in terms of products and services, without bias.

The Company shall disclose the Company's information to stakeholders and relevant parties. The Company has no policy and does not allow the directors, executives or employees to seek benefits from their position, including not allow the directors to run business against the Company which may cause conflict of interest to the Company.



## **2.2 Anti-corruption**

The Company defines guideline for the directors and executives to perform their duties honestly and carefully with good business vision, not seek benefits for themselves from the Company's information, not disclose the Company's confident information to external parties, and not perform any actions that may cause conflict of interest. The Company's employees shall perform their duties with honesty, perseverance and diligence to improve efficiency, not directly or indirectly ask for remuneration and bribe, request or accept any bribe from others or external parties, or take benefit from the Company, unless the benefit is for business conduct, festival or tradition.

## **2.3 Respect for human rights**

The Company is aware of the value of the Company's employees and supports all departments to practice based on human dignity and respect to individual rights which is the fundamental of human resources development and human relation development in society. Therefore, the Company sets guideline to promote and activate basic human rights and equality without discrimination on the basis of nationality, race, skin color, gender, language, religion, political, belief, tribe or social background, wealth, origin or status. Moreover, the Company encourages and provide the employees an opportunity to express their opinion or complain regarding discrimination.

## **2.4 Fair labour practices**

The Company believes that human resources are important factor and add value to the Company's business. The Company requires the employees to utilize their knowledge, competency and dedication to perform their duties in order to achieve the Company's goals. The Company gives importance to and treats all-level employees of the Company equally and fairly, provide remuneration based on knowledge and skill of individual employee, and develop employee skill and capability continuously. In addition, the Company focuses on to create awareness of safety environment in



workplace to all-level employees, together with good quality of living. Moreover, the Company sees the importance and value of the employees. So, the Company's executives shall treat the employees fairly and honestly, develop employee capability, efficiency and growth, plus promote ethical conduct to the employees, prepare appropriate welfare to the employees, and listen to the employees' opinions and suggestions reasonably.

Moreover, the Company has written safety policy for the Company's employees as follows:

#### **Safety policy**

1. In every mission, safety shall be the first consideration.
2. Create 5S culture and behavior: Sort, Set, Shine, Standardize and Sustain
3. Create safety mind at work, including awareness on energy efficiency and environment
4. Reduce annual accident rate in the workplace

#### **2.5 Responsibility for consumers**

The Company has policy to supply or deliver good quality products to the customers or consumers. The Company shall closing monitor the manufacturing process, starting from raw material acquisition, efficient production, using precise and effective machine, quality assurance and product delivery to the customers. The Company always cares and be responsible for the customers in terms of quality of products, standard and good services, non-disclosure information, fair price and the most customer satisfaction.

The Company has quality policy which targets to deliver good quality products and good standard services (both at the Company's factory and on-site product assembly) according to engineering and international standards. The Company officially announces the written quality policy as a guideline for all departments to perform as follows:

#### **Quality policy**

Standard production

Quality service



Employee collaboration

Sustainable development

1) Standard production

1.1 Produce products according to customer requirements.

1.2 Comply with quality management system

1.3 Comply with manufacturing laws and regulations

2) Quality service

2.1 Respond to customer's complaint and product claim with right solution.

3) Employee collaboration

3.1 All employees are internal customer, while the satisfaction of external customer is top priority.

4) Sustainable development

4.1 Improve product quality

4.2 Develop quality management system continuously.

4.3 Enhance employee development and quality of work-life.

## 2.6 Environmental care

The Company is aware of responsibility for society and community as one key mission of the Company. The directors, executives and employees shall reserve natural resources and environment, follow environmental laws strictly, not take any actions that might cause damage to natural resources, environment and ecosystem, and continuously organize or support activities especially for stakeholders, public interest and social service.

In addition, the Company concerns and cares for life, health and sanitary of all employees in working hours and everyday life. Therefore, the Company officially announces the written environment policy for all departments as follows:

“Comply with environmental regulation strictly.

Develop management system and environment activities continuously.





Promote and control resources and energy use effectively.

Create awareness to all employees and comply with environmental management regulation.”

## **2.7 Society / community development**

The Company is aware of role and responsibility of being good member in society by complying with relevant law, regulation and social responsibility. The Company realizes the responsibility towards neighbor community and society, environmental development in community and society for better quality of living as appropriate.

## **2.8 Corporate Social Innovation (CSI) towards society, environment and stakeholders**

The Company shall apply innovation for internal work and external work (between organizations), including new actions, new methods, new thinking process and production for value added. The purpose of innovation drives for positive change, better action and better result in order to benefit society the most.

The Company takes responsible for society by promoting innovation to all stakeholders via direct or indirect communication channels in order to ensure that the stakeholders can access to the Company’s information thoroughly.



### **3. Social and environmental activities (Corporate Social Responsibility: CSR)**

CSR-in-Process is to conduct business in compliance with social responsibility by applying social responsibility policy to uplift business innovation, work process, product and service standards. The main purpose is to minimize negative impacts on the stakeholders during work process, including to create social responsibility awareness among the Company's Board of Directors, executives, and employees at all levels, thereby to create a shared mindset within the organization, such as pollution reduction or prevention during production to avoid negative impacts on the community, producing quality products and services according to product labeling, providing accurate and complete product information to consumers, and offering customers compensation for damages caused by employee errors and defects. These responsibilities are the activities for normal business operations.

CSR-after-Process refers to activities carried out beyond normal business operations, with the aim of supporting social activities on various occasions in order to provide maximum benefits to society and communities. Examples include pollution prevention measures in the communities, distributing relief items to alleviate emergencies, and volunteering for public welfare benefits. The mentioned social activities may be conducted during normal business hours or outside the business hours.

CSR-as-Business refers to a business to act in the well-being of society in terms of manufacturing, trade and service. Examples include manufacturers of energy-efficient / eco-friendly machinery and equipment, socially responsible companies sourcing uncontaminated raw materials, industrial waste management and recycling companies, and CSR consulting / training institutes. The mentioned organizations normally work with companies that share the same corporate social responsibility mindset.

The Company gives importance to engagement and good relationship between the Company and the employees of the Company, and organizes Corporate Social Responsibility activities for public interest, also for society and community development every year. The main purpose is to encourage every employee to have a CSR-focused mindset.



## **1. Corporate Social Responsibility, Department of Industrial Works : CSR – DIW**

**Continuous Report** at Ban Tha Kwian Village (Soi Temco), Bang Chak, Prapadang, Samutprakarn / at Thung Khru Youth Center, Thung Khru, Bangkok / at Ban Bang Chak School under Samutprakarn Primary Educational Service Area Office 1 / at Wat Chom Nimit School, Bang Chak, Prapadang, Samutprakarn / at Raj Pracha Samasai School under the Royal Patronage, Bang Chak, Prapadang, Samutprakarn / at Syn Mun Kong Condo Community, Moo 6, in order to encourage children and youth with positive self-esteem and confidence to express their views and create activities for community service. Children are the most important resource for the country, and a vital force in developing the country's prosperity and stability. The Company encourages families, communities, government agencies and private sector to care for children, make support on formal and non-formal education / ethics and moral cultivation / physical, emotional, social and intellectual development / leisure for the well-being of children, teach responsibility / honesty / significance of natural resources to children, and motivate children to express themselves positively / participate in socially responsible activities / volunteer for community service. As a result, children are able to adapt to changes in society, economy and environment, as well as to prepare children for the future of the nation.

**2. 'BM Pan-Im Pan-Suk' COVID-19 relief project:** Due to the fast spread of the COVID-19 in Thailand and other countries, the National Communicable Diseases Committee hereby declared the COVID-19 as a dangerous communicable disease under the Communicable Diseases Act B.E. 2558 (2015), and the Ministry of Public Health warned people to avoid traveling to affected areas, as indicated by the Department of Disease Control, the Ministry of Public Health, and the World Health Organization. The Company was well aware of the impact of the COVID-19 crisis on working and living of the Company's employees. Therefore, the Company organized 'BM Pan-Im Pan-Suk' COVID-19 relief project to distribute Happy Bags containing essential consumer goods, such as rice, drinking water, milk, instant noodles, vegetable oil, canned food, chicken eggs, Andrographis capsules (Far Talai Jone), Paracetamol, herbal remedies, essential household items, and face masks, in order to help alleviate the burdens of the COVID-19 on the Company's employees during this difficult time. To



reduce risk, the project committee, supervisors and managers implemented front door delivery to send Happy Bags to the employees who were self-isolating at home. On top of that, the company gave importance to the Company's office staff, production workers, and security officers who were dedicated to work and committed to the implementation of the COVID-19 preventive measures for safe and clean workplace. Therefore, the Company provided face masks, eye and face shields, hot ginger drink, and hot finger root drink with honey and lime, also gave the employees support, encouragement, and relief.

**3. The Kathina Robe Offering Ceremony at Wat Chomnimit:** The Kathina Robe offering Ceremony is an important tradition of Buddhism that has been passed down since the time of the Buddha and has been continued to the present time. The Kathina Robe Offering marks the end of the Buddhist lent and falls on the first waning day of the eleventh lunar month until the 15th day of the twelfth lunar month (within one month between mid-October and mid-November). The Kathina robes are presented to the monks who have completed the three-month rains retreat. The Kathina Robe Offering is an annual festival that the Buddhists get together and celebrate the day before offering monastics gifts such as robes and alms at temples, which is a major festival for the Buddhists to create great merit.

