

S.KIJCHAI ENTERPRISE

PUBLIC COMPANY LIMITED



2021

56-1 One Report

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Report of the Board of Director

In 2021, the overall market status of wood substitute product has improved compared to the previous year. After the outbreak of the Coronavirus Disease 2019 (COVID-19) began to recover due to the increased distribution of vaccines. However, the pandemic still affected Company logistic, the fluctuation of the exchange rate of Thai Baht against US dollar and oil prices that significantly increased in 2021.

After all this time, amidst the fluctuating economy and the epidemic impact, the Company has monitored situations, analysed factors that might impact the business operation for implemented the administrative plan properly and adapting to changes. As a result, the operation overview of the year 2021 has improved. The Company has focused on learning on the continuous improvement of production processes, product quality, study new products, human resource development and conducting business with social and environmental responsibilities. Hence this results in the Company being certified to international standards and maintaining good relationship with both of domestic and international partners.

S. Kleber Chemical Co., Ltd. (Subsidiary) under the investment project of glue and chemical plant has been completed construction and started for commercial production in the beginning of 2021. In addition, the Company has established a subsidiary, SKN Craft and Paper Company Limited, to manufacture and distribute pulp from recycle wastepaper. The such action is considered another important step to grow and increase the Company's potential for competitiveness also push to drive the vision forward.

Finally, as a representative of the Board of Directors, I would like to express my appreciation for all these support and motivation to the company. These have driven us to search for a good quality products and keep improve our service continually, which help us grow repeatedly with confidence. I would like to express my gratitude to all interested person, shareholder, partner, executive officer, employee, and including financial institutions that always trusted and supported us. And please rest assured that we will always committing to operate this company with integrity and ethic, under the concept of good governance for the most benefit for all parties. And we hope that the company will receive a great support from everyone forever and ever.

Dr. Suvit Thaniyavarn

Chairman of the Board of Directors

S.Kijchai Enterprise Public Company Limited

Message from the Managing Director

In the previous year, the overall market status of wood substitute product has improved compared to the year 2020. In 2021, the company has sales revenue of 4,180.40 million Baht, increased from the year 2020 equal to 1,713.47 million Baht or 69.46%. The cost of sales for the year 2021 is 2,331.44 million Baht, decreased 452.67 million Baht or 24.09% of sales revenue and the net profit is 776.68 million Baht, increased from the year 2020 equal to 613.60 million Baht or 376.28%.

The outbreak of the Coronavirus Disease 2019 (COVID-19) that rapidly spread around the world, various control measures including closing the country in many countries began to recover due to the increased distribution of vaccines. As a result, the products demand has tendency to increase, resulting in the year 2021 the Company has increased revenue from the increase of sales volume and selling price compared to the previous year. However, the Company operation still affected from container shortage, the fluctuation exchange rate of Thai Baht against US dollar and the oil price which affects production and transportation costs. In response, the Company has managed and operated all aspects to minimize the potential impact. As a result, the operation overview of the year 2021 has improved from 2020.

The Company assessed and closely monitored the situation as well as adjusted strategy and operations in every aspect including administration, production, sales, and marketing in order to be in accordance with current situations such as adjusting the format and shipping plans to reduce the impact of container shortage, improve machine efficiency, and continuous develop the production process in order to have a competitive cost and reduce the impact of the change of raw material prices. Furthermore, the Company focused on product development to maintain the international standards and able to respond the various needs of customers. As well as maintaining financial stabilities performance. This includes prioritizing and promoting employees to continuously improve their knowledge, competencies, and skills. The company also establishing anti-corruption policy, guidelines for internal employees, emphasizing on the strict compliance, operation based on the principles of good corporate governance, responsible management for a sustainable society, community, and environmental responsibility.

In 2021, S.Kleber Chemical Co., Ltd. (Subsidiary) which manufacture and distribute glue and chemical, started for commercial production in the beginning of 2021. This improve company's raw material costs and be a research and development center to increase product qualities. In addition, the Company has established SKN Kraft And Paper Co., Ltd. (Subsidiary) to manufacture and distribute pulp from recycle wastepaper. This will help the Company to have a variety of products in the future. Those projects would be another significant step of the Company for boosting competitiveness driving towards the established Company's vision.

Lastly, I would like to express my gratitude to the Board of Directors, Executives, customers, shareholders, and partners who confide in our company operations, including our employees who perform duties and assignments with their responsibility. We are committed to utilizing our experiences and proficiency in working in the wood industry for over 30 years and adhering to transparency and good governance, including the Principles of Corporate Governance to drive the Company to grow steadily and sustainable together with the nature, community, and environment.

Mr. Vichai Sangwongkit

Managing Director

S.Kijchai Enterprise Public Company Limited

Part 1

Business Operations and Performance

1. Structure and Operations of the Company

1.1 Policy and business Operation overview

S.Kijchai Enterprise Public Company Limited was originally founded in 2010 under name as S.Kijchai MDF Company Limited. The company's main business activities are to manufacture and distribute MDF boards. In 2016, the company transformed into the public limited company. In 2017, the company has registered itself in the Stock Exchange of Thailand with paid-up capital of 800 million baht. The company operates under policy that focuses on creating quality products with international standards and managing in accordance with the good corporate governance as well as having responsibility to all stakeholders.

1.1.1 Vision, Mission, Goals, and Business operational strategies

Vision

The organization is determined to be one of leaders in manufacturer of wood-based panel in Southeast Asia. The company aimed to create the highest value to customer and related parties under good governance management principle. Additionally, the aim is for to obtain production standard that is high in quality for the sustainability of nature, environment, and society.

Mission

To achieve vision of the organization, the company have mission as follow:

- 1) Manufacture quality products under based on International for standardization
- 2) Aim to develop products focusing on added-value to natural substitution materials
- 3) Respond to the highest customer satisfaction in all aspects
- 4) Promote good management and business operation, develop employee to obtain moral and ethical principle as well as responsibility to society and environment as well as all related parties

Goals and Business operational strategies

With over 30 years of experiences and expertise in wood processed industry, the organization possesses an in-depth understanding of wood processed product. The business begins to expand by using wood resource and added-value from wood bits to wood-based panel. The company use new machine with advance technology for the manufacture process and imported directly from Germany. There is a strict manufacture quality control in every process. The company operates under policy that focuses in creating quality products from international standards. The company also determine to develop manufacture process to be shorter and control the amount used of raw materials to be utmost efficient. This is aim to achieve high quality MDF board that responds to needs of domestic and international clients. Moreover, the company also promote the development of employees to obtain knowledge, moral and ethical principles as well as responsibility toward society and environment.

1.1.2 Significant changes and development

Significant developments of the organization are as follow:

- 2010 : The company registered with registered capital of 600.00 million baht to operate in business to manufacture and distribute MDF board. The company began its operation in construction of factory and machine installment to manufacture MDF board at Klaeng District, Rayong province.
- 2011 : Received investment promotion certificate from the Board of Investment (BOI) and receive tax rights and other rights in related business to MDF manufacture business as stated in Investment Promotion Certificate.
- 2012 : Completed the process of machine installment and begins the test run.
- 2013 : Completed test run as the company began to operate commercially in manufacture and distribution of MDF board, the company starts to distribute to customer domestically and began to export to other countries.
 - : Certified with MDF board manufacturing standard and Thin MDF also received MUTU Certification International that is based on California Code of Regulation 93120.
- 2014 : Extraordinary session of shareholders 12/2014, the company has reached resolution to grant registered capital from 600.00 million baht to 720.00 million baht. The company agreed to release additional 1.20 million common shares with the nominal amount of 100.00 baht to propose to shareholders based on shares holdings.
 - : Received International Standardization ISO 9001:2008 which is the Quality Management System standards.
- 2015 : At the extraordinary session 4/2015, the company reached resolution to reduce paid-in capital from 720.00 million baht to 600.00 million baht.
- 2016 : Received International Standardization ISO 14001:2004 which is the Environmental Management System standards.
 - : At the extraordinary session 1/2016, the company reached resolution to incorporate the company as a public limited company and change the name to S.Kijchai Enterprise Public Company Limited. It is also registered from company limited to public company limited on 14 September, 2016.
 - : In addition, during the same extraordinary session, shareholders also reach resolution to increase registered capital from 600.00 million baht to 800.00 million baht. It also changes the nominal amount of shares from 100.00 baht to 1.00 baht. The release of 200.00 million more common shares with the nominal amount of 1.00 baht to propose to the common public for the first time and obtain common share of the company to registered in Stock Exchange of Thailand.
- 2017 : Received investment promotion certificate from the Board of Investment (BOI) for the second product line and receive tax rights and other rights in related business to MDF manufacture business as stated in Investment Promotion Certificate.

- : The company registered and began trade in Stock Exchange of Thailand for real estate and construction group in construction materials section to expand its production operation. It is also to pay a long-term loan and to use as working capital in business operations.
- : Received International Standardization ISO 9001:2015 which is the Quality Management System standards.
- 2018 : Received International Standardization of United States Environmental Protection Agency: US EPA which is the reduce Formaldehyde Emission from Composite Wood Product from MUTU Certification International.
- : Registered subsidiary company "S.Kleber Chemical Company Limited" with registered capital of 100.00 million baht to manufacture and distribute glue and chemical. The Common shares worth 10.00 baht per share with 100.00 million baht paid in capital. SKN is 100.00 percent shareholder.
- : Received International Standardization ISO 14001:2015 which is the Environmental Management System standards.
- : Completed installation and began the test run for second production line.
- : Started commercial production and distribution of MDF board from second production line.
- 2019 : At the Board of Directors of 1/2019, approved "Solar Roof" Investment Project to generate electricity for use within the factory and the Company has signed Solar Roof Investment Project Agreement on 27 July 2019.
- : Received Green Industry Level 3 (Green System) standards. which is Systematic environmental management standards including monitoring, assessment, and review for continuous improvement.
- : Received FSC- COC (Chain of Custody) standards. Which is the Company's Product are manufactured from wood of the responsible forest management.
- 2020 : The solar roof project completed installation of solar rooftop panels, started its operation and generate electricity to the system.
- 2021 : S.Kleber Chemical Company Limited (subsidiary) started commercial production of glue and chemicals.
- : Establishment of SKN Kraft and Paper Company Limited (subsidiary) to operate the business of recycle waste paper by separating the plastic and metal out, refining and drying to make recycled pulp and paper with the registered capital of 500 million baht, divided into 50,000,000 ordinary shares, at the par value of 10 Baht per share. SKN is 100 percent shareholder.

1.1.3 Rewards of Success

The Company has obtained a score of 100 from the AGM CHECKLIST of the Quality Assessment Project for the 2021 Annual General Meeting of Shareholders



The Company has obtained 4 marks from the Corporate Governance Report of Thai Listed Companies Assessment (CGR 2021).



1.1.4 Name, Headquarters Office, Type of Business, Company Registration Number, Telephone, Fax, Website, Types of Total Paid-Up Capital of the Company

The company has disclosed details in topic “Corporation information of Company” sup topic 5.1.1 “Information of Company”

1.2 Types of business

S.Kijchai Enterprise Public Company Limited previously name as S.Kijchai MDF Company Limited registered as a company on 28 September 2010 by S. Kijchai group and Sahakij group and has registered as a public company on 14 September 2016. In 2017, the company has registered itself in the Stock Exchange of Thailand on 31 December 2018 with paid-in capital of 800 million baht. The main product of the company is Medium Density Fiber Board of MDF board.

1.2.1 Revenue structures

Main revenue of the Company is from proceeds of sales which is equivalent to 99 percent of the overall earnings. Approximately 95-98 percent of the proceeds of sales are export earnings. However, domestic earning is only 2-5 percent of the Company. The revenue structures for 2019 - 2021 are display in the table below.

Overall revenue in 2019 – 2021

list of items	For the fiscal year ended December 31					
	2019		2020		2021	
	Million baht	Percentage	Million baht	Percentage	Million baht	Percentage
Proceeds of sales	2,334.51	98.26	2,466.93	99.51	4,180.40	99.71
- Export earnings	2,257.43	95.02	2,359.57	95.18	4,037.46	96.58
- Domestic earnings	77.08	3.24	107.36	4.33	142.95	3.42
Other types of earnings	41.22	1.74	12.18	0.49	12.04	0.29
Total earnings	2,375.73	100.00	2,479.11	100.00	4,192.44	100.00

1.2.2 Product Information

1) Types of products and services

The Company manufactures and distributes Medium Density Fiber Board or MDF Board which is a Wood-based Panel in the type of Fiber Board. It is produced from using rubber wood fiber combining with binder substance which is Urea Formaldehyde Resin Chemical glue and compound into one board.

Wood-based Panel is a product that has been apply from knowledge and technology in making wood by enables the use of different parts of wood that cannot be use and press into a wooden board. This is to substitute for the use of natural wood which is difficult to find and high price in the present day. Types of popular Wood-based panel in the furniture industry can be divided into 3 main types 1) Plywood 2) Particle Board and 3) Fiber Board. MDF which is the main product of the company is considering a Fiber Board.

Fiber Board is made by using branches or tips of tree with high floss and grind into fiber and use the fiber to press into board with high heat. Chemical glue will help to bind wood into a board. Fiber Board can be divided into 2 types based on the density which are 1) Medium Density Fiber Board or MDF and 2) High Density Fiber Board). Both types of Fiber Board have different density so the strength in term of flexibility in angles may differ. Nevertheless, these two types of fiber board use the same production process. Thus, the machine of the Company will be able to adjust accordingly to manufacture both types of wood.

Medium Density Fiber Board or MDF is a Wood-based Panel with the quality close to the nature and can be applied in different purposes. This is especially with the manufacture of furniture such as cupboard, bed or office equipment. It can also be used in construction works, decoration works and kitchen utensils such as window frame, door frame, or wall. Thus, the characteristic of MDF as manufactured by the Company are as follow.

Size of product : The size of MDF that can be manufactured by the Company is 8 feet width and 24 feet height and can be cut into smaller pieces based on customer purchasing orders.

Product : The Company can adjust the thickness level of MDF from 1.0 millimeters to 30.0 millimeters. The groups of thickness are as follow.

- **Super thin board** has thickness from 1.0 millimeters to 2.4 millimeters
- **Thin board** has thickness from 2.5 millimeters to 4.0 millimeters
- **Medium board** has thickness from 4.1 millimeters to 9.0 millimeters
- **Thick board** has thickness from 9.1 millimeters to 25.0 millimeters
- **Super thick board** has thickness from 25.1 millimeters to 30.0 millimeters

Special properties of the product: The Company manufactures and distributes the special properties MDF Board as follow.

- High Moisture Resistant MDF Board (MDF-HMR)
- FSC MDF Board (MDF-FSC)
- Fire Retardant MDF Board (MDF-FR)

Product safety standards : MDF Board that is manufactured by the Company uses Urea Formaldehyde Resin chemical glue which is a binder substance to compound fiber of the wood. The types of Urea Formaldehyde Resin that the Company use for its manufacture is categorize based on the standard in quantity measurement and the evaporation of Formaldehyde in the product based on environment standard for furniture products. There are 3 types of substance that cover the market almost around the globe as follow.

- European standards

- E1 : Formaldehyde \leq 8 milligrams per 100 grams of board
- E2 : Formaldehyde $>$ 8 milligrams but $<$ 30 milligrams per 100 grams of board

- USA standards

- CARB P2 : thickness \leq 8 millimetres, Formaldehyde \leq 0.13 ppm
- CARB P2 : thickness $>$ 8 millimetres, Formaldehyde $<$ 0.11 ppm

In 2021, the Company purchased chemical glue materials from small group of manufacturers. Some purchases were more than 30 percent of the overall purchase. The Company may encounter risk in dependency of the certain chemical glue distributors. Additionally, the Company may encounter risk regarding the glue material as shown in topic 2 “Risk Management” sub-topic 2.2.2 “Risk result from the deterioration of chemical glue materials and risk from the dependency on small number of chemical glue distributors”. Beside the glue material, the Company also depends on any supplier for wood materials equivalent to more than 30 percent of the overall purchase. This could put the Company at risk in small number of wood distributors and the Company may encounter risk related to other wood materials; such as, sufficiency of wood materials, price fluctuations, and product deterioration as show in the topic 2 “Risk Management” with sub-topic 2.2.1 “Risks related to wood materials.”

Standards/certification and interests of the Company

The Company operates according to the policy that aim to create quality in products and sustainable working standards as well as development in international standard process as certified by several institutes to respond to the needs of domestic and international customers as follow.

Standards and quality certification of the Company

Standards/Certifications	Descriptions	Month/year of first certified
MUTU Certification International	Received production standards for Medium Density Fiber Board based on California Code of Regulation 93120 standards	April 2013
MUTU Certification International	Received production standards for Thin Medium Density Fiber Board based on California Code of Regulation 93120 standards	April 2013

Standards/Certifications	Descriptions	Month/year of first certified
ISO 9001:2015	Received Quality Management System standards	December 2017
MUTU Certification International	Received International Standardization of United States Environmental Protection Agency: US EPA from MUTU Certification International.	March 2018
ISO 4001:2015	Received Environmental Management System standards	July 2018
Green Industry	Received Green Industry Level 3 (Green System) standards.	March 2019
Bureau Veritas Certification	Received FSC-COC (Chain of Custody) standards.	August 2019

Investment Promotion Certificate from the Board of Investment (BOI)

1. The Company received Investment Promotion Certificate Reference 1364(2)/2011 from the Board of Investment for the first production line since 21 February 2011. The Company receives tax rights that consist of exemption of import duty for machine and juristic person income tax exemption with the total value of no more than 1,461,388,776.82 baht for the total of 8 years since the start of revenue from business. The Company also has been allowed to not acquire dividend from the business received from the Investment Promotion Certificate to calculate and pay for income tax for the whole period of the certificate juristic person income tax exemption. (With the end date on 6 January 2021)
2. The Company received Investment Promotion Certificate Reference 60-0836-1-00-1-0 from the Board of Investment for the second production line since 4 July 2017 and has received tax rights which consist of exemption of import duty for machine and juristic person income tax exemption with the total value of no more than 1,928,000,000 baht for 3 years from the start of the revenue from business. The Company also has been allowed to not acquire dividend from the business received from the Investment Promotion Certificate to calculate and pay for income tax for the whole period of the certificate juristic person income tax exemption. Thus, the Company received extension of tax rights for the second production line for additional 5 years after the first session of tax right has expired. Which received the right for 8 years since the start of revenue from business.

2) Market and competition

In 2021, the Company's marketing activities aim to operate in accordance with the vision and mission by focusing on sell products with special thickness or properties, increase the sale ratio of customer in new regions and the ratio of direct sales channels. Additionally, the Company also keeps monitoring the changing situation, or any situations that may affect sales and marketing both directly and indirectly. Including keep contact with customers through various channels according to the situation for a timely response.

Types of customer and target customers

The Company is determined to expand its customer base to cover all regions in the global stage by focusing on creating the highest value to customers in all aspects with good service and quality products from international standards. Most of the products of the Company are a Custom Made order with small number of products that is manufacture for Made to Stock. The ratio of the import earning is equivalent to 95 - 98 of total earnings of the Company.

The target group of the Company domestically and internationally can be divided into 3 main groups as follow.

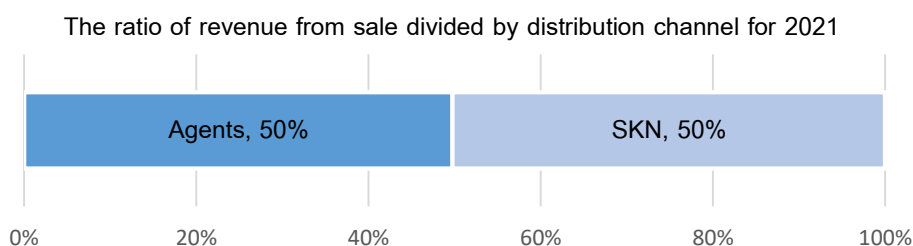
1. **Wholesalers / Distributors** This group of customers will have their own customer base which could be large scale wholesalers who will works as an agent in importing and expand MDF board and other construction materials to their own customer base. This group of customer usually purchase high volume and purchase consistently.
2. **Furniture manufacturers and construction companies** will purchase MDF board as a raw material to produce products or use as materials for manufacture of furniture, interior decoration or as part of Built-in furniture.
3. **Wood laminate factory** will purchase MDF board to operate in additional production process by adding to wood surface with Veneers wood or Melamine board before distribute to furniture factory, construction companies, or other distributors.

Main group of the Company's customers are international clients especially in Asia Pacific region including Southeast Asia and the Middle East. Thus, for general international customers, the Company will set prices in 2 types which are. This is according to the needs of the customers.

- 1) Free on Board Loading Port (FOB) price which is price of products in the case that the Company will be responsible for shipping expenses until the freight
- 2) Cost and Freight (CFR) price which is price of products that including freightage.
- 3) Other selling price include Ex Works (EXW) and Free Alongside Ship (FAS)

Distribution channels

Distribution channels of the Company can be divided into 2 main channels which are through agents or direct sales to the customers. The ratio of distribution channel through agents and direct sales to customers is equivalent to 50 percent and 50 percent from overall earnings, respectively.



Thus, the Company has a strategic plan for sales and marketing activities by focusing on direct sales to both existing customers and new market through different distribution channels. The Company also continually studies and develop products to respond the various needs of customers. Including study new market in other countries or regions to seek for growing potential market of the MDF board product. As a result, in 2021 the sales in new regions have increased accordingly to the plan.

However, in 2020 and 2021, the Company did not sales through any agents more than 30 percent of the overall sales. The details are shown in topic 2 “Risk Management”, sub-topic 2.2.9 “Risk from dependency of major agents.”

Competition strategy

With experiences and high expertise in wood-panel industry for more than 30 years, the Company has an in-depth understanding with wood-based panel manufacture. The Company uses new imported machine from Germany whom are leader in wood-based panel technology with advance and modern machine, strictly control in all productions process as well as determine to develop production process to be short and precise. The Company also controls the use of raw materials to be utmost effective and product development to increase competitiveness resulting in the Company ability to manufacture quality MDF board, delivers to the customers on time, and there're products to responds the various needs of customers, continues to maintain trading relations.

The company has arranged customer satisfaction assessment to use such information to improve products and services to respond the utmost needs of customers. In 2020, the Company has a good response from customers both in quality, delivery, packing, and service. This will ensure that the Company able to manufacture products and services to respond the needs of customers and create utmost value for customers.



Industry conditions

Wood-based panel industry

Wood-based panel is a raw material that can be used in different industries. The main industries are furniture industry and construction materials industry. For the construction materials, it will be used as floor, pillar structures, doorframe, and window frame. In general, wood-based panel is divided into 2 types based on the types of product which are Sawn timber and wood-based panel.

- 1) Sawn Timber is using large trunk to cut into an appropriate size and quality and press as well as coated with chemical solutions to maintain the quality before distribution. Sawn Timber produced from several types of perennial plants which is a hardwood; teak, Burma Padauk, rosewood, and Siamese Rosewood. The example of soft wood is rubber wood.
- 2) Wood-based Panel is a product that applied from knowledge and technology by using different minor parts of tree from the wood-based process such as wood bits and pieces that are too small to use as sawn timber including branches and tips to adjust into wood-based panel. This will be a substitute product as large piece of trunk is rare and has high price in the present day.

MDF industry

MDF board raises its popularity to manufacture furniture and decorations as it has closest quality to the natural wood with lower price when comparing to others natural wood. However, the outbreak of the Coronavirus Disease 2019 (COVID-19), which rapidly spread around the world for a long time. Due to the interruption of economic activity affect the world economy slowdown and consumers purchasing power which the natural wood group was also affected during that time in 2020. At present, the Company expects that the economy will begin to recover and may result in the demand for MDF board and other natural wood tends to improve when the Coronavirus Disease 2019 (COVID-19) is resolved.

Competitive situations

The competition in MDF board industry is mainly a competition in the international market. This is because important markets of the Company as well as other manufacturers in Thailand are international customers. Thailand is also one of the key manufacturers and distributors of MDF in the global stages for several years.

MDF manufacturers in Thailand

Thailand is considered one of the leading countries for MDF board manufacturer to distribute in Southeast Asia and in the global stage. The main export markets for major manufacturers in Thailand are countries in the Middle East, Vietnam, Taiwan and United States of America.

According to the statistic collected and disclosed in website, it showed the amount of MDF board manufacture in Thailand that has continuously grow. As main factories of MDF manufacturers in the country usually will locate in the South or Eastern part of Thailand. This is because it is located near important rubber plantation. In the present day, the production capacity of 9 major distributors in the year of 2021 is equivalent to 5.19 million cubic meters per year. If taking into consideration of the highest production capacity of the Company that is equivalent to 500,000 cubic meters per year, it will be equivalent to 9.64 percent of the country's production capacity. Thus, the Company is a medium scale manufacturer in the industry. However, although the Company's production capacity is not high when compared to the major manufacturers of the country, but the company keeps developing competitiveness in order to produce quality products to responds the utmost needs of customers.

The production capacity of major MDF board manufacturers in Thailand

Company	Location	Highest manufacture volume in MDF production (cubic meter per year)
Metro M.D.F Company Limited	Nonthaburi Kanchanaburi	1,380,000
Vanachai Public Company Limited	Chonburi Saraburi Suratthani	1,120,000
Panel Plus Company Limited	Songkhla	670,000
Siam Fiber Board Company Limited	Songkhla	570,000
S.Kijchai Enterprise Public Company Limited ("the Company")	Rayong	500,000
Seangsiri Parawood Company Limited	Surat Thani	270,000
Rayong MDF Company Limited	Rayong	256,700
Wise wood Company Limited	Phetchaburi	240,000
Agro Fiber Company Limited	Prachinburi	100,000
Total		5,186,700

Source : Information from companies and list of annual company information (form 56-1) /annual report and each company websites

3) Products and services acquisition

Production base and production capacity

At present, the Company has one MDF board factory which is located at Klaeng district, Rayong province with the total area of 211-0-60 rai. The factory production operation on a daily basis for 24 hours which consist of two production line.

1st Production line: The highest capacity of first production line is approximately 20,000 cubic meters per month.

2nd Production line: The highest production capacity is approximately 21,600 cubic meters per month.

In 2021, both of production lines used approximately over 90 percent of highest production capacity.

The main machine of the Company is import from Germany who is the leader in machine manufacturer of different types of Wood-based panel that is widely accepted globally. The machine of the Company is an automatic continuous process that uses advanced technology in production and control all command with computers. In addition, the machine manufacturer also has assistance team that supports for any issues or errors of the machine through 24 hours online system.

Previously, the Company prioritizes the quality and efficiency of the production process. There is also an improvement of machine and factory efficiency. It focuses on maintenance of the machine, security system and preventive maintenance. Additionally, the Company also continuously improve the production process by obtain production data in the past to analyze and improve production formula. This is so it will be suitable for the

machine and products in each work and plan production by specify types of machine and types of raw material to create consistency to prevent the loss during production process and shorten the time of production process.

Production processes

The production processes of the Company in manufacture MDF board are as follow.

The first step of production process starts from preparing the raw material by bringing wood raw material in to Debarker machine to be left only the trunk. The trunk will be cut into chips and will be deliver to the steamed process to soften the wood and grind it to fiber. Urea Formaldehyde will be injected to bind wood fiber together as it will enter the process of Dryer as well as contaminant segregation process. This will reduce other contaminants to dry the wood fiber and reduce contaminant. Next step is to put into wood forming machine and to the process of pressing the wood with high pressure and heat. This will transform the wood fiber into a hard board (Master Board) , then waiting for the board to cool down and harden. The next process will be sanding and cutting the board. There will be a quality control for the entire production process. The product that has passed quality control will be packed and store in a warehouse for further shipment.

Raw materials acquisition for production

The main raw materials that use to manufacturer MDF board are divided into 3 main types which are 1) rubber wood materials 2) chemical glue in the form of Urea Formaldehyde Resin and 3) other chemical substances such as Ammonium Chloride (adhesives agent) , Urea substance and wax. The main materials of the Company such as raw materials, rubber wood, chemical glue and other substances can be found from resources in the country. The acquisitions for each type of raw materials are as follow.

1. Rubber wood materials

At present, almost every wood material of the Company for the manufacture of MDF board comes from branches and tips of rubber wood as well as other parts of rubber wood with the diameters between 2-6 inches. Additionally, beside rubber wood, other wood with high fiber including eucalyptus is also use to manufacture MDF board. Since rubber wood is an economic plant with high volume of planting in the country as well as in the Eastern region of the country, where the factory of the Company is located, the Company decided to use rubber wood as the main material in production.

The main source of rubber wood materials of the Company came from the rubber plantation in the Eastern part of the country. The area will cover from Rayong, Chantaburi, Trat, Prachinburi, Chachoeongsao, and Sra Kaeo. In addition, the Company also purchase rubber wood materials from other regions of Thailand to diversify the Company's raw material sources. At present, the Company is also open for purchase of wood branches and rubber wood tips from minor wholesalers, wood agents or sawmills. These groups will mainly take rubber plantation in each area and distribute to the Company. The process of purchase will be based on the policy in wood materials purchase which will take into consideration from the market price in the purchase of wood and the amount of production needs in each period.

2. Chemical glue materials

Urea Formaldehyde Resin is an important raw material for the production process of the Company. It is used as a fiber binder substance to press into a board. At present, there are several types of Urea Formaldehyde that the Company purchased for its production process. Each type will differ in terms of Formaldehyde substance and other ratio of chemical solutions mix in the chemical glue. Glue is an important raw material and the quality of the chemical glue will affect directly to the efficiency and quality of the product. This has resulted in the fact that in the present day that the Company purchases Urea Formaldehyde Resin from the factories that have their own factories and has passed quality control test. However, S.Kleber Chemical Company Limited, the subsidiary. This will ensure that the Company will have a good quality raw materials source to use in production. The factors that the Company uses to select the distributors will depend on the type of chemical glue that the Company needs to purchase and the proposed price in each time. Each type of chemical glue is different and the purchase from different distributors will be stored in different places to prevent the chemical to be confused which may result in the quality of the glue and products..

3. Other chemical materials

There is a small ratio in production process for other chemical substances when comparing to wood raw material and chemical glue materials. The main materials are Urea and wax. Other materials that the Company uses can also be sourced within the country. Nevertheless, the Company will have contact lists for each of distributors for each type of chemical substance. The Company will consistently compare the price and quality before making a purchase. Most chemical substances can be purchased from distributors in the country. Only some types of substance will need to be purchased from abroad which will also depend on the proposed price in comparison.

In 2021, the Company purchased chemical glue material from a small group of large-scale manufacturer. There was a purchase of more than 30 percent from the overall purchases to some of the distributor. The Company may encounter the risk of distributor dependency for chemical glue. This can be shown in the details in topic 2 “Risk Management”, sub-topic 2.2.2 “Risk result from the deterioration of chemical glue materials and risk from the dependency on small groups of chemical glue distributors”. Besides glue material, the Company also depends on any supplier for wood materials equivalent to more than 30 percent of the overall purchases. This could result in the Company to encounter risk in dependency on a small number of wood distributors. Additionally, the Company will also encounter other risks related to wood materials such as sufficiency of wood materials, price fluctuation, and product deterioration as shown in topic 2 “Risk Management”, sub-topic 2.2.1 “Risk factors related to wood materials.”

4) Assets Used in Business Operations

Main Fixed Assets in Business Operations

S.Kijchai Enterprise Public Company Limited

As of 31 December 2021, the Company has total fixed asset 2,570.71 million baht. The main fixed assets in the Company's production shown as follows

Item	Characteristics of Ownership	Net value (Million Bath)	Obligations
Land 1 plot (211-0-60 rai)	Owner	197.04	Collateral for loans from financial institutions
Buildings and Structures	Owner	389.04	Collateral for loans from financial institutions
Machine and Equipment	Owner	1,845.98	Collateral for loans from financial institutions
Total main fixed assets		2,432.06	
Other fixed assets		138.64	
Total fixed assets		2,570.07	

S.Kleber Chemical Company Limited

As of 31 December 2021, S.Kleber Chemical Company Limited has total fixed asset 383.48 million baht. The main fixed assets in the Company's production shown as follows

Item	Characteristics of Ownership	Net value (Million Bath)	Obligations
Land 1 plot (9-2-38.1 rai)	Owner	32.14	Collateral for loans from financial institutions
Buildings and Structures	Owner	102.79	Collateral for loans from financial institutions
Machine and Equipment	Owner	188.13	Collateral for loans from financial institutions
Total main fixed assets		323.06	
Other fixed assets		60.42	
Total fixed assets		383.48	

SKN Kraft and Paper Company Limited

As of 31 December 2021, SKN Kraft and Paper Company Limited does not have total fixed asset due to the subsidiary was registered with the Ministry of Commerce on 4 November 2021.

Investment in subsidiaries and joint venture company Policy

The Company has the policy to invest in any subsidiaries and associates having relevant objectives of business operations or any entities supporting the Company's short- and long-term business operations and focuses on investment in any entities having growth potential and generating satisfying investment returns. For any investment in subsidiaries or associates, the Company has to take into account the necessity, suitability and benefit of the Company and its shareholders.

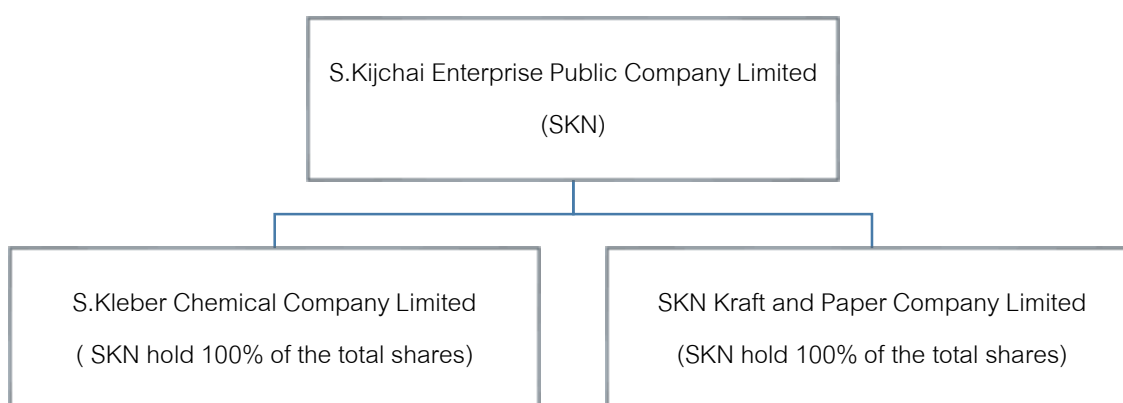
5) Incomplete Delivery

None

1.3 Shareholder Structure of the Group

1.3.1 Shareholder Structure of the Group

On 31 December 2020, the Company and subsidiary company have the shareholder structure is as follow:



1.3.2 The Investments in subsidiary and other companies

The Company has the policy to invest in any subsidiaries and associates that having relevant objectives or supporting the Company's short and long-term business operations. The Company has invested as of 31 December 2021 as follows

Company name	Type of business	Paid-in capital (Bath.)	Types and prices of shares (%)
S. Kleber Chemical Company Limited	Manufacture and distribution of MDF board	100,000,000	100
SKN Kraft and Paper Company Limited	Operate the business of recycle wastepaper by separating the plastic and metal out, refining and drying to make recycled pulp and paper	200,000,000	100

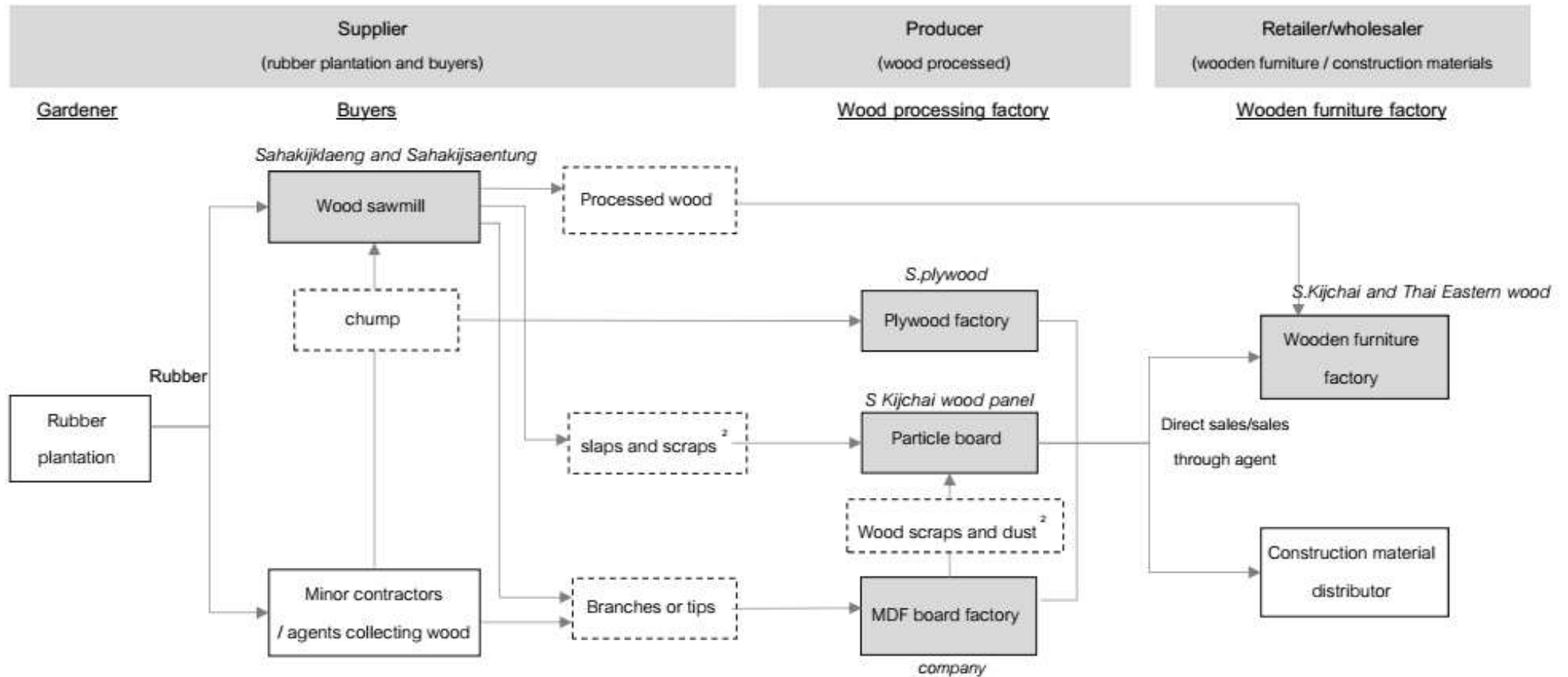
1.3.3 Major shareholder relations

Two main shareholder groups are S. Kijchai Group and Sahakij group. Thus, the details of each company that possess shares by S. Kijchai and Sahakij as well as rubber wood business operations in industry can be conclude as follow.

