

ANNUAL REPORT 2022

56-1 ONE REPORT

Technology - Driven Sustainability

Environment Friendly

Smart and Secured Society

Innovative Chip



Content

Part 01



Business Operation and Results

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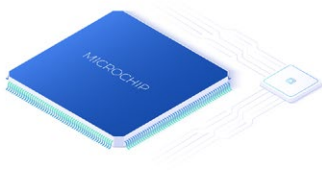


Vision

Shape the World of
Secured & Connected Devices
with Innovation & Intelligence



Mission



Products and services:

The Company will design and deliver outstanding and unique integrated circuit products and services.



Customers and business partners:

The Company determines to add value to customers and business partners by focusing on creation of innovation that can be achievement at global level.



Employees:

The Company will be the organization with happy working environment which determines to develop potential of its employees on creative idea and courage to encounter challenges with strong determination to success and self-development continually.

Company Highlights



Annual General Meeting

On April 26, 2022

The Company held the Annual General Meeting of Shareholders via E-AGM live broadcast from Townhall. Silicon Craft Technology Public Company Limited gave shareholders the opportunity to participate and follow up on the company's performance, trends, and future plans, along with their inquiries to the Board of Directors and executives on various issues and the exercise of voting rights in decision-making on important matters.

AUTO-ID & COMMUNICATION EXPO 2022

On September 14-16, 2022

The Company participated in the event "AUTO-ID & COMMUNICATION EXPO 2022" in Japan to exhibit technology and products in the groups of NFC Authentication, NFC Sensor Interface, and Bluetooth Potentiostat under the concept of "Shaping the world of secured and connected devices with innovation & intelligence".



Thailand Sustainability Investment (THSI) 2022

On October 10, 2022

The Company was ranked in the list of sustainable stocks, or Thailand Sustainability Investment (THSI) 2022, reflecting the Company's commitment to organizational development towards stable growth through the creation of intelligent technology and a sustainable society with fewer environmental impacts, including the importance of participation among all stakeholders.



Wireless IOT Tomorrow 2022

On October 19-20, 2022

The Company attended the Wireless IoT Tomorrow 2022 in Germany with a full exhibition of products and technologies in the Wireless IoT group, focusing on the delivery of the Company's expertise through three applications: NFC Authentication, Sensor Interface and Power Harvesting, and ASIC Design Services.



Outstanding Investor Relations Awards 2022

On October 28, 2022

Ms. Arunee Poontawe, Chief Financial Officer, and Ms. Katalee Krachangsang, Company Secretary and Investor Relations Manager, presented as the Company's representatives to receive the Outstanding Investor Relations Award 2022 from Dr. Pakorn Peetathawatchai, Director and Manager of the Stock Exchange of Thailand, and Mr. Santi Wiriyarangsarit, Chief Editor of Money and Banking Magazine, at the SET Award 2022 event, reflecting on the Company's outstanding investor relations performance with disclosure of quality, information to all stakeholders in an equitable and transparent manner.

mai FORUM 2022

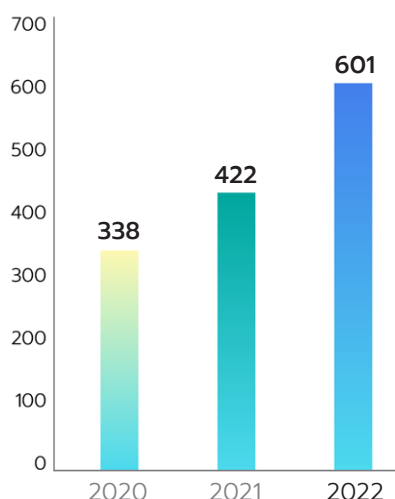
On October 28, 2022

The Company participated in the 7th mai Forum 2022 under the concept of "Growing Stronger Together, We are SME Role Model", held by the Market for Alternative Investment (mai), aiming to introduce the Company's business, products, and services to the investor groups, entrepreneurs, and people who are interested in, by exhibit the RFID product lines, which include Animal Identification, Immobilizer, Industrial IoT, and NFC.

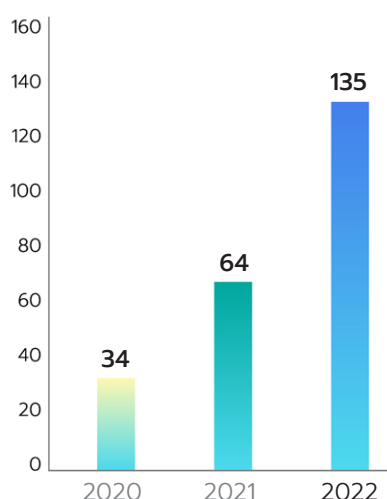


Financial Highlights

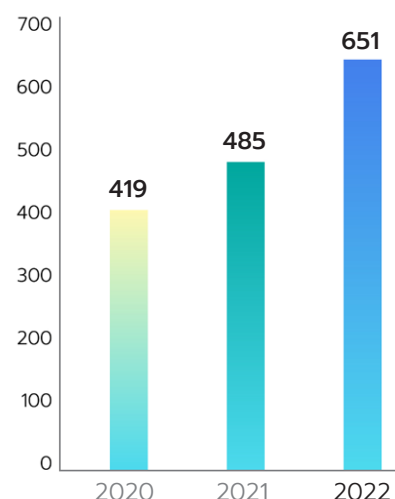
Total Revenue
(Milion Baht)



Net Profit
(Milion Baht)



Total Assets
(Milion Baht)



Dividend Per Share



0.1112 Baht

Dividend Payout Ratio



33 %

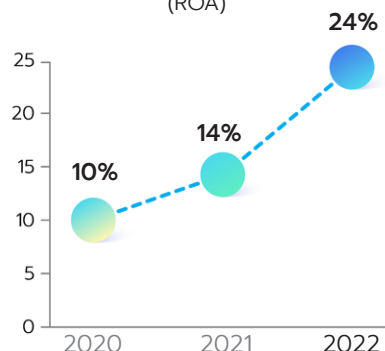
Earning Per Share



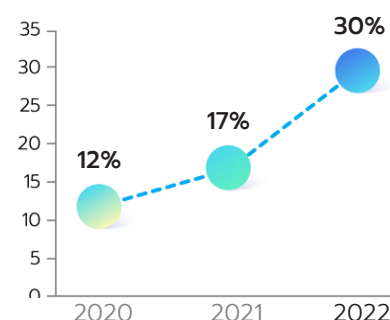
0.34 Baht

Financial ratios

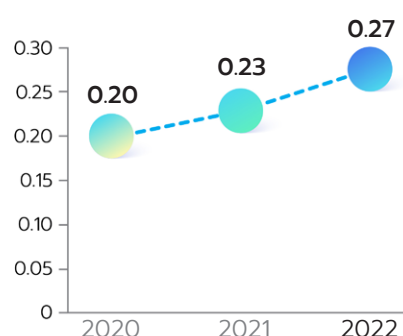
Return on Assets (ROA)



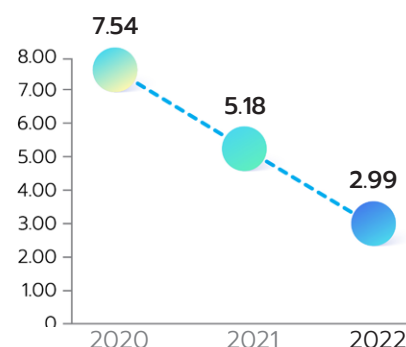
Return on Equity (ROE)



Debt to Equity Ratio (times)



Inventory Turnover (times)



	2022	2021	2020
Summary of Financial Statement (Thousand Baht)			
Cash and cash equivalents	114,959	101,406	111,433
Total assets	651,333	484,813	418,595
Total liabilities	136,464	90,202	69,598
Total shareholders' equity	514,869	394,611	348,997
Income Statement (Thousand Baht)			
Revenues from sales and services	601,012	421,698	337,878
Gross profit	315,576	222,586	149,664
Profit from operating activities	137,609	63,981	34,723
Profit for the year	135,076	64,038	34,391
Financial Ratios			
Return on Assets (ROA)	23.8%	14.2%	10.2%
Return on Equity (ROE)	29.7%	17.2%	12.5%
Gross Profit Margin	52.5%	52.8%	44.3%
Net Profit Margin	22.5%	15.2%	10.2%
Debt to Equity Ratio (times)	0.27	0.23	0.20
Dividend Payout Ratio	33%	27%	50%
Earning Per Share (Baht)	0.34	0.16	0.09

Message from Chairman of the Board of Directors



“

The year 2022 was another year with the most challenging market environment in history. It's very important and memorable for me. It has also been the year that Silicon Craft Technology Public Company Limited has entered its 20th year with stability and strength. It also marked the greatest pride of achieving the growth goals that were previously set, delivering the best performance to shareholders and makes success in various aspects. However, this challenge continues in 2023.

”

Mr. Manop Dhamsirianunt

Chairman of the Board of the Directors

All board of directors, executives and employees are aware of the growing expectations and needs of our customers and are ready to overcome obstacles to deliver the results we set out. All of which are at the heart of moving forward and growing with full confidence.

Silicon Craft Technology Public Company Limited has entered the Market for Alternative Investment (mai) since 2020, when it announced to all investors the Company's goals for a doubling growth in four years. In 2022, it was a great pleasure that the Company could accomplish such growth earlier than the previously announced target of almost 2 years. Our double growth, or total revenue, reached 601 million baht, resulting from the cooperation and efforts of everyone, including the Board of Directors and the management team led by Dr. Bodin Kasemset and all employees, as well as the support from all relevant sectors for our accomplishment this year.

In addition, the Company has also been assessed on the Corporate Governance Report of Thai Listed Companies (CGR) 2022 at the level of 5 stars or excellent. So, I would like to express my thanks to the Thai Institute of Directors Association (Thai IOD) for seeing the intention of the Board of Directors of Silicon Craft Technology Public Company Limited in pushing corporate governance to the international level, having good control and transparency, giving importance to all sectors equally, and maintaining good business ethics. As the Chairman of the Board of Directors, I wish to encourage good corporate governance with continual improvement and will continue to expand in other dimensions.

Also, I would like to thank the Stock Exchange of Thailand for ranking Silicon Craft Technology Public Company Limited, or SICT, in the list of Thailand Sustainability Investment (THSI) for the year 2022. This reflects the Company's determination to develop the organization for sustainable growth through the policies the Board of Directors has driven to integrate sustainability with the Company's strategy to have management and business operations take into account economic, social, and environmental dimensions as well as compliance with good governance principles.

In addition, I would like to share with you the exciting company's long-term plans. We emphasize the Future Technology Roadmap Master Plan and have a plan to invest in human resources that drives the organization to grow exponentially. I am confident that this effort and dedication will lead to technological advances that will drive the Company to deliver smart electronics to the industrial sector, to apply to the environment, health sciences, financial, and security of IoT. Furthermore, in the future, the Company plans to launch new products and innovations that differentiate itself from competitors and create better well-being for users around the world. I thank you for your continued support of the company until it achieved the same results as in the past year, and I look forward to continued support from all of you in the coming years.

Finally, I, the Board of Directors, all executives, and employees, look forward to informing you of the progress and achievements and moving forward together in a sustainable and stable way. Once again, I would like to thank all of you for trusting and believing in the company, which will be an important driving force and encouragement for the Company to move forward faster and stronger. This will create business growth along with building a sustainable society and developing the country towards a better future.

Message from Chief Executive Officer

“

For this year 2022, I and my team at Silicon Craft Technology Public Company Limited are very proud to announce that the Company has achieved its goal of growing the business as promised to our shareholders and stakeholders. After entering the Market for Alternative Investment (mai), all related sectors expect to grow twice in four years. That is to say that, the Company recorded a total revenue of more than 601 million baht in 2022, which has grown two times in only two and a half years.

”



Mr. Bodin Kasemset
Chief Executive Officer

The Company has set its careful business plan and fully dedicated to the plan. This is to deliver excellent performance to shareholders, as well as creating technological development and sustainable business growth by incorporating all relevant sectors.

Amidst the great and long challenges of the semiconductor industry, namely the shortage of raw materials and production capacity in the market (supply shortage), rising costs from raw material prices, and having to face currency fluctuations and changes in the economy and trade rules across the world; therefore, the Company has implemented work plans and strategies from the risk management plan and has overcome the difficulties of such situations until it was able to better deliver products and earn the confidence of customers and partners this year better than as planned. Thus, I wish to thank for the support of partners, customers, shareholders, financial institutions, government agencies, the Board of Directors, employees, and other related parties.

Furthermore, we are delighted to be honored by many organizations and institutions for the awards to support our commitment to carry out various activities, namely being selected as a sustainable stock or Thailand Sustainability Investment (THSI) of the year 2022, as being assessed for the Corporate Governance Report of Thai Listed Companies (CGR) for the year 2022 by the Thai Institute of Directors Association (Thai IOD) at the level of 5 stars or excellence (Excellence), and received the Outstanding Investor Relations Award 2022 by the Stock Exchange of Thailand.

After relaxing measures to control the spread of COVID-19 in the middle of last year, we do not hesitate to meet our customers and international partners around the world, including attending various exhibitions in many countries, such as Germany and Japan, to expand business opportunities, strengthen relationships, and build technological cooperation. This will bring opportunities for the Company's short-term and long-term growth, and gaining new trade opportunities

and making progress in various fields, which everyone will see in the future.

The Company has implemented a strategy for technology and product development and sustainable development with the ideas of creating intelligent technology, promoting the use of fewer resources while increasing efficiency and effectiveness, and creating a better living, for example, by cooperating with partners in Taiwan to develop a project on Green RFID, which makes RFID devices more environmentally friendly, including creating innovations in the field of digital healthcare sensors, in line with the current interest in healthcare.

Human development and retaining quality personnel are still top priorities for the Company because the quality manpower will drive the Company to move forward with strength. Going through a crisis like the COVID-19 pandemic situation causes the overall labor market changes. The Company has pushed for a plan of the retention program as well as human resource development through various training programs or cooperating with partners, research institutes, and educational institutions to enhance in-depth technological knowledge and growth in the whole system. On the occasion of the Company's 20th anniversary, we are proud of its growth from the beginning by researchers and engineers who have created "deep tech innovations" in the global business, like semiconductors, which have been produced based on our own technology and know-how, and the Company has successfully distributed them to customers around the world. From that beginning to today's level of progress, these things have shown the stability of the Company through experience in every economic cycle. We are confident that with the Company's potential in product research and development in the upstream technology of the semiconductor industry, it will be able to grow further and sustainably despite the challenges of the future.

All of us in the Company would like to thank you very much for your support on this occasion.

Board of Directors



1. Mr. Manop Dhamsirianunt

Chairman of the Board of Directors

2. Mrs. Monluedee Sookpantararat

Director / Independent Director /
Chairman of the Audit Committee /
Member of the Risk Management Committee

3. Mr. Wuthipong Suponthana

Director / Independent Director /
Chairman of the Risk Management Committee /
Member of the Audit Committee / Member of
the Nomination, Remuneration and Corporate
Governance Committee

4. Mr. Sarote Phornprapha

Director / Independent Director /
Chairman of the Nomination, Remuneration and
Corporate Governance Committee /
Member of the Audit Committee

5. Mr. Naiyavudhi Wongkomet

Director / Chairman of the Executive Committee /
Member of the Risk Management Committee /
Member of the Nomination, Remuneration and
Corporate Governance Committee

6. Mr. Apinetr Unakul

Director

7. Mr. Apinunt Thanachayanont

Director / Member of the Executive Committee /
Chief Research Officer

8. Mr. Bodin Kasemset

Director / Member of the Executive Committee /
Member of the Risk Management Committee /
Chief Executive Officer

9. Ms. Arunee Poontawe

Director

Management Team



1. Mr. Bodin Kasemset

Director / Member of the Executive Committee / Member of the Risk Management Committee / Chief Executive Officer

2. Mr. Kowit Nuangsuk

Member of the Executive Committee / Chief Financial Officer

3. Mr. Sarun Polachart

Member of the Executive Committee / Chief Operating Officer

4. Mr. Thaweesak Thantipwan

Member of the Executive Committee / Chief Technology Officer

5. Mr. Apinunt Thanachayanont

Director / Member of the Executive Committee / Chief Research Officer

Part 1

Policy and Business Overview



1.1 Policy and Business Overview

Presently, the Company's core business involves in designing integrated circuits (ICs) and developing microchips for Radio Frequency Identification Device (RFID) devices. We specialize in R&D and qualification of Application Specific Integrated Circuit (ASIC) in particular. The Company offers two product categories: Exclusive Product and Standard Product. Exclusive Products are tailored made according to customer requirements. Standard Products are developed in-house using the Company's know-how and marketed to customers so that our products can be readily applied in their business field.

As a fabless or factory-less company, the Company designs microchips, outsources the fabrication process to our trusted business partners and sells the finished goods as microchips and microchips for IC packaging such as antenna coil attachment type, plastic cylinder type, and glass cylinder type which are designed according to various application, form, and form factor.

1.1.1 History

Silicon Craft Technology Public Company Limited ("the Company") has been established by a group of Thailand's researchers and electronics engineering specialists in 2002 with initial registered capital of 5 million Baht led by Mr. Manop Dhamsirianuntt, the former IC Specialist in the Reverse Brain Drain Project who needed to transfer knowledge and working experiences in Integrated Circuit (IC) design from overseas for more than 10 years to develop and prove that research works and knowledge on integrated circuit can add very high economic values. Hence, he joined hands with a group of researchers and specialists who have the same concept to establish a private company because it is agility and can closely cooperate with the public agencies on concretely development of body of knowledge on integrated circuit design in Thailand. Those founders who are currently the Company's shareholders are Mr. Naiyavudhi Wongkomet, Mr. Apinunt Thanachayanont and Mr. Apinetr Unakul.

During the first phase of business operations which was the investment period for products research and development, the Company has been constantly supported by the public sectors as they earnestly wished to conjointly build integrated circuit industries in Thailand. In 2003, the Company has been supported by the National Science and Technology Development Agency (NSTDA) on research and development of integrated circuit or microchip for RFID Animal Identification.

In 2015, the Company became the first and only company in Thailand that can successfully develop microchip for RFID Animal Identification. The production of such chips has been commenced and commercially supplied and exported to Australia, a country which placed importance on traceability on source of product for animals. Following to the success on the launch on such products, the Company designed and developed additional products in radio frequency identification (RFID) technology group, such as microchip for access control, microchip for immobilizer, including microchip in the near field communication (NFC) group by focusing on development of products in the group of electric, physical and chemical measuring equipment (sensor), and etc.

The National Electronics and Computer Technology Center (NECTEC)'s Reverse Brain Drain Project is a project to encourage overseas Thai professionals to return to Thailand to collaborate and develop knowledge based body including technology transfer to the public and private sectors in Thailand.

In 2013, the Company has developed its internal quality system to enhance confidence to business partners which were the companies in foreign countries. Hence, the Company has received ISO9001: 2008 on Quality Management System Standard accreditation for products, research & development including distribution from Bureau Veritas (UK Branch). The Company also revised its former trademark to be the current one in order to convey the modern product development by focusing on creating new innovation to respond to the users' requirements and direction of organization image as the professionals for competition in the global market. Moreover, in 2013, the Company has registered for establishment of Silicon Technology (Shenzhen) Company Limited, as its subsidiary company,

in Shenzhen, People's Republic of China, on September 19, 2014 with registered capital of 1.00 million yuan to explore opportunities for business expansion in China. However, on 2016, the Company decided to change its operation model in China to find partner and build representative network in such country instead. Therefore, Silicon Technology (Shenzhen) Company Limited has been dissolved accordingly.

During 2015-2018, the Company has been trusted by major entrepreneurs, both within and outside of the country, to be their partner for joint development of products in Brand Protection and Anti-Tampering Group, which made the Company have opportunity to apply Near Field Communication (NFC) technology previously researched to develop into the commercially products jointly with those partners. Products in this group are about to be launched in the market and it is expected that some of them will be commercially supplied within 2020.

From the past until the present day, the Company conducted research & development works continually in order to make its microchip be able to be used with RFID devices in various formats and objectives. In 2022, The Company updated the category of application groups into 4 main groups, 1) Microchip for immobilizer; 2) Microchip for animal tag, 3) Microchip for Industrial IoT, and 4) NFC and others. The Company is the first and only Thai operator in South East Asia which engages in business of a complete research and development of integrated circuit, beginning from research & development, chip production, test, marketing and supply, just like the top companies in the United States of America's Silicon Valley. Consequently, the Company can develop new products to respond to the trade partners' requirements by presenting products with different qualifications in the competitive prices with the competitors in the world's market. The Company's products have been increasingly and continually accepted by the customers in many countries worldwide, such as in European countries, Australia, People's Republic of China and the United States of America, under operations of the professional management and teams of engineers who have experiences in such industry and technology for more than 10 years.

1.1.2 Overview of vision, objective, target and strategy of operation of the Company

Silicon Craft Technology Public Company Limited ("the Company") has specified business operations guidelines which focused on creating of new innovation, presentation of product innovation to build difference and respond to demand of the trade partners and users, as well as to become one of the leaders on design, development and supply of RFID microchip and related technology. The Company has cultivated corporate culture which emphasis on becoming the innovation organization through operations of the management to employees at all levels under transparent management with governance principle. Such guidelines are clear, concrete and can be practiced with details as follows:

Vision

"Shape the world of Secured & Connected devices with Innovation & Intelligence"

Mission

Products and services:

The Company will design and deliver outstanding and unique integrated circuit products and services.

Customers and business partners:

The Company determines to add value to customers and business partners by focusing on creation of innovation that can be achievement at global level.

Employees:

The Company will be the organization with happy working environment which determines to develop potential of its employees on creative idea and courage to encounter challenges with strong determination to success and self-development continually.

1.1.3 Major Events and Activities



Significant Events

2002

- Silicon Craft Technology Company Limited has been established with initial registered capital of 5.00 million Baht, by dividing into 50,000 ordinary shares at par value of 100.00 Baht per share to engage in business of design, research & development and supply of integrated circuit (IC) products.

2004

- The Company has entered into a joint venture agreement with the Mutual Fund for joint investment in Small & Medium Enterprises (SMEs). The Company increased its registered capital by 0.60 million Baht to be 5.60 million Baht to participate in the “5 Year Strategy to Build-up Thai Entrepreneur Society” and par value has also been changed from 100.00 Baht per share to 10.00 Baht per share. Consequently, the Company has 560,000 ordinary shares at par value of 10.00 Baht per share.
- The Company has relocated its head office from Pakkred District, Nonthaburi Province to Don Muang District, Bangkok for convenience on business operations.
- The Company started to develop integrated circuit (IC) for RFID Animal Identification with the support from the National Electronics and Computer Technology Center (NECTEC).

2005	<ul style="list-style-type: none"> The Company became the first and only company in Thailand and in South-east Asia that can successfully develop integrated circuit (IC) or chip for RFID Animal Identification and the product has been launched in such year.
2006	<ul style="list-style-type: none"> The Company together with the partner in South Korea can successfully design and develop the Interrogator.
2007	<ul style="list-style-type: none"> The Company increased its registered capital by 11.28 million Baht to 16.88 million Baht, dividing into 1,688,000 ordinary shares at par value of 10.00 Baht per shares to be used as working capital for business operations. The Company received Asia Pacific Business Development Strategy Leadership Award on RFID Animal Tagging Market from Frost & Sullivan, a global research and consulting firm. The Company has been granted investment promotion from the Office of Board of Investment for integrated circuit design and RFID devices design including continuous product from design activities.
2008	<ul style="list-style-type: none"> The Company can achieve development of integrated circuit (IC) or microchip to be used with Immobilizer and this product has been launched in the market in same year.
2009	<ul style="list-style-type: none"> The Company increased its registered capital by 8.12 million Baht to 25.00 million Baht, dividing into 2,500,000 ordinary shares at par value of 10.00 Baht per shares to be used as working capital for business operations. The Company's shareholders purchased shares back from the Mutual Fund for jointly investment in the Small & Medium Enterprises (SMEs) pursuant to condition in the joint venture agreement. Total 249,305 shares have been purchased back. The Company received Thailand Embedded Product Awards (TEPA) for its outstanding products under category of Ear Tag and Inlay. The Company received the honorable mention under category of Telecom Product for 13.56 MHz Multi Standard RFID Reader IC from Telecom Innovation Award 2009 arranged by the Telecommunications Research and Industrial Development Institute (TRIDI).
2010	<ul style="list-style-type: none"> The Company increased its registered capital by 5.00 million Baht to 30.00 million Baht, dividing into 3,000,000 ordinary shares at par value of 10.00 Baht per shares to be used as working capital for business operations. The Company enrolled to become the corporate member of the Thai Chamber of Commerce, registration number T5300184.
2011	<ul style="list-style-type: none"> The Company increased its registered capital by 20.00 million Baht to 50.00 million Baht, dividing into 5,000,000 ordinary shares at par value of 10.00 Baht per shares to be used as working capital for business operations.
2012	<ul style="list-style-type: none"> The Company increased its registered capital by 30.00 million Baht to 80.00 million Baht, dividing into 8,000,000 ordinary shares at par value of 10.00 Baht per shares to be used as working capital for business operations. The Company relocated its head office from Don Muang District, Bangkok to Soi Senanikom, Bangkok to support for its expansion and for increased efficiency on management.

2013

- The Company has been accredited for ISO9001: 2008 on Quality Management System Standard of product and services on design, research & development and distribution of integrated circuit (IC) and RFID device from Bureau Veritas (UK Branch).
- The Company commenced for registration for an establishment of Silicon Technology (Shenzhen) Company Limited, as its subsidiary company in Shenzhen, People's Republic of China on September 19, 2014 with registered capital of 1.00 million yuan to support for its business expansion into China.

2014

- The Company increased its registered capital by 20.00 million Baht to 100.00 million Baht, dividing into 10,000,000 ordinary shares at par value of 10.00 Baht per shares to be used as working capital for business operations.
- The Company relocated its head office from Soi Senanikom, Bangkok to Chatuchak District, Bangkok to support for its business expansion.

2016

- The Company increased its registered capital by 50.00 million Baht to 150.00 million Baht, dividing into 15,000,000 ordinary shares at par value of 10.00 Baht per shares to be used as working capital for business operations.
- The Company closed down Silicon Technology (Shenzhen) Company Limited, its subsidiary in People's Republic of China, to restructure its organization for preparation to be listed in mai.
- The Company has entered into a Memorandum of Understanding (MOU) with one of the world's leading electric appliances manufacturing company in South Korea for collaboration on research and development of microchip products for sensor system.

2017

- The Company has entered into a Memorandum of Understanding (MOU) with the leading RFID device manufacturing company in Germany for joint collaboration on development of new model of immobilizer and also entered into a Memorandum of Understanding (MOU) with the immobilizer manufacturing company in Spain for collaboration on development of Cloud system for such company.

2018

- The Company has entered into a Memorandum of Understanding (MOU) with Thailand's leading cement, petrochemical and chemicals company for joint collaboration on research and development of microchip products for chemicals detection.

2019

- The Company registered to transform from a company limited to a public company limited and changed its name to Silicon Craft Technology Public Company Limited.
 - During the Annual General Meeting of Shareholders No. 1/2019 dated February 21, 2019, the Meeting resolved to change value of par value from 10.00 Baht per share to 0.50 Baht per share. As a result, the Company has total 300,000,000 ordinary shares, at par value of 0.50 Baht per share. The Meeting also resolved and approved for capital increase for additional 50.00 million Baht to 200.00 million Baht, dividing into 400,000,000 shares, at par value of 0.50 Baht to support for the initial public offering (IPO) amounting to 100,000,000 shares. Consequently, the Company has total 400,000,000 ordinary shares, at par value of 0.50 Baht per share, dividing into 300,000,000 ordinary shares of the existing shareholders and 100,000,000 new ordinary shares for initial public offering (IPO).
-

2020

- The Company signed a Memorandum of Understanding (MOU) with Chulalongkorn University by the Center of Excellence on Petrochemical and Materials Technology to jointly develop intelligent blood transport box temperature sensors to control the quality of blood bags during transportation.
- The Company receives R&D subsidies from the Office of the National Digital Economy and Society Commission, Ministry of Digital Economy and Society, for portable residual toxin monitoring systems that work with smartphones, and shrimp farming optimization projects with wireless sensor networking and artificial intelligence.
- July 30th, 2020 marked the first day for Silicon Craft Technology PLC to list and begin trading its shares on the Market for Alternative Investment (mai) of The Stock Exchange of Thailand under the ticker “SICT”, raising funds for microchip business development, new technological developments, and future joint-venture projects. The Company issued 100,000,000 ordinary shares, which corresponded to 25% of all issued and fully paid ordinary shares.

2021

- On 13th May 2021, the company’s Board of Directors approved the Employee Joint Investment (EJIP) project.
- On 11th August 2021, the company’s Board of Directors passed a motion to appoint Mr. Bodin Kasemset as CEO.
- On 11th August 2021, the company’s Board of Director pass a motion to appoint Mr. Manop Dhamsirianunt as Chairman of the Board.
- On 11th August 2021, the company’s Board of Directors approved the second round of the Employee Joint Investment (EJIP) project.

2022

- In the first quarter, the Company launched a new immobilizer product under the name “Ultimate X (ULTX)”, which is a microchip for automotive key backup systems which could support 99% of the car models on the market.
 - In the second quarter, the Company revised its product classification, that is, the change from the group of microchips set used for on-site access system to the IoT group in the industrial sector to be in line with the Company’s current business and market. At present, the Company’s product groups include animal registration system, automotive electronic key system, industrial IoT, NFC, and others.
 - On June 1, 2022, the Company signed a Memorandum of Understanding (MOU) with Smooth and Sharp Corporation (S&S), Taiwan, to cooperate in the development of Green RFID projects and create innovations in Digital Healthcare Sensor.
 - On August 10, 2022, the Company’s Board of Directors’ meeting resolved to approve the project of Employee Joint Investment (EJIP) Group 3.
 - On October 3, 2022, the Company restructured its organization and established the Research Department, while announcing the appointment of Mr. Apinunt Thanachayanont as Chief Research Officer to supervise and manage all works of the department activities.
-

1.1.4 IPO Spending Progress

According to Silicon Craft Technology Public Company Limited (“the Company”)’s Initial Public Offering (IPO), in which the Company has offered 100 million new ordinary shares at the offering price of 1.38 baht per share on July 21-23, 2020 and registered such IPO with the Market of Alternative Investment on July 30, 2020. The Company has received the net proceeds of approximately 129 million baht (after deducting underwriting fee and other expenses involved in the IPO).

The Company would like to report the utilization of proceeds (5th round) ending 31 December 2022 as follows:

(UNIT: MN THB)

Utilization of Proceeds	Budget Plan (Approximately)	Amount Used accumulated until 31 Dec 22	Outstanding Balance as at 31 Dec 22
To invest in tools, equipment and software on microchip design and test, including intellectual property, such as patent	45.24	38.31	6.93
To invest or joint invest in other company engaging in business of integrated circuit design and development or having innovation which can enhance the Company’s business operations	38.78	5.50	33.28
To use as working capital for business operations	45.24	22.95	22.29
Total	129.26	66.76	62.50

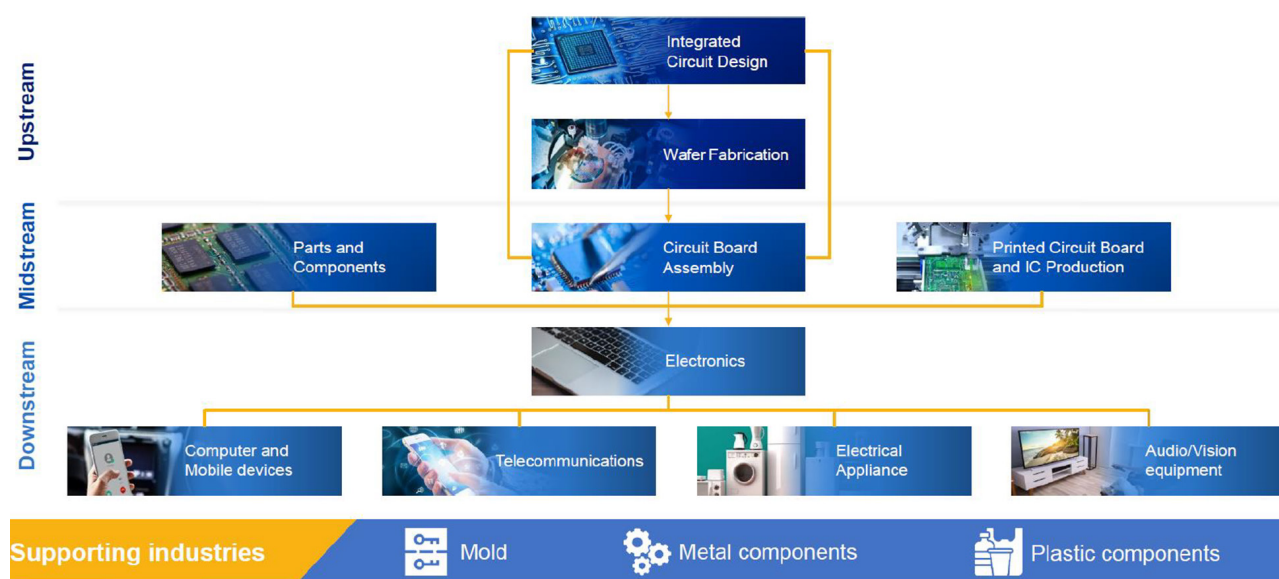
1.2 Nature of Business

1.2.1 Industry Overview

Overview of Thailand's Electronics Industry

According to Thailand's Office of Industrial Indexes and Department of Trade Negotiations, the electronics industry's structure can be categorised into 3 levels as follows:

1. Upstream Industry is defined as a group of basic industries which fabricate materials for electronics goods. Examples of these industries are integrated circuit (IC) design and wafer fabrication. Presently, Thailand is experiencing some obstacles in developing Upstream industry due to the lack of technologies and investment funding. As such, the country is not capable of fabricating wafers and relies on importing the raw materials from overseas.
2. Midstream Industry comprises of makers at components and electronics parts such as IC and capacitors. In Thailand, a significant portion of investment is seen in this industry segment. A majority of the makers are of foreign nationals and joint venture firms from overseas which have a scale of operation ranging from medium to large. On the other hand, Thai makers are a minority in the industry. They usually have a smaller size compared to its international counterparts and sometimes are subcontractors of those large manufacturers.
3. Downstream Industry refers to makers who deal with final processes in manufacturing electronics goods. They source various components and assemble to finished consumer goods, for instance, computers, handheld mobile devices, radio receivers, and television sets. Most makers in Thailand are capable of manufacturing at this level.

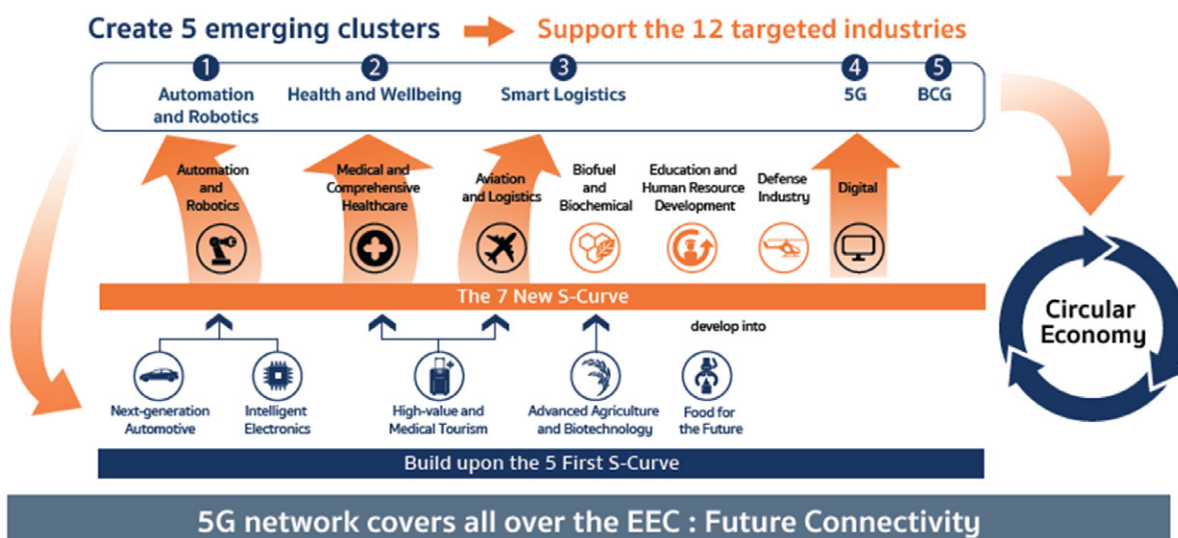


Source: BOI, Industry Supply Chain in Thailand

Thailand's electronics industry has been focusing on leveraging production capabilities at electronics parts, components, and assembly. These activities account for the Midstream and Downstream industries and are labour intensive. However, core businesses of Silicon Craft Technology (PLC) are categorised in the Upstream industry which are one of future driver industries as outlined in the Ministry of Industry's national development strategy "Industry 4.0". The Company is the sole organisation from the private sector in the country that has a specialised research and development team dedicated in developing technologies in RFID system over the years. Our microchip products have garnered recognition and exported products to a number of world-leading RFID product manufacturers.

The electronics industry is important to the country's economy. Thailand is a leader in the production of electronic components for electrical appliances, cars, home appliances, and complex electronic parts. It is also a main part in the country's export sector as one of the "5 First S-Curve" from 12 targeted industries of the Eastern Economic Corridor (EEC) development project in the Thai Industrial Development 4.0 strategy.

TOWARD 5 FOCUSED INVESTMENT & TECHNOLOGY THEMES



Source: EEC Factsheet, 20 Oct 2022

From the accelerating investment in 5G network infrastructure during the past period to support more Internet of Things (IoT) technology, this shall be a factor in driving Thailand’s electronics industry towards future expansion.

For the year 2022, the export value of the Thai electronics industry is expected to expand at 4.1% YOY. This is driven by an increasing demand for electronic products around the world, which becomes a positive effect on the production and export of electronic components, such as circuit boards, printed circuits, and semiconductors. However, the growth in 2022 is likely to slow down in line with the global economic recovery. Additionally, the prolonged shortage of semiconductors in the global market has affected the production of many types of downstream products, such as electrical appliances and automobiles, as well as trade barriers of trading partners which shall affect the Thailand export of electrical appliances, such as the extension of safeguard measures and the disqualification of the US washing machine GSP. Meanwhile, the effects of the Russo-Ukrainian War and inflation also affect the price of raw materials for the increasing production of electronic products.

The products in the electronics industry that are growing well are electronic parts. It plays an increasing role in various manufacturing industries, such as automation and artificial intelligence in factories, automotive industry of the future, while consumer electronics begin to slow because of lower demand for computers.

The key issues of the electronics industry in 2022 included shortage of semiconductors, increasing price of raw materials, trend of moving production bases, and trade barriers from Thailand’s trading partners.

- The shortage of semiconductors in the global market continues to last longer than expected. This will affect the production of end products in various industries, such as electrical appliances, smartphones, and automobiles. In addition, the Russo-Ukrainian War caused the shortage of raw materials in the global market to become more severe and pushed the price of raw materials in semiconductor production to rise, while the problem of semiconductor shortage was resolved more slowly than expected.
- The Russo-Ukrainian War resulted in higher prices of overall raw materials and production costs of electronic products. In the meantime, the rising oil prices in the world market led to an increase in related raw material costs. On the other hand, some electronic products, such as capacitors and batteries, positively obtained benefits because the world has tried to find new energy sources to replace oil.
- There was a trend of supply-chain relocation around the world, especially in the advanced electronic products. This started with the US-China trading and technology war before the acceleration during the COVID-19 epidemic when manufacturers viewed that the dependence mainly on Asian production bases could be a risk to overall production. Thus, many countries had policies to move production bases to other regions of the world.

Overview of worldwide RFID system and device business

Radio Frequency Identification (RFID) technology utilises telecommunication radio frequencies to read and write data of various items onto a piece of equipment called a Tag or a Transponder. The main usage objective is to support or replace the Barcode system. It has better performance in many ways such as it is capable of reading and writing a large volume of data or re-written multiple times, Data can be read while items are in motion such, Greater security due to data encryption capability, etc.

Due to the advantages of the RFID system, it is being used in over 120 nations worldwide. In 1990s, the system gained widespread adoption with the advent of Smart Card being deployed in public transit systems. Circa year 2000, RFID system was introduced to Supply Chain application which led to more funding in technological development surrounding the RFID technology as well as to developing standards that supported and gave rise to the popularity.

The Semiconductor Industry Association (SIA) reported that in 2022, the sales of the global semiconductor industry totaled \$573.5 billion, or the highest annual total with a rising of 3.2% when compared to \$555.9 billion in 2021. Also, there was a slowdown in sales during the second half of 2022. Despite the fluctuating short-term sales according to the market cycles and macroeconomic conditions, the long-term trend of the semiconductor market remained strong because chips could play an increasing role and shall become an important mechanism to improve the world with more efficiency and more connection.

For the sales by region, China still accounted for the largest share. Total sales were \$180.3 billion in 2022, down 6.4% when compared to the previous year. The growing market segment was the United States, with a growth rate of 16.0% when compared to the previous year. This was followed by the European and Japanese market, with a growth rate of 12.7% and 10.0%, respectively.

According to a UK-based business research centre specialised in Emerging Technology-related market research, IDTechEx, the overall RFID market size is expected to reach approximately \$12.22 billion in 2022 and \$15.38 billion in 2026.

Upon a closer look of RFID market value by product type, it has been found that Passive Tag, the Company's major product offering, dominated the overall market at \$6.56 billion in 2022 and is forecasted to grow to \$7.87 billion by 2026, representing an annual growth rate of 4.66%. Next in the line is Interrogator business, also one of the Company's main products, which had the market value at \$2.50 billion in 2022 and expected to reach \$4.44 billion in 2026, representing an annual growth rate of 3.96%.

\$ billions	2022	2023	2024	2025	2026	2032
Passive RFID Tags	6.56	7.09	7.48	7.66	7.87	9.67
Passive RFID Interrogators	2.50	2.53	2.57	2.73	2.92	4.44
Passive RFID Services, Networking, Software	2.80	3.00	3.40	3.80	4.1	7.00
Active RFID/RTLS Systems	0.35	0.35	0.35	0.41	0.49	1.08
Total \$ billions	12.22	12.97	13.79	14.60	15.38	22.19

Source: RFID Forecasts, Players and Opportunities 2022-2032 The complete analysis of the global RFID industry”, IDTechEx

The top 5 industry sectors that RFID system is being used are:

1) Retails Sector

It is expected that the market value of this sector will grow from \$2.04 billion in 2022 to \$4.34 billion in 2026, representing an annual growth rate of 20.77%. Application examples in this sector are inventory monitoring system to prevent loss of goods or tracking items in transit, and recording goods’ data such as type, quantity, pieces as required in inventory management system.

2) Financial, Security Sector

This sector’s market size is expected to be at \$4.36 billion in 2022, and anticipated to be \$4.39 billion in 2026, representing an annual growth rate of 0.17%

3) Automotive and Public Transportation Sector

It has been estimated that the market size in 2022, which is at \$3.87 billion, will be \$3.82 billion in 2026, representing an annual decline rate of -0.32%. Examples of RFID application in this sector are Smart Ticket and automotive electronics key and Immobilizer.

4) Logistics and Transportation Sector

In this sector, the market value’s forecast is from \$0.63 billion in 2022 to \$1.01 billion in 2026, representing an annual growth rate of 12.52%. Examples in this sector are parcel tracking system and sorting of parcels with special codes.

5) Livestock Sector

The sector’s market share is on course to grow from \$0.69 billion in 2022 to 0.79 billion in 2026, representing an annual growth rate of 3.44%.

\$ billions	2022	2023	2024	2025	2026	2032
Retail	2.04	2.34	2.89	3.51	4.34	7.63
Financial, Security	4.36	4.55	4.61	4.58	4.39	4.15
Passenger transport/automotive	3.87	4.03	4.06	4.01	3.82	3.49
Land, sea logistics and post	0.63	0.69	0.77	0.88	1.01	3.55
Animals and farming	0.69	0.69	0.72	0.75	0.79	1.06
Total	11.59	12.30	13.05	13.73	14.35	19.88

Source: RFID Forecasts, Players and Opportunities 2022-2032 The complete analysis of the global RFID industry”, IDTechEx

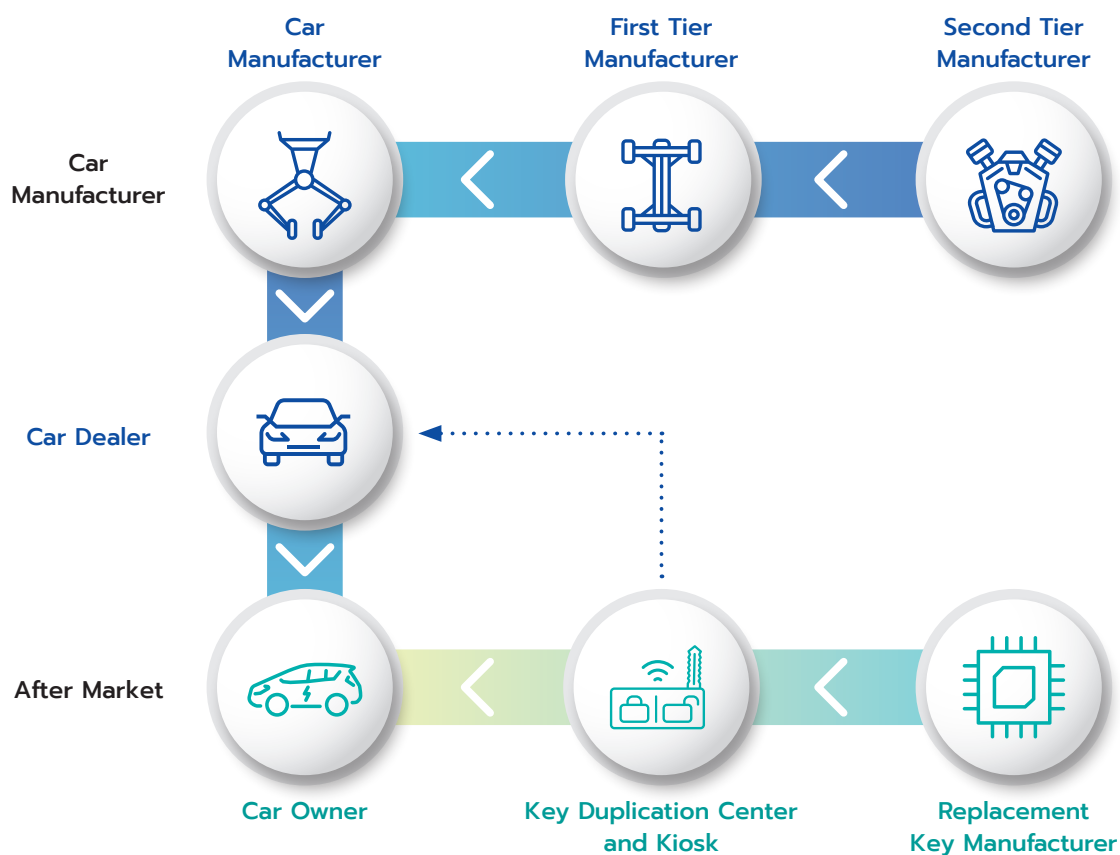
The Company’s core businesses are focused on designing and developing microchips for passive tags and microchips for interrogators. Both businesses have high value-added as well as have demonstrated significant growth potential in the future. The overview and trend of the Company’s main customer groups, livestock replacement automotive immobilizer, and industrial IoT businesses are outlined as follows.

Replacement immobilizer for automotive business

Our main group of customers are some of the largest replacement immobilizer manufacturers and all-in-one service providers in the world. At present, the Company concentrates our effort to deliver products in a form of glass tube and plastic cylinder for our business partners to produce immobilizer-type electronics enabled keys or microchip-embedded keys. These types of final products have been employed since 1990s to enhance security in automotive field. Microchip-embedded key is a part of car security system which provides greater degree of security compared to physical key. RFID radio signals are cross-checked between RFID microchip in a key and an interrogator installed in each vehicle. In addition, codes become more complex thanks to cryptography technology.

Due to an ever increasing complexity in car key technologies in the effort to improve security, fabricating replacement keys become more difficult. In case there is a need for customer to purchase an extra set of replacement key or the key is lost, the customer must contact the car dealer directly for replacement. Nonetheless, the process is usually costly and time consuming. In light of this, there exists a market for replacement electronic car key. These service providers are alternatives for consumers or drivers who do not wish to order a replacement key directly with authorised dealers as well as solutions for dealers who do not offer such services but need to fabricate replacement keys as demanded by customers. For the latter case, dealers may forward the requests to a Key Duplication Centre and Kiosk to have a replacement key produced.

Structure of players in replacement key for automotive market



Source: Silicon Craft Technology PLC

The Company has developed microchips and secured sales with the largest replacement key manufacturer in the world. The manufacturer develops machine such as key cutting machine, equipment to produce blank keys, and key duplicating system which handles data read & write mechanics on electronic key. These innovations allow replacement keys to operate seamlessly in the same manner as authentic keys produced by the original makers without infringing on any patents. The replacement keys will be distributed to authorised key replacement centre and kiosks which operates around the globe.

Automotive electronic replacement keys are needed when car users change their cars to new ones or once the keys are lost. According to research by the automotive research firm, iSeeCars, most cars in the market have an average lifespan of 8.4 years before the change of ownership. As a result, the main customer groups of the Immobilizer market are those of the cars during the past 8 years, or an estimate of about 50 million cars today. Moreover, due to the spread of COVID-19 and the microchip shortage situations in the past, there was a temporary decline in the production of first-hand cars. This could be an opportunity for the used car market to improve in both the short and medium term.

Currently, in many countries, for instance, Germany, Austria, and Canada, every cars are required by law to use immobilizer system for security. In the United States, lawmakers passed a legislation to promote the adoption of immobilizer system by enforcing any makers that do not offer immobilizer system to strictly follow a regulation that require every automotive parts to be registered. The process poses additional complexity to a non-compliant.

Livestock Business

Australia, the Company's main customer, is the world's largest producer and exporter of beef cattle and sheep, as well as products from beef cattle and sheep, which places much importance on food traceability after meat processing. In 2002, Australia announced the use of an animal registration system with RFID or electronic tags in the form of Ear Tags for all cattle in Victoria, and it started enforcement within the country during the year 2004. Moreover, there have been plans to extend electronic tagging to other animals, such as sheep, goats, and pigs. The animal registration with RFID could fully provide more details and accurate animal information than the traditional animal identification system of only basic information. The animal registration system with RFID can also record various information of those animals, such as breeding history, feeding, vaccination, and transport to various places. In 2022, the Australian Government approved a regulation on the use of electronic tags for all sheep and goats in the country to prevent any diseases in animals and increase biosecurity. Electronic tagging for newborn sheep and goats will be enforced by 2025, while the one for transporting sheep and goats will be started by 2027. Therefore, the higher growth in number of newborn cattle and sheep in Australia could be a factor to directly support the expansion of the Company's products.

Example of RFID device's technical requirement in animal identification application.

Example of Ear Tags



Example of Rumen Bolus



Source: Silicon Craft Technology PLC, and Accredited Devices April 2017 document, National Livestock Identification System Cattle.

The success of the animal registration system in Australia has become a model for other countries to develop and promote the animal registration system by using RFID tags in the same way. This could start from encouraging entrepreneurs to apply the electronic tag system voluntarily. Electronic tags are also enforced in some states for some types of animals, such as the Republic of South Africa where animal identification has been enforced since 2003 and Namibia where such electronic tags are required for cattle as well as the identification of sheep and goats in 2017, etc. Thus, this could continually lead to a higher growth in the market for the identification of such animals, with a high commercial potential.

Industrial IoT Business

At present, technology plays an increasingly important role in industrial processes. The connection between machines, people, and various work systems through technology will improve the efficiency of safety management and increase efficiency at work. As a result, the products in such group are widely used with a range of application, such as the entry-exit system using a portable card and reader machine, the reader machine for industrial systems to track the transport of products in the production line, or even a reader machine to check product details in the warehouse. For this reason, the products in such group are considered as one of the important technologies in driving the industry towards the Industry 4.0 era.

Factors driving the Company's business growth

Historically, the Company's operation expanded in accordance with the growth of replacement automotive key and livestock industries in which our principle business partners are in. Such trend is due to the fact the our core business has been focused on researching and developing microchips for Application Specific Integrated Circuit (ASIC). Therefore, we are specialised in providing bespoke innovative products for each application and customer. Following the trend, the future growth shall continue thanks to the growth of the current target industries as well as to prospective new businesses in the field of Internet of Things (IoT). We hope to develop new chips for RFID device that our customers can apply in a plethora of IoT applications including in logistics, healthcare businesses. Key factors that foster the growth of the Company are summarised in the following section.

Multiple Capabilities Beyond Barcode System

RFID system utilises radio frequencies to identify details or owner of an object that has a RFID tag attached. Being developed from the preceding Barcode technology, RFID system presents a number of advantages. For instance, the system is capable of reading data from multiple tags or labels simultaneously, is contactless, without the need for the tag or label to physically touch or exposed to the reader, and is able to read data from a distance at high speed. It is also resistant to humidity, vibration, and impact. Moreover, RFID tags can be used virtually in any materials, goods, or living organisms. These advantages allow RFID system to be applied in a variety of applications. Additionally, technologies surrounding RFID system are being developed continuously which allow for RFID device costs to be lowered while having superior effectiveness compared to Barcode system. The system can be easily integrated with databases as in the case of cloud computing. Thus, the trend of adopting RFID to replace Barcode system is on the rise in large and small enterprises.

Nowadays, apart from substituting Barcode system, RFID technology has been applied in various arrangements different purposes for example, RFID devices for security such as an access control card or a replacement immobilizer car key, for improvement of harvest and food safety such as a small implantable glasstag that keep animal's records and use for food traceability, for production planning or quality control of different manufacturing processes in the industry, for goods delivery service and delivery status tracking and also the logistics and inventory management, etc. Because the RFID system have several capabilities that can be developed to support many industries mentioned before, RFID system devices have strong growth tendency together with the growth of each industry.

Changes in Consumer Behavior

Originally, the concept of developing communication ability of equipment or things with RFID mostly serves the objective of increasing business efficiency e.g. usage in logistics, inventory tracking, and traceability system for livestock, etc. However, consumers today have more tendency to live for a quick, comfortable, and trendy lifestyle. Therefore, the concept of devices that can communicate with each other is being employed in our daily life ever more to facilitate and expedite people activities such as the concept of Internet of Things (IoT) which is widely adopted these days.

Changes in consumer behavior and the spread of IoT concepts are considered factors that promote the development of RFID-enabled products that are able to communicate with each other to the market without limiting to the level of business management as in the past. From the diverse capabilities of the RFID system that can be designed and implemented in a variety of activities, the RFID system is a technology that can help owners of various products or services to respond to changing consumer behaviors more easily and conveniently. It can be used in all groups of products and services, such as linking payment systems with electronic payment machines at stores or mobile phones (E-payment), using them as smart labels to immediately prove counterfeiting in the handbag or wine business group, controlling the operation of various amenities in the house or in the automobile (Smart home or Smart car), or attaching to patients as a device collecting treatment information and tracking the patient's position (Smart Healthcare), etc. Therefore, number of RFID devices tend to grow from expansion of the market into daily lifestyle of consumers in various products and services.

Supports from local public and private sectors

Integrated circuit design (IC Design) is considered as one of the intelligent electronics industry which is in a high-potential existing industry group (First S-Curve) in accordance with the 20-year Thai Industrial 4.0 Development Strategy (2017- 2036). According to the strategic plan, the first S-Curve industry group is an industrial group with potential to create high economic and trade value. In addition, the intelligent electronic technology has been assigned a major role as technology and innovation group to drive traditional industries into value-added

industry group. This group also becomes an important component in the development of the new high-potential industrial group (New S-Curve), which is a new industry group that relies a lot of technology and innovation as well. Therefore, both the public and private sectors have continuously given focus on developing knowledge about the RFID system through various agencies such as National Electronics and Computer Technology Center (NECTEC), Software Industry Promotion Agency (Public Organization) (SIPA), Thai Embedded System Association (TESA), RFID Institute of Thailand, GS1 Thailand, The Federation of Thai Industries, also including various academic institutions to develop and promote electronic knowledge in Thailand.

1.2.2 Revenue Structure

Revenue Structure	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Revenue from Animal identification group	121.2	35.9	139.7	33.1	221.6	36.9
2. Revenue from Immobilizer group	86.7	25.7	100.4	23.8	176.6	29.4
3. Revenue from Industrial IoT group	121.8	36.0	171.8	40.8	189.0	31.4
4. Revenue from NFC and others group	8.2	2.4	9.7	2.3	13.8	2.3
Total revenues	337.9	100.0	421.6	100.0	601.0	100.0

1.2.3 Nature of Product & Service

The customers use our products in a tag or an RFID reader and can be categorized as follows:

1) Microchip for replacement car key's immobilizer system (Immobilizer):

Automotive electronic key (or “electronic key”) is an RFID device that provides car security by encrypting and decrypting data transmitted between car and microchip. The system comprises of a code reader installed in the vehicle and chips which are embedded in a key fob. Automotive makers designate the Electronic Control Unit (ECU) which controls car’s electronic systems to communicate with RFID device and only allow car engine to operate upon receiving a valid authentication from the RFID reader. The engine will not start in a case of cloned key or by-passing ignition interlock (or “hot-wiring”). The immobilizer system is mandatory as standard or may provide the manufacturers certain manufacturing exemptions should the system is included with the car in many countries, for instance, European Union countries, Canada, and the United States.