In this regard, the Company organized 'the Kathina Robe Offering Ceremony at Wat Chomnimit'. The Company aims to promote and preserve the Buddhist traditional activity and prosperity, uplift the role of Buddhist temple as the center of devotion of the community, maintain and preserve unique identity and the Buddhist tradition. The Kathina Robe Offering Ceremony was made with the cooperation and good intention of the management team and staff of the Company.

**4. 'Warm Heart for Society' Project:** Every relief medical supply is an opportunity to treat and give a new life to patients. The Company participated in the project which promotes good health of Thai citizens who needs to access emergency and urgent care, and treatment for common diseases or public health problems and concerns. Every life is equally valuable, and every person should have the equal access to health care, because health crisis cannot wait.



5 . The Company in cooperation with Department of Labor Protection and Welfare, Occupational Safety and Health Center Area 10 (Samutprakarn), Samutprakarn Safety Officer Association, and Occupational Safety Network participated in mangrove forest campaign to preserve green forest at Ban Khun Samut Chin, Laem Fa Pha, Phra Samut Chedi, Samutprakarn. The event was organized to restore coastal marine ecosystems and conserve Thai seas, on the occasion of the 90th birthday anniversary of Her Majesty Queen Sirikit.

#### **4. Prevention of corruption**

The Company participates Collective Action Coalition of Thai private sector in accordance with good corporate governance. In addition, the Board of Directors approves anti-corruption policy and principle such as offering and receiving gifts, money, entertainment events, financial supports, and donations. The Company shall not get involved in corruption directly and indirectly, and the executives and employees of the Company, subsidiary and stakeholders shall proceed accordingly. The anti-corruption program shall be publicized on the Company's website and communicate to the stakeholders.

#### **Risk Factors**

The risk factors of the Company are as follows:

##### **1. Production Risk**

###### **1.1 The risk of steel material price varies based on global market**

The Company's main raw materials for production are hot rolled steel sheet, cold rolled steel sheet, galvanized steel sheet (zinc), electro galvanized steel sheet, aluzinc steel sheet, stainless steel sheet and aluminum sheet. The prices of the mentioned raw materials (steel) vary based on global market, and policies of government or domestic authorities, which the Company has to take risk in fluctuation of the steel prices. In case the steel prices increase and the Company does not have sufficient



stock of raw materials for production, these may affect the manufacturing cost and profit rate of the Company, as the Company is unable to rise selling prices accordingly.

However, the Company has good relationship with the steel suppliers, and has policy to purchase and manage raw materials (steel) sufficiently and appropriately according to the Company's production plan.

The purchase of steel is classified into 2 categories; 1) the purchase of steel when receiving project confirmation from customers such as contractors, and 2) the purchase of steel to maintain minimum stock (safety stock) for production approximately 7-14 days in advance, in order to prevent the material shortage. Nevertheless, the Company has no policy to stock big lot of steel and no policy for speculation on price fluctuation.

## **2. Financial Risk**

### **2.1 The risk of reliance on source of funding from financial institutes**

To conduct business, the Company relies on source of funding from financial institute in Thailand. As of 31 December 2022, the Company got long-term loans from financial institute (including loans with maturity of 1 year) of 163.53 million baht for the investment in the purchase of the land, new manufacturing facility construction, and working capital of the Company respectively.

For the year ended 31 December 2022, the Company's current assets to current liabilities ratio was 1.38 and Debt to Equity (D/E) ratio was 0.71.

### **2.2 The risk of changes in interest rates**

The Company has risk of changes in interest rates of long-term and short-term loans from domestic financial institutes, which may affect the Company's financial cost. In year 2021 and 2022, the Company paid financial cost (interest expense) to domestic financial institutes amounted to 11.95 million baht and 7.77 million baht respectively. As of 31 December 2022, the Company got loans from financial institute amounted to 163.53 million baht and the interest rates of financial institutes are floating interest rates for corporate customer in good standing and vary according to recent market,



which are Minimum Loan Rate (MLR) and Minimum Overdraft Rate (MOR). If the interest rates increase, the Company shall have higher interest expense. However, the Company currently less relies on loans from financial institutes as the Company consistently repays the existing loans. Therefore, the risk of interest rate changes of the Company is relatively low.

### **2.3 The risk of exchange rate**

In year 2022, the company's export revenue amounted to 450.73 million baht was paid in US Dollar. The Company reported loss from exchange rate of 0.46 million baht. The Company used Derivatives such as Forward and Option to minimize foreign exchange risk, also the use of Natural Hedge to make payment in US Dollar when importing some raw materials.



## **Internal control and risk management**

### **1. Summary of the Board of Directors' opinion on the Company's internal control**

The Board of Directors' Meeting No. 1/2023 on 23 February 2023 (3 audit committees present at the meeting) evaluated and considered the adequacy of internal control of the Company (5 principles, 17 topics) according to the internal control evaluation form of SEC and SET.

The Board of Directors had their comment that the Company has adequate and appropriate internal control system for the Company's operation, and the comments of the Independent Directors and Audit Committee are not different from the comment of the Board of Directors. The Company complies with accounting standards generally accepted by SEC and SET including SET regulation. The Company performs internal control regarding transactions of major shareholders, directors, executives or those related to the mentioned persons adequately and appropriately. The approvals of the mentioned transactions shall be made mainly based on benefit of the Company. Moreover, the Company defines policy to carefully consider the mentioned transactions. In the future, the approval of the mentioned transactions shall be made by those who have no conflict of interest of such transactions. The Board of Directors truly is aware of good corporate governance of a listed company.

### **2. The Comment on the review of internal audit regarding financial report by accounting auditor for the fiscal year 2022**

Dharmniti Auditing Company Limited, the Company's certified accounting auditor, submits comment and recommendation regarding internal control relating to financial statement preparation accurately and appropriately, and propose appropriate audit methodology suitable for the situation but not comment on the effectiveness of internal control. After auditing the financial statements as of 31 December 2022, the accounting auditor had no comment on the Company's internal control and reported the audit result to the Audit Committee meeting No.1/2023 on 23 February 2023.





### 3. The Comment on the review of internal control of the Company by accounting auditor for the year 2022

The Company has appointed Aim To Prosperity Company Limited as the Company's internal auditor since year 2013. Mr. Phaisan Phuratcharoenchai is mainly responsible for conducting internal audit of the Company. The Audit Committee has considered profiles of Aim To Prosperity Company Limited and Mr. Phaisan Phuratcharoenchai, and announced that they are qualified for the duty, independent, competency, and have good understanding in business. The internal auditor shall report the internal audit result directly to the Audit Committee and shall comply with internal auditor standards of Institute of Internal Auditor of Thailand.

The selection, appointment, transfer, and withdraw of the head of internal audit of the Company must be considered and approved by the Audit Committee. The qualifications of the head of internal audit are attached.

The Company appoints Aim To Prosperity Company Limited to conduct and review internal audit for the year 2022 on a quarterly basis. The details are as follows:

Audit no.	Audit date	Subject
1/2022	4 - 14 January 2022	1. Organization and environment management system 2. Information technology system 3. Production system 4. Material and inventory system 5. Logistics system 6. Financial system 7. Procurement system 8. Human resource management system 9. Accounting system
2/2022	28 March – 7 April 2022	1. Organization and environment management system 2. ISO system 3. Sales and marketing system 4. Security and safety system



Audit no.	Audit date	Subject
		5. Engineering and design system 6. QC&QA system 7. Engineering and maintenance system 8. Financial system 9. Accounting system
3/2022	27 June -7 July 2022	1. Organization and environment management system 2. Information technology system 3. Production system 4. Material and inventory system 5. Logistics system 6. Financial system 7. Procurement system 8. Human resource management system 9. Accounting system
4/2022	3 - 12 October 2022	1. Organization and environment management system 2. ISO system 3. QC&QA system 4. Engineering and design system 5. Security and safety system 6. Engineering and maintenance system 7. Sales and marketing system 8. Financial system 9. Accounting system

**Comments of internal auditor**

- Internal Audit No. 1/2022: The internal auditor submits internal audit report to the Audit Committee. The Company has adequate internal control as defined which facilitates the Company to meet the objectives of internal control, while the heads of related departments follow up the improvements continuously.
- Internal Audit No. 2/2022: The internal auditor submits internal audit report to the Audit Committee. The Company has adequate internal control as defined, performs risk management



in the organization according to guideline of COSO to meet the Company's objectives and business strategy, reports and complies with the related laws and regulations strictly.

- Internal Audit No. 3/2022: The internal auditor submits internal audit report to the Audit Committee. The Company clearly defines operational guidelines and prepare the written manuals, but the Company should define policy and audit information for more accuracy and ease of understanding.
- Internal Audit No. 4/2022: The internal auditor submits internal audit report to the Audit Committee. The Company has adequate internal control in all systems as defined in order to achieve the Company's objectives and business strategy.

The Company appoints the internal auditor to continue their duty and conduct the internal audit of the Company for the year 2023 and also requests Aim To Prosperity Company Limited to propose internal audit plan for the year 2023 to the Audit Committee meeting No. 1/2023 on 23 February 2023. The Audit Committee acknowledges the internal audit plan for the year 2020, totally 4 times as follows:

- 1<sup>st</sup> time: within January 2023
- 2<sup>nd</sup> time: within April 2023
- 3<sup>rd</sup> time: within July 2023
- 4<sup>th</sup> time: within October 2023

**Transaction****1. Connected transaction****1.1 Relationship**

The Company had transactions with persons who may have conflict of interest. The mentioned transactions were between the directors and/or executives and/or major shareholders and related companies, which occurred during the fiscal year 2021 ended 31 December 2021 and the fiscal year 2022 ended 31 December 2022.