Company name	Year of establish	Type of business	Provinces	Shareholders (%)		
				S.Kijchai Group	Sahakij Group	Others
S.Kijchai Co., Ltd.	1981	Furniture manufacture and distribution	Rayong	100.00	-	-
Sahakijklaeng Co., Ltd.	1992	Rubber wood sawmill	Rayong	-	100.00	-
Thai Eastern Wood (1987) Co., Ltd.	1994	Furniture manufacture and distribution	Rayong	84.22	15.78	-
S.Kijchai Wood Panel Co., Ltd.	1997	Manufacture and distribution of Particle board and fuel briquettes	Rayong	100.00	-	-
S.E.P Worldwide Co., Ltd.	2002	Rubber wood sawmill	Phang Nga	33.33	-	66.67
Sahakij Saentung Co., Ltd.	2003	Rubber wood sawmill	Trat	-	100.00	-
S.Plywood Co., Ltd.	2004	Manufacture and distribution of plywood	Rayong	50.00	50.00	-
Klaeng Packing Wood Co., Ltd.	2004	Manufacture and distribution of pallet wood	Rayong	-	40.00	60.00
S.Kijchai Enterprise PCL. “the Company” ^{1/}	2010	Manufacture and distribution of MDF board	Rayong	52.97	24.87	22.15
S.Kijchai Bueng Kan Co., Ltd.	2015	Rubber wood sawmill	Bueng Kan	100.00	-	-
Sahakij Trat Co., Ltd	2016	Rubber wood sawmill	Trat	-	100.00	-

^{1/} Information of shareholding proportion as at 17 January 2022

Supply Chain diagram for rubber wood processing industry and S.Kijchai group and Sahakij group within the chain



Remark: ¹ Sawmills that contract directly from rubber plantation owner mainly will be a large scale sawmills. However, a smaller scale sawmills will mainly use the method of purchasing chump from minor contractors or agents.

² Wood scraps and bits are by-product of wood processed from sawmills and wood bits and dust is by-product of MDF board manufacture process.

This means current operated business that consists of company that obtain shares by S.Kijchai Group and/or Sahakij Group

1) Relations between company and shareholders group with related business operations

Two shareholders groups are S.Kijchai group and Sahakij group, both possess high experiences and expertise in different business related to rubber wood industry for over 30 years. Both groups operated wood sawmill business, which consist of, procure rubber plantation to eliminate rubber plant and segregate each part of rubber wood. The next process is to deliver raw materials to wood panel factory under the operation of company's shareholders that operate business in manufacture and distribution of plywood board, particleboard, and MDF board. The product received from wood panel factory will be further use as materials for furniture manufacture factory.

Business operations of Sahakij Klaeng and Sahakij Saentung consist of related business transactions

These two companies operated in business that interrelated by purchasing wood raw materials from Sahakij Klaeng and Sahakij Saentung. All two companies operated wood sawmill business by purchasing rubber plantation. They will use large trunks to use as raw materials for sawmill and use the other remnants such as branches and tips to distribute to the company. This is to prevent the conflict of interest between business transactions to other shareholder companies. S.Kijchai group and Sahakij group compile interrelate policy to use as a practical approach as well as processes to maintain and operate to ensure the confident that the business relations of companies under both groups will be transparent with clarity.

The company also compile policy regarding the purchase of wood raw materials to specify standardized method. This is to set standard price to every sellers without taking into consideration whether the seller is third party or company under the operation of third party or related companies. However, it is aim to consider the adequacy of raw materials and most importantly, benefits to the company.

Business operations and product line of S.Kijchai Wood Panel and S.Plywood possess some similarities

S.Kijchai Wood Panel and S.Plywood operate business that is similar to those of the company. Each company manufacture and distribute Wood-based panel in different types. The products of S.Kijchai Wood panel, S.Plywood and the company are particleboard, plywood board, and MDF board, respectively. Each product is often use in decoration and construction industry as well as furniture manufacture industry.

Nevertheless, if evaluate from the basis of business operations from both companies, it can be seen that in the future they might build business in manufacture and distribute MDF board to compete with the company. However, this has lower possibility that it could lead in the conflict of interest because each type of machine and type of board process differs. Thus, if S.Kijchai Wood Panel and S. Plywood begins operate MDF board business, they will need to install new machine, which will use high cost of investment. Moreover, S.Kijchai Wood Panel have cease production of particleboard since February 2016 and still do not have plan to re-manufacture particleboard. Additionally, S.Kijchai Group and Sahakij have policy to expand business and distribute fiber board through the company investment.

The company has created policy on Non- Competition Agreement with shareholders and board of every S. Plywood and S. Kijchai Wood Panel as well as parties in Sahakij Group whom are not part of shareholders as well as board members of S. Plywood and S. Kijchai Wood Panel. This is to show the intention in not operate or create business transaction in the future that will be compete against the company. The types of business are MDF board business, fiberboard business, and particleboard business. This is to prevent business competition, which could arise in the future.

- 2) Relations between the company and its related parties toward other companies that also obtain the name of 'S.Kijchai' similar to the name of the company.

The major shareholders of the company operate different types of business related to rubber wood panel for a long period. The company was established to operate on related business in several companies. Companies that S.Kijchai took parts in and became the major shareholder will consist of "S.Kijchai" after the name of the shareholder. Thus, the related companies will consist of "S.Kijchai" similar to the company that operate in the business regarding rubber wood panel industry: 1) S.Kijchai Co., Ltd. 2) S.Kijchai Wood Panel Co., Ltd. and 3) S.Kijchai Bueng Kan Co., Ltd.

However, although the name of three companies consist of "S.Kijchai" similar to the company but the relation of the stated company will be through the major shareholder and joint board members as well as interrelate business only. This is the regular business transaction of the company and it does not have further relation as a subsidiary or joint venture of the company.

Thus in 2021, the transactions achieved by the company toward related parties have rationale and necessity for specific transactions. The details are shown in topic 9 "Internal Control and Connected Transactions", sub-topic 2.1 "Connected transactions between companies/related parties".

1.3.4 Shareholders

1) Shareholder Structure

As of 31 December 2021, the company's share distribution is as show in the following table.

Shareholders	Number of shares	% shares
Paid-up registered capital	800,000,000	100.00
Thai shareholders	795,805,100	99.48
- Juristic persons	419,848,817	52.48
- Natural persons	375,956,283	47.00
Non-Thai shareholders	4,194,900	0.52
- Juristic persons	3,771,800	0.47
- Natural persons	423,100	0.05

2) Name lists of the major shareholders

(a) Name lists and acquired shares of the top 10 highest shareholder on Record Date on January 2022

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No.	Shareholders	Acquired shares	%
1	S.Kijchai Capital Co.,Ltd	400,800,000	50.100
2	Mr. Sanguan Saengwongkij	54,600,000	6.825
3	Mr. Somnuk Sangwongkij	52,500,000	6.563
4	Thai NVDR Company Limited	18,610,217	2.326
5	Mrs. Malai Tangsupa-anan	15,910,000	1.989
6	Mr. Surasuk Saengwongkij	15,850,000	1.981
7	Mr. Somwang Thorananoppakao	14,497,000	1.812
8	Mr. Surasit Saengwongkij	13,715,700	1.714
9	Ms. Suchitra Saengwongkij	13,310,000	1.664
10	Mrs. Supacha Charoensermakul	13,222,000	1.653
11	Minor shareholders	186,985,083	23.373
Total		800,000,000	100.000

(b) Details of shareholder of S Kijchai Capital.Co.,Ltd. (which is a Holding Company) updated on 31 December 2021

No.	Shareholders	Acquired shares	Percentage of total shares (%)
1	Mrs.Natthaporn Arayaprakarn	100,000	10.00
2	Miss Natnaree Arayaprakarn	50,000	5.00
3	Miss Kanokporn Arayaprakarn	50,000	5.00
4	Mrs. Kitiya Niebler	50,000	5.00
5	Miss Ratikorn Sangvongkit	50,000	5.00
6	Mr. Chalinwath Saengvongkij	50,000	5.00
7	Miss Vichuta Saengvongkij	50,000	5.00
8	Miss Thanyathon Saengvongkij	50,000	5.00
9	Miss Sunisa Sangwongkij	50,000	5.00
10	Mr. Chaiwat Taweepiriya	50,000	5.00
11	Mr. Kunanon Taweepiriya	50,000	5.00
12	Miss Varisara Taweepiriya	50,000	5.00
13	Miss Variya Taweepiriya	50,000	5.00
14	Mr. Vichai Sangwongkit	50,000	5.00
15	Mrs. Aimorn Sangwongkit	50,000	5.00
16	Miss Orawan Sangwongkit	50,000	5.00

No.	Shareholders	Acquired shares	Percentage of total shares (%)
17	Mr. Harnsiri Sangwongkit	50,000	5.00
18	Mr. Harnkij Sangwongkit	50,000	5.00
19	Mrs. Supa Saengvongkij	30,000	3.00
20	Mr. Vichien Saengvongkij	20,000	2.00
Total		1,000,000	100.00

- 3) **The Shareholding agreement** between major shareholders and the Company will affect the Offerings or the management of the Company. The agreement consists of the cosigner companies.

Name of : - Agreement on First Right of Refusal dated on 20 October 2016
contract

- The agreement for First Right of Refusal will end on 18 November 2016
- The revision of agreement on First Right of Refusal on 18 November 2016

Types of : Agreement on First Right of Refusal regarding the purchase of rubber wood
contract

Partners of : - S.Kijchai Enterprise PCL. ("the Company")
contract

- Sahakijklaeng Co., Ltd
- Sahakij Saentung Co., Ltd
- SahakijTrad Co., Ltd *

(*The related cosigner agreed to have SahakijTrad Co., Ltd to end its role as a cosigner in the First Right of Refusal agreement. It is considered void and ineffective as a cosigner to SahakijTrad Co., Ltd, according to the end of cosigner agreement of First Right of Refusal agreement, dated 18 November 2016)

Types of : (1) Some of major shareholders within the Company is also a shareholder and/or
relation board member of Sahakijklaeng Co., Ltd
(2) Some of major shareholders within the Company is also a shareholder and/or
board member of Sahakij Saentung Co., Ltd

1.4 Registered Capital

The company has a registered capital of 800,000,000 baht and a paid-up capital of 800,000,000 baht, divided into

- 1) Ordinary shares 800,000,000 shares at the par value of 1 Baht per share, listed on the Stock Exchange of Thailand
- 2) Preference shares - None -

1.5 Issuance of other securities

- None -

1.6 Dividend payment policy

The company and subsidiary company have a policy to pay dividend in the rate that is not less than 40 percent of net profit from specific business financial budget. This is after the tax deduction from juristic person and any substitution deduction based on the law. It is also base on the regulation of the company. Nevertheless, the rate in paying dividend from the policy can be change accordingly basing on business turnover, investment plan, future business expansion, market condition, suitability, and other factors related to business transaction as see fit by the board members. This will be under the condition that company will possess adequate amount of capital for business operation. In addition, that the operation will be utmost beneficial to the shareholders as see fit by company board members and/or company shareholders.

List of items	Year 2019	Year 2020	Year 2021
Earning per share	0.08	0.22	0.97
Dividend (Baht/share)	0.0306	0.1687	0.28
- Interim Dividend Payment (Baht/share)	-	0.1687	-
- Annual Dividend Payment (Baht/share)	0.0306	-	0.28
Dividend payout ratio (%)	40.07	80.86	30.00

2. Risk Management

2.1 Risk Management Policy and Plans

Realize the importance of the corporate governance code to drive the organization for stability and sustainable growth. Therefore, the Company deems reasonable to implement the risk management system in accordance with the operational scope and risk management procedures conforming with the criteria of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which is an international standard, so that related parties will have more understanding in the principles of risk management and properly apply them. The Risk Management Policy is determined as follows:

1. Determine risk management as the responsibility of employees at all levels who have to realize possible operational risks in both their own department and overall organization and also the importance of risk management to an adequate and proper level
2. Require all departments to have the duty of risk assessment, determination of risk indicators, risk prevention and mitigation or possible loss, regular monitoring and evaluation of risk management results and preparation of reports concerning risks according to the operational scope and risk management procedures
3. Determine risk management process as a part of decision-making and planning of strategies, plans and operations of the Company
4. When any employee found or knew about any risk possibly affecting the Company, he/she shall immediately report such risk to related parties in order to deal with it
5. Determined to continually support and promote knowledge and understanding in risk management process and approaches among executives and employees in order to encourage personal at all levels to realize the importance and participation in the organization's risk management

2.2 Risk factor in business operations

2.2.1 Risk related to wood materials

Rubber wood is the main material of the company. It is agricultural products that use time to plant as well as log process. The collection of large number of wood to use as a raw material of the Company will need to use agent to collect wood. It will also need to use sawmill to seek and collect wood materials. The price of the wood materials may fluctuate depend on different factors from each period. Thus, the company will have risks related to wood material as follow

1) The sufficiency of wood materials

From the research, it is found that in the present day, the quantity of rubber wood material and the amount of log in an average per year in Eastern part of Thailand is sufficient. It will respond to an increasing demand of production. Additionally, in the neighboring region also grows rubber wood plantation that is high in volume and can be a secondary resource of raw materials in the future.

2) The dependency of small number of major wood materials supplier

In 2019 and 2020, there is over 30 percent of wood materials purchase from any supplier combined from the overall purchase orders. The purchase is considered as a dependency on small number of major suppliers that could affect business turnover significantly. Nevertheless, the Company has contact additional large scale wood material supplier consistently. There is also a distinct regulation in the operation of purchase of wood materials as well as a memorandum on 'Right of First Refusal' to both suppliers. This is a measurement that will offer right to the Company

to purchase wood materials from both suppliers first. This is to ensure that the Company will be able to continuously seek wood raw materials.

3) Related party wood supplier could result in disorder 'Arm's Length basis' if company have inefficient internal control

Nevertheless, the purchase of woods from all distributors will based on regulations for wood materials purchase to be fair and appropriate. There is also an appointed of wood purchase committee to investigate the process of wood materials purchase and report to board members in every quarter.

4) The fluctuation of wood materials price

The Company always following up with the situation regarding wood material price and the Company will set the price to purchase wood based on the information from wood materials market survey. The Company will also take into consideration the amount of wood that the Company need so the Company will be able to control the material cost to be appropriate and based on the market conditions. The Company will also adjust sales strategic to correspond to the fluctuation of conditions in material cost.

5) The deterioration of wood materials if kept for long period of time

Wood material is a type of material that circulate all the time as the Company also uses and manage in the 'First in First Out' method. Additionally, the Company also plans in advance; this is so the Company will acknowledge the amount of needed wood material to efficiently engage in Company's wood purchase plan.

2.2.2 Risk result from the deterioration of chemical glue materials and risk from the dependency on small groups of chemical glue distributors

The Company uses Urea-formaldehyde chemical glue as one of the main raw material to produce MDF board. The chemical glue has high risk to deteriorate if kept for long period of time. The Company also tends to purchase chemical glue from small groups of large manufacturers. This is due to the fact that the manufacturers occupy their own chemical glue factories so they will be able to distribute chemical glue certainly and in a short period. They also have an effective production plan result in the fact that the Company will be able to plan the purchase to correspond to the usage without storing high volume of chemical glue. However, S.Kleber Chemical Company Limited (subsidiary) started operation in the second quarter of 2021. This ensure that the Company will receive quality chemical glue and help to reduce the risk from few amount of chemical glue distributors dependency.

2.2.3 Risk results on dependency of export market that may concentrated only in some region

Main revenue of the Company derived from exporting product to abroad. The main export market of the Company is the Middle East. Thus, the Company will encounter risk if there is any incident that could affect the regional market to cancel or reduce the quantity of purchase orders from the Company or occurs the situation that unable to export products to those countries. Nevertheless, the Company has a market strategic plan to focuses on expand the sales to other countries and aimed to expand market in new countries to reduce the risk of dependency on export to certain countries.

2.2.4 Risk related to currencies exchange

Main revenue of the Company is from the export which will use US dollars as a main payment currency for the product. The capital cost and main expenses of the Company is in Thai baht. The Company will encounter risk from currency mismatch between revenue, capital, and expenses. Nevertheless, the Company uses several financial tools to manage the risk. The

Company will also encounter risk if the currency exchange of the competitor countries of US dollars depreciates when comparing to Thai baht to US dollars. This will result in the exporter of certain country to have advantage from setting price based on the depreciation of the currency. This will affect the business operation of the company. Nevertheless, the Company also consistently following up with the currency exchange fluctuation, this will enables the Company to adjust to sales plan accordingly.

2.2.5 Risk from the expiration of tax right of Investment Promotion Certificate from the Board of Investment (BOI)

The Company receives tax right from the Board of Investment which is the tax exemption from juristic person. For the net profit from business turnover of the production line 1 for the total of 8 years, it expired on 6 January 2021. It values at no more than 1,461.38 million baht and for the production line 2 which also received import duty for machine and juristic person tax exemption no more than 1,928.00 million baht for the period of 3 years, it expired by 30 September 2021. Thus, if the Company completed the full amount of tax rights or the Investment Promotion Certificate has expired, this will result in the Company increased in tax expenses. It will also affect the net profit of the Company. Thus, the Company received extension of tax rights for the second production line for additional 5 years after the first session of tax right has expired.

2.2.6 Risk from fires

One of the main material for production of the Company are wood and chemical glue as well as the product of the company is MDF board. This is a combustible material. Thus, the Company will encounter a risk of fire. Nevertheless, the Company has control measures for hot work and installed fire prevention system within its production line as well as install fire extinguishers in each area of the factory. There are also basic fire fighting training and consistent fire safety training. The Company also acquires a property damage insurance.

2.2.7 Risk from consumers use other wood substitution product

MDF board is part of Wood-based Panel which has a quality similar to sawn timber but in a lower price when in comparison. In the future, if there is a development in production technology that can produce product with similar quality as to MDF board in a price and capital cost that is lower. The Company could encounter risk from consumers to use other wood-based panel substitution product. This will result in the negative effect toward purchasing orders and the Company business turnover. Nevertheless, MDF board has been research and developed for over 30 years and is prefer to use to manufacture furniture continuously. If the consumers prefer to use other substitution, the Company sees that the change will not be instant and the Company predicts that it will be able to adjust to correspond to the trend and direction of the industry.

2.2.8 Risk from 'Countervailing Duty' from countries that imported products of the company

At present, the import countries of MDF board announce a Countervailing Duty. India announces a Countervailing Duty for the Fiberboards import transections from countries that export Fiberboards to India including Indonesia, Malaysia, Sri Lanka, Thailand, and Vietnam. Which the announcement of such measures has resulted in the importer of MDF have a chance to encounter a higher capital cost from additional tax. The Company will encounter risk from the importer from India that could cancel or reduce the amount of purchasing order from the Company. Nevertheless, the Company export to India in a ratio that is insignificant. Thus, the Company has joined to review on Countervailing Duty as above, which the Company is in the process of review according to such measure. So the company believes it will be able to reduce negative effect and able to manage the risk and will not significantly affect business operations of the Company.

2.2.9 Risk from dependency of major agents

In 2016, the Company sold its product through major agent which is more than 30 percent of total sales. Thus, the Company will encounter risk if the agent cancel the agreement or did not present company product on sales in the future. Nevertheless, the Company has a plan to increase product distribution through other agents as well as increase number of new agents. The Company also plans to increase the ratio of sales by direct sales to the customer to reduce the risk of agents' dependency. Since 2017, there are not any major agent who take more than 30 percent of total sales.

2.2.10 Risk from epidemic

The outbreak of the Coronavirus Disease 2019 (COVID-19), which has been continuously spreading since 2020 to the present. Which makes the business and industry directly affected by the above situation. As a result, the global economic conditions are uncertain. Therefore, the Company has a risk of receiving decrease orders from both domestic and foreign customers or causing to postpone the delivery of products due to the customer's countries has an announcement to close the countries (Lockdown) so it impossible to receive the product or may encounter container shortage. Including may result in the production shutdown from the spread of disease. However, the Company has negotiated with customers to find shipping options and closely monitor the situation. In order to assess the situation and plan to handle such situations in time and set guidelines for employees to prevent and avoid any risk that may occur.

2.3 Risk in management

2.3.1 Risk from company structures that could lead to the conflict of interest

Two major shareholders are S.Kijchai group and Sahakij group also have a wood-based panel factors with a business operations similar to the Company which are 1) S.Kijchai Wood Panel and 2) S. Plywood. Each of the company manufactures and distributes different types of Wood-based Panel. However, business of both companies differs from the Company in several areas; for example, raw material, and production process, usage, and target groups. Additionally, the Company also has a Non-Competition Agreement to prevent competition in business that could arise in the future.

2.3.2 Risk from investment of shareholders

The Company could encounter risk from the fact that the Company has 2 groups of major shareholders which are S Kijchai group (hold shares in the name of S. Kijchai Capital) and Sahakij group. Both have combined shares more than 75 percent of the overall purchasable shares. Minor shareholder could encounter risk from the fact that major shareholders will be able to control the resolution of the shareholder meeting. Therefore, even though other shareholders attend the meeting with the right to vote, they will not be able to collect enough votes to result in a different resolution. Nevertheless, the Company has set organization structure to enable the investigation and weight the balance of power for the board members who are stakeholders. There is also an appointed audit committee to investigate the work and management of the Company in representative of the minor shareholders to prevent any risk that may occur.

3. Driving Business for Sustainability

3.1 Sustainability Management Policy and Targets

The Company operates its business based on awareness and accentuation on sustainable development by determining the approaches to achieve sustainable business development based on the vision, mission, goals and business strategies covering economy, society and environment under the principles of good corporate governance. For our business operations, we always adhere to transparency, safety and hygiene standards, peaceful coexistence with communities and maintenance and conservation of natural resources and environment. Hence, the Company determines the organization's sustainable development approaches as follows:

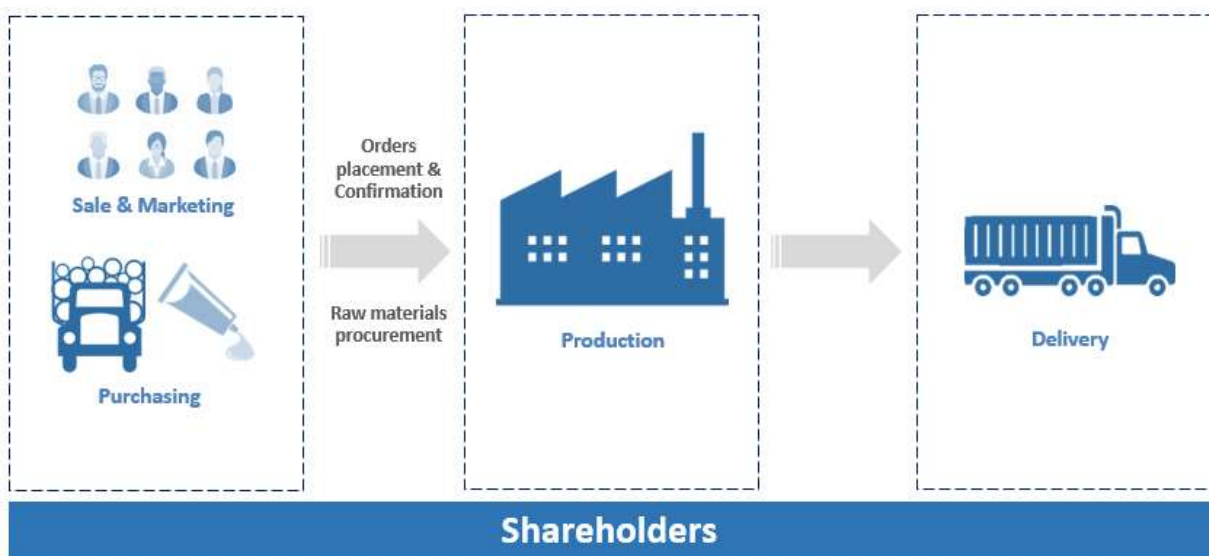
- Determined to enhance effectiveness of business operations for sustainable growth under the principles of good corporate governance
- Determined to achieve balanced business operations in terms of economy, society and environment as well as all stakeholders related to our business operations
- Determined to develop every process of business operation with social and environmental responsibility through efficient resource management and effective social and environmental impact management
- Determined to promote participation of stakeholders across all sectors by taking in account the human rights principles based on the sustainable development approaches

All executives and employees of the Company and subsidiaries are obliged to support, encourage and comply with the defined business development policy and framework for sustainability.

3.2 Impact Management to Stakeholders in the Business Value Chain

3.2.1 The Business Value Chain

1) Diagram of the Business Value Chain



2) Identifying stakeholders of the business value chain

Value Chain	Process	Stakeholder
Sale and Marketing Process	<ul style="list-style-type: none"> • Communication tools • Provide clear information to customers • Maintains customer's confidentiality • Satisfaction survey • Sales promotion activities 	<ul style="list-style-type: none"> • Customers • Creditors/Financial institution • Trade partners
Purchasing process	<ul style="list-style-type: none"> • Fairly select distributors • Provide the quality raw materials and transparency 	<ul style="list-style-type: none"> • Trade partners • Community
Production process	<ul style="list-style-type: none"> • Producing quality products according to standards • Efficiently use resources • Care of the surrounding environment • Proper control and management of waste • Provide complaints channels • Care to be safe at work • Comply with the law 	<ul style="list-style-type: none"> • Employees • Customers • Trade partners • Business competitor • Community
Delivery process	<ul style="list-style-type: none"> • On time delivery • Product safety • Provides customers' complaints channel • Comply with the law 	<ul style="list-style-type: none"> • Customers • Trade partners • Community

3.2.2 Stakeholder Analysis from the Business Value Chain

Stakeholder	Stakeholder Engagement Guidelines	Activities with Stakeholders
Employees	<ul style="list-style-type: none"> • To take care and treat all stakeholders equally • To fairly support and promote working potential remuneration, welfare, appointment and transfer • To regulate workplace safety and hygiene • To support any activities aiming at building good relationship 	<ul style="list-style-type: none"> • To consistently meet and communicate with employees • To respect the human rights principles and treat all stakeholders equally and fairly • To maintain occupational health and safety • To encourage personnel potential development • To hold activities to strengthen relationship and teamwork

Stakeholder	Stakeholder Engagement Guidelines	Activities with Stakeholders
Shareholders	<ul style="list-style-type: none"> • To make proper remuneration payment • To disclose business information in a complete and transparent manner • To treat all shareholders equally • To adhere to the principles of good governance and good corporate governance 	<ul style="list-style-type: none"> • To organize meetings of shareholders • To organize activities of the Opportunity Day • To organize online meetings with analysts and investors • To announce complete financial results and operating results of the Company through the Stock Exchange of Thailand and the Company's communication channels • To provide investor relations communication channels • To provide channels for the receipt of complaints/whistleblowing
Customers	<ul style="list-style-type: none"> • To emphasize and take responsibility of development of standard products and services through rapid service development and improvement • Maintains customer's confidentiality • To treat all customers fairly 	<ul style="list-style-type: none"> • To provide accurate and adequate information on products and services • To manufacture and deliver quality products on time • Keep closely contacting with customers via various channels • To conduct customer satisfaction survey on a yearly basis for further improvement • To organize marketing activities through various communication channels • To provide channels for the receipt of customer complaints
Trade partners	<ul style="list-style-type: none"> • To comply with the framework of purchasing and procurement and service with good faith • To treat all suppliers based on the principles of good corporate governance • To determine joint business plans • To share knowledge 	<ul style="list-style-type: none"> • To regularly meet and communicate with suppliers • To provide channels for the receipt of suggestions or complaints
Business competitor	<ul style="list-style-type: none"> • To comply with the rules of competition • To perform fair competition 	<ul style="list-style-type: none"> • To comply with the business code of conduct

Stakeholder	Stakeholder Engagement Guidelines	Activities with Stakeholders
Creditors/ Financial institution	<ul style="list-style-type: none"> To comply with the contracts and laws on debt payment 	<ul style="list-style-type: none"> To consistently communicate with relevant organizations To comply with contracts, agreements and relevant laws
Community/ Environment	<ul style="list-style-type: none"> To support life quality development activities that promote quality and occupational health for society and environment To be responsible for community surroundings and environment To provide complaints channels 	<ul style="list-style-type: none"> To raise awareness in community and environment and promote as the corporate culture To develop manufacturing technology which is community and environmental friendly To support activities that promote life quality development and also public interest activities To operate our business with responsibility for community and environment To provide channels for the receipt of complaints

In addition, the Company has elevated its business operations for further sustainable development in order to respond to United Nations Sustainable Development Goals (SDGs) in accordance with international contexts and standards. The Company has applied the SDGs to the vision and mission and used the guidelines for analysis and determination of the scope of sustainability. We have carried out activities that align with and respond to UN's SDGs as follows:



Good Health and Well Being

- ☐ To establish the policy of safety, occupational health and working environment
- ☐ To promote healthy lives and improve quality of life
- ☐ To regularly provide the working environment monitoring system to prevent occupational diseases among employees
- ☐ To provide COVID-19 vaccines for all employees
- ☐ To grant medical financial support to locality



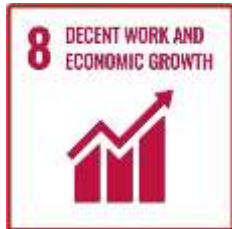
Quality Education

- ☐ To provide financial and equipment support for rural schools in need
- ☐ To encourage educational development and thoroughly provide educational opportunity for underprivileged students



Clean Water and Sanitation

- ☐ To ensure adequate supply of clean drinking water and potable water
- ☐ To encourage water reuse
- ☐ To ensure effective wastewater management
- ☐ To develop production technology that reduces water consumption



Decent Work and Economic Growth

- ☐ To consistently promote employment and labor skill development of the Company
- ☐ To protect labor rights and promote safe and stable working environment for all groups of workers
- ☐ To treat all employees fairly



Industry, Innovation and Infrastructure

- ☐ To encourage the industry to effectively use resources in a clean and environmentally friendly manner
- ☐ To use new, state-of-the-art machines for quality production to serve customer demands both domestically and internationally



Responsible Consumption and Production

- ☐ To effectively and sustainably manage and use natural resources
- ☐ Green Industry Level 3
- ☐ FSC-COC (Chain of Custody) The Company's products are made of woods that are responsibly managed in accordance with the FSC standard
- ☐ Waste reduction based on the 3Rs

3.3 Sustainability Management in Environmental Dimensions

3.3.1 Environmental Policy and Practices Guidelines

The Company has the environmental policy and practices that have been properly implemented and maintained in consistent with the organization's goals and contexts and in support of the direction of the organization's strategy. The Company strictly complies with the legal requirements, improves and develops the production management system based on the awareness in environmental conservation, promotes and encourages all personnel to protect environment, efficiently use natural resources and serve society, reduces waste and pollution, continually prevents environmental impact, develops manufacturing process and products that have as least environment impact as possible and always maintains quality products.

3.3.2 Environmental Operating Results

The Company accentuates development of the quality of life of communities, society and environment in a sustainable manner by emphasizing on continuous development and improvement of manufacturing process and environmental management with social responsibility for both internal and external aspects. The objective of these operations is to ensure that the industry sector can sustainably cohabits with society, communities and the people. They include:



1) Energy Management

The Company ensures effective energy management through energy promotion or support programs such as solar rooftop project, use of LEDs, application of state-of-the-art production technology and energy efficiency campaigns such as switching off lights during lunch time and turning off computer monitors when not in use.

2) Water Resource Management

The Company always realizes and accentuates the importance of water resources to ensure the maximum efficiency of water resource consumption. We perform water resource management in our manufacturing process according to the 3R principle (Reuse, Reduce, Recycle) and provide the control system to minimize possible impact on water sources and nearby communities by avoiding release of wastewater from its activities outside the factory. We put in place a quality wastewater treatment system and install the Reverse Osmosis (RO) filtration system for water reuse.



3) Garbage, Waste and Pollution Management

The Company puts in place the garbage and waste management for proper and appropriate disposal and also conducts studies and supports application of advanced production technologies to control and avoid generation of waste or pollution that may affect communities and environment. We regularly communicate the policy to all employees and ask for their cooperation.

In addition, the Company has been accredited for ISO 14001:2015 (Environmental Management System) certification which is part of ISO 14000 Environmental Management Standard that provides organizations or divisions with the management guidelines to achieve the target of their own environmental policy. Moreover, the Company has been accredited for FSC-COC (Chain of Custody) standard which certifies that the Company is able to manufacture products made of woods that are responsibly managed in accordance with the FSC standard. The Company has also been accredited for the Green Industry Level 3 (Green System) certification by the Ministry of Industry which confirms that the Company has the systematic environmental management and regularly performs monitoring and review for continuous improvement. However, up until now, the Company has never been charged with any case concerning environmental pollution.

3.4 Sustainability Management in Social Dimension

3.4.1 Social Policy and Practices Guidelines

The Company is dedicated to sustainably develop our business along with social responsibility. Consequently, based on the Company's sustainable business development practices, the Board of Directors determines the Corporate Social Responsibility (CSR) Policy that requires the Company to operate its business under the principles of corporate governance and code of ethics along with environmental and social protection and responsibility by taking into consideration all related internal and external stakeholders, including shareholders, employees, customers, communities and overall society. The Company determines the corporate social responsibility practices as follows:

1) Overall policy

The Company promotes and support board members, executives, and employees to participate and take part in society through activities to work together to create a better way of life for the society, community, and environment consistently. This will also help develop economy and society and will result in to the success of the Company. The practice approaches are as follow.

Fair business operations

The Company prioritizes in business operations by following the competitive framework that is honest and fair under the legal as well as morals of the business. The Company holds to the equitable competition policy to receive equally return for both parties. To operate in a business with trading partners should not result in any discredit to the Company or against the law. There will be business operation principles as follow.

1. To not demand, receive or agree to accept any asset or other benefits that is beyond trading agreement or trading policy.
2. To continues create relationship and good collaboration with suppliers to enhance potential and efficiency in long-term business operations.
3. To maintain customers' confidentiality or maintain the confidentiality of trading partner information, and to not use for own benefits or other related parties wrongfully.
4. The Company will not operate any business that is related to intellectual property rights as well as will promote executives and employees to use resources and assets of the Company effectively. The Company will promote the executive and employees to use products and services that have copyright and will not promote products or act that is violate intellectual property rights.
5. The Company is against any unjust competition and will not operate in setting prices to eliminate competitors. The Company will set prices by taking into consideration of market conditions, purchasing demand as well as other cost that is related. Additionally, the Company also has a purchasing policy to assign clear operational methods to be fair for all parties.
6. The Company has assign complaint channels regarding unjust behaviors with a complaint center at the Company as well as via the website of the Company.