Our Company is a leader in microchip R&D and has gained worldwide reputation from replacement electronic key manufacturers. Replacement electronic key is one of the After-Market businesses in automotive industry which is expected to grow steadily following the expanding car business. We provide microchips in various forms and form factors for the industry. Our microchips for replacement electronic key utilise low frequency (LF) RFID technology which allows key fob to operate without additional power supplied by battery (Passive Tag). Additionally, some business partners entrust the Company to develop code reader device to decrypt codes from pilot electronic keys to fabricate replacement electronic keys. As the result, the Company can provide microchips for both replacement electronic key and code reader. Currently, the main customer groups of the Company are manufacturers of replacement keys based in the European Union and the United States, focusing on the provision of services to the passenger car segment or the premium after-market segment. The Company offers outstanding products for both quality and innovation. For example, the Ultimate X (ULTX) products with universal replacement keys cover 99% of the car models in the market. This then eliminates the need for multiple replacement keys among the providers. So, it’s considered as an added convenience to enable customers for better management of their inventory.

For the year 2022, the Company’s revenue from microchip for automotive immobilizer key system accounted for 176.6 million Baht.

Examples of usage in replacement automotive electronic key (immobilizer) application.



Source: Silicon Craft Technology (PLC)

2. Microchips for tags in animal identification system (Animal Identification Tags):

Animal identification tags are one of the RFID applications that are used to record data of individual livestock such as beef cattle, dairy cattle, sheep as well as pets e.g. dogs and cats. In many countries that produce livestock and export livestock-derived products, for instance, Australia and nations in the South Africa region, there are laws and regulations in place that require livestock or animals to be tagged with microchips. Australia is one of such countries that demands tagging of all beef cattle and dairy cattle for the purpose of food traceability and food safety. At present, the Company provides several models including plastic tags that can be fitted in animal's ears or small glass cylinders suitable for implantation (for pets). These devices are capable of recording and reading individual animals' data swiftly and accurately. Examples of digital data are species, feeding, vaccination, etc. In animal identification system, interrogator transmits radio signals continuously or periodically. When a tag with the microchip comes into close proximity of the interrogator, the tag receives the signal and activates internal circuits by means of electromagnetic wave induction which converts the wave into electricity. The tag utilises the generated electricity to transmit data back to the interrogator in radio waves. Once the interrogator receives the returned signal, it will analyse the data and relay commands and results to display on the interrogator's built-in screen or a computer or store them in a database. As the system works automatically, users benefit from convenience, greater data accuracy, and reduced human errors which may come from manual data record as well as fewer sets of information that can be handled by human compared to the digitalised system. As the result, animal identification system enables data from the entire process to be recorded accurately and forms the basis for food traceability in livestock-derived product value chain.

Currently, we supply tags which do not require batteries to operate (passive operation) and utilise radio signals in low frequency (LF) region according to ISO 11784, ISO11875, and ICAR (The International Committee of Animal Recording) standards. Our customers incorporate the supplied microchips into finished products for selling to livestock business. Our Company's products' advantages are greater communication range of over 10% compared to competitors and product quality that satisfies minimum standards. A combination which allows us to offer outstanding product quality at costs that compete on a global market.

example of application in animal identification system



In fiscal year 2022, the microchips for animal identification system generate revenues for the Company at 221.6 million Baht.

3) Microchips for Industrial IoT System

This is an RFID system device that has been applied in the industrial processes for a variety of benefits. For example, the access control system requires a portable card and a reader attached to the entrance of various locations. The reader reads data from such card to record information about the access to the place, including the link with the security system, and the door can be unlocked only after receiving the correct identity verification command. Another example is the Industrial Automated Guided Vehicle (AGV) system, which consists of a reader attached to the bottom of each vehicle and an RFID tag embedded on the factory areas. Vehicles in the factory are set to move according to the tag reading on the floor. The Waste Bin Management system consists of a reader on a garbage truck and an RFID tag on the lid of each trash can. The reader can automatically read the tag to determine the type and weight of the waste. This contributes to more efficient waste management. Furthermore, on Factory Automation, for example, identifying product quality on automated assembly lines by installing a reader on the production line to read the product's attached RFID tag and determine its value through various calculation systems for product's properties. In addition, the RFID system can be applied to warehouse management and transportation to make it faster, safer, and more efficient.

The Company is a developer of microchips for industrial IoT system of low frequency (LF) to be used in the cards with an access system and tags of industrial factories. Also, high frequency (HF) microchips are developed for readers attached to various locations of the access system or transportation systems. In addition, the Company also develops chips for reading systems of various standards. For example, a reader for toy system (Smart Toys and Educational Toys) to connect the toys to various display screens for higher interactive ability with players, etc.

In fiscal year 2022, the microchips for Industrial IoT generate revenues for the Company at 189.0 million Baht.

example of usage in access control and interrogator in toys

**Tag interrogator unit
in an access control system**



**An interrogator unit
in a game console**



Source: Silicon Craft Technology (PLC)

4) NFC & Others

In addition to tag and interrogator microchip businesses, the Company provides RFID tag-microchips which can be used in a wide range of applications such as Smart Labels for preventing fabricated products from entering a value chain and Smart Sensors which enable greater numbers of parameters to be measured. Moreover, the Company gains revenues from product design service as well as servicing and selling peripheral products which are catered to our customers only. Examples of products are Study Kits, Testers, and Form Factors. In fiscal year 2022, the Company recognised revenues from NFC&Others group at 13.8 million Baht.

example of usage in Smart Label and Smart Sensors



Source: Silicon Craft Technology (PLC)

Summary Table of Company Products

Type of Use	Usage	Standard	Example Form-Factors for Sales	Example Products	Customer Segment
1. Microchip for replacement car key's immobilizer system	Microchip in replacement keys and cryptographic readers to create spare keys for the anti-theft immobilizer system (Low-frequency band 125KHz - 134.2KHz)	Proprietary encryption	Glass transponder, wedge transponder	ATLF2SG2, ATL3X, THV46, ATLD80, ULTX	Electronic replacement car key manufacturers
2. Microchips for tags in animal identification system	Microchip in animal identification tags (Low-frequency band 125KHz - 134.2KHz)	ISO11784/11785 FDX, HDX	Glass transponder, wedge transponder, microchip attached to rod antenna	SIC 7888, SIC279, SIC278	Animal registration system tag manufacturers
3. Microchips for Industrial IoT system	Microchip in cards and readers for access control, microchip for industrial factories, data readers for toys, etc. (High-frequency band 13.56 MHz for readers and Low-frequency band 125KHz - 134.2KHz for tags)	Reader : ISO14443 A,B and ISO15693 Tag : ISO11784/11785	Microchip in IC package	Reader : RA10, RE31, RE41, RA12 Tag : SIC 5777	Access-control card manufacturers, industrial buildings, warehouses, manufacturers of interactive toys
4. Microchips for NFC systems & others	Microchip in smart label systems, for preventing counterfeiting, for sensing, etc. (High-frequency band 13.56 MHz with NFC (Near field Communication) technology)	ISO 14443 A, NFC Tag Type 2	Microchip in IC package	SIC4310, SIC4311, SIC43S1, SIC43NT, SIC4340, SIC4341	Industrial factories, warehouses, smart-label manufacturers, anti-counterfeiting product manufacturers, libraries, water contamination smart label makers.

1.2.4 Marketing and competitiveness

Customer Profiles and Target Customer Groups

Animal Identification Tag Manufacturers

Animal identification tag manufacturer group represented approximately 37% of all the company's total revenue in 2022. These customers purchased the company's microchips and installed them in identification tags made by themselves. They then marketed the assembled animal identification products under their brand names to various end-users, for instance, farm owners and livestock breeders.

Replacement Car Key Manufacturers

Replacement car key manufacturers are one of our major customer groups. In 2022, gross revenue generated from this customer group accounted for 29% compared to the company's total revenue. These manufacturers purchased our microchips and assembled them into their key blanks. Afterwards, they distributed replacement car keys as finished goods to replacement car key service centers across the globe. A large portion of products was shipped to European countries and the United States, where laws and regulations on automobile safety were first adopted and enforced.

Industrial IoT Customer Group

In 2022, Industrial IoT customer groups represented accounted for 31% of the company's total revenue. These customers purchased and directly distributed the company's products to manufacturers or end-users in various industries. Due to the versatility of products in this group, the company had a broad customer base from many industry sectors.

Product Innovation Customer Group

NFC and other related products were marketed to the product innovation customer group. The sales represented approximately 2% of the company's total revenue in 2022. Customers from this group utilized our products to create new features and values to their products, to protect goods, or to increase security. A prime example of the target customer was luxury goods purveyors. The company's products provided solutions for them to create smart packaging or anti-counterfeiting feature. Digital Healthcare Sensor products are also being developed to meet the needs of consumers who are more health conscious.

Product Placement and Distribution Channel

The company's objectives are to place and distribute products and services both directly and indirectly through our customer network. Direct sales, distributors channel, and agents channel are some of the examples. We place great importance on developing long-standing trust with our customers while maintaining long-term business relationships. We secure their faith by listening to customers' requirements and creating products that they want. Teams from the Sales and Business Development department are responsible for contacting customers and presenting products directly. Our teams of engineers from the embedded system and engineering support department support the sales and BD teams by providing any products and services' technical details. In this way, the sales teams are knowledgeable and responsive in engaging with customers.

Channels and protocols for customer engagement are detailed as follow.

Direct Sale: Since the Company's products are those which require specialized knowledge and expertise, the Company therefore uses a method of brand awareness to its products and services through event marketing by

having booths at various events to demonstrate the RFID technology in target countries, such as participating in the Wireless IOT Tomorrow 2022 in Japan and Germany to promote its products and services, while sending a team to present the products and services, including the Company's past works for various target customers to be known among target customers in different countries. The Company also allows customers to consider products and services, as well as the Company's qualifications, to be included in the vendor list of each customer. In case customers need services or wish to order products from the Company, they can contact the sales department for additional products and services to negotiate the terms and conditions.

During the year 2022 after the recovery of the COVID-19 epidemic, the Company changed its form of activities from online to a combination of work. The Company travels to meet with more groups of customers and key partners both domestically and internationally to continually promote its products and services.

Distributors Channel or Agent Channel: The company forms partnerships with trading companies who act as our distributors in regions of our target countries. Since these distributors have experience of doing business in the area and have a working relationship with each country's target customers, the company can expand our business into a new market. Distributors purchase our products and sell them to target customer groups in several countries. They also share market insights to create new opportunities for expanding our business. Meanwhile, the company also market products through agent channel. Agents receive compensation in the form of a commission fee per each sale or service order made by the agents' customers. Having a partnership with distributors and agents, the company dramatically benefits in many ways. Firstly, it gives us information on state-of-the-art technology, customer preferences, and trends. Secondly, the company can reach large customer accounts who prefer to do business only through distributors and agents or only with traders with past transactions.

Business Strategy

As a company specialized in designing and developing microchips for RFID applications, what we do makes a difference to other players in the age of digital. Our microchips play a part in transforming the company's customers to transform their business operations into more efficient and capable of delivering value-added, quality products and services versions of themselves. By working together, all players in the value chain can continue to grow continuously and sustainably. The company's business strategy is as follow.

- **Maintaining our position as a leader in innovation**

The company positions itself in the market as a chip developer with a sharp and undivided focus on research and development for innovation. We strive to always serve our customers with innovative products that provide the highest efficiency at the right cost. As a result, we are honored to receive trust from high profile clients worldwide to develop microchips for their products. For two decades, the company has developed chips that are specially designed according to any customer requirements in terms of technology, form, and functionality, i.e., full range RFID integrated circuits.

To maintain our position as a leader in innovation, the company appointed an Innovation Committee. The committee comprises experts from various departments: business development, design, and engineering departments. The Innovation Committee is tasked with reviewing published international research and literature, making predictions on trends, and seeking new business opportunities for all product categories. Then, the committee collates insights and uses them to create technology and product roadmaps for the company.

- **Organizational learning by retention of knowledge and high-skill staff**

Being a leader in innovation requires a body of know-how, experience, and expertise to be retained. These elements take years to learn and develop for IC design and RFID device development. The company is the first in the private sector to have its core business in design and developing microchips for RFID systems. We

also have priceless assets of experience in the industry for 20 years and combined expertise from founders. Therefore, the barrier to entry for new entrants into the RFID industry is high. The condition is especially true in the context of Thailand, where talents with such area-specific expertise are rare.

To ensure that the company will continue to be an employer of choice for new talents, we co-host activities with many universities to give training and disseminate knowledge to engineering students, particularly from disciplines related to the company's business. These activities aim to recruit college students with the potential to work with us in the future. We also foster a culture of learning and sharing knowledge within the organization. Employees are encouraged to share their experience and know-how from the previous generation to the next. Such collective learning also happens across senior to junior levels. The company's engineers at any levels are given opportunities to improve their expertise and know-how. Moreover, we regularly organize educational training and overseas work visits for engineers to be up to date about the ever-changing, state-of-the-art technologies. These efforts make our engineering teams exceptionally knowledgeable, highly skilled, and specialized in designing integrated circuits for RFID applications. As a result, we can compete with international corporations such as Texas Instrument and NXP at their level.

- **Operating Business at Low Fixed Cost but High Flexibility**

The company is fabless in which our products are manufactured and assembled by business partners. To maintain product quality and fabrication standard, the company conduct an annual assessment of our partners. By eliminating the manufacturing part, the company is free from the burden of fixed costs. The practice also gives us the freedom to seek out new business partners to provide options in selecting the lowest manufacturing costs possible. As a result, the company can operate with the highest returns while hedging risks from overreliance on a production line. Moreover, the company is highly responsive to market competition at any given time by increasing or decreasing production levels in real-time. At a time of new product development, we can re-arrange the manufacturing value chain by forming a partnership with new firms with the right capacity to readily produce for the company. These are parts of the deliberate strategy to make the company dynamic in supplying products to our customers within an agreed-upon timeframe.

Nonetheless, to ensure that the company will always have manufacturers to produce goods in time for our customers, we put effort into forming a close relationship with our partners by collaborating on work plans and schedules so that they would adjust production quota as needed. For newly developed products, the company conducts meetings with our business partners to deliberate on an optimal production plan at an acceptable cost.

- **Maintaining Excellence in Products and Services Quality**

In the age where technology has become indispensable in improving people's quality of life and playing more significant roles in all facets of living, our customers have seen a rising demand for high-quality microchips. By supplying at a reasonable cost, they can expand their business over the long run. Microchips developed by the company have been technically proven to perform on par or superior to microchips produced by well-known overseas manufacturers at a competitive cost. To uphold such high product and service standards that our customers favorably accept, the company places great importance on quality control of products and services throughout the process from design, procurement, sourcing raw materials, selecting business partners with good manufacturing practice, quality control, inventory, transportation, and distribution stages. These efforts are to ensure that all products delivered to our customer's hands are of high quality and performance as specified and presented to the customers and in a manner that complies with all customers' conditions and terms. We want our customers to be confident that there would be no loss in quality or standard by incorporating our goods into their products. We believe that it is our integrity and unwavering commitment to quality that leads our customers back time and again.

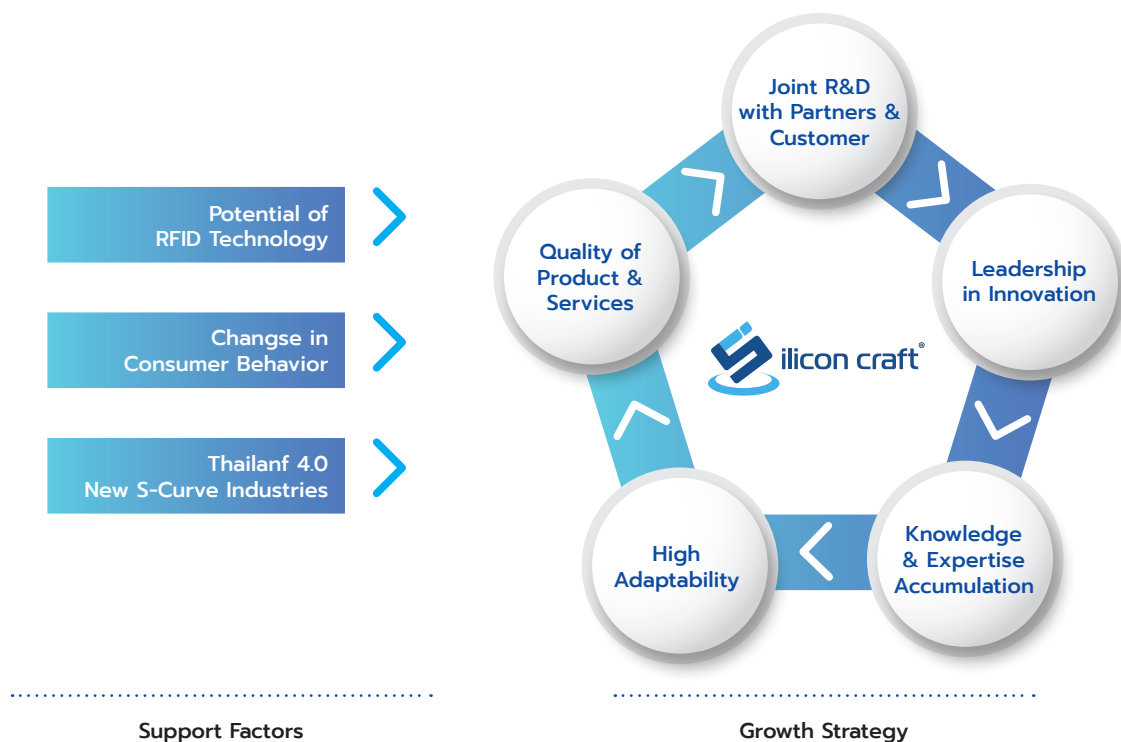
- **Strong Relationship with Business Partners for Sustainable Mutual Growth**

The company strives to form a partnership with competent companies with experience and expertise in aspects of innovation and technology research and innovation, production, and distribution channel. It is our intent to deliver products and services that truly match the requirements and needs of our target customers. We conduct our business with good governance and ethics while ensuring that all parties in the supply chain may grow sustainably alongside one another.

In conducting our business, the company works closely alongside customers and business partners. This is to create an environment where key stakeholders may share their opinions and information of technical or market-based in nature. We also collaborate on doing research and development with the ultimate purpose of planning for the sustainable growth of all concerned. Through such collaborations, the company consistently develop products that specifically meet our target customers' demand while delivering benefits to end-users. Moreover, the company places great importance on becoming partners with various organizations to disseminate and increase the body of RFID technology knowledge in Thailand's academic circle. In addition to technical institutes and universities, exemplary partners are the National Electronics and Computer Technology Center (NECTEC), National Science Technology and Innovation Policy Office (STI), and National Innovation Agency (NIA). The company regularly dispatches our staff to give a talk at those organizations. We also welcome students to intern at the company. As a result of these efforts, the company has a good relationship with RFID technology-related organizations and educational institutes in Thailand, which allow us to collaborate with them in doing research and development and training new talents in the field of RFID.

The product prices are also set at a competitive level in the market for all product groups, standard products or customized project base, to achieve the goals set by the Company.

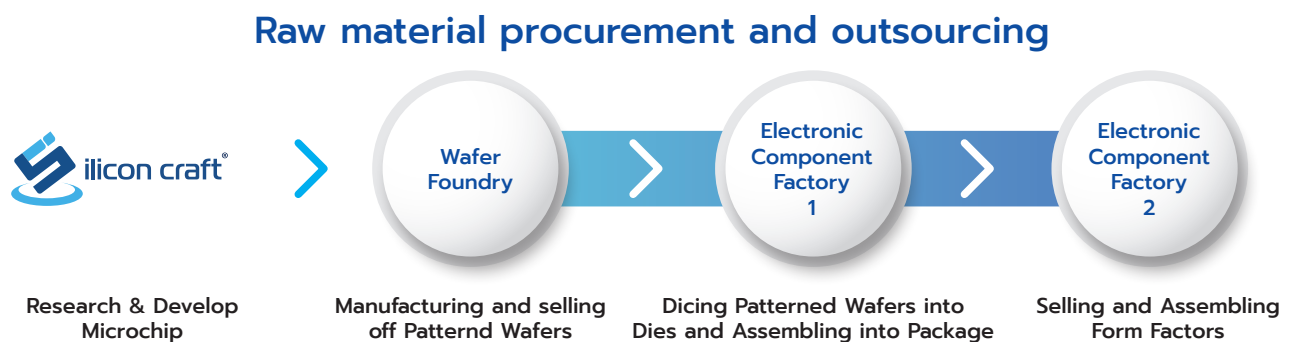
Support factors for business growth and competitive strategy



Procurement of Products and Services

We are a fabless company in which our products are manufactured and assembled at the place of business partners. To maintain product quality and fabrication standard, the company conduct an annual assessment of our partners. Details regarding sources of primary raw materials and outsourcing are as follow:

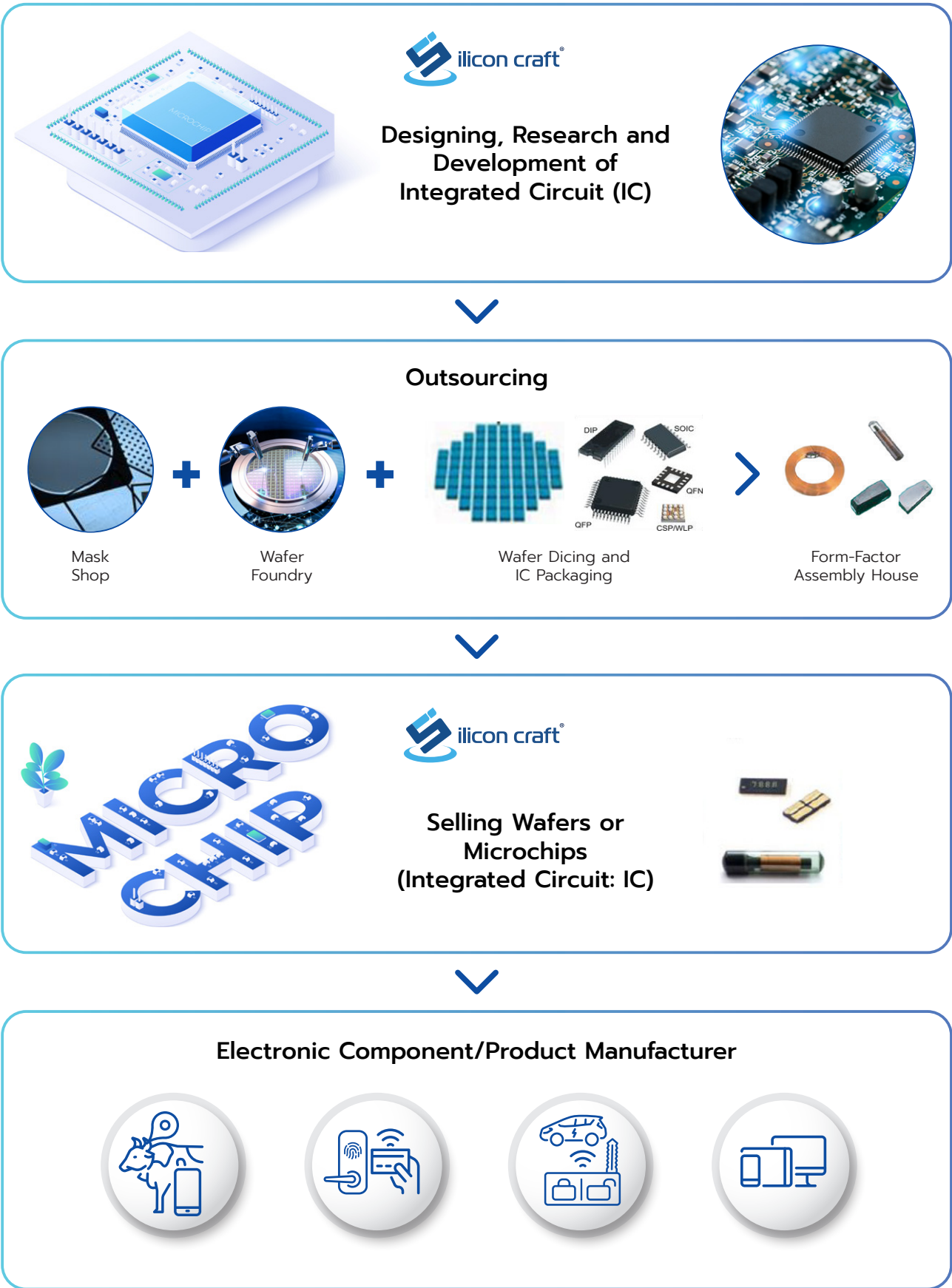
- 1. Raw materials:** The main raw materials used in the chip manufacturing process are wafers made from silicon to be cut into sheets for circuit patterns with light (Photolithography) as specified by the company. The production of wafer sheets is an upstream industry that entrepreneurs in Thailand have not yet been able to operate. Therefore, the wafers must be imported from overseas. There are only a few operators in the industry worldwide where factories obtain contracts for wafer production. However, only 10 operators in the group of technologies are suitable for the Company's products. Wafers were purchased from a major supplier in Singapore, or a world-class wafer manufacturer. The Company has a policy to mitigate the risk of dependence on such supplier and prepares for the production of products in new technology groups by seeking new partners of wafer factories. Currently, the Company has a number of wafer manufacturers in its database from various countries, such as Singapore, South Korea, People's Republic of China, and Taiwan.
- 2. Contracts for service hiring:** Operating in the design of integrated circuit systems, the Company therefore has to hire another company that provides services for manufacturing, assembling, and testing microchips in various forms and shapes (Form Factor) required by customers, such as glass rods, plastic rods or coils. The Company has hired both domestic and foreign operators depending on the type of products and costs. Therefore, the outsourcing process needs long-term planning for all products to prevent capacity shortages and reduce a risk of late delivery.



Source: Silicon Craft Technology Public Company Limited

3) IC Design Engineer: Apart from raw materials and outsourcing, we regard IC design engineers as an essential resource in doing business. Thailand faces a severe shortage of talents with knowledge and skills in the discipline. Over the years, to increase the number of people in the field, the company recruits and develops new talents by collaborating with several educational institutes. We hold activities to offer training and disseminate knowledge to engineering students in areas related to the company's business with an aim to raise their understanding and interest in the career path. Since the company is the sole operator in Thailand with the core business specialized in the design and R&D of the RFID system, we are fortunate to receive a steady stream of job applications from most people with skills and expertise in the RFID field. To support our future growth, the company will continue to work with educational institutes and other organizations to educate and support people's development to increase talents in the field. Meanwhile, the company also plans to hire experts from overseas in the future. As of 31st December 2022, the company employed 59 engineers.

Summary of Characteristic of Business Operations of the Company



1.2.5 Research and Development

The Company places tremendous importance on research and development because it is crucial driver for the Company's business operations, even though, research and development take many years to plant for body of knowledge. In addition, the Company's products had to be constantly developed to keep up with the fast pace of technology and the customers' demand. The Company conducted research & development for its products for more than 10 years, both by the Company's expert engineers and by jointly with the customers. Consequently, since from the past until the present days, the Company can design and develop new products that can meet the customer's requirement and can develop businesses for mutual growth with the customers constantly. Major research and development works of the Company are as follows:

1. **Technology Research & Development:** This R&D focused on study on radio frequency identification (RFID) technology to develop as products which have different qualifications and usage specifications. The Company's research and development works for this technology are Low Frequency (LF), High Frequency (HF), Near Field Communication (NFC), Sensor interface and others.
2. **Product Research & Development:** This R&D focused on improvement of efficiency of form or functionality of the products of the existing technology and for reduction of production cost. It also included development of tools and equipment to be used in the production process to save cost as it does not have to import from abroad and to design functions as per required.

Example of Technology Development	Example of Product Development
1.Low Frequency (LF): <ul style="list-style-type: none">- Develop transmitter chip (tag), which is safe for usage with living creature to develop chip for animal tag with improvement for longer read distance.- Develop transmitter chip (Tag) and transceiver chip (Reader) which require accuracy and safety for code transmission and receiving to develop chips for immobilizer and for immobilizer interrogator.- Develop chips for data transmission (RFID Tag) of low frequency band to be applied in the industrial processes to achieve more automation and higher efficiency.	1.Function Improvement: <ul style="list-style-type: none">- New HDX transmission chip design using new factory production line.- Chip that has ability to combine FDX and HDX frequencies in the same chip, so the customers in immobilizer manufacturer group can use single chip for multiple models of vehicles, without using each chip for FDX and HDX.- Chip with FDX transmission for livestock work of the longest reading distance and support for another common reading protocol format.

Example of Technology Development	Example of Product Development
<p>2. High Frequency (HF) and Near Field Communication (NFC):</p> <p>Develop wireless HF chip in Near Field Communication (NFC) for transmitter (Tag) which can speedily and conveniently receive-transmit information that can use jointly with electric appliances and mobile phones. This chip will be developed for label or printed matter that its data can be read and connected to the internet using mobile phone.</p> <ul style="list-style-type: none"> - Develop sensor interface circuits to be used with NFC Tag transmitters and NFC labels in conjunction with semi-finished sensors for measuring physical conditions, measuring chemical conditions, which can be used to measure wellness and environment remotely and by connecting via smartphone - Development of a new in-line NFC microchip design to reduce costs and become the core technology in developing the next generation of microchip products 	<p>2. Form Improvement:</p> <ul style="list-style-type: none"> - Chip that can adjust Form Factor from glass tag to wedge, which is made from plastic and is smaller than glass tag, so the customers of immobilizer manufacturer group can reduce size of immobilizer. - Chip that can adjust Form Factor from CSP to ADFN, which is smaller in size and has lower cost. - NFC chips that can be used to measure the amount of chemicals from the environment and medical applications. - NFC chip used to identify product identity to prevent counterfeiting - NFC chip with 128-bit AES encryption for high security applications - NFC chips with UART Interface and GPIO systems can be used as NFC access points in both appliances and security systems, such as blockchain wallet systems.
<p>3. Reader</p> <ul style="list-style-type: none"> - Development of a chip for the reader group to receive and send data with high speed and capability to use in multiple standard data transmission chips (RFID Tag) for the access control of buildings and vehicles 	<p>3. Tool Development:</p> <ul style="list-style-type: none"> - Develop LF Tester to replace HDX RFID Reader System Tester which must be imported from abroad. - Developing wafer-level tests with temperature control
<p>4. Other Frequency</p> <ul style="list-style-type: none"> - Develop chips in the technology group of higher than 300MHz to be applied for the inspection of a large number of factorial goods, with a reading distance of more than 5 meters and a reading speed of 200–1000 pcs/sec, depending on the reader's capability. - Develop a low power circuit to improve and increase the capacity for connection with other devices via UHF Product. 	<p>4. Capabilities Improvement:</p> <ul style="list-style-type: none"> - Develop the capacity for a longer reading distance and more precise. - Develop the connection to various devices, such as Sensor or MCU to meet IoT Solutions in the future.

Additionally, the Company also conducts research for further knowledge, technology, and innovation by having a policy to obtain patents and intellectual property protection for various knowledge. Such research may not be used to develop products for sales at present, but a base for expansion into commercial utilization in the future. So, the Company can present new products to meet the needs of customers, in line with seeking new market opportunities. Thus, the Company has set a budget for research and development totaling not more than 25% of the estimated sales each year, depending on business plans and operations in each year. In 2022, the Company maintained its expenses for research and development at the total of 24.56 million baht.

Future projects

Product Development Projects

As of December 31, 2022, the Company had a total of 24 product development projects for future growth, including 12 completed/amortized projects and another 12 projects in progress as follows:

Animal ID system: In 2022, the Company designed one more product in the animal ID system from existing technology to cover other operating protocols currently in use with more applications in the livestock industry market. This could increase the opportunity to access the market share of other animal ID systems which shall be completed and ready for sales in the next 1–2 years. The Company has continually developed such product group by focusing on more advanced technologies to enhance product performance, such as longer reading distances and greater energy saving for further competitiveness in the market.

Electronic replacement car key system: The Company developed microchips with capacity to combine FDX and HDX waves into a single chip, which was completed and begun selling to customers in 2022. The manufacturers could only use a single pattern of chip to make replacement car keys for many automotive models without a separate chip for FDX and HDX system keys. The Company also has a project to further develop products in such group to be used with Remote Keyless Entry (RKE). It is a technology that allows users to access their vehicles without using a key. Such products shall be developed in the higher frequency to transmit signals over longer distances. There is also a plan for further development into the Passive Keyless Entry (PKE) system which can be set to work automatically within the nearby area of the car.

Besides this, there is research on NFC readers for digital car key systems which will be increasingly used in modern vehicle access system and electric vehicles that require microchips. The system will allow NFC-enabled devices, such as new mobile phones, to be used in replacement of car keys for locking and unlocking the doors and starting the car. Also, other car key types will be developed for more convenience, such as forwarding car keys via mobile phones with a system to help verify identity and maintain security.

Industrial IoT system group: The Company has designed more industrial IoT products from existing technology in response to more industrial automation systems, such as the Wafer Carrier Tracking system for data management during the transportation of wafer sheets which are a main raw material in the semiconductor industry. It will be developed in the group of Low Frequency: LF to help store the information of wafer sheets on the RFID tag in the form of digital data and attach it to the packaging box. This allows the reader on each wafer box stand to automatically read the details of wafer sheets in the box when being placed. It is also possible to immediately determine the number and size for the next process. There is also another project to develop products in the higher frequency group to be use in Facroty Automation.

Moreover, research and development of NFC readers is now in process for both signal and production processing systems to support technical demands through various communication and international financial standards in the future.

Near Field Communication Group (NFC): The Company has developed products in the NFC system group for further knowledge since 2015. The microchips in NFC technology group are capable of tamper detection and anti-counterfeiting of products through the encryption and connection to online databases. The Company has designed products to support additional communication protocols with a longer reading distance and more flexibility in use, while assisting multiple tag management systems at the same time or anti-collision. This is to serve a wide range of applications in different markets, such as automated logistics and warehouse management systems. For high-frequency NFC microchips in 2022, the Company has continued to develop lower-cost microchips with new techniques to meet the needs of the market that requires more automation in Industry 4.0 during this decade.

To protect the brand and its authenticity, the high frequency (HF) microchip has a crypto engine that encodes a unique value for data connection via mobile phone to the internet by NFC. This makes the brand owner use it as a channel to build relationships directly with customers or a device to connect objects in the real world to other objects in the virtual world. Declining microchip costs result in a market expansion with more NFC Tag applications in response to such industry trends. The Company therefore invests in the development of new design methods and is suitably finding new manufacturers, as well as manufacturing and testing processes. The results of such research can be combined with existing knowledge, such as cryptographic technology to create products that meet the needs of customers and markets.

There is also an NFC development of smart sensor project to connect the measurement and reading of various elements for convenient, fast, and easy utilization, such as a reading through mobile phone for a variety of preliminary analytical devices, e.g. a measurement of blood sugar, number of solids suspended or dissolved in water (TDS), pathogens in secretions, chemical residues in tap water or water in rivers, canals, etc. Since it is a new product on the market, the Company has continued for development in the form of final products into markets, namely a card to measure suspended solids in water and multi-purpose chemical measuring pads, etc. Besides this, the Company has a joint project to develop samples of applications for measuring heavy metals, e.g. mercury and cadmium, which are harmful to water consumption. After completion in 2022, the Company has continued to jointly develop other application samples, such as measurement of pesticide residues in foods to improve the performance of processor chips and production line for suitable usage, along with collecting information for future product improvement. In the meantime, the Company has developed a prototype of disposable universal electronic chemistry test strips to support healthcare jobs and telemedicine or various IoT systems which require future chemicals measurement. Additionally, the system has been developed for connection with the Bluetooth system to expand a wide variety of applications. This prototype has been applied to the farming automation system.

The Company has also carried on its research on NFC microchip platforms for smart sensor connection. The microchips were tested and applied to real sensors in 2022. These NFC microchips could perform data collection from sensors which measure through mobile phones for Cloud users to meet the trend of industrial automation 4.0.

The platform of NFC smart sensor can measure chemical values via an electronic measuring system. It is an important device in the internet of things system with low price and many uses to create and support telemedicine, diagnostic, wellness, and healthcare with a Mobile Point of Care Testing (POCT) platform in response to the trend of aging society, both nationally and internationally, to provide convenient and fast access to services, health check help through secretions or blood, including preliminary diagnosis and screening by oneself. Also, these microchips and platform can be applied to other aspects, namely the measurement of environmental conditions and amount of toxic contaminations in water and foods. The Company has cooperated with chemical and biochemical research institutes both domestic and overseas which are interested in using the aforementioned platform. At the same time, the Company shall gather demands from both sensor developers and users to improve products for the needs of various applications. The examples of collaboration projects with external agencies include research on sensors for detecting plant pathogens with Imperial College, UK, supported by a joint research grant from the Bill & Melinda Gates Foundation, as well as other research on the implementation of the Company's platform in a smart waste monitoring system for shrimp farms, and "Song Nam" agricultural testing and demonstration project of Chaipattana Foundation, etc.

Moreover, the Company also plans to develop various service systems based on its microchip technology to integrate with the AI Cloud Computing system in the form of solutions. However, they are still in the stage of research only. Meanwhile, the research expenses are recorded as the statement of total profits and losses for each accounting period. When conducting research for product development, the Company shall record all related expenses as intangible assets and they are amortized when products are ready for commercial sales based on the output unit. The timing of research and development can be different. In the research process, it may take from 6 months to approx. 3 years. For the product development process, it takes an average of 2–3 years to be marketed, or longer

if there is an improvement according to customer needs.

Details on research & development in 2020-2022 of the Company are as follows:

Description	2020 (Million Baht)	2021 (Million Baht)	2022 (Million Baht)
Research expenses ¹⁾	10.5	12.55	24.56
Product development project increased during the period ^{***2)}	26.76	28.84	44.60
Total	37.26	41.39	69.16
Intangible assets - Net (Development Project) ³⁾	67.30	55.10	76.20

Remark: ¹⁾ Research expenses will be recorded as expenses in the comprehensive statement of income in each accounting period incurred.

²⁾ Product development project which has been increased during the period, such as expenses relevant to development incurred in each accounting period which will be recorded as accumulated value in intangible asset (Development Project) in the statement of financial position.

³⁾ Intangible assets - Net (Development Project), such as accumulated costs for product development, beginning from commencement until the end of the development projects and they were ready to be commercially launched. Accumulated product development cost will be recorded in the statement of financial position as cost price, deduction with 1) Accumulated amortization; and 2) Loss of accumulated impairment. Amortization and loss from impairment will be recognized as cost of sales and expenses in each period considered.

Investment projects to support future research and development

Due to the Company's nature of business, it requires continuous research and development to offer new products to customers on a regular basis. Thus, in a bid to support future research and development, the Company has investment plans as follows:

1. Investment in the tools, equipment, and software of microchip design and testing

In the process of chip design, one important step is to review the layout of chip components and simulation through a software program for errors, as well as verifying and revising the work to ensure that the designed circuit structure and its parts can be used in practice with efficient performance before development into a prototype chip. Then, there is a test to work with other devices because the chip must be used in actual work with other components. A full system simulation must be performed by using the processing software for results of performance in various specified situations. At present, the Company invests in the leading microchip design software programs of international reliability for its workflow process. In 2021, there were more investments to increase the number of servers in the design to simulate actual circuit operations. The increase could enhance the design and validation of virtual circuits to be faster and possible for inspecting a larger number of circuits at the same time. For the tools and equipment, RFID and NFC standard test kits have been purchased to enable the development and quality verification of modern circuit design to effectively support international standards and serve the growing demands for prototyping.

In 2022, the Company had more investment in various testing equipment to increase the testing capacity in the original product groups, as well as technological research for new product groups, such as electrical signal measuring instruments, high-frequency and ultra-high-frequency antenna testers, RFID communication protocol measurements to meet product standards, interference-free rooms for RFID testing, integrated circuit design software from third-party vendors to cover various dimensions of design, and improvement of RFID and NFC testing software to keep

up with standards each year.

In 2023, the Company plans to invest in additional testing equipment to support new technological development and increase number of engineers according to its business expansion, such as high-frequency measurement accessories for more comprehensive testing, electrical signal meter, equipment for signal measurement directly from wafer level, and testing equipment.

2. Investment or joint investment in other company engaging in integrated circuit design and development or having innovation which can support the Company's business operations.

Apart from additional investment in tools, equipment, software and patent, the Company also has other mean to build up growth of its business by investment or joint investment in other company that can support the Company's business operations. Criteria that the Company will be used to consider to invest with such prospect company, if it:

- Operates business in integrated circuit design and development; or
- Has innovation which can support the Company's business operations; or
- Own the patent or intellectual property or software that the Company can jointly use with; or
- Has personnel who have skill and expertise in the branch relevant to the integrated circuit design.

In addition, such company must not have record for infringement of intellectual property, or its key personnel has record for infringement of intellectual property.

1.3.2 Dividend Payment Policy

1.2.6 Assets Used in Business Operations

Details on assets used in business operation

As of December 31, 2022, net value of assets that the Company used in business operation after deduction of accumulated depreciation is 33.57 million Baht, with details as follows:

Type of Asset	Nature of Ownership	Net Book Value (Million Baht)		Obligation
		Dec. 31, 2021	Dec. 31, 2022	
1 Improvements of leased building	Lease and own	3.03	2.17	Nil
2 Office equipment	Own	2.02	2.26	Nil
3 Office furnishings	Own	0.93	0.68	Nil
4 Plant tools	Own	20.51	28.46	Nil
Total		26.49	33.57	

Intangible Assets Used in Business Operation

Intangible Assets


As of December 31, 2022, value of the Company's intangible assets were 87.80 million Baht which included package software and 24 product design and development projects. 12 projects has been completed and amortized and 12 projects are in progress.

Intangible Assets	Net Book Value (Million Baht)		
	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022
Package software - Net	0.47	0.26	11.60
Product design and development projects	67.30	55.10	76.20
Total Intangible Assets	67.77	55.36	87.80

Trademark

The Company has registered trademarks with Department of Intellectual Property, Ministry of Commerce as follows:

List of Product	Registered No.	Coverage Country	Expiry Date
 <p>List of Product/ Service: Integrated circuit chip, integrated circuit, E-Label for individual identification</p>	161108877	Thailand	March 24, 2025
 <p>List of Product/ Service: Integrated circuit chip, integrated circuit, E-Label for individual identification</p>	161108878	Thailand	March 24, 2025
 <p>List of Product/ Service: Integrated circuit chip, integrated circuit, E-Label for individual identification</p>	161108719	Thailand	March 24, 2025
 <p>List of Product/ Service: Integrated circuit chip, integrated circuit, E-Label for individual identification</p>	171101949	Thailand	March 24, 2025

List of Product	Registered No.	Coverage Country	Expiry Date
 Trustify	201120383	Thailand	21 April 2029
List of Product/ Service: Electronic labels for computer programs that control electronic devices			

Patents

The Company has registered patents both in Thailand and in foreign countries and as of December 31, 2022, the patents registered by the Company which are still valid are as follows:

List of Product	Patent No.	Coverage Country	Application Date ¹⁾
Patent Application N.o: 0601000947 Invention Name: Low power sinusoidal LC oscillator with amplitude stabilization	75506	Thailand	March 6, 2006
Patent Application No.: 0601000948 Invention Name: (Circuit arrangement for an antenna tuning system using a non-volatile memory and a voltage bootstrapping circuit in passive RFID systems)	60361	Thailand	March 6, 2006
Patent Application No.: AU20070216685 System and method for tuning RFID resonant frequency	AU2007216685 (B2)	Australia	September 30, 2007
Patent Application No.: NZ20110621699 Charge-pump circuit for improving read distance	NZ621699 (B)	New Zealand	November 13, 2011
Patent Application No.: 112013023503 Sistemas, dispositivos, circuitos e metodos para comunicar-se em um sistema de comunicacao	BR112013023503 (B1)	Brazil	March 18, 2011
Patent Application No.: 112011105048 SYSTEMS, DEVICES, CIRCUITS AND METHODS FOR COMMUNICATING IN A COMMUNICATION SYSTEM	DE112011105048 (B4)	Germany	March 18, 2011
Patent Application No.: CN2011800693781 SYSTEMS, DEVICES, CIRCUITS AND METHODS FOR COMMUNICATING IN A COMMUNICATION SYSTEM	CN103493074 (B)	People's Republic of China	March 18, 2011
Patent Application No.: US201114005559 SYSTEMS, DEVICES, CIRCUITS AND METHODS FOR COMMUNICATING IN A COMMUNICATION SYSTEM	US9818055 (B1)	United States of America	March 18, 2011

Remark: ¹⁾ Coverage of the registered patent shall begin from the application date and it can be renewed every year. Maximum coverage is 20 years from the application date.

Material agreements relevant to business operations

As of December 31, 2022, the Company has materials agreements relevant to business operations as follows:

Office building lease agreement and relevant service agreement

As of December 31, 2022, details of the areas lease agreements of the Company are as follows:

Office building lease agreements

Rented Space in the Building, Room No. 2B, 3A, 3B, and 4 La Unique Building	
Counterparties:	Silicon Craft Technology Public Co., Ltd. (“Lessee”) and Mr. Nattapong Wisetsiri (“Lessor”)
Execution date:	June 30, 2022
Objective:	To use as the location of the Company’s office building
Location of Building:	No.40, Thetsabanrungsunnua Road, Ladyao, Chatuchak, Bangkok
leased area:	1,763 square meters
Lease period:	36 months from July 1, 2022 to June 30, 2025
Lease rate:	<ul style="list-style-type: none">• 209,000 baht/month
Important Conditions:	<ul style="list-style-type: none">• If the Lessee commits a breach of contract or fails to comply with any of the terms of this Agreement and does not remedy the breach of contract within 14 (fourteen) days from the date of receipt of written notice from the Lessor, the Lessee agrees that the Lessor shall exercise its right to terminate this Agreement by giving written notice to the Lessee. Such termination shall not deprive the Lessor of any rights under this Agreement, including forfeiture of the rent deposit.• In the event that the Lessee wishes to renew the rental agreement, the Lessee must provide the Lessor with a notice of such intention at least three (3) months prior to the expiration date of the lease agreement. In case the Lessee and the Lessor are able to agree on the rental rate, terms, and conditions of rental payment, the renewal of this agreement shall be extended from the expiration date of the rental agreement. The parties agree to use the terms and conditions of this agreement for the duration of its renewal (but not exceeding 3 years).

Remark: The Company has entered into the property insurance policy with one insurance company and the insured properties includes
1) Equipment and office furnishings within limit of liability of not exceeding 20 million Baht; 2) Inventory stored in the Company within the limit of liability of not exceeding 80 million Baht. 3) Equipment&Inventory stored in the company within the limit of liability of not exceeding 40 million Baht.

Office Building Service Agreement

Rented Space in the Building, Room No. 2B, 3A, 3B, and 4 La Unique Building

Counterparties:	Silicon Craft Technology Public Company Limited (“Service Recipient”) and Lukdee Property Company Limited (“Service Provider”)
Execution date:	June 30, 2022
Details of agreement:	Provide services related to renting the office building on the 2nd, 3rd, and 4th floors, such as building common area cleaning service, elevator service in the building, electrical system service in the building, air conditioner service in the rented areas, and security guard service in the territory of the building.
Service Term:	36 months from July 1, 2022 to June 30, 2025
Service fee rate:	300,000 baht per month, the service recipient must pay electricity, water, and telephone system separately from the rental fee.
Payment of service fee :	Monthly payment by the 10th day of each month
Termination of Service Agreement :	<p>When the rental agreement expires or is terminated before it reaches maturity, this arrangement comes to an end.</p> <p>If the service recipient does not act and/or perform any of its obligations under this contract and does not remedy the breach of this contract within 14 (fourteen) days from the date of receipt of written notice from the service provider, it shall be deemed that the service recipient has breached this contract. The service provider shall have the right to terminate this contract without prejudice to any rights that the service provider may have.</p>

Loan agreement with the financial institutions

As at December 31, 2022, the Company used deposits at four banks amount of Baht 31.50 million as guarantee against bank credit lines total amount of Baht 199.50 million and USD 19.78 million.

As at December 31, 2021, the Company used deposits at three banks amount of Baht 15.50 million as guarantee against bank credit lines amount of Baht 59.50 million and USD 11.20 million.

1.2.7 Right and Privileges from Promotion Certificates (BOI)

The Company has been granted rights and benefits from the Board of Investment (BOI) pursuant to the Investment Promotion Act B.E. 2520 as 3 promotion certificates for its business operations as per approved by the Board of Investment under the specified conditions. Essence on taxation privileges granted to the Company is summarized as follows:

Promotion Certificate	1 st Certificate	2 nd Certificate	3 rd Certificate
Promotion certificate no.:	1980 (4)/2551	2435(4)/2556	59-0321-1-00-2-0
Date approved:	August 4, 2008	September 5, 2013	January 14, 2016
Type of activities promoted:	Integrated circuit design and RFID device design including continuous products from design, Type 5.7: Electronics design activities	Integrated circuit design and RFID device design including continuous products from design, Type 5.7: Electronics design activity	Electronics design and continuous products from electronics design, Type 5.6.1: Microelectronics Design and Type 5.6.2: Embedded System Design
Right and privileges :			
- Exemption of corporate income tax for the net profit from the promoted activity up to 8 years from the date income is first derived from such activity. In case the promoted activity recorded a loss during the promoted period, annual loss incurred during such period can be deducted from the net profit accrued for a period of not more than 5 years from the expiry date specified and may choose to deduct such loss from the net profit of any one year or several years.	✓ (Privileges have been fully exercised)	✓ (Privileges have been fully exercised)	✓
- Exemption from computation of dividends derived from a promoted activity of taxable income throughout the exemption period of corporate income tax.	✓ (Privileges have been fully exercised)	✓ (Privileges have been fully exercised)	✓
- Exemption of import duties on machinery as per considered and approved by the Board throughout the promotion period.	✓ (Privileges have been fully exercised)	✓ (Privileges have been fully exercised)	✓

Promotion Certificate	1 st Certificate	2 nd Certificate	3 rd Certificate
- Exemption of import duty on raw materials and materials necessary to be imported for usage in production for export for 1 year beginning from the first import date.	✓ ¹⁾ (Amended to be from February 8, 2022 to February 7, 2024)	✓ ¹⁾ (Amended to be from September 27, 2022 to September 26, 2024)	✓ ¹⁾ (Amended to be from July 21, 2021 to July 20, 2023)
- Exemptions of import duty for materials imported for re-export purpose for 1 year beginning from the first import date.	✓ ¹⁾ (Amended to be from February 8, 2022 to February 7, 2024)	✓ ¹⁾ (Amended to be from September 27, 2022 to September 26, 2024)	✓ ¹⁾ (Amended to be from July 21, 2021 to July 20, 2023)
Material conditions:			
- In order to submit an application for exemption of corporate income tax from selling of products from electronics design for commercially manufacturing, there will be either one of the following document for each product to presented as evidence and failure to submit evidence for any product, rights and privileges on corporate income tax exemption of such product will not be granted: <ul style="list-style-type: none"> Patent concerning invention, product design or petty patent. Certificate to certify that it is an electronics design project from the National Science and Technology Development Agency (NSTDA) or the relevant institutes for each product. 	✓	✓	✓
- Quality of products manufactured or assembled must comply with the international standards and if standard of such product has been specified under the Industrial Product Standards Act, it must have TISI Certificate and industrial standard emblem from the Industrial Product Standard Committee must be displayed.	✓	✓	✓
- There must be system to control and prevent damage to quality of environment and danger or nuisance to the people living nearby with approval from the relevant government agency.	✓	✓	✓

Promotion Certificate	1 st Certificate	2 nd Certificate	3 rd Certificate
- Factory must be established in Bangkok area within 15 years from the date business is commenced and such factory cannot be relocated to other areas.	✓	✓	✓
- Shareholders of at least 51 percent of registered capital must be Thai nationality.	✓	✓	✓
- Registered capital	Paid-up registered capital must be at least 16.88 million Baht.	Paid-up registered capital must be at least 80 million Baht and registered capital must be increased by 20 million Baht and when combining with the existing registered capital, it must be at least 100 million Baht. In addition, value of shares must be fully paid before commencement of business.	Paid-up registered capital must be at least 100 million Baht.
- Size of investment	At least 1.0 million Baht (excluding cost of land and working capital)	At least 1.0 million Baht (excluding cost of land and working capital)	Expenses for salary of electronics design personnel must be at least 1.5 million Baht per year
- Production capacity	50 integrated circuit designs and RFID device designs per year. DIE and IC: 300.00 million pieces per year each. 100.00 million RFID tags per year. 12,000 RFID Reader per year.	Design continuous products, i.e. DIE, IC and RFID Tag and etc.: 1,000,000,000 pieces per year. 500,000 RFID Readers per year. Electronics design	Design continuous products, i.e. DIE, IC and RFID Tag and etc.: 1,000,000,000 pieces per year. 500,000 RFID Readers per year. 8 working hours per day and 248 days per year. Electronics design

Remark: ¹⁾ The Company has been granted permission to expand the exemption of import duty of raw material and supplies for re-export for 2 years each (Information from the Board of Investment)

1.3 Shareholder Structure

1.3.1 Information of Major Shareholder

According to the book of shareholders' registration as of Mar 13, 2023, Silicon Craft Technology Public Company Limited's major shareholders are as follows.

	List of Shareholders	No. of Shares	%
1	Mr. Manop Dhamsirianuntt	93,703,760	23.43
2	Mr. Apinetr Unakul	66,832,100	16.71
3	Mr. Naiyavudhi Wongkomet's Group		
	1) Mr. Naiyavudhi Wongkomet	27,978,300	6.99
	2) K INVESTMENTS LIMITED ⁽¹⁾	13,996,540	3.50
	Sub-total	41,974,840	10.49
4	Mr. Apinunt Thanachayanont	20,203,420	5.05
5	Mr. Vitid Pongpirodom	19,906,500	4.98
6	Thai NVDR Company Limited	10,269,616	2.57
7	UBS AG LONDON BRANCH	9,816,900	2.45
8	Mr. Tanakarn Damrongrat	9,270,600	2.32
9	Mrs. Naranit Pathompothiwat	8,569,200	2.14
10	Mr. Thaweesak Thantipwan	6,106,014	1.53
	Total	286,652,950	71.66

Remark ⁽¹⁾ K INVESTMENTS LIMITED a juristic person registered in Hong Kong and its shareholders are Miss Aiyannuch Wongkomet, holding shares of 50.00% and Miss Unyanuch Wongkomet, holding shares of 50.00% of the registered capital.

The Company intends to pay dividend at the payout ratio of no less than 50.00 percent of the annual net profit after deduction of tax, legal reserve fund, and other types of reserve funds in accordance with the Company's financial statements. However, the dividend payment must not affect the firm's operation, financial status, liquidity, investment plan, any other necessities and factors deemed appropriate to the business operation by the Board of Directors. The dividend payment must be done in a manner that ensure optimal benefits to all shareholders.

The decision to declare and pay annual dividend must be declared and approved at the shareholders Annual General Meeting upon the recommendation of the Company's Board of Directors. In the case of interim dividend, the Board of Directors may in its discretion declare an interim dividend based upon profits arrived at an appropriate level that would allow the Company to distribute surplus funds from its distributable profits and/or reserve funds without affecting the Company's operation and publicly communicate to the shareholders in the subsequent shareholders meeting. The paying of interim payment is determined by the Company's Board of Directors and is subject to change depending on the business operation, financial status, liquidity, investment plan, any other necessities and factors deemed appropriate to the future business operation by the Board of Directors.

2. Risk Management

2.1 Risk Management Policies and Plans

The Company is confident and aware of the importance of effective risk management and control in order to enable it to operate its business steadily and continuously at an acceptable level. It is used as an administrative tool that maximizes the chances of success for the Company and reduces the likelihood of failure and loss to a level that the Company can control, taking into account the Company's goals as a priority and reducing the uncertainty in the Company's overall performance to achieve the Company's objectives.