The Company had transactions with juristic persons and individuals who may have conflict of interest as listed below:

Juristic person/person who may have conflict	Relationship	Transaction (Yes = ✓, No = ✕)	
		Year 2021 ended 31 December 2021	Year 2022 ended 31 December 2022
1. MECT Company Limited (MECT): Contractor of installation for electrical system, air-con system and selling electrical tools. It consisted of 6 directors:	<ul style="list-style-type: none"><li>- Mr. Luecha Pho-ob as Director and Authorized Director of MECT, major shareholder of MECT, holding 2.75% of registered capital and paid-up capital (Pho-ob family totally holding 11.21% of registered capital and paid-up capital.) of MECT.</li><li>- Mr. Luecha Pho-ob as a major shareholder of the Company, holding 2.55% of paid-up capital as of 14 March 2023.</li></ul>	✓	✕



Juristic person/person who may have conflict	Relationship	Transaction (Yes = ✓, No = ✕)	
		Year 2021 ended 31 December 2021	Year 2022 ended 31 December 2022
1) Mr. Luecha Pho-ob 2) Mr. Manat Khemaphiphat 3) Mr. Angkool Kusalanan 4) Mr. Bancha Piyapornnarin 5) Mrs. Sarochin Pho-ob 6) Mr. Varit Pho-ob	<ul style="list-style-type: none"> <li>- Mr. Tanin Sajjaboribun as Director, Authorized Director, Chairman of Executive Committee and Chief Executive Officer of the Company, major shareholder of the Company (holding 6.11% of paid-up capital of the Company as of 14 March 2023), holding 0.03% of registered capital and paid-up capital of MECT.</li> <li>- Mr. Vinai Vongswangrussamee as Director, Authorized Director, Executive Committee and Chief Marketing and Sales Officer, and shareholder of the Company (holding 4.16% of paid-up capital of the Company as of 14 March 2023), holding 0.26% of registered capital and paid-up capital of MECT.</li> </ul>		
2. Nitto Kogyo BM (Thailand) Company Limited (NBT): Manufacturing, trading and sales of electric and mechanical equipment such as panel boards, consumer units, metal enclosures, racks and so on.	<ul style="list-style-type: none"> <li>- The Company as major shareholder of NBT, holding 48% of registered capital.</li> <li>- Nitto Kogyo Corporation (Japan) holding 49% of registered capital.</li> <li>- Bangkok MUFG Limited holding 3% of registered capital.</li> </ul>	✓	✓



Juristic person/person who may have conflict	Relationship	Transaction (Yes = ✓, No = ✕)	
		Year 2021 ended 31 December 2021	Year 2022 ended 31 December 2022
3. BM Innotech Industry Company Limited: designing, developing and researching, improve machinery and automation, information systems for industrial applications and electric vehicles	- The Company as major shareholder of BMI, holding 70% of registered capital.	✕	✓

## 2. Details of connected transaction

The connected transactions between juristic persons and individuals who may have conflict of interest during the fiscal year 2021 ended 31 December 2021 and the fiscal year 2022 ended 31 December 2022 are listed below:



Person who may have conflict	Transaction	Transaction value (million baht)		Necessity and appropriate
		Year 2021 As of 31 December 2021	Year 2022 As of 31 December 2022	
1. MECT Company Limited (MECT)  - Mr. Luecha Pho-ob holding 2.55% of registered shares of the Company and taking position of Director of MECT, holding 2.75% of registered capital of MECT.  - Pho-ob family totally holding 11.21% of registered capital of MECT.	<u>Sales revenue</u>  - The Company sold metal trunking and white conduit to MECT.  <u>Account receivable</u>  - The Company had account receivable from the mentioned sales.	18.89          4.86		The Company sold metal trunking and white conduit under pricing standard according to commercial conditions.  <u>The Audit Committee's opinion</u>  The Audit Committee gave opinion that such transaction was normal business transaction and appropriate. The prices and payment terms were not different from other customers.
2. Nitto Kogyo BM (Thailand) Company Limited (NBT)	<u>Sales revenue</u>  - The Company sold metal trunking and electrical	10.97	7.16	The Company sold metal trunking and electrical enclosures underpricing standard according to commercial conditions.



Person who may have conflict	Transaction	Transaction value (million baht)		Necessity and appropriate
		Year 2021 As of 31 December 2021	Year 2022 As of 31 December 2022	
	enclosures to NBT. <u>Account receivable</u> - The Company had account receivable from the mentioned sales.	0.84	0.59	<u>The Audit Committee's opinion</u> The Audit Committee gave opinion that such transaction was normal business transaction and appropriate. The prices and payment terms were not different from other customers.
	<u>Purchase</u> - The Company purchased cabinet equipment from NBT.  <u>Trade payable</u> - The Company had trade payable from the mentioned purchases.	-  -	3.26  0.85	<u>The Audit Committee's opinion</u> The Audit Committee gave opinion that such transaction was normal business transaction. The prices and payment terms were not different from other suppliers.





Person who may have conflict	Transaction	Transaction value (million baht)		Necessity and appropriate
		Year 2021 As of 31 December 2021	Year 2022 As of 31 December 2022	
3. BM Innotech Industry Company Limited (BMI)	<u>Sales revenue</u> - The Company sold battery and accessories to BMI	-	14.43	The Company sold battery and accessories underpricing standard according to commercial conditions. <u>The Audit Committee's opinion</u> The Audit Committee gave opinion that such transaction was normal business transaction. The prices and payment terms were not different from other suppliers.
	<u>Account receivable</u> - The Company had account receivable from the mentioned sales.	-	4.84	



### **3. The Audit Committee's opinion**

The Audit Committee Meeting No. 1/2023 on 23 February 2023 considered the connected transactions between the Company and juristic persons or individuals who may have conflict of interest or conflict of future interest. The Audit Committee provided opinion that the connected transactions were reasonable, complied with commercial conditions and fair practice, and same as juristic persons or individuals who were irrelevant, also there was no benefit transfer between those.

### **4. Measure and procedure to approve connected transaction**

The Board of Directors' Meeting No. 1/2015 (the first Board of Directors' Meeting after converted into a listed company) on 18 May 2015 approved the measure and procedure for approval of connected transaction as follows:

#### **4.1 Measure and procedure to approve connected transaction**

In case of connected transactions between the Company and persons who involve, may have conflict of interest or conflict of future interest, commercial agreements which contractual parties can commonly do in the same situation, trade bargaining without influence of the directors, executives or relevant persons, general commercial conditions or market prices which are reasonable and checkable, and no benefit transfer, the Company's executives are able to perform as usual under the approval of the Board of Directors and submits summary report to the Audit Committee on a quarterly basis.

In case of connected transactions are not normal, the Company's Audit Committee shall determine necessity and suitability of such transaction. In case that the Audit Committee does not have expertise to consider the connected transactions, the Company shall request independent evaluator, specialist or accounting auditor to provide opinion on such connected transactions to the Audit Committee. Next, the Audit Committee shall express opinion to the Board of Directors or the shareholders and get approval of



such connected transactions. Nevertheless, the Company shall disclose and remark the connected transactions in financial statements audited by the Company's accounting auditor. If the common stocks of the Company are registered on the Market for Alternative Investment (mai), the Company shall disclose the connected transactions in annual transaction form (Form 56-1) and annual report (Form 56-2) in accordance with SEC and SET law and regulation. As well, the approval of the connected transactions must follow SEC and SET law, regulation and announcement. The persons who may have conflict of interest to the connected transactions shall not have the right to vote for the connected transactions.

The Company shall announce policy of connected transaction between the Company and juristic person, individual or relevant person, also officially announce asset acquisition or disposal of the Company according to the announcement of Capital Market Supervisory Board and regulations as defined by SEC and SET to the employees.

## **5. Policy or trend of future connected transaction**

The Board of Directors' Meeting No. 1/2015 (the first Board of Directors' Meeting after converted into a listed company) on 18 May 2015 approved policy or trend of future connected transaction as follows:

### **5.1 Policy or trend of future connected transaction**

In the future, if the Company needs to proceed connected transaction with person who may have conflict of interest to the Company, the Company shall define conditions according to normal commercial operation and market price, compared to the price in the same business industry, which the Company agrees with external person. The Audit Committee shall provide opinion on price, remuneration, including necessity and suitability of such connected transaction. In case that the Audit Committee does not have expertise to consider the connected transaction, the Company shall request independent evaluator, specialist or accounting auditor to provide opinion on such connected transaction to the Audit Committee. Next, the Audit Committee shall express opinion to the Board of Directors or the shareholders.



Nevertheless, the Company shall disclose and remark the connected transaction in financial statements audited by the Company's accounting auditor. If the common stocks of the Company are registered on the Market for Alternative Investment (mai), the Company shall disclose the connected transaction in annual transaction form (Form 56-1) and annual report (Form 56-2) in accordance with the SEC and SET laws, regulations, notices and announcements.

Considering future connected transaction, the directors shall follow SEC and SET regulation and shall not approve any connected transaction which themselves may have conflict of interest to the Company. The directors shall disclose such connected transaction to the Board of Directors for consideration. The Company shall comply with SEC and SET laws, regulations, and announcements. Besides, the Company shall strictly follow the disclosure regulation regarding the connected transaction and the Company's asset acquisition or disposal according to accounting standard required by Accounting Association. The Company shall not proceed connected transaction with juristic person who do not perform normal business conduct.