Anti-corruption policy

The Company prioritized about Anti-corruption and operated the business with transparent management, hold the principles of morals, ethical, and fairness. The Company also has a Code of Conduct to be appropriate practice for directors, executives, and employees as well as support activities that promote and educate executives and employees to act according to the law and companies' related rules and regulations. The Company does not promote in having success from any dishonesty or corruption. Thus, the board members of the Company have appointed 'Anti-Corruption' policy to be a guideline for practice as follow.

1. To not operates or takes part in any form of corruption, whether it is direct or indirect channels.
2. Board members, executives, and employees will not engage or support any forms of corruption and will strictly prohibit any corruption acts.
3. Board members, executives, and employees have responsibility to operate according to the good governance policy that prohibits any corruption. The Company board members will appoint executives to create 'Anti-Corruption' measurement to communicate and act upon.
4. It is prohibiting for all Company board members, executives, and employees to engage in any act that involves demanding or accepting assets or any own benefits or others, or to wrongfully neglect their responsibilities that could lead to the Company's loss of its own legitimate benefits.
5. It is prohibiting for all Company board members, executives and employees to offer or present any asset or benefits to other individual to persuade them to act or neglect to the law or toward their own responsibilities.
6. To creates an honest organization culture and hold to a fair culture in the organization.
7. To creates employees' training within the organization to promote employees to be honest toward their responsibilities and willing to bring the principles and morals in the policy to strictly operate a business as the main principle for the entire organization.
8. The Company will create employees management process to reflect the determination of the Company toward Anti- corruption measurement from the selecting of employees, training, to performance evaluation, bonus and compensations, and position promotions.
9. The Company will create internal investigation to ensure that the internal system will help the Company to achieve the target. The Company will also investigate the operations of all sectors to be according to rules and regulations and together help seek for any faults and will provide suggestions to develop effective and efficient operation system based on the approach to maintaining good governance of the organization.
10. The Company will cooperate with government sector in appoint all related parties with the govern to disclosed any accounts to Office of the National Anti-Corruption Commission (NACC).
11. To appoints the Company secretary, internal audit or any other individual that the board members have appointed to help support corporate governance.

Fair practice in labor

The Company has a policy to treat all employees with fairness without any conditions that will lead in the Company to treat all employees unfairly. This is to be fair to all employees; the Company has a system to look after employees thoroughly with fairness. (This is based on the regulations on business operations of the Company) which are as follow.

1. The Company will look after all employees' reward and compensation appropriately and fairly without any demand from employees.
2. The Company will not discriminate and at the same will treat all employees equally
3. In case any complaint by employees, the Company has, a clear process and complaint methods and the Company will find a solution to end the dispute fairly to terminate any issues within the boundary so it will not expand into a wider range of conflicts.
4. As the Company prioritizes and foresees importance in equality, the Company has a regulation to treat all employees with fairness and not to discriminate one or another. This will base on Code of Conduct and will be use as employees' guidelines. The guideline is part of 'rule and regulation of employees" that all employees must follow. Thus, the Company has clarified regarding the Code of Conduct to all employees at the first day of employment. The Company also emphasizes the details in the employees training session.

Responsibility toward consumers

The Company prioritizes the responsibilities toward stakeholders in the supply chain, which are customers, partners, and business competitors. The Company also announces Code of Conduct to use as a model in business operation of the Company with the regulations in responsibility toward customers as follow.

1. Delivers quality product and services in align with or higher than customers' expectations under fair conditions.
2. Provides correct product information and sufficient service in a real-time situations to the customers without exaggeration on the quality of the products or certain services.
3. Contacts customers with politeness and efficiency so the customers will trust in the Company and establish a plan of a process that customers can file complaint on quality and safety of products and services.
4. Maintains customers' confidentiality, do not use the information wrongfully on one's own benefit or other third parties.
5. Establishes vast marketing communication channels such as communication through the recommendations of salesperson or through the Company's website.

Responsibility toward society, community, and environment

The Company prioritizes the development for the way of lives to community, society, and environment based on a sustainable development approach as follow.

1. Promotes and supports education in the society.
2. Creates employment and consistently develop labor skills of the Company in the area.
3. Plans, manages, and controls activities that could result in any form of pollutions.
4. Recycles the waste to use in the production process.
5. Holds to the moral principle in making decisions on different production activities.

3.4.2 Social Operating Results

1) Employees and Workers

The Company has the policy that all employees must fairly and properly treated in terms of opportunity, remuneration, welfare and potential development as well as occupational health and safety. The Company establishes the policy of safety, occupational health and working environment to ensure all employees of their quality of life. In addition, in case that any employee has any complaint, the Company clearly establishes the procedures and methods to submit the complaint. We comply with the human rights principles ranging from employment and retention of employees and personnel to build strong employee engagement and family feel in the organization. Last year we carried out employee operations as follows

Employment

The Company conducted employee recruitment by taking into consideration qualifications that are suitable for the organization and positions. We emphasized on the interview process to ensure that we engaged qualified personnel to our teams and new employees work happily and successfully.

Training

The Company provided training for new employees to enable them to learn and understand the corporate culture, basic information of the organization and related departments as well as the Company's business and benefit and welfare information. This helped the new employees to learn and adapt to the organization in an effective manner. The Company also prepared an annual training program to support and encourage potential and immediate expertise development of all personnel.

In 2021, the Company provided the skill and potential development training program for 97 employees in a total period of 160 hours. The average number of training or knowledge improvement activity hours was 1.65 hours/person/year.

Safety, Occupational Health and Working Environment

The Company establishes and strictly applies the policy of safety, occupational health and working environment to all employees and contractors. We also emphasize on raising awareness and concerns over safety. We engage professional safety officers to maintain working safety of all employees and also foster the positive attitude and understanding in employee safety management and maintenance. In addition, the Company organizes the safety

meetings and performs an inspection on any unsafe working conditions at least once a month. We also organize fire drill and evacuation training at least once a year.

In 2021, the COVID-19 pandemic continued to upend and the Company established the internal response and preparedness measures in case of emergency to facilitate our operations in conformity with the circumstance and strengthen confidence in our prevention measures such as arranging employees to work from home, getting prepared for information technology system and backup procedures and organizing online meetings.

Employee Activity

The Company regularly organizes various activities to enable all employees to meet and share their working experiences and strengthen relationship among employees, departments and executives such as meeting of executives and employees and festival activities. As the COVID-19 pandemic continued to pose severe impact on all sectors in 2021, the Company provides all employees with vaccines and necessary assistance including food and basic necessities, especially for employees affected by the pandemic.



2) Customers

The Company is determined to continually improve products and services to establish the highest customer satisfaction and provide the best customer care and responsibility. We always improve and maintain the quality and standard of our products and provide various communication channels which enable us to promptly deal with any problems, relentlessly seek proper preventive and corrective measures, improve our products and services to sustainably serve customer needs and strengthen relationship and confidence among our customers in the future.

3) Community, Society and Environment

The Company operates the business with responsibility for communities and society and emphasizes on minimizing environmental impact and avoiding any operations that may have negative impact on the quality of life of nearby communities. In 2021, there was no social or environmental complaint from communities. In addition, the Company contributed to development of the quality of life and promotion of community participation as follows:

Educational development

The Company foresees the importance of education, which is key factor that affect the development of the country. At present, schools in the rural area still lack resources and school supplies that will thoroughly promote education development. The Company begins its initiative in different projects to support community's schools such as the support of scholarship for good student.



Religious preservation

The Company believes that when people within the community pay respect and follow the teachings of every religion, it will helps the members of the community to understand ethical and moral principles. This is the key part that makes our society a better place to live. The Company created different projects to be part of religious preservation and support community's moral standard: for example, the reconstruction of the temple and temple cleaning.



The development of community way of life

The Company believes that community development can start from the development for way of life for people in the community. The Company and local government sectors will collaborate to build homes and create hopes for underprivileged persons. This will help develop way of lives for underprivileged person and sustainably develop community. The Company has supported medical budgets and medical equipments to hospitals and community. Also supported lunch for medical personnel and staff at the COVID- 19 Vaccination Center, Klaeng District, Rayong Province. As well as coordinate with researchers to develop company by-products for community use.



Environmental protect and conservation

The Company realizes the importance of environmental protect and development for sustainability. The company has operated in various matters such as raising awareness to employees about environmental management within the factory, operating with modern machinery which does not pollute the environment, using resources worthwhile and utmost efficiently. In addition, the Company also organizes various activities such as community public area cleaning.

4. Management Discussion and Analysis: MD&A

4.1 Analysis of Financial Position and Operating Results

4.1.1 Overview of Operating Results

According to the performance in the fiscal year 2021, the Company has total revenue of 4,192.45 million baht, which is 1,713.34 million baht or approximately 69.11% higher than the fiscal year 2019 mainly due to an increase of sales volume and selling price. Almost all of the Company's total revenue is sales revenue, which is 99.71% of the total revenue.

4.1.2 Analysis of operating results according to revenue structure

1) Revenues from Sales

Revenue structure from overseas and domestic sales for 2020 and 2021

Description	For the fiscal year ended December 31			
	2020		2021	
	Mil. Bt.	Mil. Bt.	Mil. Bt.	Mil. Bt.
Revenue from MDF Board				
- Revenue from overseas sales	2,359.57	95.65	4,037.46	96.58
- Revenue from domestic sales	107.36	4.35	142.95	3.42
Total revenue from sales	2,466.93	100.00	4,180.40	100.00

The Company has 2,466.93 million baht and 4,180.40 million baht of revenue from sales of the fiscal year 2020 and 2021 respectively, representing an increase of 69.46% mainly due to an increase of sales volume and selling price along with greater proportion of CFR sales conditions compared to the previous year. The Company's sales revenue can be divided into international sales and domestic sales revenue.

Most of sales revenue of the company comes from sales of MDF boards to overseas customers. In 2020 and 2021, the proportion of sales of MDF boards to foreign countries accounted for 95.65% and 96.58% of total sales revenue respectively. As the overseas MDF Board markets are much larger than the domestic market, therefore, the company place greater emphasis on conducting sales and marketing in overseas countries. The company has customer base across many regions around the world, including the Middle East and Asia.

Regarding domestic sales revenue, in 2020 and 2021, the company reported revenue of 107.36 million baht and 142.95 million baht from sales of MDF boards in Thailand, accounted for 4.35% and 3.42% of the total sales revenue of the company, respectively. This is also because the company focuses on marketing and distribution in international markets. As a result, the percentage of revenue from sales in the country was relatively small when compared with the overseas sales of MDF Board.

2) Other revenues

The company has other incomes from gains from electricity sales, gain from exchange rate, sales of by-products from production and revenues from scrap sales. In 2020 and 2021, the company reported other income of 12.18 million baht and 12.04 million baht respectively. The transactions incurred as the company sold excess electric power to nearby related companies, revenues from scrap sales and sales of by-products from production such as sawdust.

3) Costs and expenses

Costs and Expenses for 2020 and 2021

Description	For the fiscal year ended December 31			
	2020		2021	
	Mil. Bt.	%	Mil. Bt.	%
Cost of sales	(1,878.76)	81.87	(2,331.44)	70.60
Selling expenses	(312.23)	13.61	(792.46)	24.00
Administrative expenses	(89.50)	3.90	(166.68)	5.05
Financial costs	(14.24)	0.62	(11.79)	0.36
Total costs	(2,294.73)	100.00	(3,302.37)	100.00

The Company's cost of goods sold for the fiscal year 2021 is 2,331.44 million baht, which is an increase of 452.67 million baht, representing 24.09% of increase cost of goods sold. This was mainly due to the prices of the main raw materials used in production increased along with increased sales volume.

In 2021, the selling expenses is 792.46 million baht, which is increase of 480.23 million baht, representing increase of 153.81 % when compared to the previous year. This was mainly due to the volume of sales according to CFR conditions increased along with increased sea freight prices, thus increasing sea freight costs significantly.

In 2021, the administrative expenses is 166.68 million baht, which is an increase from the previous year for 77.18 million baht, representing 86.23%. This was mainly due to increase in employee compensation estimates and foreign currency exchange losses, which increased from the previous year.

In 2021, the financial cost is 11.79 million baht, which is decrease from the previous year for 2.45 million baht, representing 17.20% mainly due to decreasing loan interest rate and principal payment made per schedule.

4.1.3 Financial position

1) Total assets

The company's major assets as at December 31, 2020 and 2021

Description	For the fiscal year ended December 31			
	2020		2021	
	Mil. Bt.	%	Mil. Bt.	%
Cash and cash equivalents	113.53	3.13	484.15	11.76
Trade and other receivables	87.11	2.40	284.49	6.91
Inventories – net	241.21	6.65	284.50	6.91
Property, plant and equipment – net	3,092.27	85.23	2,954.19	71.74
Other assets	94.20	2.60	110.86	2.69
Total assets	3,628.66	100.00	4,118.19	100.00

As at December 31, 2020 and 2021, the company had total assets of 3,628.66 million baht and 4,118.19 million baht respectively, representing an increase of 13.49%. The company's total assets comprised of property, plant and equipment, which accounted for approximately 85.23% and 71.74% of the total assets of the Company in 2020 and 2021 respectively. Significant changes in total assets were as follows:

1. The majority of the Company's cash and cash equivalents are increase from bank deposits and in-transit payment transfer for the goods of international customers.
2. Trade receivables accounted for 98% of total trade and other receivables. Meanwhile, other receivables of the company consisted of accrued revenue from electricity sales and sales of by-products etc., representing about 2% of total trade and other receivables. Account receivables and other receivables of the fiscal year 2021 increased from 2020, representing an increase of 226.59% from the trade receivables of MDF board sales increased from the previous year.
3. The changes in the company's inventories were mainly due to the changes of finished products and goods in transit according to the quantity of products to be delivered and the time lag between the production completion and product delivery cycle. When comparing between the inventories of the fiscal year 2021 and 2020, inventories of year 2022 has increased slightly due to a subsidiary, S. Kleber Chemical Co., Ltd. started to commercially manufacture products in the first half of the year, thus leading to a slight increase in the value of goods in inventory.
4. The compant's net land, property and equipment are decrease primarily due to depreciation in the value of the aforementioned assets.
5. Other assets in the fiscal year 2021 increased from 2020 mainly due to an increase in the intangible assets of S. Kleber Chemical Co., Ltd.

2) Total liabilities

The company's major liabilities as at December 31, 2020 and 2021

Description	For the fiscal year ended December 31			
	2020		2021	
	Mil. Bt.	%	Mil. Bt.	%
Current liabilities				
Short-term loans from financial institutions	337.00	27.11	27.32	2.86
Trade and other payables	314.04	25.26	468.61	49.01
Liabilities due within one year	139.32	11.21	121.62	12.72
Advance payment for goods	248.72	20.01	66.21	6.92
Other current liabilities	1.12	0.09	15.91	1.66
Total current liabilities	1,040.20	83.67	699.65	73.18
Non-current liabilities				
Long-term loans from financial institutions	144.57	11.63	93.88	9.82
Long-term leases liabilities	0.50	0.04	0.33	0.03
Deferred income tax liabilities	54.37	4.37	157.88	16.51
Employee benefits obligation	3.58	0.29	4.32	0.45
Non-current liabilities	203.01	16.33	256.40	26.82
Total liabilities	1,243.21	100.00	956.06	100.00

As at December 31, 2020 and 2021, the Company posted total liabilities of 1,243.21 million baht and 956.06 million baht, representing a decrease of 23.10%. Most of the company's liabilities in 2021 is trade and other payables or about 49.01% of total liabilities. Significant changes in total liabilities were as follows:

1. Short-term loans from financial institutions in 2021 have decreased from the previous year. The main reason is in 2021, the Company repaid short-term loans following increased cashflow from operating activities.
2. Trade and other payables were increased from the previous year. The reason is that in the year 2021, the volume of raw material purchase has increased, resulting in an increase in trade payables and the Company had some payment terms that had not yet been due.
3. Advance payment for goods received in the fiscal year 2021 decreased, mainly due to payment conditions and product delivery cycle.
4. Bank loan that are due within one year and long-term loan from the financial institution have decreased from 393.23 million baht in 2020 to 160.08 million baht in 2021, mainly due to the loan payment per schedule made by the Company.

3) Shareholders' equity

Shareholders' equity of the company as at December 31, 2020 and 2021

Description (Unit: Mil. Bt.)	For the year ended December 31	
	2020	2021
Share capital		
Registered capital	800.00	800.00
Issued and paid-up share capital	800.00	800.00
Premium on share capital	1,225.98	1,225.98
Retained earnings		
Appropriated - legal reserve	53.24	80.00
Unappropriated	306.23	1,056.16
Total shareholders' Equity	2,385.45	3,162.13

As at December 31, 2020 and 2021, the Company had total shareholders' equity of 2,385.45 million baht and 3,162.13 million baht respectively, representing an increase of 32.56%. The main reason was increased retained earnings from an increase of the business turnover.

4) Liquidity

1. Cash flow

Description (Unit: Mil. Bt.)	For the year ended December 31	
	2020	2021
Cash and cash equivalents at the beginning of the year	71.73	113.53
Net cash provided by operating activities	367.85	1,073.84
Net cash used in investing activities	(291.14)	(147.01)
Net cash used in financing activities	(34.91)	(556.20)
Cash and cash equivalents at the end of the year	113.53	484.15

The company's net cash flow from operating activities for the years ended December 31, 2020 and 2021 was 367.85 million baht and 1,073.84 million baht respectively. Change of cash flow from the above mentioned activities increased mainly due to increase in profit from business activities in 2021.

The company has used net cash flow for investing activities of 291.14 million baht and 147.01 million baht for the years ended December 31, 2020 and 2021 respectively. Changes of cash flow used in the investment activity decreased from 2020, since S.Kleber Chemical Co.,Ltd., has completed construction in first half of 2021. This resulted in decreased of net cash flow used in investing activities of the year 2021.

The Company has used net cash flow for financing activities for the year ended 31 December 2020 and 2021 of 74.20 and 34.91 and 556.20 million baht respectively. Changes of said cash flow was due to the payment of short-term loans from financial institutions and payment of long-term loan per payment schedule.

2. Liquidity Ratio

Description	2020	2021	Increase/ Decrease
<u>(Liquidity Ratio)</u>			
Liquidity ratio (times)	0.49	1.61	1.12
Quick ratio (times)	0.19	1.10	0.91
Cash flow liquidity ratio (times)	0.43	1.23	0.81

As of 31 December 2020 and 2021, the company's liquidity ratio and quick ratio have increased slightly compared to the year 2020 due to cash and cash-equivalent increased and debts due within one year decreased from repayment of long-term loans according to payment schedule, while an increase in cashflow liquidity ratio when compared to the previous year was primarily caused by increase in cash from operating activities.

3. Other important ratios

Profitability ratio and efficiency ratio

Description	2020	2021	Increase/ Decrease
<u>Profitability Ratio</u>			
Gross profit margin (%)	23.84	44.23	20.39
Operating profit margin (%)	8.01	21.51	13.50
Net profit margin (%)	6.58	18.53	11.95
Return on equity (%)	6.84	28.00	21.16
<u>Efficiency Ratio</u>			
Return on assets (%)	4.66	20.05	15.39
Return on fixed assets (%)	11.46	32.33	20.91

Profitability Ratio

- Gross profit margin, Operating profit margin and Net profit margin increased by 20.39%, 13.50% and 11.95% respectively mainly due to an increase in gross profit, operating profit and net profit.
- Return on Equity Ratio increased mainly due to an increase of net profit margin in 2021.

Efficiency Ratio

- Return on asset ratio and return on fixed asset ratio increased due to the Company's net profit significantly increased from the previous year.

Financial Policy Ratio

Description	2020	2021	Increase/ Decrease
Financial Policy Ratio			
Debt to equity ratio (times)	0.52	0.30	(0.22)
Interest coverage ratio (times)	22.06	94.27	72.21
Coverage ratio (times)	0.54	2.63	2.09
Dividend payout ratio	87.46	29.87	(57.59)

- Debt to equity ratio decreased mainly due to decrease in short-term and long-term liabilities from financial institutions, while shareholders' equity increased from increase in net profit in 2021. Hence it resulted in an decrease of debt to equity.
- Interest coverage ratio increased mainly due to in 2021, the Company's cash from operating activities have increased and interest expenses have decreased from the previous year due to lower loan interest rates and principal payment made per schedule.
- Coverage ratio increased as in 2021, cash from operating activities has increased and the company's net cash used in investing activities has decreased when compared to the previous year as a result of a subsidiary, namely, S. Kleber Co., Ltd. has completed construction in first half of 2021.
- Regarding dividend payout ratio, the Board of Directors' meeting held on 23 February 2022 resolved to the dividend payment at the rate of 0.28 baht per share, totaling 224 million baht, representing dividend payout ratio of 29.87%.

4.1.4 Remuneration to Auditors

The company has paid the following remunerations to auditors:

(Unit: Million Baht)

Fiscal Year	Audit Office	Audit fees	Other service fees	Total
2020	Siam Truth Audit Co., Ltd.	2.2	0.13	2.33
2021	EY Audit Co., Ltd.	1.82	0.04	1.86

4.1.5 Investment expenses in 2021

The Investment in a subsidiary company to operate the business of recycle wastepaper by separating the plastic and metal out, refining and drying to make recycled pulp and paper has project value of 1,500 million baht and its construction is expected to begin in 2022.

Sources of investment

1. Loans from financial institutions.
2. Investment fund from the Parent company.

4.1.6 Long-term debt

As of 31 December 2020 and 2021, the Company had long-term loans from financial institutions (including the amount due within one year) equal to 392.94 million baht and 159.92 million baht respectively. The long-term loans from financial institutions have decreased due to repayment per schedule.

4.2 Factors affecting future operating results

As most of the company's sales revenue comes from overseas markets, therefore, the important factors affecting the change of the company's sales are as follows: 1) Sales volume of MDF Board in various regions, which are major markets including the Middle East and Asia may increase or decrease according to the demand for MDF boards at different periods. Also, the situation that has far-reaching impacts, e.g., pandemic may interrupt goods transportation which will directly affect the volume of MDF board sales. 2) Selling prices are in US dollar which is the main currency used by the company. Prices in US dollars are varied from market to market, depending on the demand for MDF Boards and competition among MDF board exporters and manufacturers in different countries. As well as the global political and commercial situation that may impact the demand for the product. 3) Exchange rate, as most of the company's sales came from exports to overseas countries, almost all of the company's sales are in US dollars. Therefore, assume that prices in the world market remain unchanged, if Thai baht has depreciated against the US dollar, the company's sales revenue in Thai baht would increase. On the other hand, if Thai baht has appreciated against the US dollar, the company's sales revenue in Thai baht would decrease. 4) Trade measures regulated by the countries of MDF board importers, such as Anti-Dumping, Countervailing Duty etc., which may result in an increase of import duties in MDF boards to Thailand. This will affect the competitiveness of Thai manufacturers in the global market.

Prices of raw materials used in production, such as wood, adhesives and other chemicals etc. are costs which are major factors affecting increase or decrease of production costs. The prices of such costs are in line with market demand and fluctuations in global oil prices which may lead to higher raw material costs and cost of sales accordingly. Nonetheless, the company can effectively manage production costs and implement raw material utilization plan in order to maintain operating results of the company to be in satisfactory level.

4.3 Highlight of financial performance

4.3.1 Financial budget

Financial conditions

On 31 December 2019, 2020, and 2021

Description	2019		2020		2021	
	Million baht	%	Million baht	Million baht	%	Million baht
<u>Assets</u>						
<u>Current assets</u>						
Cash and cash equivalent items	71.73	2.13	113.53	3.13	484.15	11.76
Trade and other receivables	73.39	2.18	87.11	2.40	284.49	6.91
Inventories	182.08	5.41	241.21	6.65	284.50	6.91
Other current financial assets	0.92	0.03	7.98	0.22	-	-
Other current assets	44.17	1.31	59.84	1.65	72.44	1.76
Total current assets	372.30	11.06	509.67	14.05	1,125.58	27.33
<u>Non-current asset</u>						
Restricted bank deposits	5.00	0.15	5.00	0.14	5.00	0.12
Property, plant and equipment	2,925.12	86.89	3,092.62	85.23	2,954.19	71.74
Advanced payment for machine	44.26	1.31	-	-	-	-
Intangible assets-net	18.92	0.56	18.61	0.51	31.27	0.76
Deferred tax assets	0.89	0.03	2.10	0.06	2.10	0.05
Other non-current asset	0.04	-	0.67	0.02	0.06	-
Total non-current assets	2,994.22	88.94	3,118.99	85.95	2,992.61	72.67
Total assets	3,366.52	100.00	3,628.66	100.00	4,118.19	100.00
<u>Liabilities and shareholders' equity</u>						
<u>Current liabilities</u>						
Overdrafts and short-term loan from financial institutions	97.39	2.89	337.00	9.29	27.32	0.66
Trade and other payables	245.96	7.31	314.04	8.65	468.61	11.38
Advance received for goods	116.04	3.45	139.32	3.84	121.62	2.95
Current portion of liabilities	214.28	6.37	248.37	6.84	66.04	1.60
Current portion of leases liabilities	-	-	0.35	0.01	0.16	0.00
Income tax payable	-	-	-	-	9.80	0.24
Derivative liabilities - foreign currency forward contracts	-	-	-	-	4.08	0.10
Other current liabilities	0.85	0.03	1.12	0.03	2.03	0.05

Description	2019		2020		2021	
	Million baht	%	Million baht	Million baht	%	Million baht
Total current liabilities	674.52	20.04	1,040.20	28.67	699.65	16.99
<u>Non-current liabilities</u>						
Long-term loan from financial institutions	275.46	8.18	144.57	3.98	93.88	2.28
Long-term leases liabilities	-	-	0.49	0.01	0.33	0.01
Deferred tax liabilities	31.87	0.95	54.37	1.50	157.88	3.83
Provision for long-term employee benefits	2.86	0.09	3.58	0.10	4.32	0.10
Total non-current liabilities	310.19	9.21	203.01	5.59	256.40	6.23
Total liabilities	984.71	29.25	1,243.21	34.26	956.06	23.22
<u>Shareholders' equity</u>						
Registered capitals	800.00	23.76	800.00	22.05	800.00	19.43
Issued and paid-up share capital	800.00	23.76	800.00	22.05	800.00	19.43
Premium on share capital	1,225.98	36.42	1,225.98	33.79	1,225.98	29.77
Retained earnings						
Appropriated - legal reserve	44.46	1.32	53.24	1.47	80.00	1.94
Unappropriated	311.37	9.25	306.23	8.44	1,056.16	25.65
Total shareholders' equity	2,381.80	70.75	2,385.45	65.74	3,162.13	76.78
Total liabilities and shareholders' equity	3,366.52	100.00	3,628.66	100.00	4,118.19	100.00

Statement of Comprehensive Income

Ending on 31 December 2019, 2020, and 2021

(Unit: million baht)

Description	2019		2020		2021	
	Million baht	%	Million baht	%	Million baht	%
Revenue from sales	2,334.51	98.26	2,466.93	99.51	4,180.40	99.71
Cost of sales	(1,889.17)	(79.52)	(1,878.76)	(75.78)	(2,331.44)	(55.61)
Gross profits	445.34	18.75	588.17	23.73	1,848.97	44.10
Other income	41.22	1.74	12.18	0.49	12.04	0.29
Selling expenses	(330.34)	(13.90)	(312.23)	(12.59)	(792.46)	(18.90)
Administrative expenses	(62.84)	(2.65)	(89.50)	(3.61)	(166.68)	(3.98)
Earnings before interest and tax (EBIT)	93.38	3.93	198.61	8.01	901.87	21.51
Financial costs	(25.79)	(1.09)	(14.24)	(0.57)	(11.79)	(0.28)
Earnings before tax	67.59	2.85	184.38	7.44	890.08	21.23
Tax expenses	(7.20)	(0.30)	(21.29)	(0.86)	(113.40)	(2.70)
Net profit	60.39	2.54	163.08	6.58	776.68	18.53
Other profits	0.93	0.04	-	-	-	-
Total profits	61.32	2.58	163.08	6.58	776.68	18.53
Profit per share						
Current profit	60.39		163.08		776.68	
Number of sold common shares and weighted averages (value at 1.00 baht per shares) (1 million shares)	800.00		800.00		800.00	
Profit per shares (baht per share)	0.08		0.20		0.97	

Statement of cash flow

Ending yearly on 31 December 2018, 2019, and 2020

(Unit: million baht)

List of items	2019	2020	2021
<u>Cash flows from operating activities</u>			
Profit before income tax	67.59	184.38	890.08
Adjustments to reconcile profit before income tax to net cash provided by (used in) operating activities			
Depreciation and amortization	199.95	202.53	203.53
Doubtful accounts	(0.61)	(0.02)	(0.02)
Loss from reduction of goods value (reversing entries)	1.89	3.28	6.24
Employees benefits	0.74	0.72	0.73
(Profit) loss from unrealized exchange rates	(1.18)	(1.08)	1.10
(Profit) loss from on fair value adjustments of derivatives	-	(7.06)	12.06
Loss on write-off of assets	-	-	-
Interest income	(0.08)	(0.06)	(0.04)
Finance costs	25.38	13.03	11.79
Cash flow before changes in working capital	293.98	396.44	1,125.67
Changes in working capital (increase) or decrease			
Trade and other receivables	(16.27)	(13.75)	(198.19)
Inventories	(0.74)	(59.58)	1.44
Other current assets	(17.08)	(15.69)	(12.59)
Change of operating activities assets increase or (decrease)			
Trade and other payables	(113.32)	36.83	174.35
Advanced payments	63.66	23.28	(17.71)
Other current liabilities	0.25	0.27	0.91
Employees benefits	-	-	-
Cash received from operating activities	210.74	367.80	1,073.88
Interest received	0.08	0.06	0.04
Income tax payment	-	-	(0.08)
Net cash from operating activities	210.54	367.85	1,073.84
<u>Cash flow from investment activities</u>			
Purchase of plant and equipment	(79.33)	(290.57)	(143.53)
Advanced payment for machine	(39.16)	-	-
Purchase of intangible assets	(5.99)	(0.62)	(3.48)

(Unit: million baht)

List of items	2019	2020	2021
Sale of assets	-	0.05	-
Net cash for investment activities	(124.47)	(291.14)	(147.01)
Cash flow from financial activities			
Overdrafts and short-term loan from financial institutions increase or (decrease)	7.39	239.61	(309.68)
Received long-term loan from financial institutions	165.63	116.27	14.37
Payment for long-term loan from financial institutions	(142.86)	(214.28)	(248.37)
Payment for debts under financial leasing	-	(0.26)	(0.35)
Payment for dividend	(78.56)	(158.78)	(0.65)
Payment for interests	(25.81)	(17.47)	(11.51)
Net cash provided by (used in) financing activities	(74.20)	(34.91)	(556.20)
Cash and cash equivalents (decrease) or increase – net	11.87	41.80	370.62
Cash and cash equivalents at the beginning of the year	59.86	71.73	113.53
Cash and cash equivalents on ending date	71.73	113.53	484.15

4.3.2 Key financial statement analysis

Ending on 31 December 2019, 2020, and 2021

List of items	2019	2020	2021
<u>Liquidity Ratio</u>			
Liquidity Ratio	0.55	0.49	1.61
Quick ratio	0.21	0.19	1.10
Cash ratio	0.33	0.43	1.23
Account receivable turnover	36.99	31.90	22.90
Average collection period (Day) ^{1/}	(3.25)	(7.35)	4.48
Inventory turnover	17.65	15.68	19.36
Average stock period (Day)	20.40	22.96	18.59
Account payable turnover	16.80	12.52	11.87
Average payment period (Day)	21.43	28.75	30.32
Cash Cycle (Day)	(4.29)	(13.14)	(7.25)
<u>Profitability Ratio</u>			
Gross margin (percent)	19.08	23.84	44.23
Earning before interest, tax, depreciation and amortization ratio (percent)	12.35	16.18	26.37
Earning before interest and tax ratio (percent)	3.93	8.01	21.51
Cash ratio for profit margin (percent)	225.47	185.21	119.07
Net profit margin (percent)	2.54	6.58	18.53
Return On Equity : ROE (percent)	2.53	6.84	28.00
<u>Efficiency Ratio</u>			
Return on assets: ROA (percent)	1.80	4.66	20.05
Return on permanent assets (percent)	8.12	11.46	32.33
Return on current assets	0.71	0.71	1.08
<u>Financial Policy Ratio</u>			
Debt to equity ratio	0.41	0.52	0.30
Interest Bearing debt to equity ratio	0.25	0.31	0.06
Interest coverage ratio	9.16	22.06	94.27
Cash basis	0.57	0.54	2.63
Dividend yield (percent) ^{2/}	42.78	87.46	29.87

Remarks:

- ^{1/} Average collection period is calculated by (amount of period x average trade debtors/ proceeds of sales) – (amount of period x advance payment for average product/proceeds of sales)
- ^{2/} The Company has also announced the dividend payment instead of the annual dividend payment from the operation of the closing account ended on 31 December 2019, totaling 24.48 million baht. The Company has announced the interim dividend payment from the operation of the nine-month period ended 30 September 2020 and retained earnings, totaling 134.96 million baht and also announced the omission of dividend payment from the operation of the three-month period ended 31 December 2020. The Company has also announced the dividend payment instead of the annual dividend payment from the operation of the closing account ended on 31 December 2021, totaling 224 million baht
- ^{3/} The key financial ratio for the year 2019 have changed due to reclassified of accounts to conform with the presentation of statements ended on 31 December 2020.

5. Corporation information of Company

5.1 General information

5.1.1 Information of Company

Company name	:	S.Kijchai Enterprise Public Company Limited ("SKN")
Type of business	:	Manufacture and distribution of MDF board
Headquarter office	:	99/9 M.7 Huay Yang Sub-district, Klaeng District, Rayong Province 21110
Telephone number	:	038-928188
Fax	:	038-928189
Company registration number	:	0107559000435
Authorized capital	:	800,000,000
Paid-in capital	:	800,000,000
Types and prices of shares	:	Common shares worth 1.00 baht per share
Website	:	http://www.skn.co.th/
<u>Company Secretary</u>	Tel:	038 928 188 ext. 5301
	E-mail:	hr01@kijchai.co.th
<u>Investor Relations</u>	Tel:	038 928 188 ext. 5301
	E-mail:	skn@kijchai.co.th

5.1.2 Information of subsidiary

(1)	Company name	:	S.Kleber Chemical Company Limited
	Type of business	:	Manufacture and distribution of Glue and Chemical
	Headquarter office	:	99 M.3 Nong Lalok Sub-district, Ban Khai District, Rayong Province 21120
	Telephone number	:	038-928188
	Fax	:	038-928189
	Company registration number	:	0215561005624
	Authorized capital	:	100,000,000
	Paid-in capital	:	100,000,000
	Types and prices of shares	:	Common shares worth 10.00 baht per share
	Share Holding Percentage (%)	:	100% paid-up capital
	Website	:	-

(2)	Company name	: SKN Kraft and Paper Company Limited
	Type of business	: Operate the business of recycle wastepaper by separating the plastic and metal out, refining and drying to make recycled pulp and paper.
	Headquarter office	: 99/9 M.7 Huay Yang Sub-district, Klaeng District, Rayong Province 21110
	Telephone number	: 038-928188
	Fax	: 038-928189
	Company registration number	: 0215564009779
	Authorized capital	: 500,000,000
	Paid-in capital	: 200,000,000
	Types and prices of shares	: Common shares worth 10.00 baht per share
	Share Holding Percentage (%)	: 100% paid-up capital
	Website	: -

5.1.3 References Parties

(1) Securities Registrar

Company name	: Thailand Securities Depository Company Limited
Location	: 93 Ratchadapisek Road, Din Daeng, Bangkok 10400
Telephone number	: 02 009 9381
Fax	: 02 009 9001

(2) Company audit

Company name	: EY Office Company Limited
Location	: 193/136-137 33 rd Floor, Lake Rajada Office Complex Rajadapisek Road, Klongtoey, Bangkok 10110
Telephone number	: 02 264 9090
Auditors	: Ms. Siraporn Ouannunkun Certified Auditor License 3844
	: Ms. Sirirat Sricharoensup Certified Auditor License 5419
	: Mr. Chatchai Kasemsrithanawat Certified Auditor License 5813

5.2 Other key information

- None -

5.3 Labor disputes

- None -

Part 2

The Principles of Corporate Governance

6. The Principles of Corporate Governance

6.1 Overview of Policies and Corporate Governance Guidelines

The Company prioritizes the importance of policy regarding 'The Principles of Good Corporate Governance' by specify policy for a transparent business operation that is accountable which will increase confidence to investors. The principles and practices in alignment with the Principles of Good Corporate Governance of the SET, the SEC and the recommendations of the Thai Institute of Directors (IOD). And communicated to executives and employees acknowledged and treated continuously. Thus the board of director has review the policy annually. Including always follow up and monitoring the implementation of policies to be used to ensure the suitable for the company's business and the situation and operation of the company. The Company will consistently disclose information to the public and shareholders. The Company also prioritizes internal control and internal audit. For risk management, the Company makes an effort to monitor and manage risk and takes into consideration regarding the morals in business operation. This is completed by maintain fairness to trade partners, shareholders, and all stakeholders with details as follow.