Risk management policies include:

1. Promote a risk management culture to create a common understanding, conscience, and responsibility for risks, controls, and the impacts of those risks on the Company in the management and practice of risk management throughout the company.
2. The Risk Management Committee is responsible for overseeing risk management in areas such as strategy and technology, operations, marketing, finance, regulations, sustainability, and emerging risks. The Risk Management Steering Committee is set up and consists of the heads of the departments or staff in the relevant departments. A joint risk review meeting is held every month to provide neutral opinions on risks to the management, facilitate effective risk management, raise employee awareness of risk management, and report the results of risk management to the Risk Management Committee every quarter. In addition, there is an exchange of information between the Risk Management Committee and the Audit Committee to ensure that risk management is carried out continuously, with the internal auditor assessing the appropriate risk management.
3. Provide procedures, guidelines, and measures for risk management that are of appropriate quality at the international level and adequate, and communicate information about risks to employees continuously and regularly (through training, email communication, and town hall meetings) and practice them throughout the Company.
4. Provide risk measurement of both qualitative (for example, the Company's reputation and image) and quantitative (for example, loss, decreases in revenue, increases in costs) aspects based on potential opportunities and impacts.
5. Determine the risk limit to limit potential damage to the level of risk appetite of the organization, including monitoring the progress of the risk mitigation plan and key risk indicators (KRIs), which are a tool for early warning to prevent and determine additional risk management measures in time.
6. Provide written operating procedures to be implemented by executives and operators to control the risk of the operation.

The approach to risk management consists of the following steps:

1. Define the operational purposes and the context of the company.
2. Identify risk indicators (including impacts and causes of risk) to analyze, assess, and prioritize risks.
3. Define criteria, risk control methods, and a risk management plans.
4. Monitor risk management plans and key risk indicators and conduct a risk assessment.

5. Communicate with employees and meet with the Risk Management Committee.
6. Record data and prepare reports.

Besides this, for continuous business operations under unexpected crises, such as natural disasters, political unrest, terrorism, epidemics, war, and various threats that will affect the ability to conduct business and may cause disruption of important processes or production chains, the Company has established a BCM (Business Continuity Management) system to support changes in the future, taking into account the safety and security of the business and the interests of all stakeholders.

The Company has assigned the BCM Team, consisting of representatives from the relevant departments, to manage the business continuity plan and be representatives in communication to various departments. The Company divides its business continuity plan into three areas: asset management, product production continuity, and important data protection. The management approach can be divided into four parts: crisis prevention, incident response, crisis response, and business recovery. The Company appropriately prepares readiness and drills, as well as promoting awareness and responsibilities for employees in accordance with the business continuity management system framework.

2.2 Risk Factors in Business Operation

2.2.1 Risks for depending on main raw material manufacturer and main supplier

The Company is engaged in the design and development of chips for RFID by outsourcing other operators to produce and assemble products (Fabless Company). Wafer Fabrication is in an upstream industry where Thai enterprises are not yet able to produce, and there are very few entrepreneurs in the industry. Globally, there are only about 10 major pure-play foundry companies. Therefore, the Company needs to import all such raw materials from abroad and must plan the order in advance, the production of integrated circuits on the wafers will take about 3-6 months. In the case of hiring a new integrated circuit manufacturer. Time must be set aside for circuit adjustments to fit new production formulas. It takes at least 6-12 months for the first production of the product. In addition, after the Company imports wafers from abroad. The Company has to hire a wafer cutting plant including IC Packaging assembly and hire form factor assembly to produce finished products, which in order to change the factory requires between 3 and 6 months of trial and quality testing, which takes less time than the integrated circuit manufacturer change, and there are more operators who can provide services in such production process.

There are very few Pure-play foundry in the industry. It has a long production time and a time-consuming transition process to new partners. If there is a discrepancy in production planning, or if there is a production interruption for an extended period of time, the Company may be at risk of not having the goods delivered to customers as scheduled. In 2021-2022, there was a shortage of microchips in the global market, due to insufficient production capacity to meet the market demand of integrated circuit manufacturing plants and IC Packaging assembly plants. These are the Company's challenge to delivering goods to customers. However, the Company's operating results were not affected in any way.

The Company assesses the likelihood of production disruptions in both integrated circuit manufacturers and assembly plants by assigning clear responsibilities to closely coordinate production planning with suppliers to assess the capacity situation of trading partners. The Company has measures to prevent such risks by making stock in accordance with the volume of customer demands. Monthly estimates are submitted in advance to major partners for a period of 6-12 months with monthly reviews. There is a contract which requires major suppliers who manufacture integrated circuits to give at least 12 months' notice if production of any products is to be stopped. In addition, the Company has a policy to reduce dependence on a single integrated circuit manufacturer by finding additional partners. At present, the Company has 3 partners that can support the company's orders, spread across countries including Singapore, South Korea and China. As a result, the company has been able to design new products with similar

features to existing products in the production line of new manufacturers, to have a replacement product in case one of the manufacturers has a problem. The Company will consider the R&D costs to be designed to match the production methods of the new plant and the order volume to achieve an economy of scale.

In terms of outsourcing wafer cutting and assembly IC Packaging services, The Company has reduced its risk by providing factories that can provide contract manufacturing services as a backup source. The plant has been tested. In addition, the company manages and develops manufacturers in addition to existing ones. The Company has a process of working with affected customers by sending pre-clarification documents to affected customers and sending samples of products to customers for testing.

From late 2022 to early 2023 The U.S.-China trade war situation has escalated. China has been banned from accessing advanced semiconductor technologies. The Company closely monitors and assesses the impact to prepare a supply chain plan to respond to potential impacts in a timely manner.

2.2.2 Risks of dependence on product or customer groups

Since the Company's revenue comes from the sale of four groups of products: 1) microchips for automotive electronic key systems; 2) microchips for animal identification systems; 3) microchips for industrial IoT; and 4) microchips for NFC and others. Each group of products has customers who are global major operators or customers who are distribution partners. As a result, the main source of revenue for the Company comes from the distribution of products to 10–15 major customers. (See more details in Section Characteristics of Customers and Target Customers).

Therefore, if the Company fails to maintain the competitiveness of its products, including good business relationships and unexpected changes to the businesses of its key customers, it may affect the Company's orders, leading to a significant decrease in revenue. In 2022, the Company's main revenue will come from the product groups 1), 2), and 3), which will account for 29%, 37%, and 32% of revenue from sales and services, respectively. The distribution to the major customers of each of these groups accounts for approximately 29%–47% of revenue in each group.

The Company monitors changes in revenues in each product group and revenues from the top ten key customers in order to assess the risk of impact from the major customers and has measures to maintain relationships, including exchanging advances and plans for product development with customers. The Company also has a policy to maintain competitiveness and reduce dependence on the product group or the major customer group by continuously researching and developing new microchips in both the original product group and the new product group like NFC to increase the diversity of the product group. This will help the Company to expand its customer base and reduce its dependence on each product group in the future.

The Company is less likely to rely on major customers. During the years 2020–2022, the growth of products in the animal registration system group, automotive electronic backup key system group, site access system group, and data reading system group continuously led to a decline in the revenue ratio from the major customers of each group. In addition, the three groups of products have a proportional impact on the total sales of the Company. There is not much difference. The risk of dependence on a particular group of customers is less likely to be a risk.

2.2.3 Risks from rapid changes in technology and consumer behavior

The Company's main business involves products in the technology group that are at risk of becoming outdated or being replaced by new technology (Disruption). Some products may have a shorter product life cycle in the market than estimated, and while the product research and development of the Company may take several years to develop into products that can be sold to customers, including the rapid change of technology and changing behavior of consumers, when the Company has completed its product development, it may not keep up with the market needs. This results in a loss of sales in the product development project or microchip products of the company and has a significant impact on the performance of the company in the future.

The Product Management and Marketing Working Group, consisting of representatives from the Departments of Marketing, Technology, Production, and Finance, has planned to explore global research findings and emerging technologies in order to identify and manage such risks. In addition, a range of methods have been used to study market trends and opportunities in different product segments. This includes exchanging advances and product development plans with key customers and international research institutes to assess risks and opportunities and establishing guidelines for research and development in both technology and product roadmaps of the Company to ensure that it can continuously develop and offer new products to the market and meet the needs of the market and customers. Furthermore, the Company has constantly engaged in research and development with customers who are major operators in each business group to be able to develop products in the direction that the market needs regularly.

In the past, the Company has chosen to develop products for the industrial market that are used in the manufacturing process or used as components. The technology and market needs do not change rapidly, so the Company has time to prepare a response plan that has had little impact. Take for example, a change in the animal registration system technology requires a change in investment in related systems, including reader and database systems. For countries with law enforcement related to animal registration systems, such a change takes time and money. Therefore, it is the business group with a slight change in technology. For the automotive electronic spare key group, the spare key group will be needed after the release of each model of automobile for about 3–5 years. Therefore, the Company can plan what kind of product must be developed to support the demand in the spare key market for new car models in each period.

2.2.4 Risks from investment costs in research and development of products that cannot be commercially produced

Due to the nature of the company's business, including microchip research and development, which has a relatively high investment cost, the Company needs to research and develop new knowledge and products to keep up with the changes in technology and customer needs. The research has been done to expand knowledge, which may not be able to be used to develop products for sale at present. However, it is necessary to invest in such research in order to use it as a base to expand into further commercial use in the future. The Company records research and development costs in the area that can be assessed as commercial expansion as an intangible asset in the financial statements. If such research and development does not follow the plan, such as owing to delays from manufacturers, dramatically changing costs, or drastically changing market behavior, such products invested in research and development cannot enter the market as planned. This may result in impairment or amortization of development costs in the event that such development cannot be commercially produced. As a result, the Company may incur relatively high administrative costs, which may significantly affect its overall performance.

In 2020–2022, the Company had a balance of intangible assets – product design development projects equal to 67.3, 55.1, and 76.2 million baht, representing approximately 16.1%, 11.4%, and 11.7% of total assets, respectively. In 2020–2022, the Company set up an impairment reserve for the value of intangible assets in the amounts of 21.22, 32.6, and 11.1 million baht, respectively. Since the product design development projects were extended, which is a consequence of the COVID-19 pandemic and the shortage of production capacity in the market, the Company views that the projects do not meet the estimated time frame and has set up an impairment reserve of intangible asset value to reflect the impact of such a situation.

Therefore, to reduce such risk, the Company has prepared an annual budget and set a limit framework for research and development each year to be used as a guideline for planning investment in research and development effectively and in line with the Company's financial position, performance, and future growth direction. The Company has a strict research project approval process. In the details of the research project, the objectives and results must be clearly identified, as well as opportunities for future development projects. The Company's research projects are also in line with its guidelines for a technology roadmap and must be considered by the Product Management and Marketing Working Group.

The Company has established procedures for reviewing the research and development projects into five main phases: concept, scope, design, qualification, and release. The Product Management and Marketing Working Group, consisting of representatives from the Departments of Marketing, Technology, Manufacturing, and Finance, will consider the business plan, deliverables, schedule, and budget. When the project reaches the end of each phase (Gate) and it is assessed that it still appropriately meets the project's goals, it is able to proceed further. The working group can stop the project and have the relevant departments consider review and revision if the project is not in accordance with the plan for approval again, or it can close the project if it believes that the project will not achieve the set goals.

In the future, the Company is more likely to invest in research and development to be in line with the Company's growth, which may result in increased intangible assets. However, according to the review of the market plan, financial plan, and project risk, each gate of every current product development project does not appear to have trends or events that will cause risks to the presence of non-commercial products or impairment of intangible assets.

2.2.5 Risk of non-compliance with laws and regulations

Since the Company's products are used as an element of the customer's RFID equipment, there are various rules and standards that must be followed. Thus, in the design and manufacture of the company's products, various conditions or requirements must be taken into account that the customer of the company must comply with, such as REACH (Registration Evaluation Authorization and Restriction of Chemicals), RoHS (Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment), CMRT (Conflict Minerals Reporting Template), etc. In addition, the Company must comply with laws or regulations related to intellectual property, employment and labor, the protection of personal information, anti-bribery or anti-corruption, taxes, and other matters.

If the Company does not comply with the relevant laws or regulations above, it may affect the Company's ability to sell products to its customers as expected or invest in the development of inefficient products according to the standards required by the customers, which will have a significant impact on the Company's performance. It includes possible litigation from the Company's customers, violations of laws, or the unawareness of changes in laws or regulations that may affect the business, leading to litigation, fines, and penalties. All of them may adversely affect the results of operations and reputation.

Therefore, to reduce the risks above mentioned, the Company has assigned a person responsible for closely coordinating with the customers of the Company to exchange information and trends about changes in regulations related to the customer's products. This leads to advising customers to deploy the Company's products in accordance with changes and improvements to product features, or even the development of new products in accordance with relevant standards. The Company has also appointed a person responsible for monitoring and reviewing the consistency of compliance with new laws related to the Company's business operations in order to control, monitor, and recommend compliance with relevant laws and regulations to various departments within the organization. In the past, the Company has never been sued or had disputes for non-compliance with any relevant laws or regulations.

2.2.6 Risk of infringement of intellectual property of other persons

Since the Company's business involves research and development to seek innovations or new knowledge that can be used to create products that can respond to the needs of customers, technology industry operators protect their own intellectual property, especially through the use of invention patents, so new product development has the opportunity to have the same components or methods of using products as those of other persons who have previously registered patents. Accordingly, the product is likely to infringe on the intellectual property of others who may have registered those rights. As a result, the Company is at risk of being sued by the owner of the intellectual property or being prohibited from selling the product in question, which may affect customers who use the Company's products. This may affect its performance by being sued and fined, as well as affecting its image

with customers and partners.

In order to prevent the risk of infringing on the intellectual property of others, the Company has provided training for both current and new employees to have knowledge and understanding of intellectual property practices. In addition, the Company has determined to assess the risk of infringing the intellectual property of the product development projects by conducting a patent search and searching for things that the Company can perform (Freedom to Operate: FTO), which provides preliminary information to decide which design can or cannot be done. This leads to planning to design the product without infringing on the intellectual property of others. The Company's intellectual property working group consists of representatives from the Departments of Technology, Research, and Business and intellectual property experts responsible for considering, screening, and reviewing at all times so that the Company does not have problems with infringement of the intellectual property of others, including considering patent applications for things developed by the Company. In the past, the Company has never been fined or sued for infringing the intellectual property rights of others.

2.2.7 Risk of reliance on expert engineers in the terms of microchip design

Since the Company engages in the design and development of chips for RFID devices, its main operations involve research and development, which requires a reliance on the Company's expert engineers in the terms of microchip design. These engineers are knowledgeable, capable, and experienced in microchip design, which is a rare skill. Thailand has considerable limitations on the number of personnel with expertise in such knowledge and professions. If there is a loss of professional engineers, it may be difficult or time-consuming to find replacements. In 2021 and 2022, the Company has a total of 82 and 88 engineers, respectively, consisting of: 1) professional engineers; 2) managing engineers supervising the design; 3) microchip design engineers; 4) electronics and embedded system engineers; and 5) production and sales support engineers.

If the Company cannot maintain the engineering team or cannot find any other competent personnel to replace them, it may affect the research and development of new products, such as by delaying product delivery, producing inferior products, and failing to meet customer requirements, leading to an impact on the Company's future revenue growth.

In order to assess the risk of retaining human resources, the Company annually conducts an engagement assessment in the organization and accepts anonymous questions and comments from employees to executives through the Townhall meeting every quarter and brings the assessment results and feedback for improvements. Moreover, the Company has planned and initiated a retention program for professionals and talented employees. In this project, there are long-term plans to maintain the position and ability of the organization to remain at a competitive level in the chip design industry. There are many implementations in different dimensions, such as consideration of special compensation, an employee joint investment program depending on the Company's turnover each year, and a long-term employee capacity development plan to provide employees with career advancement.

The Company promotes the cultivation of corporate culture by continuously transferring knowledge among employees in the organization from generation to generation through its work from top to bottom to increase the know-how and expertise of engineers at all levels of the Company. Besides this, the Company has a policy of decentralization of management and rotation of the engineering team to reduce the dependence on personnel individually, including focusing on the development of such personnel to have knowledge and expertise according to the changes in technology equivalent to leading companies at the international level by continuously providing training, education, and support for study abroad and site visits to engineers of the Company.

In terms of reducing the risk of not being able to adequately recruit specialist personnel for the Company's business operations, the Company has a policy to develop knowledge and personnel in related disciplines in conjunction with educational institutions by conducting activities with universities in Thailand to train and educate engineering

students in related disciplines of the Company's business in order to create an understanding of the way to grow in the field and to promote the presence of additional personnel in such professions. There is also a plan to hire personnel from abroad who have expertise in specific professions to work with the Company in the future.

Since the Company is the only entrepreneur in Thailand whose main business is the design and development of microchips for RFID devices, most of the personnel in Thailand with knowledge and expertise, including new graduates in the field, are interested in working with the Company. As a result, the Company has not experienced a shortage of engineers who have knowledge and expertise in their respective professions.

2.2.8 Risks from fluctuations in foreign exchange rates

Since the Company is engaged in almost all exports. To set the price of goods with customers, the Company mainly prices products in US dollars and euros. Furthermore, the Company imports wafers from abroad, which must be paid for primarily in US dollars. Therefore, the Company is vulnerable to fluctuations in the exchange rate affecting revenues and profits in baht. However, the revenues from overseas sales account for about 99 percent of sales revenue.

Fluctuations in the exchange rate can have a significant impact on the Company's performance, both positive and negative. The weak baht exchange rate increases the recognition of income in baht, resulting in an increase in net profit. On the other hand, the strong baht exchange rate will have the opposite effect. It may result in gains or losses from the exchange rate depending on the difference in the exchange rate between the date of recording the sale of goods or the purchase of raw materials and the date of receipt/payment of goods. At the end of 2020, 2021, and 2022, the Company recorded potential gains (losses) from the exchange rate of 4.38, (9.92) and (7.79) million baht, respectively, primarily due to the situation of fluctuations in the US dollar foreign exchange rate that changed more than the Company predicted.

Therefore, in order to reduce the risk of such exchange rate fluctuations, the Company closely monitors the exchange rate changes by assessing the situation and trends of the currency exchange rates involved and plans to align the cash flows in the same foreign currency. In addition, the Company has a policy to manage exchange rate risk in accordance with the revenue structure according to the product to reduce the impact of exchange rate fluctuations on the recognition of Thai baht income.

As of December 31, 2022, the Company has a total forward contract limit of USD 30.44 million and has entered into a forward contract to reduce the risk of fluctuation in US dollars of USD 12.69 million in terms of import and export, according to the nature of business. The contracted exchange rate is between 31.78–37.85 baht/US dollar. The Company has no policy to speculate on the exchange rates.

2.2.9 ESG Risk

Climate Change and Human Rights Risks This is an emerging risk which may affect the Company's business operations in various ways. Climate change can result in extreme weather events. This may affect business partners whose factories are located in risky areas, which may cause production disruptions or higher costs from compliance with new regulations, affecting the company's operations and operating results. Human rights risks may be caused by violations of labor and human rights standards in the company's own operations and in the company's supply chain, such as forced labor, discrimination, and the use of force, etc., which will lead to complaints to lawsuits, which may lead to discredit and prosecution.

The Company is tasked with regularly monitoring climate change news as well as human rights laws and standards. The organization's carbon footprint is assessed annually to evaluate the effectiveness of sustainability strategies. The business continuity management plan is evaluated. The manufacturers in the process of selecting suppliers to

ensure that they have an emergency response plan and can deliver raw materials to the company. In the field of human rights, the Company has a human rights policy that complies with national and international standard rules and regulations on human rights, including the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, Code of Conduct of Responsible Business Partners of the Electronics Industry Community, and Human Resource Management Policy in the Organization, as well as local laws of Thailand. The Company will continuously develop and implement human rights due diligence process to identify issues and assess risks and impacts of human rights violations, define affected groups or people, plan and formulate solutions and prevention, implement and prevent human rights violations and monitor and follow-up by providing appropriate and effective mitigation procedures in the event of human rights violations.

2.2.10 Geopolitical Tension Risk

Because today's global economy, politics, and society are becoming more complex and interconnected. As a result, geopolitical tensions may inevitably affect the supply chain of production. This is another important emerging risk that the Company focuses on. At present, there are conflicting issues that may affect the company, including: 1) The U.S.-China trade war has led to technological barriers and semiconductor goods manufactured in China. 2) the Russia-Ukraine War that indirectly affected the cost of semiconductor raw materials from energy prices and inflation, and 3) the conflict between China and Taiwan. That could affect supply chain disruptions if war breaks out.

The Company assigns a responsible person to monitor news of geopolitical conflicts and gather information from relevant partners to assess the situation. The Company has implemented supply chain plans to mitigate the impact of such problems, as well as a cost management strategy to offset the impact of higher raw material costs.

3. Sustainability Development

3.1.1 Process of Defining Key Sustainability Issues

The company has established a process to assess key sustainability issues in line with the organization's long-term goals and strategy, including considering stakeholders' comments and international sustainability standards. The process is as follows:

1. Analysis and Identification of Critical Issues

- Consider the business nature, direction, and strategic plan of the company.
- Consider significant risks, challenges, and opportunities of the company, such as the company's operations, finance and investment, and industrial condition.
- Study and compare sustainability issues among leading international technology companies, including sustainability issues at the national and global levels; for example, the UN Sustainable Development Goals (UN SDGs).

2. Prioritization of Critical Issues

- Bring important issues to the assessment with the management team providing opinions, including direct and indirect inquiries on issues from all stakeholders.
- Prioritize sustainability issues.

3. Consideration and Examination of Key Issues

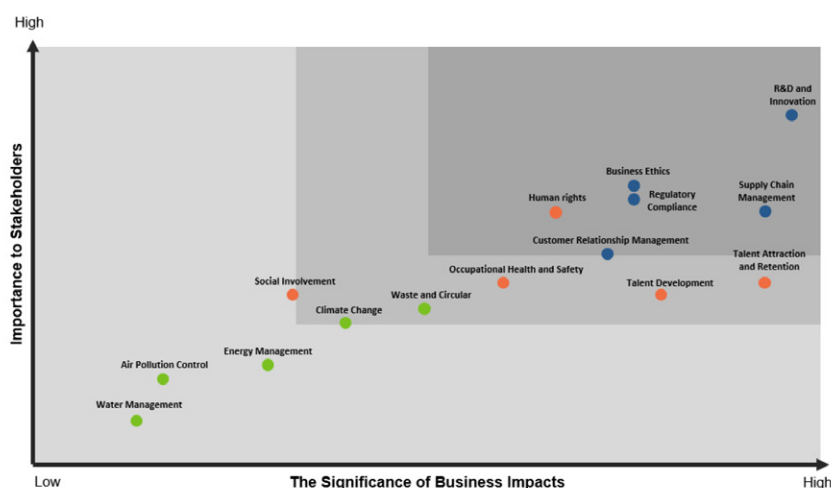
- Clarify and report to the management team to review key sustainability issues in line with the organization's goals and strategy.
- The Board of Directors approves significant sustainability issues and the disclosure of information through various channels.

4. Review on Key Issues and Reporting Improvement

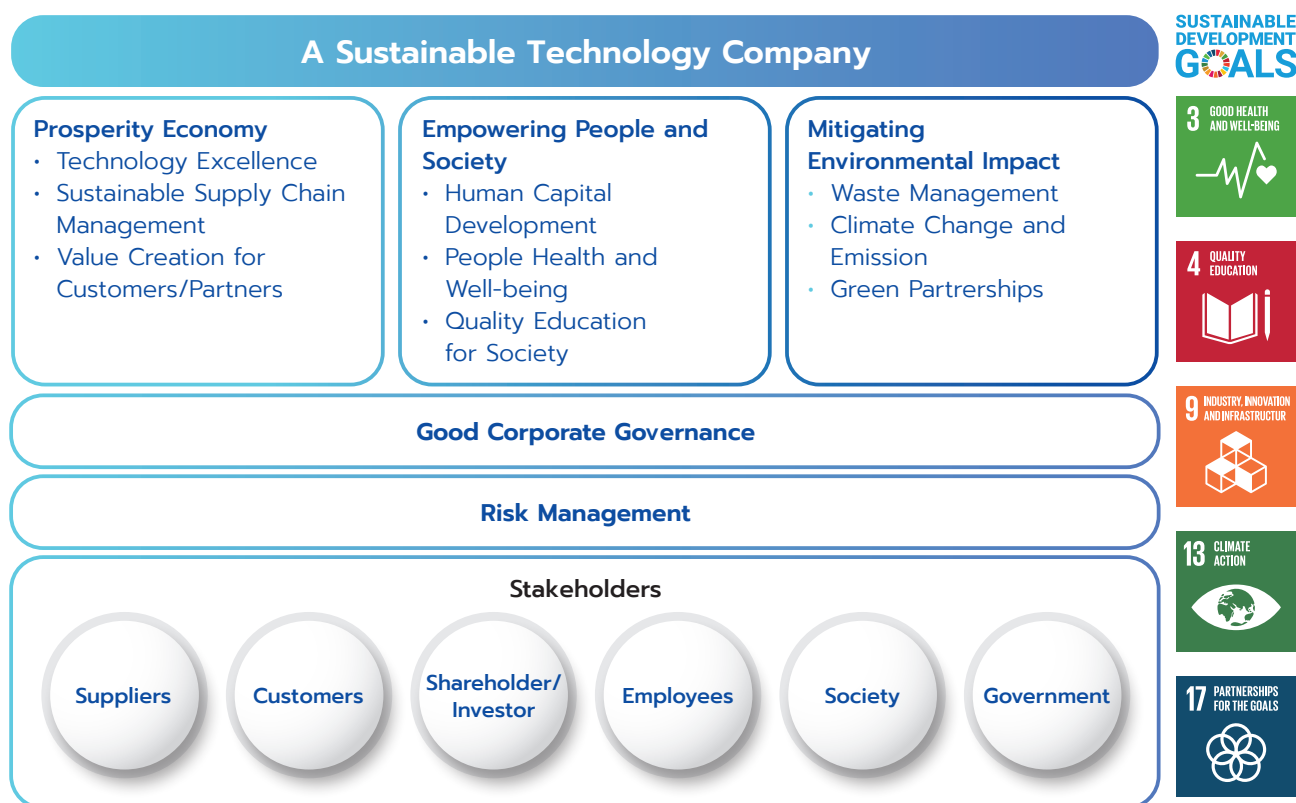
- Continuously review key sustainability issues and gather feedback from all stakeholders to improve the company's operations and sustainability reporting in future editions

3.1.2 Materiality assessment

The Company identifies and prioritizes issues that are important to business operations and stakeholders based on value chain analysis, stakeholder engagement, identification of key issues, and assessment of key issues to ensure that the Company completely takes into account issues that are important to business operations in economic, social, and environmental aspects. The results are as follows:



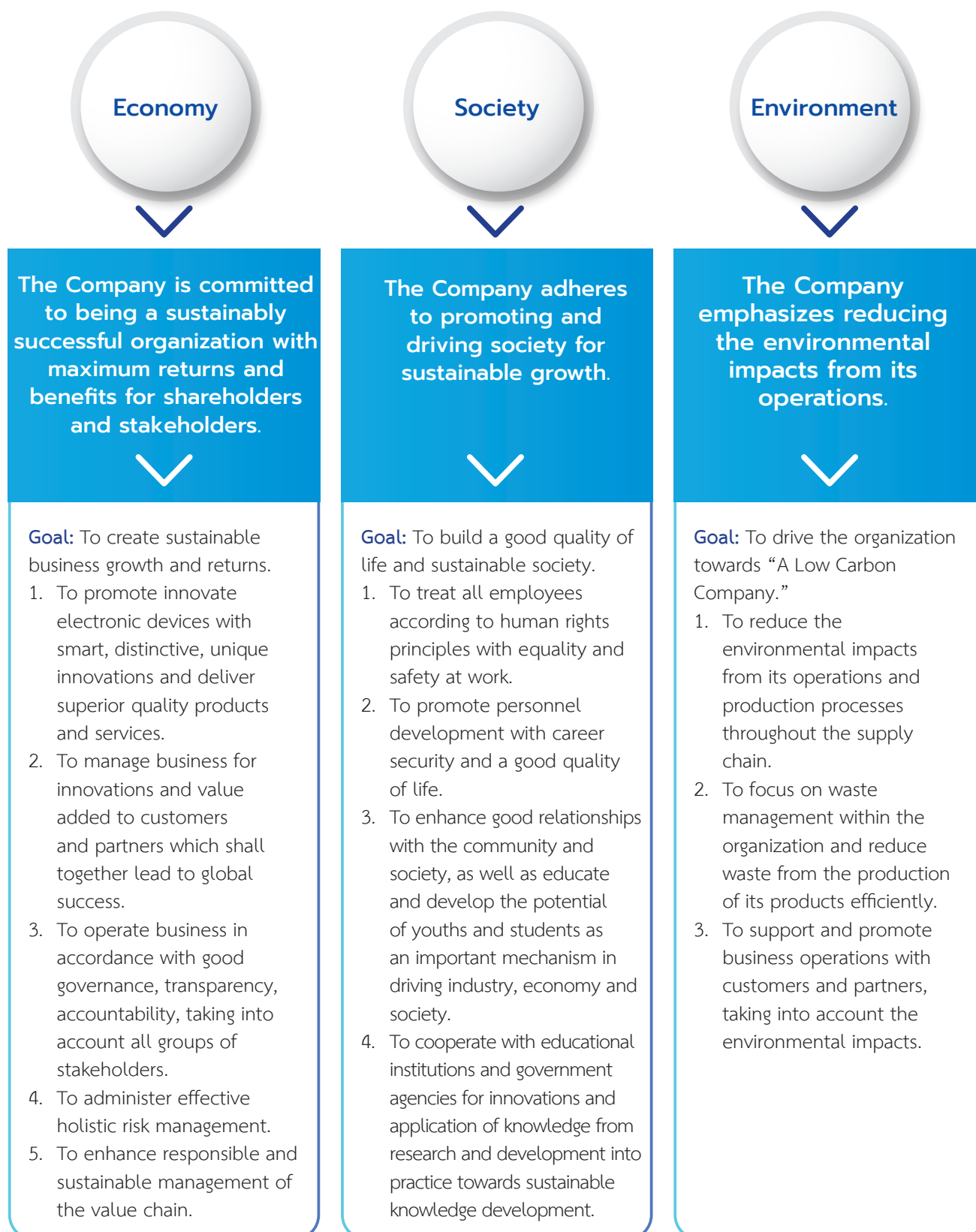
3.1.3 Sustainability Strategy Framework



The Company is committed to being a technology company with sustainable operations. In this regard, the sustainable development strategy framework is divided into three aspects: 1) Economic aspect, 2) Social aspect, and 3) Environmental aspect. This is in line with the Sustainable Development Goals (SDGs) of the United Nations to become an internationally sustainable organization. Such framework development must be operated under comprehensive risk management and good corporate governance to ensure that the Company will be able to achieve the objectives as specified with transparency, verifiability, and concerns for all stakeholders.

3.1.4 Sustainable Development Policy

The Company specifically sets policies and goals for sustainable development in accordance with business directions and strategies to drive its business towards stable and sustainable growth by defining the operational framework for sustainable development in three dimensions: economy, society, and environment. The emphasis is placed on cultivating, promoting, and transferring development goals in all sectors so as to enhance the understanding and implementation in a concrete way, as well as the application of sustainable development policies as the core to drive efficiency and create maximum benefits for stakeholders.



Sustainable Development Goals and Performance

Economic Dimension



Sustainable Development Operations Policy	Expectations/Long-term Goal 2022–2026	Key Performance in 2022
Create electronic devices with smart, distinctive, unique innovation and deliver excellent quality products and services.	Having sustainably continuous growth of income.	Total revenue growth is 42.5% from the previous year.
	Having a customer satisfaction rate over 90%	Customer satisfaction rate is 87.6%.
Manage business to create creative innovations to create added value for customers and partners that will lead to mutual success on a global scale.	Having more than 20 research and development projects for product design to support long-term growth.	There is a total of 24 product design development projects, of which 12 projects have been completed and launched into the market.
Conduct business in accordance with good governance, transparency, accountability and taking into account all stakeholder groups.	No significant warning from regulatory agencies.	There was no significant warning from regulatory agencies.
	Having the results of corporate governance assessment at the level of “Excellent” by external agencies.	The results of corporate governance assessment were at a “Excellent” level by Thai Institute of Directors Association.
Manage holistic risk effectively.	Reducing the risk of relying on primary raw material manufacturers with a Dual Source in all product lines.	Four wafer manufacturers in the Company’s database, namely those in Singapore, South Korea, China and Taiwan.
	Having a risk of losing an expert engineer in integrated circuit design with a turnover rate of no exceeding 5% for engineers in critical positions.	The Company has a turnover rate of engineers in important positions at 3.9%. There is a plan to continuously retain personnel, such as a retention program with EJB as the third project in 2022, as well as knowledge and personnel development projects in related fields together with educational institutions, while having a policy to rotate the work of the engineering team to reduce dependence on individual personnel, including employment of personnel from abroad who have knowledge and expertise in specific professions.

Sustainable Development Operations Policy	Expectations/Long-term Goal 2022–2026	Key Performance in 2022
Manage and administrate the value chain with responsibility and sustainability.	Reducing the amount of waste from production processes and product testing to a level of no more than 2.15%.	The waste rate from production and product testing is controlled at 2.63%, a decrease from the previous year's rate of 3.5%.

Social Dimension



Sustainable Development Operations Policy	Expectations/Long-term Goal 2022–2026	Key Performance in 2022
Treat all employees with regard to human rights principles, equality, and safety at work.	Defining the Code of Conduct in accordance with international standards, such as the Electronic Industry Citizenship Coalition (EICC).	The Company has a human rights policy to comply with national and international standard rules and regulations on human rights which cover all operations, including performance of employees, customers and business partners with duties to respect human rights in accordance with the law.
	No injuries, illnesses, and deaths from the operation.	There have been no casualties, illnesses and deaths from work.
	No complaints about human rights and safety at work taken to court proceedings.	No complaints about human rights and work safety have been brought to court.
Develop personnel to promote career stability and create a good quality of life.	Providing staff development and training at average of 25 hours per year per person.	The average employee development and training (excluding C-Level) is 20 hours per year per person.
Build a good relationship with the community and society, educate and develop the potential of youth and students who are important mechanisms in driving industry, economy, and society.	Expanding supports to related communities, such as educational institutions to cover nine institutions.	Research and development of microchip-related products has been supported by four educational institutes in the country under the University Relation Project, including the Senior Project of 3 rd – 4 th year students in collaboration with leading universities. There is also a joint activity of DD Camp with Thai Embedded Systems Association (TESA) to provide opportunities for students from universities across the country towards the development of skills and knowledge related to FPGA and Digital IC design.

Sustainable Development Operations Policy	Expectations/Long-term Goal 2022–2026	Key Performance in 2022
Collaborate with educational institutions and government agencies to create innovations to bring about application of knowledge from research and development into practice to promote sustainable knowledge development.	Having projects to support or collaborate with educational institutions or government agencies on creating innovations that are put into practice for sustainable knowledge development every year.	<ul style="list-style-type: none"> - There is joint funding by the Office of the National Higher Education, Science, Research and Innovation Policy Council for technical supports, totaling five innovation projects. - Microchips have been delivered to support research in Thailand and overseas, such as Kasetsart University, Khon Kaen University, Imperial College London, University of Freiburg, University of Rome Tor Vergata.

Environmental Dimension



Sustainable Development Operations Policy	Expectations/Long-term Goal 2022–2026	Key Performance in 2022
Reduce the environmental impact of operations and product processes throughout the supply chain.	Reducing the amount of greenhouse gas emissions associated with the organization's operations, with support projects; for example, renewable energy use, use potential technology to reduce greenhouse gases, and raising awareness for employees to use energy efficiently.	The organization's data on greenhouse gas emissions (Scope 1 and 2) have been collected with direct greenhouse gas emissions (Scope 1) of 17.0 tons of carbon dioxide equivalent and indirect greenhouse gas emissions (Scope 2) 89.0 tons of carbon dioxide equivalent. The information is verified by a verifier and certified by the Greenhouse Gas Management Organization (TGO), a greenhouse gas management certification body, University of Phayao led by Dr. Wanawan Prakot.
	Reducing in-house waste and waste production by recycling.	There is a waste separation and waste management project according to the 3E process (Reduce, Reuse, Recycle), along with the provision of knowledge and understanding on the benefits of waste separation to employees regularly through internal communication channels.
	Using renewable energy.	The control for worthwhile use of electricity is conducted in lighting and air conditioning systems. In 2022, the Company had a total electricity consumption of 177,870.70 kWh.

Sustainable Development Operations Policy	Expectations/Long-term Goal 2022–2026	Key Performance in 2022
Support and promote business operations with customers and business partners, taking into account the environmental impact as a priority.	Requiring a standard checklist containing operational content by taking into account environmental impacts for all partners and customers.	The standard checklist is provided with contents about operations to avoid environmental impacts for the Company's business partners and major customers.

3.1.5 Communication on Sustainable Development

The Company communicates sustainability information to stakeholders through various channels. Sustainability management policies and goals, sustainability performance, corporate governance policies, and various sustainability activities have been disclosed through the Company's website on the investor relations page and annual report (56-1 One report). Also, the sustainability information is presented to both external and internal parties through corporate presentations at various meetings, including online channels like SIC on Facebook so that all stakeholders can access complete sustainability information and continuously follow up on sustainability performance. Additionally, in terms of doing business with partners, the company identifies on sustainability issues, in the Supplier Agreement Contract to jointly drive business operations for sustainability. In the meantime, the Company has set sustainability as one of the topics in new employee orientation, and used e-mail to communicate with employees within the organization every week. This is to make all personnel realize the importance of such issues and help drive the organization forward in the same direction for long-term sustainability.

Communication Form	Stakeholders					
	Customers	Partners	Shareholders/ Investors	Employees	Communities	Government
Company's website						
Annual Report						
Investor Presentation/ Corporate Presentation						
The meeting providing both online and in-person access						
SIC Facebook						
Weekly internal communication email						
New employee orientation and employee training						
Sustainability issues are identified in the Supplier Agreement Contract.						

3.2 Management of the impact on stakeholders in the business value chain




Characteristics of Business Value Chain

Silicon Craft Technology Public Company Limited conducts its main business in research and development in microchip design, which is classified as an upstream industry of the electronics industry by hiring both domestic and foreign trade partners to produce products, namely raw material procurement, assembly, and product testing. The company supervises and controls all steps to meet the needs of customers and quality according to international standards by selling microchips to customers or using microchips to assemble various materials to be a form and shape (IC packaging, Form Factor) that varies depending on the application. For the operations abovementioned, they are primary activities. Support activities such as procurement, human resource management and the infrastructure of various organizations also help to ensure that business operations go smoothly and meet the expectations of all stakeholders.



Primary Activities


R&D	Research and development to design products with a focus on features that can be used in various applications and meet the needs of diverse markets, but can still be specific to the needs of each customer. There are modern technologies that meet the needs of both domestic and international industrial markets.
Inbound Logistics	Procurement of quality raw materials and components in accordance with customer needs, usage, and reasonable prices.
Operations	This includes manufacturers of raw materials and electronic equipment parts, including assembling and testing products as partner companies that meet international quality standards, reliability, and modern technology as well as continuous improvement of the production process to reduce wastes, including a production capacity that can support the demand for products on the market.
Outbound Logistics	In the delivery process, in addition to taking into account the maintenance of product quality and delivery time to meet the needs of customers in a timely manner, the company also considers the value of money in delivery costs so that customers obtain the products at reasonable costs.
Marketing & Sales	The information and product details are provided, including displaying accurate and complete specifications, reasonable prices, and continuous marketing promotion plans.
Customer services	Consultation and solutions are provided in case of problems in the products or production process.



Support Activities

 Procurement	There is a plan to develop a database system to manage the procurement of both products and services in line with the main activity development plan and help increase efficiency in the production and distribution processes.
 HR Management	There is human resource management, starting from analyzing, recruiting, selecting, and evaluating systematically. There is a project to retain quality employees and to provide continuous development training to increase the potential of personnel, which is an important driving force in the main activities.
 Firm Infrastructures	They include accounting, finance, organizational management, IT Management, and Cyber Security.

Stakeholder Analysis in the Business Value Chain (Stakeholder Engagement)

Inside the organization			
Stakeholders	Expectation	Operation	Engagement and Communication
 1. Employee	1. Stability, return, and clear career advancement	1. There are welfare and benefits in various aspects as appropriate and consideration on position adjustment when appropriate.	<ul style="list-style-type: none"> - Employee welfare committee - Employee satisfaction survey
	2. Clear goals, policies, and scope of work for implementation	2. Targets, policies, and scope of work are determined every year and clearly communicated to employees on a regular basis.	<ul style="list-style-type: none"> - Determination of annual KPIs, and mid-year and annual employee performance appraisals - Communicating goals and policies through SIC Town Hall meeting every quarter
	3. Work safety, good working environment	3. The work area is maintained to be safe and hygienic with equipment for facilitation. There is space to relax and meet with employees and dining room	<ul style="list-style-type: none"> - Employee satisfaction survey - Risk assessment
	4. Training to increase skills and knowledge	4. Training is regularly organized to develop employees, including an appropriate budget.	<ul style="list-style-type: none"> - Employee development programs, both organized within the organization and training courses outside the organization - Collaboration with institutions to develop projects and share technological insights
 2. Shareholder	1. Worthwhile return	1. Effective business and financial management by focusing on the best interests of shareholders and all stakeholders	<ul style="list-style-type: none"> - Shareholder meeting - Meetings with analysts, investors, and various investor relations activities - 56-1 One report, MD&A - Company website/ IR website / Company Facebook
	2. Sustainable growth of the organization	2. Clear policies, work plans, and business development for implementation, with a regular review and improvement, including operations with transparency and fairness	<ul style="list-style-type: none"> - Shareholder meeting - Meetings with analysts, investors, and various investor relations activities - 56-1 One report, MD&A - Company website/ IR website / Company Facebook

Outside the organization			
Stakeholders	Expectation	Operations	Engagement and Communication
 1. Customer	1. Products with a distinctive appearance to create trading advantages for customers with simple use and quality according to relevant international standards	1. Innovative product development that can create competitive advantages for customers, with a product inspection process to ensure efficiency in accordance with relevant standards	<ul style="list-style-type: none"> - Market research - Customer's review and testing - Customer satisfaction survey - Risk assessment
	2. Competitive product prices	2. Effective cost management with clear plans and measures in the waste reduction project from the production and product testing as well as regular monitoring of the results, including product design improvement from the beginning to create the least wastes	<ul style="list-style-type: none"> - Market research - Project to reduce waste from production and product testing - Customer meeting - Customer satisfaction survey
	3. On time delivery, good service, customer satisfaction	3. Supply chain management to manage the delivery according to the agreed time with regular service development and improvement	<ul style="list-style-type: none"> - Customer satisfaction survey - Risk assessment
	4. Continuous collaboration in planning and developing new products	4. There is a clear plan to develop new products together with customers and business partners.	<ul style="list-style-type: none"> - Market research - Customer meeting
	5. Conducting business with ethics, taking into account the society and the environment	5. Identifying the Company's business ethics and other relevant ethical requirements for implementation in the organization	<ul style="list-style-type: none"> - Customer satisfaction survey - Risk assessment

Outside the organization			
Stakeholders	Expectation	Operations	Engagement and Communication
 2. Supplier	1. Long-term contract, high volume, and continuous purchase	1. Good supply chain management with systematical plan of orders	<ul style="list-style-type: none"> - Customer meeting - Risk assessment
	2. Payment on time	2. Effective financial management	<ul style="list-style-type: none"> - Policy on treatment of creditors
	3. Accurate, complete information, necessary information exchange to increase work efficiency	3. Accurate, complete information with regular communication, meeting of relevant people to notify when having a change in the laws	<ul style="list-style-type: none"> - Customer meeting
	4. Business collaboration with growth, stability, sustainability, and fairness	4. Clear plans to develop new products, including various policies with partners	<ul style="list-style-type: none"> - Customer meeting
 3. BOI	1. Increase employment in the country	1. Establishment of employment policies and practices to promote technology development in the country	<ul style="list-style-type: none"> - Participation in exchanging opinions with the government sector on various occasions - 56-1 One report
	2. Complete delivery of documents and on time	2. A plan to prepare documents for complete delivery and on time	<ul style="list-style-type: none"> - Meeting with government agencies
 4. Community/ Educational institution	1. Technology research and development projects that benefit the society and the country	1. Cooperation in joint research and development projects both in terms of personnel and funding	<ul style="list-style-type: none"> - Joint research and product development projects - Funding support to education, research and development - Provision of sample products to be models for research and development in various institutions
	2. An organization that supports graduates and cooperates with communities/ institutions in order to produce graduates that meet the needs of the private sector	2. Job positions to support graduates that are suitable for their potential and in line with the company's plans, including cooperation in transferring knowledge and experience in both technology and business to various agencies or institutions	<ul style="list-style-type: none"> - Student Internship Program - Participating in discussions and sharing knowledge with institutions

3.3 Sustainability Management and Performance in 2022

Economic Dimension

The Company aims to be an organization with sustainable success to generate maximum returns for shareholders and protect the interests of all stakeholders. The results of operating performance are as follows:

- In 2022, the Company's revenue grew by 42.5% with profit growth of 110.9% when compared to the previous year. This was partly due to the adoption of sustainable business principles, such as the continuous reduction of waste in production and product testing from 3.5% in the previous year to 2.63% in 2022 as part of efficient and sustainable cost control.
- The Company evaluates customer satisfaction annually. The results can be a guideline for continual development of products and services. In 2022, the Company received a customer satisfaction rate of 87.6%, a slight increase from the previous year, from sales representatives, logistics, and better technical support.
- The Company maintains its product quality control throughout the supply chain to ensure that the products are produced with efficiency, quality, and have safety according to required standards. At present, the Company is certified ISO 9001:2008 for product quality management system, design services, research and development, as well as distribution of integrated circuit board equipment. Additionally, the Company's products meet international quality standards, such as ISO 11784, ISO 11785, ISO 14443 Type A and B, and ISO 15693, with detailed information of products and services on the website, so everyone can access information on products thoroughly.
- The Company has continuously invested in technology and innovation development to create sustainable income in the long term. There are currently 24 product design development projects, of which 12 projects have been completed and launched into the market. There is also a plan to reduce risks for manufacturers with dual sources in every product line.
- The Company adheres to the importance of good corporate governance and business ethics through its operations with honesty, accountability, transparency, fairness, and verifiability. The Board of Directors has established a policy to prevent conflicts of interest for directors, executives, and employees to understand and comply with the laws, rules, and regulations in compliance with the Company's business ethics and other related policies. In 2022, the Company received an "excellent" rating on corporate governance from the Thai Institute of Directors Association. Also, there was no significant warning from the agency. During the year 2021, the Board of Directors resolved to expand the scope of duties of subcommittees in corporate governance. The Nomination and Remuneration Committee has changed its name to the Nomination, Remuneration and Corporate Governance Committee, with duties of proposing policies and guidelines on business ethics and code of conduct, as well as social responsibility, in line with policies and measures based on the good corporate governance system to the Board of Directors and the management to set up the organizational regulations and upgrading the organization to international standards.
- The Company adheres to the principles of holistic risk management and determines the risk management scope according to the risk management framework and the risk management policy for key types of risks in the Company's activities and operating processes. Key risk indicators are monitored on a regular basis, such as risks of dependence on main manufacturers, loss of expert engineers in the field of integrated circuit design, exchange rate fluctuation, and ESG. (For more details, please see the Risk Management Section.)

Social Dimension

The Company aims to be an organization that plays a part in driving the long-term sustainable society, with major operations as follows:

- The Company has established its human rights policy following the commitment to business code of conduct, responsibilities to society and all stakeholders, value and equality of being humans, support and respect to human rights as specified by the laws, rules and regulations according to national and international standards on human rights, including the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, code of conduct for business partners in the electronic industrial community, organizational human resource management policy, and local laws of Thailand. Those policies cover all of the Company's operations, including the performance of employees, customers, and business partners with duties to respect human rights according to the laws and regulations to protect human rights in Thailand and overseas.
- The Company adheres to the importance of fair labor practices with equality and non-discrimination in terms of employment, compensation, promotion, training and development of personnel without discrimination of gender, age, educational institution, race, and religion, while supporting employment for the underprivileged groups, including the disabled, the elderly, and those released from prison in a bid to create opportunities, careers, and stable incomes. This is also as part of the achievement of sustainable development goals, such as providing a grant to one disabled person for career support. Meanwhile, the Company has no policy to employ workers under the age of 18 in accordance with the principles of law under the Labor Protection Act, B.E. 2541 (1998).

The Company provides employment without gender discrimination. The proportion of employees is divided by gender as follows:

	As of the year 2020	As of the year 2021	As of the year 2022
Male employee	77	75	88
Female employee	41	47	50
Total	118	122	138

- The Company has implemented a plan to develop employee engagement and evaluate employee engagement to the organization on a regular basis (every 2–3 years) and upon special request. The latest evaluation was conducted in 2022, with the employee engagement rate of 75%, an increase from the previous year of 70.90%.
- The Company has employees who resigned voluntarily with the turnover rate of 20%, an increase from the previous year of 15.3%, of which 3.9% were those in the position of engineers. This is in part due to the changing labor market situation during the COVID-19 epidemic, as well as the intense competition in the labor market of the semiconductor industry. However, during the year 2022, the Board of Directors and the management team approved various retention programs, namely the third successive consideration of the Employee Joint Investment Program (EJIB) to retain potential employees by incentivizing and participating in business ownership.
- The Company plans to support employees in training and development of necessary skills, including the support of work-related tuition fees every year. In 2022, the Company organized employee training courses and sent

employees to train on knowledge and skills at an average of 20 hours per person per year, an increase from the previous year of 16 hours per person per year. The examples of training courses are as follows:

- 1) In-house training on the topic of “Persuasive Selling” to enhance the sales techniques for participants which covers the essence of sales techniques from preparing, opening and offering a sale, handling objections, and closing a sale, especially for the SIC products.
 - 2) Training project on risk management and internal control projects in 2022 for relevant employees to achieve more knowledge to improve organizational risk management.
 - 3) Lecture from Prof. Michael Pecht from the University of Maryland on the topic of “How Physics of Failure and Artificial Intelligence Concepts Can be Used for Qualifying Electronics” to managers and supervisors.
 - 4) Special session with Finnomena to provide knowledge on funding selection and investment period for employees in choosing their investments.
 - 5) Sustainable Business Strategy: Training on how to conduct business with sustainability as an important approach to every company worldwide.
- The Company has established good relationships with relevant communities, while sharing knowledge on technology and business with various educational institutions as an important foundation for the effective growth of society. The Company also has projects to jointly develop new technologies with educational institutions and government agencies continuously by focusing on the use of technology for practical use. In the past year, the Company jointly supported senior projects with leading universities, such as Chulalongkorn University, Kasetsart University, and King Mongkut’s Institute of Technology Ladkrabang by providing consultation to students twice a month with assessment every three months, as well as supporting expenses for doing their projects at 20,000 baht per group per university.

Besides this, the Company organized important community-related activities in 2022 as follows:

- 1) Organize the DD Camp activities in conjunction with Thai Embedded Systems Association (TESA) to provide opportunities for students from universities across the country, such as Kasetsart University, Thammasat University, Chulalongkorn University, and King Mongkut’s Institute of Technology Ladkrabang to learn and solve real-world problems related to the field of smart electronics, while developing skills and knowledge related to FPGA and Digital IC design.



The design of digital integrated circuit system is an important part of business in the SIC which can provide more opportunities and alternatives to students towards growth in an engineering career.

- 2) Provide funding for research on hepatitis and liver cancer, Faculty of Medicine, Chulalongkorn University in the amount of 1,500,000 baht.
 - 3) Provide joint funding with the National Higher Education, Science, Research and Innovation Policy Council as well as technical support worth 1,522,345 baht in the project to develop a sensor card to measure pesticide residues in fruits and vegetables to the National Metal and Materials Technology Center.
 - 4) Provide joint funding with the National Higher Education, Science, Research and Innovation Policy Council as well as technical support worth 2,523,613 baht in the project to develop microchips for reading values from electrochemical sensors controlled by smartphones via NFC technology to the Department of Electrical Engineering, Kasetsart University.
 - 5) Provide joint funding with the National Higher Education, Science, Research and Innovation Policy Council as well as technical support worth 1,611,170 baht in the project of biosensors for point of care diagnosis of hepatitis B and HIV infection to the Department of Biochemistry, Faculty of Medicine Chulalongkorn University.
 - 6) Provide joint funding with the National Higher Education, Science, Research and Innovation Policy Council as well as technical support worth 437,800 baht in the project of smart card sensors for detecting heavy metal and arsenic contaminants in rice to the Department of Biomedical Engineering, Mahidol University.
 - 7) Provide joint funding with the National Higher Education, Science, Research and Innovation Policy Council as well as technical support worth 1,700,000 baht in the project of biomedical sensing ICs for wearable medical devices in conjunction with short-range communication modules to the Department of Biomedical Engineering, Mahidol University.
 - 8) Deliver microchips for research support in Thailand and overseas, such as Kasetsart University, Khon Kaen University, Imperial College London, University of Freiburg, and University of Rome Tor Vergata.
- The Company has a plan to deal with the spread of the COVID-19 pandemic which may affect the safety and health of employees and business operations by following the work from home policy in special situations continuously in 2022; however, in case of a need to work at the office, the procedure is as follows:
 - 1) Each department manager can allocate employees to work in the office as needed. This must be approved by the executive officer (C-Level) in each line of work.
 - 2) Employees coming to work in the office must follow the announcement on screening with an Antigen Test Kit and COVID-19 detection before entering the office. They must have a negative result of an Antigen Test Kit before arriving for work in the office.

Following the decreasing number of infected people from the COVID-19 epidemic and the return to a normal situation, the Company has set up a hybrid workplace policy since September 5, 2022 onwards until the change is announced otherwise, and the Company shall assess the situation as appropriate with the following regulations:

1. Employees are required to work in the office for at least 50% of the number of working days each month by acting as follows:

- 1.1 Each department manager assigns employees to work in the office as necessary based on the suitability of work and the density of working area.
- 1.2 The department manager fills in the employee attendance information form of each responsible unit and sends it to the human resources department about 1 week in advance before the first day of the following month.
- 1.3 Employees who come to work in the office must comply with the announcement of guidelines for those infected with COVID-19 and the screening by an Antigen Test Kit (ATK) for employees who come to work in the office. A negative Antigen Test Kit result is required for working in the office.
2. The work from home shall be in accordance with the supervision of the manager in each unit. Employees working from home must follow the announcement of measures to work from home in specific situations.
3. Working in the office for non-employees is possible on-site as needed. Employees who coordinate with those persons must follow these steps.
 - 3.1 Notify the details of those coming to work at the office via email to the Human Resources Department about 2 days in advance before the date of coming to work at the office.
 - 3.2 The coordinating employees give the forms for those persons to complete as listed below, with ATK test results via email to the Human Resources Department within 8 hours before the time to work at the office as follows:
 - A Consent Form to collect, use or disclose personal data on COVID-19 test results
 - A form for the COVID-19 screening result by using an Antigen Test Kit for visitors
 - It is not necessary to complete the consent form to collect, use or disclose personal data on COVID-19 every time when entering into the office.
 - 3.3 If the delivery of products or documents is necessary, the coordinator must be careful and use alcohol gel every time before receiving/delivering products or documents.
4. All employees must wear face masks at all times in the office, outside the home or when in a public place, wash hands often with soap and water or alcohol gel, or after handling objects or touching areas, before eating and after using the bathroom, avoid touching the face, eyes, mouth, nose unnecessarily, take good care of health, maintain personal hygiene, take a shower and change clothes immediately when returning home.

During the epidemic, the Company has used the budget to procure a vaccine against COVID-19 for high-risk employees and followed up on vaccination results of all employees, executives and directors continuously. At the end of 2022, 100% of employees received either 2 doses or 3 doses of vaccination.

If an employee is infected with COVID-19, the company will carry out disinfectant spraying in the office and immediately survey those who have close contact with the infected person for RT-PCR testing and follow-up. Also, the Company has established a communication channel with all employees through the SIC BCP group so that all employees are aware of the news, announcements, and progress quickly and thoroughly.

Environmental Dimension

The Company is committed to reducing environmental impacts from its operations by driving the implementation at the operational process level as follows:

- The Company has conducted its carbon footprint assessment according to the requirements of its carbon footprint calculation and report, the 8th edition (the 6th Revised Edition, July 2022) of the Thailand Greenhouse Gas Management Organization (Public Organization) to assess the greenhouse gas emissions arising from the organization's operations and activities and to use it as a tool to calculate the greenhouse gas emissions. In 2022, the organization's greenhouse gas emission data was collected in Scope 1 and Scope 2 and reviewed and certified by the reviewer certified by the Thailand Greenhouse Gas Management Organization, which is the greenhouse gas management certification agency at Phayao University by Dr Wanawan Prakod. The organization had a direct greenhouse gas emission (Scope 1) of 17.00 tons of carbon dioxide equivalent, and an indirect greenhouse gas emission (Scope 2) of 89.00 tons of carbon dioxide equivalent, representing 0.79 tons of carbon dioxide, equivalent to a net profit of 1 million baht (carbon intensity). The rate improved from the previous year by 1.58 tons of carbon dioxide equivalent to the net profit of 1 million baht. This data collection will lead to targeting and other practices to further reduce the Company's greenhouse gas emissions. In addition, the Company has public relations through its in-house email channel so that employees understand the importance of the issue and know the guidelines for reducing greenhouse gas emissions in the organization on a monthly basis.
- In 2022, the Company continued the waste sorting project by providing garbage bins for the disposal of five types of waste, namely: 1) general waste; 2) recycling waste; 3) hazardous waste; 4) electronic waste; and 5) infectious waste, which is particularly necessary during the COVID-19 pandemic where ATK kits and masks must be disposed of. The Company coordinated with the municipality to collect all types of waste as usual. Moreover, the name of the type of waste bag is written first to help simplify the waste management process. The Company also communicates monthly via internal email about waste sorting to employees of all sectors to acknowledge, understand, raise awareness, and realize the benefits of waste sorting.
- The Company has continued the campaign to raise employee awareness of the cost-effective use of water and electricity resources. Practices that can help reduce the negative impact on the world will have a negative effect on the individual, their well-being, the economy, and social conditions, such as global warming, acid rain, air pollution, and water pollution. In 2022, the Company announced a "Work From Home" and "Hybrid Workplace" policy due to the COVID-19 pandemic. As a result, there is relatively little work attendance at the office, and it can reduce the use of fuel from employees' travel and the use of water and electricity in the office building, which contributes to greenhouse gas emissions. However, the Company still receives good cooperation from employees when coming to work at the office by turning off electrical equipment when not in use, for example, turning off the lights in inactive areas or during the lunch break or turning off the electrical appliances in the office when not in use, adjusting the air conditioner temperature to the appropriate level, as well as notifying the Company if there is a breakdown of equipment, etc. The Building and Facility Department schedules annual washing of the air conditioners and regularly checks water leaks. If there are any leaks or breakdowns, the Building and Facility Department will urgently proceed with repairs.