In the year 2022, the company strictly implemented policy of connected transaction. The Audit Committee considered that the company's connected transactions were appropriate and not different from other customers of the Company, also benefited the company. The Company disclosed and remarked the connected transactions in financial statements audited by the Company's accounting auditor, and already disclosed the connected transactions in annual transaction form (Form 56-1) and annual report (Form 56-2).

## **6. Measure to protect investors**

To protect the investors, in case of any connected transaction (between the Company and person who may have conflict of interest or future conflict) occurring in future, the Company shall propose the connected transaction to the Board of Directors' Meeting, the Audit Committee in attendance, to ensure



that the connected transaction is proceeded fairly with appropriate pricing policy. The Board of Directors shall comply with SEC and SET laws, regulations, and announcements, also strictly follow the disclosure regulation regarding the connected transaction and the Company's asset acquisition or disposal. Nevertheless, the Company shall disclose and remark the connected transaction in financial statements reviewed or audited by the Company's accounting auditor.



## Financial information

### Summary of financial statements and operating results

#### (1) Financial position

Financial statements	Ended 31 December 2020		Ended 31 December 2021		Ended 31 December 2022	
	Equity method		Equity method		Equity method	
	Million baht	%	Million baht	%	Million baht	%
Cash and cash equivalents	16.86	1.30	23.46	1.75	35.78	2.51
Current investment	-	-	-	-	-	-
Account receivables and other receivables - net	180.79	13.99	214.55	15.99	208.15	14.61
Inventories - net	154.00	11.92	209.05	15.58	205.11	14.39
Other current assets	9.10	0.71	28.96	2.16	48.51	3.40
<b>Total current assets</b>	<b>360.75</b>	<b>27.92</b>	<b>476.02</b>	<b>35.47</b>	<b>497.55</b>	<b>34.92</b>
Pledged deposits at financial institutions	-	-	-	-	-	-
Other non-current financial assets	9.30	0.72	14.30	1.07	14.30	1.00
Investment in associated company <sup>1/</sup>	159.12	12.32	55.55	4.14	45.25	3.18
Other long-term investment	-	-	-	-	-	-
Property, plant and equipment – net	744.03	57.58	776.03	57.82	842.52	59.13
Right-of-use assets	3.46	0.27	3.81	0.28	5.05	0.35
Intangible assets	3.55	0.27	1.52	0.11	4.65	0.33
Deferred tax assets	11.92	0.92	14.83	1.10	15.51	1.09
Deferred tax assets	0.05	-	0.05	0.00	0.05	0.00
<b>Total non-current assets</b>	<b>931.43</b>	<b>72.08</b>	<b>866.09</b>	<b>64.53</b>	<b>927.33</b>	<b>65.08</b>
<b>Total assets</b>	<b>1,292.18</b>	<b>100.00</b>	<b>1,342.11</b>	<b>100.00</b>	<b>1,424.88</b>	<b>100.00</b>

Financial statements	Ended 31 December 2020		Ended 31 December 2021		Ended 31 December 2022	
	Equity method		Equity method		Equity method	
	Million baht	%	Million baht	%	Million baht	%
Bank overdrafts and short-term loans from financial institutions	100.00	7.74	166.69	12.42	60.00	4.21
Trade payables and other payables	250.51	19.39	188.36	14.03	241.95	16.98
Lease liabilities and financial lease with maturity of 1 year	18.93	1.46	19.38	1.44	20.12	1.41
Long-term loans with maturity of 1 year	31.11	2.41	27.13	2.02	28.96	2.03
Income tax payable	-	-	-	-	2.56	0.18
Other current liabilities	9.47	0.73	14.12	1.05	7.37	0.52
<b>Total current liabilities</b>	<b>410.02</b>	<b>31.73</b>	<b>415.68</b>	<b>30.97</b>	<b>360.96</b>	<b>25.33</b>
Lease liabilities and financial lease with maturity of 1 year – net	61.57	4.76	43.18	3.22	24.81	1.74
Long-term loans with maturity of 1 year – net	76.81	5.95	63.72	4.75	134.57	9.44
Provision for long-term employee benefits	31.22	2.42	35.39	2.64	36.58	2.57
<b>Total non-current liabilities</b>	<b>169.60</b>	<b>13.13</b>	<b>142.29</b>	<b>10.60</b>	<b>195.96</b>	<b>13.75</b>
<b>Total liabilities</b>	<b>579.62</b>	<b>44.86</b>	<b>557.97</b>	<b>41.57</b>	<b>556.92</b>	<b>39.09</b>
Registered capital	275.00	21.28	293.33	21.86	343.15	24.08
Issued and fully paid capital	220.00	17.02	235.95	17.58	259.23	18.19
Share premium	374.06	28.95	390.01	29.06	413.29	29.01
Retained earnings:						
Appropriated - statutory reserve	23.82	1.84	25.22	1.88	28.48	2.00

Financial statements	Ended 31 December 2020		Ended 31 December 2021		Ended 31 December 2022	
	Equity method		Equity method		Equity method	
	Million baht	%	Million baht	%	Million baht	%
Unappropriated	94.54	7.32	132.64	9.88	166.56	11.69
Other components of shareholders' equity	(0.15)	(0.01)	0.04	0.00	0.05	0.00
Non-controlling interests	0.29	0.02	0.28	0.02	0.35	0.02
<b>Total shareholder's equity</b>	<b>712.56</b>	<b>55.14</b>	<b>784.14</b>	<b>58.43</b>	<b>867.96</b>	<b>60.91</b>
<b>Total debt and shareholder's equity</b>	<b>1,292.18</b>	<b>100.00</b>	<b>1,342.11</b>	<b>100.00</b>	<b>1,424.88</b>	<b>100.00</b>

### Statement of comprehensive income

Statement of comprehensive income	Year 2020		Year 2021		Year 2022	
	Equity method		Equity method		Equity method	
	Million baht	%	Million baht	%	Million baht	%
Sales and Service Income	993.76	99.49	1,121.00	98.02	1,289.06	98.76
Other Income	5.06	0.51	14.38	1.26	16.16	1.24
Profit from investments in associate companies	-	-	8.28	0.72	-	-
<b>Total Revenues</b>	<b>998.82</b>	<b>100.00</b>	<b>1,143.66</b>	<b>100.00</b>	<b>1,305.22</b>	<b>100.00</b>
Cost of Sales and Services	811.64	81.26	921.89	80.61	1,094.51	83.86
<b>Profit (Excluding Other Income)</b>	<b>182.12</b>	<b>18.33</b>	<b>199.11</b>	<b>17.41</b>	<b>194.55</b>	<b>14.91</b>





Statement of comprehensive income	Year 2020		Year 2021		Year 2022	
	Equity method		Equity method		Equity method	
	Million baht	%	Million baht	%	Million baht	%
Cost of sales and services	52.64	5.27	47.28	4.13	55.02	4.22
Administrative expenses	76.05	7.61	81.37	7.11	73.67	5.64
Share of profit (loss) from investments in associate companies	12.88	1.29	(9.87)	(0.86)	(10.29)	0.79
<b>Profit before finance cost and income tax expenses</b>	<b>71.37</b>	<b>7.15</b>	<b>83.25</b>	<b>7.28</b>	<b>71.73</b>	<b>5.50</b>
Finance cost	8.70	0.87	11.95	1.04	7.77	0.60
<b>Profit before income tax expenses</b>	<b>62.67</b>	<b>6.27</b>	<b>71.30</b>	<b>6.23</b>	<b>63.96</b>	<b>4.90</b>
Income tax expenses (income)	6.51	0.65	(2.70)	0.24	8.83	0.68
<b>Net profit (loss)</b>	<b>56.16</b>	<b>5.62</b>	<b>74.00</b>	<b>6.47</b>	<b>55.13</b>	<b>4.22</b>
Other comprehensive income (expense) for the year	-	-	0.89	0.08	1.00	0.08
<b>Total comprehensive income for the year</b>	<b>56.16</b>	<b>5.62</b>	<b>74.89</b>	<b>6.55</b>	<b>56.13</b>	<b>4.30</b>
<b>Earnings per share (Calculated from share value at 0.50 baht per share)</b>	<b>0.13</b>		<b>0.17</b>		<b>0.12</b>	

### Statement of cash flows

(Unit : Million baht)

Statement of cash flows	Year 2020	Year 2021	Year 2022
	Equity method	Equity method	Equity method
<b>Cash flows from operating activities</b>			
Profit (loss) for the year	56.16	74.00	55.13
Adjustments to reconcile profit for the year to net cash provided by (used in) operating activities:			



Statement of cash flows	Year 2020	Year 2021	Year 2022
	Equity method	Equity method	Equity method
Depreciation and amortization	49.02	54.62	53.80
Allowance for doubtful debts (reversal)	(2.88)	5.86	(4.53)
Decline in value of obsolete inventories	3.66	(2.32)	2.14
(Gain) loss on sales of assets	(0.26)	(3.03)	(0.46)
Loss from written-off assets	-	-	
Loss from refunded tax	0.10	-	
(Gain) loss from investment in associated companies	-	(8.28)	
Unrealized (gain) loss on exchange rate	(0.04)	0.38	(3.64)
Loss from sale of other investment	0.38	-	
Share of (profit) loss from investment in associated companies	(12.88)	9.87	10.30
Interest income	(0.11)	(0.06)	(0.07)
Provision for long-term employee benefits expenses	4.04	4.44	4.04
Interest expenses	8.70	11.95	7.77
Income tax expense	6.50	(2.70)	8.83
Income from operating activities before changes in operating assets and liabilities	112.39	144.73	133.30
<b>(Increase) decrease in operating assets</b>			
Current investment			
Account receivables and other receivables	27.58	(39.41)	12.77
Inventories	(55.56)	(52.74)	1.80
Other current assets	(6.04)	(19.12)	(19.56)
<b>Increase (decrease) in operating liabilities</b>			
Trade payables and other payables	81.57	(64.60)	53.72
Other current liabilities	6.36	4.64	(6.75)