6.1.1 Policy and Guidelines for the Board

Responsibilities of Company board members

The Company board members take part in allocates and/or consent in vision, mission, strategy, goals, business plan and financial budget of the Company. The board members also supervise management department to follow according to business plan and financial budget as set by the Company in a highly effective and efficient manner to the Company as well as provide stability to shareholders. The board members also monitor assessment process based on suitability of internal audit, risk management, financial report of the Company as well as consistently follow-up with the operation.

There will be at least five board members but will not exceed 12 members. It will consist of members from management department and members who are not from management department. There will be at least three qualified independent members, which will be no less than 1 out of 3 for the entire board members. Thus, this will result in the appropriate balance of members who are executives. Additionally, the Company also appointed sub-committee member and management committee to cooperate in supervise business operation. The term of the positions, roles, and responsibilities of board members, sub-committee members and executive member as displayed in topic 7.2.

1 Compensation of board members

The Company specifies accurate and transparent compensation policy and request for approval from annual shareholders meeting. The Company prioritize suitability in align with scope of responsibility for each of board member. There is also a comparison compensation rate for other board members in the same or similar industry.

2 Board members meeting

The Company will hold board directors meeting as well as distribute meeting invitation along with meeting agenda and related documents to board of directors in advance. This is according to the Company regulation related to the law of Public Company Limited and regulations of Stock Exchange of Thailand that specify board members'

responsibility in attend the meeting. Board of directors are allow to be absent from the meeting only in the case of emergency. The Company also will provide accurate and complete meeting minute so that the shareholder will be able to access the information.

3 Board members report

The board of directors are responsible in management of financial report which including the Company financial budget and financial information that appeared in annual report. Thus, the particular financial report will be providing according to the Accounting Standards that is certify in Thailand. The Company will select an appropriate finance policy that is an acceptable in align with careful executive discretion in the completing and monitoring. Thus, there will be adequate disclosure of information to accompany financial statement.

4 Board members self-assessment and assessment of performance for sub-committees

The Company will provide board members and sub-committees an assessment that adjusted from an example of the Stock Exchange of Thailand to self-assess their own performance which consist of 1) Assessment of the board of director and sub-committees and 2) Assessment of individual directors of the board members and sub-committees. In 2021, the results of the board of director and sub-committees indicated very good performance, the results of individual directors and sub-committees indicated very good performance. In addition, the managing director must be assessed by the Nomination and Remuneration Committee, which the results indicated very good performance.

However, The Company will compile the assessment results and propose to the board of director and sub-committees for performances and problems consideration. The assessment will be further analyzed and discussed for appropriate solutions to improve the board of director performance.

5 The development of board members and high-level executives

The Company put priority to personal development of the Board members and high-level executives so the company supports board members and high-level executives to attend trainings, seminar and courses conducted by organizations such a Thai Institute of Directors (IOD), The Stock Exchange of Thailand, Thai Listed Companies Association, etc. In order to sharpen knowledge that support their career and enhance efficiency of Directors and Executives. The Company also support consistent meet up to exchange opinions between board of directors, board members, and high-level executives from different organization so that they can apply knowledge and experiences in their jobs and support Company in the future

6.1.2 Policy and Guidelines Related to Shareholders and Stakeholders

1. **Rights of Shareholders**

The Company prioritizes the rights of shareholders in making decision on key changes of the Company equally. The shareholders will receive accurate, adequate and on-time information of the Company to accompany in decision making in every aspect. Thus, the board of directors will specify practice approach to ensure confident that shareholders will have protection of their basic rights. The example is the Company will consistently notify all shareholders the progress of business operation by notify the shareholders directly or through the Stock Exchange of Thailand ("SET") or other channels.

1.1 Shareholders meeting

The Company will hold common meeting for shareholders within 120 days from the date of the closing account of the Company. For other shareholder meeting which known as the common meeting, the Company will hold additional meetings based on necessity and suitability. The Company allowed shareholders to submit proposal of agendas and nomination of director candidates prior to the meeting. Which be informed through the designated Stock Exchange of Thailand channels and company's website. Thus, the Company will also have legal advisor with a responsibility to provide legal opinions and works as agent in inspecting vote throughout the meeting. The Company will also have meeting agenda on complicated transactions, which the Company will invite financial advisor to take part of the meeting. This is to notify information to the meeting and answer questions from the shareholders.

In addition, the Company assigned Thailand Securities Depository Co.,Ltd.(TSD) as a securities registration of the Company to distribute meeting invitations to shareholders. The Company will post invitation and meeting documents on company's website thirty days prior to the meeting date and also publish invitation on a newspaper not less than three consecutive days prior to the meeting date, so the shareholders can study an information in advance. The meeting invitation will mention a venue, date, time, meeting agendas, related information, objectives, and reasons of each proposed agenda and also include board of directors' opinion in all agendas.

1.2 Meeting operations

The Company will open registration for shareholders two hours before the meeting and will open for registration until prior to the discussion of the last meeting items. The Company will appointed staff to welcome the shareholders as well as facilitate shareholders throughout the meeting. Before the meeting, the Company will provide suggestions to board of directors, executive committee, financial auditors, legal advisor and will notify shareholders of their rights based on the regulation of the Company. The meeting will consist of voting process and rights to vote according to types of share. After meeting items information has been provide, the Chairman of the meeting will open opportunity for shareholders to give opinions and ask questions to the meeting based on that particular meeting item equally with appropriate time for a discussion. For voting item, the board member of the Company will appoint shareholders to vote for individual board members.

1.3 Minute of Meeting and disclosure of shareholders meeting resolutions

The meeting minute of shareholder will be compiling with accurately and completely so the shareholders can verify the information. The meeting minute will consist of name list for board members who attend the meeting as well as board members who are absent from the meeting. It will also notify voting process and approaches to display voting scores to the meeting before continue the meeting as well as details of meeting resolution. It will also consist of conform votes and dissent votes and abstention. In all meeting items, there will be voting as well as conclude of opinions, questions and answers that is main point that is relating to each meeting item. The Company will publish voting results of each meeting items of the meeting through company website or through SET.

2. Equitable Treatment of Shareholders

The Company is aware of equal and fair treatments for all shareholders, whether they are major shareholders, institutional shareholders, foreign investors, or minor shareholders in order to supports fair and equal treatment to all shareholders and specifies guideline as follow.

2.1 Provide agenda before the meeting

The Company prepares the invitation and related documents in both Thai and English versions and distribute to shareholders. The said documents are also published on the Company's website prior to the meeting in accordance with the period as required by the relevant laws and rules. Thus, the Company will notify shareholders the meeting rules and voting rights prior to the meeting, following the details based on the topic "rights of shareholders"

2.2 Protect rights of minor shareholders

The Company offers opportunity for minor shareholders to have their rights in proposing meeting items as well as proposing name of the board members for election of Nominating and Compensation Committee prior to the date of ordinary meeting of shareholders in accordance with the criteria, conditions, and methods determined by the Company and/or the related laws. In this regard, the criteria, channels, period, and result of proposal are announced in the Company's website and that of SET. Additionally, in a case where shareholders could not attend the meeting in person, the shareholder can appoint other person and/or the Company's Independent Director to attend the meeting and cast vote on his/her behalf. The Company provides along with the invitation the Letter of Proxy in a format that the shareholders can instruct vote casting. In addition, required documents and evidence as well as proxy authorization process are clearly explained for shareholders to ensure the right documents are prepared. The Company invited independent parties to participate in the audit of vote casting in the meeting of shareholders and disclosed in the minutes of meeting of shareholders.

2.3 Protection of internal information

In order to the directors, executives and employees of the company compliance with the regulations and articles of The Securities and Exchange Commission, Thailand (SEC). Also, in accordance with the principles of corporate governance so the company has set a protection of internal information guidelines, which following the details based on topic 8.1.4 sub topic 2 "Protection of internal information usage"

2.4 Interest of the board members

The Company has specified member that could have conflict of interest in any items be votaress in specific item. Additionally, according to the regulations and guideline in connected transactions, it also specify board members and executive committee to provide report regarding own interest or third parties interest and notify to the Company. This is so the Company will have adequate information that could benefits the business operation based on guidelines for 'connected transaction'. This is also to prevent any connected transaction that could result in conflict of interest and also specify that stakeholders within connected transaction will not have right to approve or votes in specific item

In addition, the Board of Directors has established a clear direction to ensure strict compliance with the laws, regulations, and articles of SET and SEC and arranged for review of compliance with corporate governance on a

regular basis. This is in order to assure that all shareholders are treated and are entitled to exercise their right in an equal and fair manner.

In 2021, the Board of Directors received no complaints with regards to unfair treatments toward shareholders, unfair related party transactions or any crimes regarding the use of insider information of Directors and executives. This reflected that the policies or guidelines determined by the Board of Directors were adequate and appropriate.

3. Roles of Stakeholders

The Company respects the right of stakeholders and has specify guideline within the Company 'code of conduct' to ensure that every stakeholder will receive every rights according to the law. The stakeholders are including shareholders, executives, customers, trading partners, debtors as well as society. Additionally, the Company will also support the collaboration between every group of stakeholder. This is so the businesses operations can continue with security of the Company in align with fair benefits and compensation to all parties for a long-term success of the Company. The company has policies and guideline as follows

3.1 Shareholders

The Company is committed to operate transparent, justified, and fair business and with adherence to equal and fair treatments to shareholders. The Company arranges for disclosure of information in a complete, correct, and equal manner on a regular basis. In addition, the Company has put in place measures to monitor and prevent Directors, executives, and employees of the Company from exploiting any information which has not yet been disclosed. Including, to ensure proper risk factors in management, to protect Company's properties, and to ensure cautious business management and decision making, in order to deliver consistent turnover and generate reasonable earnings for shareholders continuously and equally. These actions were taken in order to achieve both short-term and long-term goals of the Company with efficiency as well as stable and sustainable business growth for the benefit of shareholders.

3.2 Employees

The Company has a policy that employees shall receive fair treatments and suitable in respect of opportunity, remuneration, welfare, potential development as well as assurance on the quality of life, safety, hygiene at workplace. With regards to remuneration, the Company makes decisions by taking into account the main factors i.e. capability and performance efficiency along with the Company's operation results as well as the competitive capability within the industry. Thus, all employees will be entitled to fair treatments i.e., social security payment and provident fund. As for employees potential development, the Company arranges for various internal and external training courses for employees in order to promote and develop knowledge and capability of the employees. Additionally, the Company implements policies regarding working safety, occupational health, and environments to enhance employees' confidence towards quality of lives. The Company is committed to control risk factors that cause unsecured works in both office and factory, to strictly comply with related laws and regulations, to analysis accident rate and improve working safety, to implement system for consistent evaluation of environment to prevent employees' health from work-related diseases, and to arrange annual health examination for all employees.

In this regard, the Company has established measures to reduce and prevent such accidents. Including to implement system for consistent evaluation of environment to prevent employees' health from work-related diseases, and to arrange annual health examination for all employees.

3.3 Customers

The Company is determined to improve the quality of products and services on a continuous basis to deliver ultimate customer satisfaction where the Company takes the best care and take responsibility in our customers. The Company uses customer satisfaction form to collect key data for improvement of products and services to fulfill customers' needs. Moreover, the Company provides channel for customers' complaints in order to promptly support and solve problems. The Company continuously develops preventive approaches, find solutions, and develop products and services to ensure sustainable fulfillment of customers' requirements, to promote corporate image and customers' confidence in the future.

3.4 Trade partners

The Company complies with trade terms and agreements as stated in contract by focusing on equal treatment for partners to ensure utmost benefits for the Company and fair compensation for both parties.

3.5 Business competitor

The Company is committed to operate commercial transactions and compete in compliance with healthy competition rules, to promote fair treatment with competitors, and to encourage free and fair trade.

3.6 Creditors

The Company has policy to treat all creditors with fairness and equality, strictly honors terms, conditions, and agreements per contracts entered into with all creditors.

3.7 Community, Society, and Environment

The Company realizes about participation with societies and communities by promoting employment and opportunities for people, focusing on participation with communities to offer occasional support, and donating for public purposes. Regarding environments, the Company focuses on environmental and social-friendly production process and promotes awareness and understanding towards environment conservation and wise resource utilization through trainings and corporate campaigns. The Company is ISO 14001 certified, which is the standard for management system to follow environment policies. The Company also arranges training for such environment and standard system. Furthermore, the Company is determined to promote efficient and sustainable resource utilizations by studying, developing, and selecting production innovations that use modern machines to optimize resources with efficiency. Other implementations apart from aforementioned process are the details based on topic 3 "Driving Business for Sustainability" sup topic 3.4 "Sustainability Management in Social Dimension"

Lead and Complaint Report

The Directors implement policies for stakeholders to report leads or complaints to Directors regarding laws violation, accuracy of financial reports, errors of internal controls, or unethical issues, and ensure legal mechanism to protect rights of whistleblower. Company keeps information of whistleblower or complainer confidential without exposing any information to others and obtain proper protection from the Company. Independent directors or audit

committees will verify information and suggest solutions (if any) , and report to Board of Directors. Please refer to addresses below.

Email : skn@kijchai.co.th

Postage : S. Kijchai Enterprise Public Company Limited

99/9 M.7 Huay-Yang, Klaeng, Rayong 21110

However, the Company had clear policy and determination to ensure compliance with related laws and regulations so as to ensure that right of all stakeholders will be protected equitably and fairly. In 2021, there were no any complaints via the channels provided by the Company.

4. Disclosure and Transparency

The shareholders can access information of the Company that is equally provided to shareholders and the public through website of the Company. The content will consist of latest Stock Exchange prices, financial information, meeting invitation, financial statement, and printing materials for download.

The Directors put priority in disclosing information and provides information disclosure both of financial information and other information that is complete, adequate, reliable and on time. This is so shareholders and stakeholders will receive equal information as well as important Company details including name of board members and their shareholder details, sub-committee members, and executive committee. Also, published in annual report, stating number of meetings that Directors and affiliates have attended, background of Directors and Executives, compensation criteria of Directors and Top Executives, individual compensation of Directors, reports about the Company's operation. This will include information that affect purchasing price for the Company Stock Exchange or affect investment decision or beneficial to shareholders based on announcement of the Stock Exchange and related law. This is so potential investors or related parties who are shareholders will use the information to accompany investment decision in the future. This will be through different channels on information of Stock Exchange and website of the Company.

The Company has assigned the Investor Relations Department to be the contact point for communication and provision of information to institutional investors, shareholders and analysts. The communication channel was available on the Company's website under the "Investor Relation" section. In 2021, the Company organize the meetings with analysts and institutional investors were held 1 time and Opportunity Day, which was held 3 times.

6.2 Code of Conduct

The Company is determined to operate the business under the principle of good corporate governance by taking into consideration all stakeholders. The Company establishes the Code of Conduct to ensure that all employees strictly comply with the principles and practices specified by the Company. The Board of Directors, executives and employees at all levels always adhere and comply with the Code of Conduct, creating the maximum value and benefit for the organization. The Company's principles and practices guidelines are as follows:

1. Corporate Governance Policy

All employees shall comply with the Company's Corporate Governance Policy to demonstrate that the Company gives the importance to protection of interest of all stakeholders, including shareholders, customers and employees, as well as the Company's reputation.

2. Relationship with the Company's Shareholders

Always perform the duty with integrity. Any decision made by the Board of Directors shall take into consideration the shareholders' interest and any act shall be fairly done for all shareholders.

3. Basic Practices of the Board of Directors

Always perform all assignments with integrity by fully applying knowledge and professional experience for the Company's benefit and promote the corporate governance culture.

4. Basic Practices of the Managing Director

Establish the Company's business policies to achieve the defined objectives, maintain interest of all shareholders, customers and employees and promote the corporate governance culture.

5. Employee Policy and Treatment

The Company provides all employees with fair compensation and desirable working environment which is safe for life and property of all employees. Any employee appointment and transfer as well as rewards and punishment are based on good faith, knowledge, ability and suitability of each employee. The Company focuses on development of employee knowledge, ability and skills and thoroughly and consistently provide opportunity of all employees. We strictly comply with the applicable laws and regulations concerning employees.

6. Employee Practice Policy

All employees shall perform their duties with determination, integrity, transparency and accountability. They shall refrain from giving any high-value gift to their superior or accepting any gift from their subordinate. The superior shall respectfully behave towards other employees and employees shall not do any act in a way that is disrespectful against their superior. All employees shall respect the rights of other employees and management, always be disciplined and comply with the Company's rules and regulations and morality, whether specified in writing or not. They should create and maintain harmony and solidarity among employees and avoid doing any act that may affect the Company's reputation and image or cause subsequent problems against the Company.

7. Employee Compensation Policy

Determination of employee compensation is based on the compensation and benefit calculation systems under the business standard. Similarly, employee skill development and motivation of employee morale are conducted to ensure effectiveness and efficiency of employee performance. In addition, the Company enables all employees to provide their opinions on operational improvement and encourages strong relationship among the organization's departments.

8. Relevance of Practices and Laws

Any practice of the Company shall be properly improved to conform with the applicable laws.

9. Customers

The Company is determined to deliver quality products and services that meet or exceed customer expectations under the fair conditions and provide customers with accurate, adequate and update product and service information without any exaggeration that misleads customers about the quality of such products or services. We always keep customers' confidentiality and do not improperly use such confidential information for our own or related parties' interest. We communicate with our customers in a polite, effective and trusted manner and rapidly respond to customer demand. We provide the system and channels that enable customers to effectively submit their complaints on the quality and safety of products and services.

10. Conflict of Interest

The directors, executives and employees shall avoid doing any act causing the conflict of interest against the Company. The Company shall control and prevent any conflict of interest among related parties. Any executive or employee shall not be entitled to do any act contrary to the applicable laws and the Company's practices. Any act and decision of the Company's executives or employees shall always have the first regard to the stakeholders' interest than their own interest. In this case, if there is any conflict of interest or when any director, executive and employee involve in any situation leading to the conflict of interest, such person shall notify the superior or related department in order to resolve the situation in a fair and transparent manner.

11. Internal Information of the Company

All employees of the Company shall comply with the practices of using internal information.

12. Competition

The Company is determined to operate the business and perform business competition freely and fairly. In any business negotiation, the directors, executives and employees shall refrain from asking, accepting or paying any improper benefit from and to the suppliers and/or creditors.

13. Public Relations

There will be no distortion, concealment and/ or misrepresentation in any public dissemination or advertisement. The Company's disclosure will be in accordance with relevant laws.

14. Social and Environmental Roles

All directors, executives and employees of the Company are encouraged to have participation and become part of society. Activities aiming at creating desirable society, community and environment are regularly carried out in a bid to improve the quality of life of communities. They are carried out both by the Company and in collaboration with the government and communities. The Company realizes that participation in social activities will help develop overall economy and society and eventually result in the Company's success. In addition, we have the policy to promote activities concerning natural protection and conservation as well as local customs and traditions.

15. Giving or Accepting Gifts or Entertainment

All directors, executives and employees of the Company shall not ask, accept or agree to accept money, objects or any other benefit from any persons associated with the Company. However, directors, executives and

employees may traditionally accept or give any gifts. Gift acceptance shall not influence any business decision making of the recipient and made transparently or openly with accountability.

16. Internal Control, Internal Audit and Financial Reporting

The Company's management is responsible for preparing accurate, complete and update financial reports, covering yearly and quarterly statements, in accordance with the generally accepted accounting standards. In addition, the internal control and audit systems are put in place to ensure that the Company strictly complies with relevant standards and laws under supervision of the internal auditor and review of the Audit Committee.

17. Monitoring of Observance, Notification and Disclosure of Offences

There are 5 principles as follows:

1. The Company determines that it is the duty and responsibility of all directors, executives and employees to acknowledge, understand and strictly comply with the code of conduct.
2. There are punishment and recognition for those who are non-compliant and stringently compliant in accordance with the disciplinary action policy and provisions in the work regulations.
3. Monitoring, inquiry and reporting processes are put in place in case there is any suspected offence against the code of conduct or there are any complaints submitted via the complaint receipt channels. The processes are carried out according to the nature of disciplinary offences and the superior hierarchy as follows:

☐ The Functional superior ☐ The Internal Audit Team ☐ The Audit Committee

Thus, the reporting any suspected offence against the code of conduct, non-serious cases shall be reported to the superiors in a hierarchical order and serious cases, including corruption and fraud, shall be reported to the top superior of the department. If such case involves the top superior of the department, the employee may directly inform the internal audit unit so that it will perform an investigation and report to the Audit Committee accordingly.

4. The internal audit unit has the duty to report the observance monitoring results to the Company's executives and the Audit Committee
5. The code of conduct shall be reviewed every 3 years or if appropriate and necessary

In addition to the above, The Company has specified to have business moral guidelines for board members, executives, and employees to follow strictly as follow.

1. Manages a business with trade partners and competitors on the basis of honesty and fair principles
2. Strictly follow legal intentions by avoid any incidents that is not correspond to the Company business moral for the purpose to only achieve the business goal
3. To maintain the Company and business brand reputation and to not publicize information of the Company direct or indirect to external parties, especially the information that has not been filter for accuracy from sectors related to the Company
4. In case of conflict of interest, there should be an approach to solve the situation through the negotiation process in align with principle mechanism of the Company and as stated by the law on the particular issue

6.3 Major Changes and Developments of the Corporate Governance Code and Corporate Governance System in the Past Year

The company has recognized the importance of the application of Corporate Governance Code 2017 (CG Code 2017) developed by the Securities and Exchange Commission (SEC) promulgated since March 2017. The company is scheduled to review the corporate governance policies of the company annually. With the following purposes of review:

1. To ensure that the business operation of the company has transparent corporate governance that is accountable which will increase confidence to investors.
2. To ensure that the company has complied with the Good Corporate Governance Principles of the Stock Exchange of Thailand B.E. 2555 (2012) and the CG Code 2017 of the Securities and Exchange Commission.
3. To ensure that the company has following up and monitoring the implementation of policies to be used to ensure the suitable for the company's business and the situation and operation of the company is always.

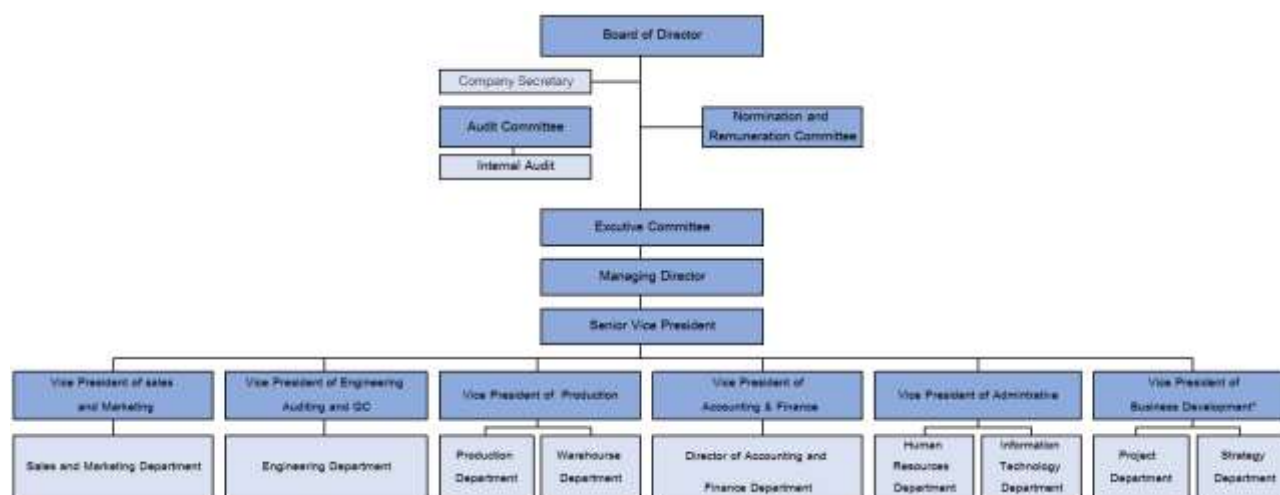
Thus, the board of director has reviewed The Principles of Corporate Governance policy and considers that such policy is appropriate. The Commission considers that the company has complied with the Corporate Governance Code 2017 developed and communicated to executives and employees acknowledged and treated continuously. Including following up and monitoring the implementation of policies to be used to ensure the suitable for the company's business and the situation and operation of the company is always.

The Board of Directors, Executives, and Employees of the Company and subsidiary company have complied with the Principles of Corporate Governance policy and follow up the performance according to the operational plan strictly and regularly. In 2021, there was no any cases that does not comply with the policy.

7. Corporate Governance Structure and Information of the board of directors, Subcommittees, Executives, Employees and Others

7.1 Corporate Governance Structure

As of 31 December 2021, the Company management and operation structures consist of the Company board members, 2 sub-committees (which are auditing committees and nominating and compensation committees) and management board members according to management structures as follow



* The Executive Committee Meeting No. 13/2021, hold on 14 December 2021, resolved to approve the management structures. Which added business development department and Vice President of business development is under the process of finding a qualified person.

7.2 Information of the Board of Directors

The Company's management structure as described below allows clear segregation of roles, duties, and responsibilities of the board of director, the sub-committees, and the management for check and balances, as well as cross-checking of their performance.

7.2.1 Board of Director

The Board of Director consist of directors with expertise and experience in various fields, being properly qualified and without forbidden qualities under the Public Limited Companies Act B.E. 2535 and the Securities and Exchange Act B.E. 2535. The directors must not possess any distrustful characteristics unsuitable for the management position in public limited companies under the announcement of the Securities and Exchange Commission (SEC).

As of 31 December 2021, the Board of Directors consist of 12 directors, including 1) 8 non-executive directors, 4 of whom are independent directors, representing not less than one-third of the members and 2) 4 executive directors

No	Name	Position
1.	Dr. Suvit Thaniyavarn	Independent director and Chairman of the Board
2.	Mr. Vichai Sangwongkit	Board member and Managing Director
3.	Mr. Vichien Saengvongkij	Board member
4.	Mr. Chaiwat Taweepiriya	Board member
5.	Mr. Sanguan Saengwongkij	Board member
6.	Mr. Supot Massayamas	Board member

No	Name	Position
7.	Mr. Somnuk Saengwongkij	Board member
8.	Miss Kanokporn Arayaprakarn	Board member
9.	Miss Orawan Sangwongkit	Board member and Nominating and Compensation Committee member
10.	Mr. Tarate Poshyananda	Independent director, Chairman of Audit Committee and Nominating and Compensation Committee member
11.	Pol.Lt.Gen. Sunchai Chaiporn	Independent director, Audit committee member and Chairman of Nominating and Compensation Committee
12.	Mr. Tiwat Rattanakate	Independent director and Audit committee member
13.	Miss Vichuta Saengvongkij ^{1/}	Nominating and Compensation Committee member

^{1/} Miss Vichuta Saengvongkij is a member of sub-committee board, but not a part of the Company's board member.

Authorized board member of the Company

Authorized board member of the Company is (1) Mr. Vichai Sangwongkit signed with Mr. Vichien Saengvongkij and embedded with Company seal, or (2) Mr. Vichai Sangwongkit signed with Mr. Chaiwat Taweepiriyaa or Mr. Sanguan Saengwongkij or Ms. Kanokporn Arayaprakarn jointly signed and embedded with Company seal or (3) Mr. Vichien Saengvongkij signed with Mr. Chaiwat Taweepiriyaa or Mr. Sanguan Saengwongkij or Ms. Kanokporn Arayaprakarn or Ms. Orawan Sangwongkit jointly signed and embedded with Company seal.

7.2.2 Role and Duties of the Board of Directors

The board members as a representative of shareholders have power, roles and responsibilities as follow.

1. Performs assigned roles with responsibility, precaution, honesty to maintain the benefits of the Company and as stated by the law, as well as objective and regulations of the Company and resolution from shareholders meeting
2. Acquires the power to specify or adjust conditions regarding joint-signing of the Company as well as list of board members who hold the power of joint-signing of the Company
3. Takes into consideration to approve and appoint as well as specify roles of sub-committee members based on suitability and necessity to support the business management of the Company board members
4. Plans organization structure and specify Organization Chart of the Company as well as adjust according to the suitability
5. Appoints the Company secretary to support the Company board member in different operations according to the law, announcement, and related regulations
6. Specifies vision, policy, business operation direction and monitor management department to operate accordingly in an effective and efficient manner
7. Specifies business plan, yearly financial budget, supervise and monitor management of management department and consider potential for the next quarter of the year

8. Specifies framework and policy for salary, salary promotion, bonus, compensation or reward bonus to employees
9. Appoints management department to have financial system, financial report, and financial audit that is reliable as well as supervise to have system in risk management and internal control system that is suitable and sufficient
10. Considers the approval of receiving or distributing of asset, new business investment or any operations to be based on the law, announcement, and related rules and regulations
11. Considers and/or consent of connected transactions and/or engage in any connected transactions (in case of the size of items, do not need to receive approval from shareholders meeting) of the Company and subsidiary (if any) according to law, announcements, rules and related regulations
12. Considers the approval of dividend to shareholders of the Company and report to shareholders meeting in the next meeting
13. Monitors to prevent the conflict of interest between stakeholders and the Company
14. Verifies process and policy in risk management and follow up on the operations
15. Specifies policy relating to business management and corporate social responsibility as well as anti-corruption policy and establish the use of the particular policy effectively
16. Holds an annual report and responsible for creating and disclosing financial budget to display financial status and business turnover of the Company in previous year to present to the shareholders meeting
17. Holds an annual general meeting within 4 months since the ending date of the Company fiscal accounting period
18. Considers and approves other key operations related to the Company or as see fit regarding the operation for the highest benefits and fairness to the Company and all stakeholders
19. Authorized one or more board member or external members, thus the authorization will not be assigned during the period of the board members or assigned member to engage with individual that could have potential conflict of interest, stakeholders, or any forms of conflict of interest to the Company or subsidiary company (if any)

7.3 Information of the Sub-committees

The structures of board members and management of the Company is as follow.

1. Board members
2. Two sub-committees, which are
 - 1) Auditing Committee
 - 2) Nomination and Compensation Committee
3. Board of directors

7.3.1 Audit Committees

As of 31 December 2021, the Audit Committees consist of 3 directors

No	Name	Position
1.	Mr. Tarate Poshyananda	Independent director, Chairman of Audit Committee and Nominating and Compensation Committee member
2.	Pol.Lt.Gen. Sunchai Chaamporn	Independent director, Audit committee member and Chairman of Nominating and Compensation Committee
3.	Mr. Tiwat Rattanakate	Independent director and Audit committee member

Terms of references for auditing committees

1. Verifies for the Company to report and disclose accurate and sufficient financial reports
2. Verifies for the Company to have internal control and internal audit that is suitable and efficient and takes into consideration the indent of internal control as well as gives consent in appoint, remove or dismiss internal audit supervisors or others departments related to internal audit
3. Verifies for the Company to act according to the Securities and Exchange Act as well as regulations of Stock Exchange and law related to business operations of the Company
4. Considers, selects, and propose the appointment of individual who is independent as the Company financial auditor and compensation of the individual as well as attend the meeting of financial auditor without any managements attend the meeting at least once a year
5. Considers related transaction or items that could related to conflict of interest to be according to law and regulations of the Stock Exchange to ensure that the particular item is rationale and beneficial to the Company as well as the disclosure of accurate and complete information
6. Acquires power to invite board members, executives, supervisors or company employees to discuss or answer questions from the audit committee
7. Audit Committees entitle to request for independent opinions from professional advisors as necessity with the Company expenditure
8. Creates audit committees report by disclose in company annual report, the report must be sign by Chairman of the Audit Committee, the report need to be sign and consist of the following information:
 - a) Opinions regarding accuracy and reliability of the financial report
 - b) Opinions regarding sufficiency for internal control system
 - c) Opinions regarding company' s' actions according to the Securities and Exchange Act as well as regulations of the Stock Exchange or law that related to the business
 - d) Opinions regarding suitability of financial auditor
 - e) Opinions regarding items that could result in conflict of interest
 - f) Number of meetings for the Audit Committee and the attendance of each member of Audit Committee
 - g) Opinions or observations from action according to the Audit Committee's Charter

- h) Other items that the shareholders and investors should acknowledge under term of reference, roles and assigned responsibilities by the board members.
9. Other current activities for board members to acknowledge regarding activities of the Audit Committee as follow:
 - a) Meeting minute of Auditing Committee that clearly identify opinions of the Audit Committee in various aspects
 - b) Report regarding the opinion of financial report, internal audit, and internal audit process
 - c) Other reports that the board members should acknowledge
 10. The responsibilities of the Audit Committee are also to report any items or action that could significantly affect financial status or business operation of the Company to adjust or solve within suitable period as see fit by the Auditing Committee
 - a) Items related to conflict of interest
 - b) Doubts or presumption if there is any act of corruption or error in the internal control system
 - c) Doubts that there could be law violation regarding to the Securities and Exchange Act as well as regulations of Stock Exchange and law related to business operations of the Company

If the Auditing Committee report to the board members regarding significant affect toward financial status and business operation and if there is a discussion with board members and executives that there should be adjustments. If the time has arrived, and it is found that the issues is neglected with about any rationale, one or another Auditing Committee member can report the issue to the Securities and Stock Exchange Commission or the Stock Exchange.
 11. In case that the financial auditor found any suspicious behavior those board members, managers, or responsible individual in operating a certain operation of the Company is involve in wrongful actions according to the law. There will be a notification of the fact regarding the particular behavior to the Auditing Committee to investigate as soon as possible. This is so the Audit Committee will report basic investigation to the Securities and Stock Exchange Commission and financial auditor within 30 days since the date of notification by financial auditor. Thus, the particular suspicious behavior will be notified with approaches to find the fact regarding the behavior to be according to the specification by the Securities and Stock Exchange Commission.
 12. To specify policy and operational framework for risk management as well as provide recommendations to board member and management department regarding risk management
 13. To set strategy in align with risk management policy and to be able to assess, follow up and monitor overall risk of the Company to be in acceptable level
 14. To monitor, support, and push forward for the cooperation in risk management of the Company as well as reconsider the sufficiency of the policy and risk management system continuously so the risk management system operates in an effective manner
 15. To report to the board members regarding key risk items, risk assessment, risk management, affect that may occur in operation as well as prevention and suggestions for adjustment. In case of key incident that could significantly affect the Company, the Auditing Committee need to report to the board members immediately

16. Acquires power in appoint committee to responsible for risk management and report to the Auditing Committee
17. Operates any other tasks as assigned by the board members of the Company with the consent of the Audit Committee such as review financial management policy and risk management, review business morals of executives, review with the executives in key reports that need to report to the public including reports and management department analysis

Thus, Mr. Tarate Poshayananda and Dr. Suvit Thaniyavarn are experts with high experiences in financial. Mr. Tarate Poshayananda graduated with Bachelor Degree major in Business Administration from Eastern Kentucky University, United States of America and received master degree majoring in Marketing from Webster University, United States of America. He also has work experiences as a board members and executive position in several types of business including financial institution and retail business. The details are in attachment 1.