4. Management Discussion and Analysis

4.1. Analysis of Operation results and Financial Positions

Management Discussion and Analysis for the year 2022

(Unit: Million Baht)

Statements of Comprehensive Income	For the Year Ended 31 December 2022	For the Year Ended 31 December 2021	Increase (Decrease)	
			Million Baht	%
Revenue from sales and services	601.0	421.7	179.3	42.5%
Costs of sales or services	(285.4)	(199.1)	86.3	43.4%
Gross profits	315.6	222.6	93.0	41.8%
Other income	1.5	8.4	(6.9)	-82.3%
Distribution costs	(34.6)	(31.6)	3.0	9.6%
Administrative expenses	(118.6)	(121.5)	(2.9)	-2.5%
Other expenses	(16.1)	(8.0)	8.1	102.6%
Other gains (losses)	(10.2)	(5.9)	(4.3)	71.8%
Profit (loss) from operating activities	137.6	64.0	73.6	115.1%
Finance income	0.5	0.7	(0.2)	-33.2%
Finance costs	(0.5)	(0.7)	(0.2)	-30.4%
Profit (loss) before tax expense	137.6	64.0	73.6	115.1%
Tax income (expense)	(2.5)	0.1	(2.6)	Na
Profit (loss) for the year	135.1	64.1	71.0	110.9%

Revenue from sales and services

For the year 2022, the Company's revenue from sales and services accounted for 601 million Baht, increasing 179.3 million Baht or 42.5% from the previous year. Animal identification and Immobilizer groups contributed most of an increased amount of the year 2022 revenue. The revenue from Animal identification increased 81.9 million Baht or 58.6% from the previous year. The revenue from Immobilizer group rose 76.2 million Baht or 75.9%, compared to the year 2021.

(Unit: Million Baht)

Revenue breakdown by product application	For the Year Ended 31 December 2022	For the Year Ended 31 December 2021	Increase (Decrease)	
			Million Baht	%
Revenue from Animal identification group	221.6	139.7	81.9	58.6%
Revenue from Immobilizer group	176.6	100.4	76.2	75.9%
Revenue from Industrial IoT group	189.0	171.8	17.2	10.0%
Revenue from NFC and others group	13.8	9.7	4.1	42.3%
Profit (loss) for the year	601.0	421.6	179.4	42.5%

Revenue Structure

For the year 2022, the company's revenues are derived from 4 product groups: Animal identification group accounted for 221.6 million Baht, representing 37% of total revenue, Immobilizer group accounted for 176.6 million Baht, representing 29% of total revenue, Industrial IoT group accounted for 189 million Baht, representing 32% of total revenue, and NFC and others group accounted for 13.8 million Baht, representing 2% of total revenue.

A rise in the Company's revenue in 2022 was supported by an increase in revenue from all product groups. Compared to the year 2021, revenue from the Animal Identification group rose by 59% as a result of an increase in demand from key customers following the market's expansion due to the mandatory use of electronic identification tags on sheep and goats in Australia. Revenue from Immobilizer group rose sharply by 76% from the previous year, due to increasing demands from key customers, the entry of a new client in Europe and revenue from a new product. Revenue from Industrial IoT group increased 10% compared to the year 2021, from an expansion in demand of existing customers and the entry of a new client in Asia. Revenue from innovative NFC group and others increased 42% from the previous year, from the improved ability of product delivery matching with the customer demands.

(Unit: Million USD)

Revenue breakdown by product application	For the Year Ended 31 December 2022	For the Year Ended 31 December 2021	Increase (Decrease)	
			Million Dollars	%
Revenue from Animal identification group	6.33	4.42	1.91	43.3%
Revenue from Immobilizer group	4.84	2.81	2.03	72.4%
Revenue from Industrial IoT group	5.45	5.37	0.08	1.5%
Revenue from NFC and others group	0.40	0.29	0.11	35.4%
Profit (loss) for the year	17.02	12.89	4.13	32.0%

However, if excluding the impact of currency fluctuations by comparing revenues in U.S. dollars, which is the company's primary operating currency, for the year 2022, the company's revenue from sales and services will be accounted for 17.02 million dollars, increasing 4.13 million dollars or 32% from the previous year.

Cost of Goods Sold and Gross Profit

Cost of goods sold (COGS) for the year 2022 accounted for 285.4 million Baht, increasing 86.3 million Baht or 43.4% from the last year, in line with an increase in revenue.

Gross Profit in 2022 was at 315.6 million Baht, growing 93 million Baht or 41.8% from the previous year. Gross Profit Margin in 2022 stood at 52.5%, which slightly decreased from 52.8% in the year 2021. This was partly due to the increase in the raw material prices, manufacturing service and product testing charges for goods production, and an increase in employee benefit in the fourth quarter.

However, risks from higher raw material and production costs resulting from the supply shortage in the market due to insufficient capacity of the whole semiconductor supply chain are still key challenges for the Company.

Other Income

For the year 2022, the company had other income equal to 1.5 million Baht, decreasing 6.9 million Baht or 82.3%, mainly from decreasing in funding supported by external agencies for research and development projects.

Selling and Administrative Expenses

Selling expenses for the year 2022 was at 34.6 million Baht, increasing 3 million Baht or 9.6% compared to the previous year, as oversee business trips have started in second half of the year after the relaxation of covid-19 control measures. The Company business travel aim to strengthen relationships with customers and suppliers and create new business opportunities, as well as to participate in worldwide exhibitions to promote the Company's products and services.

Administrative expenses for the year 2022 accounted for 118.6 million Baht, decreasing 2.9 million Baht or 2.5% compared to the year 2021, due mainly to a decrease in an impairment loss in intangible assets.

Other Gains (Losses)

This is the net unrealized gain (loss) from the foreign exchange forward contracts that do not designate as a qualify for hedge accounting. For the year 2022, the Company had an unrealized loss on an exchange rate of 10.2 million Baht from weaker-than-expected Thai Baht.

However, the Company has closely monitored the economic situation and interest rate trends from the Bank of Thailand and commercial banks. The Company considers using foreign exchange hedging instruments by purchasing forward contracts in a proportional manner that is appropriate and consistent with the value of orders from customers and the cost of goods over time and establish mechanisms to adjust the plan adaptively to mitigate the risk from

current volatile and unpredictable conditions, in order to minimize the long-term impact on the company as much as possible. However, the company is in the process of adjusting the plans and policies for exchange rate in the long term, by considering reducing the volume of forward contracts and balancing expenses and income in the same currency.

Net Profit

The Company had a 2022 net profit of 135.1 million Baht, growing 71 million Baht or 110.9% compared to the previous year, representing a net profit margin of 22.5%, increasing from 15.2% in 2021. Net profit growth in 2022 was primarily due to strong growth in revenue and well-managed expenses in overall.

Statement of Financial Position

Total assets of the company at the end of 2022 were 651.3 million Baht, increasing 166.5 million Baht from 484.8 million Baht at the end of 2021. Current assets increased around 124.8 million Baht, mainly due to an increase in inventories from an increase in sales orders to support production plan under supply shortage situation and an increase in trade and other current receivables⁽¹⁾ which in line with an increase in revenue. Non-current assets increased around 41.7 million Baht, mainly from an increase in other intangible assets and other non-current financial assets.

The Company had total liabilities at the end of 2022 equal to 136.5 million Baht, increasing 46.3 million Baht from the end of 2021, which was 90.2 million Baht. The rise was from an increase in current liabilities, primarily due to an increase in trade and other current payables in accordance with orders for production materials, which are in line with the company's plan, and an increase in accrued employee benefits, respectively.

The Company's shareholders' equity at the end of 2022 was at 514.9 million Baht, rising from the end of 2021 which was 394.6 million Baht. The rise was due mainly to an increase in the unappropriated retained earnings at the end of 2022 of around 117.9 million Baht from the end of 2021, which is based on the results of operations in the past period.

⁽¹⁾ The Company has reclassified the account trade and other current receivables for the year 2021 to be consistent with the financial statements for the year 2022.

4.2 Factors or events that may significantly affect the financial position or operations in the future

Since the Company researches and develops the integrated circuit design (IC) and hires trading partners to carry out the production as designed by the Company and return the products for delivery to customers, the situation of shortage of raw materials and production capacity (supply shortage) affects the Company's operations and remains the main challenging factor for the Company today. However, the overall chip shortage trend is beginning to resolve, and the situation is gradually improving in each sector at an uneven speed. Therefore, the Company still needs to carefully manage the supply chain, especially in the supply of main raw materials, such as wafers, to support the continuous demand of customers and manage higher costs as a result of the shortage situation. In this regard, the Company has closely monitored the situation and is ready to update the plans to suit the situation in order to minimize the impact of the matter as much as possible.

The Company also considers its competitiveness and continued growth in the future. The Company has conducted more than 20 research and development projects to promote continuous innovation and support sustainable business growth in the long run. For this reason, competent and adequate personnel and an engineering team in line with the business growth plan are of paramount importance. The Company has plans to provide additional personnel both inside and outside the country and plans to develop personnel's knowledge and abilities continuously, such as through education and training, as well as through activities with various departments, universities, and educational institutions at home and abroad to exchange knowledge in areas related to IC design, including ongoing operations to maintain potential employees (a retention program), for instance, the Employee Joint Investment Program (EJIB).

5 General Information and Other Important Information

5.1 Information of the Company

Company Name	Silicon Craft Technology Public Company Limited
Registered Number	0107562000114
Head Office Location	40 Thetsabanrangsannua Road, Ladyao, Chatuchak, Bangkok 10900
Telephone No.	0 2589 9991
Facsimile No.	0 2589 8881
Type of Business	Research and development of Integrated Circuit Design (IC) or Microchip, as a fabless/factoryless company under “SIC” trademark
Website	www.sic.co.th
Registered capital	200.00 million Baht / 400.00 million shares at par value of 0.50 Baht per share
Registered and paid-up capital	200.00 million Baht / 400.00 million shares at par value of 0.50 Baht per share
Securities Registrar	Thailand Securities Depository Company Limited Head office location : 1 st Floor, Tower B, The Stock Exchange of Thailand Building, No. 93 Ratchadaphisek Road, Dindaeng Sub-district, Dindaeng District, Bangkok 10110 Telephone No. : 0 2009 9000, Facsimile No. : 0 2009 9991
Auditor	D I A International Audit Company Limited Head office location : No. 316/32 Soi Sukhumvit 22, Sukhumvit Road, Klongtoey Sub-district, Klongtoey District, Bangkok 10110 Telephone No. : 0 2259 5300, Facsimile No. : 0 2260 1553

5.2 Other information

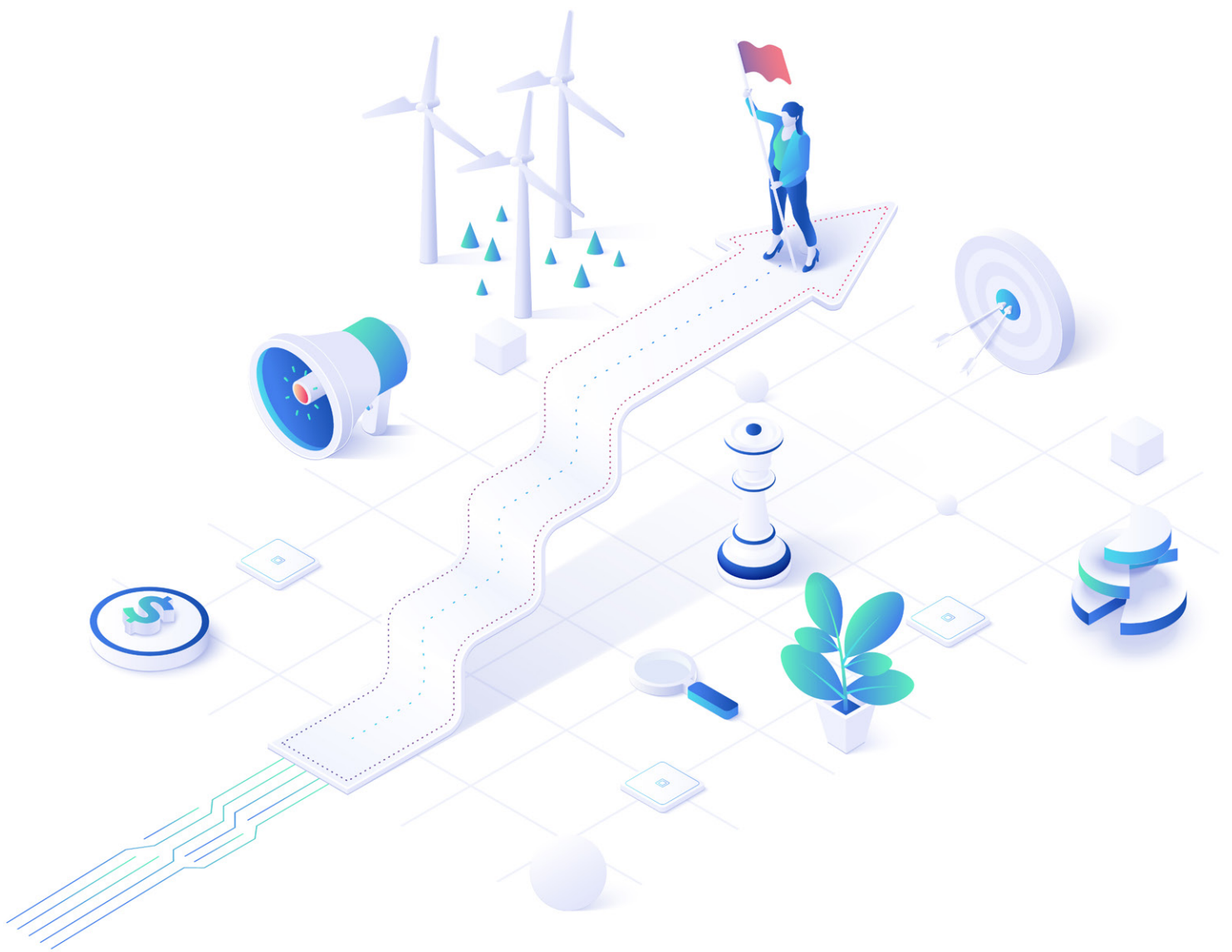
-Nil-

5.3 Legal Depute

As of December 31, 2021, the Company does not have any legal dispute under prosecution process which may have negative impact to the Company or may cause the Company to indemnify damages at the amount higher than 5% of total shareholders' equity.

Part 2

Corporate Governance

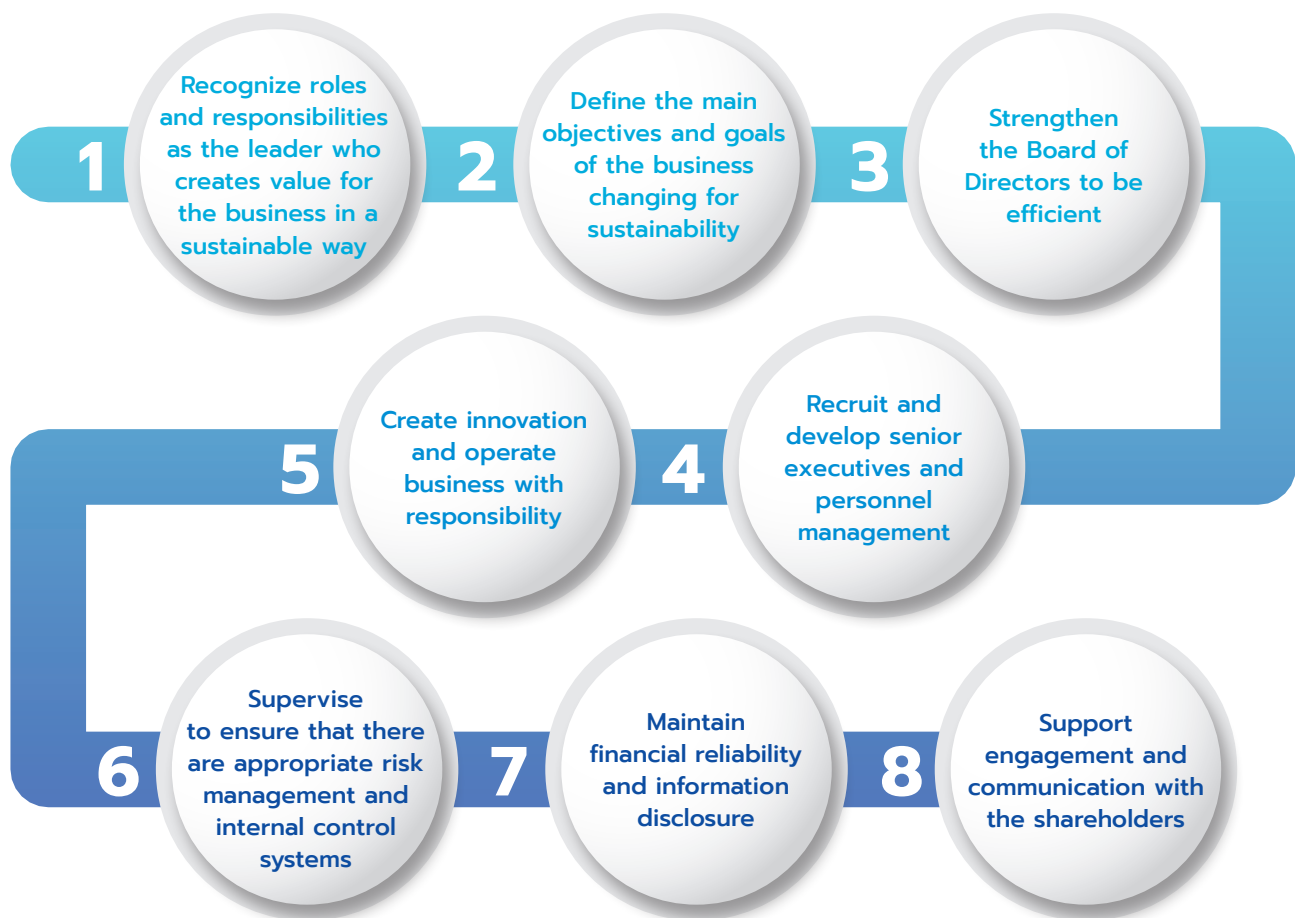


6 Corporate Governance Policy

6.1 Overview of Corporate Governance Policy and Practices

Silicon Craft Technology Public Company Limited intends to continuously conduct business under the policy of good governance and business ethics. The Company believes that conducting business that is fair, transparent, auditable, socially beneficial, environmentally conscious, and accountable to all stakeholders will help promote the Company's business efficiency, competitiveness, adaptability under various changes, good turnovers, and sustainable growth, as well as gaining the confidence and trust of the shareholders, investors, and all stakeholders. This practice is in line with the principles of good governance of the Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand (the "Stock Exchange").

The Board of Directors has defined the Company's corporate governance policy in writing. It is considered and reviewed regularly to be applied according to the business context on an annual basis. It is also communicated to all departments of the Company to acknowledge and comply with the guidelines incessantly. The key overview of the Company's corporate governance policy can be divided into the following eight practical principles.



Corporate Governance Policy and Practices (Full version)

<https://investor.sic.co.th/en/corporate-governance/corporate-governance-policy>



6.2 Policies and Practices for the Board of Directors

The Board of Directors, as the supreme leader of the organization and appointed by the shareholders and representing the shareholders, plays an important role in supervising the operation of the Company, allocating resources, supervising the performance of the sub-committees, and formulating business policies and strategies, etc. To ensure the long-term good performance of the business and gain the confidence of all shareholders, investors and stakeholders, the Board of Directors shall therefore perform its duties with responsibility, carefulness, and integrity, as well as supervise the Company's operation in accordance with the laws, regulations, resolutions of the meetings of the Board of Directors and the Shareholders and the relevant policies of the Company.

Therefore, to support and strengthen the performance of the Board of Directors, the Company has established and reviewed policies and the charter of the Board of Directors, which specify the qualifications, composition, scope, authorities, duties and responsibilities of the Board of Directors and its sub-committees as well as reviewed Company's vision, mission and business strategy on an annual basis to be consistent with the Company's corporate governance policy and business strategy. The policies and practices related to the roles, duties and responsibilities of the Board of Directors cover the following matters:

6.2.1 Nomination and Appointment of the Company's Directors

The Company has a recruitment process for persons to be appointed as directors. The Nomination, Remuneration, and Corporate Governance Committee shall be appointed to support the nomination and appointment of qualified directors through a transparent process, taking into account the benefits of diversity of the Board of Directors in various aspects. The Company also provides an opportunity for minority shareholders to nominate qualified persons to be appointed as directors in a bid to acquire directors who meet the qualifications specified in the Board of Directors Charter. The board consists of directors who do not possess any prohibited characteristics as defined by law and who have relevant beneficial knowledge and experience to business operations. In addition, they are able to use independent discretion from the management and do not operate a business of the same nature or in competition with the Company. They have to devote sufficient time to the Company with morals, ethics, and a transparent working history while providing expertise from various fields for operations, advice, and comments on different matters.

The Nomination, Remuneration and Corporate Governance Committee will nominate a list of the selected persons with their profiles and details sufficiently to be useful for the deliberation of the Board of Directors such as Board Skill Matrix arrangement for checking the Board of Directors composition in the present and also for executive planning to be connected with company's business strategy before presenting the list to the shareholders' meeting for approval of the appointment of directors.

Qualifications of the Directors

1. Have qualifications and have no prohibited attributes by the Securities and Exchange Act or by the rules of the SEC as well as having no characteristics that demonstrate the lack of suitability to be entrusted with the management of a publicly held enterprise as determined by the SEC.
2. Have knowledge, competence, and experience that is useful for the conduct of business; have good intentions and ethics in the conduct of business.

3. Be able to exercise honest and independent discretion from the management team and any other interest groups.
4. Be able to dedicate sufficient time to the Company and be attentive to fulfilling their duties and responsibilities.
5. Must not operate business in the same condition and compete with the Company's business, or be partners in a general partnership or unlimited liability partners in a limited partnership, or be directors of a private company or other companies operating in the same condition and competing with the Company's business, whether for their own benefit or for the benefit of others, unless notified to the shareholders' meeting before the resolution of appointment.

Composition of the Board of Directors

1. The Board of Directors consists of not less than five directors, and not less than half of the total number of directors shall be resident in the Kingdom, and not less than three-quarters of the total number of directors must have Thai nationality. The appointment of the Board of Directors must be approved by the shareholders' meeting.
2. The Board of Directors consists of independent directors of at least one-third of the total number of directors, but there must not be less than three individuals, provided that the independent directors have full qualifications according to the announcement of the Capital Market Supervisory Board and relevant announcements of the Stock Exchange of Thailand.
3. The directors shall have a term of office of 3 years at a time. At every annual general meeting, one-third of the directors shall be removed from office. If the number of directors to be retired cannot be divided into the whole numbers, the number shall be as close as possible to the proportion of one-third. The directors who have already left office may be re-elected. The directors who shall retire in the first and the second years after the Company's registration shall be drawn through lots. For following years, the directors who are in the position the longest shall retire. The directors who retire under that term may be re-elected.

In addition to the end of a term of office, the directors shall retire upon:

- 1) Resignation
- 2) The shareholders' meeting has a resolution to leave the position (with a minimum of three-quarters of the number of shareholders present and entitled to vote)
- 3) Lack of qualifications and having prohibited attributes required by law
- 4) Death

In case the position of director becomes vacant for any reason other than the end of an office term, the directors shall select a person who is qualified and does not have prohibited qualifications under Section 68 of the Public Limited Companies Act B.E. 2535 (1992) and/or relevant laws to become a substitute director at the next meeting of the Board of Directors. Unless the remaining term of the director is less than 2 months, the person becoming the substitute director shall remain as a director for as long as the remaining term of the directors he/she represents and shall obtain a resolution of the Board of Directors by not less than three-quarters of the votes of the remaining directors.

6.2.2 Remuneration for the Board of Directors, Sub-committees, and Executives

The Company has set monthly remuneration for the Board of Directors and a meeting allowance for them on a case-by-case basis. To determine the remuneration of sub-committees, namely the Audit Committee, the Risk Management Committee, the Nomination, Remuneration and Corporate Governance Committee, and the Executive Committee, the Company has established the meeting allowance on a per-time basis. For the executives, they will receive a fixed remuneration on a monthly basis and variable compensation according to the Company's performance.

Besides, the Company has a policy to determine remuneration for the directors, sub-committees, and executives to be at an appropriate level both financially and non-financially, taking into account the Company's performance, scope of responsibilities, and working performance at a comparable rate to similar businesses so as to motivate the Board of Directors, sub-committees, and executives, leading to the Company's achievement and operations according to the goals. The remuneration must be consistent with the Company's strategy and goals. The Nomination, Remuneration, and Corporate Governance Committee will consider each form of compensation to be appropriate by setting fair and reasonable remuneration criteria for the confidence of shareholders, with a transparent process and disclosure in the Form 56-1 One Report.

6.2.3 Independence of the Board of Directors from the Management Team

The Board of Directors will appoint the appropriate person to be the Chairman of the Board of Directors. In case the person who is the Chairman of the Board of Directors is not an independent director, the Board of Directors will assign one of the independent directors to participate in the deliberations on the agenda of the Board of Directors' meetings to promote balance between the Board of Directors and the management team and be in accordance with the principles of good corporate governance for listed companies.

6.2.4 Development of the Directors

The company always promotes and facilitates the Board of Directors to develop their knowledge and ability through training or seminars in courses that are useful for the performance of the Board of Directors' duties, such as courses from the Thai Institute of Directors Association (IOD), Capital Market Academy (CMA), development trainings from The Securities and Exchange Commission of Thailand (SEC) and The Stock Exchange of Thailand (SET) in order for the directors to continuously improve their performance to build confidence in investors, shareholders, and stakeholders so that the Board of Directors has the knowledge, competence and expertise to act as the representatives of shareholders and comply with the Company's good

6.2.5 Evaluation on the performance of the duties of the Board of Directors

The Board of Directors shall complete a self-assessment form for the Board of Directors at least once a year. The Board of Directors' performance appraisal is divided into three sets as follows:

- Self-Assessment for the Board of Directors as a whole (Assessment on the entire Board of Directors)
- Self-Assessment for Sub-committees (Assessment on the entire sub-committees)
- Individual self-assessment for the Board of Directors and sub-committees (Self-assessment)

In addition, the Board of Directors will conduct an assessment on the performance of the Chief Executive Officer (CEO). The results of the various assessments will be used to determine the suitability of the composition and performance of the Board of Directors and its sub-committees, including monitoring the Chief Executive Officer's performance to plan and improve the operations in line with the business strategy and to plan the continuous development of the necessary knowledge of directors and senior executives.

6.2.6 Meetings of the Board of Directors

The Board of Directors requires at least quarterly meetings of the Board of Directors, and meetings are held between non-executive directors without the management team attending. The company provides the Company Secretary to support the operation of the Board of Directors, including coordinating for the directors to comply with the resolutions of the Board of Directors, as well as arranging for meetings of the Board of Directors and shareholders' meetings. The Board of Directors will work with the Company's secretary to set meeting dates and agendas in advance throughout the year. The Company Secretary will notify all directors of the meeting dates and regular agendas for the whole year in advance at the end of the year prior to the next year's meeting. This is so that the directors can allocate the time and attend meetings.

For each meeting, the Company's secretary is responsible for sending the meeting invitation letters and agendas, as well as the meeting documents to the Board of Directors for consideration at least 7 days in advance of the meeting to allow all directors to have sufficient time for consideration of the information before attending the meeting. The meeting agenda will be clearly stated whether to acknowledge, consider, or approve, including the follow-up on operating performance on a regular basis.

The quorum of the Board of Directors' meeting shall not be less than half of the total number on the Board of Directors. The Board of Directors can invite sub-committees, executives, external and internal auditors of the Company to attend the meeting as necessary and appropriate. Moreover, the total of directors that joining the meeting for voting shall not be less than two out of three of the total number on the Board of Directors. Voting will use the majority voting system as a resolution. In the event that the number of votes is equal, the Chairman of the Board of Directors can cast one additional vote to decide. In the case of considering matters involving one of the directors, the directors who have an interest in that matter must abstain from joining the meeting on that agenda and voting on the matter.

In 2022, the Company held a total of six meetings of the Board of Directors. The attendance proportion of the entire Board of Directors was 100%. Also, the Company held one non-executive director meeting without the attendance of the management on December 16, 2022 to discuss the succession plan of the organization's top executives and reported the results of the meeting to the Chief Executive Officer for acknowledgment (details of attendance of the Board of Directors' meetings appear in Section 8.1.2).

6.3 Shareholder and Stakeholder Policies and Practices

6.3.1 Shareholders' Rights and Equal Treatment of Shareholders

The Board of Directors gives precedence to the Company's shareholders by taking various actions to ensure that the shareholders are treated equally and can fully exercise their fundamental rights as shareholders, such as:

- 1) The right to buy, sell, or transfer shares;
- 2) The right to a share of the Company's profits;
- 3) The right to receive sufficient relevant information and news through the Company's website or the Stock Exchange's website or by any other means;
- 4) The right to attend meetings to exercise the voting rights at the shareholders' meeting independently to appoint or remove directors, determine the remuneration of directors, appoint auditors, pay dividends, increase capital and issue new shares, as well as the right to question the Board of Directors about the report of the Board of Directors and any other matter presented to the meeting for consideration and approval. Moreover, the company shall ensure to facilitate and encourage shareholders, including institutional investors, to exercise their rights to attend and vote at the shareholders' meetings equally.
- 5) The right to propose the agenda in advance and to nominate persons for election to the Board of Directors and participation in decisions on important matters of the Company.

All shareholders are stipulated to have the right to vote according to the number of shares held, and each share has the right to one vote.

Moreover, the Board of Directors also recognizes and values the rights of the shareholders by not doing anything that violates or deprives the shareholders' rights to enable the shareholders to participate in the decision making on important matters of the Company. The company will take care to ensure that the shareholders' meeting is neat, transparent, effective and allows the shareholders to exercise their rights and take care to disclose the resolutions of the shareholders' meeting and that the preparation of the minutes of the shareholders' meeting is correct and complete.

Other than the basic rights mentioned above, the Company has also set guidelines for various matters to promote the equitable treatment of shareholders and facilitate the exercising of shareholders' rights in holding the shareholders' meeting as follows:

Preparation before the meeting

- The Company arranges the Annual General Meeting of Shareholders within 4 months from the end of the Company's fiscal year in compliance with the Company's Articles of Association, as well as the laws and regulations of the stock exchange, including good corporate governance principles of the SEC. The Company has a policy not to hold meetings on weekends and public holidays, while determining the form and venue of the meeting that shareholders can easily travel to for their attendance. In 2022, the Company held the Annual General Meeting of Shareholders on April 26, 2022. However, due to the COVID-19 pandemic, the Company was aware and concerned about the health of shareholders who would attend the meeting, including those who were highly involved in organizing the meeting; it thus arranged the Annual General Meeting of Shareholders via electronic media (E-AGM) in accordance with the rules prescribed by the law. The meeting was broadcast live from the Townhall meeting room on the 3rd floor at the Company's headquarters. The Company informed the shareholders in advance and sent them the meeting invitation letters.

- The Company provides an opportunity for shareholders to ask questions, propose agendas, and nominates persons to be elected as directors in advance of the general meeting of shareholders from October to December every year. The Company also clearly publishes relevant regulations through the Company's website. Additionally, the shareholders are notified about those regulations through the news system of the Stock Exchange of Thailand. Moreover, at the end of the period that shareholders can propose questions, agendas, and nomination of persons to be elected as directors in advance, the Company will inform the results to all stakeholders through the Company's website and the news system of the Stock Exchange of Thailand.
- The Company discloses the resolution of the Board of Directors on setting the date for the Annual General Meeting of Shareholders, meeting format, date to determine the list of shareholders (Record date) for the rights to attend the meeting, and meeting agenda through the Company's website and news system of the Stock Exchange of Thailand, as well as dissemination of meeting invitation letter with complete details and supporting documents, including the minutes of the previous meeting, Form 56-1 One Report, information on identity verification and meeting attendance, voting process, proxy and proxy forms, etc., both in Thai and English, which can be found on the Company's website at least 30 days in advance of the meeting.
- The Company sends the meeting invitation letter to shareholders in advance by mail at least 21 days before the meeting, together with complete supporting documents for the meeting agenda, including objectives and reasons, opinions of the Board of Directors on each agenda. This is so that the shareholders have enough time and information to consider the information. Also, the Company advertises the notice of the meeting in a newspaper for 3 consecutive days and not less than 3 days before the meeting date. Moreover, no meeting agendas or any other details are added without notifying shareholders in advance.

Operations on the day of the shareholders' meeting

- The Company facilitates shareholders to fully exercise their rights to attend meetings and vote, while refraining from any actions to limit the opportunity of shareholders to attend the meeting, such as providing stamps for proxy forms. At the 2022 Annual General Meeting of Shareholders, the Company allowed shareholders to register in advance prior to the meeting time and continued until the end of meeting. The Company also promotes the use of technology in the shareholders' meeting, such as registration of shareholders, score counts and display of the results to make the meeting process more efficient, faster, and more accurate.
- At the 2022 Annual General Meeting of Shareholders via electronic media, the Company's secretary clarified the meeting practices, including rules, vote counts, and methods for asking questions or expressing opinions in various agendas as follows:
 1. Shareholders attending the meeting in person or proxies must verify their identities in order to obtain the username and password according to the method specified by the Company. The attendees agree to comply with the meeting attendance requirements via electronic conferencing and registration. Their username and password from the authorized email shall be used to sign up for the meeting or verify identities by requesting a One Time Password (OTP), then pressing the button "Register to attend the meeting". At this stage, it is considered that shareholders have completed the registration for meeting attendance and the shareholders' number of shares shall be counted as a quorum.
 2. The meeting shall consider each issue following the rules and regulations specified in the invitation letter. The issues in each agenda shall be presented and shareholders are given an opportunity to ask questions before voting. Then, the voting results shall be notified to the meeting after completing the sequent voting count in such an agenda.
 3. To vote, each shareholder has a vote of 1 share per 1 vote. In the event that any shareholders have a stake in any particular issues, they shall not have the right to vote. For shareholders wishing to vote, they must vote in

the Inventech Connect by selecting the agenda for which they wish to vote. There are 4 buttons on the system for voting: 1) Agree (Green), 2) Disagree (Red), 3) Abstain (Orange), and 4) Cancel the last vote (Blue). If selecting, "Cancel the last vote", or not voting, they shall be assumed by the Company that they agree with such agenda. The voting can be changed until it is notified for closing. The Company provides 1-minute voting for each agenda in the system.

4. When counting votes, the Company shall cut "Disagree" and "Abstain" votes from the total number of votes of shareholders attending the meeting and having the right to vote. Thus, the rest must be considered as "Agree" votes. Voting results following the agenda set forth for the Annual General Meeting of Shareholders in 2022 are divided into 2 types as follows:
 - 4.1) The agenda to be approved by the majority votes of shareholders attending the meeting and casting their votes, namely Agenda 1,3,4,6, and 7. The Company shall calculate the base of voting by counting only the votes of shareholders for "Agree" and "Disagree", excluding those for "Abstain" votes.
 - 4.2) The Agenda to be approved by the votes of not less than two-thirds of shareholders attending the meeting and having the right to vote, including Agenda 5. The company shall calculate the base of voting by counting the votes of all shareholders attending the meeting with "Agree", "Disagree", and "Abstain" votes.
5. In case of a proxy from many shareholders, select "User Icon" and "Switch Account" buttons to access the accounts of other shareholders.
6. Shareholders must remain on the agenda until the end and vote for each agenda before closing. If shareholders leave the meeting room or log out from the system before closing the vote in any agendas, the votes shall not be counted as a quorum in such agenda. Also, they must not be counted as votes on such an agenda. However, leaving the meeting or logging out from any agendas shall not deprive the right of shareholders or proxies to return to the meeting and vote for the next agenda in the system.
7. For questions or comments before voting on each agenda, the Chairman shall give the meeting attendees an opportunity to ask questions or express opinions on issues related to each agenda as appropriate. Inquiries can be made in two ways:
 - 7.1) Attendees wishing to inquire via message, please select "Asking a question" button and choose the agenda before printing inquiries or opinions and pressing to send them. The Company shall answer questions at the meeting for each related agenda.
 - 7.2) Attendees wishing to ask questions by voice message, please select the agenda and press "Record" button for an inquiry by voice. When the question is done, press the "Stop recording/Stop for Record" and "Send Question" buttons.
8. For shareholders having proxies to attend the meeting in the form of voting according to the wish of shareholders, the Company shall bring the votes for "Agree", "Disagree" or "Abstain" to be included in the registration for voting on the agenda.
9. If shareholders encounter problems entering or voting in the system, please study and follow the instructions given along with the invitation letter, or contact Inventech Call Center at 02-931-9139.
10. In case of any problems with the system during the meeting, shareholders shall receive an email to return to the meeting through the backup system.

- The Company's secretary introduced the directors who attended the meeting, auditors, and legal advisors who supervise and verify the vote counts in the meeting to be transparent, while reporting to the meeting on the number of shareholders who attended the meeting in person and by proxy. Also, the results were informed on shareholders' rights to submit questions, agenda, and names of persons to be elected as directors at the Annual General Meeting of Shareholders in advance to the meeting. Then, the Chairman of the meeting gave welcome remarks to shareholders who attended the meeting, and subsequently opened the meeting to start agendas as shown in the invitation letter.
- The Company arranged for voting by separating the counting of votes according to the subsequent agenda, while providing the opportunity for shareholders to vote in the election of directors individually according to the agenda. In addition, during the meeting of each agenda, the Chairman of the meeting allowed shareholders to ask questions or express their opinions before voting.

Preparation after the shareholders' meeting day

- At the 2022 Annual General Meeting of Shareholders, the Company informed the resolutions of shareholders' meeting through the news system of the Stock Exchange of Thailand on the meeting date and disseminated the results on the Company's website, with the summary on meeting attendees and the results of voting (approved/disapproved/abstained/voided ballots) for each agenda.
- The Company prepares the minutes of shareholders' meeting with complete subject matters in both Thai and English within 14 days from the date of the meeting by disseminating through news system of the Stock Exchange of Thailand and on the Company's website, including the delivery to the Ministry of Commerce within the specified period.

6.3.2 Protection against the Use of Inside information

The company adheres to the ethical principles in doing business and to ensure that shareholders, stakeholders, and investors in the Company's securities are promptly and adequately exposed to accurate information. Therefore, the Company has established a policy for the use of inside information and trading of the Company's securities (Blackout Period). The directors, executives, including management level positions in the accounting or financial line at the level of the manager or above or equivalent and the operators who has become aware of inside information that is important or affects the change in the price of securities must suspend the purchase, sale, transfer, or receipt of transferred securities of the Company during one month before disseminating the quarterly financial statements and annual financial statements and within 24 hours after the information disclosure to the public, including the duty to strictly follow the guidelines for the use of inside information of the Securities and Exchange Act, as well as other related rules.

Furthermore, the Company's Department of Investor Relations has set a silent period during 14 days before the Company announces its financial statements to the Stock Exchange. The Department of Investor Relations will not make any appointments, provide information, or answer any inquiries about the financial statements to securities analysts, investors, or shareholders, except for providing information that the Company has already disclosed or responding to facts that affect the Company's share price.

6.3.3 Prevention of Conflicts of Interest

The Company emphasizes good corporate governance and business operations with ethics, honesty, transparency, fairness, and accountability. Therefore, the Company has established a policy to prevent conflicts of interest for directors, executives, and employees to understand and comply with the law and related rules and regulations in the best interests of the Company. The guidelines for directors, executives, and employees are as follows:

1. Refrain from operating a business of the same nature and competition with the Company's business, which may cause damage to the Company, either directly or indirectly, or from becoming a partner, shareholder with decision-making authority, director, or executive in a business of the same nature and competition with the Company's

business, unless it can be shown that there is a mechanism to ensure that such action will not affect the Company and is in the best interest of the Company and its shareholders.

2. Avoid making transactions connected with himself or herself and/or related parties that may cause a conflict of interest with the Company and do not act in any manner that is in pursuit of personal interests and contrary to the Company's ethics or code of conduct.
3. Do not perform work for other companies or any other business that is not owned by the Company during working hours, and do not perform any work that is in competition with the work assigned by the Company or related to the business that competes with the Company, even if it is outside of working hours. This includes not using any information about the Company in all cases, whether in the condition of employment or out of employment status.
4. Disclose and submit the information about own interests and related third parties as required and strictly comply with the Company's related third parties policy.
5. Do not use the opportunity or information provided by the Company to benefit himself or herself or others, and strictly comply with the Company's internal information protection policy.
6. Strictly comply with the Company's business ethics and code of conduct and corporate governance policy, as well as the laws, rules, and regulations of the relevant regulatory authorities, including the disclosure of information in accordance with the rules of the Stock Exchange of Thailand and other relevant agencies.
7. Supervise and be responsible for the Company's internal control system, risk management system, and anti-corruption system adequately, appropriately, and effectively to ensure that the Company's operations comply with relevant laws, regulations, and good corporate governance guidelines for listed companies.

The Company has established a connected transaction policy to regulate and prevent conflicts of interest or stake; for example, where the Company has a need to make connected transactions with persons who may have a conflict, the Company will ask the Audit Committee to give its opinion on the necessity and appropriateness of the transaction. In case the Audit Committee does not have expertise in considering the connected transaction that may occur, the Company shall appoint an independent expert or the Company's auditor to give an opinion on the said connected transaction to be used in the decision of the Board of Directors and/or the Audit Committee and/or the shareholders, as the case may be. Those who may have a conflict of interest or have a stake in the transaction shall not have the right to vote on the approval of such related transaction.

The Board of Directors shall comply with the Securities and Exchange Act and regulations, notices, orders, or requirements of the Stock Exchange, as well as complying with the requirements regarding the making of connected transactions and the acquisition or disposition of significant assets of the Company, so that the decision to make such transactions does not create a conflict of interest and is in the best interest of all shareholders. The company will disclose such connected transaction in its 2021 Annual Registration Statement/ Annual Report (Form 56-1 One Report) and the accompanying notes to the audited financial statements by the Company's auditors.

It is required that the Company's directors, major shareholders, and executives prepare an annual report on their conflicts of interest, including the changes to various information that must be notified to the Company every time. In the meantime, the directors and executives, including their spouses or those living together as husband and wife as well as minor children, must be monitored for a duty to notify the Company's Secretary Department before purchasing, selling, transferring, or accepting transfer of the Company's securities (in the case of knowing the information in advance), or they need to inform the Company after buying, selling, and transferring the Company's securities within the same day as the date of conducting any transactions related to the Company's securities. It also includes the follow-up for the Company's directors and executives to report any changes in their securities holdings (Form 59) to the SEC Office when there is a change in the Company's securities holdings with transparency and accountability.

6.3.4 Responsibility to Stakeholders

The Board of Directors monitors the management team to operate the business along with creating benefits for all involved stakeholders and having social and environmental responsibility. It promotes actions to increase the value of the Company according to changing environmental factors. It covers the formulation of the business model, a way of thinking and the perspective of designing and developing goods and services, research, improvement of production process and work process, including cooperation with partners. The company is committed to doing business with integrity, transparency, fairness, which is the core, ready to provide excellent service to customers and visitors, willing to compete in the business fairly, not taking advantage or seeking unlawful benefits, and strictly performing in the governance framework. The Board of Directors recognizes the importance of the role of stakeholders and treats all stakeholders in a transparent, appropriate, equitable and fair manner. Stakeholders include:

- **Employees:** Provide compensation to employees by considering fair and measurable performance under established regulations aimed at promoting and developing employees to be continuously knowledgeable and competent. Besides this, the Company also takes employees' rights into account and gives them the opportunity to make complaints about unfair practices through various channels.
- **Customers:** Build long-term relationships and cooperation with customers based on integrity, reliability, and trust. The company has a duty to maximize customer satisfaction by taking responsibility and giving importance to their problems and needs first with ethics, and provision of good and efficient service.
- **Creditors:** Build relationships and treat creditors with integrity, reliability, and accountability, and take responsibility and give importance to various conditions made with creditors to the best of their ability.
- **Partners:** Treat partners with integrity and equality to ensure fair business practices, mutual benefits, sustainable development, and long-term partnership with the Company by choosing to do business with partners under conditions, such as price, quality, trust, adherence to the right things, as well as with technical, legal, and environmental protection expertise.
- **Communities and the environment:** Ensure that the Company and employees conduct their business responsibly and benefit society and communities and are responsible for treating nearby communities in a friendly and supportive manner.
- **Fair competition:** Keep the Company operating the business openly, transparently and in a way that does not create an unfair competitive advantage.
- **Relevant government authorities:** Ensure that the Company complies with all applicable laws and regulations, including treating the public sector and government agencies with neutrality as set out in the Charter, business code of conduct, anti-corruption policy and other relevant policies

6.3.5 Anti-Corruption and Whistleblowing or Complaints of Misconduct or Corruption

The Board of Directors intends to conduct its business under the principles of good corporate governance and compliance with the law, adheres to transparency and morality and campaigns to dissuade employees at all levels in the organization, including outsiders, from all forms of corruption. The company has established an anti-corruption policy, the policy on whistleblowing or complaint of wrongdoing or corruption, the policy for giving or receiving gifts and entertainment, and the business ethics manual. The Board of Directors reviews relevant policies annually and communicates them to all departments in the organization to be aware of and strictly follow.

The company provides a channel for complaints and takes action in the event that there are clues, observations about the operation of the Company, including guidelines on reporting, investigating, violating the code of conduct, and

receiving complaints of corruption and misconduct in the anti-corruption policy, and the policy of whistleblowing or complaining of wrongdoing or corruption clearly by asking for details, notifying complaints and clues about fraud and corruption, legal offense, inaccuracy of financial reports, faulty internal control system, or breach of business ethics, rights violation etc. The company has a mechanism for protecting complainants, whistleblowers, complaint information and evidence documents as confidential.

Stakeholders can comment through communication channels with the Company as follows:

1) By Post:

Send to the Chairman of the Board of Directors or Chairman of the Audit Committee
Silicon Craft Technology Public Company Limited
40 Thetsabanrangannua Rd., Ladyao, Chatuchak, Bangkok 10900

2) By Email:

Audit Committee: ac@sic.co.th
Company Secretariat: comsec@sic.co.th

3) On the Company's Website: <http://www.sic.co.th/>

4) By Phone: 0-2589-9991

6.3.6 Personal Data Protection Policy

The Personal Data Protection Act 2019 stipulates the protection of personal data in accordance with international standards. The company recognizes the importance of the protection of personal data and the restriction of the rights and freedoms of individuals; therefore, the personal data protection policy is established to provide a framework and guidelines for correct legal compliance and to be trusted by all customers, employees and stakeholders. The company has appointed a personal data protection officer (DPO) to advise and monitor the operation of the personal data processor and related persons.

The scope of application of the policy covers all the Company's operations related to the collection, disclosure, correction, alteration, or any other actions to personal data. The personal data protection policy is reviewed every 3 years or when there are changes, amendments, changes to related laws or regulations or changes according to the environment.

6.3.7 Innovation Promotion

The Board of Directors values and encourages creation of innovation creating value for the business. It focuses on product research and development to innovate into the products developed by the Company and help customers to gain a competitive advantage. The company also promotes innovation in higher education institutions, such as lectures to educate students about electronic innovation, organizing engineering competitions, accepting summer interns and cooperatives to learn through project work, participating in project advice at the undergraduate level and research at the master/doctoral level, supporting scholarships and research grants, and having cooperation between research laboratories and the Company.

6.3.8 Supervision of Subsidiaries and Associates

The company has not had operations of subsidiaries and associates, so no information is disclosed in this section.

6.4 Business Ethics and Code of Conduct at Work Manual

Silicon Craft Technology Public Company Limited is committed to giving an importance on fair treatment to all departments and realizes that the cooperation at work with honesty and ethics of all employees with every position and duty, including directors and executives can be a key factor to lead the organization towards success. The Company has therefore prepared “The Manual of Business Ethics and Code of Conduct at” in writing as a standard for all departments, as follows:

- Business Ethics
- Code of conduct
- Complaints, suggestions, and penalties

This is to ensure that the Company’s operations are in compliance with standards, good ethics, and efficiency in line with good corporate governance policies, as guidelines for cooperation at work towards the organizational development with sustainability. The Company has communicated the Manual of Business Ethics and Code of Conduct to directors, executives, and employees to review and sign, with 100% acknowledgment annually. The manual is also incorporated as part of the training course for new employees to raise the awareness and importance of working and performing their duties with honesty.



Business Ethics and Code of Conduct at Work Manual (Full version)
<https://investor.sic.co.th/en/corporate-governance/cg-report-and-download>

6.5 Significant changes and developments regarding policies and practices of governance system in the past year

6.5.1 Significant changes and developments regarding the review of policies and practices of governance system or charter in the past year

The Company has prepared a written Corporate Governance Policy for the Company registered in 2017, approved by the Board of Directors' meeting on April 19, 2019 by defining for the policy and compliance with the said policy to be reviewed at least once a year. In the past year, the Corporate Governance Policy, the Business Ethics Manual, the Charter of the Board of Directors, the Charter, and other relevant policies were reviewed and approved by the Board of Directors at the meeting no. 2/2022 on March 17, 2022.

The Company supervises the performance of the Board of Directors and sub-committees in accordance with good corporate governance policies. There is a performance evaluation of the Board of Directors and sub-committees in groups and individuals, including the executive officers, while arranging the meetings among non-executive directors without the attendance of the management so as to provide an opportunity for both independent directors and non-executive directors to freely discuss issues related to the Company's management.

The Company emphasizes good corporate governance and business operations with ethics, honesty, transparency, fairness, and accountability. Therefore, the Company has established a policy to prevent conflicts of interest for directors, executives, and employees to understand and comply with the law and related rules and regulations in the best interests of the Company. The company also committed to good morals in business operations with adherence to social responsibility and all stakeholders. It also recognizes the value and equality of humans, in line with the support and respect to human rights as specified by the law and regulations of national and international standards on human rights. This policy covers all operations of the Company, employees, customers, and business partners who have duties to respect human rights according to the law and regulations that protect human rights in Thailand and other countries. All relevant stakeholders are also obliged to comply with and respect human rights principles. Conflict of Interest Prevention Policy and Human Rights Policy had been approved by the Board of Directors at its meeting no. 2/2023 on March 17, 2023.

In 2022, the Company was assessed on the Corporate Governance Report of Thai Listed Companies (CGR Checklist) at an "excellent" level of 5 stars from the Thai Institute of Directors Association. This was an annual survey to encourage the listed companies to have a good corporate governance with professional roles directors towards long-term sustainable development.

6.5.2 Summary on Non-conformity to Good Governance Principles for Listed Companies in 2017 (CG Code)

The company has applied the principles of good corporate governance for listed companies in 2017 (CG Code) to continuously review and adapt it to suit the organization. This mostly makes it possible to adapt it to the business context of the Company. However, any practice has not been defined as a policy because such principles may not be in line with the current direction and business context of the Company, the Board of Directors will consider, monitor, and implement it comprehensively to be appropriate to the organization's strategy.

Compliance with CG Code	Reasons or Substitute Measures of the Company
The board should consist of more than 50% of independent directors.	The current Board structure has three out of nine independent directors, representing 33%, which is still in the acceptable criteria according to good corporate governance principles.
The Chairman of the Board of Directors should be an independent director.	The company has established policies and guidelines regarding the authorization of independent directors, such as organizing a meeting of independent directors to consider various matters to be presented to the Board of Directors' meeting without the participation of the management team, as well as authorizing independent directors to consider the agenda of the Board of Directors' meetings with the Chairman of the Board of Directors in order to balance the power appropriately. In addition, the Company has clearly stipulated guidelines for preventing conflicts of interest.

6.5.3 Summary of Compliance with Other Matters according to the Good Governance Principles

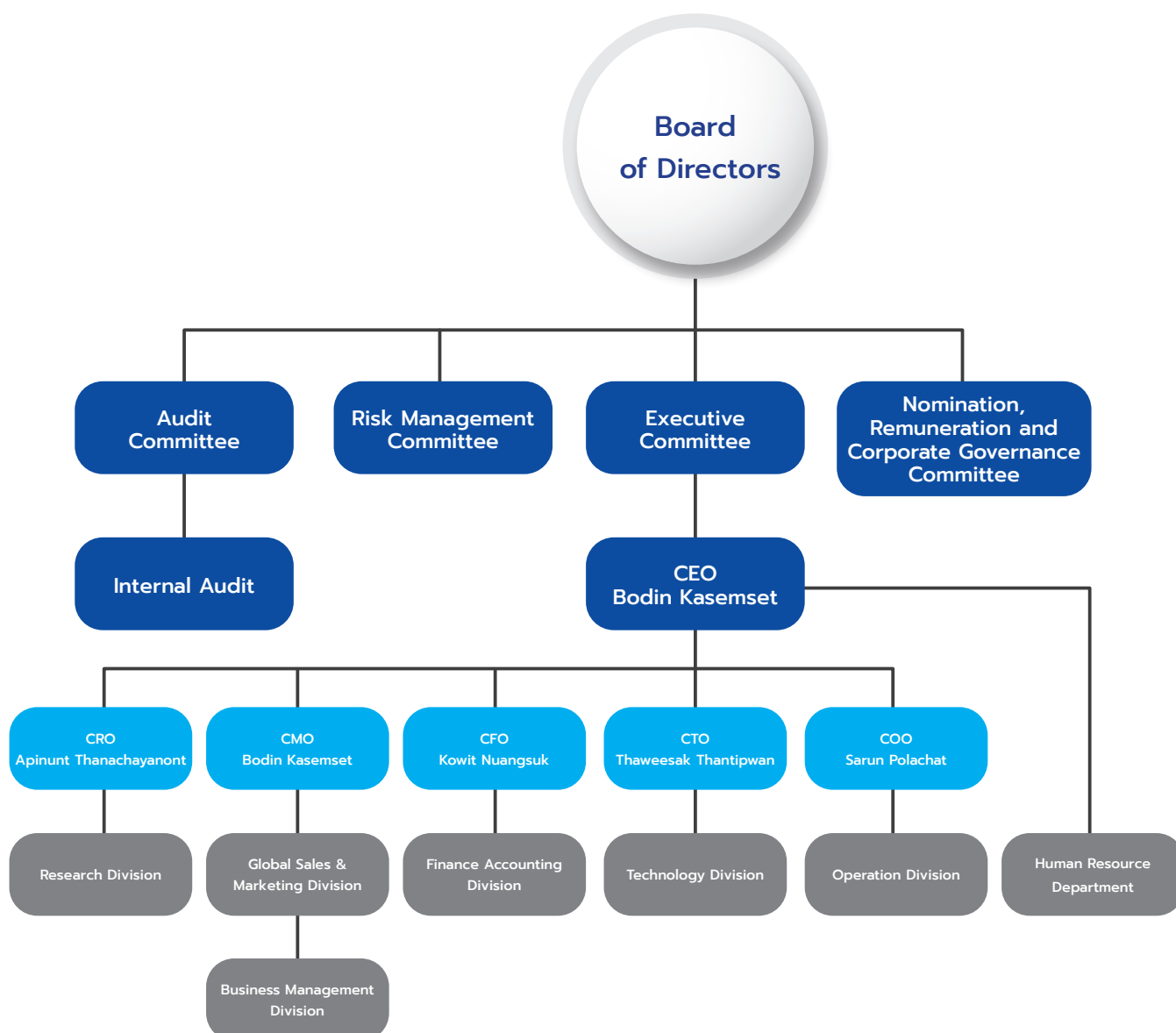
- Over the past year, the Company was assessed by an assessment project of the quality of the shareholders' meeting (AGM Checklist) at a "Excellent" level, organized by the Thai Investors Association.
- The Company has been selected as a member of Thailand Sustainability Investment (THSI) for the year 2022. This reflects the Company's commitment to sustainable grow the organization through the creation of smart technologies, create a sustainable society and reduce environmental impact, as well as focus on the participation of all stakeholders.
- The Company has been received the Outstanding Investor Relations Awards 2022 presented by Dr. Pakorn Peetathawatchai, President of the Stock Exchange of Thailand and Mr. Santi Wiriyarangsarit, Editor-in-Chief of the Money & Banking Magazine at SET Awards 2022, the largest achievement awards ceremony of the Thai capital market, reflects the outstanding investor relations operations of the company with quality, transparent, thorough, equitable information disclosure, and accessible to all stakeholders.