Statement of cash flows	Year 2020	Year 2021	Year 2022
	Equity method	Equity method	Equity method
Cash paid for provision for long-term employee benefits	(0.11)	(1.30)	(1.60)
<b>Cash received (paid) from operating</b>	<b>166.19</b>	<b>(27.80)</b>	<b>173.67</b>
Cash paid for interest	(6.44)	(8.95)	(5.66)
Cash paid for income tax	(19.62)	(0.79)	(7.20)
Cash received from refunded tax	0.07	-	
Cash received from interest income	0.24	(0.09)	0.11
<b>Net cash from provided by (used in) operating activities</b>	<b>140.44</b>	<b>(37.62)</b>	<b>160.93</b>
<b>Cash flows from investing activities</b>			
(Increase) decrease in other non-current financial assets	(3.30)	(5.00)	-
Cash paid for investments in associated companies	-	-	
Cash paid for investment in other long-term investments	-	-	
Cash paid for purchase of property, plant and equipment	(166.02)	(81.42)	(117.58)
Cash paid for purchase of lease rights	-	-	(1.61)
Cash paid for purchase of intangible assets	(1.28)	(0.06)	(4.14)
Cash received from investment in associated companies	-	95.86	-
Cash received from sales of equipment	0.10	3.09	0.52
Cash received from dividend	7.04	7.83	-
<b>Net cash from provided by (used in) investing activities</b>	<b>(163.46)</b>	<b>20.30</b>	<b>(122.81)</b>



Statement of cash flows	Year 2020	Year 2021	Year 2022
	Equity method	Equity method	Equity method
<b>Cash flows from financing activities</b>			
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	7.97	66.69	(106.69)
Cash received for investment from non-controlling interests	0.30	-	
Cash paid for lease liabilities	(20.41)	(21.95)	(21.83)
Proceeds from sale and lease back transactions	48.00	-	
Cash paid for long-term loans	(39.13)	(30.93)	(17.73)
Cash received from long-term loans	75.00	13.87	90.40
Cash received from investment in share capital from warrant	0.00	31.89	46.57
Cash paid for dividend	(35.20)	(35.20)	(18.88)
<b>Net cash provided by (used in) financing activities</b>	<b>36.53</b>	<b>24.40</b>	<b>(28.16)</b>
Net increase (decrease) in cash and cash equivalents - net	13.51	7.04	9.96
Unrealized gain on exchange rate from the translation of foreign currency bank deposits	0.05	(0.44)	2.36
Cash and cash equivalents - beginning of year	3.30	16.86	23.46
<b>Cash and cash equivalents - ending of year</b>	<b><u>16.86</u></b>	<b><u>23.46</u></b>	<b><u>35.78</u></b>

**(1) Financial ratio**

Financial ratio		Year 2020	Year 2021	Year 2022
<b><u>Liquidity ratio</u></b>				
Liquidity ratio	(time)	0.88	1.15	1.38
Quick liquidity ratio	(time)	0.50	0.64	0.81
Cash flow ratio	(time)	0.38	(0.09)	0.41
Account receivable turnover ratio	(time)	5.15	5.67	6.10
Average debt collection period	(day)	71	64	60
Finished Goods (FG) turnover ratio <sup>/1</sup>	(time)	29.97	24.75	23.78
Average selling FG period <sup>/1</sup>	(day)	12	15	15
Inventory turnover ratio <sup>2/</sup>	(time)	6.34	5.08	5.29
Average selling goods period <sup>2/</sup>	(day)	62	76	69
Trade payable turnover ratio	(time)	3.90	4.20	5.09
Payment period	(day)	93	87	72
Cash cycle calculated from FG <sup>3/</sup>	(day)	35	49	57
<b><u>Profitability ratio</u></b>				
Profit ratio	(percent)	18.33	17.76	15.09
Operating profit margin	(percent)	5.89	8.31	6.36
Other profit ratio <sup>/4</sup>	(percent)	0.51	1.98	1.24
Cash to operating profit ratio	(percent)	240.12	(40.41)	196.21
Net profit margin	(percent)	5.62	6.47	4.22
Return on Equity (ROE) ratio	(percent)	8.00	9.89	6.67
<b><u>Efficiency ratio</u></b>				
Return on Assets (ROA) ratio	(percent)	4.67	5.62	3.98

Financial ratio	Year 2020	Year 2021	Year 2022
Return on Fixed Assets (ROFA) ratio (percent)	15.37	16.92	13.46
Asset turnover ratio (time)	0.83	0.87	0.94
<b>Financial policy ratio</b>			
Debt to Equity (D/E) ratio (time)	0.81	0.71	0.64
Interest coverage ratio (time)	17.88	2.37	22.85
Debt-service coverage ratio (time)	(0.54)	0.22	(0.88)
Dividend payout ratio <sup>/5</sup> (percent)	62.68	47.57	34.24
Dividend <sup>/6</sup> (million baht)	35.20	35.20	18.88

**Remark:**

- /1 Calculate from cost of sales divided by inventory (only Finished Goods (FG), excluding Work in Process (WIP) and raw material) on average.
- /2 Calculate from cost of sales divided by total inventory (Finished Goods (FG), Work in Process (WIP) and raw material) on average.
- /3 Calculate from collection period plus selling period, then minus selling period, in case of calculate from cost of sales, divided by total inventory (Finished Goods (FG), Work in Process (WIP) and raw material) on average.
- /4 Calculate from non-operation profit divided by total income.
- /5 Annual dividend ratio: Calculate from paid dividend for the year divided by net profit.
- /6 The Board of Directors' Meeting No. 1/2023 on 23 February 2023 approved dividend payment in cash from the operating results of the year 2022, allocated 3,260,000 baht as legal reserve or equivalent to 8.30% of the net profit for the year 2022. The Company has a retained earnings of legal reserve of 28,481,500 baht or equivalent 8.30% of the registered capital. The dividend shall be paid in cash at the rate of 0.10 baht per share, from the net profit of the year 2022 and the retained earnings, totally 518,458,758 ordinary shares or equivalent to 51,845,875.80 baht, or a dividend payment rate of 83.73 percent of the net profits. The Board of Directors' Meeting



No. 1/2023 on 23 February 2023 approved to propose to the 2023 Annual General Meeting of Shareholder for consideration.



## Financial discussion & analysis and operating results

### 1. Overview of operating results

Bangkok Sheet Metal Public Company Limited (BM) manufactures and sells steel products such as metal trunking, communication racks, cabinets and enclosures, and electrical switchboards for buildings, condominiums, offices, shopping malls, factories, power plants, etc. under “BSM”, “BM” and “BEST” brands, plus customize steel products as per customer requirements. Moreover, the Company sells white conduit by outsourcing to supplier to manufacture white conduit under the Company’s brand, while the Company conversely is a dealer of the white conduit supplier. In addition, at the end of 2017, the Company invested in Nitto Kogyo BM (Thailand) Company Limited (NBT) which sells stainless steel, steel and plastic panel boards and ventilation systems for large, medium and small-sized industrial and commercial sites. The registered capital of NBT was 2.41 million baht and the Company held 41% of all shares. As NBT’s registered capital increased to 7.19 million baht in year 2018, the Company held 48% of all shares. In year 2018, the Company invested in MECT Company Limited (MECT) amounted to 152.14 million baht, holding 20% of the paid-up capital. MECT’s business was to provide electrical, communication, air conditioning, fire protection, sanitary and pipe systems. Nitto Kogyo BM (Thailand) Company Limited (NBT) has been increasing its investments, therefore, NBT shall not deliver profit at the beginning. In year 2022, the Company recognized loss of 10.29 million baht from NBT.

The Company has 6 product categories as stated below:

- 1) Metal trunking and white conduit
- 2) Communication rack, cabinet and enclosure
- 3) Electrical switchboard and lighting fixture
- 4) Fabrication and metal working
- 5) Mold & die making, machine tool and equipment
- 6) Sheet metal part, press part, machine part and assembly part





The Company's total revenues in the year 2020, 2021 and 2022 were 988.82 million baht, 1,143.23 million and 1,305.22 million baht respectively, and net profits in such mentioned years were 56.16 million baht, 74.00 million baht and 55.13 million baht respectively.

### 1.1 Income

The Company had total revenues in the year 2020, 2021 and 2022 amounted to 1,005.86 million baht, 1,143.66 million baht and 1,304.77 million baht respectively, sales and service income amounted to 993.76 million baht, 1,120.99 million baht and 1,288.55 million baht or equivalent to 98.80%, 98.05% and 98.76% of total revenue respectively, and other income amounted to 5.06 million baht, 14.41 million baht and 16.220 million baht or equivalent to 0.50%, 1.26% and 1.24% of total revenue respectively.