7.3.2 Nominating and Remuneration Committees

As of 31 December 2021, the Nominating and Remuneration Committees consist of 4 directors

No	Name	Position
1.	Mr. Tarate Poshayananda	Independent director, Chairman of Audit Committee and Nominating and Compensation Committee member
2.	Pol.Lt.Gen. Sunchai Chaiamporn	Independent director, Audit committee member and Chairman of Nominating and Compensation Committee
3.	Miss Orawan Sangwongkit	Board member and Nominating and Compensation Committee member
4.	Miss Vichuta Saengvongkij	Nominating and Compensation Committee member

Terms of references for Nominating and Remuneration Committees

Nominating committees

1. Specify criteria or approaches in seeking individual to be in the position of board members for the Company as well as members of Sub-committee, executive committee and managing director that is suitable for the specific types of the Company. The example is the criteria in selecting previous board members to remain in the position or the criteria to announce the application or board members, as well as criteria regarding opportunities for shareholders to propose names of board members. This should also include criteria to use the service of external company in selecting board members, criteria in selecting individuals from different occupations or criteria or criteria to select suitable individuals. This is also including disclosure of policy and criteria in a transparent manner
2. To specify qualification of board members, members in the sub-committee, executive committee as well as nominating committee member to base on structures, size, types and suitability of the Company regarding skills, experiences, and special abilities based on business or main industry related to the Company

3. Select and propose qualified individuals that is suitable and corresponds to criteria and approach to position as board members of the Company, members in sub-committee, executive committee and managing directors to propose to meeting of board members and/or shareholders meeting for further appoint of the position.
4. Create, review, conclude and handover succession plan for managing director position to the board members annually

Remuneration Committees

1. Considers structures, numbers, types, and criteria in compensation payment including all types of compensation both cash and cash equivalent appropriated for Chairman of the board, board members, as well as members in the sub-committee, executive committee and managing directors in a fair and reasonable manners. This is to correspond to the responsibility and business operation of the Company. Thus, it can be consider comparing with compensation payment of other companies in the same industry and propose to the board member meeting and/or shareholder meetings for further approval
2. Takes responsibility toward board members and responsible for clarify, answer questions regarding compensation for board members, sub-committee members, executive committee or managing director in shareholders meeting
3. Reviews the suitability of criteria and process in nominating and specifying compensation of board members, sub-committee member, executive committee and managing directors according to environmental conditions and changing situations of the Company
4. Specifies approach in assessing action plan for the board members, sub-committee members, executive committee and managing directors annually by taking into consideration of responsibility and risk that occur and propose to the board members for further consent
5. Responsible in assessment of the business operations for executive committee and managing directors and report assessment result toward board members for further consideration.
6. Supervises for the disclosure of principles/ rationale in specification of board members and executives compensation based on the regulation of the Stock Exchange in the Company annual report
7. Specifies compensation of the board members, sub-committee members, executive committee and managing directors, management department and other sectors will need to report and present information and related document to Nominating and Remuneration Committee to support the operation of Nominating and Remuneration Committee to achieve the assigned responsibility.
8. Operates other assigned businesses by board members and/or shareholders meeting relating to nominating and remuneration of board member, sub-committee members, executive committee and managing director

7.3.3 Executive Committee

As of 31 December 2021 the Company's Executive committee consists of 8 executive directors with the detail of meeting attendance as follow.

No	Name	Position
1.	Mr. Vichai Sangwongkit	Chairman of Executive committee
2.	Mr. Supot Massayamas	Executive committee
3.	Miss Orawan Sangwongkit	Executive committee
4.	Mr. Thongchai Tangsupa-anan	Executive committee
5.	Miss Kanokporn Arayaprakarn	Executive committee
6.	Mrs. Kitiya Niebler	Executive committee
7.	Mr. Harnsiri Sangwongkit	Executive committee
8.	Miss Vichuta Saengvongkij	Executive committee

Terms of references for executive committee

Executive committee are responsible in manage business of the Company according to the objectives, regulations, policy, commands, and laws as well as the Securities and Exchange Act, other announcement from SEC and SET, other announcement, rules, and/or regulation related as well resolutions from executive committee meeting and/or shareholder meeting. Additionally, executive committee also have responsibility to consider each item that is present to company board members to approve and/or consent based on the regulations or command by the board members. It also includes operation commands of board members in each period and these follow.

1. Plans, creates, and proposes policy, direction, target, business strategy and annual business plan in align with conditions, economic, market competition condition for further approval from the board members.
2. Specifies business plan, annual budget, management power in approving different items of the Company for future approval from the board member
3. Monitors and supervises business operation of the Company to be according to the policy, goal, business strategy, annual business plan, buss model and annual budget as approved by the board members
4. Acquires power to approve financial budget for investment, purchasing and hiring, loan from financial institution, and other items to benefits business operations based on objectives of the Company within budget. It also include authorized power as appointed by the board members and ability to suggest or give opinions about other items that beyond budget or authorized power as appointed by the board members on investment, purchasing and hiring, loan from financial institutions and other items for the benefits of the Company objective. Thus, the particular action will falls under the announcement of Stock Exchange Committee, The Securities and Exchange Commission or other law that is related to the items.
5. Considers and approves as well as amend or adjust command, rules, regulation and other criteria relating to work operation as well as monitor and supervise works in all department
6. Considers and report different items to board member within the specific time frame as follow:
 - a) Business turnovers by quarter and annually within the specific time frame from the related law

- b) Report of financial auditors regarding the Company financial statement as well as financial statement by quarter and annually within the specific time frame from the related law
 - c) Notify board members immediately in case of any corruptions or actions that is violation of laws or other abnormal actions, thus, the executive committee will report to the board members when any suspicious situation occurs.
 - d) Reports other items as see fit by executive committee or board members
7. Fulfills other assigned responsibility as assigned by the board members
 8. Provides authorized power and roles that assist with Chairman of the executive boards, and/or high-level executives of the Company based on term of reference, roles and responsibilities as specified by the executive committees under the supervise of executive committee
 9. Provides authorized power during and/or assigned one or more people to operate one or another items as see fit by the executive committee and within specific time frame as see fit by executive committee. This should be under term of reference of the given authorized power and/or according to the rule, regulation, or command of the executive committee. Thus, the executive committee may cancel, remove, and adjust the appointed person as see fits.

Thus, the delegation of authorized power for roles and responsibility of executive committee will not be in the form of authorized power during the period that the executive committee or appointed authorized power able to approve items that one or another individual engage in conflict of interest (as define in the anannouncement of the Security and Exchange Commission member or other related criteria) It is only acceptable if it is an approval of business transaction according to the policy and criteria as consider for approvals by the board members. This is according to law based on asset and Stock Exchange as well as regulations, announcements, or command by Stock Exchange, Securities and Exchange Commission, Stock Market Supervisory Board or other related laws.

7.4 Information of the Executives

7.4.1 Executives

As of 31 December 2021, the Company has 8 executives as follow.

No	Name	Position
1.	Mr. Vichai Sangwongkit	Managing Director
2.	Mr. Harnsiri Sangwongkit	Senior Vice President
3.	Mrs. Kitiya Niebler	Vice President of Sales and Marketing Department
4.	Mr. Teerawit Noosong	Vice President of Production Department
5.	Mr. Supot Massayamas	Vice President of Engineering Auditing and QC Department
6.	Ms. Orawan Sangwongkit	Vice President of Accounting and Finance Department
7.	Ms. Vichuta Saengvongkij	Vice President of Administrative Department
8.	<i>-finding a qualified person-</i>	Vice President of Business Development Department
9.	Ms. Phatsanan Senuchai	Director in Accounting and Finance Department

Managing Director

Term of references for Managing Director

1. Supervises, manages, and operates business for the benefits of the Company according to policy, vision, goals, annual business operation plan, business strategy in related fields, and annual budget as specified by the meeting of the board members
2. Supervises and monitor operation regarding finance, marketing, human resources and other department in general to corresponds to policy and business operation plan as specified by the board members
3. Acquires power to hire, appoint, remove, or dismiss employees in the Company with the position under Managing Director and able to appointed another person to act In place of the position.
4. Acquires power to specify salary, compensation, and bonus and salary promotion for employees with the position that is under Managing Director under frame and policy as specified by the board members and/or as specified by regulation regarding authorization
5. Negotiates for agreement and/or other related transactions to the business operation of the Company with each of the financial budget as specified by the authorization regulation approved by the board members
6. Issue orders, regulations, announcements or report within the Company so the business operation of the Company align with policy and for the benefits of the Company as well as preserve regulations within the organization.
7. Performs assigned responsibilities by the board members and/or executive committee as well as acquire power to operate any necessary actions as see appropriate
8. Acquires power to authorize other people as see fit by the Managing Director to manage and operate on behalf on Managing Director in the necessity and suitability within the executive discretion of the Managing Director under criteria of the law and regulations of the Company
9. Acknowledges assessment result from Nomination and Remuneration Committee as presented to the board members to effectively further improve quality of business operations

Thus, in order to operate on any items that will result in Managing Director or authorized person by the Managing Director or other individual that could lead to conflict of interest or conflict in benefits of the Company and/or subsidiary company (if any) and/or related companies to approve particular item that the Managing Director or another individual encounter conflict of interest. The Managing Director did not have any authorization and the particular issue will need to be present to the executive committee meeting and/or board member and/or shareholder meetings (case by case) for further approval. The only exception is if it is a consideration to approve regular business operations and trading policy which is approved by the board members that the Managing Director is able to approve accordingly.

7.4.2 Compensation Policy for Directors and Executives

Board of director have considered remuneration for Board of director, sub-committee, executive committee and executives according to company's compensation and remuneration policy based on scope of responsibility and comparable with others company in the same industry. Thus, the remuneration of Board of Directors and sub-committees have been approved by shareholders and executive committee's remuneration have been approved by Board of Director.

7.4.3 Compensation for board members and executives

1) Compensations

Compensation for board members

The Company has criteria for directors' compensation as follow

- 1) The compensation should align with scope of responsibility for each of the board members
- 2) The compensation should determine at attractive level in order to retain talented director.
- 3) The compensation should accurate, transparent and easy to understand.
- 4) The compensation should be comparable to the compensation of directors in the same industry or comparable size.

At the 2021 Annual General Meeting held on 26 April 2021, specified monthly compensation and attendance fee for meeting as follow.

Position	Compensation (Baht/month)	Attendance fees (Baht/Time)			
		Nominating and compensation committee meeting	Audit committee meeting	Board of Director meetings	Shareholders meeting
Chairman of the Board	40,000	-	-	15,000	15,000
Chairman of Audit Committee	30,000	-	15,000	10,000	10,000
Members of Audit Committees	25,000	-	10,000	10,000	10,000
Chairman of Nominating and Compensation Committee	-	15,000	-	-	-
Member of Nominating and Compensation Committees	-	10,000	-	-	-
Member of the Board of Director who are not be in the position of Chairman of the Board of Director or Chairman of Audit Committee or Audit Committee or Chairman of Nomination and Remuneration Committee or Nomination and Remuneration Committee or the company employees	15,000	-	-	10,000	-
Board member who is also the Company employees	-	-	-	10,000	-

Thus, for the board member that is also appointed as sub-committee board members will only receive monthly compensation for one position. In case of monthly compensation for each position are similar, the board member will receive only one or another monthly compensation. However, in case that the rate of monthly compensation is unequal, the board member shall receive monthly compensation of the position with the higher payment rates.

Additionally, there are 2 types of compensation for the board members which are (1) monthly compensation and attendance fees according to above table and (2) bonus. Nevertheless, both (1) and (2) will not exceed 4,800,000 baht per year. In addition, if there is remaining financial amount from compensation (1), the Company board member will take into consideration and allocate accordingly to bonus (2).

The detail of the Company board members compensation as of 2020 and 2021 are as follow.

No.	Name	Compensation in 2020 (Baht)	Compensation in 2021 (Baht)
1.	Dr. Suvit Thaniyavarn	765,000	855,000
2.	Mr. Vichien Saengvongkij	330,000	390,000
3.	Mr.Vichai Sangwongkit	60,000	70,000
4.	Mr. Chaiwat Taweepiriy	340,000	390,000
5.	Mr. Sanguan Saengwongkij	340,000	400,000
6.	Mr. Supot Massayamas	60,000	80,000
7.	Mr. Somnuk Saengwongkij	340,000	400,000
8.	Miss Kanokporn Arayaprakarn	60,000	80,000
9.	Miss. Orawan Sangwongkit	80,000	110,000
10.	Mr. Tarate Poshyananda	660,000	760,000
11.	Pol.Lt.Gen. Sunchai Chaiamporn	590,000	655,000
12.	Mr. Tiwat Rattanakate	530,000	580,000
13.	Miss Vichuta Saengvongkij *	20,000	30,000
Total		4,175,000	4,800,000

* Miss Vichuta Saengvongkij is a member of sub-committee board, but not a part of the Company's board member.

Managing Director compensation

The Nominating and Compensation committee conducts the managing director's performance appraisal annually. In order to determine the total compensation, including salary, bonus, or other payments by considering appropriateness and competitiveness in comparison with peer listed companies of the same industry.

Executives compensation

Executives' compensation (excluding board members compensation) consists of salary, bonus, welfare, and provident fund. As of 31 December 2021, the Company provides compensation to 8 executives, the names are shown in topic 7 "Management Structure", sub-topic "7.4 Information of the Executives", the total of 88.98 million baht.

List of items	Year 2020	Year 2021
Number of people	8	8
Compensation (Million baht)	29.56	88.98

2) Other benefits

Other benefits of Director

- None -

Other benefits of Executives

The Company provides compensation to executives which consist of provident fund that was established in September 2016. It was open for members to be able to select their own investment policies based on the selections by fund committees. It consists of fixed income funds, equity instruments and balanced fund.

7.5 Information of the Employees

7.5.1 Compensation for Company's employees (excluding executives)

The Company offers fair compensation to employees by considering as appropriate, duties, and responsibilities. The compensation offers to employees (excluding compensation for executives) consist of salary, bonus, overtime payment, active payment, position payment, professional fees, travel allowances, and employees' residence. As of 31 December 2021, there is altogether 294 employees and the Company has pay compensation for employees, the total of 95.87 million baht.

As of 31 December 2021, total numbers of employees can be divided into main department as follow.

Department	As of 31 December 2021
	Number of employees
- Production Department	184
- Engineering Auditing and QC Department	37
- Warehouse and Parcel Department	12
- Sales and Marketing Department	15
- Accounting – Finance Department	12
- Management Department	34
Total	294

7.5.2 Policy in human resource development

The Company becomes aware of the value in human resources within the organization and has consistently promote the development of employees competency to acquire knowledge, expertise, and able to fulfil each responsibilities to reach the target set. Employees within the organization will need to take responsibility into their assigned tasks with ethical, morals and taken into consideration of common interest as the key importance. The human resource department of the Company will host training internally and externally. The internal training will be held by the human resource department to promote skills and develop employees' competency. For external training, the human resource department will be coordinating with external sectors so employees of the Company will have an opportunity to develop essential skills and knowledge for their assigned work operations at present and in the future.

7.5.3 Labor disputes in the previous years

-None-

7.6 Others Information

7.6.1 Company secretary and The person supervising accounting

Company secretary

The board members appointed Ms. Autchariya Chanduaykit as the company secretary since 26 February 2020. The details of the Company Secretary are in attachment 1

The person supervising accounting

Miss Phatsanan Senuchai is the person supervising accounting. With effect from 27 June 2016. The details of in the person supervising accounting are in attachment 1.

Information of Head of Internal Audit and Head of Compliance

The Company has hired internal auditors from external sectors which is KPMG Phoomchai Business Advisory Co.,Ltd. The details of Head of Internal Audit and Head of Compliance are in attachment 3.

7.6.2 Investor Relations

Name : Mr. Harnsiri Sangwongkit
Address : 99/9 M.7 Huay Yang Sub-district, Klaeng District, Rayong Province 21110
Email : skn@kijchai.co.th
Telephone : 038-928188 ext. 5301
Website : www.skn.co.th

7.6.3 Remuneration to Auditors

The auditors of the Company and its subsidiaries are EY Office Company Limited. The Company and subsidiary offer compensation for financial audit for the year of 2021 ended on 31 December 2021, which consists of auditor's fees and other service fees such as travel expense or allowance. The details are as follows

Items	the audit fee for the year 2021 (Million Baht)	
	the Company	the Subsidiaries
Audit fees	1.60	0.22
Other service fees	0.04	-
Total	1.64	0.22

8. Corporate Governance Report

8.1 Summary of the Board' Directors Performance in 2021

8.1.1 Nomination, Development and Evaluation of the Board of Directors' Performance

The Company prioritizes the importance in nominating and appointing board members and managing directors of the Company to operate in line with the principle criteria and with transparency. This is to align with the principles of corporate good governance. The Company has specify policy to nominate which specify the Nomination and Remuneration Committee to nominate individual to position as executive committee, sub-committee members, to present to the board member and/or shareholder meeting for consideration and approval. This will be consider based on ethical, moral and must be the individual who support management according to the principle of good governance to correspond accordingly with organization strategic operations.

Nomination of independent board members

The Company specified components of board members that it need to consist of at least 1 out of 3 independent members from the total number of board members. There should be at least 3 independent members. The board member or shareholders (case by case will be appointing independent board members, The person who will takes role of the independent board members need to have qualities and is not incompatible for board members according to Public Limited Companies Act and law of asset and Stock Exchange as well as rules and/or related regulations. The independent board member will need to takes into consideration qualities, knowledge expertise and diverse experiences in different fields needed for operation and business of the Company. This is to present to the meeting with board member or shareholders (case by case) to consider for further appointment of independent board members for the Company. Thus, if one or other independent member is removing from the position before the end of the term, another independent board member will be in the position only with the remaining term of the previous independent board members.

The board member has specified the qualities of the independent board members as follow.

1. The board member should hold no more than 1 percent of the shares with the right to vote for major company, subsidiary company or joint venture (if any) as well as to major shareholders or authorized position in the Company. Thus, this should include holding of shares for related parties of the particular independent members.
2. The member should not be a board member or previously positioned as a member that takes part in management of workers, employees, or advisor with permanent salary or authorized position in the Company of the major company, subsidiary company, joint venture company or minor company in the same manner (if any) with the major shareholder or authorized position of the Company. The only exception is the member has been removed from the position no less than two years before the appointment of independent members.
3. The member should not have consanguinity or registered legally in form of father, mother, marriage spouse, relatives and children as well as marriage spouse of children of other board members, executives, major shareholders, or person in charge of the Company or any individual that will be nominate to be board members, executive, or authorized position in the Company or subsidiary (if any).
4. The member should not have or used to have business relations with major company, subsidiary company, joint venture company (if any) with major shareholders or authorized position in the Company in the form that

could prevent independent consideration. They should also takes part or previously position as significant shareholders or person in charge of the relations of the business for major company, subsidiary company, joint venture company (if any) for major shareholders or authorized person in the Company unless the person is not in the position no less than two years prior to the appointments independent board members.

5. The member should not positioned or previously positioned as financial auditor of the major company, subsidiary company, or joint venture company (if any) of major shareholders or authorized position of the Company and should not be a significant shareholder with authorized power or takes part as a partner in financial audit institution with financial auditors of the major company, subsidiary company, joint venture company (if any) of major shareholders or authorized position reside in, unless the person is not in the position no less than two years prior to the appointments independent board members.
6. The member should not or previously positioned as any occupation service providers as well as legal advisor or financial advisor that received more than two million baht service fees per year from major company, subsidiary company or joint venture company (if any) of major shareholders or authorized position in the Company and should not be a significant shareholder with authorized position or partner of particular occupation service provider. The only exception is the member has dismissed from the position no less than two years prior to the appointment of independent board members.
7. The member should not be appointed board member to represent board member, major shareholders or related shareholder that have relations with major shareholders.
8. The person should not engage in any business with same condition and significant competition with the business of the Company or subsidiary company (if any) or not takes part as significant partner in partnership or board member that takes part in management of workers, employees, advisors that receive permanent salary or holds more than one percent of shares from the total shares with the right to votes from other companies with same business operations and significant competition toward the Company or subsidiary company (if any).
9. The member should not have any other reasons to not be able to give opinions independently toward business operations.

Nomination of Board member

The Nomination and Remuneration Committee has responsibility to nominate qualified individuals and present to the board members or shareholders (case by case). The process of nomination will takes into consideration regarding diversities of gender, age, knowledge skills and different experiences through consideration on skills and expertise in each field and combine with knowledge, skills, and experience to beneficial to business operation of the Company. They should also have qualification according to the Securities and Exchange Act as announced by the Securities and Stock Exchange Commission, Capital Market Supervisory Board or announcement from the Stock Exchange of Thailand with other announcements, rules and/or regulations related to present to board members and/or shareholders to consider for further approval. The Company has specified criteria and approaches which can conclude into key points as follow.

1. The board members will consist of at least 5 but not exceeding 2 members and at least no less than half of the total members will need to residence in Thailand. The board members will also need to be qualified and should not possess incompatibility based on Public Company limited law and other related laws.
2. The election for the board members will be held at shareholders meeting by using the majority votes based on criteria and approaches as follow.
 - 2.1 One shareholder has one vote per one share. The shareholders can use all votes to select one individual or several nominees as a board member but cannot divided votes accordingly.
 - 2.2 Shareholders make a vote for the election of board members individually.
 - 2.3 In case there are many nominees to elect for the board members, the person with the highest vote received will be elected as a board member equivalent to number of needed member or elected at that time. In case that the next nominee have the same votes equivalent or more than members of the meeting, the Chairman of the meeting will be the one making final decisions.
3. For the common shareholder meetings that occur annually, one out of 3 members needs to resign from the position at that time. If the number of board members cannot be directly divide into three portions, the number of resignation should be closest to 1 out of 3 board members that need to resign from the position in the first year and second year that the Company is registered and to draw lots as to who would resign. For other years, the longest board member in the position shall resign. Thus, the board members who resign from their terms could be re-electing to the position.
4. In case of one or another board members plan to resign from the position, he/she must send resignation letter to the Company. The resignation will be affective as soon as the letter arrived at the Company. The board members who resign can also notify their resignations with the registrar.
5. In the case that the position of the board member become available due to other reasons beside resignation from terms, the board members may choose to select qualified individual without any incompatibility of law regarding Public Company Limited and law based on asset and Stock Exchange to be acting member for the next board member meeting. However, if the board member has less than 2 months term the person who will be acting board member may be in the position of board member equal to the remaining term of the member. The resolution of the board members needs to consist of at least 3 out of 4 votes from the remaining board members.
6. At the meeting, the shareholder may vote one or other board members to resign from the position before the term with at least three out of four votes proportion from the entire attendance of the shareholders with the right to votes. There should be a total shares no less than half of the shareholders that attend the meeting with the right to vote.
7. The board member may select one member as the Chairman of the executive board and in case that the board members need to consider to select one or more member, the other member will be selected as a vice chairman of the board.

The nomination of Audit Committee members

The Nomination and Compensation Committee will nominate the Auditing Committee based on qualifications from the announcement of Investment Market Committee Tor.Jor 39/2016 regarding the request for permission to resell new shares dated on 30 September 2016 with the revised details as follow.

1. The member must be an independent member with qualities according to the law of asset and stock exchange as well as the announcement, rules and/or regulation of the Securities and Stock Exchange Commission and the Stock Exchange of Thailand.
2. The member should be able to use their own discretion independently with sufficient knowledge and experiences to take responsibilities as the member of the Audit Committee on assigned mission.
3. The members should consist of at least one person with sufficient financial or financial management knowledge to take responsibilities in review reliability of financial statement.

The nomination of the Nomination and Remuneration Committee members

The members of the Nomination and Remuneration Committee should have qualities as follow.

1. The member should have qualities according to the law of asset and Stock Exchange, announcements of the Securities and Stock Exchange Commission, announcement of the Investment Market Commission or announcement from Stock Exchange of Thailand as well as other related announcements, laws, and/or regulations.
2. The member should be an appointed member to make decisions on business operation of the Company, subsidiary, joint venture or minor company in the same levels of major shareholders or authorized member of the Company.
3. The member should not be board member of other major company, subsidiaries, or minor companies only for the registered companies.
4. The member should not be any individual that operates in the similar types of business and competing against the Company or become partners or board members in other business with similar conditions and competing against the business of the Company whether for own benefit or other benefits. The only exception is if the member notified to the meeting of the board members prior to the appointment.

The nomination of executive committee

The Nomination and Compensation Committee will nominating executive committee based on qualities as follow.

1. The qualities of the executive committee are knowledge, capabilities and experiences that will benefits the business operation of the Company. They should also be honest and have moral in business operations with adequate time to sacrifice knowledge, capabilities and full responsibilities to the Company.
2. The executive committee should be qualified and is not incompatible based on the law of Public Company Limited company as well as law based on asset and Stock Exchange or any related laws.

The nomination of Managing Director

The Nomination and Compensation Committee will consider individual with capabilities and qualities suitable for the position of Managing Director. The Committee will takes into consideration on qualification, knowledge, experiences, capabilities, and special areas of expertise in related fields that is necessary will be beneficial to the business operation of the Company and present to the board member or shareholders (case by case) to consider for further appointment.

The succession plan

The Company has plan and selection process policy to appoint successors in charge of all management levels with proper and transparent process, to select professional management team. The Directors and/or departments that are authorized by Directors are responsible for develop selection plan for Chief Executive Officer, Managing Director, and Executives. Regarding selection process for aforementioned positions, The Company identifies qualified nominee, arrange Executive Committee to approve or process appointment of qualified person for each position.

8.1.2 Meeting Attendance and Compensation for Individual Directors

In 2021, the Company organized a total of 8 meetings of the Board of Directors and 75 percent of the directors attended such meetings. Some directors attended the meetings and expressed their opinions via electronic meeting. This conformed with the regulations of the Board of Directors' meeting attendance and all directors had the attendance ratio of not less than 75% of all meetings. The detail of meeting attendance as follow.

Name	Position	As of 31 December 2021 (Meetings attendance/Total Meetings)	
		Board of Director	2021 Annual General Meeting of Shareholders
1. Dr. Suvit Thaniyavarn	Independent director and Chairman of the Board	8/8	1/1
2. Mr. Vichai Sangwongkit	Board member and Managing Director	7/8	1/1
3. Mr. Vichien Saengvongkij	Board member	7/8	1/1
4. Mr. Chaiwat Taweepiriya	Board member	7/8	1/1
5. Mr. Sanguan Saengwongkij	Board member	8/8	1/1
6. Mr. Supot Massayamas	Board member	8/8	1/1
7. Mr. Somnuk Saengwongkij	Board member	8/8	1/1
8. Miss Kanokporn Arayaprakarn	Board member	8/8	1/1
9. Miss Orawan Sangwongkit	Board member and Nominating and Compensation Committee member	8/8	1/1

Name	Position	As of 31 December 2021 (Meetings attendance/Total Meetings)	
		Board of Director	2021 Annual General Meeting of Shareholders
10. Mr. Tarate Poshyananda	Independent director, Chairman of Audit Committee and Nominating and Compensation Committee member	8/8	1/1
11. Pol.Lt.Gen. Sunchai Chaiamporn	Independent director, Audit committee member and Chairman of Nominating and Compensation Committee	8/8	1/1
12. Mr. Tiwat Rattanakate	Independent director and Audit committee member	8/8	1/1

In 2021, the Company has paid directors' compensation in accordance with the resolution of the 2021 Annual General Meeting of Shareholders, which approved the remuneration of the Board of Directors and Sub-Committees for the year 2021. The details are in topic 7 "Corporate Governance Structure", sub-topic 7.4.3 "Compensation for board members and executives"

8.1.3. The monitoring of business operations for subsidiary company and joint venture

The Company has policy and guidelines in governing the administration of the subsidiaries and associates, the company will appoint the company's qualified and experienced representative as a committee in the relevant invested transaction of that subsidiaries and associates. That representative could be a chair committee, chief executive officer, committee, chief executive, or anyone who doesn't gain any conflict of interest with the transaction of those subsidiaries and associates. This is to enable the company in governing the transaction and the transaction of the subsidiaries and associates like one unit of the company. Therefore, it's determined that the representative must navigate the administration of the subsidiaries and associates in following the relevant law of the concerning transaction of the subsidiaries and/or associates. In addition, the appointing of the representative as the committee in those subsidiaries and associates must be correspondent with the equity ratio of the company and/or the agreement in case of the associates.

The company will closely follow up the performance of the subsidiaries and associates, as well as regulate and audit data and accounting records of the subsidiaries and associates.

8.1.4. Monitoring the Compliance of the Corporate Governance Policy and Guidelines

The Company accentuates and realizes the importance of the good corporate governance. We require compliance of all personnel and monitor the performance. We also review our policies and practices on a yearly basis to ensure consistency with the current circumstances and lead to implementation in accordance with the operational goals under the

principles of good governance. In addition, the Company performs monitoring of compliance with the principles of corporate governance in the following 4 aspects:

1. Protection of Conflicts of interest

The Company has appointed board members, executives, and employees to avoid engaging in any activities that lead to conflict of interest for the Company. The Company will also monitor and supervise not to any conflict of interest between third parties. Actions and decisions of executives or employees will need to take into consideration for interest of stakeholders before own interest. In this case, if there is any incidents that result in the conflict of interest or when board members, executives or employees become engage in incident that could lead to the conflict of interest. The individual must notify their supervisors or related sectors to find solution to the situation with fairness and transparency.

2. Protection of internal information

The Company prioritizes in the prevention of internal information for own benefits or benefits of board members, executives, or employees to be fair and equal to all stakeholders and according to the Principles of Good Corporate Governance. It will also base on the rules and regulation of the Securities and Exchange Commission. The Company specifies policy regarding internal information usages, monitor the implementation of the policy, and announces board members, executives, and employees to acknowledge and comply with key point that can be concluding as follow.

1. Directors, Executives, employees, and staffs of Company who acknowledge material internal information which are likely to affect change of stock price are prohibited to buy or sell Company's stocks at least 1month prior to public sharing of such financial statements or information. Related persons are obliged to wait at least 24 hours after such information are publicly shared. In case that information are not widely publiced or highly complicated, related persons are obliged to wait at least 48 hours after such information are publicly shared prior to buying or selling of Company's stocks ("blackout period"). Such persons or those who are related to internal information must not share them to others. Directors, Executives, and employees are required to state their demand to buy or sell Company's stocks, either for their own or their related person (according to relevant regulations).
2. Specifies board members and executives as well as high-level management executives in finance and accounting department that has position as manager or equivalent (according to the definition by Security and Exchange Commission and Stock Exchange of Thailand) are required to state their demand for buying or selling of Company's stocks both of oneself, spouse or cohabiting couple, minor child, and juristic person wherein oneself, spouse or cohabiting couple and minor child hold shares at an aggregate amount exceeding thirty percent of the total voting shares of such juristic person and such aggregate shareholding is the largest proportion to secretary prior to proceeding transactions, to ensure that stock transactions comply with regulations of The Securities and Exchange Commission, Thailand (SEC) and Stock Exchange of Thailand (SET).
3. Provides knowledge to board member, executives and high-level management executives in finance and accounting department that has position as manager or equivalent (according to the definition by

Security and Exchange Commission and Stock Exchange of Thailand) regarding the blackout period and assigned responsibly and disclosed of own information on the securities and derivatives holding of the Company, spouse or cohabiting couple, minor child and juristic person wherein oneself, spouse or cohabiting couple and minor child hold shares at an aggregate amount exceeding thirty percent of the total voting shares of such juristic person and such aggregate shareholding is the largest proportion thereof to the SEC on Section 59 and penal code from The Securities and Exchange Act B.E. 2535 (with additional revised plan).

4. Specifies board members and executives as well as high-level management executives in finance and accounting department that has position as manager or equivalent (according to the definition by Security and Exchange Commission and Stock Exchange of Thailand) to create and disclosed of own information on the securities and derivatives holding of the Company, spouse or cohabiting couple, minor child and juristic person wherein oneself, spouse or cohabiting couple and minor child hold shares at an aggregate amount exceeding thirty percent of the total voting shares of such juristic person and such aggregate shareholding is the largest proportion thereof within 7 working days from the first date of changes to securities and derivatives holding of the Company, and they should also report the change of securities and derivatives holding within 3 working days from the date of purchase, sale, transfer or acceptance of transfer of securities or derivatives holding. Thus, this is according to the principles and approach by the Securities and Exchange Commission.

Directors' Securities Portfolios of 2020

Name	Position	Shares (%)		
		6 January 2021	17 January 2022	Change
1. Dr. Suvit Thaniyavarn	Independent Director and Chairman of Board of Director	-	-	-
2. Mr. Tarate Poshyananda	Independent Director, Chairman of Audit Committee, and Nomination and Compensation Committee	-	-	-
3. Pol.Lt.Gen. Sunchai Chaiamporn	Independent Director, Audit Committee, Chairman of Nomination and Compensation Committee	-	-	-
4. Mr. Tiwat Rattanakate	Independent Director and Audit Committee	-	-	-
5. Mr. Vichien Saengvongkij	Director	0.02	0.02	-
6. Mr. Vichai Sangwongkit	Director and Managing Director	0.04	0.04	-
7. Mr. Chaiwat Taweepiriya	Director	0.04	0.04	-
8. Mr. Sanguan Saengwongkij	Director	6.83	6.83	-
9. Mr. Somnuk Saengwongkij	Director	6.56	6.56	-
10. Mr. Supot Massayamas	Director and Vice President of Engineer Audit and Quality Control	1.09	1.09	-
11. Ms. Kanokporn Arayapran	Director	0.04	0.04	-
12. Ms. Orawan Sangwongkit	Director, Nomination and Compensation Committee, and Vice president of Accounting and Finance Department	0.04	0.04	-
13. Ms. Vichuta Saenvongkij	Nomination and Compensation Committee and Vice President of Admintrative Department	0.13	0.12	-0.01
14. Mr. Harnsiri Sangwongkit	Senoir Vice President	0.21	0.21	-
15. Mrs. Kitiya Niebler	Vice President of Sales and Maketing Department	0.15	0.13	-0.02
16. Mr. Teerawit Noosong	Vice President of Production Department	-	-	-
17. Ms. Phatsanan Senuchai	Director of Accounting and Finance Department	-	-	-

3. Anti-corruption policy

The Company prioritized about Anti-corruption and operated the business with transparent management, hold the principles of morals, ethical, and fairness. The Company also has a Code of Conduct to be appropriate practice for directors, executives, and employees as well as support activities that promote and educate executives and employees to act according to the law and companies' related rules and regulations. The Company does not promote in having success from any dishonesty or corruption. Thus, the board members of the Company have appointed 'Anti-Corruption' policy to be a guideline for practice as follow.

12. To not operates or takes part in any form of corruption, whether it is direct or indirect channels.
13. Board members, executives, and employees will not engage or support any forms of corruption and will strictly prohibit any corruption acts.
14. Board members, executives, and employees have responsibility to operate according to the good governance policy that prohibits any corruption. The Company board members will appoint executives to create 'Anti-Corruption' measurement to communicate and act upon.
15. It is prohibiting for all Company board members, executives, and employees to engage in any act that involves demanding or accepting assets or any own benefits or others, or to wrongfully neglect their responsibilities that could lead to the Company's loss of its own legitimate benefits.
16. It is prohibiting for all Company board members, executives and employees to offer or present any asset or benefits to other individual to persuade them to act or neglect to the law or toward their own responsibilities.
17. To creates an honest organization culture and hold to a fair culture in the organization.
18. To creates employees' training within the organization to promote employees to be honest toward their responsibilities and willing to bring the principles and morals in the policy to strictly operate a business as the main principle for the entire organization.
19. The Company will create employees management process to reflect the determination of the Company toward Anti- corruption measurement from the selecting of employees, training, to performance evaluation, bonus and compensations, and position promotions.
20. The Company will create internal investigation to ensure that the internal system will help the Company to achieve the target. The Company will also investigate the operations of all sectors to be according to rules and regulations and together help seek for any faults and will provide suggestions to develop effective and efficient operation system based on the approach to maintaining good governance of the organization.
21. The Company will cooperate with government sector in appoint all related parties with the govern to disclosed any accounts to Office of the National Anti-Corruption Commission (NACC).
22. To appoints the Company secretary, internal audit or any other individual that the board members have appointed to help support corporate governance.

4. Whistleblowing

The Board of Directors establishes whistleblowing measures to enable all stakeholders to report any suspected wrongdoing or complaints to the Board of Directors regarding illegal acts, accuracy of financial reports, defective internal control system or misconduct. It also has a mechanism to protect the rights of whistleblowers. The whistleblowing details are in topic 6 “The Principles of Corporate Governance”, sub-topic 6.1 “Overview of Policies and Corporate Governance Guidelines”

8.2 Summary of the Audit Committee's Performance

8.2.1 Meeting Attendance

In 2021, the Company organized a total of 4 meetings of the Audit Committee and 100 percent of the directors attended such meetings. Some directors attended the meetings and expressed their opinions via electronic meeting. The detail of meeting attendance as follow.

No	Name	Position	As of 31 December 2021
			Meetings attendance/Total Meetings
1.	Mr. Tarate Poshyananda	Chairman of Audit Committee	4 /4
2.	Pol.Lt.Gen. Sunchai Chaiamporn	Audit committee member	4 /4
3.	Mr. Tiwat Rattanakate	Audit committee member	4 /4

8.2.2 Performance of the Audit Committee

The Audit Committee performs its duty independently in the scope specified in the Audit Committee Charter which is annually reviewed to ensure consistency with the current circumstances.

In 2021, the Audit Committee attended the meetings with the Company's auditor without the management participation in order to independently discuss on significant matters concerning preparation of financial statements and disclosure in accordance with the required standards. They were also informed of alleged conducts of directors and executives, but none of them were considered the offences. The Company's auditor has independence and accountability in performing auditing.

Significant performance in 2021 included review of financial statements, review of risk management, review of internal audit control system, review of connected transactions or transactions that may have conflicts of interest, review of compliance with securities and stock exchange laws and appointment of the auditor for the year 2021. These are described in the Annex 6 - Audit Committee's Report.

8.3 Summary of the Nominating and Compensation Committee's Performance

8.3.1 Meeting Attendance

In 2021, the Company organized a total of 3 meetings of the Nominating and Compensation Committee and 100 percent of the directors attended such meetings. The detail of meeting attendance as follow.