7 Corporate Governance Structure and Key Data of the Board of Directors, Sub-Committees, Management, Employees and Others

7.1 Corporate Governance Structure

As of December 31, 2022, the Company's management structure comprises of the Board of Directors and the sub-committees as follows: (1) The Audit Committee; (2) The Risk Management Committee; (3) The Executive Committee and The Nomination, Remuneration and Corporate Governance Committee. The Chief Executive Committee (CEO) is the top executive.

Corporate Governance Structure of Silicon Craft Technology Public Company Limited on 31 December 2022.

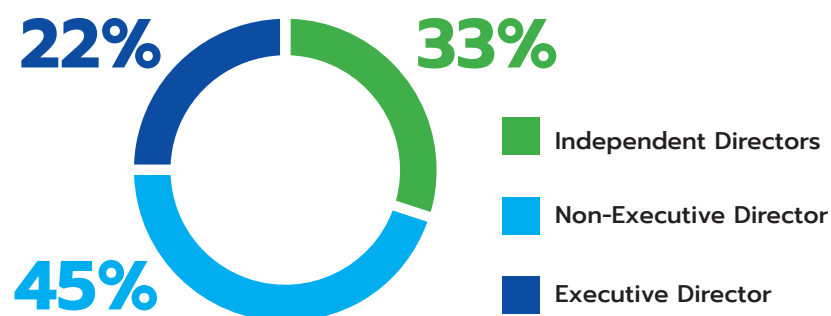


***Remark:** The Company has appointed Unique Advisor Company Limited, the expert, to be the auditor of internal control system.

7.2 Information on the Board of Directors

7.2.1 Composition of the Board of Directors

- As of December 31, 2022, the Board of Directors consisted of nine directors residing in the Kingdom and Thai nationality. This was divided into three independent directors, four non-executive directors, and two executive directors. Overall, the proportion of independent directors and non-executive directors was 78% of the total number of directors.
- The structure of the Board of Directors at present is appropriate and balance. For instance, there should be at least one independent director in three of the total number of directors, but not less than three persons, while having at least three members of the Audit Committee who are independent and have qualifications as specified by the SEC, the Stock Exchange of Thailand, including relevant announcements, rules, and/or related regulations. The Audit Committee must have at least one director with knowledge and experience to review the reliability of financial statements, including one non-executive director with working experience related to the Company's business.



- The company appointed a non-executive director as Chairman of the Board of Directors. The Chairman of the Board of Directors and the Chief Executive Officer are not the same person, which is in accordance with the principles of good corporate governance, has a balance between the Board of Directors and the management team, and clear management review.
- Currently, the Board of Directors has two female directors representing 22% of the total number of directors.
- The Board of Directors consists of qualified people who are diverse in terms of skills, gender, age, educational background, knowledge, expertise, experience. The Board of Directors has prepared the Board Skill Matrix that is useful for driving business and the direction of success of the organization.

Gender:



Female
2 Persons



Male
7 Persons

Proportion

Independent
directors to all
directors

3 : 9

Non-executive
directors to all
directors

4 : 9

Board Skill Matrix:



7.2.2 Board of Directors

As of December 31, 2022, the Board of Directors consists of 9 members, namely:

No.	Name - Surname		Position/ Type	Position in Sub-Committee
1.	Mr. Manop	Dhamsirianuntt	Chairman of the Board of Directors/ Non-Executive Director	-
2.	Mrs. Monluedee	Sookpantararat	Director/ Independent Director	<ul style="list-style-type: none"> • Chairman of the Audit Committee • Member of the Risk Management Committee
3.	Mr. Wuthipong	Suponthana	Director/ Independent Director	<ul style="list-style-type: none"> • Chairman of the Risk Management Committee • Member of the Audit Committee • Member of the Nomination, Remuneration and Corporate Governance Committee
4.	Mr. Sarote	Phornprapha	Director/ Independent Director	<ul style="list-style-type: none"> • Chairman of the Nomination, Remuneration and Corporate Governance Committee • Member of the Audit Committee
5.	Mr. Naiyavudhi	Wongkomet	Director/ Non-Executive Director	<ul style="list-style-type: none"> • Chairman of the Executive Committee • Member of the Risk Management Committee • Member of the Nomination, Remuneration and Corporate Governance Committee
6.	Mr. Apinetr	Unakul	Director/ Non-Executive Director	-
7.	Mr. Apinunt	Thanachayanont	Director/ Executive Director/ Chief Research Officer	<ul style="list-style-type: none"> • Member of the Executive Committee
8.	Mr. Bodin	Kasemset	Director/ Executive Director/ Chief Executive Officer/ Chief of Sales & Business Development Officer	<ul style="list-style-type: none"> • Member of the Executive Committee • Member of the Risk Management Committee
9.	Ms. Arunee	Poontawe	Director/ Non-Executive Director	-

Ms. Katallee Krachangsaeng is the Company Secretary who has been appointed by the Meeting of the Board of Directors No.5/2021 dated August 11, 2022 which has been effective from August 12, 2022. Moreover, Information of the Board and Directors appears in attachment no.1.

The Authorized directors who have authority to sign on behalf of the Company

Mr. Manop Dhamsirianuntt, Mr. Naiyavudhi Wongkomet, Mr. Bodin Kasemset. Two directors from these directors sign together and affix the Company's seal.

7.2.3 Role and Duties of the Board of Directors

The Board of Directors, as the supreme leader of the organization appointed by the shareholders and their agents, plays an important role in supervision of the Company's operations, allocation of resources, supervision of the performance of the sub-committees, formulation of policies and business strategies to ensure the long-term good turnover of the business to gain the confidence of shareholders and stakeholders, which is value creation for sustainable business. The Board of Directors must perform its duties with responsibility, carefulness, integrity, and supervise the Company's operations in accordance with relevant laws, regulations, resolutions of the Board of Directors' meeting, and shareholders' meeting, and policies of the Company. The duties and responsibilities of the Board of Directors and the Chairman of the Board of Directors must be as stipulated in the Charter.

Material authorities, Duties, and Responsibilities of The Board of Directors

1. To have power and duties pursuant to the Company's articles of association, as well as to oversee and manage the operations of the Company to ensure compliance with the laws, objectives, articles of association of the Company and the resolutions of shareholders' meetings;
2. To specify the Company's vision, mission, target, strategy and policy;
3. To approve the significant strategies, policies, objectives and targets with regards to business operations, assets management, finance, fund raising, investments and risk management of the Company as well as to follow-up on efficiently compliance with the specified plans;
4. To consider the matters which are required to propose to the shareholders for consideration and approval during the shareholders' meeting. Main agenda during the annual general meeting of shareholders are:
 - To consider the report of the Board on the Company's performance proposed to the meeting;
 - To consider and approve the financial statements;
 - To consider on allocation of the Company's profits;
 - To propose a list of new director to replace the director who shall retire by rotation;
 - To nominate an auditor and fix the auditor's remuneration;
 - To consider any transaction which may have conflict of interest, in the part which is required to request for approval from the shareholders;
 - Other matters.
5. To prepare the report on general information and financial information of the Company in order to report to the shareholders and the stakeholders or the general investors correctly, on timely manner and pursuant to the applicable laws;
6. To acknowledge important audit report of the Audit Committee or the supervisory agency and the internal audit unit as well as the auditor and the consultants of the Company and to specify guidelines on improvement or correction, in case material defects have been found;
7. To specify clear and appropriated operating guidelines in order to make internal control system transparently and effectively;
8. To review adequacy and appropriateness of the Company's internal control system and risk management system;
9. To arrange the succession plan continually;
10. To consider and evaluate performance of the Board of Directors and the sub-committees as well as supervise the Company to ensure that it has efficient process for evaluation performance of the top management;
11. To appoint the Audit Committee and to give comment on power and duties of the Audit Committee;

12. To appoint the representative to oversee the subsidiary, the associated company or the joint venture;
13. To consider and specify management structure, power to appoint the Executive Committee, the President and other sub-committees, as appropriated, as well as to specify scope of power and duties of the Executive Committee, the President and the sub-committees appointed to assist and support operations of the Board;

However, the delegation of authority pursuant to the specified scope of power and duties shall not be in the manner which can entitle the Executive Committee, the President and the subcommittees consider and approve any transactions which may have interests or other conflict of interests against benefits of the Company or the subsidiary (if any), unless it is the approval of transaction which conforms to policy and criteria already considered and approved by the Board of Directors;

14. To consider, define and amend name of the directors authorized to sign and bind the Company;
15. To authorize one or more directors or any person to act on behalf of the Board. However, the abovementioned authorization shall not include the delegation of authority which can entitle such authorized person to approve any undertaking that such person or a person who might have conflict of interest (the definition of “a person who might have conflict of interest” shall be as per defined in the notification of the Securities and Exchange Commission), interests or any benefits in any other manners against benefits of the Company;

However, the following undertakings shall be exercised only after they have obtained an approval from the shareholders’ meeting first, provided that, any director or any person who might have any conflicts, interests or conflict of interest regarding any transaction with the Company and/or its subsidiary shall not have the right to vote for such transaction:

- Any matter that the laws has specified that it must have an approval from the shareholders’ meeting;
- Any transaction that any director may have some interests and in scope that the laws or regulations of the Stock Exchange of Thailand prescribed that it must have an approval from the shareholders’ meeting;
- In addition, the following activities are required to have approval with majority votes from the Board of Directors’ meeting presenting at the meeting and from the shareholders’ meeting with the votes not less than three fourths of votes of shareholders present at the meeting and have the voting rights:
 - Disposition or transfer of total or some material parts of the Company’s businesses to other persons;
 - To enter into, amend or revoke the contract concerning rental of total or some material parts of the Company’s businesses; the assignment of other person to manage business of the Company or merger of the other’s business for profit sharing purpose;
 - Issuance of new securities to repay to the Company’s creditors pursuant to debt to equity conversion project;
 - Registration to decrease the Company’s registered capital by reducing the number of shares or devaluation of shares;
 - Increase, decrease, issuance of debentures, merger or dissolution of the Company;
 - Other matters, as per specified by the laws.

In addition, a transaction that the director or the person authorized by the director or the person who might have any conflicts, interests or conflict of interest regarding any transaction with the Company or its subsidiary, shall not have the right to vote on such matter.

In addition, the Board shall have duties to oversee and ensure that the Company shall comply with the laws on securities and exchange, requirements of the stock exchange, such as connected transactions, acquisition and disposition of assets pursuant to criteria of the Stock Exchange of Thailand or as per the notification of the Securities and Exchange Commission, the Capital Market Supervisory Board or the laws relevant to the Company’s businesses.

Material authorities, Duties, and Responsibilities of Chairman of the Board of Directors

The Chairman of the Board of Directors has a very important role in supporting the Board of Directors to fully perform their duties in accordance with the Company's strategy. The Chairman of the Board of Directors has to lead the meeting and encourage the directors to have prudent considerations and give their opinions freely, while strengthening good relationships between the Board of Directors and related parties, with duties and responsibilities as follows:

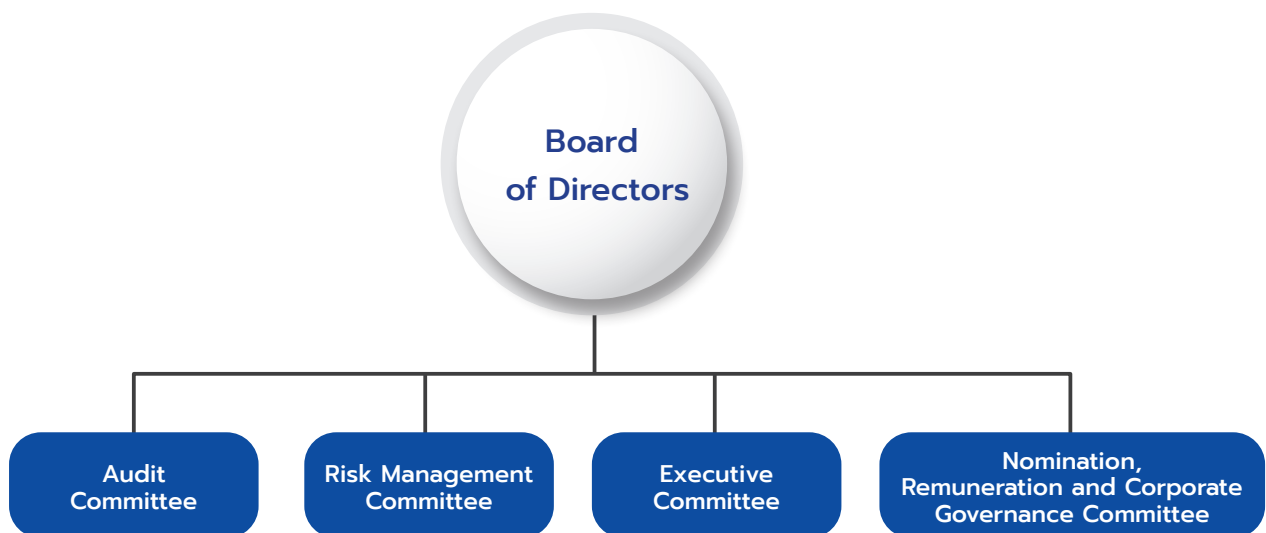
1. To ensure the overall company's strategy and policy guidelines in accordance with the laws, relevant regulations of government agencies and the company, as well as the resolutions of the shareholders' meeting.
2. Establish a system to monitor and evaluate the company's performance in order to comply with the policy on a regular basis.
3. Promote compliance with corporate governance and corporate social and environmental responsibilities and promote ethical creation for people at all levels.
4. Encourage all directors to participate in development training to enhance knowledge in areas that are useful for the performance of directors' duties in reputable and respected institutions such as the Thai Institute of Directors Association and the Stock Exchange of Thailand.
5. Act as chairman of the meeting and attend every meeting to ensure the effectiveness of the Board of Directors' meeting, as well as encourage all directors to express their opinions; ensure that the authority of the management of the organization is assigned to the management in an appropriate manner; ensure that all directors receive the correct company information, on time and clear for decisions making that will effectively lead to the success of the company.
6. Act as chairman of every shareholder's meeting and assign supervisors to shareholders' meeting to ensure compliance with laws and regulations; ensuring that all directors attend the shareholders' meeting and allows shareholders to fully exercise their right to attend the meeting, vote, questioning or requesting additional clarification

7.3 Information on the Sub-Committees

7.3.1 Structure and composition of sub-committees

The Board of Directors elected four Sub-Committees to support the company's good corporate governance and facilitate the company's business as follows:

- (1) The Audit Committee;
- (2) The Risk Management Committee;
- (3) The Nomination Remuneration and Corporate Governance Committee; and
- (4) The Executive Committee.



The Company has prepared a charter for all related sub-committees, with clearly defined information on composition and appointment, scope of duties, and responsibilities. There are important details as follows:

1) The Audit Committee

Material authorities, Duties, and Responsibilities of The Audit Committee

1. To review accuracy and adequacy of the Company's financial reporting by coordinating with the external auditor and the executives who are responsible for preparing of quarterly and yearly financial reports. The Audit Committee may recommend the auditor to review or audit any transaction which it deems necessary and materially during the Company's auditing process;

2. To review the Company's internal control system and internal audit jointly with the external auditor and the internal auditor to ensure that they are suitable and efficient, to determine independence of the internal audit unit and/or the outsourced internal auditor, including to approve the appointment, transfer and dismissal of the chief of the internal audit unit and/or the outsourced internal auditor;
3. To review the Company's compliance with the laws on securities and exchange, regulations of the stock exchange and the laws pertaining to the Company's businesses;
4. To select and propose an independent person to be the Company's auditor and to fix his/her remuneration based on creditability, adequacy of resources and amount of auditing work of such auditing firm, including the experiences of the personnel assigned to perform the Company's audit works, as well as to attend the meeting with the auditor without any participation of the Company's Management at least once a year;
5. To consider the connected transactions or transactions that may lead to conflicts of interest to ensure their compliance with the laws, notifications and regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board to make sure that such transactions are reasonable and for the best interests of the Company.
6. To consider transactions on acquisition or disposition of the Company's assets of which transaction size is required to obtain approval from the Audit Committee as per specified in the laws, notifications, regulations of the Stock Exchange of Thailand and criteria of the Office of the Securities and Exchange Commission and the Capital Market Supervisory Board.
7. To prepare the Audit Committee's report and disclose in the Company's annual report. Such report must be signed by the Chairman of the Audit Committee and at least it must contain the following information:
 - Recommendation on accuracy, completeness and creditability of the Company's financial report;
 - Recommendation on adequacy of the Company's internal control system;
 - Recommendation on compliance with the laws on securities and exchange, regulations of the Stock Exchange of Thailand, or laws related to the Company's businesses;
 - Recommendation on suitability of the auditor;
 - Recommendation on transaction which may have conflict of interest;
 - Number of the Audit Committee's meetings arranged and attendance of such meetings by each committee member;
 - Overall recommendations or observations that have arisen while the Audit Committee performed its duties in accordance with the Charter;
 - Other matters which should be made available to the shareholders and general investors within scope of duty and responsibilities assigned by the Company's Board of Directors.
8. The Audit Committee shall conduct self-evaluation on its performance and report such evaluation results together with problems or obstacles found in performing the works which may make them unable to achieve objectives as per specified to the Board for acknowledgement every year;
9. To approve the internal audit plan, as well as to consider on acknowledgement of performance report of the Internal Audit Unit and/or the outsourced internal auditor;
10. To consider, review and improve the Audit Committee Charter and propose to the Board for consideration and approval;
11. In carrying out duties, if the Audit Committee has found or is suspicious about any of the following transactions or activities which may have material impacts to the financial position or performance of the Company, the Audit Committee must report the Board of Directors to take corrective action within a period of time it deems appropriated. Such transaction include:

Recommendation on accuracy, completeness and creditability of the Company's financial report;

- Transaction with the conflicts of interests;
- Fraud or unusual transaction or significant deficiency in the Company's internal control system;
- Violation or breach of laws on securities and exchange, notifications and regulations of the Stock Exchange of Thailand and the laws related to the Company's business.

12. To conduct an investigation of the matter notified by the Company's auditor. If the Company's auditor discovered any suspicious circumstance concerned with the director, manager or any person responsible for the Company's operations, which can be regarded as the fraudulent act as per specified in the Securities and Exchange Act and the auditor has reported such issue to the Audit Committee, the Audit Committee must conduct an investigation and shall report the result of the preliminary investigation to the Office of Securities and Exchange Commission and the auditor within 30 days from the date notified by the auditor.

13. To perform any other tasks as assigned by the Board of Directors and approved by the Audit Committee.

In performing the operations pursuant to the scope of authority and duty, the Audit Committee shall have power to invite or order the concerned management, the department head or the employee of the Company to provide recommendation, participate in the meeting or submit document which is deemed relevant and necessary. Moreover, in performing duties under scope of authority and duty of this regulation, the Audit Committee may consult with the external independent consultant or the expert in various professions, if it deems necessary and appropriated, at the Company's expenses.

Nomination and appointment of The Audit Committee

1. The Board of Directors shall appoint the Audit Committee which consists of at least 3 persons and all of them must be the Independent Directors
2. The independent directors who have been appointed as the Audit Committee shall possess qualifications as per stipulated by the regulations of the Office of the Securities and Exchange Commission and/or the Stock Exchange of Thailand and at least one member of the Audit Committee shall have adequate knowledge, understandings or experiences on accounting and/or finance.
3. The independent directors who have been appointed as the Audit Committee shall possess qualifications as per stipulated by the regulations of the Office of the Securities and Exchange Commission and/or the Stock Exchange of Thailand and at least one member of the Audit Committee shall have adequate knowledge, understandings or experiences on accounting and/or finance.
4. The Audit Committee shall jointly elect one of the members to be the Chairman of the Audit Committee.
5. The Audit Committee shall appoint the secretary to assist the works pertaining to summoning of meetings, preparation of the meeting agenda, submission of the meeting document and record the minutes of meeting.
6. Apart from vacating office upon expiry of the term, the Audit Committee may vacate from holding office upon occurrence of the following circumstances:
 1. Resignation;
 2. Expiration of the term or termination from the being the Company's Director;
 3. The Board of Directors passed a resolution to remove from office;
 4. Lack of qualification and possess any prohibited characteristic, as per specified by the laws;
 5. Death.

Qualifications of The Audit Committee

1. Be an Independent Director and have qualification as prescribed by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand (please see more details in topic “Qualifications of the Independent Director);
2. Must not be a director who is appointed from the Board of Directors to make decision with regards to the business operations of the Company, its parent company, its subsidiary, its associated company, a subsidiary in the same level, a major shareholder or a controlling person of the Company;
3. Must not be a director of the parent company, its subsidiary, or a subsidiary in the same level, only of the listed company;
4. To have duty in the same manner specified in the notifications, regulations and/or rules of the Stock Exchange of Thailand on qualifications and scope of work of the Audit Committee;
5. To have adequate knowledge, understandings and experiences on accounting or finance that can audit credibility of the financial statement as well as perform other duties as the Audit Committee.

2) The Risk Management Committee

Material authorities, Duties, and Responsibilities of The Risk Management Committee

1. To specify risk management policy and risk appetite to propose to the Board;
2. To specify overall policies and guidelines of the Company’s risk management which shall cover financial risks, investment risks and other risks which might impact the Company’s reputation, and etc. to propose to the Board for approval;
3. To specify the Company’s risk management plan, framework and processes to make them correspond to risk management policy, then monitor on implementation, as well as review efficiency of risk management framework;
4. To review risk management report and operation to make sure that risk management is continually conducted and risk appetite can be adequately and suitably managed;
5. To develop and review the Company’s risk management system to make it efficiently and effectively on continued basis by constantly evaluating and monitoring risk management process pursuant to the specified policy.
6. To appoint the risk management working group, as appropriate, as well as to support on personnel, budget and other necessary resources which are consistently with its scope of responsibility;
7. To constantly coordinate with the Audit Committee by exchanging knowledge and information on risk and internal control which has or may have impact to the Company;
8. To make decision and provide recommendation concerning important issues occurred in the risk management process;
9. To present performance report of the Risk Management Committee to the Audit Committee for acknowledgement and/or consideration every quarter;
10. To perform other duties as per assigned by the Board.

Nomination and appointment of the Risk Management Committee

1. The Board of Directors shall appoint the Risk Management Committee and also appoint Chairman of the Risk Management Committee. The Risk Management Committee will consist of;
 1. At least one of Independent Director
 2. At least one of Executive Director
 3. One of executives shall be appointed as secretary of the Risk Management Committee
2. The directors shall have a term of office of 3 years at a time. A retired director may be re-appointed by the Board of Directors.
3. Apart from vacating office upon expiry of the term, The Risk Management Committee may vacate from holding office upon occurrence of the following circumstances:
 1. Resignation;
 2. Expiration of the term or termination from the being the Company's Director;
 3. The Board of Directors passed a resolution to remove from office;
 4. Lack of qualification and possess any prohibited characteristic, as per specified by the laws;
 5. Death.

3) The Nomination, Remuneration and Corporate Governance Committee

Material authorities, Duties, and Responsibilities of The Nomination, Remuneration and Corporate Governance Committee

On Nomination

1. To specify criteria and policy on nomination of the directors and the sub-committees by considering from appropriateness of the number, structure and component of the Board; specify 115 qualifications of the director to propose to the Board and/or to propose to the shareholders' meeting for approval, as the case may be;
2. To consider, recruit and propose suitable persons to be the Company's director or replace the director whose term shall be expired and/or when such position is vacant and/or when it is required to appoint additional director;
3. To consider a list of the proposed candidates then select the person whose qualifications conform to the specified criteria;
4. To approach the person whose qualifications, conform to the criteria specified to make sure that such person is willing to accept the position of the Company's director, if he/she appointed by the shareholders;
5. To perform other tasks assigned by the Board of Directors pertaining to nomination;
6. To nominate and evaluate performance of the Chief Executive Officer to propose to the Board of Directors' meeting for consideration and approval.

On Remuneration

1. To prepare criteria and policy on determination of remuneration of the Company's Board of Directors and the sub-committees to propose for approval from the Board and/or the shareholder's meeting, as the case may be;

2. To specify necessary and suitable remuneration, both pecuniary benefits and non-pecuniary benefits, of the Board of Directors, individually in each year based on scope of authority, duties and responsibilities (Accountability and Responsibility), performance and from comparing with other companies engaging in similar businesses as well as benefits expected to be obtained from the director to propose to the Board of Directors for consideration and further propose for approval from the shareholder's meeting;
3. To be responsible for the Board and to have duty to clarify and answer any queries on remuneration of the Board during the shareholders' meeting;
4. To consider evaluation criteria of performance of the Chief Executive Officer, as per assigned by the Board;
5. To report policy, principle/reason on determination of remuneration of the directors and the management pursuant to regulations of the stock exchange, by disclosing in the annual registration statement (Form 56-1) and the annual report of the Company;
6. To determine annual remuneration of the directors and the Chief Executive Officer, pursuant to the payment criteria considered then propose to the Board of Directors for consideration on approval of remuneration of the Chief Executive Officer. For remuneration of the directors, the Board shall propose to the shareholders' meeting for approval;
7. To consider on appropriateness and to give consent in case of offering of newly issued securities as incentives to the Company's directors and employees, by adhering to fairness to the shareholders in order to motivate the directors and the employees to perform duties on enhancement of value to the shareholders in the long term and to be able to truly retain the qualified employees;
8. To perform other tasks relevant to the determination of remuneration as per assigned by the Board; The management and the department heads shall report or present relevant information and document to the Nomination and Remuneration Committee to support its operations in order to achieve the assigned duties;
9. To consider bonus framework, salary increase and key index performance of the organization to propose to the Board for consideration.

On Corporate Governance

1. Consider to set guidelines and policy regarding business ethics, as well as anti-corruption policy, in accordance with the principles of good corporate governance to the Board of Directors and management to establish an organization's code of conduct which has standardized and appropriate
2. Supervise, consult, evaluate and review policies and adhere to good corporate governance principles and business ethics, including social and environmental responsibility, as well as sustainability development, to develop and enhance the company's corporate governance to international standards.
3. Suggest on guidelines about social and environmental responsibility, as well as supervising, consulting, supervising, and monitoring the progress of the organization's sustainable development actions and evaluating the effectiveness of the operation.
4. Review the suitability of the Charter of the Nomination Remuneration and Corporate Governance committee and present to the Board of Directors for approval if the charter has been updated.
5. Perform any other duties as assigned by the Board of Directors.

Nomination and appointment of the Nomination, Remuneration and Corporate Governance Committee

1. Nomination Remuneration and Corporate Governance committee is appointed by the Board of Directors and consists of at least 3 directors and/or executives, with more than half of the total directors having to be independent directors.
2. The Nomination, Remuneration and Corporate Governance Committee shall jointly elect one of the members to be the Chairman of the Nomination, Remuneration and Corporate Governance Committee
3. The directors shall have a term of office of 3 years at a time. A retired director may be re-appointed by the Board of Directors.
4. Apart from vacating office upon expiry of the term, the Nomination, Remuneration and Corporate Governance may vacate from holding office upon occurrence of the following circumstances:
 1. Resignation;
 2. Expiration of the term or termination from the being the Company's Director;
 3. The Board of Directors passed a resolution to remove from office;
 4. Lack of qualification and possess any prohibited characteristic, as per specified by the laws;
 5. Death.
5. The Board of Directors has the power to appoint a member of Nomination Remuneration and Corporate Governance committee for carrying out the objectives or to replace the directors in the committee who retired from the office. The person who is appointed to the Nomination Remuneration and Corporate Governance committee, substitute for resignation or resolved to vacate, will only be in office as long as the remaining term.

4) The Executive Committee

Material authorities, Duties, and Responsibilities of The Executive Committee

1. To have power to make decision on important operations of the Company by specifying scope, type or size of business, objectives, guideline and policy of the Company within the scope of power assigned including to supervise overall operations, productivity, relationship with the customers as well as to be responsible for the Board;
2. To oversee and manage the Company's business operations pursuant to the policy specified by the Board of Directors and to report operating results to the Board;
3. To formulate strategy and business operation plan, annual budget including management structure so that the works can be undertaken pursuant to the policy and target specified by the Board, as well as to propose to the Board for consideration;
4. To specify approval authority of each person appropriately, segregate duties which may be prone to corruption then propose to the Board for approval then supervise to ensure that the approved principles and regulations have been adhered to;
5. To have power to manage salary structure, to specify scope of duty on work, appointment, transfer, wages cutting or reduction, removal, dismissal, disciplinary penalty, awarding and merit of the employees;
6. To consider on approval of financial transactions with the bank or the financial institutes to support normal course of business operations, such as opening or closing of bank account, loan, borrowing, credit line financing, pledge, mortgage, guarantee and etc., including purchase, sale and register for ownership in any land for normal course of business operation pursuant to the approval power approved by the Board of Directors;

7. To consider on investment, work expansion as well as acquisition and disposition of the Company's fixed assets to propose to the Board;
8. To have power to purchase/sell/transfer of assets, invest in other businesses/new business, purchase-sell of goods/raw materials and services which are normal or related with normal trade, to enter into the contract to have commercial binding obligation and to enter into loan agreement, guarantee and financial obligation pursuant to the budget plan approved by the Board and can approve the capital expenditure which is out of the annual budget within the amount of 0.50-2.00 million Baht, except the transaction on short-term investment. The Executive Committee can approve the capital expenditure which is out of the annual budget within the credit amount of 30-50 million Baht.
9. To have power to act and represent the organization with the third party in the activities related to and beneficial to the organization;
10. To consider about the Company's fund raising activity to propose to the Board;
11. To approve on appointment of consultants in various fields necessary for business operations;
12. To manage general business of the Company;
13. To consider and approve operation plans of each department and consider and approve the requested application of any department which exceeds power of such department;
14. To jointly work with the Risk Management Committee on formulation of risk management policy and risk appetite to propose to the Board;
15. To jointly work with the Risk Management Committee to specify overall risk management policy and guidelines of the Company covering various material types of risks, i.e. financial risk, investment risks and risks which may impact to the business's reputation, and etc. to propose for the Board's approval;
16. To jointly work with the Risk Management Committee to specify the Company's risk management plan, framework and process to make them consistent with the risk management policy and follow-up on its implementation as well as review efficiency of the risk management framework;
17. To jointly work with the Risk Management Committee to review management report and to operate to make sure that risk management is continually conducted and risk appetite can be adequately and suitably managed;
18. To jointly work with the Risk Management Committee to develop and review the Company's risk management system to make them efficiency and effectiveness continually by constantly evaluating its results and to monitor risk management processes to ensure that they are consistently with the specified policy;
19. To jointly work with the Risk Management Committee on appointment of the risk management working group, as necessary, as well as to support on personnel, budget and other necessary resources which are consistently with its scope of responsibility;
20. To jointly work with the Risk Management Committee on coordination with the Audit Committee constantly by exchange knowledge and information on risk and internal control which has or may have impact to the Company;

21. To jointly work with the Risk Management Committee on making decision and provision of recommendation with regards to material problem occurred in the risk management processes;
22. To jointly work with the Risk Management Committee to present the performance report of the Risk Management Committee to the Audit Committee for acknowledgement and/or consideration every quarter;
23. To perform any other tasks assigned by the Board of Directors.

However, the delegation of authority and responsibility of the Executive Committee shall not entitle the authorized person to have authority to approve any undertaking that such person or a person who might have conflict of interest (the definition of “Person who might have conflict of interest” shall have meaning as per specified in the Notification of the Securities and Exchange Commission), interests or any benefits in any other manners against benefits of the Company. Approval of such transaction is required to be proposed to the Board of Directors’ meeting and/or the shareholders’ meeting for consideration and approval, pursuant to the Articles of Association of the Company or the relevant laws, except it is the approval of the transaction which is normal course of business operation pursuant to the policy and criteria already considered and approved by the Company.

Nomination and appointment of the Executive Committee

1. The Board of Directors shall appoint the Executive Committee with reasonable amount preference. The Executive Committee shall consist both the company’s executives or external members. The Board of Directors shall jointly elect one of the members to be the Chairman of The Executive Committee.
2. Chief Executive Officer shall be the member of the Executive Committee automatically.
3. The Executive Committee shall appoint secretary of the Executive Committee
4. The directors shall have a term of office of 3 years at a time. A retired director may be re-appointed by the Board of Directors.
5. Apart from vacating office upon expiry of the term, the Executive Committee may vacate from holding office upon occurrence of the following circumstances:
 1. Resignation;
 2. Expiration of the term or termination from the being the Company’s Director;
 3. The Board of Directors passed a resolution to remove from office;
 4. Lack of qualification and possess any prohibited characteristic, as per specified by the laws;
 5. Death.

7.3.2 List of Sub-Committee

1) The Audit Committee

As of December 31, 2022, the Company’s Audit Committee consisted of 3 members, namely:

Name - Surname		Position/ Type
1.	Mrs. Monluedee Sookpantararat	Chairman of the Audit Committee/ Independent Director
2.	Mr. Wuthipong Suponthana	Member of the Audit Committee/ Independent Director
3.	Mr. Sarote Phornprapha	Member of the Audit Committee/ Independent Director

In this regards, Mrs. Monluedee Sookpantararat, has knowledge and understanding on accounting and experiences to review the Company's financial statements and Ms. Thitima Saensuksakulchol is the Secretary of the Audit Committee.

2) The Risk Management Committee

As of December 31, 2022, the Company's Risk Management Committee consisted of 4 members, namely:

Name - Surname		Position/ Type
1.	Mr. Wuthipong Suponthana	Chairman of the Risk Management Committee/ Independent Director
2.	Mrs. Monluedee Sookpantararat	Member of the Risk Management Committee/ Independent Director
3.	Mr. Naiyavudhi Wongkomet	Member of the Risk Management Committee/ Non-Executive Director
4.	Mr. Bodin Kasemset	Member of the Risk Management Committee/ Executive Director

In this regards, Mr. Karn Opasjumruskit is the Secretary of the Risk Management Committee.

3) The Nomination, Remuneration and Corporate Governance Committee

As of December 31, 2022, the Company's the Nomination, Remuneration and Corporate Governance Committee consisted of 3 members, namely:

Name - Surname		Position/ Type
1.	Mr. Sarote Phornprapha	Chairman of the Nomination, Remuneration and Corporate Governance Committee / Independent Director
2.	Mr. Wuthipong Suponthana	Member of the Nomination, Remuneration and Corporate Governance Committee / Independent Director
3.	Mr. Naiyavudhi Wongkomet	Member of the Nomination, Remuneration and Corporate Governance Committee / Non-Executive Director

In this regards, Ms. Thamon Vichienson is the Secretary of the Nomination, Remuneration and Corporate Governance Committee.

4) The Executive Committee

As of December 31, 2022, the Company's Executive Committee consisted of 6 members, namely:

Name - Surname		Position/ Type
1.	Mr. Naiyavudhi Wongkomet	Chairman of the Executive Committee/ Non-Executive Director
2.	Mr. Bodin Kasemset	Member of the Executive Committee/ Executive Director
3.	Mr. Kowit Nuangsuk	Member of the Executive Committee/ Executives
4.	Mr. Sarun Polachart	Member of the Executive Committee/ Executives
5.	Mr. Thaweesak Thantipwan	Member of the Executive Committee/ Executives
6.	Mr. Apinunt Thanachayanont	Member of the Executive Committee/ Executive Director

In this regards, Ms. Katalee Krachangsaeng is the Secretary of the Executive Committee.

7.4 Information of Executives

7.4.1 Names and Positions of Executives

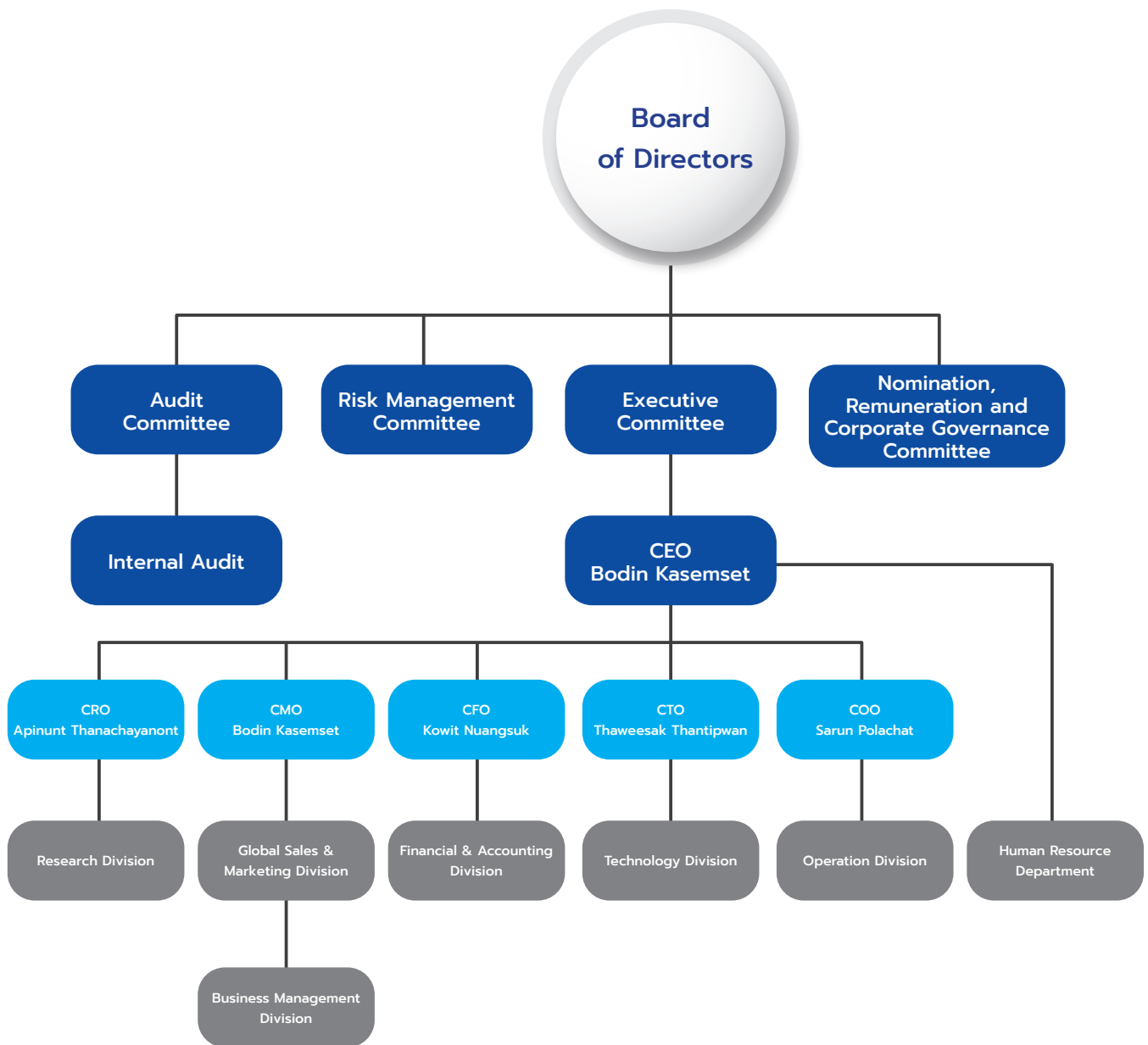
As of December 31, 2022, the Company's has 5 executives, namely:

Name – Surname ^[1]		Position
1.	Mr. Bodin Kasemset	Chief Executive Officer / Chief of Sales & Business Development Officer
2.	Mr. Kowit Nuangsuk	Chief Financial Officer
3.	Ms. Sarun Polachart	Chief Operating Officer
4.	Mr. Thaweesak Thantipwan	Chief Technology Officer
5.	Mr. Apinunt Thanachayanont	Chief Research Officer

Remark: ^[1] According to the Notification of the Securities and Exchange Commission No. Kor.Jor. 17/2551 RE: Determination of Definitions in Notifications Regarding Issuance and Offer for Sale of Securities (including amendments), an executive means a manager or the first four executive positions after the manager, persons holding positions equivalent to every fourth executive position, and persons holding executive positions in accounting or finance who are at the level of department manager or equivalent. The information of the Company's executives appears in Attachment 1.

7.4.2 Organization Structure

As of December 31, 2022 the Company's organization structure is as follows.



Material authorities, Duties, and Responsibilities of Chief Executive Officer

1. To comply with the applicable laws including the laws on securities and exchange, notification of the Securities and Exchange Commission, notification of the Capital Market Supervisory Committee, notification of the Stock Exchange of Thailand, other related notifications, rules, and/or regulations and resolutions of the shareholders' meeting and the Board of Directors' meeting;

2. To oversee, manage, operate and perform day-to-day works pursuant to normal business operations for the Company's interest to ensure compliance with the policy, vision, target, business operation plan and budget specified by the Board of Directors' meeting;
3. To manage the Company's business operations pursuant to main missions specified by the Board to ensure that they are consistent with the business operation plan and budget of the Company including relevant business operation strategy specified by the Board;
4. To supervise overall operations on finance, marketing, personnel management and other operations, so that they conform to the Company's policy and business operation plan specified by the Board;
5. To have power to employ, appoint, transfer, dismiss, terminate employment, specify wages and remuneration of the Company's employees and power to appoint the sub-attorney-in-fact to perform duties instead;
6. To specify gratuity, reward, increase salary, remuneration, special bonus apart from normal bonus of the Company's employees from vice chief executive officer downwards,
7. To negotiate and enter into contract and/or other transaction relevant to normal business operations of the Company, provided that credit line of each transaction shall be as per specified in the delegation of authority approved by the Board;
8. To issue orders, rules, announcement and records of the Company, so that operations of the Company shall be as per policy and for the Company's interests, as well as to maintain discipline within the organization;
9. To have power to specify trading terms/condition for benefits of the Company;
10. To consider on investment in new business or dissolution of business to propose to the Executive Committee or the Board;
11. To consider on investment in new business or dissolution of business to propose to the Executive Committee or the Board;
12. To perform other tasks assigned by the Board and to have power necessary to perform such duty;
13. To have authority to sub-authorize power and/or assign other person to perform any specific work. However, authorize of such power and/or assignment shall be within the scope of delegation of power, pursuant to the notice on delegation of power and/or pursuant to the rules, regulations or orders specified by the Board. In addition, delegation of authority and responsibility of the Chief Executive Officer shall not entitle the Chief Executive Officer or the person authorized by the Chief Executive Officer to have authority to approve any undertaking that he/she or a person who might have conflict of interest (the definition of "Person who might have conflict of interest" shall have meaning as per specified in the Notification of the Securities and Exchange Commission), interests or any benefits in any other manners against benefits of the Company, except it is the approval of the transaction pursuant to policy and criteria already considered and approved by meetings of the shareholders or the Board of Directors.

7.4.3 Remuneration Policy for Board of Directors, sub-committees, and executives

The Company has a policy to set the remuneration of the Board of Directors, sub-committees, and executives to be in an appropriate level, both financially and non-financially by considering the duties, responsibilities, performance, and expected outcome, with a rate comparable to businesses in the same industry for motivation to the Board of Directors, sub-committees, and executives in leading the Company to operate according to its goals. The remuneration for the Board of Directors, sub-committees, and executives must be consistent with the Company's strategy and goals.

In this regard, the Nomination, Remuneration, and Corporate Governance Committee will consider each form of remuneration to be appropriate by setting criteria to determine fair and reasonable remuneration in consistent with the Company's performance to the Board of Directors, sub-committees, Chief Executive Officer, including top executives, as disclosed in the Form 56-1 One Report. The remuneration for the Board of Directors and sub-committees will be presented to the Board of Directors' meeting for resolution and proposed to the shareholders' meeting for approval every year. In this regard, the Nomination, Remuneration and Corporate Governance Committee will consider each form of remuneration as appropriate by establishing rules or methods for determining fair and reasonable remuneration in line with the Company's performance to the Board of Directors, sub-committees, the Chief Executive Officer, and senior executives, as well as disclosing it in the Form 56-1 One Report. The remuneration of the Board of Directors and its sub-committees will be annually presented to the Board of Directors' meeting for approval and presented to the shareholders' meeting for approval every year.

The Company has set a fixed monthly remuneration for directors and meeting allowances on a per-time basis. The remuneration of sub-committees is also determined in the form of meeting allowances on a per-time basis. As for the remuneration of the executive directors approved by the shareholders' meeting in 2022 on April 26, 2022, it can be concluded that the executive directors who receive regular salary will not receive remuneration as directors of the Company as well as all sub-committees. While directors holding two or more positions will receive monthly remuneration only for the one with higher position. for the remuneration of the Chief Executive Officer, the Nomination, Remuneration and Corporate Governance Committee will consider based on the performance in the past year by evaluating the specified indicators. For the remuneration of executives, it will be in accordance with the principles and policies set by the Company, with fixed remuneration on a monthly basis and variable remuneration in compliance to the Company's operational performance.

7.4.4 Remuneration of Executives

1) Monetary Remuneration

Year	Details	Number (Person)	Amount (Million Baht)
2022	Salary and bonus	7	23.43

(This represents 15.76% compared to the total remuneration of business)

2) Other Remuneration

Year	Details	Number (Person)	Amount (Million Baht)
2022	Provident fund, social security fund and other welfares	7	2.036

7.5 Personnel

The Company believes that all employees play an important role in supporting operations to achieve the set goals and objectives. The Company is committed to selecting, developing, promoting, and motivating employees to use their knowledge and abilities, together with regular working skill development. The Company realizes the suitability of having an adequate number of employees in each line according to the business plan. The Company has a project for its personnel to introduce people to work with the organization to increase its recruitment channels and inspire internal personnel to help with the recruitment. This can lead to having applicants with reliable information and good reference persons. However, the significant change in the number of employees during the past 3 years is in compliance with the context of the Company's organizational restructuring. In 2022, the change rate was at a normal level with no significance.

The number of employees and staffs (excluding 6 executives) as of December 31, 2022 was at the total of 132 people and divided by the organizational structure at the end of 2020 - 2022 as follows:

Function	Number (Person)		
	2020	2021	2022
Global Sales & Marketing	30	31	19
Business Development	-	-	15
Finance & Accounting	10	10	11
Operation	26	25	24
Technology	46	51	57
Research	-	-	2
Human Resources	-	3	4
Total	112	120	132

Remark: Based on the current organizational structure as of October 3, 2022 onwards. In 2022, There were 83 male Employees and 49 Female Employees.

Significant labor dispute during the past 3 years

-Nil-

The Company has set policies and guidelines for treating employees with fairness and without discrimination. They are all provided with equal opportunities in the following five issues:

1. Employment/Termination
2. Remuneration and welfare payments to employees
3. Knowledge and potential development of employees
4. Treating all employees to have a good quality of life and safety at work
5. Negotiations for employee benefits

1. Employment/Termination

The Company has set human resource management policies with focusing on equality and respects to human rights, while promoting human resource management within that organization to be effective, efficient, and consistent with international standards and the needs of customers without restrictions or discouragement of gender, race, religion, and culture. The Company relies on the ILO Convention and the ethics of business partners with responsibilities for the electronic industrial community, including the laws of Thailand. The Company commits to complying with the above principles in the following details:

1. The Company will control the enforcement of labor and binding of workforce (including debt binding), whether with voluntarily or involuntarily, while not forcing people to work or employed by intimidation.
2. The Company will not hire, involve, or support child labor, neither directly nor indirectly. The age of employees for agreement to work with the Company must be not less than 18 years, except for internships to learn according to the laws and relevant regulations.
3. The Company realizes on the effects that may arise from its operations. Therefore, there is a commitment to control normal and overtime working to not exceeding 60 hours per week, except in an emergency or unusual situation. In the meantime, working overtime must be only on voluntary by employees and relevant to the laws.
4. For remuneration and welfare for employees, the Company will consider and manage with fairness and appropriateness based on the conditions and nature of work, results of performance, and capacity as specified by the Company and related to the laws.
5. The Company will manage and control to promote humanized operations without violence, sexual harassment, severe punishment, mental threats, bullying in the public, verbal abuse, or intimidation.
6. The Company will support and supervise to prevent any persecutions and discriminations due to ethnics, skin color, age, gender, race, sexual preference, sexual identity or sexual expression, disability, pregnancy, religion, political relations, protected genetic information, or marital status, in employment and operations.
7. Employees or groups of employees can openly communicate and share concepts or concerns with the management on working conditions and practice guidelines, without any fear of discrimination, intimidation, or threats.

Policy to support the disabled

According to the Promotion and Development of the Quality of Life of the Disabled B.E. 2550 (2007) for their employment, the Company realizes on the importance of encouraging the disabled for the opportunity to show their capabilities at work with income and self-dependence. In 2022, the Company provided 1 disable person funding to support his/her careers.

2. Remuneration and welfare to employees

The Company has a policy to set remuneration appropriately and fairly, including criteria to increase salary based on the nature of the work, responsibilities, performance evaluation, and level of wages in the labor market, including the Company's operational results. In 2022, the details of remuneration for employees were as follows:

Employees' remuneration

Details	2020		2021		2022	
	Number (Person)	Amount (Million Baht)	Number (Person)	Amount (Million Baht)	Number (Person)	Amount (Million Baht)
Salary, bonus, traveling expenses, per diem, contribution to social security fund, contribution to provident fund and other welfares	112	77.74	120	89.60	132	123.458

The proportion of remuneration for the female and the male employees can be: 62.44: 37.56

The Company has a policy of providing benefits to employees both in the short and long term for their support in various fields as required by law and other related rules, such as social security, provident fund, group insurance, as well as welfare for marriage, childbirth, children education, funeral, “midday project”, annual health check-up, annual tour, yoga, and various clubs, e.g. football, badminton, including provision of knowledge to employees on financial management and healthcare for the motivation and commitment of employees in the organization.

The Company has set up a welfare committee within the Company. It consists of at least five employee representatives with the following duties:

1. Discuss with the Company to arrange welfare for employees.
2. Provide consultation and opinions to the Company on welfare management of employees.
3. Monitor, control, and supervise on welfare arrangement to employees.
4. Propose ideas and guidelines for welfare management to benefit employees.

In the meantime, there is a recreation committee in compliance with the Labor Protection Act B.E 2541 (1998) to encourage employees to share opinions and join in the management of welfare budget. Also, employees are provided with opportunities to be representatives of departments to organize relationship activities and other events as appropriate for the utmost benefit of employees.

Provident fund

The company set up a provident fund for its full-time employees on August 27, 2010 to guarantee the employees’ future and incentivize them to work for the Company in the long term. The number of employees participating in the provident fund (PVD) is 96 individuals. The proportion of employees participating represents 70% of the total number of employees.

The company has a policy to support the Provident Fund Committee of the Company to select a fund manager who responsibly follows the principles of investment governance, taking into account environmental, social and governance factors (ESG) because it is an investment guideline that leads to the best benefit of fund members, who are employees of the Company, in the long run.

Employee Joint Investment Program (EJIP)

Refer to the resolution of the Board of Directors’ Meeting No.4/2021 held on May 13, 2021 for Employee Joint Investment Program (EJIP) Group 1 and the Board of Directors’ Meeting No.5/2021 held on August 11, 2021 for Employee Joint Investment Program (EJIP) Group 2, the details are as follows.

Employee Joint Investment Program (EJIP) for Group 1

1 Duration of the Program	September 1, 2021 – September 6, 2024
2 Employees Eligible to Attend the Program	Employees with high potential and responsibility, dedicated to working and being in a key position in the organization, including having good performance from the assessment results in 2020.
3 Form of the Program	The ratio between the Company’s contributions and the employee’s investment is 99% to 1 of the investment. The project will be operated through Phillip Securities (Thailand) Public Company Limited to provide investment management for the Company by investing in SICT shares on the date specified by the Company every month and the Company will cut off the investment through the employee’s payroll, starting from September 2021 to August 2024.

4 Conditions of Securities Holding	The participants have the right to sell their shares directly on the stock exchange once the program reaches the maturity of 1 and 2 years and can sell all shares in the account. The company will cease such payments to employees when the employee is retired from being an employee during the period that the project has not ended.
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Employee Joint Investment Program (EJIP) for Group 2

1 Duration of the Program	September 1, 2021 – September 6, 2024
2 Employees Eligible to Attend the Program	Employees in the supervisor group with high potential and responsibility, dedicated to working and are in a position that is important in the organization (Key Position)
3 Form of the Program	The ratio between the Company's contributions and the employee's investment is 72% to 28 of the investment. The project will be operated through Phillip Securities (Thailand) Public Company Limited to provide investment management for the Company by investing in SICT shares on the date specified by the Company every month and the Company will cut off the investment through the employee's payroll, starting from September 2021 to August 2023.
4 Conditions of Securities Holding	The participants have the right to sell their shares directly on the stock exchange at the end of the program in September 2024, can sell all shares in their accounts. The company will cease such payments to employees when the employee is retired from being an employee during the period that the project has not ended.

Refer to the resolution of the Board of Directors' Meeting No.5/2022 held on August 10, 2022 for Employee Joint Investment Program (EJIP) Group 3, the details are as follows.

Employee Joint Investment Program (EJIP) for Group 3

1 Duration of the Program	September 1, 2022 – September 6, 2025
2 Employees Eligible to Attend the Program	Employees in with high responsibilities, dedicated, determined and being in key positions with having good performances in the year of 2021.
3 Form of the Program	The proportion between the Company's contributions and the employees' investments is 99% to 1% of the said project investment. It will be done through Phillip Securities (Thailand) Public Company Limited to provide investment management for the company by investing in SICT shares within the date the company designated every month. The company will deduct the investment through the employee's payroll from September 2022 to August 2025.

4 Conditions of Securities Holding

Program participants have the right to sell shares directly in the stock market when the project has been passed to the first and the second year of this program by being able to sell all the shares held in the account. The company will cease payment to employees in the event that the employee has ceased from being an employee while the program has not yet expired.

3. Knowledge and potential development of employees

Personnel Development Policy

The Company has a policy to encourage all personnel to receive training and sustainable development, starting from the orientation of new employees to know the policy of business operations and manual of business ethics and code of conduct. Also, they are taught by supervisors to learn from work and attend academic trainings as well as seminars on various courses organized by related internal and external agencies to increase knowledge, ability, and experience the changes in the world's technology at all time. Thus, the personnel can work with full efficiency towards success and sustainability according to the organizational goals and career growth.

In 2022, the Human Resources Department surveyed the intentions of employees in various departments, together with their supervisors to plan on the annual training of employees. The Talent Development Program has been implemented as a project related to the development of high-potential employees who are an important workforce to drive the organization towards sustainable growth. Besides encouraging employees to gain knowledge from external agencies, the Company also organizes in-house training and seminars in various forms to enhance the skills of employees. Those training courses promote the skills of employees in accordance with the organization's strategic direction, such as Basic Project management, Sustainability training for SIC Employees, Foundation Microsoft 365, Tax Savings Fund, Which one to buy this year?, Product code training, and Basic Firmware development on STM32. In the meantime, the Internal units of the organization regularly disseminates knowledge on core Value and ESG contents to employees throughout the organization.

In 2022, the average number of training hours per person per year of the Company's employees increased from 19 hours to 20 hours.

4. Caring for employees to have a good quality of life and work safety

The Company always places an importance on work safety of employees at all levels. It has established policies that support employees to work safely with good hygiene in the workplace, such as environmental improvement to be safe and facilitate the work, determination of various policies related to the work of employees during the COVID-19 epidemic, including extension of working hours at home, integrative work policy, screening with Antigen Test Kit before entering the office, strictly wearing a face mask all the time in the office, ozone spray plans at the office, etc.

In 2022, the Company also organized basic firefighting training, fire drills, and fire evacuations on June 17, 2022, so that employees could be equipped with knowledge and understanding to prevent their life and property from dangers, while handling in case of an emergency and fire. Meanwhile, the Company organized various health promotion activities for employees to promote their good quality of life, including yoga activities, fitness rooms, football and badminton clubs, as well as knowledge on health and office syndrome.

In 2022, there was no accident/absence/symptom of illness caused by the work of employees.

5. Gathering to negotiate employee benefits

The Company realizes on treating employees at all levels of the organization with fairness and equality without exception. The Company has defined it in human resource service policy of the organization, which covers employment, remuneration, and welfare for employees, with formulation and control to promote humane practice. The Company has also set up a welfare committee as the representative of employees to discuss, inspect, control, and oversee the management of various welfare benefits for employees together with the Company appropriately and fairly.

7.6 Other Key Information

7.6.1 Information of Company Secretary, Person appointed to be directly responsible for control and supervision of accounting matter, Head of Internal Audit and Head of the Compliance of the Company

Company Secretary

Section 89/15 of Public Limited Companies Act B.E. 2535 specified that the Board of Directors shall appoint the Company Secretary to take responsibility on behalf of the company or the Board of Directors. The Meeting of the Board of Directors No. 5/2021 dated August 11, 2021, has resolution to appoint Ms. Katalee Krachangsaeng to be the Company Secretary which has been effective on August 12, 2021. Details on biodata of the Company Secretary is specified in Attachment 1.