#### Income by product category in year 2020 - 2022

Income	Year 2020		Year 2021		Year 2022	
	Million baht	%	Million baht	%	Million baht	%
<b>Sales Revenue</b>						
1) Revenue of Metal Trunking and White Conduit	413.33	41.09	464.12	40.60	513.99	39.39
2) Revenue of Communication Rack, Cabinet and Enclosure	33.29	3.31	32.38	2.83	51.17	3.92
3) Revenue of Electrical Switchboard and Lighting Fixture	32.27	3.21	23.47	2.05	36.64	2.81
4) Revenue of Fabrication and Metal Working	25.89	2.57	24.45	2.14	17.02	1.30
5) Revenue of Mold & Die Making, Machine Tool and Equipment <sup>/1</sup>	300.70	29.89	303.17	26.52	491.79	37.69



Income	Year 2020		Year 2021		Year 2022	
	Million baht	%	Million baht	%	Million baht	%
6) Revenue of Sheet Metal Part, Press Part, Machine Part and Assembly Part	162.32	16.14	233.14	20.39	147.88	11.33
7) Revenue of Trading <sup>/2</sup>	20.09	2.00	37.55	3.28	18.37	1.41
<b>Revenue of Product Sales</b>	<b>987.89</b>	<b>98.21</b>	<b>1,118.28</b>	<b>97.82</b>	<b>1,276.86</b>	<b>97.86</b>
Revenue of Service <sup>/3</sup>	5.87	0.59	2.71	0.24	11.69	0.90
<b>Revenue of Product Sales and Service</b>	<b>993.76</b>	<b>98.80</b>	<b>1,120.99</b>	<b>98.05</b>	<b>1,288.55</b>	<b>98.76</b>
Dividend	7.04	0.70	7.83	0.68	-	-
Other Revenue <sup>/4</sup>	5.06	0.50	14.41	1.26	16.22	1.24
<b>Total Revenue</b>	<b>1,005.86</b>	<b>100.00</b>	<b>1,143.23</b>	<b>100.00</b>	<b>1,304.77</b>	<b>100.00</b>

Remark: /1 Income of Mold & Die Making, Machine Tool and Equipment, export of furniture (industrial rack)

/2 Income from trading such as income from selling assembly equipment, powder paints and others.

/3 Income from service such as income from powder painting service for external customers.

/4 Other income such as interest income, profit (lost) from asset disposal and amortization, selling scraps, etc.

### Sale and service income

The Company had sales and service income in the year 2020, 2021 and 2022 amounted to 993.76 million baht, 1,120.99 million baht and 1,288.55 million baht or equivalent to 98.80%, 98.05% and 98.76%



of total revenue respectively. The sales and service income for the year 2022 increased by 167.56 million baht or equivalent to 14.95% compared to the previous year. The structure of sales and service income is described as follows:

- 1) Revenues from selling metal trunking and white conduit in the year 2020, 2021 and 2022 were 413.33 million baht, 464.12 million baht and 513.99 million baht or equivalent to 41.09%, 40.60% and 39.39% of total revenue respectively.

The main revenue of the Company in year 2022 was the revenue from selling metal trucking and white conduit (Product Category 1), which increased by 49.87 million baht or equivalent to 10.75% compared to the previous year (year 2021) due to the slowdown of condominium and other construction projects caused by the Covid-19 pandemic. However, the Company generated revenue from mass rapid transit projects.

- 2) Revenues from selling communication rack, cabinet and enclosure in the year 2020, 2021 and 2022 were 33.29 million baht, 32.38 million baht and 51.17 million baht or equivalent to 3.31%, 2.83% and 3.92% of total revenue respectively. The revenue for the year 2022 increased by 18.79 million baht or equivalent to 58.03% compared to the previous year.
- 3) Revenues from selling electrical switchboard and lighting fixture in the year 2020, 2021 and 2022 were 32.27 million baht, 23.47 million baht and 36.64 million baht or equivalent to 3.21%, 2.05% and 2.81% of total revenue respectively. The revenue from selling electrical switchboard and lighting fixture for the year 2022 increased by 13.17 million baht or equivalent to 56.11% compared to the previous year.
- 4) Revenues from fabrication and metal working in the year 2020, 2021 and 2022 were 25.89 million baht, 24.45 million baht and 17.02 million baht or equivalent to 2.57%, 2.14% and 1.30% of total revenue respectively. The revenue from fabrication and metal working for the year 2022 decreased by 7.43 million baht or 30.39% compared to the previous year.
- 5) Revenues from mold & die making, machine tool and equipment in the year 2020, 2021 and 2022 were 300.70 million baht, 303.17 million baht and 491.79 million baht or equivalent to 29.89%, 26.52% and 37.67% of total revenue respectively. The revenue from mold & die making, machine tool and equipment for the year 2022 increased by 188.62

million baht or equivalent to 62.22% compared to the previous year (year 2021) due to the export of furniture (industrial rack).

- 6) Revenues from sheet metal part, press part, machine part and assembly part in the year 2020, 2021 and 2022 were 162.32 million baht, 233.14 million baht and 147.88 million baht or equivalent to 16.14%, 20.39% and 11.33% of total revenue respectively. The revenue for the year 2022 decreased by 85.26 million baht or equivalent to 36.57% compared to the previous year. The orders of rice harvester continuously slowed down since year 2021.
- 7) Revenues from trading such as assembly tool & equipment, fitting, powder coating, etc. in the year 2020, 2021 and 2022 were 20.09 million baht, 37.55 million baht and 18.37 million baht or equivalent to 2.00%, 3.28% and 1.41% of total revenue respectively. The revenue for the year 2022 decreased by 19.18 million baht or equivalent to 51.08% compared to the previous year due to the decrease in selling.
- 8) Revenues from service such as income from powder painting service for external customers in the year 2020, 2021 and 2022 were 5.87 million baht, 2.71 million baht and 11.69 million baht or equivalent to 0.59%, 0.24% and 0.9% of total revenue respectively.

Revenue structure by customer cluster in year 2020 - 2022

Customer cluster	Year 2020		Year 2021		Year 2022	
	Million baht	%	Million baht	%	Million baht	%
Contractor cluster	445.60	44.84	487.59	43.50	550.63	42.73
Business cluster	548.16	55.16	633.41	56.50	737.92	57.27
<b>Total sales and service income</b>	<b>993.76</b>	<b>100.00</b>	<b>1,121.00</b>	<b>100.00</b>	<b>1,288.55</b>	<b>100.00</b>

Considering the above revenue structure by customer cluster, the Company's main customers were electrical system and construction contractors (contractor cluster). The revenues of the mentioned cluster



in the year 2020, 2021 and 2022 were 445.60 million baht, 487.59 million baht and 550.63 million baht or equivalent to 44.84%, 43.50% and 42.73% of sales and service income respectively. The revenues of business customer in the year 2020, 2021 and 2022 were 548.16 million baht, 633.41 million baht and 737.92 million baht or equivalent to 55.16%, 56.50% and 57.27% of sales and service income respectively.

According to the revenue structure by customer cluster in the year 2020, 2021 and 2022, the revenue of contractor cluster in year 2022 increased due to the Covid-19 situation have improved, as well as, for business cluster, the Company's export increased significantly over the entire year.

### **Other income**

The Company had other income in the year 2020, 2021 and 2022 were 5.06 million baht, 14.38 million baht and 16.16 million baht or equivalent to 0.51%, 1.26% and 1.24% of total revenue respectively. The other income consisted of interest income, profit (loss) from asset disposal and amortization, and selling scraps, etc.

## **1.2 Cost of sales and services and profit margin**

The Company's cost of sales and services for the year ended 31 December 2022 was 1,094.51 million baht increased by 172.62 million baht or equivalent to 18.72% profit margin 15.09% Compared to the same period of the previous year (year 2021), profit margin reduced from 17.76% to 2.67% because of higher cost of sales (greater than sales revenue). As the Company was in intense price competition with competitors both domestic and international. Additionally, the adjustment of raw material prices has also increased, resulting in a reduction of the company's initial profit compared to the previous year."

## **1.3 Selling and administrative expenses**



For the year ended 31 December 2022 and 2021, the Company had selling and administrative expenses of 128.69 million baht and 128.65 million baht respectively, increasing by 0.04 million baht or equivalent to 0.03%

### **Financial cost**

The Company had finance cost of 7.77 million baht, decreasing by 4.18 million baht or equivalent to 34.98%, over the same period of the previous year, because the Company managed the finance cost better.

### **1.4 Net profit and net profit margin under the Equity Method**

For the year ended 31 December 2022, the company reported net profit of 55.13 million baht and net profit margin of 4.22%. The Company had share of loss from Nitto Kogyo BM (Thailand) Company Limited (NBT) amounted to 10.29 million baht since the depreciation on factory building and machinery was recognized in May 2021. In 2022, NBT had a positive EBITDA after increased production and sales.

### **1.5 Return on Equity**

The Company had Return on Equity (ROE) in year 2021 and 2022 of 9.89% and 6.67% respectively.