No.	Name	Position	As of 31 December 2021
			Meeting attendance/Total meetings
1.	Pol.Lt.Gen. Sunchai Chaianporn	Chairman of Nominating and Compensation Committee	3 /3
2.	Mr. Tarate Poshyananda	Nominating and Compensation Committee member	3 /3
3.	Miss Orawan Sangwongkit	Nominating and Compensation Committee member	3 /3
4.	Miss Vichuta Saengvongkij	Nominating and Compensation Committee member	3 /3

8.3.2 Performance of the Nomination and Remuneration Committee

In 2021, the Nomination and Remuneration Committee conducted the performance assessment of the Board of Directors, the Sub-committees, the Executive Committee and the Managing Director according to the method and appraisal results detailed in topic 6 “The Principles of Corporate Governance”, sub-topic 5.4 “Board members self-assessment and assessment of performance for sub-committees”.

In addition, the Nomination and Remuneration Committee established the training plan of the Board of Directors and executives for the year 2021 to encourage them to improve their knowledge and ability and enhance their performance in conformity with the duties and responsibility of the directors and executives. Details of the training program of the directors and executives are in attachment 1.

8.4 Summary of the Executive committee’s Performance

8.4.1 Meeting Attendance

In 2021, the Company organized a total of 13 meetings of the Executive committee and 94.24 percent of the 8 directors attended such meetings. The detail of meeting attendance as follow.

No.	Name	Position	As of 31 December 2021
			Meeting attendance/Total meetings
1.	Mr. Vichai Sangwongkit	Chairman of Executive committee	13 /13
2.	Mr. Supot Massayamas	Executive committee	13 /13
3.	Miss Orawan Sangwongkit	Executive committee	13 /13
4.	Mr. Thongchai Tangsupa-anan	Executive committee	13 /13
5.	Miss Kanokporn Arayaprakarn	Executive committee	13 /13
6.	Mrs. Kitiya Niebler	Executive committee	7 /13
7.	Mr. Harnsiri Sangwongkit	Executive committee	13 /13
8.	Miss Vichuta Saengvongkij	Executive committee	13 /13

8.4.2 Performance of the Executive Committee

In 2021, the Executive Committee performed its duty according to the Company's targets and strategies. It monitored the situations and reviewed its operations to ensure consistency with the current circumstances. It also ensured that the Company's business operations are in accordance with the policies under the principles of good governance.

9. Internal control and Connected transactions

9.1 Internal control

9.1.1 Sufficient and reasonable for internal control system

In the meeting of the Board of Director no. 1/2022 held on 23 February 2022, the board members of the Company have taken into consideration and assess the sufficiency of the Company internal audit. It was completed through data collection from executives, related sectors and KPMG Phoomchai Business Advisory Co.,Ltd (“Internal auditors”) referring to the internal auditors report and monitoring of improvement for internal auditor report dated on 23 February 2022 as well as annual internal audit project for Year 2021. It can be concluded regarding the result for the internal assessment of the Company in 5 areas as follow:

1. Control Environment

The Board of Directors are knowledgeable and highly specialized in business, whose roles and responsibilities are clearly separated from Management. Roles and responsibilities of Board of Directors and sub-committees are defined in Charter or each group of Directors. Approval authority is clearly separated as well to ensure that Directors can operate efficiently with integrity and fairness, in compliance with laws, regulations, good governance, and Company's code of business conducts. The Company also develops performance review and evaluation process by hiring external independent specialist to continuously audit process and report to directors. The Company sets out process for people recruitment and development by selecting candidates based on Company's policies and qualifications of each position, developing success plan for key position to ensure business continuity, and arranging annual training plans available in various courses in order to enhance people's capabilities in alignment with business strategy. Furthermore, the Company develops process to evaluate employees' performance by defining valid evaluation criteria and keep employees informed.

2. Risk Assessment

The Company develops risk management policy and appoints risk management team which include management team and employees. The team works in collaboration with internal control department to obtain reports, in which such teams have reviewed risk of organization, risk management scope, opportunities and effects of each situation to prioritize risks and identify risk management measures or plans to ensure proper and acceptable risk level. Furthermore, the Company also hires external independent specialist to continuously audit process and report to Audit Committee.

3. Control Activities

The Company develops approval authorization and regulations and review such process to ensure alignment with recent business situations based on job description, job scope, responsibility, and authorized credit of

each management level and properly allocate job functions. Core functions of Company will be reviewed by external parties such as internal auditors and/or quality control staffs to audit control mechanism, improve efficiency, identify regulations and guidelines for those who are appointed Directors of subsidiary and associates in order to define guidelines for business operation for directors or executives of the subsidiary to comply. This is to regulate affiliates in compliance with Company's policies, laws of public companies, securities and exchange laws, and related announcement, rules, and regulations. The Company assign authorized representatives to be directors and executives of affiliates based on share ownership proportion. Moreover, The Company conveys important messages to all stakeholders through Company's website based on good governance and related regulations. The directors and executives are obliged to share stakeholding information of their own or related persons' for considering transactions that cause conflict of interest, in which stakeholders are not involved in considering such transactions. The Company identifies regulations of connected transactions that require approval in compliance with related rules and regulations of The Securities and Exchange Commission, Thailand (SEC) and The Stock Exchange of Thailand (SET).

4. Information & Communication

The Company provide timely, adequate the important data, financial, and other important information for the Board of Directors to use in decision making and communicating to the Board of Directors and/or related sub-committees to acknowledge before the meeting date, at least within the minimum period required by law. In addition, the Company arrange for internal and external communication channels via e-mail and the Company's website for those interested in receiving information about the Company. Including, whistleblowing channels for reporting information or clues about corruption to the Company are also in place. Also, Investors Relations Department is responsible for regularly communicating with shareholders or investors. The Company's important documents are also stored and categorized systematically.

5. Monitoring

Operational auditing with suggestions for constant and continuous improvement of the internal control system has been carried out. The Company hired a consulting company to be internal auditors which are independent, report the audit results, and follow up to ensure that the findings are corrected appropriately and timely by reporting directly to the Audit Committee on a quarterly basis. In addition, the Company has also anti-corruption policy for combating fraud and corruption have been implemented as a guideline for directors, executives, and employees at all levels to use as a direction for business operations, not neglecting or ignoring upon discovering actions that are considered fraud to the Company, which is contemplated as a duty to notify the supervisor or the person in charge. Also, the Executive Committee has a duty to report the Board of Directors immediately upon discovering or suspected of fraud.

In 2021, KPMG Phoomchai Business Advisory Co.,Ltd (“**Internal auditors**”) operated internal audit for the year of 2021 by inspect 4 processes as follows

1. Maintenance process and implementation on environmental standards
2. Inventory management process

3. Production process and quality control
4. IT general control processes

There are 20 remarks which are low importance for the total of 6 processes and medium importance for the total of 7 processes and also 7 suggestion. From following up the improvement based on the internal audit in first quarter to third quarter in 2021, it is found that the Company has improved internal control systems according to the internal auditors are 4 stated issues, and is in process 8 issue, that the company will improve the stated issue completely and appropriately. Additionally, for the remarks that are found in fourth quarter of 2021 that include 2 processes with low importance, 4 process with medium importance and also 2 suggestion, the internal auditors will inspect for further follow up in first quarter of 2022.

Thus, the Board of Directors concurred with the audit committee that the Company internal control system is sufficient and appropriate to the size of the business and current business conditions. The Company has sufficient employees to operate systematically and effectively. There is also an adequate amount of transaction with competitive and related parties. For other topics of internal control system, the board members considered that the Company also has a sufficient internal control.

9.1.2 Information of the internal audit chief

The Company has hired internal auditors from external sectors which is KPMG Phoomchai Business Advisory Co., Ltd to inspect internal control system of the Company. The internal auditors have assigned board members to inspect internal control system of the Company.

The audit committee has taken into consideration qualifications of assigned board member that they are suitable as they are independent agency and have high experiences in internal audit for reasonable amount of times. The details are in attachment 3 "Information of Head of Internal Audit and Head of Compliance"

Thus, the audit committee will be the people who consider the independent of internal auditor agency as well as approve in appoint, removal, or dismissed of internal auditors chief or other responsible sector related to the Company internal audit.

9.2 Connected transactions

9.2.1 Connected transactions between companies/related parties

Related transactions between companies/related parties for the end date as of 31 December 2021 is as follow.

Juristic Person/Related Person (Types of items)	Types of items	Value of items (Million baht)			Necessity and reasonability
		2019	2020	2021	
S.Kleber Chemical Co., Ltd <i>("S.Kleber Chemical")</i> <u>Relations</u> Subsidiary of the company, the Company hold 100 percent of the total share capital and interrelated board members of the Company, executive of the company is a board member in S.Kleber Chemical. A paid-up capital 75.00 percent of the total registered capital.	The Company paid full investment to S.Kleber Chemical.	25.00	-	25.00	- The Company paid partial investment to S.Kleber Chemical. - The particular transection is to support investment plan and business of the Company <u>Opinions of Auditing Committees</u> The Auditing Committees takes into consideration and sees that the particular item is reasonable and beneficial to the Company. And in the framework that approved by the Board of Directors
	The Company sold factory equipments to S.Kleber Chemical.	0.14	3.32	-	- The Company sold factory equipments due to the company did not need to use it, its price can be comparing with the market price. - The particular item occurs for the benefit of the Company and the particular item didn't cause any lose of the Company. <u>Opinions of Auditing Committees</u> The Auditing Committees takes into consideration and sees that the particular item is reasonable and beneficial to the Company. And can be comparing with third parties.
	The Company grants a loan to S.Kleber Chemical. (Interest income)	-	1.86	4.18	- The Company grants a loan to S. Kleber Chemical. (Interest income) for use as a working capital of S. Kleber Chemical. - The particular transection is to support investment plan and business of the Company <u>Opinions of Auditing Committees</u> The Auditing Committees takes into consideration and sees that the particular item is reasonable and beneficial to the Company. And in the framework that approved by the Board of Directors
	The Company purchased glue materials from S.Kleber Chemical.	-	-	369.04	- The Company purchased glue materials from S. Kleber Chemical to use as raw materials in the Company's production process. - The particular item is an item to support regular business that could occur based on necessity of the Company business operations <u>Opinions of Auditing Committees</u> - The Auditing Committees takes into consideration and sees that the particular item is reasonable and the selling price can be comparing to other trading partners of the Company.

Juristic Person/Related Person (Types of items)	Types of items	Value of items (Million baht)			Necessity and reasonability
		2019	2020	2021	
SKN Kraft and Paper Co., Ltd <i>("SKN Kraft and Paper")</i> <u>Relations</u> Subsidiary of the company, the Company hold 100 percent of the total share capital and interrelated board members of the Company, executive of the company is a board member in SKN Kraft and Paper. A paid-up capital 40.00 percent of the total registered capital.	The Company paid partial investment to SKN Kraft and Paper.	-	-	200.00	<ul style="list-style-type: none"> - The Company paid partial investment to SKN Kraft and Paper. - The particular transection is to support investment plan and business of the Company <u>Opinions of Auditing Committees</u> The Auditing Committees takes into consideration and sees that the particular item is reasonable and beneficial to the Company. And in the framework that approved by the Board of Directors
Sahakij Saentung Co., Ltd <i>("Sahakij Saentung")</i> <u>Relations</u> A related companies with interrelated board members of the Company and consist of the Company's board member that is a shareholder in 20.00 percent proportion of Sahakij Saentung's paid-up capital.	The Company purchased wood materials from Sahakij Saentung	119.56	87.61	61.98	<ul style="list-style-type: none"> - The Company purchased wood materials from Sahakij Saentung which is a main material in production for the Company. - The purchasing price is according to the Company regulation in selecting and purchasing wood materials, which uses in all wood materials distributors. Thus, the period of payment that the Company had agreed with Sahakij Saentung is not more than the payment period that the Company has agreed with other wood material distributor. Thus, the Company expected that this item would continue to occur in the future. <u>Opinions of Auditing Committees</u> <ul style="list-style-type: none"> - The Auditing Committees takes into consideration and sees that the particular item is reasonable with purchasing price and trade policy that can be compare to other trading partners of the Company. - This is considered an important item and expected to occur continuously in the future. Thus, the Auditing Committees has appointed an individual as an auditor to inspect wood materials purchase from related companies if it is according to regulation in selecting and purchasing wood materials or not. The auditor will need to further report the inspection result to the Auditing Committees every quarter.

Juristic Person/Related Person (Types of items)	Types of items	Value of items (Million baht)			Necessity and reasonability
		2019	2020	2021	
Sahakij Klaeng Co., Ltd <i>("Sahakij Klaeng")</i> <u>Relations</u> A related companies with interrelated board members of the Company and consist of the Company's board member to that is a shareholder in 62.50 percent proportion of Sahakij Klaeng's paid-up capital.	The Company purchased wood materials from Sahakij Klaeng	61.65	34.65	46.29	<ul style="list-style-type: none"> - The Company purchased wood materials from Sahakij Klaeng which is a main material in production. - The purchasing price is according to the Company regulation in selecting and purchasing wood materials which uses in all wood materials distributors. Thus, the period of payment that the Company had agreed with Sahakij Klaeng is not more than the payment period that the Company has agreed with other wood material distributor. Thus, the Company expected that this item would continue to occur in the future. <u>Opinions of Auditing Committees</u> <ul style="list-style-type: none"> - The Auditing Committees takes into consideration and sees that the particular item is reasonable with purchasing price and trade policy that can be comparing to other trading partners of the Company. - This is considered an important item and expected to occur continuously in the future. Thus, the Auditing Committees has appointed an individual as an auditor to inspect wood materials purchase from related companies if it is according to regulation in selecting and purchasing wood materials or not. The auditor will need to further report the inspection result to the Auditing Committees every quarter.
	The Company purchased wood chip for using as fuel from Sahakij Klaeng and hired Sahakij Klaeng to transport goods (Transportation costs)	0.64	0.57	6.65	<ul style="list-style-type: none"> - The Company purchased wood chip for using as fuel in production and operation process from Sahakij Klaeng. - The Company hired service providers to transport goods via truck and/or tractor to transport goods to domestic customers or transport goods to sea port to transport to international customers. From factors regarding price and readiness of the service, the transportation costs of Sahakij Klaeng is similar to other transportation service providers, which are third parties. - The particular item is an item to support regular business that could occur based on necessity of the Company business operations. <u>Opinions of Auditing Committees</u> <ul style="list-style-type: none"> - The Auditing Committees takes into consideration and sees that the particular item is reasonable with the selling price can be comparing to other trading partners of the Company and services fees and trade policy that can be comparing to services from third parties.

Juristic Person/Related Person (Types of items)	Types of items	Value of items (Million baht)			Necessity and reasonability
		2019	2020	2021	
S.Kijchai Wood Panel Co., Ltd <i>("S.Kijchai Wood Panel")</i> <u>Relations</u> A related companies with interrelated board members of the Company and consist of the Company's board member that is a shareholder in proportion of 37.50 percent. There is a marriage spouse of the Company board members that is a shareholder with proportion of 37.50 percent, and parent of the Company board members that is a shareholder in 25.00 percent proportion of S.Kijchai Wood Panel's paid-up capital.	The Company distributed electric to S. Kijchai Wood Panel	8.68	9.76	14.43	<ul style="list-style-type: none"> - The Company installed electric transformer that will be able to purchase high voltage electric to responds to the increase needs of electric usage of the Company to extend production capacity. The Company distributes current excess electric to S. Kijchai Wood Panel which is located in the nearby area. The price is based on retail electricity price of Provincial Electricity Authority. - The particular item is part of item to support investment plan and business of the Company <u>Opinions of Auditing Committees</u> The Auditing Committees takes into consideration and sees that the particular item is reasonable and beneficial to the Company and the price is reasonable
	The Company purchased wood chip for using as fuel from S. Kijchai Wood Panel and hired S.Kijchai Wood Panel to transport goods to customers in the country use of other types of services.	0.14	0.79	3.58	<ul style="list-style-type: none"> - The Company purchased wood chip for using as fuel in production and operation process from S. Kijchai Wood Panel. - The Company needs to hire transportation via truck to transport goods of the Company to customers in the country. Thus, as the selling price of the product is inclusive of the transportation costs, the factor regarding the service readiness is a key, S. Kijchai Wood Panel which is located near the Company has high availability and can request for services conveniently and in a fast-paced level. - The particular item is an item to support regular business that could occur based on necessity of the Company business operations. <u>Opinions of Auditing Committees</u> The Auditing Committees takes into consideration and sees that the particular item is reasonable with the selling price can be comparing to other trading partners of the Company and services fees and trade policy that can be comparing to services from third parties.
	The Company sold factory equipments and other types of services to S. Kijchai Wood Panel	0.51	0.01	-	<ul style="list-style-type: none"> - The Company sold factory equipments due to the company did not need to use it, its price can be comparing with the market price. - The particular item occurs for the benefit of the Company and the particular item didn't cause any lose of the Company. <u>Opinions of Auditing Committees</u> The Auditing Committees takes into consideration and sees that the particular item is reasonable and beneficial to the Company. And can be comparing with third parties.

Juristic Person/Related Person (Types of items)	Types of items	Value of items (Million baht)			Necessity and reasonability
		2019	2020	2021	
S.Kijchai Co., Ltd <i>("S.Kijchai")</i> <u>Relations</u> A related companies with interrelated board members of the Company and consist of the Company's board member that is a shareholder in proportion of 37.50 percent. There is a marriage spouse of the Company board members that is a shareholder in proportion of 37.50 percent, and parent of the Company board members that is a shareholder in 25.00 percent proportion of S.Kijchai's paid-up capital.	The Company distributed electric to S.Kijchai for production and operation process.	28.06	37.76	32.04	<ul style="list-style-type: none"> - The Company installed electric transformer that will be able to purchase high voltage electric to responds to the increase needs of electric usage of the Company to extend production capacity. The Company distributes current excess electric to S.Kijchai which is located in the nearby area. The price is based on retail electricity price of Provincial Electricity Authority. - The particular item is part of item to support investment plan and business of the Company <u>Opinions of Auditing Committees</u> The Auditing Committees takes into consideration and sees that the particular item is reasonable and beneficial to the Company and the price is reasonable
	The Company distributed MDF board to S.Kijchai and other income.	13.76	18.20	11.25	<ul style="list-style-type: none"> - The Company distributed MDF board to S.Kijchai for operation process. S.Kijchai is a large-scale domestic customer with high purchase volume and selling prices is ex-work which is remain in the same selling price level after the deduction of transportation cost for other large-scale domestic customers. Thus, the price that the Company distributes to S.Kijchai can be comparing to other large-scale domestic customers of the Company. - The particular item is an item to support regular business that could occur based on necessity of the Company business operations. <u>Opinions of Auditing Committees</u> The Auditing Committees takes into consideration and sees that the particular item is reasonable with purchasing price and trade policy that can be compare to other trading partners of the Company.
	The Company purchased office equipment from S.Kijchai.	0.01	0.02	-	<ul style="list-style-type: none"> - The Company purchased customized furniture and office equipment from S. Kijchai as the quality is according to the needs of the Company with a price that is reasonable and similar to the market price. Thus, the company predicts that the purchase of this asset could re-occur in the future, only in the case of necessity. - The particular item is one of the necessity item to provide convenient to the Company. <u>Opinions of Auditing Committees</u> The Auditing Committees takes into consideration and sees that the particular item is reasonable and beneficial to the Company and the price is reasonable

Juristic Person/Related Person (Types of items)	Types of items	Value of items (Million baht)			Necessity and reasonability
		2019	2020	2021	
	The Company hired S.Kijchai to transport goods. (Transportation costs)	0.02	0.003	-	<ul style="list-style-type: none"> - The Company needs to hire transportation via truck to transport goods of the Company to customers in the country. Thus, as the selling price of the product is inclusive of the transportation costs, the factor regarding the service readiness is a key S. Kijchai which is located near the Company has high availability and can request for services conveniently and in a fast-paced level. - The particular item is an item to support regular business that could occur based on necessity of the Company business operations <p><u>Opinions of Auditing Committees</u></p> <p>The Auditing Committees takes into consideration and sees that the particular item is reasonable with services fees and trade policy that can be comparing to services from third parties.</p>
	The Company hired S.Kijchai to complete the process of MDF board surface and use of other types of services.	1.66	0.93	-	<ul style="list-style-type: none"> - Other items of expenses between the Company and S. Kijchai mainly come from hiring for S.Kijchai to complete the process of MDF board surface based on customers' preferences. This is because at present, the Company still did not possess wood surface production line. - The particular item is a necessity item to support business operation and for the Company business operations to have continuous flow. <p><u>Opinions of Auditing Committees</u></p> <p>The Auditing Committees takes into consideration and sees that the particular item is beneficial to the Company.</p>

Juristic Person/Related Person (Types of items)	Types of items	Value of items (Million baht)			Necessity and reasonability
		2019	2020	2021	
S.Kijchai Concrete Part., Ltd <i>("S.Kijchai Concrete")</i> <u>Relations</u> A related companies with interrelated board members of the Company and consist of the Company's board member that is a shareholder in 50.00 percent proportion of S.Kijchai Concretes' paid-up capital. There is a marriage spouse of the Company board members that is a shareholder in proportion of 25.00 percent, and a mother of the Company board members that is a shareholder in 25.00 percent proportion of S.Kijchai Concrete's paid-up capital.	The Company purchased ready-mixed concrete for construction purposes, and other services.	1.13	0.30	0.21	<ul style="list-style-type: none"> - The Company purchased ready-mixed concrete from S. Kijchai Concrete for use in construction, renovation, repair and maintenance the buidings and roads within the company and the wood raw material storage area. - The particular item is a necessity. <u>Opinions of Auditing Committees</u> The Auditing Committees takes into consideration and sees that the particular item is reasonable and the selling price is similar to the market price.
Sahakij Klaeng Logistics Co., Ltd <i>("Sahakij Klaeng Logistics")</i> <u>Relations</u> A related companies with interrelated board members of the Company and consist of the Company's board member that is a shareholder in 60.00 percent. There is a marriage spouse of the Company board members that is a shareholder in proportion of 40.00 percent proportion of Sahakij Klaeng Logistics' paid-up capital.	The Company hired Sahakij Klaeng Logistic to transport goods to customers in the country and transport goods to sea port for export	3.65	3.83	1.10	<ul style="list-style-type: none"> - The Company hired service providers to transport goods via truck and/or tractor to transport goods to domestic customers or transport goods to sea port for export. From factors regarding price and readiness of the service, the transportation costs of Sahakij Klaeng Logistic is similar to other transportation service providers which are third parties - The particular item is an item to support regular business that could occur based on necessity of the Company business operations <u>Opinions of Auditing Committees</u> The Auditing Committees takes into consideration and sees that the particular item is reasonable with services fees and trade policy that can be comparing to services from third parties.

Juristic Person/Related Person (Types of items)	Types of items	Value of items (Million baht)			Necessity and reasonability
		2019	2020	2021	
The best impex Co., Ltd <i>("The best impex")</i> <u>Relations</u> There is a marriage spouse of the Company board members that is a shareholder in proportion of 15.00 percent proportion of The best impex's paid-up capital.	The Company hired The best impex to manage import and export documents and other services.	-	2.77	3.13	<ul style="list-style-type: none"> - The Company hired service providers to manage import and export documents. From factors regarding price and readiness of the service, the service costs of The best impex is similar to other service providers which are third parties. - The particular item is an item to support regular business that could occur based on necessity of the Company business operations <u>Opinions of Auditing Committees</u> The Auditing Committees takes into consideration and sees that the particular item is reasonable with services fees and trade policy that can be comparing to services from third parties.
S.Kijchai Bueng Kan Co., Ltd <i>("S.Kijchai Bueng Kan")</i> <u>Relations</u> A related companies with interrelated board members of the Company and consist of the Company's board member that is a shareholder in proportion of 50.00 percent. There is a marriage spouse of the Company board members that is a shareholder in proportion of 25.00 percent, and parent of the Company board members that is a shareholder in 25.00 percent proportion of S.Kijchai Bueng Kan's paid-up capital.	The Company purchased woodmaterials from S.Kijchai Bueng Kan	0.04	-	-	<ul style="list-style-type: none"> - The Company purchased wood materials from S.Kijchai Bueng Kan which is a main material in production for the Company. - The purchasing price is according to the Company regulation in selecting and purchasing wood materials which uses in all wood materials distributors. Thus, the period of payment that the Company had agreed with S.Kijchai Bueng Kan is not more than the payment period that the Company has agreed with other wood material distributor. Thus, the Company expected that this item would continue to occur in the future. <u>Opinions of Auditing Committees</u> <ul style="list-style-type: none"> - The Auditing Committees takes into consideration and sees that the particular item is reasonable with purchasing price and trade policy that can be comparing to other trading partners of the Company. - This is considered an important item and expected to occur continuously in the future. Thus, the Auditing Committees has appointed an individual as an auditor to inspect wood materials purchase from related companies if it is according to regulation in selecting and purchasing wood materials or not. The auditor will need to further report the inspection result to the Auditing Committees every quarter.
	The Company purchased wood chip for using as fuel from S.Kijchai Bueng Kan.	-	-	0.27	<ul style="list-style-type: none"> - The Company purchased wood chip for using as fuel in production and operation process from S.Kijchai Bueng Kan. - The particular item is an item to support regular business that could occur based on necessity of the Company business operations <u>Opinions of Auditing Committees</u> The Auditing Committees takes into consideration and sees that the particular item is reasonable and the selling price can be comparing to other trading partners of the Company.

Juristic Person/Related Person (Types of items)	Types of items	Value of items (Million baht)			Necessity and reasonability
		2019	2020	2021	
Thai Eastern Wood (1987) Co., Ltd. <i>("Thai Eastern Wood")</i> <u>Relations</u> A related companies with interrelated board members of the Company and consist of the Company's board member that is a shareholder in proportion of 57.92 percent. There is a marriage spouse of the Company board members that is a shareholder in proportion of 21.04 percent, and parent of the Company board members that is a shareholder in 21.04 percent proportion of Thai Eastern Wood's paid-up capital.	The Company pays for materials to build a COVID-19 quarantine facility.	-	-	0.01	<ul style="list-style-type: none"> - The Company hired Thai Eastern Wood to arrange a facility of quarantine employees due to the COVID-19 outbreak. Which considered the factors of price and availability. - The particular item is a necessity item <u>Opinions of Auditing Committees</u> The Auditing Committees takes into consideration and sees that the particular item is reasonable
Siam Im Dee Co., Ltd. <i>("Siam Im Dee")</i> <u>Relations</u> A related companies with interrelated board members of the Company and consist of the Company's board member that is a shareholder in proportion of 12.00 percent. There is a marriage spouse of the Company board members that is a shareholder in proportion of 7.00 percent, and parent of the Company board members that is a shareholder in 20.00 percent proportion of Siam Im Dee's paid-up capital.	The Company sold factory equipments to Siam Im Dee.	-	-	0.25	<ul style="list-style-type: none"> - The Company sold factory equipments due to the company did not need to use it, its price can be comparing with the market price. - The particular item occurs for the benefit of the Company and the particular item didn't cause any lose of the Company. <u>Opinions of Auditing Committees</u> The Auditing Committees takes into consideration and sees that the particular item is reasonable and beneficial to the Company. And can be comparing with third parties.

9.2.2 Measurements or approval process of related transactions

The Company has specified measurements and process of approval for related transactions. This is because to engage in related transaction with individual who may encounter conflict will be taken into consideration and suitability of the particular transaction from the Auditing Committees. This will prioritize the Company benefits as the main importance. In case that the Auditing Committees is lack of experience in consideration of any related transactions (if any), the Company will invite independent experts or the Company auditor will provide opinions regarding the related transaction. This is to use to provide rational in align with opinions or the decisions of the Auditing Committees and/or board members and/or shareholders, case by case.

9.2.3 Future tendencies to engage in related transactions

The Company may still need to continue to engage in related transactions with the subsidiaries company and/or business and/or individual with conflict in the future as the related transactions is a necessity and benefits the Company. However, the board of directors of the company will obey the security law, rules & regulations of the Stock Exchange of Thailand and the Federation of Accounting Professions (“FAP”) and with generally accepted accounting principles in Thailand. Moreover, the company will consider the reasonable reason of the transactions.

Part 3
Financial Statements

Board of Directors' Responsibility to the Financial Statement Report

Board of Directors of S.Kijchai Enterprise Public Company Limited are accountable for financial statement of S.Kijchai Enterprise PLC., including financial information demonstrated in annual report. Such financial report is consistent with generally acceptable accounting standard, where selected accounting policy is proper and applicable regularly, based upon judicious discretion and optimum estimation in operating procedure, as well exposure of important information sufficient to footnotes of financial statement

The board provides and maintains effective internal control to ensure that accounting record process is accurate, complete and adequate to keep assets, and to acknowledge the weakness to prevent possible fraud or significant unusual operation. For this reason.

To provide an ongoing review of the company's internal control system and examine the Company's operations on the regular basis, the Board of Directors has appointed the Audit Committee that consists of independent directors to oversee and ensure the quality, effectiveness and reliability of the Company's internal control and examination operations.

Based on board's opinion, internal control of S. Kijchai Enterprise Public Company Limited is relatively satisfactory, and convince reliability on company financial statement and its subsidiaries as at ended 31 December 2021.

- *Suvit Thaniyavarn* -

(Dr. Suvit Thaniyavarn)
Chairman of the Board

- *Vichai Sangwongkit* -

(Mr. Vichai Sangwongkit)
Managing Director

S.Kijchai Enterprise Public Company Limited and its subsidiaries
Report and consolidated financial statements
31 December 2021

Independent Auditor's Report

To the Shareholders of S.Kijchai Enterprise Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of S.Kijchai Enterprise Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of S.Kijchai Enterprise Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of S.Kijchai Enterprise Public Company Limited and its subsidiaries and of S.Kijchai Enterprise Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Revenue recognition for sales of goods

Revenue from sales of goods is one of the Group's key accounts because the amounts recorded directly affect the Group's profit or loss. Moreover, the Group has a large number of customers and various terms and conditions. I therefore focused on the Group's recognition of revenues from sales of goods, especially the timing of revenue recognition.

I examined the revenue recognition of the Group by assessing and testing the Group's internal controls with respect to the revenue cycle. On a sampling basis, I also examined supporting documents for sales transactions occurring during the year and near the end of the accounting period. In addition, I reviewed credit notes that the Group issued after the period-end and performed analytical procedures on sales account.

Other Matter

The consolidated financial statements of S.Kijchai Enterprise Public Company Limited and its subsidiaries (the Group) and the separate financial statements of S.Kijchai Enterprise Public Company Limited for the year ended 31 December 2020 were audited by another auditor who, under his report dated 24 February 2021, expressed an unmodified opinion on those financial statements and drew attention to the first-time adoption of financial reporting standards related to financial instruments and Thai Financial Reporting Standard 16 *Leases*.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

I am responsible for the audit resulting in this independent auditor's report.



Siraporn Ouannunkun
Certified Public Accountant (Thailand) No. 3844

EY Office Limited
Bangkok: 23 February 2022

S.Kijchai Enterprise Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2021

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Assets					
Current assets					
Cash and cash equivalents	7	484,148,669	113,525,458	284,093,984	104,039,337
Trade and other receivables	6, 8	284,494,809	87,109,982	284,270,023	88,976,523
Inventories	9	284,501,401	241,208,138	239,254,445	230,818,116
Derivative assets - foreign currency					
forward contracts	27.1	-	7,980,695	-	7,980,695
Other current assets		72,435,151	59,840,955	50,877,467	38,451,008
Total current assets		<u>1,125,580,030</u>	<u>509,665,228</u>	<u>858,495,919</u>	<u>470,265,679</u>
Non-current assets					
Restricted bank deposits	10	5,000,000	5,000,000	5,000,000	5,000,000
Investments in subsidiaries	11	-	-	299,999,944	74,999,970
Long-term loans to related party	6	-	-	186,200,000	189,900,000
Property, plant and equipment	12	2,954,186,835	3,092,617,638	2,570,707,768	2,705,282,038
Intangible assets	13	31,265,433	18,613,203	16,628,916	18,086,924
Deferred tax assets	20	2,095,486	2,095,486	-	-
Other non-current assets		62,399	666,189	-	3,804
Total non-current assets		<u>2,992,610,153</u>	<u>3,118,992,516</u>	<u>3,078,536,628</u>	<u>2,993,272,736</u>
Total assets		<u>4,118,190,183</u>	<u>3,628,657,744</u>	<u>3,937,032,547</u>	<u>3,463,538,415</u>

The accompanying notes are an integral part of the financial statements.

S.Kijchai Enterprise Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	14	27,320,000	337,000,000	-	337,000,000
Trade and other payables	6, 15	468,606,555	314,037,011	436,564,364	287,640,523
Advance received		121,615,510	139,322,486	121,615,510	139,322,486
Current portion of long-term loans	16	66,043,812	248,374,000	25,135,812	214,284,000
Current portion of lease liabilities		162,047	348,712	71,229	87,276
Income tax payable		9,797,656	-	9,797,656	-
Derivative liabilities - foreign currency					
forward contracts	27, 1	4,083,976	-	4,083,976	-
Other current liabilities		2,025,317	1,119,027	1,945,982	901,752
Total current liabilities		699,654,873	1,040,201,236	599,214,529	979,236,037
Non-current liabilities					
Long-term loans, net of current portion	16	93,878,238	144,565,822	-	24,169,568
Lease liabilities, net of current portion		330,105	492,152	330,105	401,334
Deferred tax liabilities	20	157,877,467	54,365,405	157,877,467	54,365,405
Provision for long-term employee benefits	17	4,316,161	3,583,567	4,316,161	3,583,567
Total non-current liabilities		256,401,971	203,006,946	162,523,733	82,519,874
Total liabilities		956,056,844	1,243,208,182	761,738,262	1,061,755,911

The accompanying notes are an integral part of the financial statements.

S.Kijchai Enterprise Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Shareholders' equity					
Share capital					
Registered					
800,000,000 ordinary shares of Baht 1 each		<u>800,000,000</u>	<u>800,000,000</u>	<u>800,000,000</u>	<u>800,000,000</u>
Issued and fully paid-up					
800,000,000 ordinary shares of Baht 1 each		800,000,000	800,000,000	800,000,000	800,000,000
Share premium		1,225,977,750	1,225,977,750	1,225,977,750	1,225,977,750
Retained earnings					
Appropriated - statutory reserve	18	80,000,000	53,239,498	80,000,000	53,239,498
Unappropriated		<u>1,056,155,589</u>	<u>306,232,314</u>	<u>1,069,316,535</u>	<u>322,565,256</u>
Total shareholders' equity		<u>3,162,133,339</u>	<u>2,385,449,562</u>	<u>3,175,294,285</u>	<u>2,401,782,504</u>
Total liabilities and shareholders' equity		<u>4,118,190,183</u>	<u>3,628,657,744</u>	<u>3,937,032,547</u>	<u>3,463,538,415</u>

The accompanying notes are an integral part of the financial statements.

Directors

S.Kijchai Enterprise Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Profit or loss:					
Revenue from sales	21	4,180,401,956	2,466,932,222	4,180,401,956	2,466,932,222
Cost of sales		(2,331,435,142)	(1,878,761,217)	(2,367,047,494)	(1,878,761,217)
Gross profit		1,848,966,814	588,171,005	1,813,354,462	588,171,005
Other income		12,044,009	12,175,588	15,915,097	15,489,915
Selling and distribution expenses		(792,461,521)	(312,231,849)	(788,564,722)	(312,231,849)
Administrative expenses		(166,682,115)	(89,503,280)	(146,077,676)	(79,268,239)
Operating profit		901,867,187	198,611,464	894,627,161	212,160,832
Finance cost		(11,788,101)	(14,236,426)	(7,720,071)	(13,975,002)
Profit before income tax		890,079,086	184,375,038	886,907,090	198,185,830
Income tax expenses	20	(113,395,309)	(21,292,421)	(113,395,309)	(22,500,225)
Profit for the year		776,683,777	163,082,617	773,511,781	175,685,605
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		776,683,777	163,082,617	773,511,781	175,685,605
Earnings per share	22				
Basic earnings per share		0.97	0.20	0.97	0.22
Weighted average number of ordinary shares (shares)		800,000,000	800,000,000	800,000,000	800,000,000

The accompanying notes are an integral part of the financial statements.