Roles and responsibilities of the Company Secretary are as follows:

1. To provide preliminary advice to the directors on laws and regulations that the Board of Directors should be acknowledged, then monitor on compliance to ensure that they are correctly and constantly complied, as well as to report on any change in significant laws and regulations to the Board of Directors.
2. To arrange the shareholders' meeting and the Board of Directors' meeting as per specified by the law, the Company's regulations and practices.
3. To prepare and keep the following document:
 - Register of directors
 - Notice calling the Board of Directors' meeting, minute of meeting of the Board of Directors and an annual report of the Company;
 - Notice calling the shareholders' meeting and minute of shareholders' meeting.
4. To supervise on disclosure of information and information technology report for the part responsible by the unit regulating the Company pursuant to regulations and requirement of the official agencies;
5. To keep a report on interest filed by the director or the executive and submit a copy of interest report to the Chairman and the Chairman of the Audit Committee for acknowledgement within 7 days from the date the Company receives such report.
6. To arrange for the complete and accurate storage system of relevant document or evidences that they can be readily available for inspection.
7. To contact and communicate with general shareholders so they can acknowledge the shareholders' right and the Company's news.

Person appointed to be directly responsible for control and supervision of accounting matter

Ms. Thitima Saensuksakulchol, Accounting Manager, is a person appointed to be directly responsible for efficient control and supervision of accounting matter of the Company pursuant to the Company's rules, regulations and criteria since July 13, 2022. Information and details of the person appointed to be directly responsible for control and supervision of accounting matter are appeared in Attachment 1.

Head of Internal Audit and Head of the Compliance of the Company

The Company has a policy to outsource the internal audit which also responsible for the compliance of the Company. During the meeting of the Audit Committee of Silicon Craft Technology Public Company Limited No. 1/2022 on February 24, 2022, the meeting resolved to renew the employment contract of Unique Advisor Co. Ltd. to be the Company's Internal Auditor for 2021. Unique Advisor Company Limited has assigned Mr. Kosol Yamleemul, the managing director, to be the main responsible person to be the Head of Internal Audit and Head of the Compliance of the Company.

The Audit Committee has considered qualifications of Unique Advisor Co. Ltd. and considered that it has adequate knowledge, capability and experiences to perform duty as the internal auditor because it has experiences in internal audit for more than 15 years. Its main operators already passed the training courses on Thai Financial Reporting Standards (TFRS), Accounting Standards, Auditing Standards (continuous training), Internal Audit Workshop (continuous training), Auditor's Report (continuous training), COSO 2013, Taxation and planning (various), IT Audit (various) and they do not have any relationship with the Company, so they can independently and impartially audit and present the recommendation to the Company. Information and details of Head of Internal Audit and Head of the Compliance of the Company are appeared in Attachment 2.

In addition, consideration on appointment, removal or transfer of the Company's internal auditor is required to pass selection process and approval from the Audit Committee first. After that the Audit Committee shall propose the qualified auditor to the meeting of the Board of Directors for further consideration and approval as well as on negotiation on relevant expenses. The employment contract of such internal auditor shall be expired at the end of 2022 and the Company has a policy to continue outsourcing the internal auditor for 2023. The company has appointed Unique Advisor Co., Ltd. to be the internal auditor for another year according to the resolution of the Board of Directors Meeting No. 6/2022 held on December 16, 2022 to review and evaluate the Company's internal control system and make recommendations on the appropriate internal control system.

7.6.2) Head of Department of Investor Relations and Contact Information

The person assigned to the position of the Head of the Department of Investor Relations of the Company is Ms. Kathalee Krachangsaeng, Company Secretary and Manager of the Department of Company Secretariat and Investor Relations. She is responsible for communicating and publicizing information and news useful to shareholders, investors, analysts, and related parties in an appropriate, equal, and timely manner, along with helping to supervise the dissemination of the Company's information according to the criteria set forth by the SEC, SET, and related entities in the 2022 Annual Registration Statement (Form 56-1 One Report) and/or the Company's website, etc., as well as helping to disseminate important information affecting the price of the Company's securities, which affects the decision-making process of investors and its stakeholders correctly, adequately, and usefully for the investor's decision making.

Investors can contact the Department of Investor Relations of the Company at

Silicon Craft Technology Public Company Limited
40 Thetsabanrangsan Rd., Ladyao, Chatuchak, Bangkok 10900
Telephone: 02 589 9991 / Fax: 02 589 8881
E-mail: ir@sic.co.th

In 2021, investor relations activities to disclose the Company's information to investors can be summarized as follows:

Activity	Number of Participants/ Number of Times
Meeting investors and analysts (person)	263
Meeting with analysts (time)	4
Attendance with investors and roadshows	20
Attendance to Opportunity Day organized by the Stock Exchange of Thailand	4
Company's activities and others (time)	6

7.6.3 Information of Auditor's remuneration

For the fiscal period ending December 31, 2022, the Company has paid auditing fee to DIA International Audit Co., Ltd., the Company's auditor, amounting to 1,750,000.00 Baht. Such remuneration included quarterly and annual auditing fees, auditing fee on compliance with the condition of the BOI Privilege Certificate at 50,000.00 Baht each.

1. Audit fee

Details	Amount (Baht)
Quarterly and annual auditing fees	1,650,000

2. Non-Audit fee

Details	Amount (Baht)
Auditing fee on compliance with the condition of the BOI Privilege Certificate at 50,000.00 Baht/each (Total 2 items)	100,000

The Company has paid other service fees for auditing the compliance with investment conditions. According to the regulations of the Board of Investment, it is required that projects with certain conditions of promotion must submit an application for corporate income tax exemption rights and privileges, as well as reports on operational results audited by a licensed auditor.

Objectives of the investigation.

1. Real investment in machinery for each promotion certificate as approved for investment promotion
2. Volume of production and distribution of products/services in accordance with the conditions of each promotion certificate

The auditor on behalf of DIA International Audit Co., Ltd. has no relationship or transaction that causes a conflict of interest with the Company, executives, major shareholders. or those related to such persons. Therefore, it is independent and impartial in auditing and expressing opinions on the financial statements and auditing the Company's compliance with the conditions of Board of Investment (BOI) promotion projects, with the approval of the Audit Committee.

8 Corporate Governance Milestones

8.1 Summary of Performance of the Board of Directors over the Past Year

The Board of Directors reviewed the Company's corporate governance policy, business ethics manual, and operational requirements, including the Charters of the Board of Directors, sub-committees, and other relevant matters to comply with the principles of good corporate governance of the SEC by communicating to employees at all levels to ensure effective and efficient management, good corporate ethics, transparency, and traceability in order to build confidence among investors, shareholders, and all groups of stakeholders in support of sustainable growth of the Company.

8.1.1 Recruitment, Development, and Performance Assessment of the Board of Directors

1. Independent Directors recruitment

The Company's Board consists of the persons who are knowledgeable, capable with expertise and experiences that can perform duties for the best interest of the Company. The directors shall have qualifications and shall not possess prohibited characteristics as per specified by the laws and they shall have duty and responsibility on specifying and reviewing the Board's structure.

The Company's Board of Directors as of December 31, 2022, consists of 9 directors combining of 3 independent directors, 4 non-executive directors and 2 executive directors in order to balance power appropriately. Sub-committees have been appointed to assist the Board pursuant to the scope specified in each sub-committee's charters to strengthen efficiency and effectiveness on operations of the Board.

Qualifications of the Independent Director

The Company has the process to nominate the independent director by considering from qualifications and prohibited qualifications of the directors pursuant to the Public Limited Companies Act, laws on securities and exchange, notifications of the Office of the Securities and Exchange Commission, the Market Capital Supervisory Board, the Stock Exchange of Thailand, as well as the relevant notifications, regulations and/or rules. The Board shall consider and select the independent directors from the experts who have working experiences and other appropriated aspects. The Company has policy to appoint the independent directors at least one-thirds of total number of directors and the number shall be at least 3 persons with qualifications as follows

1. Holding shares not exceeding 1.00 percent of the total number of voting rights of the Company, its parent company, subsidiary, affiliated company, principal shareholder or controlling person of the Company. Shares held by the related persons of such independent director shall also be included;
2. Not being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, affiliated company, same-level subsidiary, major shareholder or controlling person of the Company unless the foregoing status has ended not less than 2 years prior to the date being appointed as the independent director. However, such prohibited characteristics exclude the case where such Independent Director used to be the government official or the advisor of the government entity who is the major shareholder or the controlling person of the Company;
3. Not being a person related by blood or registration under laws, i.e. father, mother, spouse, sibling, and child, including spouse of the children of the executive, major shareholder, controlling person, or person to be nominated as executive or controlling persons of the Company or its subsidiary;

4. Not having a business relationship with the Company, its parent company, subsidiary, affiliated company, major shareholder or controlling person of the Company, in the manner which may interfere with his or her independent judgment, and neither being nor having been a significant shareholder or controlling person of any person having business relationship with the Company, its parent company, subsidiary, affiliated company, major shareholder or controlling person of the Company unless the foregoing relationship has ended not less than 2 years prior to the date being appointed as the independent director. Such business relationship includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Applicant or its counterparty being subject to indebtedness payable to the other party in the amount of three (3) percent or more of the net tangible assets of the Applicant or twenty (20) million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Securities and Exchange Commission concerning rules on connected transactions, mutatis mutandis. The combination of such indebtedness shall include indebtedness taking place during the course of one (1) year prior to the date on which the business relationship with the same person commences.
5. Neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliated company, major shareholder or controlling person of the Company, and not being a significant shareholder or controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate, major shareholders or controlling person of the Company unless the foregoing relationship has ended not less than two (2) years from the date being appointed as the independent director.
6. Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding 2 million Baht from the Applicant, its parent company, subsidiary, affiliated company, major shareholders or controlling person of the Company, and neither being nor having been a significant shareholder, controlling person or partner of the professional advisor unless the foregoing relationship has ended not less than 2 years from the date being appointed as the independent director.
7. Not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the major shareholders.
8. Not operate any business which has the same nature as and is in significant competition with the business of the Company or subsidiary, or not being a significant partner in any partnership, or not being an executive director, employee, staff, or advisor who receives salary; or holding shares not exceeding 1.00 per cent of the total number of voting rights of any other company operating business which has the same nature as and is in significant competition with the business of the Company or its subsidiary.
9. Not having any characteristics which make him/her incapable of expressing independent opinions with regard to the Company's business affairs.

2. Nomination of Directors and the top executive; CEO.

The Company has determined the qualifications of directors and top executives to ensure that there is appropriate and adequate recruitment of directors and high-ranking executives for operations according to the business plans and guidelines for the succession plan as specified in the Company's Charter and Code of Conduct to achieve the specified goals. Also, the Board of Directors realizes the importance of understanding the structure and relationships of major shareholders which may affect the management of business and the power to control the Company's operations to avoid any obstacles to the performance of the Board of Directors, while ensuring appropriate disclosure of information which may affect business control.

At present, the Board of Directors consists of nine members, three of which are independent directors and five are executives as defined by the SEC, with the Chief Executive Officer as the highest level of management. The nomination of persons to be appointed as directors and top executives must be considered, screened, and elected by the Nomination, Remuneration, and Corporate governance Committee.

In the process of nomination for directors, the Company is aware on the importance of shareholders. In order to promote good corporate governance on the rights of shareholders and stakeholders with equitable treatment of all shareholders, the Company therefore provides an opportunity for shareholders to nominate qualified persons to be elected as directors in advance before the shareholders' meeting. In the process of nominating new directors, the Nomination, Remuneration and Corporate Governance Committee considers the composition of the Board of Directors and the Board Skill Matrix to nominate a person to be nominated as a director with appropriate qualifications, such as skills, knowledge, qualifications, experiences, and abilities to benefit the Company's direction plans in compliance with business strategy to propose to the Board of Directors and the Shareholders' Meeting for considerations and appointment of the Company's directors.

Nomination and appointment of directors

1. Board's candidates shall be screened by the Nomination and Compensation Committee which shall be based on criteria under Section 68 of the Public Limited Company Act, B.E. 2535 and pursuant to the notification of the Securities and Exchange Commission and/or the relevant laws. The Board's members shall be selected from the qualified persons who have fundamental knowledge and expertise in various fields which will be beneficial to the Company's operations with regards to provision of recommendation, opinion in various aspects from perspectives of the people who have direct experiences, with wide-range vision, integrity and ethic. He/she shall have transparent working history and have capability to independently express opinions. After those the Board's candidates will be proposed to the shareholders' meeting for consideration and appointment
2. The Board of Directors shall consist of not less than five (5) directors and not less than one half of total directors must reside in the Kingdom and not less than three-fourths of total directors shall hold Thai nationality. At least one-thirds of members of the Board, but not less than 3 directors, shall be the Independent Directors. The appointment of the Board of Directors shall be approved by the resolution of the shareholders' meeting, pursuant to the following criteria and methods:
 - 1) One shareholder holds one vote per share
 - 2) The shareholder can elect Directors individually.
 - 3) The candidate with the most votes is to be appointed Directors up to the number open at the meeting. If more candidates receive equal votes than the number of Directors required, the Chairman of the meeting must cast a deciding vote.

In addition, at every annual general meeting, one-thirds of the directors shall be removed from office. If the number of directors to be retired cannot be divided into the whole numbers, the number shall be as close as possible to the proportion of one-third. The directors who have already left office may be re-elected. The directors who shall retire in the first and the second years after the Company's registration shall be drawn through lots. For following years, the directors who are in the position the longest shall retire. The directors who retire under that term may be re-elected.

In case the position of director becomes vacant for any reason other than the end of an office term, the directors shall select a person who is qualified and does not have prohibited qualifications under Section 68 of the Public Limited Companies Act B.E. 2535 (1992) and/or relevant laws to become a substitute director at the next meeting of the Board of Directors. Unless the remaining term of the director is less than 2 months, the Board of Directors' resolution shall be not less than three-quarters of the votes of the remaining directors. the person becoming the substitute director shall remain as a director for as long as the remaining term of the directors he/she represents.

At the 2022 Annual General Meeting of Shareholders held on April 26, 2022, there were three directors who retired by rotation as follows:

Name - Surname	Position
1 Mrs. Monluedee Sookpantararat	Independent Director/ Chairman of the Audit Committee / Member of the Risk Management Committee
2 Mr. Sarote Phornprapha	Independent Director/ Member of the Audit Committee/ Chairman of the Nomination, Remuneration and Corporate Governance Committee
3 Ms. Arunee Poontawe	Executive Director/ Member of the Executive Committee/ Chief Financial Officer

All three of them are fully qualified according to the Public Limited Companies Act B.E. 2535 (1992) and relevant announcements of the Capital Market Supervisory Board. They have good experience in the Company's business, which can be helpful in determining the Company's direction and operational plans. By the resolution of agenda to consider and approve the election of directors to replace those who are due to retire by rotation for the year 2022, these three persons have been approved by the shareholders' meeting to be re-appointed for another term as proposed.

Nomination and appointment of Chief Executive Officer (CEO)

To nominate the Chief Executive Officer, the Nomination, Remuneration and Corporate Governance Committee will select a person with knowledge, competence, and complete qualifications, including experience suitable for the position, which will benefit the Company's operations to be presented to the Board of Directors for further approval.

The Board of Directors also supervises a succession plan for the organization's top executives when the executives are unable to perform their duties. Such plan is important for the stability of the organization, including those who involve. The progress of succession plan will be regularly reported to the Board of Directors. In 2022, the non-executive committee meeting held discussions and shared useful opinions on the progress of the succession plan of the top executives. The Company's secretary summarized the results of the meeting for the Chief Executive Officer to acknowledge in accordance with the principles of good corporate governance.

Details of the succession plan policy are as follows:

Objective

1. To always assess the readiness for the organization to have manpower with qualifications and competencies.
2. To proactively plan recruitment and selection in advance by planning the recruitment and development from personnel in the organization with potential for the supervisory level or higher or personnel from outside.
3. To plan the replacement and succession for retirement and competent personnel management or job positions which targeted by the market/competitors.
4. To reduce the rate of loss of personnel with knowledge and experience.
5. To motivate and retain competent and potential employees for the replacement and succession positions, with the opportunity to develop and move up to a higher position.

Rules and Regulations

The Company maintains appropriate and transparent criteria and procedures for selecting personnel to take responsibility in the Company's important management positions. This is to ensure that the Company retains qualified executives with skills, experience, and professional abilities through the Nomination, Remuneration and Corporate Committee and/or a committee appointed for recruitment/selection and planning for job succession in the position of Chief Executive Officer (CEO), Chief Financial Officer (CFO), and other executives as follows:

1. Chief Executive Officer and Chief Financial Officer Level

When the position of Chief Executive Officer/Accounting and Finance is vacant or the one in position is unable to perform duties under employment contract, the Company will have a system for executives at a similar level or secondary level to act in the position until having the recruitment and selection of qualified persons in compliance with the criteria set by the Company. This may be personnel in the Company who is in the succession plan or an outsider who must have a visionary knowledge and experience suitable for the organizational culture. The Nomination, Remuneration and Corporate Governance Committee will process the recruitment and present to the Board of Directors for appointment approval of a suitable person to replace the position.

2. Executive level

When executive positions up from the manager level become vacant or the ones in such positions are unable to perform duties, the Company will present the nominated successors to the Board of Directors for approval.

The Company's succession plan will cover CEO, CFO, and executive level positions, with the process as follows:

1. Analysis of the Company's business situations, such as strategy, policy, investment and expansion plan with the assessment of manpower readiness in line with the Company's strategies in the short and long term.
2. Specify the hierarchy of employees and departments which require a succession plan, while setting the time for such expected succession to occur.
3. Determine competencies, including knowledge, skills, personality, and desirable attitudes of employees in such positions.
4. Establish a master development plan for the development of each competency as outlined in Item 3.
5. Create a recruitment plan with employee training and development in advance for the readiness of manpower by developing or recruiting staffs in preparation for replacement before retirement or early retirement.
 - 5.1 Nominate potential employees as successors.
 - 5.2 Apply the personnel testing and assessment tool to analyze the potential of individual employees.
 - 5.3 Establish the individual development plan.
 - 5.4 Implement the development plan and periodically evaluate the nominated employees to ensure their improvement for the expected results. If not, consider changing to new potential employees.
6. When a replacement is required, the successor will be identified from the evaluation and analysis of the employee's potentiality and performance, with advance notification for succession and successor replacement.

3. Director Development

The Company has supported and encouraged directors to develop knowledges which are practical and useful for working continually. In 2022, directors who had participated director training courses arranged by Thai Institute of Directors and significant institutes are as follows.

No.	Name - Surname		Training courses
1.	Mr. Manop	Dhamsirianuntt	<ul style="list-style-type: none">- Capital Market Leader Program (CMA 32), Capital Market Academy- Corporate Governance for Executives (CGE 20/2022)- Role of the Chairman Program (RCP 49/2022)- Successful Formulation & Execution of Strategy (SFE 40/2022)
2.	Mrs. Monluedee	Sookpantararat	<ul style="list-style-type: none">- Director Leadership Certification Program (DLCP 7/2022)- Advanced Audit Committee Program (AACP 43/2022)

No.	Name - Surname	Training courses
3.	Mr. Wuthipong Suponthana	- Risk Management Program for Corporate Leaders (RCL 27/2022)
4.	Mr. Sarote Phornprapha	- Director Leadership Certification Program (DLCP 8/2022) - Anti-Corruption the Practical Guide (ACPG 59 /2022) - Ethical Leadership Program (ELP 28/2022)
5.	Mr. Naiyavudhi Wongkomet	- Director Certification Program (DCP 327/2022) - Successful Formulation & Execution of Strategy (SFE 40/2022)
6.	Mr. Apinunt Thanachayanont	- Corporate Governance for Executives (CGE 19/2022) - Successful Formulation & Execution of Strategy (SFE 40/2022)
7.	Mr. Bodin Kasemset	- Director Certification Program (DCP 324/2022) - The Board's Role in Mergers and Acquisitions (BMA 1/2022) - Strategic Board Master Class (SBM 10/2022)
8.	Ms. Arunee Poontawe	- SET-CEO CLUB 2022: โอกาสและความท้าทายในระบบการเงินและตลาดทุนไทย จัดโดยตลาดหลักทรัพย์แห่งประเทศไทย - TLCA CFO Professional Development Program (TLCA CFO CPD) No. 1/2022 for the topic of "Enhancing the quality of financial reports of Thai listed companies" arranged by Thai Listed Companies Association - The Next Trend Series by Entrepreneurial Classroom EP.2: The new wave of Web 3.0 Metaverse for business arranged by The Stock of Exchange of Thailand - SET-Live Seminar: Summary of TFRS Financial Reporting Standards with Changes and Effective 2023 arranged by The Stock of Exchange of Thailand

At present, there are 5 directors who joined the director training courses such as Director Certification Program (DCP) and 9 directors who joined the Director Accreditation Program (DAP) which arranged by Thai IOD, totaling 9 directors (100%)

4. Orientation for new directors

The Company recognizes the importance of new directors to perform their duties as crucial for the direction of various management policies towards corporate sustainability. Therefore, there are guidelines for an orientation of new directors to know their roles and responsibilities according to business goals, as well as understand the Company's nature of business and operations. In the meantime, it provides important and necessary information for the performance of duties among directors, such as the Charter of the Board of Directors, Articles of Association and the Company's policies, manual of business ethics and code of conduct at work, relevant laws, regulations of the Stock Exchange of Thailand and the SEC, Form 56-1 One Report, meeting information of the Board of Directors, etc.

This includes meeting arrangement with the Chairman of the Board of Directors, Board of Directors, and sub-committees to get information about the Company's business operations and build good relationships between directors.

The Company has guidelines for orientation of new directors, in line with good corporate governance guidelines on the orientation of new directors of the Stock Exchange of Thailand as follows:

1. Information when inviting for appointment as a director
 - 1.1 The Company's history and nature of business
 - 1.1.1 The Company's history
 - 1.1.2 Nature of business
 - 1.2 Structure of the Company, major shareholders and directors, organization, and governance
 - 1.2.1 Structure of the Company
 - 1.2.2 Structure of major shareholders and directors
 - 1.2.3 Organizational structure and governance
 - 1.3 Remuneration and benefits of directors
 - 1.4 Financial position and performance of at least the past 3 years
 - 1.5 Roles and duties of the Board of Directors in accordance with relevant laws
 - 1.5.1 Legal duties
 - 1.5.2 Corporate governance duties
2. Information for orientation when appointed as a director from the shareholders' meeting
 - 2.1 Information or legal reporting documents
 - 2.2 Memorandum and the Company's regulations
 - 2.3 Scope of duties and responsibilities of the Board of Directors and sub-committees
 - 2.4 Minutes of meeting of the Board of Directors and meeting schedule
 - 2.5 Good Corporate Governance Policy and Manual of Business Ethics and Code of Conduct at Work
 - 2.5.1 Supervision on the use of internal information
 - 2.5.2 Risk policy
 - 2.5.3 Internal control system
 - 2.5.4 Related transactions
 - 2.5.5 Whistleblowing
 - 2.6 Legal disputes (if any)
 - 2.7 Report of the supervisory organizations for the Company's improvement and compliance (if any)
3. Meeting with the Chairman of the Board of Directors and Chief Executive Officer before the first meeting of the Board of Directors
4. Disclosure of information in the annual report

5. Skill Matrix of the Board of Directors

	Part: Macromanagement							Part: Specific knowledge, experience or expertise						Part: Corporate Governance	
	Accounting and Finance	Industry Knowledge	Business Acumen	Organization and Human Resource Management	Risk Management	Crisis Management	International Management	Strategic Planning	Research and Development	Supply Chain	IP Management	IT Management	Legal Knowledge	Corporate Governance	
Mr. Manop Dhamisiranuntt	X	X	X	X		X	X	X	X	X	X				
Mrs. Monluelee Sookpantaratt	X			X	X			X					X		X
Mr. Wuthipong Suponthana		X			X		X	X	X	X					X
Mr. Sarote Phornprapha			X	X		X		X							X
Mr. Naiyavudhi Wongkomet	X	X	X	X	X			X	X	X	X		X		X
Mr. Apinetr Unakul		X						X	X			X			
Mr. Apinunt Thanachayanont		X						X	X						X
Mr. Bodin Kasemset	X	X	X	X	X	X	X	X	X	X	X				
Ms. Arunee Poontawe	X				X			X							

6. Performance assessment of the Board of Directors and sub-committees, as well as the Chief Executive Officer in the past year

The Nomination, Remuneration and Corporate Governance Committee arranges for self-assessment of performance, as well as the Board of Directors and sub-committees at least once a year as a framework for auditing operations, with encouragement for joint consideration of work and problems on various issues in the past year. It also enhances the efficiency and good understanding at work between the Board of Directors. and sub-committees.

The secretary of the Nomination, Remuneration and Corporate Governance Committee and the Company's Human Resources Departments will jointly prepare the assessment form and deliver the assessment form to the Board of Directors and each sub-committee for evaluation to summarize the results and report to the Board of Directors meeting. The assessment includes:

- Self-assessment form of committee as a group
- Self-assessment form of sub-committee as a group
- Self-assessment forms of the Board of Directors and sub-committees as an individual

In 2022, there were assessment topics and summary reports on performance evaluation of the Board of Directors and sub-committees as follows:

- **Assessment Series 1:** Self-Assessment of the Board of Directors by group to assess the overall performance of the Board.

Topic of Assessment	Average	Percentage
Structure and qualifications of the Board	3.53	88%
Role, duties and responsibilities of the Board	3.53	88%
Board's meeting	3.58	89%
Performance of duties of Directors	3.62	90%
Relationship with the management team	3.64	91%
Self-development of Directors and Executive Development	3.46	87%
Total	3.56	89%

- **Assessment Series 2:** Self-assessment form of sub-committee as a group is for directors who perform their duties as directors in the sub-committee only. This is to assess the performance of sub-committees assigned by the Board of Directors.

Topic of Assessment	Average	Percentage
Structure and qualifications of the committees are appropriate for the efficiency of the Board of Directors' work.	3.60	90%
Meetings of sub-committees in order for the committees to perform their duties in meetings effectively.	3.57	89%
Roles, duties and responsibilities of the sub-committees have given importance to taking sufficient time to consider, review and implement the following matters:		
• The Audit Committee	3.57	89%
• The Nomination, Remuneration and Corporate Governance Committee	3.52	88%
• The Risk Management Committee	3.80	95%
Total	3.61	90%

Notes: The Company plans to evaluate the performance of the Executive Committee in May 2023. Therefore, there is no summary on the assessment results of the Executive Committee, as one of the subcommittees, at this time.

- **Assessment Series 3:** Self-Assessment of the Board of Directors and Sub-Committees by individual to assess the performance of duties of individual directors and committees.

Topic of Assessment	Average	Percentage
Structure and qualifications of director/committee member	3.44	86%
Meetings of the Board of Directors/sub-committees	3.58	90%
Role, duties and responsibilities of the Board/Committee	3.80	95%
Total	3.61	90%

Evaluation of the performance of the Chief Executive Officer (CEO)

The Board of Directors arranges for the past year performance evaluation of the Chief Executive Officer at least once a year on various topics, such as determination and compliance with corporate strategy, management and relationship with the Board of Directors and personnel of the Company, knowledge of products and services, and personal characteristics, etc. The secretary of the Nomination, Remuneration and Corporate Governance Committee and the Company's Human Resources Department will jointly prepare the assessment form and deliver the assessment form to the Board of Directors for performance evaluation and take the assessment results to discuss in the Nomination, Remuneration and Corporate Governance Committee for proposal to the Board of Directors' meeting, and determine appropriate remuneration of the Chief Executive Officer, in line with the Company's operational performance.

8.1.2 Meeting Attendance and Remuneration Payment of Individual Board of Directors

Name - Surname	Position (As of December 31, 2022)	Meetings of Board of Directors, Sub-Committees, Non-Executive Directors and Annual General Meeting for the year 2022						
		Board of Directors	Audit Commit- tee	Risk Manage- ment Commit- tee	Nomination, Remuneration and Corporate Governance Committee	Executive Committee	Non-Executive Directors	Annual General Meeting
		6 Times	6 Times	4 Times	15 Times	4 Times	1 Times	1 Times
1. Mr. Manop Dhamsirianuntt	Chairman of the Board of Directors	6/6	-	-	-	-	1/1	1/1
2. Mrs. Monluede Sookpantararat	Independent Director/ Chairman of the Audit Committee / Member of the Risk Management Committee	6/6	6/6	4/4	-	-	1/1	1/1
3. Mr. Wuthipong Suponthana	Independent Director/ Member of the Audit Committee / Chairman of the Risk Management Committee/ Member of the Nomination, Remuneration and Corporate Governance Committee	6/6	6/6	4/4	-	4/4	1/1	1/1
4. Mr. Sarote Phornprapha	Independent Director / Member of the Audit Committee/ Chairman of the Nomination, Remuneration and Corporate Governance Committee	6/6	6/6	-	-	4/4	1/1	1/1

Name - Surname	Position (As of December 31, 2022)	Meetings of Board of Directors, Sub-Committees, Non-Executive Directors and Annual General Meeting for the year 2022						
		Board of Directors	Audit Commit- tee	Risk Manage- ment Commit- tee	Nomination, Remuneration and Corporate Governance Committee	Executive Committee	Non-Executive Directors	Annual General Meeting
		6 Times	6 Times	4 Times	15 Times	4 Times	1 Times	1 Times
5. Mr. Naiyavudhi Wongkomet	Director/ Chairman of the Executive Committee/ Member of the Risk Management Committee/ Member of the Nomination, Remuneration and Corporate Governance Committee	6/6	-	3/4	14/15	3/4	1/1	1/1
6. Mr. Apinetr Unakul	Director	6/6	-	-	-	-	1/1	0/1
7. Mr. Apinunt Thanachayanont ^[1]	Director/ Member of the Executive Committee/ Chief Research Officer	6/6	-	-	-	-	-	1/1
8. Mr. Bodin Kasemset	Director/ Member of the Executive Committee/ Member of the Risk Management Committee/ Chief Executive Officer	6/6	-	3/4	15/15	-	-	1/1
9. Ms. Arunee Poontawe ^[2]	Director	6/6	-	-	15/15	-	1/1	1/1

^[1]Mr. Apinunt Thanachayanont was appointed as Chief Research Officer with effect from October 3, 2022 and was appointed as Member of the Executive Committee at the Board of Directors' Meeting No. 6/2022 with effect from December 17, 2022 onwards.

^[2]Ms. Arunee Poontawe resigned from the position of Chief Financial Officer to be the Consultant of Finance and Accounting with effect from November 16, 2022. She resigned from the Member of the Executive Committee at the Board of Directors' Meeting No. 6/2022 with effect from December 17, 2022 onwards.

The Information of meeting attendances of the meetings of Board of Directors, Sub-Committees, Non-Executive Directors and Annual General Meeting for the year 2022 are summarized as follows:

- Summary of attendance at the 2023 Board of Directors' Meeting divided into 4 Electronic Meetings and 2 Hybrid Meetings for a total of 6 times as follows.

Name - Surname	Position (As of December 31, 2022)	The meetings of Board of Directors			
		Total (Time)	Physical Meeting	Hybrid Meeting	Electronic Meeting
1. Mr. Manop Dhamirianuntt	Chairman of the Board of Directors	6/6	1/2	1/2	4/4
2. Mrs. Monluede Sookpantaratt	Independent Director/ Chairman of the Audit Committee/ Member of the Risk Management Committee	6/6	2/2	0/2	4/4
3. Mr. Wuthipong Suponthana	Independent Director/ Member of the Audit Committee / Chairman of the Risk Management Committee/ Member of the Nomination, Remuneration and Corporate Governance Committee	6/6	1/2	1/2	4/4
4. Mr. Sarote Phornprapha	Independent Director / Member of the Audit Committee/ Chairman of the Nomination, Remuneration and Corporate Governance Committee	6/6	0/2	2/2	4/4
5. Mr. Naiyavudhi Wongkomet	Director/ Chairman of the Executive Committee/ Member of the Risk Management Committee/ Member of the Nomination, Remuneration and Corporate Governance Committee	6/6	2/2	0/2	4/4
6. Mr. Apinetr Unakul	Director	6/6	1/2	1/2	4/4
7. Mr. Apinunt Thanachayanont	Director/ Member of the Executive Committee/ Chief Research Officer	6/6	2/2	0/2	4/4
8. Mr. Bodin Kasemset	Director/ Member of the Executive Committee/ Member of the Risk Management Committee/ Chief Executive Officer	6/6	1/2	1/2	4/4
9. Ms. Arunee Poontawe	Director	6/6	2/2	0/2	4/4

In 2022, the Board of Directors' attendance ratio was 100% of all meetings for the year.

Remuneration of Directors

1) Monetary Remuneration

The Annual General Meeting of Shareholders 2022, held on April 26, 2022 resolved to approve the remuneration for the Board of Directors and sub-committees for the year 2022, which became effective after the approval at the shareholders' meeting as follows:

Position	Monthly Remuneration	Meeting allowance/ Time	Unit
Chairman of the Board of Directors	40,000	15,000	Baht
Independent Director*	30,000	10,000	Baht
Director** (Major shareholders)	20,000	10,000	Baht
Chairman of the Executive Committee***	20,000	10,000	Baht
Member of the Executive Committee**	-	-	Baht

*Independent Director who serves as the Chairman of the Audit Committee at each meeting of the Audit Committee will receive a meeting allowance of 20,000 baht/meeting.

**Executive directors who are paid on a regular basis are not eligible for remuneration for the position of the Board of Directors and all sub-committees.

***Directors holding two or more positions will receive monthly compensation only for their higher positions.

The Remuneration for Board of Directors and sub-committees in 2022 for 9 directors are specified as follows.

(Unit: Baht)

Name - Surname	Remuneration of Directors						Total
	Board of Directors		Audit Committee	Risk Management Committee	Nomination, Remuneration and Corporate Governance Committee	Executive Committee	
	Monthly remuneration	Allowance	Allowance	Allowance	Allowance	Allowance	
1. Mr. Manop Dhamsirianuntt	-	60,000	-	-	-	-	60,000
2. Mrs. Monluedee Sookpantararat	360,000	40,000	80,000	40,000	-	-	520,000
3. Mr. Wuthipong Suponthana	320,000	40,000	40,000	40,000	40,000	-	480,000
4. Mr. Sarote Phornprapha	320,000	40,000	40,000	-	40,000	-	440,000
5. Mr. Naiyavudhi Wongkomet	-	40,000	-	30,000	30,000	100,000	200,000
6. Mr. Apinetr Unakul	-	40,000	-	-	-	-	40,000

Remuneration of Directors							
Name - Surname	Board of Directors		Audit Committee	Risk Management Committee	Nomination, Remuneration and Corporate Governance Committee	Executive Committee	Total
	Monthly remuneration	Allowance	Allowance	Allowance	Allowance	Allowance	
7. Mr. Apinunt Thanachayanont		20,000	-	-	-	-	20,000
8. Mr. Bodin Kasemset	-		-	10,000	-	-	10,000
9. Ms. Arunee Poontawe	-		-	-	-	-	0
Total	1,000,000	280,000	160,000	120,000	110,000	100,000	1,770,000

The comparison of financial remuneration for directors was summarized between 2020–2022.

(Unit: Baht)

Remuneration	2020		2021		2022	
	Person	THB	Person	THB	Person	THB
Monthly remuneration and Meeting attendance	8	1,540,000	9	1,400,000	9	1,770,000

2. Other Remuneration

- None -

8.1.3 Supervision of Subsidiaries and Associates

The company has no operations of its subsidiaries and associates, so no information has been disclosed in this section.

8.1.4 Monitoring Compliance with Corporate Governance Policy and Practices

1. Prevention of Conflicts of Interest

The emphasizes good corporate governance and business operations with ethics, honesty, transparency, fairness, and accountability. Therefore, the Company has established a policy to prevent conflicts of interest for directors, executives, and employees to understand and comply with the law and related rules and regulations in the best interests of the Company. The guidelines for directors, executives, and employees are as follows:

1. Refrain from operating a business of the same nature and competition with the Company's business, which may cause damage to the Company, either directly or indirectly, or from becoming a partner, shareholder with decision-making authority, director, or executive in a business of the same nature and competition with the Company's business, unless it can be shown that there is a mechanism to ensure that such action will not affect the Company and is in the best interest of the Company and its shareholders.
2. Avoid making transactions connected with himself or herself and/or related parties that may cause a conflict of interest with the Company and do not act in any manner that is in pursuit of personal interests and contrary to the Company's ethics or code of conduct.

3. Do not perform work for other companies or any other business that is not owned by the Company during working hours, and do not perform any work that is in competition with the work assigned by the Company or related to the business that competes with the Company, even if it is outside of working hours. This includes not using any information about the Company in all cases, whether in the condition of employment or out of employment status.
4. Disclose and submit the information about own interests and related third parties as required and strictly comply with the Company's related third parties policy.
5. Do not use the opportunity or information provided by the Company to benefit himself or herself or others, and strictly comply with the Company's internal information protection policy.
6. Strictly comply with the Company's business ethics and code of conduct and corporate governance policy, as well as the laws, rules, and regulations of the relevant regulatory authorities, including the disclosure of information in accordance with the rules of the Stock Exchange of Thailand and other relevant agencies.
7. Supervise and be responsible for the Company's internal control system, risk management system, and anti-corruption system adequately, appropriately, and effectively to ensure that the Company's operations comply with relevant laws, regulations, and good corporate governance guidelines for listed companies.

The Company has also prescribed the prevention of conflicts of interest in the manual of business ethics and practices at work, of which the Company has communicated to directors, executives, and employees to review and sign for acknowledgment annually and published on the Company's website as follows:

- Executives, employees, family members, and residents of the family must not conduct any businesses/activities perceived by the general public as conflicts of interest with the Company directly or indirectly.
- Executives and employees must not join with family members or close persons in any businesses/activities that may cause conflicts of interest with the Company directly or indirectly to avoid any potential impropriety. Relations with family or other individuals which may cause conflicts of interest shall be disclosed as reports to the supervisor in writing.

In the past year, the Company did not have any actions that violated the Company's conflict of interest.

2. Use of Inside Information for Benefits

The company has a policy for the use of inside information and trading of securities of the Company and communicates the policy to the relevant persons and ensure strict compliance. The directors, executives, including management level positions in the accounting or financial line at the level of the manager or above or equivalent and the operators who has become aware of inside information that is important or affects the change in the price of securities must suspend the purchase, sale, transfer, or receipt of transferred securities of the Company during one month before disseminating the quarterly financial statements and annual financial statements and within 24 hours after the information disclosure to the public, including the duty to strictly follow the guidelines for the use of inside information of the Securities and Exchange Act, as well as other related rules.

In addition, the Company has established a monitoring policy for directors and executives, including spouses, those who live together as spouses, and minor children, to report changes in securities holdings (Form 59) to the SEC when there is a change in the company's securities holdings to demonstrate transparency and accountability.

Guidelines related to the purchase, sale, transfer, acceptance of transfer for the Company's securities of directors and senior executives

1. Directors and senior executives (including spouses or cohabiting persons and minor children) are obligated to notify the Company's Secretary before purchasing, selling, transferring, accepting transfer of the securities (in case of knowing the information in advance) or after buying, selling, transferring, accepting the transfer of the securities within the same day of securities trading.
2. Directors and senior executives (including spouse or cohabiting persons and minor children) with the purchase, sale, transfer, acceptance transfer of securities, must submit Form 59 and Form 246-2 to report to the SEC within 3 working days in compliance with the criteria set by the SEC.
3. Directors and senior executives (including spouse or cohabiting persons and minor children) are obligated to report the purchase, sale, transfer, acceptance transfer of securities to the Board of Directors' meeting for acknowledgment.
4. The Company's Secretary shall disclose information on changes in the Company's securities holdings by directors and top executives, with the number of shares held at the start and the end of the year, as well as the trading during the year in the Annual Registration Statement/ Annual Report (Form 56-1 One Report).

In 2022, the directors and executives performed the trading of the Company's securities a total of 48 times in compliance with the policy as specified by the Company correctly and completely.

In the past year, the Company's secretary sent a letter to inform the blackout period to relevant persons in advance and found that directors, executives, or related employees traded the securities during the period specified by the Company.

Also, the Company's secretary disclosed reports on securities holdings of directors and executives to the Board of Directors' meeting every quarter, including reports on the number of shares held by directors and executives at the beginning of the year, at the end of the year, and trading during the year in the Form 56-1 One report).

Furthermore, the Company's Department of Investor Relations has set a silent period during 14 days before the Company announces its financial statements to the Stock Exchange. The Department of Investor Relations will not make any appointments, provide information, or answer any inquiries about the financial statements to securities analysts, investors, or shareholders, except for providing information that the Company has already disclosed or responding to facts that affect the Company's share price.

The Company has placed great importance on the use of internal information as defined in the manual of business ethics and practices at work on the topic of not using specific information for wrongful benefits. Such information has economic value both now and in the future. It is information on a limited basis and not disclosed to third parties without permission from an authorized person, such as information of customers and employees, sales and marketing information, product and service information, accounting information, business plans, marketing plans, financial plans, and project plans. These cannot be used for securities trading or sent to others for securities trading. Every year, Human Resources Department will notify directors, executives, and employees to review and sign the acceptance and awareness of the manual of business ethics and practices at work, including the posting of policy on the use of internal information and trading of the Company's securities, as well as the manual of business ethics and practices at work on the Company's website to increase communication channels and educate directors, executives and employees on the use of internal information.

3. Anti-Corruption and Whistleblowing or Complaints of Misconduct or Corruption

The company intends to conduct its business under the principles of good corporate governance and compliance with the law, adheres to transparency and morality and campaigns to dissuade employees at all levels in the organization, including outsiders, from all forms of corruption. The company has established an anti-corruption policy, the policy on whistleblowing or complaint of wrongdoing or corruption, the policy for giving or receiving gifts and entertainment, and the business ethics manual. The Board of Directors has reviewed various relevant policies annually, including encouragement of personnel to participate in training courses related to anti-corruption, along with communications to all departments in the organization to be aware with strict implementation, namely the inclusion of anti-corruption policy and notification of clues or complaints of misconduct or fraud as part of the new employee orientation, while communicating such policies through the Company's website. Additionally, the Company recognizes and places importance on participating in the Collective Action Against Corruption (CAC) project, of which the Nomination, Remuneration and Corporate Governance Committee has resolved that the Company shall study information on participating in the project for preparation of the Company, while communicating to those involved and partners to join in the project.

(Details about policies and practices regarding anti-corruption and whistleblowing or complaints policy of misconduct or fraud in full version appear on the Company's website: <https://investor.sic.co.th/en/corporate-governance/anti-fraud-policy>.) The practices of anti-corruption policy are as follows:

- Directors and executives must report to the Board of Directors and the Audit Committee immediately in the event of corruption or suspected corruption or any violation of law or other action which may significantly affect the Company's reputation and financial status, such as transactions with conflicts of interest, corruption, or any abnormalities or crucial defects in the internal control system.
- The procurement must operate in accordance with the Company's transparent and verifiable procedures.
- Any contributions of all kinds must be made in the Company's name only and in accordance with the Company's procedures.
- If an employee receives a gift on a traditional occasion with its value beyond normal (as defined in the Manual of Code of conduct) from the Company's associates in business, the employee is required to report to his/her supervisor.
- Anyone who disobeys any of the above guidelines is considered to have committed an offense. The Company shall consider disciplinary action as appropriate, such as verbal warning, written warning, reduction of salary or wages, suspension from work without pay, and termination of employment, as well as appropriate legal actions.

The Company has opened channels for stakeholders to report whistleblowing and complaints through the channels specified by the Company. The Audit Committee, which is independent of the management, will review and screen clues and complaints, as well as have a mechanism to protect complainant, whistleblower, data of whistleblowing and documentary evidence as confidential.

Procedures when receiving complaints

1. Complaint recipients collect facts related to violations or non-compliance of business ethics, requirements, and working practices.
2. Complaint recipients report facts to executives and/or independent directors and/or the Audit Committee as appropriate for an investigation of facts. There will be reports of information or suspicions (whistleblowing) to the Audit Committee every quarter. The Audit Committee is independent and responsible for considerations and orders in accordance with the Company's complaint handling procedures, while reporting to the Board of Directors and implementing measures to protect the rights of informants and storing the information of informants confidentially.

3. Action Measures: Executives and/or independent directors and/or the Audit Committee investigate complaints/suggestions to obtain facts and establish measures to stop violations or non-compliance with business ethics and the code of conduct at work in a timely, appropriate, and fair manner.
4. Reporting: Executives or independent directors or the Audit Committee notify the results of the investigation to the complainant. If the complainant reveals himself/herself in case of an important matter, results are reported to the Chairman of the Board of Directors and/or the Board of Directors for acknowledgment.

Protection of whistleblowers or complainants

To build confidence, whistleblowers or complainants who report suspicions or complaints in good faith shall be protected by the Company through the following measures:

1. Data of whistleblowers, complainants, or those who cooperate in the investigation of facts shall not be disclosed by the Company, such as the name-surname, address, or any other information which can identify the informants. The Company shall conduct an investigation of facts and truthfulness.
2. The Company shall keep relevant information confidential and disclose such when necessary, taking into account the safety of and damage to whistleblowers or complainants, or those who cooperate in the investigation as sources of information, or related persons.
3. If whistleblowers or complainants or those who cooperate in the investigation of facts feel that they may be insecure or that any damages may occur, they can request the Company set appropriate protection measures. The Company may set measures for whistleblowers or complainants or those who cooperate in the investigation of facts though without a request if it is likely to cause damage or insecurity.
4. Those who suffer damages shall be compensated for such damages through appropriate and fair procedures.
5. The Company shall not take any unfair actions against whistleblowers or complainants, such as changing positions, job descriptions, workplaces, suspensions, intimidation, interference in work, termination of employment, or any other acts which are unfair to whistleblowers or complainants or those who cooperate in the investigation of facts.

In 2022, the Company did not receive any suspicions or complaints about misconduct or fraud from various channels that the Company opened for stakeholders to report for suspicions or complaints. The Company's secretary also reported a summary of complaints (whistleblowing) to the Audit Committee's meeting every quarter for acknowledgment. In addition, the Company encouraged directors, executives, and employees of all departments to comply with the anti-corruption policy and guidelines seriously and continuously. There has been inspection, monitoring, and control processes to assess various risks related to corruption within the Company. Besides this, the Company has maintained an internal control system, as well as clear separation of duties and organizational structure to promote and cultivate such awareness to avoid corruption with honesty at work by communicating the anti-corruption policy and measures through the Company's website. Moreover, the company did not obtain any issues of wrongdoing in connection with the Company's corruption.

8.2 Reports of the Audit Committee for the year 2022

8.2.1 Meeting Attendance

Members of the Audit Committee

The Company's Audit Committee consisted of 3 members, namely:

Name - Surname		Position
1.	Mrs. Monluedee Sookpantararat	Chairman of the Audit Committee/ Independent Director
2.	Mr. Wuthipong Suponthana	Member of the Audit Committee/ Independent Director
3.	Mr. Sarote Phornprapha	Member of the Audit Committee/ Independent Director

In this regards, Mrs. Monluedee Sookpantararat, has knowledge and understanding on accounting and experiences to review the Company's financial statements and Ms. Thitima Saensuksakulchol is the Secretary of the Audit Committee.

Attendance record of the Audit Committee during 2020 - 2022 is summarized as follows.

Name - Surname		Number of Attendance/ Total number of Meetings held		
		2020	2021	2022
1.	Mrs. Monluedee Sookpantararat	4/4	5/5	6/6
2.	Mr. Wuthipong Suponthana	4/4	5/5	6/6
3.	Mr. Sarote Phornprapha	4/4	5/5	6/6

Attendance record of the Non-Executive Directors/ Independent Director meeting during 2021 - 2022 is summarized as follows.

Name - Surname		Number (times) / Total number (times)	
		2021	2022
1.	Mrs. Monluedee Sookpantararat	1/1	1/1
2.	Mr. Wuthipong Suponthana	1/1	1/1
3.	Mr. Sarote Phornprapha	1/1	1/1
4.	Mr. Manop Dhamsirianuntt	-	1/1
5.	Mr. Apinetr Unakul	-	1/1
6.	Mr. Naiyavudhi Wongkomet	-	1/1
7.	Ms. Arunee Poontawe	-	1/1

Report of the Audit Committee

The Audit Committee of Silicon Craft Technology Public Company Limited was appointed by the Board of Directors. It consists of three independent directors who are knowledgeable with sufficient expertise and experience, including complete qualifications as specified in the Charter of the Audit Committee, in line with the requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), with the manager of the Accounting Department as the secretary of the Audit Committee.

In 2022, the Audit Committee held a total of six meetings to perform duties within the scope of responsibilities specified in the Charter of the Audit Committee, including report on the results of the meeting to the Board of Directors at all times. In the past year, all members of the Audit Committee attended all meetings with the high-level executives, auditors, and internal auditors as appropriate, with the purpose summarized as follows:

- Review the quarterly and annual financial statements by considering financial reports, accounting policies, and significant business estimations, while asking and listening to clarifications from the executives of finance and accounting departments, as well as auditors on the accuracy and completeness of financial statements and adequacy of information disclosure. The Audit Committee had the same opinion as the auditors that the said financial statements were materially accurate in accordance with financial reporting standards. Besides this, the Audit Committee had a meeting with the auditors, without the attendance of the executives or the management, to acknowledge and discuss the auditor's opinions on various issues from the audit results.
- Consider the sufficiency of the internal control system based on the significant results of the internal auditors, including the assessment results of sufficiency in the internal control system according to the guidelines set by the Securities and Exchange Commission, in line with following up on the progress of improvements to various significant issues. In 2022, the Audit Committee had opinion that the Company maintained its internal control and risk management systems adequately and appropriately.
- Consider, select, and propose to the Board of Directors for approval to appoint Unique Advisor Co., Ltd. as the Company's internal auditor for the year 2022. The Board of Directors then completely approved such company to be the Company's internal auditor in 2023. The Audit Committee considered the independence of internal auditors, performance, scope of work, annual audit plan, including report of the audit, follow-up on corrective actions according to the audit report on significant issues, and provision of advice to improve operational efficiency.
- Consider the nomination of auditors and determine the remuneration for the year 2022, which was approved by the Board of Directors and the shareholders' meeting based on their competence and experience in business auditing performance, as well as the independence of auditors, including appropriate audit fees. The opinions were proposed to the Board of Directors for approval at the shareholders' meeting. In 2022, the shareholders approved the appointment of auditors from DIA International Auditing Company Limited as follows:

1. Mrs. Suvimol Chrityakierne	Certified Public Accountant Registration No. 2982
2. Mr. Chumpot Prairattanakorn	Certified Public Accountant Registration No. 7645
3. Mr. Nopparoe Pissanuwong	Certified Public Accountant Registration No. 7764
4. Ms. Somjintana Polhirunrat	Certified Public Accountant Registration No. 5599

They would be the Company's auditors for the year 2022 with audit fees and other service fees (audit fee in compliance with the terms of Board of investment promotion certificates (BOI) for 50,000 baht per card (2 cards) totaling 1,750,000 baht.

In this regard, the Audit Committee has selected the auditors and set the auditor's remuneration for the year 2023, completely approved by the Board of Directors, in preparation for the next proposal to the shareholders' meeting and approval.

- Consider the connected transactions or transactions that may have conflicts of interest in accordance with the laws and regulations of the Stock Exchange of Thailand based on the principles of reasonableness, transparency, and sufficient disclosure of information. In the past year, the Company had the connected transactions, product purchase transaction type, and other normal service transactions items. There were no significant connected transactions that required disclosure in accordance with the regulations of the Stock Exchange of Thailand, including no significant issues affecting the achievement of organizational objectives.
- Acknowledge the reports of information or suspicions (whistleblowing) on a quarterly basis. The Audit Committee was independent and responsible for considering and ordering to take actions in accordance with the Company's complaint handling process, with reports sent to the Board of Directors. Besides this, the Company proceeded in accordance with the protection of the rights of informants and the confidentiality of the informant's information. In 2022, there was no significant complaint to the Audit Committee.
- The Audit Committee reviews the Charter of the Audit Committee Charter annually to be in compliance with current rules and guidelines, including the performance assessment as a group and individuals to enhance the performance efficiency.
- In 2022, the Audit Committee followed up on changes in financial reporting standards and significant changes in regulations and laws, such as the SEC KorSor (Wor) 43/2565, as well as cooperation with auditors for the implementation according to the rules in response to non-compliance with the laws and regulations, including the assessment of potential impacts on the Company's financial statements. This was so that the management could prepare for the accounting and other related issues to be reported to the Board of Directors for acknowledgment.

The Audit Committee performed their duties with full knowledge, competency, prudence, and independence according to the duties and responsibilities specified in the Charter of the Audit Committee with equal concerns to all stakeholders. To summarize, in 2022, the Audit Committee had the opinion that the Company reported its accurate and reliable financial information with sufficient disclosure in compliance with the generally accepted accounting and financial reporting standards. The Company's operations were under good internal control systems in accordance with the laws, related rules, and regulations.



(Mrs. Monluedee Sookpantarat)
Chairman of the Audit Committee

8.3 Reports of other sub-committees for the year 2022

8.3.1 Meeting Attendance

1) The Risk Management Committee

The Company's Risk Management Committee consisted of 4 members, namely:

Name - Surname		Position
1.	Mr. Wuthipong Suponthana	Chairman of the Risk Management Committee
2.	Mrs. Monluedee Sookpantararat	Member of the Risk Management Committee
3.	Mr. Naiyavudhi Wongkomet	Member of the Risk Management Committee
4.	Mr. Bodin Kasemset	Member of the Risk Management Committee

Attendance record of the Risk Management Committee during 2020 - 2022 is summarized as follows.

Name - Surname		Number of Attendance/ Total number of Meetings held		
		2020	2021	2022
1.	Mr. Wuthipong Suponthana	4/4	5/5	4/4
2.	Mrs. Monluedee Sookpantararat	4/4	5/5	4/4
3.	Mr. Naiyavudhi Wongkomet	4/4	5/5	3/4
4.	Mr. Bodin ^[1] Kasemset	-	2/2	3/4
5.	Mr. Manop ^[2] Dhamsirianuntt	4/4	3/3	-

^[1] Mr. Bodin Kasemset was appointed as the Risk Management Committee Member at the Board of Directors' Meeting No. 5/2021 with effect from August 12, 2021.

^[2] Mr. Manop Dhamsirianant resigned from the position of Risk Management Committee Member at the Board of Directors' Meeting No. 5/2021 with effect from August 12, 2021.

2) The Nomination, Remuneration and Corporate Governance Committee

The Company's Nomination, Remuneration and Corporate Governance Committee consisted of 3 members, namely:

Name - Surname		Position
1.	Mr. Sarote Phornprapha	Chairman of the Nomination, Remuneration and Corporate Governance Committee
2.	Mr. Wuthipong Suponthana	Member of the Nomination, Remuneration and Corporate Governance
3.	Mr. Naiyavudhi Wongkomet	Member of the Nomination, Remuneration and Corporate Governance Committee

Attendance record of the Nomination, Remuneration and Corporate Governance Committee during 2020 - 2022 is summarized as follows.

Name - Surname			Number of Attendance/ Total number of Meetings held		
			2020	2021	2022
1.	Mr. Sarote	Phornprapha	2/2	4/4	4/4
2.	Mr. Wuthipong	Suponthana	2/2	4/4	4/4
2.	Mr. Naiyavudhi ^[1]	Wongkomet	-	1/1	3/4
4.	Ms. Arunee ^[2]	Poontawe	2/2	3/3	-

^[1]Mr. Naiyavudhi Wongkomet was appointed as the Nomination, Remuneration and Corporate Governance Committee Member at the Board of Directors' Meeting No. 5/2021 with effect from August 12, 2021.

^[2]Ms. Arunee Poonthawee resigned from the position of the Nomination, Remuneration and Corporate Governance Committee Member at the Board of Directors' Meeting No. 5/2021 with effect from August 12, 2021.

3) The Executive Committee

Before the resolution from the Board of Directors' meeting No.6/2022 held on December 16, 2022, the Company's Executive Committee consisted of 4 members, namely:

Name - Surname			Position
1.	Mr. Naiyavudhi	Wongkomet	Member of the Executive Committee
2.	Mr. Bodin	Kasemset	Member of the Executive Committee
3.	Ms. Arunee	Poontawe	Member of the Executive Committee
4.	Mr. Thaweesak	Thantipwan	Member of the Executive Committee

After the resolution of change in the Company's Executive Committee from the Board of Directors' meeting No.6/2022 held on December 16, 2022 with effect from December 17, 2022, the Company's Executive Committee consisted of 6 members, namely:

Name - Surname			Position
1.	Mr. Naiyavudhi	Wongkomet	Chairman of the Executive Committee
2.	Mr. Bodin	Kasemset	Member of the Executive Committee
3.	Mr. Kowit	Nuangasuk	Member of the Executive Committee
4.	Mr. Sarun	Polachart	Member of the Executive Committee
5.	Mr. Thaweesak	Thantipwan	Member of the Executive Committee
6.	Mr. Apinunt	Thanachayanont	Member of the Executive Committee

Attendance record of the Executive Committee during 2020 - 2022 is summarized as follows.