In year 2022, the Company recognized loss from account receivable reserve and share of loss in the investment in associated companies, which Nitto Kogyo BM (Thailand) Company limited. And MECT Company Limited, the Company sold its investment in Q3/2021 and faced higher selling costs compared to year 2021



## 2. Statements of financial position

### 2.1 Total assets

As of 31 December 2020, 2021 and 2022, the Company had total assets of 1,292.18 million baht, 1,342.11 million baht and 1,424.88 million baht respectively. The details were as follows:

#### Current assets

As of 31 December 2020, 2021 and 2022, the Company had current assets of 360.75 million baht, 476.02 million baht and 497.55 million baht or equivalent to 27.92%, 35.47% and 34.92% of total assets respectively. The details were as follows:

- Cash or cash equivalent as of 31 December 2020, 2021 and 2022 were 16.86 million baht, 23.46 million baht and 35.78 million baht or equivalent to 1.30%, 1.75% and 2.51% of total assets respectively, which consist of cash, petty cash, savings deposit and interest from pledged deposit.
- Account receivables and other receivables - net as of 31 December 2020, 2021 and 2022 were 180.79 million baht, 214.55 million baht and 208.15 million baht or equivalent to 13.99%, 15.99% and 14.61% of total assets respectively as follows:

(Unit : Million baht)

	31 Dec 2020	31 Dec 2021	31 Dec 2022
Account receivables - associated company		0.84	0.59
Account receivables	203.83	242.10	231.42
Less: Allowance for doubtful debts	(23.73)	(29.59)	(25.05)
Account receivables – net	180.10	213.35	206.96
Other receivables – net	0.69	1.20	1.19
<b>Total account receivables and other receivables – net</b>	<b>180.79</b>	<b>214.55</b>	<b>208.15</b>



Considering account receivables as of 31 December 2020 and 2021, the Company had higher sales and service income in year 2022 and the account receivables decreased. The Company's export was 34.53% of total revenue and the credit term was 30 days. As a result, the account receivables decreased from the previous years. However, the allowance for doubtful debts in year 2022 decreased 4.54 million baht from year 2021 according to the TFRS 9 accounting standard, and the company continuously followed up the debt collection of overdue accounts.

(Unit : Million baht)

Account receivables	31 Dec		31 Dec	
	2021	%	2022	%
Not yet due				
Account receivables - associated company	0.84	0.35	0.59	0.25
Account receivables	166.59	68.57	134.80	58.10
Over due				
- Less than or equal to 3 months	43.42	17.87	70.61	30.44
- More than 3 months to 6 months	4.28	1.76	1.29	0.56
- More than 6 months or 12 months	2.68	1.10	1.51	0.65
- More than 12 months	25.13	10.35	23.21	10.00
<b>Total account receivables</b>	<b>242.94</b>	<b>100.00</b>	<b>232.01</b>	<b>100.00</b>
Less: Allowance for doubtful debts	(29.59)		(25.05)	
<b>Account receivables - net</b>	<b>213.35</b>		<b>206.96</b>	

Considering account receivables by aging, most of account receivables were not yet due. The account receivables over due less than or equal to 3 months as of 31 December 2021 and 2022 were 43.42 million baht and 70.61 million baht or equivalent to 17.87% and 30.44%





of total account receivables respectively. The account receivables over due more than 12 months as of 31 December 2022 was 23.21 million baht or equivalent to 10.00% of total account receivables, including the debt recovery litigation for the account receivables long over due. In addition, the Company set a policy for doubtful accounts in accordance with the TFRS 9 accounting standard,

The Company sets credit term for account receivables to pay in 30 -90 days by considering financial position of customers, payment history, purchase frequency and purchase amount. The Company's average debt collection periods in year 2021 and 2022 were 64 days and 60 days respectively. But in reality the Company agrees with customers that, after product delivery, the credit term shall start at a later month. As a result, the Company delays the debt collections by another 30 days maximum. Besides, some customers set the dates for placing invoices and receiving cheques after the payment date, which allows longer payment period. In year 2022, debt collection period was 60 days (less than the previous year) because the credit term for foreign customer was 30 days.

Inventory - net as of 31 December 2020, 2021 and 2022 were 154.00 million baht, 209.05 million baht and 205.11 million baht or equivalent to 11.92%, 15.58% and 14.39% of total assets respectively.

The Company reported the values of Finished Goods (FG) and Work in Process (WIP), and cost of raw materials including cost price under Weighted Average Costing method or net value, depending on which value was lower. The Company also reported cost price under First in, First out (FIFO) method or net value, depending on which value was lower. The Company considered them as a part of manufacturing cost after inventory draw. The detail are as follows:

(Unit : Million baht)



	31 Dec 2020	%	31 Dec 2021	%	31 Dec 2022	%
Finished goods	30.32	17.83	50.64	22.72	41.42	18.74
Work in Process	38.63	22.71	57.19	25.67	53.87	24.37
Raw materials	101.14	59.46	111.50	50.04	114.53	51.82
Goods in transit	-	-	3.50	1.57	11.21	5.07
Total	170.09	100.00	222.83	100.00	221.03	100.00
<u>Less: Adjustment from cost price to net value</u>	(16.09)		(13.78)		(15.92)	
<b>Inventory – net</b>	<b>154.00</b>		<b>209.05</b>		<b>205.11</b>	

Majority of inventory as of 31 December 2020, 2021 and 2022 was raw materials, equivalent to 59.46%, 50.04% and 51.82% of total inventory respectively. Main raw materials of the Company were steel, consumables, and powder paints. Major customers of the Company were system and construction contractors, therefore, the Company needed to maintain sufficient inventory to support the demands of each project. The Company's Finished Goods (FG) as of 31 December 2020 was 17.83% of total inventory. Most of Finished Goods (FG) were metal trunking and the Company already manufactured as per customer orders, also industrial racks for export were in awaiting shipment status.

The Company's average selling periods for the year 2020, 2021 and 2022 were 12 days, 15 days and 15 days respectively.

The Company set policy regarding provision for obsolete inventory, which are finished goods, consumables, and goods in process at the age of more than 1 year and nonmoving and powder paints at the age of more than 6 months. The Company reported the provision of



obsolete inventory regarding quantity and steel material, but did not report provision for obsolete products due to low rate of deterioration.

As of 31 December 2022, the Company reported provision of obsolete inventory amounted to 15.92 million, which were 2.35 million baht from Finished Goods (FG) and 13.57 million baht from consumables.

#### Non-current assets

As of 31 December 2020, 2021 and 2022, the Company had non-current assets of 931.43 million, 866.09 million baht and 927.33 million baht or equivalent to 72.08%, 64.53% and 65.08% of total assets respectively. The details are as follows:

- Investment in associated companies as of 31 December 2021 and 2022 were 55.55 million baht and 45.25 million baht.

On 12 March 2018, the Company increased investment in ordinary shares and preferred shares of Nitto Kogyo BM (Thailand) Company Limited amounted to 7.14 million baht, with a total investment of 9.60 million baht, resulting in an increase in the shareholding proportion from 41% to 48% of the paid-up capital.

On 23 May 2018, the Company invested in ordinary shares of MECT Company Limited amounted to 152.1 million baht or equivalent to 20% of the paid-up capital. The Company therefore recognized share of loss from investment in the associated company in the financial statements under equity method from 23 May 2018 to 31 December 2018.

On 13 March 2019, the Board of Directors' Meeting No. 2/2019 approved the capital increase in Nitto Kogyo BM (Thailand) Company Limited, an associated company, from 20 million to 150 million baht (increasing by 130 million baht). The Company fully paid 62.40 million baht and held 48% of the registered capital. In year 2019, the Company recognized



share of loss from the provision for doubtful debts of MECT Company Limited. The Company recognized share of profit (loss) from investment in associated companies as follows:

In 2022, the Company recognized share of profit from investment in associated companies amounted to 10.29 million baht.

(Unit : Million baht)

Associated company	Year 2022	Year 2021
MECT Company Limited	-	1.48
Nitto Kogyo BM (Thailand) Company Limited	(10.29)	(11.35)
<b>Total</b>	<b>(10.29)</b>	<b>(9.87)</b>

- Property, plant and equipment - net of the Company as of 31 December 2020, 2021 and 2022 amounted to 744.03 million baht, 776.03 million baht and 842.52 million baht or equivalent to 57.58%, 57.82% and 59.13% to total assets respectively. In year 2020, the Company purchased 25 Rai, 1 Ngan and 37 square Wa of land for export business expansion.

In year 2022, the Company invested in machinery such as arc welding robots for the production of cellular poles, roll forming, laser cutting and CNC machines for the production of metal trunking, forklifts for warehouse, and renovation of plant and warehouse.

- Intangible assets of the Company as of 31 December 2020, 2021 and 2022 were computer software amounted to 3.55 million baht, 1.52 million baht and 4.65 million baht, accounting for 0.92%, 1.10% and 1.09% of total assets respectively. In year 2022, the Company did not have any additional investment in the mentioned assets.

## 2.2 Source of funding

### Liabilities

Total liabilities

As of 31 December 2020, 2021 and 2022, the Company had total liabilities of 579.62 million baht, 557.97 million baht and 556.92 million baht or equivalent to 44.86%, 41.57% and 39.09% of total assets respectively. The significant activities are stated below:

Total current liabilities

As of 31 December 2020, 2021 and 2022, the Company had total current liabilities of 410.02 million baht, 415.68 million baht and 360.96 million baht, accounting for 31.73%, 30.97% and 25.33% of total assets respectively. The details are as follows:

- Trade payables and other payables as of 31 December 2020, 2021 and 2022 were 250.51 million baht, 188.36 million baht and 241.95 million baht or equivalent to 19.39%, 14.03% and 16.98% of total assets respectively. The details are presented in below table:

	(Unit: Million baht)		
	<u>31 Dec 2020</u>	<u>31 Dec 2021</u>	<u>31 Dec 2022</u>
Trade payables - associated company	-	-	0.85
Trade payables	218.83	160.49	204.45
Other trade payables	2.33	2.03	2.38
Trade payables for purchase of machinery	3.75	2.38	1.90
Accrued payables	25.54	23.32	32.36
Interest payables	0.06	0.14	0.01
<b>Total trade payables and other trade payables</b>	<b>250.51</b>	<b>188.36</b>	<b>241.95</b>



Considering trade payables as of 31 December 2020, 2021 and 2022, the Company had higher sales income compared to year 2021, therefore, trade payable as of 31 December 2022 also increased.