S.Kijchai Enterprise Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2021

(Unit: Baht)

Consolidated financial statements					
	Issued and paid-up share capital	Share premium	Retained earnings Appropriated - statutory reserve	Unappropriated	Total
Balance as at 1 January 2020	800,000,000	1,225,977,750	44,455,218	311,369,832	2,381,802,800
Profit for the year	-	-	-	163,082,617	163,082,617
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	163,082,617	163,082,617
Dividend paid (Note 25)	-	-	-	(159,435,855)	(159,435,855)
Retained earnings transferred to statutory reserve	-	-	8,784,280	(8,784,280)	-
Balance as at 31 December 2020	800,000,000	1,225,977,750	53,239,498	306,232,314	2,385,449,562
Balance as at 1 January 2021	800,000,000	1,225,977,750	53,239,498	306,232,314	2,385,449,562
Profit for the year	-	-	-	776,683,777	776,683,777
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	776,683,777	776,683,777
Retained earnings transferred to statutory reserve	-	-	26,760,502	(26,760,502)	-
Balance as at 31 December 2021	800,000,000	1,225,977,750	80,000,000	1,056,155,589	3,162,133,339

The accompanying notes are an integral part of the financial statements.

S.Kijchal Enterprise Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Separate financial statements				
	Issued and paid-up share capital	Share premium	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2020	800,000,000	1,225,977,750	44,455,218	315,099,786	2,385,532,754
Profit for the year	-	-	-	175,685,605	175,685,605
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	175,685,605	175,685,605
Dividend paid (Note 25)	-	-	-	(159,435,855)	(159,435,855)
Retained earnings transferred to statutory reserve	-	-	8,784,280	(8,784,280)	-
Balance as at 31 December 2020	800,000,000	1,225,977,750	53,239,498	322,565,256	2,401,782,504
Balance as at 1 January 2021	800,000,000	1,225,977,750	53,239,498	322,565,256	2,401,782,504
Profit for the year	-	-	-	773,511,781	773,511,781
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	773,511,781	773,511,781
Retained earnings transferred to statutory reserve	-	-	26,760,502	(26,760,502)	-
Balance as at 31 December 2021	800,000,000	1,225,977,750	80,000,000	1,069,316,535	3,175,294,285

The accompanying notes are an integral part of the financial statements.

S.Kijchai Enterprise Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2021

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit before tax	890,079,086	184,375,038	886,907,090	198,185,830
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	203,530,899	202,531,103	183,056,668	201,843,046
Reversal of expected credit losses	(18,267)	(22,001)	(18,267)	(22,001)
Reduction of inventory cost to net realisable value	6,235,569	3,284,622	6,235,569	3,284,622
Loss on write-off of assets	199,196	710,770	158,450	710,770
Long-term employee benefit expenses	732,594	721,070	732,594	721,070
Unrealised loss (gain) on exchange	1,101,408	(1,083,761)	1,101,408	(136,590)
Loss (gain) on fair value adjustments of derivatives	12,064,671	(7,056,034)	12,064,671	(7,056,034)
Interest income	(41,972)	(58,857)	(4,206,170)	(56,667)
Finance cost	11,788,101	13,034,985	7,720,071	13,006,109
Profit from operating activities before changes in operating assets and liabilities	1,125,671,285	396,436,935	1,093,752,084	410,480,155
Operating assets (increase) decrease				
Trade and other receivables	(198,189,076)	(13,751,811)	(197,869,474)	(13,699,062)
Inventories	1,437,150	(59,579,811)	36,294,084	(49,189,787)
Other current assets	(12,594,197)	(15,691,618)	(12,426,458)	2,208,404
Operating liabilities increase (decrease)				
Trade and other payables	174,352,433	36,827,783	149,399,137	54,587,217
Advance received	(17,706,976)	23,283,737	(17,706,976)	23,283,737
Other current liabilities	906,290	271,790	1,044,230	223,168
Cash flows from operating activities	1,073,876,909	367,797,005	1,052,486,627	427,893,832
Interest received	41,972	58,857	5,977,894	56,667
Income tax paid	(81,791)	(3,825)	(81,787)	(3,804)
Net cash flows from operating activities	1,073,837,090	367,852,037	1,058,382,734	427,946,695

The accompanying notes are an integral part of the financial statements.

S.Kijchai Enterprise Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from investing activities				
Increase in long-term loans to related party	-	-	(4,300,000)	(189,900,000)
Cash received from repayment of long-term loans to related party	-	-	8,000,000	-
Cash paid for investments in subsidiaries	-	-	(224,999,974)	-
Acquisition of property, plant and equipment	(143,529,476)	(290,571,443)	(97,399,052)	(50,950,190)
Acquisition of intangible assets	(3,484,378)	(622,691)	(752,509)	(386,676)
Proceeds from sales of equipment	-	49,290	-	49,290
Net cash flows used in investing activities	(147,013,854)	(291,144,844)	(319,451,535)	(241,187,576)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(309,680,000)	239,609,000	(337,000,000)	239,609,000
Proceeds for long-term loans from financial institutions	14,373,000	116,274,000	-	-
Repayment for long-term loans from financial institutions	(248,374,000)	(214,284,000)	(214,284,000)	(214,284,000)
Payment of principal portion of lease liabilities	(350,303)	(260,624)	(87,276)	(7,042)
Interest paid	(11,514,374)	(17,467,626)	(6,850,928)	(13,934,092)
Dividend paid	(654,348)	(158,781,507)	(654,348)	(158,781,507)
Net cash flows used in financing activities	(556,200,025)	(34,910,757)	(558,876,552)	(147,397,641)
Net increase in cash and cash equivalents	370,623,211	41,796,436	180,054,647	39,361,478
Cash and cash equivalents at beginning of year	113,525,458	71,729,022	104,039,337	64,677,859
Cash and cash equivalents at end of year	484,148,669	113,525,458	284,093,984	104,039,337

Supplemental cash flows information:

Non-cash transactions

Acquisition of plant and equipment for

which no cash has been paid

4,814,465	24,102,936	3,698,755	3,701,494
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The accompanying notes are an integral part of the financial statements.

S.Kijchai Enterprise Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2021

1. General information

S.Kijchai Enterprise Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its major shareholder is S.Kijchai Capital Company Limited, which was incorporated in Thailand. The Company is principally engaged in the manufacture and distribution of Medium Density Fiber Board ("MDF"). The registered office of the Company is at 99/9 Moo 7, Huay-yang, Klaeng, Rayong.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of S.Kijchai Enterprise Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries") (collectively as "the Group"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2021	2020
			Percent	Percent
S.Kleber Chemical Co., Ltd.	Manufacture of glue and chemical	Thailand	100	100
SKN Kraft and Paper Co., Ltd.	Manufacture of paper pulp and paper through recycling of wastepaper	Thailand	100	-

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

a) Financial reporting standards that became effective in the current year

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

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2022

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

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

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

The obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer is presented under the caption of "Advances received" in the statement of financial position which are recognised as revenue when the Group performs under the contract.

Rendering of services

The Group recognised services revenue over the contract period. Such recognition is on a straight-line basis according to the proportion of the rendered services over the contract period.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis.

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Inventories

Finished goods and work in process are valued at the lower of cost under the first-in, first-out method and net realisable value. The cost of inventories includes all production costs and attributable factory overheads.

Raw materials, spare parts and supplies are valued at the lower of cost under the first-in, first-out method and net realisable value and are charged to production costs whenever consumed.

4.4 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

4.5 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Buildings	5 - 30 years
Utility system	5 - 25 years
Machinery and factory equipment	2 - 25 years
Office equipment	3 - 5 years
Motor vehicles	5 - 12 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.7 Intangible assets

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

Computer software	3 - 10 years
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4.8 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations.

4.9 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.10 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.11 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

4.12 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.13 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

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

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

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

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

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.14 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

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

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives.

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

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

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

Impairment of financial assets

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

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECL are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

Offsetting of financial instruments

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

4.15 Derivatives

The Group uses derivatives i.e. foreign currency forward contracts, to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as current assets or current liabilities if the remaining maturity of the instrument is less than 12 months and it is due to be realised or settled within 12 months. Other derivatives are presented as non-current assets or non-current liabilities.

4.16 Fair value measurement

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

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

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

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

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

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

5. Significant of accounting judgements and estimates

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

Property, plant and equipment/Depreciation

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

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

6. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<u>Transactions with subsidiary</u>					
(eliminated from the consolidated financial statements)					
Interest income	-	-	4	2	Refer to commercial bank's interest rate
Other income	-	-	-	3	Mutual agreement
Purchase of goods	-	-	369	-	Similar to market price
<u>Transactions with related companies</u>					
Sales of goods	11	18	11	18	Similar to market price
Sales of electricity ⁽¹⁾	46	48	46	48	Similar to market price
Purchase of goods	108	122	108	122	Similar to market price
Other expenses	16	10	16	9	Mutual agreement
<u>Transactions with director</u>					
Purchase of assets	-	12	-	12	Contract price

⁽¹⁾ The revenue from sales of electricity is the gross amount before net-off related costs. However, such revenue is presented in the statement of comprehensive income under "Other income" with its net amount determined from sales of electricity less related costs.

As at 31 December 2021 and 2020, the balances of the accounts between the Group and those related companies are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2021	2020	2021	2020
<u>Trade and other receivables - related parties (Note 8)</u>				
Subsidiary	-	-	90	1,867
Related companies (common shareholder and/or director)	4,919	5,840	4,604	5,840
Total	4,919	5,840	4,694	7,707
<u>Trade and other payables - related parties (Note 15)</u>				
Subsidiary	-	-	38,802	-
Related companies (common shareholder and/or director)	15,057	11,267	15,057	11,267
Total	15,057	11,267	53,859	11,267

Long-term loans to related party

As at 31 December 2021 and 2020, the balances of loans between the Group and those related company and the movement in loans are as follows:

		(Unit: Thousand Baht)			
		Separate financial statements			
Long-term loans	Related by	Balance as at	Increase	Decrease	Balance as at
		31 December 2020	during the year	during the year	31 December 2021
S. Kleber Chemical Co., Ltd.	Subsidiary	189,900	4,300	(8,000)	186,200
Total		189,900	4,300	(8,000)	186,200

Such loans are unsecured loans, carry interest based on the commercial bank's interest rate and have a monthly principal repayment which will start in January 2024.

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	93,252	33,614
Post-employment benefits	538	557
Total	<u>93,790</u>	<u>34,171</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash	591	778	590	776
Bank deposits	483,558	112,747	283,504	103,263
Total	<u>484,149</u>	<u>113,525</u>	<u>284,094</u>	<u>104,039</u>

As at 31 December 2021, bank deposits carried interests between 0.05 and 0.15 percent per annum (2020: between 0.05 and 0.20 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	504	1,867	504	1,867
Total trade receivables - related parties	504	1,867	504	1,867
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	74,520	15,555	74,520	15,555
Past due				
Up to 3 months	205,044	65,770	205,044	65,770
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	909	864	909	864
Total	280,473	82,189	280,473	82,189
Less: Allowance for expected credit losses	(913)	(931)	(913)	(931)
Total trade receivables - unrelated parties, net	279,560	81,258	279,560	81,258
Total trade receivables - net	280,064	83,125	280,064	83,125
<u>Other receivables</u>				
Other receivables - related parties	4,415	3,973	4,190	5,840
Other receivables - unrelated parties	373	369	373	369
Total	4,788	4,342	4,563	6,209
Less: Allowance for expected credit losses	(357)	(357)	(357)	(357)
Total other receivables - net	4,431	3,985	4,206	5,852
Total trade and other receivables - net	284,495	87,110	284,270	88,977

9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	102,375	138,426	(12,282)	(6,046)	90,093	132,380
Work in process	24,327	23,911	-	-	24,327	23,911
Raw materials	53,469	33,031	-	-	53,469	33,031
Spare parts and supplies	116,612	46,736	-	-	116,612	46,736
Goods in transit	-	5,150	-	-	-	5,150
Total	296,783	247,254	(12,282)	(6,046)	284,501	241,208

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	94,099	138,426	(12,282)	(6,046)	81,817	132,380
Work in process	21,427	23,911	-	-	21,427	23,911
Raw materials	31,617	28,098	-	-	31,617	28,098
Spare parts and supplies	104,393	46,429	-	-	104,393	46,429
Total	251,536	236,864	(12,282)	(6,046)	239,254	230,818

During the current year, the Group reduced cost of inventories by Baht 6 million (2020: Baht 3 million) (the Company only: Baht 6 million and 2020: Baht 3 million), to reflect the net realisable value. This was included in cost of sales.

10. Restricted bank deposits

These represent fixed deposits pledged with the bank to secure credit facilities.

As at 31 December 2021, fixed deposits carried interest at 0.15 percent per annum (2020: 0.20 percent per annum).

11. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows.

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2021	2020	2021 (%)	2020 (%)	2021	2020
S.Kleber Chemical Co., Ltd.	100,000	75,000	100	100	100,000	75,000
SKN Kraft and Paper Co., Ltd.	200,000	-	100	-	200,000	-
					<u>300,000</u>	<u>75,000</u>

S.Kleber Chemical Company Limited

On 4 June 2021, the Board of Directors Meeting of the subsidiary passed a resolution to call for payment of additional share capital amounting to Baht 25 million from subsidiary's registered share capital which has not been called-up. The Company made the payment of the additional share capital in June 2021.

SKN Kraft and Paper Company Limited

On 19 October 2021, the Company's Board of Directors passed a resolution to approve the establishment of a new subsidiary company to engage in the manufacture of paper pulp and paper through recycling of wastepaper. The subsidiary has a registered share capital of Baht 500 million, of which 100% interest is held by the Company. In this regard, the subsidiary was registered with the Ministry of Commerce on 4 November 2021.

As at 31 December 2021, the Company had commitment amounting to Baht 300 million for payments of subsidiary's registered share capital which has not been called-up.

12. Property, plant and equipment

Movements of the property, plant and equipment account during the year ended 31 December 2021 and 2020 are summarised below.

	Consolidated financial statements							(Unit: Thousand Baht)
	Land and land improvements	Buildings	Utility system	Machinery and factory equipment	Office equipment	Motor vehicles	Assets under installation	
Cost								
1 January 2020	159,381	457,362	188,424	2,724,060	18,298	50,454	124,049	3,722,028
Additions	12,271	8	116	20,686	2,548	-	297,824	333,453
Disposals	-	(34)	-	(4,500)	(539)	-	-	(5,073)
Transfer	-	27,578	202	41,132	148	-	(69,060)	-
31 December 2020	171,652	484,914	188,742	2,781,378	20,455	50,454	352,813	4,050,408
Additions	57,540	354	430	37,752	939	568	27,847	125,430
Disposals	-	-	-	(945)	(406)	-	-	(1,351)
Transfer	-	106,584	62,307	146,069	-	-	(377,944)	(62,984)
31 December 2021	229,192	591,852	251,479	2,964,254	20,988	51,022	2,716	4,111,503
Accumulated depreciation								
1 January 2020	-	59,671	57,038	623,108	9,287	22,863	-	771,967
Depreciation for the year	-	18,145	9,128	147,098	2,521	4,991	-	181,883
Depreciation on disposals	-	(18)	-	(488)	(484)	-	-	(990)
31 December 2020	-	77,798	66,166	769,718	11,324	27,854	-	952,860
Depreciation for the year	-	22,838	13,958	156,905	2,632	4,417	-	200,750
Depreciation on disposals	-	-	-	(664)	(367)	-	-	(1,031)
31 December 2021	-	100,636	80,124	925,959	13,589	32,271	-	1,152,579

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land and land improvements	Buildings	Utility system	Machinery and factory equipment	Office equipment	Assets under installation
						Total
Allowance for impairment loss						
1 January 2020	-	-	-	4,930	-	4,930
31 December 2020	-	-	-	4,930	-	4,930
Decrease during the year	-	-	-	(193)	-	(193)
31 December 2021	-	-	-	4,737	-	4,737
Net book value						
31 December 2020	171,652	407,116	122,576	2,006,730	9,131	3,092,618
31 December 2021	229,192	491,216	171,355	2,033,558	7,399	2,954,187
Depreciation for the year included in profit or loss:						
2020						181,883
2021						200,750

(Unit: Thousand Baht)

	Separate financial statements						
	Land and land improvements	Buildings	Utility system	Machinery and factory equipment	Office equipment	Motor vehicles	Assets under installation
Cost							Total
1 January 2020	127,237	457,362	188,174	2,724,060	18,298	49,677	49,013
Additions	12,271	8	31	16,046	1,330	-	20,327
Disposals	-	(34)	-	(1,066)	(539)	-	(1,639)
Transfer	-	27,578	202	41,132	148	-	(59,060)
31 December 2020	139,508	484,914	188,407	2,780,172	19,237	49,677	280
Additions	57,540	354	380	36,252	855	568	1,447
Disposals	-	-	-	(1,022)	(406)	-	-
Transfer	-	54	-	(50,820)	-	-	(201)
31 December 2021	197,048	485,322	188,787	2,764,582	19,686	50,245	1,526
Accumulated depreciation							
1 January 2020	-	59,671	57,038	623,108	9,287	22,689	-
Depreciation for the year	-	18,145	9,091	146,782	2,429	4,733	-
Depreciation on disposals	-	(18)	-	(488)	(484)	-	(990)
31 December 2020	-	77,798	66,129	769,402	11,232	27,422	-
Depreciation for the year	-	19,087	9,093	146,169	2,407	4,159	-
Depreciation on disposals	-	-	-	(780)	(367)	-	-
31 December 2021	-	96,885	75,222	914,791	13,272	31,581	-
							1,131,751

(Unit: Thousand Baht)

	Separate financial statements						
	Land and land improvements	Buildings	Utility system	Machinery and factory equipment	Office equipment	Motor vehicles	Assets under installation
Allowance for impairment loss							Total
1 January 2020	-	-	-	4,930	-	-	4,930
31 December 2020	-	-	-	4,930	-	-	4,930
Decrease during the year	-	-	-	(193)	-	-	(193)
31 December 2021	-	-	-	4,737	-	-	4,737
Net book value							
31 December 2020	139,508	407,116	122,278	2,005,840	8,005	22,255	2,705,282
31 December 2021	197,048	388,437	113,565	1,845,054	6,414	18,664	2,570,708
Depreciation for the year included in profit or loss:							
2020							181,180
2021							180,915

As at 31 December 2021, certain items of assets were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 166 million (2020: Baht 138 million).

The Group has pledged their property, plant and equipment with net book value as at 31 December 2021 amounting to approximately Baht 2,455 million (2020: Baht 2,433 million) (the Company only: Baht 2,246 million, 2020: Baht 2,401 million) as collateral against credit facilities received from financial institutions.

13. Intangible assets

The net book value of intangible assets as at 31 December 2021 and 2020 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Computer software - at cost	37,809	22,398	22,522	21,859
Less: Accumulated amortisation	(6,544)	(3,785)	(5,893)	(3,772)
Net book value	<u>31,265</u>	<u>18,613</u>	<u>16,629</u>	<u>18,087</u>

A reconciliation of the net book value of intangible assets for the years 2021 and 2020 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Net book value at beginning of year	18,613	18,916	18,087	18,615
Additions	3,484	1,822	753	1,586
Transfer	12,019	-	-	-
Disposals	(70)	-	(70)	-
Amortisation	(2,781)	(2,125)	(2,141)	(2,114)
Net book value at end of year	<u>31,265</u>	<u>18,613</u>	<u>16,629</u>	<u>18,087</u>

14. Short-term loans from financial institutions

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
	Interest rate	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Promissory notes	Refer to MLR	27,320	337,000	-	337,000
Total		<u>27,320</u>	<u>337,000</u>	<u>-</u>	<u>337,000</u>

The credit facilities from financial institutions are secured by the mortgage of the Group's certain land and structures thereon and certain machinery and the Company's fixed deposits.

The credit facility agreements contain several covenants which, among other things, require the Group to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

As at 31 December 2021, the short-term credit facilities of the Group which have not yet been drawn down amounted to Baht 942 million (2020: Baht 487 million) (the Company only: Baht 915 million, 2020: Baht 433 million).

15. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade payables - related parties	13,338	10,585	52,140	10,585
Trade payables - unrelated parties	193,505	175,302	147,475	170,024
Other payables - related parties	1,719	682	1,719	682
Other payables - unrelated parties	90,211	69,242	71,876	68,902
Payables from purchase of assets	4,814	24,103	3,699	3,701
Accrued expenses	165,020	34,123	159,655	33,747
Total	<u>468,607</u>	<u>314,037</u>	<u>436,564</u>	<u>287,641</u>

16. Long-term loans

			(Unit: Thousand Baht)			
Loan	Interest rate	Repayment schedule of principal	Consolidated		Separate	
			financial statements		financial statements	
			<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
1	Refer to MLR	Monthly repayment of Baht 18 million per month, with the final installment to be made in February 2022	25,292	239,576	25,292	239,576
2	Refer to MLR	Monthly repayment of Baht 3 million per month, with the final installment to be made in April 2025	134,910	154,627	-	-
Total			160,202	394,203	25,292	239,576
Less: Deferred expenses relating to borrowings			(280)	(1,263)	(156)	(1,122)
Net			159,922	392,940	25,136	238,454
Less: Current portion			(66,044)	(248,374)	(25,136)	(214,284)
Long-term loans, net of current portion			<u>93,878</u>	<u>144,566</u>	<u>-</u>	<u>24,170</u>

Movement of the long-term loan account during the year ended 31 December 2021 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2021	394,203	239,576
Add: Additional borrowings	14,373	-
Less: Repayment	(248,374)	(214,284)
Balance as at 31 December 2021	160,202	25,292

The loans are secured by the mortgage of the Group's certain land and structures thereon and certain machinery.

The loan agreements contain several covenants which, among other things, require the Group to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

17. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	2021	2020
Provision for long-term employee benefits		
at beginning of year	3,584	2,863
Included in profit or loss:		
Current service cost	679	668
Interest cost	54	53
Provision for long-term employee benefits		
at end of year	4,317	3,584

The Group expects to pay Baht 1 million of long-term employee benefits during the next year (2020: Baht 1 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 28 years (2020: 29 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	Consolidated / Separate financial statements	
	2021	2020
Discount rate	2.3	2.3
Salary increase rate	3.0	3.0
Turnover rate	0.0 - 24.0	0.0 - 24.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

	(Unit: Million Baht)			
	Consolidated / Separate financial statements			
	2021		2020	
	Increase 1%	Decrease 1%	Increase 1%	Increase 1%
Discount rate	(282)	323	(225)	258
Salary increase rate	408	(357)	297	(261)
Turnover rate	(303)	96	(242)	77

18. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

19. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Purchase of raw materials and supplies	1,629,215	1,383,219	1,730,648	1,372,193
Changes in inventories of finished goods and work in progress	35,635	(35,775)	46,812	(35,775)
Employee benefit expenses and utility expenses	590,054	480,210	566,573	472,276
Depreciation and amortisation	203,531	202,531	183,057	201,843
Transportation expenses	745,266	287,768	740,553	287,768
Advertising and promotion expenses	33,338	18,179	33,323	18,179

20. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Current income tax charge	9,883	-	9,883	-
Deferred tax:				
Relating to origination and reversal of temporary differences	103,512	21,292	103,512	22,500
Income tax expenses reported in profit or loss	<u>113,395</u>	<u>21,292</u>	<u>113,395</u>	<u>22,500</u>

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Accounting profit before tax	890,079	184,375	886,907	198,186
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by tax rate	178,016	36,875	177,381	39,637
Adjustment of deferred tax assets and liabilities	13,183	3,813	13,183	3,813
Unrecognised tax losses	-	888	-	-
Effects of:				
Promotional privileges (Note 21)	(78,668)	(21,257)	(78,646)	(21,257)
Non-deductible expenses	1,281	319	1,281	311
Others	(417)	654	196	(4)
Total	(77,804)	(20,284)	(77,169)	(20,950)
Income tax expenses reported in profit or loss	113,395	21,292	113,395	22,500

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax assets				
Allowance for diminution in value of inventories	753	1,209	753	1,209
Accumulated amortisation - Computer software	-	365	-	365
Provision for long-term employee benefits	863	717	863	717
Unused tax losses	2,095	77,895	-	75,800
Others	52	49	52	49
Total	3,763	80,235	1,668	78,140
Deferred tax liabilities				
Accumulated depreciation - Plant and equipment	(159,545)	(132,505)	(159,545)	(132,505)
Total	(159,545)	(132,505)	(159,545)	(132,505)
Net	(155,782)	(52,270)	(157,877)	(54,365)
Presented as				
Deferred tax assets - net	2,095	2,095	-	-
Deferred tax liabilities - net	(157,877)	(54,365)	(157,877)	(54,365)
Net	(155,782)	(52,270)	(157,877)	(54,365)

As at 31 December 2021, the subsidiary have unused tax losses totaling Baht 4 million (2020: Baht 4 million), on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

As at 31 December 2021, the unused tax losses amounting to Baht 15 million (2020: Baht 328 million) will expire by 2025.

21. Promotional privileges

The Group is entitled to promotional privileges from the Board of Investment for the manufacture of Medium Density Fiberboard and the manufacture of chemical for industry. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax from the date the promoted operations commenced generating revenues. Tax exemption amount will be adjusted according to the investment under the specified conditions. The details are as follows:

Certificate No.	Dated	Period of exemption from corporate income tax
The Company		
1364(2)/2554	24 March 2011	8 years until 6 January 2021
60-0836-1-00-1-0	31 July 2017	8 years until 30 September 2026
The subsidiary		
62-0816-1-00-1-0	25 July 2019	4 years until 19 January 2025

The Group's operating revenues for the years ended 31 December 2021 and 2020, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	2021	2020	2021	2020	2021	2020
Sales						
Domestic	41,995	107,365	100,951	-	142,946	107,365
Export	2,012,155	2,359,567	2,025,301	-	4,037,456	2,359,567
Total	2,054,150	2,466,932	2,126,252	-	4,180,402	2,466,932

22. Earnings per share

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

23. Segment information

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

The Group is principally engaged in the manufacture and distribution of Medium Density Fiber Board ("MDF"). Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Revenue from external customers is based on locations of the customers presented in the Note 22 to the financial statements.

For the year 2021, the Group has revenue from two major customers in amount of Baht 675 million (2020: Baht 640 million derived from two major customers).

24. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contribute to the fund monthly at the rate between 2 percent and 15 percent of basic salary. The fund, which is managed by Krungthai Asset Management Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to approximately Baht 0.3 million (2020: Baht 0.3 million) were recognised as expenses.

25. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Interim dividends	Board of Directors' meeting on 16 April 2020	24	0.0306
Interim dividends	Board of Directors' meeting on 16 November 2020	135	0.1687
Total dividends for 2020		159	

26. Commitments and contingent liabilities

26.1 Capital commitments

As at 31 December 2021, the Group had capital commitments of approximately Baht 22 million (2020: Baht 22 million) (the Company only: nil, 2020: Baht 1 million), relating to the construction of factory buildings and acquisition of machinery.

26.2 Letters of credit

As at 31 December 2021, the Group had commitments under letters of credit with overseas suppliers amounting to approximately USD 1 million (2020: nil).

26.3 Guarantees

As at 31 December 2021 and 2020, there were outstanding bank guarantees issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of its business. These included letters of guarantee to guarantee as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Guarantee electricity use	40	39	39	37

27. Financial instruments

27.1 Derivatives - foreign currency forward contracts

Derivatives not designated as hedging instruments

The Group uses foreign currency forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 6 months to 10 months.

As at 31 December 2021, the Group had foreign currency-denominated trade receivables of USD 8 million (2020: USD 2.4 million) and had outstanding foreign currency forward contracts as follows:

Consolidated / Separate financial statements				
	Amount	Contractual exchange rate	Maturity date	Fair value
				Gain (loss)
	(Million)	(Baht per 1 foreign currency unit)		(Million Baht)
<u>31 December 2021</u>				
To sell				
US dollars	10	32.00 - 33.90	January - July 2022	(4)
<u>31 December 2020</u>				
To sell				
US dollars	8	30.08 - 31.69	January - June 2021	8

The fair value measurement of derivatives was categorised within Level 2 of the fair value hierarchy, using other observable inputs for assets, either directly or indirectly.

27.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade receivables, loans to related party, trade and other payables and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade receivables and loans. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

The Group manages the risk by adopting appropriate credit control policies and procedures and analysing the financial position of customers and counter parties as an ongoing basis. Therefore, the Group does not expect to incur material financial losses.

The Group determines the impairment of trade receivables basing on an expected credit loss model which the Group have established and maintain an appropriate credit loss model. The risk management department periodically reviews the parameters and the data used in the credit loss model.

Market risk

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its sale transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign currency forward contracts when it considers appropriate as described in Note 27.1 to the financial statements.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its loans to related party, short-term and long-term loans which bear floating interest rates or fixed interest rates which are close to the market rate. Moreover, most of other financial assets and liabilities bear non-interest. The Group do not use derivatives to manage its interest rate risk.

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

(Unit: Million Baht)

	2021				
	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate
<u>Consolidated financial statements</u>					
<u>Financial Assets</u>					
Cash and cash equivalents	-	211	273	484	Note 7
Trade and other receivables	-	-	284	284	-
Restricted bank deposits	5	-	-	5	Note 10
<u>Financial liabilities</u>					
Short-term loans from financial institutions					
	27	-	-	27	Note 14
Trade and other payables	-	-	469	469	-
Long-term loans	-	160	-	160	Note 16

(Unit: Million Baht)

2020					
Consolidated financial statements	Fixed	Floating	Non-interest	Total	Effective
	interest rates				
	within 1 year	interest rate	bearing		interest rate
<u>Financial Assets</u>					
Cash and cash equivalents	-	5	109	114	Note 7
Trade and other receivables	-	-	87	87	-
Restricted bank deposits	5	-	-	5	Note 10
<u>Financial liabilities</u>					
Short-term loans from financial institutions	337	-	-	337	Note 14
Trade and other payables	-	-	314	314	-
Long-term loans	-	393	-	393	Note 16

(Unit: Million Baht)

2021					
Separate financial statements	Fixed	Floating	Non-interest	Total	Effective
	interest rates				
	within 1 year	interest rate	bearing		interest rate
<u>Financial Assets</u>					
Cash and cash equivalents	-	12	272	284	Note 7
Trade and other receivables	-	-	284	284	-
Restricted bank deposits	5	-	-	5	Note 10
Loans to related party	-	186	-	186	Note 6
<u>Financial liabilities</u>					
Trade and other payables	-	-	437	437	-
Long-term loans	-	25	-	25	Note 16

(Unit: Million Baht)

Separate financial statements	2020				
	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate
<u>Financial Assets</u>					
Cash and cash equivalents	-	3	101	104	Note 7
Trade and other receivables	-	-	89	89	-
Restricted bank deposits	5	-	-	5	Note 10
Loans to related party	-	190	-	190	Note 6
<u>Financial liabilities</u>					
Short-term loans from financial institutions	337	-	-	337	Note 14
Trade and other payables	-	-	288	288	-
Long-term loans	-	238	-	238	Note 16

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of short-term loans from financial institutions. As at 31 December 2021, the Group has undrawn credit facilities as described in Note 14 to the financial statements and consequently has sufficient working capital.

27.3 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

28. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2021, the Group's debt-to-equity ratio was 0.30:1 (2020: 0.52:1) and the Company's was 0.24:1 (2020: 0.44:1).

29. Event after the reporting period

On 23 February 2022, the Company's Board of Directors passed a resolution to propose the payment of a dividend of Baht 0.28 per share, or a total of Baht 224 million to its shareholders. The dividend will be paid and recorded after being approved by the Annual General Meeting of the shareholders.

30. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2022.

Part 4
Data Authentication

The Company reviewed data shown in the 56-1 One Report with due care and hereby certifies that such data is complete, accurate and true and does not mislead or lack any material facts that should have been stated. The Company further certifies that

- (1) Financial statements and financial data summarized in the 56-1 One Report properly and completely presented material information on financial position, operating results and cash flow of the Company and its subsidiaries
- (2) The Company provided the effective data disclosure system to ensure that we properly and completely disclosed material information and also monitored observance of the system
- (3) The Company provided the effective internal control system and monitored observance of the system. The Company notified the auditor and the Audit Committee of the evaluation results of the internal control system as of 31 December 2021, which covered defects and significant changes of the internal control system as well as improper acts that may affect preparation of financial statements of the Company and its subsidiaries

In this regard of all documents are the same authenticated by the Company, the Company hereby authorizes Miss Kanokporn Arayaprakarn or Miss Orawan Sangwongkit to affix signature to every page of the documents. Any document not bearing signature of Miss Kanokporn Arayaprakarn or Miss Orawan Sangwongkit is not deemed such information authenticated by the Company.

<u>Name</u>	<u>Position</u>	<u>Signature</u>
Mr. Vichai Sangwongkit	Board member	_____
Mr. Vichien Saengvongkij	Board member	_____

<u>Name</u>	<u>Position</u>	<u>Signature</u>
Assigned member :		
Miss Kanokporn Arayaprakarn	Board member	_____
Miss Orawan Sangwongkit	Board member	_____

Section 89/20 *** of the Securities and Exchange Act, B.E. 2535 (1992) amended by the Securities and Exchange Act (No. 4), B.E. 2551 (2008) stipulates that directors and executives shall be jointly liable to a person who traded securities of the company for any damages arising from disclosure of information to shareholders or the public which contains a false statement or concealing material facts which should have been stated in financial statements and reports concerning the financial position and business operations of the company or any other reports required to be disclosed under Section 56 or Section 199. Liability shall not be limited to the directors and executives show affix signature of data authentication. However, any directors or executives who can prove that he could not have been aware of the truthfulness of information or lack of information which should have been stated shall not be liable under Section 89/20.