Name - Surname	Number of Attendance/ Total number of Meetings held		
	2022	2020	2021
1. Mr. Naiyavudhi Wongkomet	12/12	12/12	14/15
2. Mr. Bodin ^[1] Kasemset	4/4	12/12	15/15
3. Ms. Kowit ^[2] Nuangsuk	-	-	-
4. Mr. Sarun ^[3] Polachart	-	-	-
5. Mr. Thaweesak Thantipwan	12/12	12/12	15/15
6. Mr. Apinunt ^[4] Thanachayanont	-	-	-
7. Mr. Manop ^[5] Dhamsirianuntt	12/12	8/8	-
8. Ms. Arunee ^[6] Poontawe	12/12	12/12	15/15

^[1] Mr. Bodin Kasemset was appointed as the Executive Committee Member at the Board of Directors' Meeting No. 4/2020 with effect from August 14, 2020.

^[2] Mr. Kowit Nuangsuk was appointed as the Executive Committee Member at the Board of Directors' Meeting No. 6/2022 with effect from December 17, 2022.

^[3] Mr. Sarun Polachart was appointed as the Executive Committee Member at the Board of Directors' Meeting No. 6/2022 with effect from December 17, 2022.

^[4] Mr. Apinunt Thanachayanint was appointed as the Executive Committee Member at the Board of Directors' Meeting No. 6/2022 with effect from December 17, 2022.

^[5] Mr. Manop Dhamsirianant resigned from the position of Chairman of the Executive Committee at the Board of Directors' Meeting No. 5/2021 with effect from August 12, 2021.

^[6] Ms. Arunee Poontawe resigned from the position of Executive Committee Member at the Board of Directors' Meeting No. 6/2022 with effect from December 17, 2022.

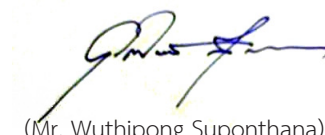
Report of the Risk Management Committee

The Risk Management Committee of Silicon Craft Technology Public Company Limited was appointed by the Board of Directors to drive the Company towards guidelines and processes for risk and crisis management in various aspects with efficiency in all dimensions. This is so that all stakeholders can be confident in the Company's business operations with stability and continuity to achieve the organizational objectives and goals based on the acceptable risks and long-term sustainable growth.

The Risk Management Committee consists of four members, namely Mr. Wuthipong Suponthana, acting as the Chairman of the Risk Management Committee, Mrs. Monluedee Sookpantararat, Mr. Naiyavudhi Wongkomet, and Mr. Bodin Kasemset, acting as members of the Risk Management Committee who are knowledgeable and have experience beneficial to the Company's risk management. In 2022, a total of four meetings of the Risk Management Committee were held to consider important matters as follows:

- Monitor, supervise, and follow up on risk assessment in various areas, such as strategic and technological risk, operational risk, marketing risk, financial risk, regulatory and sustainability risk, including other emerging risks. The Risk Management Committee also provided comments to the management and the Risk Management Steering Committee, comprising department heads or employees in relevant departments. There was also a monthly meeting to review, discuss, and work on any risks, in line with an exchange of information between the Risk Management Committee and the Audit Committee. Additionally, the internal auditors joined in assessing and providing opinions on appropriate risk management.
- In 2022, the Company faced a significant risk continuing from the previous year, which was the global supply shortage of microchip raw materials and its capacity, including other risks from industrial development and production technology. All of these must require the management and preparation in various aspects towards new technologies throughout the supply chain. In this regard, the Risk Management Committee and the management team have jointly analyzed and assessed the overall risks, in line with monitoring the situations continuously and preparing for both short-term and long-term plans with regular follow-up to minimize potential impacts. The Company also has created business opportunities for sustainable growth in the long term.
- Follow up on other risks and monitor the analysis of impacts that may arise from changing factors such as politics, economy, society, technology, and cyber threats, including changes on the rules and others, along with giving advice to the management and the Risk Management Committee on guidelines and management of different issues.
- Report to the Board of Directors regarding the Company's significant risks and guidelines for risk management, including the progress regularly.
- Review the guidelines and the Charter of the Risk Management Committee to ensure that such charter and policies remain suitable for the Company's nature of business, current situations, and various criteria set by the regulatory agency.
- Promote a risk management culture to create understanding, consciousness, and sharing of responsibility on risks, control, and impacts on the Company, while encouraging and supporting the management and the management team to communicate with everyone throughout the organization for acknowledgement and awareness on the risks regularly and continuously.
- Conduct a performance assessment as a group and individuals to enhance the administration of the Risk Management Committee.

The Risk Management Committee performed its duties with prudence under the Charter of the Risk Management Committee and the scope of authority as assigned by the Board of Directors with concerns on the Company's interests, shareholders, and all stakeholders. In 2022, the Risk Management Committee considered that the Company has maintained a process for assessing risk factors in coverage of its core business operations, while establishing adequate, appropriate, and effective risk management processes, in compliance with corporate governance policies and the Company's internal control system, as well as relevant laws and regulations.



(Mr. Wuthipong Suponthana)
Chairman of the Risk Management Committee

Report of the Nomination, Remuneration and Corporate Governance Committee

The Nomination, Remuneration and Corporate Governance Committee appointed by the Board of Directors consists of three directors as follows:

1. Mr. Sarote Phornprapha (Independent Director)
Acting Chairman of the Nomination, Remuneration and Corporate Governance Committee
2. Mr. Wuthipong Suponthana (Independent Director)
Acting as a member of the Nomination, Remuneration and Corporate Governance Committee
3. Mr. Naiyavudhi Wongkomet (Non-Executive Director)
Acting as a member of the Nomination, Remuneration and Corporate Governance Committee

The Nomination, Remuneration and Corporate Governance Committee has performed its duties as assigned by the Board of Directors under the duties and responsibilities specified in the Charter of the Nomination, Remuneration and Corporate Governance Committee. In 2022, there were a total of four meetings with details of important considerations as follows:

- Consider directors for nomination and election to replace those who are due to retire by rotation at the Annual General Meeting of Shareholders for the year 2022 and propose to the Board of Directors and the shareholders' meeting for approval. The Nomination, Remuneration and Corporate Governance Committee has nominated the former directors, Mrs. Monluedee Sookpantarat, Mr. Sarote Phornprapha, and Ms. Arunee Poontawe, to be re-elected for another term because they are fully qualified with knowledge, competence, and experience in compliance with the Company's business operations.
- Review the directors' remuneration. In 2022, it has been considered proposing to the shareholders' meeting to approve the adjustment of directors' remuneration based on the scope of directors' duties and responsibilities as appropriate, in comparison with other listed companies in the same industry and of similar size.
- Proceed to have the performance evaluation of the Board of Directors, subcommittee, and Chief Executive Officer carried out, with a report on the results to the Board of Directors.
- Consider the framework for increasing wages and average employee bonuses, including various retention programs. In 2022, the Employee Joint Investment Program (EJIP) has been continuously considered as the third project to retain potential employees by motivating and encouraging them to participate in business ownership.
- Establish the annual training and development plans for the Company's directors. In 2022, there have been 12 training courses, with 8 directors participating in the training.
- Support the Company's corporate governance towards international standards. In 2022, the Company has been assessed on the Corporate Governance Report of Thai listed companies for the year 2022 (CGR) by the Thai Institute of Directors Association (Thai IOD) at a 5-star level of excellence. Also, the Company has encouraged sustainable development towards concrete business management and operations. In 2022, it was an honor for the company to be selected as Thailand Sustainability Investment (THSI) of the year 2022.
- Consider reviewing the Charter of the Nomination, Remuneration and Corporate Governance Committee and related policies to suit the current situations and in compliance with the criteria set by the regulatory agency.

The Nomination, Remuneration and Corporate Governance Committee has fully performed its duties in compliance with the Charter of the Nomination, Remuneration and Corporate Committee, and as assigned by the Board of Directors with caution, prudence, transparency, fairness, and independence according to good corporate governance principles and sustainable development towards the Company's best interests and all stakeholders.



Mr. Sarote Phornprapha

Chairman of the Nomination, Remuneration
and Corporate Governance Committee

8.4 Securities Portfolios of Directors and executive

It is required that the Company's directors, major shareholders, and executives prepare an annual report on their conflicts of interest, including the changes to various information that must be notified to the Company every time. In the meantime, the directors and executives, including their spouses or those living together as husband and wife as well as minor children, must be monitored for a duty to notify the Company's Secretary before purchasing, selling, transferring, or accepting transfer of the Company's securities (in the case of knowing the information in advance), or they are required to inform the Company after buying, selling, and transferring the Company's securities within the same day as the date of conducting any transactions related to the Company's securities. It also includes the follow-up for the Company's directors and executives to report any changes in their securities holdings (Form 59) to the SEC when there is a change in the Company's securities holdings with transparency and accountability.

Additionally, at the meeting of the Board of Directors, the Company's secretary will report on securities holdings, changes in the Company's securities holdings on a quarterly basis, with the summarized information on changes in securities holdings of the directors and executives for the year 2022 as follows:

Name -Surname			Number of Shares					
			As of Dec 31, 2021		As of Dec 31, 2022		Increase/ Decrease	% Shares
			Direct	Indirect	Direct	Indirect		
1.	Mr. Manop	Dhamsirianuntt	101,880,860	-	93,251,560	-	(8,629,300)	23.31%
2.	Mrs. Monluedee	Sookpantarat	500,000	-	400,000	-	(100,000)	0.10%
3.	Mr. Wuthipong	Suponthana	250,000	-	250,000	-	-	0.06%
4.	Mr. Sarote	Phornprapha	500,000	-	500,000	-	-	0.13%
5.	Mr. Naiyavudhi	Wongkomet ^[1]	28,996,500	13,996,540	27,978,300	13,996,540	(1,018,200)	10.49%
6.	Mr. Apinetr	Unakul	67,793,600	-	66,832,100	-	(961,500)	16.71%
7.	Mr. Apinunt	Thanachayanont	21,317,020	-	20,203,420	-	(1,113,600)	5.05%
8.	Mr. Bodin	Kasemset	4,320,000	-	6,101,500	-	1,781,500	1.53%
9.	Ms. Arunee	Poontawe	2,520,000	-	2,370,000	-	(150,000)	0.59%
10.	Mr. Kowit	Nuangasuk	-	-	-	-	-	0.00%
11.	Mr. Thaweesak	Thantipwan	5,885,320	-	5,885,320	-	-	1.47%
12.	Mr. Sarun	Polachart	98,900	-	98,900	-	-	0.02%

Remark ⁽¹⁾ K INVESTMENTS LIMITED a juristic person registered in Hong Kong and its shareholders are Miss Aiyanch Wongkomet, holding shares of 50.00% and Miss Unyanuch Wongkomet, holding shares of 50.00% of the registered capital.

9. Internal Control and Related Party Transactions

9.1 Internal Control

Adequacy and Appropriateness of the Company's Internal Control

The Board of Directors' opinions on the Company's Internal Control System

At Silicon Craft Technology PLC's board of directors meeting No. 1/2022 held on 24th February 2022, the board and three independent directors from the Audit Committee evaluated the adequacy of the company's internal control system using an evaluation form provided by Thailand's Securities and Exchange Commission. The evaluation investigates five elements from several dimensions: control environment, risk assessment, control activities, information and communication, and monitoring activities. In each quarter, the company evaluates with consideration of the evaluation and internal control reports provided by internal auditors. Remarks from the company's financial auditors regarding the efficacy of the internal control process and integrity in preparing and reporting financial statements are also taken into consideration.

Upon reviewing information obtained from the sources mentioned, the company's board of directors believe that the company's internal control system for key activities is adequate and appropriate. The company provided an adequate staff level to oversee and efficiently execute the process as required by the internal control system. Furthermore, an internal control system concerning transactions with stakeholders and related parties was deemed adequate.

The company outsourced an independent external party to conduct internal control activities and evaluate the internal control process. The outsourced party reported directly to the Audit Committee. The company appointed Unique Advisor Co., Ltd. ("Internal Auditor") to be the internal auditor according to the motion passed by the board of directors' meeting No. 1/2022 convened on 24th February 2022. They are responsible for assessing and evaluating the internal control process of the company as well as providing recommendations to support the quality of internal control activities. With approval from the audit committee, the internal auditors successfully conducted an assessment of the company's execution according to the annual audit plan in various areas, including corporate governance, risk management, and internal control of each critical activity.

Over the last year, the internal auditor presented four reports on inspection and internal control evaluation and four reports on internal control monitoring to the Audit Committee at the Audit Committee meeting. In this regard, according to the internal audit reports prepared by the internal auditors from 1st January 2022 until 31st December 2022, the Audit Committee found no significant inadequacies in the internal control system.

Opinions from the Audit Committee on any points that differ from that of the Company's Directors

At the company's directors meeting to conduct an evaluation of the internal control, which the company's three Audit Committees attended, no members of the Audit Committee expressed a different opinion that contradicted that of the company's Directors.

Internal Control Supervision and the Company's Compliance Supervision

The company has the policy to outsource external parties to be the internal auditor according to the Silicon Craft Technology PLC's Audit Committee's meeting No. 1/2022 convened on 24th February 2022. The meeting passed a resolution to appoint Unique Advisor Co., Ltd. to be the company's internal audit (IA) in 2022. Unique Advisor Co., Ltd. appointed Mr. Kosol Yamleemul, Managing Director, to be the main responsible person to undertake the company's internal audit duty and responsibilities.

The Audit Committee reviewed Unique Advisor Co., Ltd.'s qualifications. It was of the opinion that the company and the responsible person possess sufficient skills and knowledge to take on the role. In terms of experience, the Internal Auditor has an extensive experience of more than 15 years in the field of internal audit. The main responsible person received numerous training and certifications, including Thai Financial Reporting Standards (TFRS), Accounting Standards, Auditing Standards (continuous training), Internal Audit Workshop (continuous training), Auditor's Report (continuous training), COSO 2013, Taxation and planning (various), and IT Audit (various). Furthermore, the individual has no relationships that would cause a conflict of interest with the company. Thus, the Internal Auditor was deemed appropriate and competent to make an assessment and give recommendations to the company free from prejudice and neutral manner.

In the event of appointing, removing, or relocating the company's Internal Auditor, the said Internal Auditor is subject to review and seek approval from the Audit Committee before commencing any changes. The Audit Committee shall present the candidate to its board of Directors at its meeting. The Board of Directors will deliberate on the candidate's suitability before passing a motion to approve Internal Auditor for the outsourcing contract.

9.2 Significant Related Party Transactions

1. List of Transactions of Purchase or Sale of Products and Services Provided

- There are no significant related-party transactions -

2. List Transactions of Purchase or Sale of Products and Services Provided (others)

Item	Entity that may have a conflict of interest	Value of Related Party Transaction			Details, Necessity, and Appropriateness of Transaction
		2020	2021	2022	
1	Mr. Apinunt Thanachayanont	Consulting fee 0.96 million THB	Consulting fee 0.48 million THB	Consulting fee - million THB*	<p>The company hired Mr. Apinunt Thanachayanont as a consultant since the company's found. He has provided consultation services on the design and development of new products and technology roadmap. Mr. Apinunt Thanachayanont has technical expertise, published numerous academic papers, and is well-regarded as an outstanding expert in the field of IC, which is rare in Thailand.</p> <p>* However, referring to the Board of Directors' Meeting No. 5/2021, the four executives (founders) have waived their remuneration for 18 months in order to use the funds as a budget for the implementation of the 2nd Employee Joint Investment Program (EJIB), which will be suspended from July 2021 to December 2022. However, on 3 October 2022, Mr. Apinunt has been appointed as Chief Research Officer. Therefore, the Company does not have consulting fees for Mr. Apinunt Thanachayanont followed the period.</p>

Necessity and Appropriateness of Related Party Transactions

The Audit Committee reviewed the related party transactions as shown in the table above and expressed the opinion that these related party transactions were borne out of necessity, justified, at a fair cost and conditions, and done in a manner that will not cause damages to the company.

Measures or Approval Procedure for Related Party Transactions

The company introduced measures and approval procedures for related party transactions as announced in the related party transaction policy. The policy was reviewed and approved per the resolution passed on 17th March 2022 at the board of directors' meeting No. 2/2022. Where other means have been exhausted, and the company has a necessity to do any related party transaction with entities that may have a conflict of interest or connected transactions, the company shall consult the Audit Committee on the necessity and appropriateness of each transaction. In case the Audit Committee is not competent in deliberating on specifics of any prospective related party transactions, the company shall consult independent experts or the company's financial auditors on such future transactions. Their opinions will be used in the Board of Directors, the Audit Committee, and/or shareholders' decision-making process on a case-by-case basis. Nonetheless, such entities that may have a conflict of interest or related transactions will be able to cast any votes to approve the concerned related party transaction. The company's policy on related party transactions by type is detailed as follows.

Regular business transactions and business-supporting transactions e.g., procurement and sale of goods or raw materials. These transactions will be based on fair trade terms and conditions, at a reasonable price. They must not constitute a transfer or loss of benefits on the part of the company in a manner that is comparable to where the company enters the transactions with other business entities or individuals or related transactions with individuals that may have a conflict of interests with other persons, or transactions similar in nature to that of other business entities. In this regard, the company has the policy that the Audit Committee shall deliberate and provide opinions regarding the rationale and necessity of entering a related party transaction every quarter. All practices shall fully conform to the Securities and Exchange Act and rules, announcements, decrees, or regulations issued by the Stock Exchange of Thailand and follow the requirements for disclosure of information pertaining to related party transactions.

- Other transactions other than the regular business transactions and business-supporting transactions stated above such as borrowing of asset or transactions of buy and sell of a property or providing financial assistance. The company has the policy that the Audit Committee shall make deliberation and express opinions regarding the rationale and necessity of entering such transactions. All practices shall fully conform to the Securities and Exchange Act and rules, announcements, decrees, or regulations issued by the Stock Exchange of Thailand and follow the requirements for disclosing information pertaining to related party transactions and acquisition or disposition of key company assets. Furthermore, the company has no policy to lend money or provide financial assistance to entities that may have a conflict of interest to conduct business or operate the business on behalf of the company.
- In this regard, the company's Board of Directors ensures that all concerned activities shall not violate the Securities and Exchange Act and rules, announcements, decrees, or regulations issued by the Stock Exchange of Thailand and follow the requirements for disclosure of information pertaining to related party transactions and acquisition or disposition of essential company's assets to ensure that the decision of entering any concerned transactions will not result in a conflict of interest and will provide maximum benefits to all shareholders. The company discloses related party transactions in 56-1 One Report and in the notes of financial statements that the company's financial auditors audit.

Future Developments in Related Party Transactions

The company anticipates that there will be no significant related party transactions in the future.

10 Report of the Board of Directors' Responsibilities for Financial Statements

The Board of Director is responsible for the financial statements of the Company including financial information appearing in the One Report. The financial statements as of 31 December 2022 has been prepared in accordance with the Thai Financial Reporting Standards (TFRS) with appropriate accounting policies applied on a conservative and consistent basis. Where judgement and estimate were required, these were made with careful consideration and adequate disclosure have been made in the notes to financial statements which reflected fair and transparent financial position and operating performance that is useful for shareholders and general investors. These financial statements have been audited by certified independent auditor from D.I.A. International Audit Company Limited who have given unqualified opinion. The Company provides information and related documents to support the auditor to be able to perform audit and give opinion in accordance with auditing standards.

The Board of Directors realizes in its duties and responsibilities in good corporate governance to operate the Company with efficiency, transparency, and reliability including the establishment of systems in risk management, internal control and internal audit process and corporate governance that are appropriate and effective. The Board has also adopted and maintained an appropriate and efficient system of risk management as well as internal control system to ensure that the reliability and completeness of financial information are in place with ability to protect the Company's assets and prevent fraud or materially irregular operation.

In this regard, the Board of Directors has appointed an Audit Committee which comprises only of independent directors who are responsible for reviewing accounting policies and fair presentation of financial reports, internal control and internal audit system, risk management system including related party transactions that are adequate and appropriate. The opinion of the Audit Committee is presented in the One report.

The Board of Directors believed that the Company has a satisfactory level of internal control systems and can reasonably assured that the financial reports of the Company as of 31 December 2022 are reliable and prepared in line with the generally accepted accounting principles and comply with relevant rules and regulations.



Mr. Manop Dhamsirianuntt
Chairman of the Board of Director

Part 3

Financial Statements

SILICON CRAFT TECHNOLOGY PUBLIC COMPANY LIMITED
AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022



INDEPENDENT AUDITOR'S REPORT

To The Shareholders of SILICON CRAFT TECHNOLOGY PUBLIC COMPANY LIMITED

Opinion

I have audited the financial statements of SILICON CRAFT TECHNOLOGY PUBLIC COMPANY LIMITED which comprise the statement of financial position as at December 31, 2022, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SILICON CRAFT TECHNOLOGY PUBLIC COMPANY LIMITED as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

Impairment of intangible assets - product development projects

As described in notes 12 to financial statements, in the financial statements of the Company represents the significant balance of intangible assets products design development project or equivalent to 11.70% of total assets. I have addressed key audit matters and considered impairment of those assets in order to ensure that the Company will not present the carrying value exceeds recoverable value of that assets. The use of significant judgment of the Management in taking the consideration concerning the future performance forecasting and work plans assessment, as well as determining discount rate and significant assumption that create exposure impairments risk of assets.

I have assessed the designation of cash generating and financial model in which were chosen by the Company's management as appropriate for intangible assets-products design development project by obtaining the understanding the management's review process that are corresponded with the usefulness character of assets. In addition, I have obtained the understanding and assessed the matters as follows:

- Obtained an understanding of the process in which obtained the figures and compared the assumptions used in project planning and forecasting future cash flows of each project with the external and internal sources of the Company.
- Reviewing the assumptions used in a project plan preparation and forecasting future cash flows of the project for unfinished projects within the planned deadline.
- Management's judgment in estimating expected cash flows in the future by comparing projected cash flows with the actual operating results.
- Discount rate by estimating the average cost of capital and other information.

Net realizable value of inventories

The estimates of net realizable value of inventories as described in notes 8 to financial statements requires considerable judgment of the management, especially the estimates of allowance for devaluation of inventories for slow-moving items or defective goods which are subject to the detail analysis of products lifecycle, market competition, economic and industrial conditions that may create a value risk of allowance for devaluation of inventories.

I have assessed and tested the internal control system relating to the estimates of allowance for devaluation of inventories by making inquiry the responsible parties, obtained the understanding and tested by sampling the practice in accordance with the control as designed by the Company. In addition, I have assessed the methodology and assumptions used by the management in taking the consideration of allowance for devaluation of inventories by included;

- Obtained an understanding of the basis used in taking a consideration to determine allowance for devaluation of inventories, as well as the adoption consistency and the reasonableness for recognition allowance for devaluation of inventories on a specific basis.
- Performed comparative analysis of holding period and movement of inventories to identify the group of products which indicated that they are more slowly turnover.
- Performed comparative analysis of net amounts received from sale after the reporting date with the cost of inventories for each group of products.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

I also provide those charged with governance with a statement that I have complied with the Code of Ethics for Professional Accountants 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.

D I A International Audit Co., Ltd.

(Mrs. Suvimol Chrityakierne)

C.P.A. (Thailand)

Registration No. 2982

February 24, 2023

Silicon Craft Technology Public Company Limited
Statements of Financial Position
As at December 31, 2022

Assets	Note	(Unit : Baht)	
		December 31, 2022	December 31, 2021
Current assets			
Cash and cash equivalents	6	114,959,084	101,406,395
Trade and other current receivables	7	85,683,091	56,124,389
Inventories	8	229,390,734	133,210,262
Current tax assets		-	133,962
Other current financial assets	9.1	236,225	16,598,511
Other current assets		9,004,483	6,963,614
Total current assets		439,273,617	314,437,133
Non-current assets			
Other non-current financial assets	9.2	72,483,368	62,382,658
Leasehold building improvement and equipment	10	33,572,864	26,489,424
Right-of-use assets	11.1	6,154,096	10,803,928
Other intangible assets	12	87,804,328	55,363,392
Deferred tax assets	13	5,777,575	5,948,034
Other non-current assets		6,267,270	9,388,491
Total non-current assets		212,059,501	170,375,927
Total assets		651,333,118	484,813,060

Notes to financial statements are parts of these financial statements.

(Sign) Authorized director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Silicon Craft Technology Public Company Limited
Statements of Financial Position (Cont'd)
As at December 31, 2022

		(Unit : Baht)	
Liabilities and shareholders' equity	Note	December 31, 2022	December 31, 2021
Current liabilities			
Short-term borrowings from financial institutions	14	1,543,259	-
Trade and other current payables	15	94,298,243	47,749,342
Current portion of lease liabilities	11.2	2,462,975	3,046,023
Other current provisions	16	1,320,406	1,305,044
Other current financial liabilities	9.1	7,794,709	9,926,596
Other current liabilities		869,859	652,231
Total current liabilities		108,289,451	62,679,236
Non-current liabilities			
Lease liabilities	11.2	4,073,835	8,089,385
Non-current provisions for employee benefit	17	24,100,339	19,433,311
Total non-current liabilities		28,174,174	27,522,696
Total liabilities		136,463,625	90,201,932

Notes to financial statements are parts of these financial statements.

(Sign) Authorized director
(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Silicon Craft Technology Public Company Limited
Statements of Financial Position (Cont'd)
As at December 31, 2022

		(Unit : Baht)	
Liabilities and shareholders' equity (Cont'd)	Note	December 31, 2022	December 31, 2021
Shareholders' equity			
Share capital			
Authorized share capital			
400,000,000 common shares of Baht 0.50 each,		200,000,000	200,000,000
Paid-up share capital			
400,000,000 common shares of Baht 0.50 each,		200,000,000	200,000,000
Share premium on common shares		84,985,489	84,985,489
Premium on share-based-payments	18	9,963,354	10,883,817
Retained earnings (Deficit)			
Appropriated			
Legal reserve	19	21,214,282	21,214,282
Unappropriated	20	199,107,828	81,232,248
Other components of shareholders' equity		(401,460)	(3,704,708)
Total shareholders' equity		514,869,493	394,611,128
Total liabilities and shareholders' equity		651,333,118	484,813,060

Notes to financial statements are parts of these financial statements.

(Sign) Authorized director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Silicon Craft Technology Public Company Limited
Statements of Comprehensive income
For the year ended December 31, 2022

		(Unit : Baht)	
	Note	December 31, 2022	December 31, 2021
Revenues from sales and services		601,012,174	421,697,570
Costs of sales and services		(285,436,353)	(199,111,118)
Gross profit		315,575,821	222,586,452
Other income		1,487,208	8,380,455
Distribution costs		(34,587,984)	(31,556,983)
Administrative expenses		(118,552,737)	(121,539,577)
Other expenses		(16,143,196)	(7,969,297)
Other losses		(10,169,932)	(5,919,654)
Profit (loss) from operating activities		137,609,180	63,981,396
Finance income		452,843	677,779
Finance costs		(479,371)	(688,481)
Profit (loss) before tax expense		137,582,652	63,970,694
Tax income (expense)	21	(2,507,072)	66,930
Profit (loss) for the year		135,075,580	64,037,624
Other comprehensive income :			
Components of other comprehensive income that will be reclassified to profit or loss			
Gains (losses) on cash flow hedges		3,303,248	(3,704,708)
Components of other comprehensive income that will not be reclassified to profit or loss			
Gains (losses) on re-measurements of defined benefit plans		-	1,715,123
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	21	-	(343,024)
Total components of other comprehensive income that will not be reclassified to profit or loss		-	1,372,099
Other comprehensive income (expense) for the year - net of tax		3,303,248	(2,332,609)
Total comprehensive income for the year		138,378,828	61,705,015
Earnings per share			
Basic earnings (loss) per share		0.34	0.19
The weighted average number of common shares (share)		400,000,000	343,989,070

Notes to financial statements are parts of these financial statements.

(Sign) Authorized director
(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Silicon Craft Technology Public Company Limited
Statements of Change in Shareholders' Equity
For the year ended December 31, 2022

(Unit : Baht)

	Note	Issued and paid-up share capital	Share premium	Premium on share-based-payments	Retained earnings (Deficit)		Other components of equity Gains (losses) on risks hedge	Total shareholders' equity
					Appropriated	Unappropriated		
Balance as at December 31, 2019		200,000,000	84,985,489	9,776,657	18,012,400	36,222,098	-	348,996,644
Premium on share-based payments	18	-	-	1,107,160	-	-	-	1,107,160
Legal reserve	19	-	-	-	3,201,882	(3,201,882)	-	-
Dividend paid	20	-	-	-	-	(17,197,691)	-	(17,197,691)
Profit for the year		-	-	-	-	64,037,624	-	64,037,624
Other comprehensive income for the year		-	-	-	-	1,372,099	(3,704,708)	(2,332,609)
Balance as at December 31, 2020		200,000,000	84,985,489	10,883,817	21,214,282	81,232,248	(3,704,708)	394,611,128
Balance as at December 31, 2021		200,000,000	84,985,489	10,883,817	21,214,282	81,232,248	(3,704,708)	394,611,128
Premium on share-based payments	18	-	-	(920,463)	-	-	-	(920,463)
Dividend paid	20	-	-	-	-	(17,200,000)	-	(17,200,000)
Profit (loss) for the year		-	-	-	-	135,075,580	-	135,075,580
Other comprehensive income for the year		-	-	-	-	-	3,303,248	3,303,248
Balance as at December 31, 2022		200,000,000	84,985,489	9,963,354	21,214,282	199,107,828	(401,460)	514,869,493

Notes to financial statements are parts of these financial statements.

(Sign) Authorized director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Silicon Craft Technology Public Company Limited
Statements of Cashflows
For the year ended December 31, 2022

(Unit : Baht)

	Note	December 31, 2022	December 31, 2021
Cash flows from operating activities			
Profit for the year		135,075,580	64,037,624
Adjustments to reconcile profit (loss) to cash receipt (disbursement)			
Tax income (expense)		2,507,072	(66,930)
Loss on impairment of equipment		1,680,567	77,953
Loss on impairment of product development projects		11,122,473	32,637,749
Write off ceased products design development project		-	3,519,109
Depreciation and amortization		24,568,539	10,837,568
(Reversed) loss on devaluation of inventories		(22,931,205)	731,671
(Reversed) loss on other current provisions		-	80,142
Loss on disposal of equipment		12	19
(Gain) loss on disposal of investment		(46,795)	(27,753)
(Gain) loss on financial assets at fair value through profit or loss			
Investment in Fixed Income Fund		4,081	(4,671)
(Gain) loss on financial assets at fair value through profit or loss			
Forward exchange contracts		2,417,584	-
(Gain) loss on financial liabilities at fair value through profit or loss			
Forward exchange contracts		(1,246,223)	6,212,875
Unrealized (gain) loss on exchange rate		3,012,061	(208,659)
(Reversed) credit losses on bank deposits		(24,435)	37,440
Employee benefit expenses		4,062,829	2,004,015
Employee benefit expenses - EJIP Program		6,304,355	3,115,160
Finance income		(452,843)	(677,779)
Interest expenses		479,371	688,481
Profit from operation before change in operating assets and liabilities			
(Increase) Decrease in operating assets		166,533,023	122,994,014

Notes to financial statements are parts of these financial statements.

(Sign) Authorized director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Silicon Craft Technology Public Company Limited
Statements of Cashflows (Cont'd)
For the year ended December 31, 2022

	(Unit : Baht)	
	December 31, 2022	December 31, 2021
Trade and other current receivables	(31,149,960)	(12,856,745)
Inventories	(73,249,268)	(64,211,427)
Other current financial assets	-	4,387,520
Other current assets	(2,040,869)	(1,404,984)
Other non-current assets	(1,720,996)	(36,164)
Increase (Decrease) in operating liabilities		
Trade and other current payables	46,273,502	15,732,367
Other current liabilities	217,628	158,821
Cash generated from operation	104,863,060	64,763,402
Employee benefit paid	-	(1,200,000)
Payments for EJIP program	(7,224,818)	(2,008,000)
Interest paid	(464,009)	-
Income tax paid	(4,966,169)	(565,812)
Net cash provided by (used in) operating activities	92,208,064	60,989,590
Cash flows from investing activities		
Deposits at financial institutions with commitments, increase	(10,051,555)	(45,722)
Deposits at financial institutions, increase	(24,719)	(70,182)
Payments for purchase of investments in Fixed Income Fund	(115,295,000)	(110,400,000)
Proceeds from disposal of investments in Fixed Income Fund	131,700,000	99,200,000
Payments for building improvement and equipment	(16,237,755)	(13,151,459)
Payments for other intangible assets acquisition	(49,633,331)	(26,439,498)
Proceeds from interest	457,418	733,973
Net cash provided by (used in) investing activities	(59,084,942)	(50,172,888)

Notes to financial statements are parts of these financial statements.

(Sign) Authorized director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Silicon Craft Technology Public Company Limited
Statements of Cashflows (Cont'd)
For the year ended December 31, 2022

(Unit : Baht)

	December 31, 2022	December 31, 2021
Cash flows from financing activities		
Short-term borrowings from financial institutions, increase	1,543,259	-
Payments for lease liabilities	(2,763,711)	(3,673,008)
Dividend paid	(17,188,100)	(17,161,352)
Net cash provided by (used in) financing activities	(18,408,552)	(20,834,360)
Net increase (decrease) in cash and cash equivalents before effects of exchange rate	14,714,570	(10,017,658)
Effects of exchange rate to cash and cash equivalents	(1,161,882)	(9,391)
Net increase (decrease) in cash and cash equivalents	13,552,688	(10,027,049)
Cash and cash equivalents at the beginning of the year	101,406,395	111,433,444
Cash and cash equivalents at the end of the year	114,959,083	101,406,395

Supplemental of cash flows information :

Non-cash transaction :

Right-of-use of assets under lease liabilities	7,667,073.00	-
Reversed right-of-use of assets and lease liabilities where the lease was restructured	9,501,959.00	-
Depreciation of tools and supplies of products design development project as costs of project	1,609,296	1,902,080
Transfer current tax assets to be other non-current assets	(133,962)	-
Transfer other non-current assets to other intangible assets	(7,605,735)	-
Accrued dividend	11,900	36,339
Non-current provisions for employee benefits of products design development project	604,198	504,128

Notes to financial statements are parts of these financial statements.

(Sign) Authorized director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Silicon Craft Technology Public Company Limited
Note to Financial Statements
For the year ended December 31, 2022

1. GENERAL INFORMATION

- Registration : SILICON CRAFT TECHNOLOGY PUBLIC COMPANY LIMITED ("the Company") was registered as juristic person, classified as a limited company, on December 18, 2002 and converted to Public Company Limited on April 5, 2019.
- Location : Head office is located at No.40, Thetsaban Rangsan Nua Road, Kwaeng Lat Yao, Khet Chatuchak, Bangkok.
- Business type : The Company engages in research and development to design and assign integrated circuits and embedded systems in the form of hire of production and brought into the Company in order to distribute to the customers under the Company's trademark.

2. FINANCIAL STATEMENTS PRESENTATION BASIS

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and presented in compliance with the Notification of the Department of Business Development, Ministry of Commerce regarding the condensed form should be included in the financial statements (No.3) B.E. 2562 dated December 26, 2019, and the related regulations and notification of the Securities and Exchange Commission.

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.

3. NEW FINANCIAL REPORTING STANDARDS

3.1 Financial reporting standards that become effective in the current year

The Company has adopted a number of revised financial reporting standards and interpretations which are effective for the financial statements for the period beginning on or after January 1, 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 as below:

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(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Amendment to TFRS 16, Leases amended to include a practical expedient for leases that are modified as a direct consequence of IBOR reform (e.g. replacement of THBFIX as a benchmark interest rate due to cancellation of LIBOR) for lessee to remeasure the lease liability by discounting the revised lease payments using a discount rate that reflects the change in the interest rate. An early application of the amendment is permitted.

Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7 and TFRS 16 provide the relief measures addressing issues that might affect the financial reporting during the reform, including the additional disclosures about IBOR reform. Key relief measures of the phase 2 amendments are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the statement of income.
- Most hedge accounting relationships that are directly affected by the IBOR reform will be allowed to continue. However, the entity is still required to recognise the hedged ineffectiveness portion.

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

3.2 Financial Reporting Standards which will be effective in the future

The Federation of Accounting Professions has announced for adoption a number of revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards

At present, the management of the Company is in the process of assessing the impacts of these standards on the financial statements in the year in which they are initially adopted.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue recognition

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfilment of the obligation to the customer.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits held at call with banks and other short-term highly liquid investments which an original maturity is three months or less. Bank overdrafts and short-term borrowings from financial institutions are included in current liabilities in the statement of financial position.

4.3 Trade and other current receivables

Trade and other current receivables are stated at the rights to receive amount / invoice amount less allowance for loss of financial assets.

The Company recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition, the Company applies a simplified approach to determine the lifetime expected credit losses.

4.4 Inventories

Inventories are stated at the lower of cost or net realisable value.

Cost of goods is calculated by using the first-in first-out (FIFO) method. Cost of goods comprises raw material cost and conversion cost derived from manufacturing expenses.

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

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(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

The Company provided allowance for devaluation of inventories to net realizable value is estimated based on the selling price expected in the ordinary course of business; and allowance for obsolete, slow-moving and deteriorated inventories, is estimated based on the approximate useful life of each type of inventory.

4.5 Other non-current financial assets

Investments in marketable debt securities are measured at fair value through profit or loss, presented in statements of financial position by fair value. Gain or loss on changes in fair value is recognised in part of profit or loss.

4.6 Leasehold building improvement and equipment

Leasehold building improvement and equipment are stated at cost less accumulated depreciation and allowance for impairment loss of assets (if any).

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

Leasehold building improvement	5 years
Office equipment	3-5 years
Office furniture and fixtures	5 years
Tools and equipment	3-10 years
Vehicles	5 years

4.7 Intangible assets

The intangible assets are carried at cost less any accumulated amortisation and any provision for impairment of assets (if any).

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using straight-line basis over their estimated useful lives of 3 and 5 years.

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Product development project

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the product so that it will be available for use or sell;
- Management intends to complete the product and use or sell it;
- There is an ability to use or sell the product;
- It can be demonstrated how the product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the product are available; and
- The expenditure attributable to the product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the product include the employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as expenses when they are incurred. Development costs previously recognised as an expense are not recognised as intangible asset in a subsequent period.

Product development costs recognised as assets are amortised by using productive output method over their estimated production units upon accomplishment of the project and can be utilized. Productive output is estimated by the management when the products were sold.

4.8 Transaction in foreign currencies

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dated of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Thai Baht at the foreign exchange rates ruling at that date.

Gains and losses on exchange rate are included in the calculating of the results of operation.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

4.9 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the right-of-use assets, leasehold building improvement, other intangible assets – software programs and other intangible assets – product development projects 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. In determining value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects weighted average cost of capital. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal. An impairment loss is recognised in profit or loss.

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

4.10 Leases -The lessee

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

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Right-of-use assets

Right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

Office building and installation	6 years (lease term plus option reasonably certain to be
dismantlement cost	exercised the option in extension the lease term)
Cars	2 years and 3 months
Office equipment	4 years

Lease liabilities

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments payable over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

The Company uses its incremental borrowing rate, which is determined by referring to the borrowings interest which is closed to right-of-use assets depending on the lease term, at the lease commencement date if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Short-term leases and Leases of low-value assets

The Company applied the short-term lease recognition exemption to its short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and containing no purchase options). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognised as expense in profit or loss on a straight-line basis over the lease term.

4.11 Financial Instruments

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component or for which the Company has applied the practical expedient regarding not to adjust the effects of 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, fair value through other comprehensive income (FVTOCI), or fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Company 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.

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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, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at FVTOCI and financial assets with cash flows that are not solely payments of principal and interest.

Financial assets designated at FVTOCI (equity instruments)

Upon initial recognition, the Company can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVTOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVTOCI are not subject to impairment assessment.

Financial assets at FVOCI (debt instruments)

The Company measures financial assets at FVTOCI if the financial asset is held to collect contractual cash flows and selling 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.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of financial assets

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

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(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

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

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

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

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

Offsetting of financial instruments

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

4.12 Government Grants

The Company recognizes government grants at fair value when there is reasonably confident that all the conditions of the grant will be met and the Company will receive the grant.

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The Company recognizes government grants for which the grants are intended to compensate for expenses already incurred in statements of income that the Company is entitled to receive grant. Government grants are recognised in profit or loss over the periods in which the expenses are recognised as expenses.

4.13 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 and other long-term employee benefits

1) Defined contribution plans

The Company operates a provident fund that is funded by payments from employees and by the relevant Group companies which are managed by trustee. Contributions to the provident fund are charged to the profit or loss in the year in which they are due.

2) Defined benefit plans and other long-term employee benefits

The Company has obligations in respect of the severance payments, they must make to employees upon retirement under labor law. In addition, the Company provides other long-term employee benefit plan, namely long service award; the retention program.

The obligation under the defined benefit plan and other long-term employee 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.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

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4.14 Provisions

Provisions are recognised when the Company have 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.

4.15 Share-based payments

Fair value of grant vest as at the grant date to employees is recognised as expenses and together with incremental in shareholder equity throughout the period that employees are able to exercise their vest with no condition. The amount recognised as expenses will be adjusted to reflect the actual number of vests in conformity with condition of related service rendered and condition grant vest which is not condition of equity market.

Fair value of deliverable of the employee joint investment program (EJIP) is recognised as expenses throughout the period. Also, the difference amount of fair value of deliverable and investment amount is recognised as premium on share-based-payments which will be adjusted to reflect cumulative amount throughout the period.

4.16 Income tax

Income tax expense for the year comprises current income tax and deferred tax.

Current income tax

The Company records current income tax 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

The Company records deferred tax on temporary differences between their carrying amounts at the end of each reporting period and the tax bases of assets and liabilities by using the tax rates enacted at the end of the reporting period.

The Company recognize deferred tax liabilities of temporary differences liable to tax for all items. However, deferred tax assets for temporary differences used for tax deduction including unutilized tax loss in the amount probable that the Company has sufficient taxable profit to utilize such temporary difference to deduct tax and unutilized tax loss.

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(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

The Company will review carrying amount of deferred tax assets at each reporting date and will reduce such carrying amount if it is probable that the Company will have no sufficient future taxable profits for benefit utilization of partial or all deferred tax assets.

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

4.17 Related Parties Transaction

Enterprise and individuals that directly, or indirectly control or are controlled by, or are under common control with the Company.

Associates and individuals owning that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company which has a power in planning and operating control.

4.18 Derivatives and hedge accounting

The Company uses derivatives, such as forward contracts, to hedge its foreign currency exchange rate risks.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives that do not qualify for hedge accounting

Derivatives that do not qualify for hedge accounting is initially recognised at fair value. Changes in the fair value are included in “net gains (losses) from financial derivatives”.

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

Hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The Company designates certain derivatives as hedges of a particular risk associated with the cash flows of i) recognised assets and liabilities and ii) highly probable forecast transactions (cash flow hedges).

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(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

At inception of the hedge relationship, the Company documents i) the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items and ii) its risk management objective and strategy for undertaking its hedge transactions.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements, including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantify of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

The full fair value of a hedging derivative is classified as a current or non-current asset for liability following the maturity of related hedged item.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other gains (losses).

When forward contracts are used to hedge forecast transactions, the Company generally designates the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses retaining to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

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(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Amounts accumulated in equity are reclassified in the period when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss at that time remains in equity until the forecasted transaction occurs. When the forecasted transaction is no longer expected to occur, the cumulative gain or loss that were reported in equity are immediately reclassified to profit or loss.

In hedges of foreign currency sales, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the derivative counterparty.

4.19 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company 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 Company measures fair value using valuation technique that are appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company 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.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

4.20 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Allowance for expected credit losses of trade receivables

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for diminution in value of inventory

The determination of allowance for diminution in the value of inventory, requires management to make judgements and estimates. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business; and provision for obsolete, slow- moving and deteriorated inventories, is estimated based on the approximate useful life of each type of inventory.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

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Depreciation of leasehold building improvement and equipment and right-of use assets

In determining depreciation of leasehold building improvement and equipment, and right-of-use assets, the management is required to make estimates of useful lives and residual values of the leasehold building improvement and equipment, and right-of-use assets and to review estimate useful lives and residual values when there are any changes.

Amortisation of other intangible assets

In determining amortisation of intangible asset; product development project, the management is required to make estimates of the production volume and revise it accordingly when there are any changes.

Allowance for impairment of non-financial assets

In testing of impairment of assets, the management is required to use judgment in the estimating the future cash flow expected to be arise from assts or cash-generating units of assets including the discounted rate suitable for determining present value of those cash flow

Post-employment benefits under defined benefit plans

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

4.21 Earnings per share

Earnings (Loss) per share as presented in the statements of comprehensive income is the basic earnings per share which is determined by dividing the net profit (loss) for the year by the weighted average number of common shares issued and paid-up during the year.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

5. BUSINESS TRANSACTIONS WITH RELATED PARTIES

5.1 Relationship and pricing policy

<u>Person name and related parties</u>	<u>Nature of relationships</u>	<u>Related transaction</u>
Person name		
Company's directors	Major shareholder and director	Sales and consultant
Related parties		
XAV Audio Co, Ltd.	Common shareholder and director	Sales and other expense
<u>Pricing policy with related parties</u>		<u>Pricing policy</u>
Revenue from sales	Price mutually agreed but not lower than cost	
Other expense	Market price	
Consulting fee	At the rate indicated in agreement	

5.2 Revenues and expenses with related parties

Transactions with related parties for the year ended December 31, 2022 and 2021 are as follows:

		(Unit : Baht)	
		<u>December 31, 2022</u>	<u>December 31, 2021</u>
Revenue from sales			
Company's directors		54,500	-
XAV Audio Co, Ltd.		-	11,048
Total		<u>54,500</u>	<u>23,500</u>
Other expense			
XAV Audio Co, Ltd		-	23,364
Consulting fee			
Company's directors		-	960,000

The Company's director has sacrificed his compensation for 18-month period, starting from July 2021 to December 2022, to be a budget for Employee Joint Investment Program 2 as stated in note 18.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2022 and 2021 are as follows:

	(Unit : Baht)	
	December 31, 2022	December 31, 2021
Cash	12,916	35,271
Current deposits	161,337	113,995
Savings deposits	40,936,998	88,698,634
Foreign deposits	73,847,833	12,558,495
Total	114,959,084	101,406,395

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, 2022 and 2021 are detailed as follows:

	(Unit : Baht)	
	December 31, 2022	December 31, 2021
Trade accounts receivable		
Trade accounts receivable - other companies	71,865,088	39,812,201
Total trade accounts receivable	71,865,088	39,812,201
Other current receivables		
Advance payment for goods	8,864,857	10,322,387
Receivable - Revenue Department	4,858,564	5,960,312
Others	94,582	29,489
Total other current receivables	13,818,003	16,312,188
Total trade and other current receivables	85,683,091	56,124,389
Less: Allowance for expected credit losses	-	-
Trade and other current receivables – net	85,683,091	56,124,389

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

The outstanding trade accounts receivable was separated by aging as follows:

	(Unit : Baht)	
	December 31, 2022	December 31, 2021
Trade accounts receivable - other companies		
Not yet due	54,362,170	37,139,169
Overdue		
Less than 30 days	15,542,614	2,673,032
More than 30 days to 60 days	1,960,304	-
Total trade accounts receivable - other companies	71,865,088	39,812,201

8. INVENTORIES

Inventories as at December 31, 2022 and 2021 are detailed as follows:

	(Unit : Baht)	
	December 31, 2022	December 31, 2021
Raw materials	95,812,515	75,700,061
Work in process	154,143,462	100,378,886
Finished goods	10,068	-
Goods in process	329,885	967,716
Total	250,295,930	177,046,663
Allowance for devaluation of goods, beginning of the year	(43,836,401)	(43,104,730)
Increase	(927,939)	(731,671)
Decrease	23,859,144	-
Allowance for devaluation of goods, ending of the year	(20,905,196)	(43,836,401)
Net	229,390,734	133,210,262

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

9. FINANCIAL ASSETS AND LIABILITIES

9.1 OTHER CURRENT FINANCIAL ASSETS AND LIABILITIES

Other current financial assets and liabilities as at December 31, 2022 and 2021 are detailed as follows:

		(Unit : Baht)			
		Other current financial assets		Other current financial liabilities	
		December 31,	December 31,	December 31,	December 31,
		2022	2021	2022	2021
Assets classified and measured at fair value through profit or loss					
Investment in Fixed Income Fund		240,306	16,593,840	-	-
Unrealized gains on changes in value of investment		(4,081)	4,671	-	-
Net		236,225	16,598,511	-	-
Derivatives were not designated as hedging instrument					
Foreign currency contracts		-	-	2,417,584	-
Forward contracts		-	-	4,975,665	6,221,888
Total		236,225	16,598,511	7,393,249	6,221,888
Assets classified and measured at fair value through comprehensive income					
Forward exchange contracts					
Foreign currency forward contract that qualifies for hedge accounting		-	-	401,460	3,704,708
Total		-	-	401,460	3,704,708
Total other current financial assets and liabilities		236,225	16,598,511	7,794,709	9,926,596

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

9.2 OTHER NON - CURRENT FINANCIAL ASSETS

Other non-current financial assets as at December 31, 2022 and 2021 are detailed as follows:

	(Unit : Baht)	
	December 31, 2022	December 31, 2021
Assets classified and measured at amortised cost		
Savings deposits at bank with obligations	2,830,834	2,816,873
Fixed deposits at bank with obligations	33,685,627	13,553,131
Fixed deposits at bank with non-obligations	36,000,000	46,070,182
Total	72,516,461	62,440,186
Less: Allowance for expected credit losses	(33,093)	(57,528)
Other non-current financial assets – Net	72,483,368	62,382,658

As at December 31, 2022, the Company used deposits at four banks amount of Baht 31.50 million as guarantee against bank credit lines total amount of Baht 199.50 million and USD 19.78 million.

As at December 31, 2021, the Company used deposits at three banks amount of Baht 15.50 million as guarantee against bank credit lines amount of Baht 59.50 million and USD 11.20 million.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

10. LEASEHOLD BUILDING IMPROVEMENT AND EQUIPMENT

Leasehold building improvement and equipment as at December 31, 2022 and 2021 are detailed as follows:

	(Unit : Baht)				
	Leasehold building improvement	Office equipment	Office furniture and fixtures	Tools and equipment	Total
Assets - cost :					
As at January 1, 2021	9,011,467	9,879,399	4,068,716	59,703,467	82,663,049
Acquisition	-	780,833	16,269	12,354,357	13,151,459
Disposal	-	(176,374)	-	-	(176,374)
As at December 31, 2021	9,011,467	10,483,858	4,084,985	72,057,824	95,638,134
Acquisition	18,500	1,384,857	123,569	14,710,828	16,237,754
Disposal	-	(38,596)	(25,498)	-	(64,094)
As at December 31, 2022	9,029,967	11,830,119	4,183,056	86,768,652	111,811,794
Accumulated depreciation :					
As at January 1, 2021	5,099,766	7,643,565	2,742,546	43,849,012	59,334,889
Depreciation for the year	885,480	994,941	413,244	3,802,143	6,095,808
Depreciation - write off	-	(176,355)	-	-	(176,355)
As at December 31, 2021	5,985,246	8,462,151	3,155,790	47,651,155	65,254,342
Depreciation for the year	879,174	1,141,662	373,830	5,079,069	7,473,735
Depreciation - write off	-	(38,594)	(25,489)	-	(64,083)
As at December 31, 2022	6,864,420	9,565,219	3,504,131	52,730,224	72,663,994
Allowance for impairment of assets:					
As at January 1, 2021	-	-	-	3,816,415	3,816,415
Loss on impairment	-	-	-	77,953	77,953
As at December 31, 2021	-	-	-	3,894,368	3,816,415
Loss on impairment	-	-	-	1,680,568	1,680,568
As at December 31, 2022	-	-	-	5,574,936	5,574,936
Net assets value					
As at December 31, 2021	3,026,221	2,021,707	929,195	20,512,301	26,489,424
As at December 31, 2022	2,165,547	2,264,900	678,925	28,463,492	33,572,864

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Classification of depreciation

(Unit : Baht)

	Leasehold building improvement	Office equipment	Office furniture and fixtures	Tools and equipment	Total
For the year ended December 31, 2022					
Product design projects	-	-	-	1,609,296	1,609,296
Cost of sales	-	-	-	3,138,974	3,138,974
Administrative expense	879,174	1,141,662	373,830	330,799	2,725,465
Total depreciation	879,174	1,141,662	373,830	5,079,069	7,473,735
For the year ended December 31, 2021					
Product design projects	-	-	-	1,902,080	1,902,080
Cost of sales	-	-	-	1,900,063	1,900,063
Administrative expense	885,480	994,941	413,244	-	2,293,665
Total depreciation	885,480	994,941	413,244	3,802,143	6,095,808

As at December 31, 2022 and 2021, leasehold building improvement and equipment at cost of Baht 52.52 million and Baht 51.57 million respectively, were fully depreciated but are still in use.

11. LEASE

The Company entered into leases relating to office building premises, vehicles and office supplies.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

11.1 Right-of-use assets

The movements of right-of-use assets for year ended December 31, 2022 and 2021 are presented below:

	(Unit : Baht)				
	Office building	Estimated dismantling	Vehicles	Copy machines	Total
Assets - cost :					
As at January 1, 2021	16,534,010	264,148	381,209	200,450	17,379,817
As at December 31, 2021	16,534,010	264,148	381,209	200,450	17,379,817
Increased during the period	7,002,767	-	664,305	-	7,667,072
Contacts cancelled during	(16,534,010)	-	(381,209)	-	(16,915,219)
As at December 31, 2021	7,002,767	264,148	664,305	200,450	8,131,670
Accumulated depreciation :					
As at January 1, 2021	3,077,675	48,027	169,426	32,921	3,328,049
Depreciation for the year	2,990,297	48,026	169,427	40,090	3,247,840
As at December 31, 2021	6,067,972	96,053	338,853	73,011	6,575,889
Depreciation for the year	2,573,765	48,027	153,074	40,080	2,814,946
Depreciation - write off	(7,032,052)	-	(381,209)	-	(7,413,261)
As at December 31, 2022	1,609,685	144,080	110,718	113,091	1,977,574
Net assets value					
As at December 31, 2021	10,466,038	168,095	42,356	127,439	10,803,928
As at December 31, 2022	5,393,082	120,068	553,587	87,359	6,154,096

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(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

11.2 Lease liabilities

Lease liabilities as at December 31, 2021 are detailed as follow:

	(Unit : Baht)	
	December 31, 2022	December 31, 2021
Lease liabilities	6,963,080	12,208,106
<u>Less:</u> Deferred interest income	(426,269)	(1,072,698)
Total	6,536,811	11,135,408
<u>Less:</u> Current portion	(2,462,975)	(3,046,023)
Net	4,073,836	8,089,385

12. OTHER INTANGIBLE ASSETS

Intangible assets as at December 31, 2022 and 2021 are detailed as follows:

	(Unit : Baht)			
	Computer	Product development projects		
	Software	Under		
		Accomplished	progress	Total
Intangible assets - cost ::				
As at January 1, 2021	4,310,563	63,914,438	53,694,380	121,919,381
Adjust estimated costs of products development project	-	(1,688,559)	-	(1,688,559)
Acquisition/development during the year - Cost	-	2,155,531	24,777,516	26,933,047
Depreciation -tools and equipment of project	-	818,544	1,083,536	1,902,080
Write off ceased products development project	-	-	(3,519,109)	(3,519,109)
Transfer products design development project	-	24,852,115	(24,852,115)	-
As at December 31, 2021	4,310,563	90,052,069	51,184,208	145,546,840
Acquisition/development during the year - Cost	13,243,600	162,750	42,827,618	56,233,968
Depreciation -tools and equipment of project	-	153,882	1,455,414	1,609,296
Transfer products design development project	-	38,780,779	(38,780,779)	-
As at December 31, 2022	17,554,163	129,149,480	56,686,461	203,390,104

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(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

	(Unit : Baht)			
	Computer	Product development projects		
	Software			
		Accomplished	Under progress	Total
Accumulated Amortisation:				
As at January 1, 2021	3,843,387	23,101,532	-	26,944,919
Amortisation for the year	209,773	3,186,228	-	3,396,001
As at December 31, 2021	4,053,160	26,287,760	-	30,340,920
Amortisation for the year	1,894,479	12,385,376	-	14,279,855
As at December 31, 2022	5,947,639	38,673,136	-	44,620,775
Provision for accumulated impairment:				
As at January 1, 2021	-	6,700,779	20,504,000	27,204,779
Loss on impairment	-	29,422,749	3,215,000	32,637,749
As at December 31, 2021	-	36,123,528	23,719,000	59,842,528
Loss on impairment	-	11,122,473	-	13,988,905
Transfer products design development project	-	23,719,000	(23,719,000)	-
As at December 31, 2022	-	70,965,001	-	70,965,001
Net assets value				
As at December 31, 2021	257,403	27,640,781	27,465,208	55,363,392
As at December 31, 2022	11,606,524	19,511,343	56,686,461	87,804,328

Classification of Amortisation

	(Unit : Baht)			
	Computer	Product development projects		
	Software			
		Accomplished	Under progress	Total
For the year ended December 31, 2022				
Cost of sales	421,551	12,385,376	-	12,806,927
Administrative expense	1,472,928	-	-	1,472,928
Total amortisation	1,894,479	12,385,376	-	14,279,855
For the year ended December 31, 2021				
Cost of sales	58,200	3,186,228	-	3,244,428
Administrative expense	151,573	-	-	151,573
Total amortisation	209,773	3,186,228	-	3,396,001

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(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

As at December 31, 2022, total product development projects are 24 projects, which 12 projects were accomplished have been amortised. The other 12 projects are under progress.