Trade payables' payment period was 30 – 90 days. The trade payables' payment periods in year 2020, 2021 and 2022 were 93 days, 87 days and 72 days respectively. The Company made full payment within the specific periods, which relatively represented high debt-paying ability of the Company.

Major activity of accrued payables were expenses related to import and export, as well as the construction of the factory's systems within the Free Zone area.

#### Total non-current liabilities

As of 31 December 2020, 2021 and 2022, the Company had total non-current liabilities of 169.60 million baht, 142.29 million baht and 195.96 million baht or equivalent to 13.13%, 10.60% and 13.75% of total assets respectively. The details are as follows:

- Long-term loans: As of 31 December 2020, 2021 and 2022, the Company had long-term loans at financial institutes - net amounted to 76.81 million baht, 63.72 million baht and 134.57 million baht or equivalent to 5.95%, 4.75% and 9.44% of total assets respectively. After combining long-term liabilities with the maturity of 12 months, the Company had long-term loans as of 31 December 2020, 2021 and 2022 amounted to 107.92 million baht, 90.86 million baht and 163.53 million baht or equivalent to 8.35%, 6.77% and 11.48% of total assets respectively. In year 2022, the Company applied for long-term loan from a financial institution.
- Lease liabilities: As of 31 December 2020, 2021 and 2022, the Company had lease liabilities - net of 61.57 million baht, 43.18 million baht and 24.81 million baht or equivalent to 4.76%, 3.22% and 1.74% of total assets respectively. After combining lease liabilities and financial lease with the maturity of 12 months, the company had lease liabilities in year 2020, 2021 and 2022 of 80.50 million baht, 62.56 million baht and 44.93



million baht or equivalent to 6.63%, 4.66% and 3.15% of total assets respectively. Major activities were vehicle and machinery leasing for business operation and production.

## 2.3 Shareholder's equity

As of 31 December 2020, 2021 and 2022, the Company had total shareholder's equity of 712.56 million baht, 784.14 million baht and 867.96 million baht or equivalent to 55.14%, 58.43% and 60.91% of total assets respectively. Significant details are as follows:

- Registered capital and paid-up capital:
  - The Extraordinary General Meeting of Shareholders No.1/2021 on 21 June 2021 approved the issuance and offering of warrants to purchase ordinary shares of Bangkok Sheet Metal Public Company Limited No.2 (BM-W2) in the amount of not exceeding 146,666,708 units, allocated to the existing shareholders of the Company in proportion to their respective shareholdings (Rights Offering) at the ratio of 3 existing ordinary shares to 1 unit of warrants, at no cost, and approved the increase of the Company's registered capital by 73,333,354 baht from the existing registered capital of 220,000,062.50 baht to the new registered capital of 293,333,416.50 baht by issuing 146,666,708 newly issued ordinary shares at the par value of 0.50 baht, to accommodate the exercise of the warrants to purchase ordinary shares of Bangkok Sheet Metal Public Company Limited No.2 (BM-W2). The Company had the registered capital of 293,333,416.50 baht and the paid-up capital of 220,000,062.50 baht.
  - Upon the first exercise of the warrants to purchase ordinary shares of Bangkok Sheet Metal Public Company Limited No.1 (BM-W2) in December 2021, the warrants



were exercised amounted to 31,891,633 shares. The Company had the registered capital of 293,333,416.50 baht and the paid-up capital of 235,945,879 baht.

- The 2022 Annual General Meeting of Shareholders on 22 April 2022 approved the decrease of the Company's registered capital by 354.50 baht from the existing registered capital of 293,333,416.50 baht to the new registered capital of 293,333,062 baht by cancelling 709 ordinary shares at the par value of 0.50 baht remaining from the allocation of warrants to purchase ordinary shares of Bangkok Sheet Metal Public Company Limited No. 2 (BM-W2). The Company had the registered capital of 293,333,062 baht and the paid-up capital of 235,945,879 baht.
- The 2022 Annual General Meeting of Shareholders on 22 April 2022 approved the increase of the Company's registered capital by 49,815,039 baht from the existing registered capital of 293,333,062 baht to the new registered capital of 343,148,101 baht by issuing 99,630,078 shares at the par value of 0.50 baht to accommodate the issuance and offering of the newly issued Convertible Debentures. The Company had the registered capital of 343,148,101 baht and the paid-up capital of 235,945,879 baht.
- Upon the second exercise of the warrants to purchase ordinary shares of Bangkok Sheet Metal Public Company Limited No.2 (BM-W2) in June 2022, the warrants were exercised amounted to 3,177,100 shares. The Company had the registered capital of 343,148,101 baht and the paid-up capital of 237,534,429 baht. Upon the third exercise of the warrants to purchase ordinary shares of Bangkok Sheet Metal Public Company Limited No.2 (BM-W2) in December 2022, the warrants were exercised amounted to 43,389,900 shares. The Company had the registered capital of 343,148,101 baht and the paid-up capital of 259,229,379 baht.

-Capital in excess of par value:





Upon the first exercise of the warrants to purchase ordinary shares of Bangkok Sheet Metal Public Company Limited No.2 (BM-W2) on 24 December 2021, the warrants were exercised amounted to 31,891,633 shares, which were listed on the Stock Exchange of Thailand, and began trading on the Stock Exchange of Thailand on 11 January 2022. Therefore, the Company had share premium amounted to 19.95 million baht.

Upon the second exercise of the warrants to purchase ordinary shares of Bangkok Sheet Metal Public Company Limited No.2 (BM-W2) on 24 June 2022, the warrants were exercised amounted to 3,177,100 shares, which were listed on the Stock Exchange of Thailand, and began trading on the Stock Exchange of Thailand on 5 July 2022. Consequently, the Company's share premium increased by 1.59 million baht.

Upon the third exercise of the warrants to purchase ordinary shares of Bangkok Sheet Metal Public Company Limited No.2 (BM-W2) on 23 December 2022, the warrants were exercised amounted to 43,389,900 shares, which were listed on the Stock Exchange of Thailand, and began trading on the Stock Exchange of Thailand on 11 January 2023. As a result, the Company's share premium increased by 21.69 million baht

-Unappropriated retained earnings: As of 31 December 2021 and 2022, the Company had unappropriated retained earnings of 132.64 million baht and 166.56 million baht or equivalent to 9.88% and 11.69% of total assets respectively. The Board of Directors' Meeting No. 1/2023 on 23 February 2023 approved the dividend payment for the year 2022 amounted to 51.85 million baht or equivalent to 83.73 percent of the net profit after deduction of the legal reserve. The dividend shall be paid in cash to the shareholders of the Company, totaling 518,458,758 ordinary shares. Nevertheless, the dividend payment shall be proposed at 2023 Annual General Meeting of Shareholders for approval.

#### Financial structure



The Company's Debt to Equity (D/E) ratios as of 31 December 2021 and 2022 were 0.71 and 0.64 respectively. The Company's Debt to Equity (D/E) ratio decreased. In year 2022, the Company got a long-term loan from financial institute for investment in construction of new factory in Free Zone, an increase of 72.68 million baht. Besides, the Company increased the registered capital to accommodate the exercise of the warrants to purchase ordinary shares of Bangkok Sheet Metal Public Company Limited No.2 (BM-W2) and the issuance and offering of the warrants to purchase ordinary shares of Bangkok Sheet Metal Public Company Limited No.3. Therefore, Debt to Equity (D/E) ratio decreased from the previous year.

## 2.4 Liquidity

As of 31 December 2021 and 2022, the Company had total current assets of 476.02 million baht and 497.55 million baht or equivalent to 35.47% and 34.92% of total assets respectively. Total current assets in year 2022 increased because of VAT refunds and increased of exports business.

As of 31 December year 2021 and 2022, the Company had total current liabilities of 415.68 and 360.96 million baht or 30.97% and 25.33% of total assets respectively, therefore, the decrease in current liabilities in 2022 was the decreased of overdrafts and short-term loans.

In consequence of the above mentioned changes in total current assets and total current liabilities, liquidity ratios in year 2021 and 2022 were 1.14 times and 1.38 times respectively,

Cash cycle of the Company in year 2021 and 2022 was 53 days and 57 days respectively. In the past 2 years, the Company regularly followed up and was able to collect account receivables, foreign customer in particular.

### **Cash flows for fiscal year 2022 ended 31 December 2022**

#### **Net cash provided by (used in) operating activities**



The Company's net cash provided by (used in) operating activities was 160.93 million baht from increase in trade payables and other payables and decrease in account receivables Therefore, net cash from operating activities of the Company in year 2022 stayed positive.

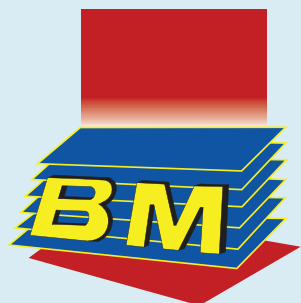
Net cash provided by (used in) investing activities

The Company's net cash used in investing activities was 122.81 million baht. The negative net cash derived from investment in construction of new factory in Free Zone to support the expansion of production for export.

Net cash provided by (used in) financing activities

The Company's net cash provided by financing activities was 28.16 million baht, which included cash received from bank overdrafts and short-term loans from financial institutions and cash received from long-term loans from financial institutions.

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**BANGKOK SHEET METAL PUBLIC COMPANY LIMITED**