Attachment 1

Information of the Board of Directors, Executives, Controlling Persons and Company Secretary

Attachment 1

Information of the Board of Directors, Executives, Controlling Persons and Company Secretary

1. Information of the Board of Directors, Executives, and Company Secretary

1.1 Details of the Board of Directors, Executives, and Company Secretary

Name/Position/ Appointed Date	Age (Year)	Education / Certification	Share Holding Percentage (%)	Family Relationship among Directors and Executives	Working Experience during the Past 5 Years			
					Period	Position	Company	Business Type
1. Dr. Suwit Thaniyavarn - Chairman of Board of Director - Independent Director 24 February 2015	67	<ul style="list-style-type: none"> - Doctoral Degree in Economics, University of Illinois - Master Degree in Economics, University of Illinois - Master Degree in Marketing, University of Ball State - Bachelor Degree in Economic, Thammasat University - Director Certification Program (DCP) No. 24/2002, Thai Institute of Director (IOD) - Advanced Audit Committee Program (AAP) year 2016, Thai Institute of Director (IOD) - Director Certification Program (DCP) No. 244/2017, Thai Institute of Director (IOD) - Board Nomination and Compensation Program (BNCP) year 2018, Thai Institute of Director (IOD) - Capital Market Academy Executive Education Programs No.27 - Advanced Certificate Course of Politics and Governance in Democratic Systems for Executives No. 7 from King Prajadhipok's Institute 	-	-	Public Limited Companies			
					Present - 2015	Chairman the Board of Director / Independent Director	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board
					Present - 2021	Chairman of Director	Sun Vending Technology PCL.	Other retail sale not in stores, stalls or markets, not elsewhere classified
					Present-2014	Chairman of Audit committee / Independent Director	Big Camera Corporation PCL.	Camera
					Limited Companies / Limited Partnership / Association			
					Present	Director	Toyotron motor Co., Ltd.	Operate wholesaling and retailing of all kinds of motorcycles
					Present	Director	Toyotron Assembly Co., Ltd.	Manufacture and assembly of motorcycles
					Present	Director	EO Solution Co., Ltd.	Business consultant
					Present	Director	EO Lifemed Co., Ltd.	Import and distribution of medical equipment
					Public Limited Companies			
2. Mr. Vichien Saengvongkij - Director - Director authorized signatory 28 September 2010	65	<ul style="list-style-type: none"> - Bachelor Degree in Political Science, Rankhamhaeng University - Bachelor Degree in Community Development, Rambhai Barni Rajabhat University 	0.02	Brother of Mr. Vichai Sangwongkit and	Present - 2010	Director	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board
					Limited Companies / Limited Partnership / Association			
					Present - 2021	Director	Thai Rayong Glove Products Zoupure Co., Ltd.	Manufacture of rubber hygienic or pharmaceutical articles

Name/Position/ Appointed Date	Age (Year)	Education / Certification	Share Holding Percentage (%)	Family Relationship among Directors and Executives	Working Experience during the Past 5 Years			
					Period	Position	Company	Business Type
		- Director Accreditation Program (DAP) No. 118/2015, Thai Institute of Director (IOD)		Brother-in-law of Mr. Chaiwat Taweepiriy	Present - 2021	Chairman the Board of Director	SKN Kraft and Paper Co., Ltd.	Manufacture and distribution of pulp from recycle wastepaper
					Present - 2021	Director	S.Kijchai Concrete Industry Co., Ltd.	Manufacture and distribution of concrete products
					Present - 2020	Director	Siam Im Dee CO., LTD.	Processing and preserving of other fruit or vegetable products
					Present - 2020	Managing Partner	S.Kijchai Concrete Part., Ltd	Manufacture and distribution of concrete products
					Present - 2018	Chairman the Board of Director	S.Kleber Chemical CO.,LTD.	Manufacture and distribution of Glue and Chemical for industry
					Present - 2017	Director	S.Kijchai Capital CO.,LTD.	Holding shares in other companies
					Present - 2016	Director	S.Kijchai Green Power CO.,LTD.	Biomass Power Plant
					Present - 2014	Director / Managing Director	S.Kijchai Bueng Kan CO.,LTD.	Distribution of processed wood
					Present - 2013	Director	S K Grand Land & House CO.,LTD.	Real estate
					Present - 2012	Director	Urban Hann CO.,LTD.	Furniture distribution
					Present - 2006	Director	S.Kijchai Concrete Chantaburi CO.,LTD	Manufacture and distribution of concrete products
					Present - 2002	Director	S.E.P. Worldwide CO.,LTD.	Sawmill
					Present - 1997	Director	S.Kijchai Wood Panel CO.,LTD.	Manufacture and distribution of Particle board
					Present - 1994	Director	Thai Eastern Wood (1987) CO.,LTD.	Furniture manufacture and distribution
					Present - 1989	Director	S.Kijchai CO.,LTD.	Furniture manufacture and distribution
					2011 - 2021	Director	Rayong Football Club CO.,LTD.	Sports club activities

Name/Position/ Appointed Date	Age (Year)	Education / Certification	Share Holding Percentage (%)	Family Relationship among Directors and Executives	Working Experience during the Past 5 Years			
					Period	Position	Company	Business Type
3. Mr. Vichai Sangwongkit - Director - Chairman of Executive Committee - Managing Director - Director authorized signatory 28September 2010	61	- Bachelor Degree in Political, Chulalongkornrajavidyalaya University - Director Accreditation Program (DAP) No. SEC/2015, Thai Institute of Director (IOD) - Director Certification Program (DCP) No. 227/2016, Thai Institute of Director (IOD)	0.04	Brother of Mr. Vichien Saengwongkij, Father of Ms. Orawan Sangwongkit, Father of Mr. Hamsiri Sangwongkit and Brother-in-law of Mr. Chaiwat Taweepiriyaa	Public Limited Companies			
					Present - 2010	Director / Chairman of Executive Committee / Managing Director	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board
					Limited Companies / Limited Partnership / Association			
					Present - 2019	Director	T.Y.B. CO.,LTD.	Real estate trading
					Present - 2017	Director	S.Kijchai Capital CO.,LTD.	Holding shares in other companies
					Present - 2016	Director	S.Kijchai Green Power CO.,LTD.	Biomass Power Plant
					Present - 2014	Director	S.Kijchai Bueng Kan CO.,LTD.	Distribution of processed wood
					Present - 2013	Director	S K Grand Land & House CO.,LTD.	Real estate
					Present - 2012	Director	Urban Hann CO.,LTD.	Furniture distribution
					Present - 2006	Managing Partner	S.Kijchai Concrete Part.,LTD.	Manufacture and distribution of concrete products
					Present - 2004	Director	S.Plywood CO.,LTD.	plywood factory
					Present - 1997	Director	S.Kijchai Wood Panel CO.,LTD	Manufacture and distribution of Particle board
					Present - 1996	Director	S.Kijchai Concrete Chantaburi CO.,LTD	Manufacture and distribution of concrete products
					Present - 1996	Director	Thai Eastern Wood (1987) CO.,LTD	Furniture manufacture and distribution
					Present - 1989	Director	S.Kijchai CO.,LTD	Furniture manufacture and distribution
					2016 - 2015	Director	Sahakijbiopower CO.,LTD.	Generate electricity

Name/Position/ Appointed Date	Age (Year)	Education / Certification	Share Holding Percentage (%)	Family Relationship among Directors and Executives	Working Experience during the Past 5 Years			
					Period	Position	Company	Business Type
					2016 - 1992	Director	Sahakij Klaeng CO.,LTD	Manufacture and distribution of processed wood, rubber wood, and transportation
4. Mr. Chaiwat Taweepiriyaa - Director - Director authorized signatory 10November 2014	61	<ul style="list-style-type: none"> - Master Degree in Public Administration, Chulermkarnchana University - Bachelor Degree in Political Science, Ramkhamheang University - Bachelor Degree in Liberal Art, Rambhai Barni Rajabhat University - Certificate Degree in National Defense Course for The Joint State Private Sector No.56, Ministry of Defense - Director Accreditation Program (DAP) No. 118/2015, Thai Institute of Director (IOD) - Director Certification Program (DCP) No. 218/2016, Thai Institute of Director (IOD) - Business Revolution and Innovation Network (BRAIN) No. 3, The Federation of Thai Industries 	0.04	Brother-in-law of Mr. Vichien Saengvongkij and Mr. Vichai Sangwongkit	Public Limited Companies			
					Present - 2014	Director	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board
					Limited Companies / Limited Partnership / Association			
					Present - 2021	Director	SKN Kraft and Paper CO., LTD.	Manufacture and distribution of pulp from recycle wastepaper
					Present - 2021	Director	S.Kijchai Concrete Industry CO., LTD.	Manufacture and distribution of concrete products
					Present - 2020	Director	Siam Im Dee CO., LTD.	Processing and preserving of other fruit or vegetable products
					Present - 2019	Director	S.Kijchai Wood Panel CO.,LTD	Manufacture and distribution of Particle board
					Present - 2019	Director	S.Kijchai CO.,LTD	Furniture manufacture and distribution
					Present - 2019	Director	S.Kijchai Green Power CO.,LTD.	Biomass Power Plant
					Present - 2018	Director	S.Kleber Chemical CO.,LTD.	Manufacture and distribution of Glue and Chemical for industry
					Present - 2016	President	Thai Panel Product Industry Club, The Federation of Thai Industries	Association
					Present - 2006	Director	S.Kijchai Concrete Chantaburi CO.,Ltd.	Manufacture and distribution of concrete products
5. Mr. Sanguan Saengwongkij - Director - Director authorized signatory 10 November 2014	49	<ul style="list-style-type: none"> - Bachelor Degree in Political Science (Government), Ramkhamhaeng University - Director Accreditation Program (DAP) No. SEC/2014, Thai Institute of Director (IOD) 	6.83	Brother of Mr. Somnuk Saengwongkij	Public Limited Companies			
					Present - 2014	Director	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board
					Limited Companies / Limited Partnership / Association			
					Present - 2021	Director	SKN Kraft and Paper CO., LTD.	Manufacture and distribution of pulp from recycle wastepaper

Name/Position/ Appointed Date	Age (Year)	Education / Certification	Share Holding Percentage (%)	Family Relationship among Directors and Executives	Working Experience during the Past 5 Years			
					Period	Position	Company	Business Type
		<ul style="list-style-type: none"> - Director Certification Program (DCP) No. 201/2015, Thai Institute of Director (IOD) - Institute of Business and Industrial Development No.5/2018, Institute of Business and Industrial Development - Capital Market Academy Executive Education Programs No.30 			Present - 2020	President	The Federation of Thai Industries in Rayong	Association
					Present - 2018	Director	S.Kleber Chemical CO.,LTD.	Manufacture and distribution of Glue and Chemical for industry
					Present - 2017	Director	Grand SWL CO.,LTD.	Operation of hotels, resorts, apartments food and beverage
					Present - 2016	Director	Sahakij Trat CO.,LTD.	Manufacture and distribution of processed wood
					Present - 2015	Director / Managing Director	Sahakijbiopower CO.,LTD.	Generate electricity
					Present - 2013	Director	S K Grand Land & House CO.,LTD.	Real estate
					Present - 2004	Director / Managing Director	S.Plywood CO.,LTD.	Manufacture and distribution of processed wood
					Present - 2003	Director	Sahakij Saentung CO.,LTD.	Manufacture and distribution of processed wood
					Present - 1992	Director / Managing Director	Sahakij Klaeng CO.,LTD.	Manufacture and distribution of processed wood, rubber wood, and transportation
6. Mr. Tarate Poshyananda - Independent Director - Chairman of Audit Committee - Nomination and Compensation Committee 24 February 2015	57	<ul style="list-style-type: none"> - Master Degree in Marketing, Webster University - Bachelor Degree in Business Administration, Eastern Kentucky University - Director Accreditation Program (DAP) No. 74/2008, Thai Institute of Director (IOD) - Director Certification Program (DCP) No. 183/2013, Thai Institute of Director (IOD) - Anti-Corruption for Executive Program (ACEP) year 2013, Thai Institute of Director (IOD) 	-	-	Public Limited Companies			
					Present - 2021	International Investment Management Managing Director	Capital Nomura Securities PCL.	Securities brokerage activities
					Present - 2019	Independent Director / Risk Committee / Investment Committee	Thaire Insurance PCL.	Engage in life reinsurance business
					Present - 2015	Independent Director / Chairmen of Audit Committee / Nomination	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board

Name/Position/ Appointed Date	Age (Year)	Education / Certification	Share Holding Percentage (%)	Family Relationship among Directors and Executives	Working Experience during the Past 5 Years			
					Period	Position	Company	Business Type
		- OIC Advanced Insurance Program No.5 OIC Advanced Insurance Institute - Advanced Audit Committee Program (AACP) No. 33/2019, Thai Institute of Director (IOD) - Board Nomination and Compensation Program (BNCP) No. 7/2019, Thai Institute of Director (IOD)				and Compensation Committee		
					2020 - 2008	Independent Director / Audit Committee	MPG Corporation PCL.	Manufacture and distribute all kinds of audio-visual materials and equipment and hold copyrights to distribute songs, films, technological materials and equipment and cosmetics
					2014 - 2010	Executive Vice President	Bank of Ayudhya PCL.	Financial institution
					Limited Companies / Limited Partnership / Association			
					Present - 2020	Director	Cash Spire CO., LTD.	Land for rent, buildings, buildings with land, offices, apartments
					Present - 2020	Director	P 3 N CO., LTD.	Land for rent, buildings, buildings with land, offices, apartments
					Present - 2020	Director	Crop Power CO., LTD.	Assets Owner, which are shares, other companies, subsidiaries
					Present - 2018	Director	Mung Mun Tung Jai CO., LTD.	Wholesale on a fee or contract basis of a variety of goods
					Present - 1999	Director	Mission Success (2005) CO.,LTD.	Buy, sell and rent out lands, buildings, buildings and premises, offices and apartments
					2021 - 2010	Director	Perfect Grill CO.,LTD.	Restaurant and beverage business
					2020 - 2018	Director / Group Chief Executive Officer	Ampak Holding CO.,LTD.	Dealers and Automotive service centers
					2014 - 2018	Director / Chief Executive Officer	Marsh PB CO.,LTD.	Consultant/broker of life and general insurances
7. Pol.Lt.Gen. Sunchai Chaiamporn	64		-	-	Public Limited Companies			
					Present - 2015	Independent Director / Audit Committee /	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board

Name/Position/ Appointed Date	Age (Year)	Education / Certification	Share Holding Percentage (%)	Family Relationship among Directors and Executives	Working Experience during the Past 5 Years			
					Period	Position	Company	Business Type
- Independent Director - Audit Committee - Chairman of Nomination and Compensation Committee 24 February 2015		- Master Degree in Public Administration Program in Public Administration, National Institute of Development Administration - Bachelor Degree in Law, Sripatum University - Bachelor Degree in Political Science, Chiang Mai University - Director Accreditation Program (DAP) No. 111/2014, Thai Institute of Director (IOD) - Role of the Compensation Committee (RCC) No. 21/2016, Thai Institute of Director (IOD) - Role of the Nomination & Governance Committee (RNG) No. 8/2016, Thai Institute of Director (IOD) - Certificate Degree in National Defense Course for The Joint State Private Sector No.53, Ministry of Defense				Chairman of Nomination and Compensation Committee		
					2018 - 2014	Independent Director / Audit Committee / Nomination and Compensation Committee	Pinthong Industrial Park PCL.	Industrial estate
					Limited Companies / Limited Partnership / Association			
					2017 - 2016	Inspector General	Royal Thai Police	Government
					2016 - 2010	Deputy Commissioner of Provincial Police Region 2	Royal Thai Police	Government
8. Mr. Somnuk Saengwongkij - Director 14 กันยายน 2559	55	- High School, Non - Formal Education Center Amphoe Klaeng, Rayong - Director Accreditation Program (DAP) No. 136/2017, Thai Institute of Director (IOD)	6.56	Brother of Mr. Sanguan Saengwongkij	Public Limited Companies			
					Present - 2016	Director	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board
					Limited Companies / Limited Partnership / Association			
					Present - 2016	Director	Sahakij Trat CO.,LTD.	Manufacture and distribution of processed wood
					Present - 2015	Director	Sahakij Biopower CO.,LTD	Generate electricity
					Present - 2013	Director	Saharuamtun 2014 CO.,LTD	Real estate
					Present - 2013	Director	S K Grand Land & House CO.,LTD.	Real estate
					Present - 1992	Director	Sahakij Klaeng CO.,Ltd	Manufacture and distribution of processed wood, rubber wood, and transportation
					Public Limited Companies			

Name/Position/ Appointed Date	Age (Year)	Education / Certification	Share Holding Percentage (%)	Family Relationship among Directors and Executives	Working Experience during the Past 5 Years			
					Period	Position	Company	Business Type
9. Mr. Supot Massayamas - Director - Executive Committee - Vice President of Engineer Audit and Quality Control 10 November 2014	54	- Doctoral Degree in Business Administration, King Mongkul's University of Technology North Bangkok - Master Degree in Engineer, King Mongkul's University of Technology North Bangkok - Bachelor Degree in Engineer, Burapha University - Director Accreditation Program (DAP) No. 118/2015, Thai Institute of Director (IOD)	1.09	-	Present - 2014	Director / Executive Committee / Vice President of Engineer Audit and Quality Control Department	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board
					Limited Companies / Limited Partnership / Association			
					2015 - 2012	General Managing Director	S.Kijchai MDF CO.,LTD. (former name of the company)	Manufacture and distribution of MDF board
					2013 - 2002	Director	Siam Heng charoen CO.,LTD.	Import and distribute synthetic leather goods, ironware and furniture fittings
					2012 - 1997	General Managing Director	S.Kijchai Wood Panel CO.,LTD.	Manufacture and distribution of Particle board
10. Ms. Kanokporn Arayapran - Director - Executive Committee - Director of Sales and Marketing Department - Director authorized signatory 14 September 2016	35	- Bachelor Degree in Education, Burapha University - Faculty of Education majoring in Chinese Language Teaching, Beijing lianhe University - Director Accreditation Program (DAP) No. 136/2017, Thai Institute of Director (IOD)	0.04	-	Public Limited Companies			
					Present - 2015	Director / Executive Committee / Director of Sales and Marketing Department	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board
					Limited Companies / Limited Partnership / Association			
					Present - 2021	Director	SKN Kraft and Paper CO., LTD.	Manufacture and distribution of pulp from recycle wastepaper
					Present - 2021	Director	S.Kijchai Concrete Industry CO., LTD.	Manufacture and distribution of concrete products
					Present - 2018	Director	S.Kleber Chemical CO.,LTD.	Manufacture and distribution of Glue and Chemical for industry
					Present - 2016	Director	S.Kijchai Green Power CO.,LTD.	Biomass Power Plant
					2015 - 2013	Marketing Executive	S.Kijchai MDF CO.,LTD. (former name of the company)	Manufacture and distribution of MDF board
					2013 - 2012	Sourcing Manager	S.Kijchai CO.,LTD.	Furniture manufacture and

Name/Position/ Appointed Date	Age (Year)	Education / Certification	Share Holding Percentage (%)	Family Relationship among Directors and Executives	Working Experience during the Past 5 Years			
					Period	Position	Company	Business Type
								Distribution
11. Ms. Orawan Sangwongkit - Director - Nomination and Compensation Committee - Executive Committee - Vice president of Accounting and Finance Department - Chief Financial Officer (CFO) - Director authorized signatory 9 March 2015	33	- Master Degree in the Management and Economics, Assumption University - Bachelor Degree in Liberal Arts, Thammasat University - Director Accreditation Program (DAP) No. 136/2017, Thai Institute of Director (IOD) - TLCA Executive Development Program (EDP) class of year 2019	0.04	Daughter of Mr. Vichai Sangwongkit and Sister of Mr. Harnsiri Sangwongkit	Public Limited Companies			
					Present - 2015	Director / Nimation and Compensation Committee / Executive Committee / Vice president of Accounting and Finance Department / CFO	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board
					Limited Companies / Limited Partnership / Association			
					Present - 2019	Director	T.Y.B. CO.,LTD	Real estate trading
					2014 - 2013	Financial Manager	S.Kijchai MDF CO.,LTD. (former name of the company)	Manufacture and distribution of MDF board
					2011 - 2010	Marketing Executive	S.Kijchai CO.,LTD	Furniture manufacture and Distribution
12. Mr. Tiwat Rattanakate - Independent Director - Audit Committee 24 April 2018	65	- Master Degree of Science Program in the Technology of Envirinmental Planning for Rural Development, Mahidon University - Bachelor Degree of Public Health, Mahidon University - Director Accreditation Program (DAP) No. 151/2018, Thai Institute of Director (IOD)	-	-	Public Limited Companies			
					Present - 2018	Independent Director / Audit Committee	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board
					Limited Companies / Limited Partnership / Association			
					2017 - 2015	Public Health	Public Health Klaeng, Rayong	Government
					2015 - 2012	Public Health	Public Health Ban Khai, Rayong	Government
					2012 - 2009	Public Health	Public Health Khao Chamao, Rayong	Government
13. Mr. Harnsiri Sangwongkit - Executive Committee - Senior Vice President 26 February 2018	31	- Bachelor Degree in Economics, Assumption University - Director Accreditation Program (DAP) No. 139/2561, Thai Institute of Director (IOD) - Director Certification Program (DCP) No. 290/2563, Thai Institute of Director (IOD)	0.21	Son of Mr. Vichai Sangwongkit and Brother of Ms. Orawan Sangwongkit	Public Limited Companies			
					Present - 2018	Executive Committee / Senior Vice President	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board
					2018 - 2014	Director of InformationTecnology Department	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board

Name/Position/ Appointed Date	Age (Year)	Education / Certification	Share Holding Percentage (%)	Family Relationship among Directors and Executives	Working Experience during the Past 5 Years			
					Period	Position	Company	Business Type
					Limited Companies / Limited Partnership / Association			
					Present - 2021	Director	SKN Kraft and Paper CO., LTD.	Manufacture and distribution of pulp from recycle wastepaper
					Present - 2021	Director	S.Kijchai Concrete Industry CO., LTD.	Manufacture and distribution of concrete products
					Present - 2019	Director	T.Y.B. CO.,LTD.	Real estate trading
					Present - 2018	Director	S.Kleber Chemical CO.,LTD.	Manufacture and distribution of Glue and Chemical for industry
					2014 - 2013	Director	S.Kijchail CO.,LTD.	Furniture manufacture and distribution
14. Mrs. Kitiya Niebler - Executive Committee - Vice President of Sales and Marketing Department 25 June 2019	38	- Master Degree of MSc in International Trade and Logistics, Oxford Brookes University England - Bachelor Degree in Business Administration (Marketing), International Program, Bangkok University	0.13	Daughter of Mr. Vichien Saengvongkij and Sister of Ms. Vichuta Saenvongkij	Public Limited Companies			
					Present - 2019	Vice President of Sales and Maketing Department	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board
					Present - 2017	Executive committee	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board
					2019 - 2013	Director of Sales and Maketing Department	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board
					Limited Companies / Limited Partnership / Association			
					2012 - 2009	Marketing Executive	S.Kijchai CO.,LTD.	Furniture manufacture and distribution
					2004 - 2006	Financial Assistance	S.Kijchai CO.,LTD.	Furniture manufacture and distribution
15. Ms. Vichuta Saenvongkij - Nomination and Compensation Committee - Executive Committee - Vice President of Admintrative Department 9 May 2019	31	- Bachelor Degree in Social Sciences, Srinakharinwirot University - ExChange Students Program, School of Political Science and Economics, Meiji University, Japan (March 2012 – June 2013) - Director Accreditation Program (DAP) No. 169/2563, Thai Institute of Director (IOD)	0.12	Daughter of Mr. Vichien Saengvongkij and Sister of Mrs. Kitiya Niebler	Public Limited Companies			
					Present - 2019	Vice President of Admintrative Department	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board
					Present - 2018	Executive Committee	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board
					Present - 2016	Nomination and Compensation Committee	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board

Name/Position/ Appointed Date	Age (Year)	Education / Certification	Share Holding Percentage (%)	Family Relationship among Directors and Executives	Working Experience during the Past 5 Years			
					Period	Position	Company	Business Type
		- Board Nomination & Compensation Program (BNCP) No. 11/2564, Thai Institute of Director (IOD)			2019 - 2018	Director of Information Technology Department	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board
					2019 - 2015	Director of Human Resources Department	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board
					Limited Companies / Limited Partnership / Association			
					2014 - 2013	Sales and Marketing	S.Kijchai MDF CO.,LTD. (former name of the company)	Manufacture and distribution of MDF board
16. Mr. Teerawit Noosong - Vice President of Production Department 9 March 2015	49	- Bachelor Degree in Industrial Engineering, Kasem Bundit University	-	-	Public Limited Companies			
					Present - 2015	Vice President of Production Department	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board
					Limited Companies / Limited Partnership / Association			
					2015 - 2013	Director of Production Department	S.Kijchai MDF CO.,LTD. (former name of the company)	Manufacture and distribution of MDF board
17. Ms. Phatsanan Senuchai - Director of Accounting and Finance Department - Chief Accountant 27 June 2016	45	- Master Degree of Business Administration, Ramkhamhaeng University - Bachelor Degree in Accounting, Ramkhamhaeng University		-	Public Limited Companies			
					Present - 2016	Director of Accounting and Finance Department	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board
					2013 - 2011	Director of Accounting and Finance Department	Chonburi Concrete Product PCL.	Manufacture and distribution of ready-mixed concrete
					Limited Companies / Limited Partnership / Association			
18. Ms. Autchariya Chanduaykit - Secretary of the Company 26 February 2020	25	- Bachelor Degree in English, Rajabhat Rajanagarindra University	-	-	2016 - 2013	Director and Director of Accounting	CPanel CO.,LTD.	Manufacture and distribution of ready-mixed concrete
					Public Limited Companies			
					Present - 2020	Secretary of the Company / Secretary of Board of Director / Secretary of Audit Committee /	S.Kijchai Enterprise PCL.	Manufacture and distribution of MDF board

Name/Position/ Appointed Date	Age (Year)	Education / Certification	Share Holding Percentage (%)	Family Relationship among Directors and Executives	Working Experience during the Past 5 Years			
					Period	Position	Company	Business Type
						Secretary of Nominating and Compensation committee		

1.2 Duties and Responsibilities of the Company's Secretary

The Company's secretary shall perform the duty as stipulated in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4), B.E. 2551 (2008) that came into force on 31 August 2008 with the responsibility, due care and integrity as well as compliance with the applicable laws and the company's objectives and Articles of Association, the resolutions of the Board of Directors and the resolutions of the shareholders' meetings. Legal duties of the company's secretary are as follows:

- (1) To provide information, instructions and communication concerning legislations, practices specified in the government criteria, rules and regulations of the Company, relevant rules and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand; to provide knowledge and understanding in the corporate governance for directors and relevant units; to oversee proper and consistent compliance of the Company, directors and executives and to report any significant changes to directors
- (2) To coordinate and notify information on the company's directors and executives to the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC)
- (3) To prepare agendas and invitation letters for meetings, annual report, supporting documents for shareholders' meetings and the Board of Directors' meetings
- (4) To organize shareholders' meetings and the Board of Directors' meetings in accordance with the applicable laws, the Company's regulations and best practices
- (5) To coordinate with shareholders concerning suggestions and propose for the management and executives' consideration
- (6) To prepare the sequence of shareholders' meetings for the Chairman of the meetings
- (7) To attend shareholders' meetings and ensure smooth running of the meetings in accordance with the applicable laws
- (8) To keep minutes of shareholders' meetings and the Board of Directors' meetings and monitor observance of the resolutions of shareholders' meetings and the Board of Directors' meetings
- (9) To prepare and keep a register of directors, an annual report of the company, notices calling shareholder meeting and the Board of Directors' meeting, minutes of shareholders' meeting and the Board of Directors' meeting
- (10) To keep complete and accurate records of policies and regulations of the company approved by the Board of Directors for accountability
- (11) To ensure disclosure of data and information in the scope of responsibility to any authorities regulating the company in accordance with the government's rules and requirements
- (12) To provide directors and executives with information and advices concerning preparation of reports as required by the applicable laws or regulations to be disclosed to the public for transparency such as report of securities holding

- (13) To require directors and executives to prepare a report on their interest or related person's interest in relation to management of the company or any subsidiary pursuant to Section 89/14 of the Securities and Exchange Act, B.E. 2535 (1992) (as amended) (the "Securities Act")
- (14) To keep reports on interest of directors or executives and submit copies of such reports prepared by directors or executives pursuant to Section 89/14 to the Chairman of the Board of Directors and the Audit Committee Chairman within seven working days from the date that the company received such reports
- (15) To arrange a retention system of documents and evidence concerning the following information and ensure complete and accurate retention and accountability of such documents or evidence for a period of not less than five years from the date of preparing such documents or evidence. Retention of such documents and evidence includes storage in computer system or any other systems that are available in a read-only mode without any modification
 - (1) Provision of information in support of seeking a resolution of shareholders' meeting
 - (2) Financial statements and reports concerning the financial position and the business operation of the company or any other reports required to be disclosed under Section 56, Section 57, Section 58 or Section 199 of the Securities Act
 - (3) An opinion of the company when a person makes the general tender offer to purchase shares from shareholders
 - (4) Provision of information or any other reports in relation to the business prepared by the company for the purpose of disclosure to shareholders or public as specified in the notification of the Capital Market Supervisory Board
- (16) To perform other acts as specified in the notification of the Capital Market Supervisory Board
- (17) To contact and coordinate with other relevant agencies on behalf of the Board of Directors and perform any other acts as assigned by the Board of Directors
- (18) To perform the duty with responsibility, due care and integrity and comply with the applicable laws, objectives and regulations of the company, the resolutions of the Board of Directors and shareholders' meetings and not do any act significantly contrary to the company's interest
- (19) To perform the duty with responsibility and due care as a reasonable person would have done in the same circumstances

2. Positions of Directors, Executives and Controlling Persons in related companies

No	Name	Position	Subsidiaries / Related Companies																																						
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37		
1.	Dr. Suvit Thaniyavarn	✕ + ✓																							✓	✓	✓	✓	✓								✓				
2.	Mr. Vichien Saengvongkij	✓	✕ + ✓	✕ + ✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓																✓					✓		✓				
3.	Mr. Vichai Sangwongkit	✓+✓✓			✓	✓	✓		✓	✓	✓	✓	✓	✓	✓															✓											
4.	Mr. Chaiwat Taweepiriya	✓	✓	✓	✓		✓		✓			✓																			✓				✓						
5.	Mr. Sanguan Saengwongkij	✓	✓	✓							✓						✓	✓	✓	✓	✓	✓																			
6.	Mr. Tarate Poshyananda	✓																						✓						✓			✓	✓	✓				✓	✓	
7.	Pol.Lt.Gen. Sunchai Chaiamporn	✓																																							
8.	Mr. Somnuk Saengwongkij	✓									✓						✓		✓	✓		✓																			
9.	Mr. Supot Massayamas	✓+✓✓																																							
10.	Ms Kanokporn Arayaprakarn	✓+✓✓	✓	✓								✓																								✓					
11.	Ms Orawan Sangwongkit	✓+✓✓																												✓											
12.	Mr. Tiwat Rattanakate	✓																																							
13.	Mr. Harnsiri Sangwongkit	✓✓	✓	✓																										✓					✓						
14.	Mrs. Kitiya Niebler	✓✓																																							
15.	Ms Vichuta Saengvongkij	✓✓																																							
16.	Mr. Teerawit Noosong																																								
17.	Ms. Phatsanan Senuchai																																								
18.	Ms. Autchariya Chanduaykit																																								

Note : ✕ = Chairman ✓ = Board member ✓✓ = Executive committee

Subsidiaries	Related Companies	11. S.Kijchai Green Power Co., Ltd	20. Saharumtun 2014 Co., Ltd	29. Siam Im Dee Co., Ltd.
1. S.Kleber Chemical Co., Ltd	3. S.Kijchai Co., Ltd	12. S.Kijchai Capital Co., Ltd	21. Mission Success 2005 Co., Ltd	30. Cash Spire Co., Ltd
2. SKN Kraft and Paper Co., Ltd	4. Thai Eastern Wood (1987) Co., Ltd.	13. S.Kijchai Concrete Part., Ltd	22. Toyotron Motor Co., Ltd	31. P 3 N Co., Ltd
	5. S.Kijchai Wood Panel Co., Ltd	14. S.Plywood Co., Ltd	23. Toyotron Assembly Co., Ltd	32. Crop Power Co., Ltd
	6. S.E.P.Worldwide Co., Ltd	15. Sahakij Klaeng Co., Ltd	24. Eo Solution Co., Ltd	33. S.Kijchai Concrete Industry Co., Ltd
	7. S.Kijchai Concrete Chantaburi Co., Ltd	16. Sahakij Saentung Co., Ltd	25. Eo Lifemed Co., Ltd	34. Sun Vending Technology Co., Pcl
	8. Urban Hann Co., Ltd	17. Sahakij Trat Co., Ltd	26. Big Camera Corporation Co., Pcl	35. Thai Rayong Glove Products Zoupure Co., Ltd.
	9. S K Grand Land & House Co., Ltd	18. Sahakijbiopower Co., Ltd	27. Thaire Life Assurance Co., Pcl	36. Capital Nomura Securities Co., Pcl
	10. S.Kijchai Bueng Kan Co., Ltd	19. Grand SWL Co., Ltd	28. T.Y.B. Co., Ltd	37. Mung Mun Tung Jai Co., Ltd.

Attachment 2

Detail of the Directors of Subsidiaries

Detail of the Directors of Subsidiaries

No	Name	S.Kleber Chemical Company Limited	SKN Kraft and Paper Company Limited
1.	Mr. Vichien Saengvongkij	Chairman of the Board	Chairman of the Board
2.	Mr. Chaiwat Taweepiriya	Board member	Board member
3.	Mr. Sanguan Saengwongkij	Board member	Board member
4.	Miss Kanokporn Arayaprakarn	Board member	Board member
5.	Mr. Hamsiri Sangwongkit	Board member	Board member

Attachment 3

Information of Head of Internal Audit and Head of Compliance

Information of Head of Internal Audit and Head of Compliance

The Company has hired internal auditors from external sectors which is KPMG Phoomchai Business Advisory Co.,Ltd (“Internal auditors”) Which has the qualifications, education, and work experience as follows:

Supachate Kunaluckkul

Position : Partner, Advisory

Educational / Qualifications / Certificate

- Certified Internal Auditor (CIA)
- Certified Information Systems Auditor (CISA)
- ISO 27001:2013 Lead Auditor Information Security Management System
- ISO2000-1:2018 Service Management System
- Certified Public Accountant (CPA), Thailand
- Certification in Control Self-Assessment (CCSA)
- Master Degree of Accounting, Thammasat University, Thailand

Work Experiences

Period	Position	Company
2014 - Present	Partner	KPMG Phoomchai Business Advisory Ltd.
2012 - 2014	Manager	KPMG China, Guangzhou Office
2010 - 2012	Manager	KPMG Phoomchai Audit Ltd.

Attachment 4

Assets Used in Business Operations and Details about Property Appraisal Items

Assets Used in Business Operations

The details of Assets Used in Business Operations as shown in topic 1 “Structure and Operations of the Company”, sub-topic 1.2.2 “Product Information” 4) “Assets Used in Business Operations” Page 17

Details about Property Appraisal Items

- None -

Attachment 5

Policy on Corporate Governance and Code of Ethics

Policy on Corporate Governance and Code of Ethics

The details appear on the Company's website as follow:

1. www.skn.co.th under the "Investor Relations" >> "IR Home" >> "Corporate Governance" or
2. <https://www.skn.co.th/governance.php>

Attachment 6
Report of the Audit Committee

The Audit Committee of S.Kijchai Enterprise Public Company Limited consists of 3 independent Audit Committee members who are competent and possess all qualifications as per the regulations stipulated by The Stock Exchange of Thailand. These 3 Audit Committee members include;

- | | |
|----------------------------------|---------------------------------|
| 1. Mr. Tarate Poshyananda | Chairman of the Audit committee |
| 2. Pol.Lt.Gen. Sunchai Chaamporn | Audit committee |
| 3. Mr. Tiwat Rattanakate | Audit committee |

The Audit Committee abide by the responsibilities appointed by the Board of Directors of the Company and pursuant to the Audit Committee Charter, which is consistent with the best practice of the Securities and Exchange Commission by reviewing and ensuring the Company to follow the principles of good corporate governance, establish sufficient risk management and internal control and conduct internal control efficiently and effectively, where the Company shall give priority to defining systematic structure and work process, operating as a transparent organization and enhancing the quality of the Company's internal audit for sustainable improvement.

In the 2021 accounting year, the Audit Committee arranged 4 meetings in total, in which the whole members of the Audit Committee participated and discussed with the internal auditor and auditor. The summary of main points on responsibilities is as follows:

1. Reviewing the Company's financial reports

Members of the Audit Committee reviewed the Company's quarterly and annual financial statements, including related transaction together with the auditor. They questioned the auditor on the accuracy and completeness of the financial statements, important adjusting general ledger entries, including accounting forecasting which affects the financial statements, adequacy and appropriateness of bookkeeping and scope of review, accurate, complete and adequate information disclosure and independence of auditor in order to ensure that the financial statements shall be in compliance with laws and generally accepted accounting standards, credible and provided in a timely manner. Moreover, the information shall be disclosed sufficiently and beneficial for users of financial statements.

2. Reviewing Risk Management

The Audit Committee reviewed efficiency and appropriateness of risk management process, which could occur by internal and external factors, including risk management policy, plan and guidelines on risks affecting the Company's performance together with recommendations for improvement in order to promptly support in case of unexpected events.

3. Reviewing Internal Control

The Audit Committee prioritized the compliance with laws, related regulations and management focusing on professional and systematic operations by reviewing internal control system with the internal auditor on a quarterly basis in order to ensure the proper, sufficient and efficient internal control system. The Audit Committee considered the evaluation form of adequacy of the Company's internal control system according to the Stock Exchange of Thailand

and Securities and Exchange Commission. The internal auditor and the Audit Committee had the agreed opinions that no major issues or flaws were detected and deemed that the internal control system is sufficient and suitable for the Company's current situation.

4. Reviewing transactions involving related or potential conflicts of interest

The Audit Committee reviewed and prioritized the consideration of processing transactions involving related or potential conflicts of interest between the Company, subsidiary, and related companies or parties in accordance with laws and regulations stipulated by the Stock Exchange of Thailand on a quarterly basis. The Audit Committee appointed the internal auditor to preliminarily monitor and review the accuracy and the auditor to regularly review such transactions in order that the reports are reasonable and provides the utmost benefit to the Company and accurate and complete information disclosure.

5. Reviewing compliance with securities and stock exchange regulations

The Audit Committee reviewed the Company's compliance with securities and stock exchange regulations, requirements of the Stock Exchange of Thailand or laws related with the Company's business. The Audit Committee deemed that the Company did not act against the relevant laws and regulations.

6. Appointment of the Auditor as of 2021 accounting year

The Audit Committee scrutinized and agreed to EY Office Co.,Ltd. ,where the auditor are Ms. Siraporn Ouayanunkun, certify public accountant no. 3844 and/or Ms. Sirirat Sricharoensup, certify public accountant no. 5419 and/or Mr. Chatchai Kasemsrithanawat, certify public accountant no. 5813 the Company's and its subsidiary's auditor. The appointed auditor is independent and has no any interests which may cause a conflict of interest. The appointed auditor was proposed to the Company's Board of Directors for consideration and approval, as well as to the shareholder meeting of the year 2021 for further consideration and approval.

In conclusion, the Audit Committee has fulfilled the obligations and responsibilities as specified in the Audit Committee Charter, with their knowledge and abilities, carefulness, thoroughness, adequately independence. Moreover, they provided productive opinions and recommendations in favor of stakeholders equally. The Audit Committee scrutinized that the Company's financial reports are accurate, credible and in compliance with generally accepted accounting standards. The Company has managed an operation that is consistent with laws, obligations related to the business operations, including the good corporate governance system, adequate risk management and appropriate and efficient internal control system.

Mr. Tarate Poshyananda

Chairman of the Audit committee

S.Kijchai Enterprise Public Company Limited