13. DEFERRED TAX ASSETS

Significant components of deferred tax assets which presented in the financial statements as at December 31, 2022 and 2021 consist of:

	(หน่วย : บาท)					
	As at January 1, 2021	Profit or loss (Note 21)	Other comprehensive income (Note 21)	As at December 31, 2021	Profit or loss (Note 21)	As at December 31, 2022
Allowance for devaluation of inventories	2,347,687	150,655	-	2,498,342	(650,369)	1,847,973
Estimated dismantlement costs of leasehold building improvement	12,379	12,524	-	24,903	12,678	37,581
Employee benefit provisions	3,722,024	45,789	(343,024)	3,424,789	467,232	3,892,021
Total	6,082,090	208,968	(343,024)	5,948,034	(170,459)	5,777,575

14. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

As at December 31, 2022, the Company has short-term borrowings from a bank amount of Baht 1.54 million for importing goods from overseas with the credit limit of Baht 12 million which is due within 180 days, at the interest rate of MLR +2.705% per annum, are guaranteed by the same bank deposit (note 9.2)

15. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31 2022 and 2021 are detailed as follows:

	(Unit : Baht)	
Note	December 31, 2022	December 31, 2021
Trade accounts payable		
Trade accounts payable	45,856,362	18,865,377
Total	<u>45,856,362</u>	<u>18,865,377</u>
Other current payables- related parties		
Accrued expenses	-	71,639
Total	<u>-</u>	<u>71,639</u>

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(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

		(Unit : Baht)	
	Note	December 31, 2022	December 31, 2021
Other current payables			
Accrued bonus		33,509,782	17,382,947
Accrued commission		1,588,178	874,514
Advance received		2,003,867	2,657,540
Advance from government grants		688,390	328,046
Accrued dividend		48,239	36,339
Accrued expenses		6,518,095	3,360,512
Other current payables		4,085,330	4,172,428
Total		48,441,881	28,812,326
Total other current payables		48,441,881	28,883,965
Total trade and other current payables		94,298,243	47,749,342

16. PROVISIONS

					(Unit : Baht)
	Warranty	Estimated costs development project	Provisions from of assets	Provisions from Product order commitment	Total
Balance as at January 1, 2021	297,736	2,323,114	278,015	-	2,898,865
Recognition during year	-	963,914	14,596	377,879	1,356,389
Decrease during year	(297,736)	(2,652,474)	-	-	(2,950,210)
Balance as at December 31, 2021	-	634,554	292,611	377,879	1,305,044
Recognition during year	-	-	15,362	-	15,362
Decrease during year	-	-	-	-	-
Balance as at December 31, 2021	-	634,554	307,973	377,879	1,320,406

Warranty

The Company recognised a provision for the expected warranty claims on service based on past experience of the level of software editing by the type of system design service.

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(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Estimated costs of products development project

The Company recognised the estimated costs of products design development project from quantitative quality measurement, consist of wages and related costs.

Estimated costs of dismantlement of assets

The Company recognised the estimated costs of dismantlement of assets in the future where the agreement is terminated and has commitment to assign premises in part of office building improvement for lease.

17. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

17.1 Non-current provisions for employee benefits as at December 31, 2022 and 2021 are detailed as follows:

	(Unit : Baht)	
	December 31, 2022	December 31, 2021
Non-current provisions for:		
Post-employment benefits– Legal severance plan	21,798,603	18,858,241
Other long-term employee benefits	2,301,736	575,070
Total	24,100,339	19,433,311

17.2 The increase and decrease in non-current provisions for employee benefits as at December 31, 2022 and 2021 are summarized as follows:

	(Unit : Baht)	
	December 31, 2022	December 31, 2021
Beginning balance	19,433,311	19,840,291
Included in income statement:		
Current service costs	4,214,397	3,163,511
Interest costs	452,631	360,294
Curtailment	-	(1,015,662)

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(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

	(Unit : Baht)	
	December 31, 2022	December 31, 2021
Included in statement of comprehensive income:		
Actuarial (gains) losses on re-measurements of defined benefit plans:		
Financial assumptions changes	-	(1,795,459)
Demographic assumptions changes	-	(16,776)
Experience adjustments	-	97,112
Decrease in benefit paid - retirement	-	(1,200,000)
Ending balance	24,100,339	19,433,311

17.3 Expenses recognised in statement of comprehensive income for the year ended December 31, 2022 and 2021.

	(Unit : Baht)	
	December 31, 2022	December 31, 2021
Cost of sales and services	1,275,303	1,016,727
Cost of distribution	806,918	440,985
Administrative expenses	2,584,807	1,050,431
Total	4,667,028	2,508,143

17.4 Legal severance plan and other long-term employee benefits

The Company provides a defined benefit plan based on the requirement of Labor Protection Act B.E. 2541 (1998). In addition, the Company also provides other long-term employee benefits to employees in key positions based on their work performance.

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(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

17.5 Principal actuarial assumptions at the reporting date (expressed as weighted averages) for the year ended December 31, 2022 and 2021.

	December 31, 2022	December 31, 2021
Discount rate	2.40	2.40
Salary increases rates	4.00	4.00
Turnover rate of employees (varied by the age of employee)	0.00-11.00	0.00-11.00

17.6 Assumptions regarding future mortality are based on published statistics and Thailand Mortality Ordinary Life table 2017 (“TMO2017”).

17.7 Sensitivity analysis

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

	(Unit : Baht)			
	December 31, 2022		December 31, 2021	
	Increase	Decrease	Increase	Decrease
Defined benefit obligation				
Discount rate (0.5% movement)	(1,856,239)	2,060,363	(1,683,919)	1,875,600
Future salary growth				
(0.5% movement)	2,040,085	(1,854,547)	1,758,203	(1,599,872)
Turnover rate				
(10.00% movement)	(528,832)	563,379	(397,948)	421,715

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

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(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

18. PREMIUM ON SHARE-BASED-PAYMENT

Premium on share-based-payments as at December 31, 2022 and 2021 are detailed as follows:

	(Unit : Baht)	
	December 31, 2022	December 31, 2021
Premium on granting stock options to employees.	9,776,657	9,776,657
Premium on employee joint investment program (EJIP).	186,697	1,107,160
Total	9,963,354	10,883,817

Stock options for employees

In 2011-2014 the former shareholders gave share option of part of their personal shares to a group of employees at the price (Par value) or (Book value per share). Such transaction is regarded as Share-Based-Payments. The Company, therefore must measure fair value of common share at the grant date and record the difference between fair value of share and receiving returned as expenses and recognizes incremental in shareholder equity as premium on share capital from share-based-payments.

Employee Joint Investment Program (EJIP)

The Employee Joint Investment Program (EJIP), which is part of the benefits that the Company provides to certain employees and executives. The Company records fair value of the consideration received as expenses and recognises the difference of fair value of the consideration received and the amount paid as surplus on share-based payments.

The Board of directors' meeting approved the shares accumulation for employee project with details as follows:

	Period	Contribution percentage Company / employees	Purchase shares into project schedule
No. 1	3 years (from September 1, 2021 to September 6, 2024)	99 per 1 of investment	Every month, since September 2021
No. 2	3 years (from September 1, 2021 to September 6, 2024)	72 per 28 of investment	Every month, since September 2021
No. 3	3 years (from September 1, 2022 to September 6, 2025)	99 per 1 of investment	Every month, since September 2022

Shares accumulation program for employees No. 2, the executives (4 founders) have waived remuneration for 18 months for using as a budget in the shares accumulation program for employee which will be suspended from July 2021 to December 2022.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

For the year ended December 31, 2022 and 2021, the Company has paid the contribution to the Program in the amount of Baht 5.17 million and Baht 2.59 million respectively.

19. LEGAL RESERVE

According to the Civil and Commercial Code, the Company has to appropriate profit as a legal reserve at least 5% of net profit deducted by deficit brought forward (if any) until the reserve reach an amount 10% of the capital of the Company. Such legal reserve is not available.

20. DIVIDEND

On April 26, 2022 at the annual shareholders' general meeting for the year 2022 of the Company, passed the approve dividend payment from the 2021 net profit at Baht 0.043 per share, totally Baht 17.20 million which was paid on May 25, 2022.

On April 29, 2021 at the annual shareholders' general meeting for the year 2021 of the Company, passed the approve dividend payment from the 2020 net profit at Baht 0.043 per share, totally Baht 17.19 million which was paid on May 28, 2021.

21. TAX INCOME (EXPRESS)

The Company calculates corporate income tax at the rate of 20% on profit (loss) before deducting income tax for the year added back expenses and other transactions which are not allowed as expenses in the income tax calculation (if any), except for profits which are exempted from investment promotion.

Tax expense (income) for the year ended December 31, 2022 and 2021 summarized as follows

	(Unit : Baht)	
	December 31, 2022	December 31, 2021
Current income tax		
for the current year	2,336,613	142,038
Deferred tax		
Deferred tax arising from temporary		
differences and reversal	170,459	(208,968)
Tax expense (income)	2,507,072	(66,930)

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(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Amounts of income tax relating to each component of other comprehensive income for the year ended December 31, 2022 and 2021 can be presented as follows:

	(Unit : Baht)	
	December 31, 2022	December 31, 2021
Deferred tax related to gains (losses) on re-measurements of defined benefit plans	-	343,024
Income tax recognised in other comprehensive income	-	343,024

Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rates for the year ended December 31, 2022 and 2021 presented as follows:

	(Unit : Baht)	
	December 31, 2022	December 31, 2021
Accounting profit before income tax	137,582,652	63,970,694
Income tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	27,516,530	12,794,139
Tax effects for prohibited expense and income	(960,832)	2,362,448
Income tax exempted under investment promotion certificate	(24,048,626)	(15,223,517)
Total	(25,009,458)	(12,861,069)
Tax expense (income) presented in the statement of comprehensive income	2,507,072	(66,930)
Effective income tax rate	1.82%	(0.10%)

22. DIRECTORS' REMUNERATION AND MANAGEMENT BENEFIT EXPENSES

22.1 Directors' remuneration

Directors' remuneration represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, excluding salaries and related benefits payable to executive directors.

According to the minutes of Annual General Meeting of shareholders for the year 2022 held on April 26, 2022, passed to pay the directors' remuneration and meeting allowance for the year 2022 total amount at least Baht 1.77 million.

According to the minutes of Annual General Meeting of shareholders for the year 2021 held on April 29, 2021, passed to pay the directors' remuneration and meeting allowance for the year 2021 total amount at least Baht 1.88 million.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

22.2 Management benefit expenses

Management benefit expenses focus salaries, remunerations and other benefits paid to their directors and in accordance with the definitions of the Office of the Securities and Exchange Commission.

For the year ended December 31, 2022 and 2021, the management benefit expenses amounting to Baht 23.43 million and Baht 23.55 million respectively.

23. EXPENSES ANALYZED BY NATURE

Significant expenses by nature for the year ended December 31, 2022 and 2021 as follows:

	(Unit : Baht)	
	December 31, 2022	December 31, 2021
Changes in finished goods and work in process	(53,448,067)	(40,231,726)
Raw materials and consumable	177,123,055	130,170,566
Commuted production cost	131,975,883	74,818,675
Employee benefit expenses	131,309,580	89,603,971
Depreciation and amortisation	245,685,389	12,739,647
Research expenses	24,564,143	12,554,103
Loss on devaluation of inventories	927,939	731,671
Travelling expenses	2,675,267	348,707
Loss on impairment of assets	12,803,041	32,715,702
Write off ceased products design development project	-	3,519,109

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

24. INVESTMENT PROMOTIONAL PRIVILEGES AND RIGHTS

The Company was granted promotional privileges by the Board of Investment under the Investment Promotion Act B.E. 2520. The promotional privileges are about design integrated circuit, RFID equipment and continuous products development, totaling in number of three certificates. The first certificate was granted on August 4, 2008(expired from exempted income tax for 8 years on September 9, 2016), the second certificate was granted on September 5, 2013 and the third certificate was granted on January 14, 2016, the privileges are as follows:

- 1) Exemption from corporate income tax on net profit of the promoted business for a period of 8 years from the first date the income derived from the promoted activities. In case of loss of the business during the tax exemption period, the Company is able to bring an annual loss incurred during such period deducting from the net profits occurred after the expiration of the period of exemption of corporate income tax for a period of not more than five years from the expiry date of such period.
- 2) Exemption from computation of taxable income on dividend derived from the promoted activities throughout the period of corporate income tax exemption.
- 3) Exemption from import duty for the machinery as approved by the Board throughout the period of corporate income tax exemption.
- 4) Permission to exempt import duty of raw material and supplies which are imported for manufacturing and exporting for 1 year since the first date of importing.
- 5) Permission to exempt import duty of products which are imported for exporting for 1 year since the first date of importing.
- 6) Permission to remit money in foreign currencies outside Thailand.

The Company must comply with certain terms and conditions specified in the promotional certificates.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

The results of operations the Company for the year ended December 31, 2021 and 2020 divided by investment promotional privileges are as follows :

	(Unit : Baht)					
	BOI		NON – BOI		Total	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Revenues from sales						
and services	507,330,877	398,853,072	93,681,297	22,844,498	601,012,127	421,697,570
Costs of sales and						
services	(253,044,109)	(183,961,938)	(32,392,244)	(15,149,180)	(285,436,353)	(199,111,118)
Gross profit	254,286,768	214,891,134	61,289,053	7,695,318	315,575,821	222,586,452
Other income	33,472	2,244,249	1,453,736	6,136,206	1,487,208	8,380,455
Distribution costs	(28,329,212)	(29,576,334)	(6,258,772)	(1,980,649)	(34,587,984)	(31,556,983)
Administrative expenses	(97,743,580)	(97,015,054)	(20,809,157)	(24,524,523)	(118,552,737)	(121,539,577)
Other expenses	(15,046,893)	(8,387,162)	(1,096,303)	417,865	(16,143,196)	(7,969,297)
Other gains (losses)	(7,959,244)	(5,598,809)	(2,210,688)	(320,845)	(10,169,932)	(5,919,654)
Profit (loss) from						
operating activities	105,241,311	76,558,024	3,236,786	(12,576,628)	137,609,180	63,981,396
Finance income	263,996	-	188,847	677,779	452,843	677,779
Finance costs	(404,645)	(651,165)	(74,726)	(37,316)	(479,371)	(688,481)
Profit (loss) before						
tax expense	105,100,662	75,906,859	32,481,990	(11,936,165)	137,582,652	63,970,694
Tax income (expense)	-	55,153	(2,507,072)	11,777	(2,507,072)	66,930
Profit (loss) for the year	105,100,662	75,962,012	29,974,918	(11,924,388)	135,075,580	64,037,624

Unidentified cost of sales and services, selling and administrative expenses, other expenses and finance costs will be allocated based on proportion of BOI and Non-BOI accordingly.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

25. FINANCIAL INFORMATION BY SEGMENT

Segment information is to be presented the management's deciding in the information reporting which is reference to the internal information consistently reported to the chief operating decision maker about the Company's operating information.

The major operation of the Company operates distribution goods and design of integrated circuits and embedded systems in geographical mostly in overseas. Moreover, revenues from sales in domestic and service are totally less than 10% . The Company, therefore, has not presented financial information by segment.

For the year ended December 31, 2021 and 2020, the Company had income in the amount of Baht 381.20 million and Baht 219.90 million respectively, received from 5 major customers.

26. FINANCIAL INSTRUMENTS

26.1 Derivatives and hedge accounting

	(Unit : Baht)	
	December 31, 2022	December 31, 2021
Derivative liabilities		
Derivative liabilities not designated as hedging instruments		
Foreign exchange forward contracts	2,417,584	-
Foreign exchange forward contracts	4,975,665	6,221,888
Derivative liabilities designated as hedging instruments		
Foreign exchange forward contracts	401,460	3,704,708
Total derivative liabilities	7,794,709	9,926,596

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Derivatives not designated as hedging instruments

The Company uses foreign exchange 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 not exceeding 1 year.

Derivatives designated as hedging instruments

Cash flow hedges

There is an economic relationship between the hedged item and the hedging instrument as the terms of the foreign exchange forward contracts match the terms of the highly probable forecast sale (i.e. notional amount, maturity, payment and currency). The Company has established a hedge ratio of 50%-85% as the underlying risk of the foreign exchange forward contract is identical to the hedged risk component.

26.2 Financial risk management objectives and policies

The Company's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, trade accounts payable, and derivatives. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable, deposits with banks and other financial instruments. Except for derivative financial instruments, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Company's maximum exposure relating to derivative financial instruments is noted in the liquidity risk topic.

Trade receivables

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and the Company does not have high concentrations of credit risk since it has customer base in various industries.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, the Company made the insurance for damages from default on debts repayment at 90% of total debts.

Financial instruments and cash deposits

The Company manages the credit risk from balances with banks. Investments are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Executive Committee on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising of foreign currency risk and interest rate risk.

Foreign currency risk

The Company's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at December 31, 2022 and 2021, forward exchange contracts outstanding are summarised below.

Foreign currency	Sold amount	Contractual exchange rate of Sold amount (Baht per 1 foreign currency unit)	Contractual maturity date
As at December 31, 2022			
USD	(2,254,002)	34.16 – 36.46	February – June 2023
USD	10,431,781	31.78 – 37.85	January – September 2023
EUR	901,432	35.72 – 37.78	February – August 2023
As at December 31, 2021			
USD	6,318,651	29.79 – 33.56	January – December 2022

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

As at December 31, 2022 and 2021, the Company had the balance of financial assets and liabilities denominated in foreign currencies as follows:

Items	Currency	Covered by		Non-entered		Exchange rate	
		forward exchange		than forward exchange			
		contracts or option		contracts or option			
		Dec 31,	Dec 31,	Dec 31,	Dec 31,	Dec 31,	Dec 31,
		2022	2021	2022	2021	2022	2021
(Baht per 1 foreign currency unit)							
Financial Asset							
Deposits in foreign currency	USD	1,527,980	249,021	-	-	34.39	33.24
	EUR	581,700	113,626	-	113,626	36.45	37.51
	CNY	-	-	19,615	3,355	4.90	5.18
Trade accounts receivable	USD	1,977,991	1,162,548	-	-	34.39	33.24
	EUR	105,335	30,955	-	-	36.45	37.51
Financial Liability							
Trade accounts payable	USD	325,140	47,769		47,769	34.39	33.24

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Company's profit before tax to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at December 31, 2022 and 2021. The Company's exposure to foreign currency changes for all other currencies is not material.

Currencies	As at December 2022		As at December 2021	
	Depreciation / Appreciation (percent)	Effects to profit before tax (Million Baht)	Depreciation / Appreciation (percent)	Effects to profit before tax (Million Baht)
USD	+1	8.72	+1	12.04
	-1	1.59	-1	7.81

Therefore, information is not expectation and future market prediction and should be used carefully.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Interest rate risk

Interest rate risk arises from the fluctuation of market interest rates in the future, which may have a negative effect to current and future operations and cash flows of the Company. The Company's management believes that the interest rate risk is minimal because the Company's deposits at banks and short-term loans bear interest at the floating market interest rates. Lease liabilities bear interest at fixed rates which approximate market interest rates.

Liquidity risk

The Company manages liquidity risk by monitoring that current assets are higher than current liabilities and having enough credit facilities for business operation.

As at December 31, 2022 and 2021, the Company has the maturity of financial liabilities are detailed as follows

		(Unit : Baht)			
	Note	On demand	Less than 1 year	1 to 5 years	Total
As at December 31, 2022					
Non-derivatives					
Short-term borrowings from financial institutions	14	-	1,543,259	-	1,543,259
Trade and other payables	15	94,298,243	-	-	94,298,243
Lease liabilities	11.2	-	2,462,975	4,073,835	6,536,810
Total		<u>94,298,243</u>	<u>4,006,234</u>	<u>4,073,835</u>	<u>102,378,312</u>
Derivatives					
Other current financial liabilities	9.1	-	7,794,709	-	7,794,709
As at December 31, 2021					
Non-derivatives					
Trade and other payables	15	47,749,342	-	-	47,749,342
Lease liabilities	11.2	-	3,046,023	8,089,385	11,135,408
Total		<u>47,749,342</u>	<u>3,046,023</u>	<u>8,089,385</u>	<u>58,884,750</u>
Derivatives					
Other current financial liabilities	9.1	-	9,926,596	-	9,926,596

Fair value of financial instruments

Because of the majority of the Company's financial instruments were classified as short-term or has interest rates closed to market interest rates. Therefore, the Company estimates the fair value of financial instruments to be closed to the book value which shown in the statement of financial position.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

27. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

As at December 31, 2022 and December 31, 2021 the Company had the financial assets and liabilities that were measured at fair value using different levels of inputs as follows:

	(Unit: Baht)			
	Level 1	Level 2	Level 3	Total
As at December 31, 2022				
Financial assets measured at fair value				
Other current financial assets				
Investment in Fixed Income Fund	236,225	-	-	236,225
Financial liabilities measured at fair value				
Other current financial liabilities				
Foreign currency forward contract	-	2,417,584	-	2,417,584
Foreign currency forward contract	-	5,377,125	-	5,377,125
As at December 31, 2021				
Financial assets measured at fair value				
Other current financial assets				
Investment in Fixed Income Fund	16,598,511	-	-	16,598,511
Financial liabilities measured at fair value				
Other current financial liabilities				
Foreign currency forward contract	-	9,926,596	-	9,926,596

During the current period, the Company has not changed the methodology and assumption using in estimate the fair value and has not inter-hierarchy transferring of the fair value.

26. COMMITMENT

28.1 Capital commitment

As at December 31, 2021, the Company has entered into service agreement for software implementation of an enterprise resource management system in the amount of Baht 0.17 million.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

28.2 Commitments under hire of production of goods contract

On October 1, 2022, the Company has a commitment to order products from a manufacturer for a period of 12 months from the January 1, 2023 to December 31, 2023. The product order is 45.84 million wires per month. However, if in any month the production order is lower than specified in the contract, the Company must pay compensation amount of USD 0.0055 per wire.

28.3 Commitments under purchase of raw materials and others contracts

As at December 31, 2022, the Company has commitments under hire of production of goods contracts, purchase of raw materials, etc. as follows:

	December 31, 2022
Thai Baht	39,731,136
US Dollar	7,610,151

28.4 Operating lease and service agreement commitments

The Company entered into operating lease relating to lease of office building as at December 31, 2022 and 2021, and has the future minimum payments required under these non-cancellable operating leases and service contracts were as follows:

	(Unit : Baht)	
	December 31, 2022	December 31, 2021
Payments		
Within 1 year	2,462,975	3,046,023
Over 1 year not exceed 5 years	4,073,835	8,089,385
Total	6,536,810	11,135,408

28.5 Commitments under provident fund

The Company has established a provident fund for all full-time employees of the Company in accordance with the Provident Fund Act B.E. 2530.

Employees pay accumulation and the Company pays contributions to the fund under this program at the rate of 3- 7% of the employee's salary in accordance with the rules and regulations of the fund, the Company has appointed a fund manager to manage the fund in accordance with the provisions of the Provident Fund Act B.E. 2530.

For the year ended December 31, 2022 and 2021, the Company paid contributions to the fund in the amount of Baht 3.53 million and Baht 3.34 million respectively.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

29. CAPITAL MANAGEMENT

The objective of the financial management of the Company is to preserve the operation as a going concern and maintain of appropriate capital structure.

The Company has debt to equity ratio as follows:

	(Unit : Baht)	
	December 31, 2022	December 31, 2021
Debt to equity ratio	0.27	0.23

30. RECLASSIFICATION

The certain accounts in the 2021 financial statements have been reclassified for corresponding with the presentation in the 2022 financial statements as follows:

	(Unit : Baht)		
	Before reclassifying	Reclassified	After reclassifying
<u>Statements of financial position</u>			
Trade and other current receivables	68,471,960	(12,347,571)	56,124,389
Other current assets	2,221,777	4,741,837	6,963,614
Other non-current assets	1,782,757	7,605,734	9,388,491

31. EVENTS AFTER THE REPORTING PERIOD

According to the resolution of the Board of directors' meeting No. 1/2023 dated February 24, 2023, a resolution was passed to propose to shareholders for approval. as follows:

1) Dividend payment to shareholders from the 2022 annual profit at Baht 0.1112 per share, for 400 million shares, totaling not exceed than Baht 44.48 million by paying in cash to shareholders at Baht 0.0112 per share, totaling not exceed than Baht 4.48 million and ordinary shares of the Company to shareholders at the ratio of 5 existing shares per 1 share dividend at Baht 0.10 per share, totaling not exceed than Baht 40 million. The dividend payment is scheduled on May 25, 2023.

2) Increased the Company's registered share capital from Baht 200 million to Baht 240 million by issuing 80 million new ordinary shares at par value of Baht0.50 per share to reserve the share dividend payment.

32. FINANCIAL STATEMENTS APPROVAL

These financial statements were approved and authorized for issue by the Company's directors on February 24, 2023.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Attachment





Silicon Craft Technology Public Company Limited

Attachment 1

Information of the Board and Directors, Executives,
Controlling Persons, Appointed person to take highest responsibility
in accounting and finance, Appointed person to take direct responsibility
to control and supervise accounting operations and Company Secretary

As of December 31, 2022

1. Mr. Manop Dhamsirianuntt

Age 57 years

Position

- Authorized Director
- Chairman of the Board of Directors/ Non-Executive Director

Appointed firstly as a director on: 5 April 2019

Academic Qualifications

- Master's degree in Engineering (Electronics), Carleton University
- Bachelor's degree in Engineering (Electronics), King Mongkut's Institute of Technology Ladkrabang



Academic Qualifications from Thai Institute of Directors Association (IOD)

- Director Accreditation Program Class 132/2016
- Corporate Governance for Executives Class 20/2022
- Role of the Chairman Program Class 49/2022
- Successful Formulation & Execution of Strategy Class 40/2022
- Academic Qualifications from Capital Market Academy Programs (CMA 32)

Shareholding Ratio as of Dec 31, 2022

93,251,560 Shares (23.31%)

Family Relationship with Executives

- None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
<u>Listed companies</u>			
Aug 2021 - Present	Chairman of the Board of Directors	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
Apr 2019 - Aug 2021	Director, Chief Executive Officer, Chairman of the Executive Committee, Member of the Risk Management Committee	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
<u>Non-listed companies</u>			
2015 - Present	Managing Director	XAV Audio Co., Ltd.	Audio Design and Manufacturing Company

2. Mrs. Monluedee Sookpantararat

(Former First Family Name: Monluedee Pratuangpattanakul)

Age 58 years

Position

- Independent Director
- Chairman of the Audit Committee
- Member of the Risk Management Committee

Appointed firstly as a director on: 5 April 2019



Academic Qualifications

- Master's degree in Accounting Thammasat University
- Bachelor's degree in Accounting (Second Class Honors), Thammasat University
- Graduate Diploma in Auditing Thammasat University
- Certified Public Accountant, Registration No. 4020
- Arbitrator of Thailand Arbitration Center (Thailand Arbitration Center: THAC)
- Arbitrator of Thailand Arbitration Center, Court of Justice (Thai Arbitration Institute : TAI) ASEAN Chartered Professional Accountant

Academic Qualifications from Thai Institute of Directors Association (IOD)

- Director Diploma Award (Fellow Member) Class 11/2003
- Director Certification Program Class 31/2003
- Director Accreditation Program Class 34/2005
- Audit Committee Program Class 23/2008
- Ethical Leadership Program Class 23/2021
- Anti-Corruption Practical Guide Class 57/2021
- Advanced Audit Committee Program Class 32/2022
- Director Leadership Certification Program Class 7/2022
- IOD National Director Conference 2022 - Wisdom for Future: Harmonizing The Diverse Boards
- Hot Issue for Directors - What Directors Need to Know About Digital Assets Class 3/2022

Shareholding Ratio as of Dec 31, 2022

400,000 Shares (0.10%)

Family Relationship with Executives

- None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
<u>Listed companies</u>			
Apr 2019 - Present	Independent Director, Chairman of the Audit Committee, Member of the Risk Management Committee	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2015 - Present	Independent Director, Vice Chairman, Chairman of the Audit Committee	ASN Broker Public Co., Ltd.	Auto Insurance Broker
2013 - Present	Independent Director, Member of the Audit Committee	Plan B Media PLC	Outdoor Advertising Media Production and Services
2007 - Present	Independent Director, Member of the Audit Committee	Asiasoft Corporation Co., Ltd.	Online Entertainment Services
<u>Non-listed companies</u>			
2002 – Present	Visiting Lecturer	Bangkok University	Educational Institution
1993 - Present	Visiting Lecturer	Thammasat University	Educational Institution

3. Mr. Wuthipong Suponthana

Age 57 years

Position

- Independent Director
- Member of the Audit Committee
- Chairman of the Risk Management Committee
- Member of the Nomination, Remuneration and Corporate Governance Committee

Appointed firstly as a director on: 5 April 2019



Academic Qualifications

- PhD in Engineering (Renewable Energy), Naresuan University
- Master's degree in Industrial Engineering, California State University Northridge, USA
- Bachelor's degree in Electronics Engineering, King Mongkut's Institute of Technology Ladkrabang

Academic Qualifications from Thai Institute of Directors Association (IOD)

- Director Accreditation Program Class 133/2017
- Anti-Corruption Practical Guide Class 57/2021
- Risk Management Program for Corporate Leaders Class 27/2022

Shareholding Ratio as of Dec 31, 2022

250,000 Shares (0.06%)

Family Relationship with Executives

- None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
<u>Listed companies</u>			
Apr 2019 - Present	Independent Director, Member of the Audit Committee, Chairman of the Risk Management Committee, Member of the Nomination, Remuneration and Corporate Governance Committee	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
<u>Non-listed companies</u>			
2015 - Present	Director	Digital Data Dynamic Company Limited	Photovoltaic Power Plant Maintenance Services
1998 - Present	Managing Director	Leonics Co., Ltd.	Electrical Equipment Manufacturing

4. Mr. Sarote Phornpraphaa

Age 56 years

Position

- Independent Director
- Member of the Audit Committee
- Chairman of the Nomination, Remuneration and Corporate Governance Committee

Appointed firstly as a director on: 5 April 2019



Academic Qualifications

- PhD in Educational Management, University of Surrey, UK
- Master's degree in International Hotel Management, University of Surrey, UK
- Bachelor's degree in Tourism, Kasetsart University

Academic Qualifications from Thai Institute of Directors Association (IOD)

- Director Accreditation Program Class 133/2017
- Director Certification Program Class 309/2021
- Corporate Governance for Executives Class 18/2021
- Anti-Corruption the Practical Guide Class 59/2022
- Ethical Leadership Program Class 28/2022

Shareholding Ratio as of Dec 31, 2022

500,000 Shares (0.13%)

Family Relationship with Executives

- None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
Apr 2019 - Present	Independent Director, Member of the Audit Committee, Chairman of the Nomination, Remuneration and Corporate Governance Committee	<u>Listed companies</u> Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
Nov 2019 - Present	Director	<u>Non-listed companies</u> Thailand Productivity Institute, the Ministry of Industry	Consulting on ways to increase personnel productivity, evaluate organizations training
2018 - Present	Independent Director, Member of the Audit Committee	RITTA Holdings Co., Ltd	Investment in other businesses
2012 - Present	Director	Sunny Sky Co., Ltd.	Consultant
2010 - Present	Director	Royal Passage & Residences Co., Ltd.	Consultant

5. Mr. Naiyavudhi Wongkomet

Age 51 years

Position

- Authorized Director
- Director/ Non-Executive Director
- Chairman of the Executive Committee
- Member of the Risk Management Committee
- Member of the Nomination, Remuneration and Corporate Governance Committee

Appointed firstly as a director on: 5 April 2019



Academic Qualifications

- PhD in Electrical Engineering, University of California at Berkeley
- Master's degree in Electrical Engineering University of California at Berkeley
- Bachelor's degree in Electrical Engineering Chulalongkorn University

Academic Qualifications from Thai Institute of Directors Association (IOD)

- Director Accreditation Program Class 132/2017
- Corporate Governance for Executives Class 18/2021
- Director Certification Program Class 327/2022
- Successful Formulation & Execution of Strategy Class 40/2022

Shareholding Ratio as of Dec 31, 2022

27,978,300 Shares (6.99%)

Family Relationship with Executives

- None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
Aug 2021 - Present	Director, Chairman of the Executive Committee, Member of the Risk Management Committee, Member of the Nomination, Remuneration and Corporate Governance Committee	<u>Listed companies</u> Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
Apr 2019 - Aug 2021	Director, Chief Operating Officer, Member of the Risk Management Committee, Member of the Executive Committee	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2003 - Present	Managing Director	<u>Non-listed companies</u> I.E. Technology Co., Ltd.	RFID (System Integrator) System Design and Services
2003 - Present	Deputy Managing Director	Industrial Electrical Co., Ltd.	Sales of Industrial Electrical Equipment

6. Mr. Apinetr Unakul

Age 54 years

Position

- Director/ Non-Executive Director

Appointed firstly as a director on: 5 April 2019

Academic Qualifications

- Master's degree in Software and System, Boston University
- Bachelor's degree in Computer Engineering, Carnegie Mellon University



Academic Qualifications from Thai Institute of Directors Association (IOD)

- Anti-Corruption Practical Guide Class 31/2016
- Ethical Leadership Program Class 5/2016
- Director Accreditation Program Class 134/2017

Shareholding Ratio as of Dec 31, 2022

66,832,100 Shares (16.71%)

Family Relationship with Executives

- None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
Aug 2021 - Present	Director	<u>Listed companies</u> Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
Sep 2020 - Present	Director	Industrial and Commercial Bank of China (Thai) Public Company Limited	Bank
April 2019 - Aug 2021	Chairman of the Board of Directors	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2002 - Present	Director	CAT Telecom PLC.	Telecommunication
1992 - 2018	Lecturer	<u>Non-listed companies</u> King Mongkut's Institute of Technology Ladkrabang	Educational Institution

7. Mr. Apinunt Thanachayanont

Age 49 years

Position

- Director/ Executive Director
- Member of the Executive Committee
- Chief Research Officer

Appointed firstly as a director on: 5 April 2019

Academic Qualifications

- PhD in Electrical and Electronic Engineering, Imperial College, University of London
- Master's degree in Electrical and Electronic Engineering Imperial College, University of London



Academic Qualifications from Thai Institute of Directors Association (IOD)

- Director Accreditation Program Class 133/2016
- Corporate Governance for Executives Class 19/2022
- Successful Formulation & Execution of Strategy Class 40/2022

Shareholding Ratio as of Dec 31, 2022

20,203,420 Shares (5.05%)

Family Relationship with Executives

- None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
Dec 2022 - Present	Director, Member of the Executive Committee, Chief Research officer	<u>Listed companies</u> Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
Oct 2022 - Dec 2022	Director, Chief Research Officer	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
Apr 2019 - Oct 2022	Director	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2017 - 2022	Professor	<u>Non-listed companies</u> King Mongkut's Institute of Technology Ladkrabang	Educational Institution

8. Mr. Bodin Kasemset

Age 47 years

Position

- Authorized Director
- Director/ Executive Director
- Member of the Risk Management Committee
- Member of the Executive Committee
- Chief Executive Officer

Appointed firstly as a director on: 29 April 2019



Academic Qualifications

- PhD in Microsystems Technology, Technische Universität Hamburg-Harburg, Germany
- Master's degree in Mechatronics, Technische Universität Hamburg-Harburg, Germany
- Bachelor's degree in Automotive Engineering, Chulalongkorn University

Academic Qualifications from Thai Institute of Directors Association (IOD)

- Director Accreditation Program Class 168/2020
- Boardroom Success through Financing & Investment Class 10/2021
- Successful Formulation & Execution of Strategy Class 34/2021
- Corporate Governance for Executives Class 18/2021
- Director Certification Program Class 34/2022
- The Board's Role in Mergers and Acquisitions Class 1/2022
- Strategic Board Master Class 10/2022

Shareholding Ratio as of Dec 31, 2022

6,101,500 Shares (1.53%)

Family Relationship with Executives

- None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
Aug 2021 - Present	Director, Member of the Risk Management Committee, Member of the Executive Committee, Chief Executive Officer	<u>Listed companies</u> Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
Apr - Aug 2021	Director, Member of the Executive Committee, Co-Chief Executive Officer	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2020 - Apr 2021	Deputy Chief Executive Officer	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2019 - 2020	Chief Technology Officer	Star Microelectronics Public Co., Ltd.	Manufacture electronic components
2006 - 2019	Senior Director Global Innovation for Business	<u>Non-listed companies</u> NXP Semiconductors	Design and manufacture electronic components

9. Ms. Arunee Poontawe

Age 52 years

Position

- Director/ Non-Executive Director

Appointed firstly as a director on: 5 April 2019

Academic Qualifications

- Master's degree in Accounting, Thammasat University
- Bachelor degree in Accounting, Thammasat University



Shareholding Ratio as of Dec 31, 2022

2,370,000 Shares (0.59%)

Family Relationship with Executives

- None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
Dec 2022 - Present	Director	<u>Listed companies</u> Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
Nov 2022 - Dec 2022	Director, Member of the Executive Committee	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
Apr 2019 - Aug 2021	Director, Member of the Executive Committee, Member of the Nomination, Remuneration and Corporate Governance Committee, Chief Finance Officer	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2015 - Present	Auditor	<u>Non-listed companies</u> Virtual Corporation Co., Ltd.	Manufacture and installation of machine and system
2016 - Apr 2019	Director, Chief Finance Officer	Silicon Craft Technology Co., Ltd.	Research and Development, Design, and Sales of Integrated Circuits or Microchips

10. Mr. Thaweesak Thantipwan

Age 43 years

Position

- Member of the Executive Committee
- Chief Technology Officer

Academic Qualifications

- Master's degree in Electrical Engineering Chulalongkorn University
- Bachelor's degree in Electrical Engineering Chulalongkorn University



Academic Qualifications from Thai Institute of Directors Association (IOD)

- Director Accreditation Program Class 168/2020
- Boardroom Success through Financing & Investment Class 10/2021
- Successful Formulation & Execution of Strategy Class 34/2021
- Corporate Governance for Executives Class 18/2021
- Director Certification Program Class 34/2022
- The Board's Role in Mergers and Acquisitions Class 1/2022
- Strategic Board Master Class 10/2022

Shareholding Ratio as of Dec 31, 2022

5,885,320 Shares (1.47%)

Family Relationship with Executives

- None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
<u>Listed companies</u>			
2020 - Present	Member of the Executive Committee, Chief Technology Officer	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2019 - 2020	Member of the Executive Committee, Chief Product Officer	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2016 - 2019	Senior Product Development Manager	Silicon Craft Technology Co., Ltd.	Research and Development, Design, and Sales of Integrated Circuits or Microchips
<u>Non-listed companies</u>			
- None -			

11. Mr. Sarun Polachart

Age 40 years

Position

- Member of the Executive Committee
- Chief Operating Officer

Academic Qualifications

- Master's degree in MBA Finance University of Stirling
- Bachelor's degree in Electrical Engineering King Mongkut's Institute of Technology Ladkrabang



Academic Qualifications from Thai Institute of Directors Association (IOD)

- Risk Management Program for Corporate Leaders Class 24/2021
- IT Governance and Cyber Resilience Program Class 17/2021
- Strategic Board Master Class 10/2022

Shareholding Ratio as of Dec 31, 2022

98,900 Shares (0.02%)

Family Relationship with Executives

- None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
<u>Listed companies</u>			
Dec 2022 - Present	Member of the Executive Committee, Chief Operating Officer	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2021 - Dec 2022	Chief Operating Officer	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2020 - 2021	Chief Supply Chain Officer	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
<u>Non-listed companies</u>			
- None -			

12. Mr. Kowit Nuangsuk

Age 42 years

Position

- Member of the Executive Committee
- Chief Financial Officer
- Appointed to take highest responsibility in accounting and finance

Academic Qualifications

- Master's degree in MBA Chulalongkorn University
- Bachelor's degree in Accounting Thammasat University



Academic Qualifications from Thai Institute of Directors Association (IOD)

- Director Certification Program Class 240/2560

Shareholding Ratio as of Dec 31, 2022

- Shares (-%)

Family Relationship with Executives

- None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
<u>Listed companies</u>			
Nov 2022 - Dec 2022	Chief Financial Officer	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
Mar 2020 - Sep 2022	Director	Civil Engineering Public Company Limited	Construction
2019 - Sep 2022	Member of the Executive Committee	Civil Engineering Public Company Limited	Construction
2018 - Sep 2022	Chief Financial Officer	Civil Engineering Public Company Limited	Construction
<u>Non-listed companies</u>			
Apr 2018 - Apr 2019	Director, Authorized Director	V2Pro Audit Co., Ltd	Accounting

13. Ms. Thitima Saensuksakulchol

Age 43 years

Position

- Accounting Manager
- Appointed to take direct responsibility to control and supervise accounting operations
- Secretary of the Audit Committee

Academic Qualifications

- Master's degree in Accounting Chulalongkorn University
- Bachelor's degree in Accounting Burapha University

Shareholding Ratio as of Dec 31, 2022

- Shares (-%)

Family Relationship with Executives

- None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
Jul 2022 - Present	Accounting Manager	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2010 – 2022	Financial Manager	Ek-Chai Distribution System Co., Ltd.	Retail Business

14. Ms. Katalee Krachangsaeng

Age 39 years

Position

- Company Secretary & Investor Relations Manager
- Company Secretary
- Secretary of Executive Committee

Academic Qualifications

- Master's degree in Professional Accounting RMIT University, Australia
- Bachelor's degree in Humanities (Mass Communication) Kasetsart University



Academic Qualifications from Thai Institute of Directors Association (IOD)

- Company Secretary Program Class 122/2021
- Anti-Corruption the Practical Guide Class 57/2021
- Effective Minutes Taking Class 51/2022

Shareholding Ratio as of Dec 31, 2022

51,395 Shares (0.01%)

Family Relationship with Executives

- None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
Aug 2021 - Present	Company Secretary, Company Secretary & Investor Relations Manager	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2020 - 2021	Investor Relations Manager	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2018 - 2020	Assistant Investor Relations Manager	Ananda Development Public Company Limited	Real Estate Company
2013 - 2018	Investor Relations Manager	Kasikorn Public Company Limited	Bank



Silicon Craft Technology Public Company Limited

Attachment 2

Information on Internal Audit and Corporate Governance Supervisor

As of December 31, 2022

Information on Internal Audit and Corporate Governance Supervisor

The Company appoints Unique Advisor Company Limited to be the Company's Internal Auditor. Mr. Kosol Yamleemul is the Company's Internal Audit Supervisor with details below.

1. Mr. Kosol Yamleemul

Age 54 Year

Position

- Managing Director

Educational Qualifications / Trainings

- Master's degree in Science of Information Technology in Business Chulalongkorn University
- Bachelor's degree in Accounting and Finance Thammasat University
- Certificate of Business Advisor and Certificate of Real Estate Entrepreneur Kasetsart University
- Certified Public Accountant (CPA) Registration Number 4575
- Certified Internal Auditor (CIA)
- Certified Financial Service Auditor (CFSA)

Trainings (in brief)

- Orientation Course – CFO Focus on Financial Reporting Class 4/2018
- Reference Document Assessment Program for Independent Auditors for SMEs that joined Collective Action against Corruption (CAC) SME Certification Project
- Working Papers for Anti-Corruption in Organization Training Program
- Theories and Practice, COSO 2013 Program
- IT Audit Program, Federation of Accounting Professions
- Internal Audit Program, The Institute of Internal Auditors of Thailand
- Tax and Tax Planning Program
- Continuing Program in Thai Financial Reporting Standards (TFRS) and Thai Standards on Auditing (TSA)

Professional Experiences

Duration	Position	Organization Name / Company	Nature of Business
2013- Present	Managing Director	Unique Advisor Company Limited	Business Consulting, Accounting, Finance, Internal Audit, and Accounting Audit Services
2002 - 2013	Partner and Director	Grant Thornton Limited	Financial Accounting Audit Services
2001 - 2002	International Audit Manager	Grant Thornton LLP Seattle, USA	Auditing and Consulting Services
2000 - 2001	Senior Manager	Grant Thornton Limited	Financial Accounting Audit Services
1995 - 2000	Senior Manager	PricewaterhouseCoopers ABAS Limited	Financial Accounting Audit Services



Silicon Craft Technology Public Company Limited

Attachment 3

Corporate Governance Policy,
Business Ethics and Code of Conduct at Work Manual,
Charter of the Board of Directors and Charters of the Sub-Committees

SIC-BC-PLC-2022-016

Corporate Governance Policy**Silicon Craft Technology Public Company Limited****Objective**

The Company formulated the corporate governance policy pursuant to guidelines of the Corporate Governance Code of the Office of the Securities and Exchange Commission (“SEC”) and the Stock Exchange of Thailand (“SET”) to serve as principle to be observed and adhered by the Board of Directors, the management and the employees of the Company. The objectives are to build up value to the business on sustainable basis and to enhance the organization on efficient business operation, transparency and accountability, apart from creation of confidence to the shareholders, the investors and the relevant parties. It can also make the business having competitiveness and performance with long term perspective, ethical and responsible business, good corporate citizenship and corporate resilience. Essence of the corporate governance policy can be divided into 8 practices as follows:

Principle 1: Recognize the Roles and Responsibilities of the Board of Directors as the Leader of an Organization that Creates Value for Sustainable Business

The Company has clearly established roles and responsibilities of the Board in the Board of Directors’ Charter with main duties are to set important policies and strategies for business operations as well as to allocate resources. The Board of Directors shall have thorough understanding of roles, responsibilities and benefits of corporate governance principles to build value to the business sustainably and shall monitor, assess and oversee performance report of the Company to ensure that they can achieve the specified objectives and targets.

In addition, the Board of the Directors shall oversee the Company’s operations by taking into account the competitiveness and adaptability with the changes from various factors for long term and good performance by operating businesses which are beneficial to the society and by consideration of the environment, ethics, respect of right and responsibilities to the shareholders and the stakeholders of the Company on continued basis. These actions include equal treatment of shareholders, consideration of the stakeholders’ roles, information disclosure and transparency, by putting emphasis on sustainable creation of value to the organization and promotion of innovation, for example, to give special lecture on design and creation of electronic innovation to the students in various

educational institutions, engineering competition activities, acceptance of intern students during summer apprentice program and the cooperative education for learning through projects, participation on giving recommendations for the projects at Bachelor degree and the research works in Master or Doctorate degrees including provision of cooperation between the research laboratories and the Company.

Furthermore, the Board of Directors has clearly specified roles and scope of responsibilities of the subcommittees and the President and has supervised the directors and the executives to perform duties with responsibility, carefulness and honesty as well as to oversee to make sure that operations of the Company are in compliance with the relevant laws, regulations, resolutions of the meetings of the Board of Directors, resolutions of the shareholders' meetings and the Company's policies.

Principle 2: Define the Business Objectives and Main Goals for Sustainability

The Board of Directors puts strong emphasis on formulation of main objectives and targets for business operations of the Company in order to make it grow together with the society with sustainability, to build value and benefits to the organization, customers, business partners, employees, shareholders, stakeholders and the society at large. In addition, it will foster communications to make the corporate's main objectives and targets reflect in decision and operations of the personnel in all levels, that it becomes the corporate culture under the corporate governance principles.

The Board of Directors also stipulated strategies and work plans, including monitored and assessed performance continually in order to make them consisting with the attainment of the main objectives and targets of the organizations. Innovation and technology have been applied appropriately and safely. In addition, the risk on setting the target which may lead to illegal behavior or unethical conduct shall be considered. The Board also supervised to ensure that objectives and targets shall be transferred via strategy and work plans throughout the organization. Consideration of business plans and strategies of the organization shall be based on sustainable creation of value to shareholders, stakeholders, society and environment, for instance, recruitment of knowledgeable and capable personnel and realization of importance on personnel development, hence the trainings shall be constantly provided. Social activities shall be conducted, for example, giving lecture to the students to provide knowledge on electronic innovation, support on scholarship and research fund, jointly specify research topics which can be actually applied in real life situation, and etc.

Principle 3: Strengthen Board Effectiveness

The Company's Board consists of the persons who are knowledgeable, capable with expertise and experiences that can perform duties for the best interest of the Company. The directors shall have qualifications and shall not possess prohibited characteristics as per specified by the laws and they shall have duty and responsibility on specifying and reviewing the Board's structure.

At least one thirds or three members of the Company's Board must be the independent directors. The independent directors shall possess qualifications and shall not have any prohibited qualifications as per specified by the Board, which are more stringent than or equivalent to qualifications specified by the Securities and Exchange Commission and the Stock Exchange of Thailand. At present, the Company's Board of Directors consists of 2 non-executive directors and 3 independent directors in order to balance power appropriately. Sub-committees have been appointed to assist the Board pursuant to the scope specified in each sub-committee's charters to strengthen efficiency and effectiveness on operations of the Board.

The Board shall appoint a suitable person to be the Chairman. In addition, in case the Chairman is not the independent director, the Board shall appoint one independent director to jointly consider on determination of the meeting agenda of the Board's meeting to encourage for balance of power between the Board and the management and for conformance with the corporate governance principle of the listed companies.

The Board of Directors has appointed the Nomination and Remuneration Committee to support the Board on recruitment of the qualified directors with the clear and transparent process, as well as to consider suitable remuneration before proposing for the shareholders' approval.

The Board of Directors shall supervise to ensure that all directors shall be responsible for performing duties and allocate appropriate time for works and also oversee on disclosure of roles and duties of the Board and the sub-committees, number of meetings arranged as well as number of attendances of meeting of each director during the past year, including report on performance of all sub-committees.

The Board shall evaluate performance of the Board as a whole and on individual director level at least once a year and at least they should be based on self-evaluation. The evaluation results shall be used for consideration on appropriateness of component of the Board. The Board should oversee to make sure that the directors regularly receive sufficient and continuous trainings and knowledge development.

In addition, the Company has appointed the Company Secretary to support operations of the Board, to coordinate on compliance with resolutions of the Board and to arrange matters relevant to the Board's meeting and the shareholders' meeting

Principle 4: Recruit and Develop Senior Executives and People Management

The Company has specified qualifications of the directors and top management in order to be confident that the Company has recruited the suitable directors and top management which are adequately for operations and undertakings pursuant to the business plan and succession plan as per specified in the charter and code of conduct, as per the specified target. Additionally, the Board also placed importance on understanding of structure and relationship of major shareholders which may impact on the control over the Company to ensure that they shall not affect the Board's exercise of its duties and responsibilities and the Board shall oversee on properly disclosure of information which may have an impact on the control over the business.

In order to perform so, the Board has specified the remuneration structure of the directors and the executives, as well as the evaluation which is suitable with scope of responsibilities and duties assigned. The Nomination and Remuneration Committee shall assist on supervision on compliance with the policy on human resource management and organization development.

With regards to human resource development, the Board of Directors has monitored the human resource management and development to ensure that they shall have suitable knowledge, skills, experiences and motivation,

Principle 5: Nurture Innovation and Responsible Business Conduct

The Board places importance and promotes innovation which can add value to business, by focusing on research and development of the products in order to invent and apply innovation in the products developed by the Company to help the customers on competitive edge. In addition, it also promotes innovation creation in the educational institutes through the engineering competition activities, acceptance of intern students during summer apprenticeship program and the cooperative education for learning through projects, participation on giving recommendation for the projects in Bachelor degree and the research works in Master or Doctorate degrees including provision of cooperation between the research laboratories and the Company.

The Board has specified that there shall be risk management and control on information technology so that information technology resources shall be efficiently and effectively allocated and managed, including adequate and appropriate information technology security measures by taking into consideration maintenance of confidentiality,

credibility and availability of information as well as prevention on abuse use of information. The Company shall be supervised to comply with the laws, regulations, rules and standards relevant to usage of information technology and to have the Business Continuity Plan (BCP) in place.

Additionally, the Board shall monitor and supervise the management to perform businesses together with building up benefits for the relevant stakeholders, with social and environmental responsibility by encouraging for operations to add value to the Company pursuant to a changing environment. Such works may include designing innovative business models, products and services, promoting research, improving production and work processes as well as collaborating with business partners. The Company determines to operate business with integrity, honesty, transparency, adherence to fairness as its core value, as well as provision of excellent services to customers and the contact persons, willingness to compete the business with fairness, without taking advantages or exploitation of benefits, strictly perform the works under corporate governance framework. The Board also realizes the importance of roles of the stakeholders and treats all groups of stakeholders transparently, appropriately, partially and fairly. Those stakeholders include:

- **Employee:** Compensation provided to the employees shall be considered based on performance and fairness which can be measured by the specified criteria. Personnel development shall be constantly supported to keep them having knowledge and capability on continued basis. In addition, the Company also primarily considers about rights of the employee and opens opportunities to lodge complaints via various channels, in case he/she has not been treated fairly.
- **Customer:** To enhance long-term relationship and cooperation with the customers by adhering to principles of integrity, honesty and trust. The Company has duty to build maximum satisfaction to the customers with responsibility and put utmost emphasis on the customers' problems and requirements by adhering to morals and effective service provision.
- **Creditor:** To build up relationship and treat the creditors by adhering to principles of integrity, honesty and trust, with responsibility and fulfilment of conditions agreed with the creditors at its best.
- **Business partners:** Treat business partners with honesty and equality for fair business operation with mutual benefit, sustainable development and for being the long-term business partners with the Company. The Company shall choose to deal business with the business partners based on various conditions, such as

prices, quality, reliability and adherence to the right things, as well as skills on technique, laws and environment protection.

- Communities and environment: To oversee and ensure that the Company and its employees perform business with responsibilities and for the best benefit for the society, communities and that they shall also have duties to treat the communities located nearby with goodwill, provide assistance and support on community development for their good livelihood.
- Fair competition: To oversee and ensure that the Company operates business with transparency and does not use anti-competitive practices to gain unfair competitive advantage.
- Relevant public authorities: To oversee and ensure that the Company complies with the relevant laws and regulations and deals with public sectors and government agencies with partiality as per specified in the charters, code of ethics and anti-corruption policy.

Principle 6: Strengthen Effective Risk Management and Internal Control

The Board shall supervise and make sure that the Company has effective and efficient risk management and internal control systems which can fulfil objectives and comply with the applicable laws and standards. The Board has appointed the Audit Committee, all of whom are independent directors and do not possess any prohibited characteristics as per specified in the relevant laws as well as possess required qualifications and duties as per criteria stipulated by the Office of the SEC and the SET, so that they can perform duties effectively and independently as per assigned by the Board. Such duties include review of financial reports, internal control system, compliance with the laws, consideration and selection of the auditor, disclosure of the Company's information and preparation of the report of the Audit Committee, and etc. Moreover, the Board has appointed the Risk Management Committee to oversee and support the Board on supervision of risk management system as per specified in the risk management policy.

In order to make certain that the Board can supervise risk management and internal control systems effectively, the Board has prescribed the related policies to help supervising the works as follows:

1. Business ethics and code of conducts;
2. Related transaction policy;
3. Risk management policy;

4. Policy on investment and guidelines on supervision of subsidiaries or joint venture;
5. Inside-information and trading of the Company's securities;
6. Anti-corruption policy;
7. Whistle blowing policy;
8. Policy on provision of gift and entertainment;
9. Policy of risk management on exchange rate risk management
10. Succession plan policy;
11. Personal Data Privacy Policy;
12. Delegation of authority and approval power.
13. Other related policy.

The Board has clear anti-corruption policy specified in the Company's code of business ethics and code of conduct and it has been communicated to parties at all levels throughout the organization as well as the third party so that they shall be implemented and observed. The Board has supervised to ensure that there is mechanism or operation for handling complaints or whistle blowing and clear operating guidelines have been specified in the whistle blowing policy. There are also regulations on reporting, investigation on violation of ethics, acknowledgement of complaint on corruption and misconduct. In case the stakeholder has any issues about the Company's operations, he/she can ask for details or lodge complaints on illegal act, incorrectness of financial report, defective internal control system or any act which is against morals via the independent director or the Audit Committee of the Company. Information sent to the Company shall be kept in confidentiality. The person receiving complaint shall compile the fact relevant to violation or non-compliance with the regulation, and report any findings to the management and/or the Audit Committee, as appropriated, so that the investigation shall be conducted to find facts and specify operating measures, as appropriated, then report inspection result to the informant, in case the informant does not hide his/her identity. In case it is an important matter, the President and/or the Board shall be reported. The Company shall provide channel to lodge complaint and/or opinion and also add one channel for reporting via email to the top management directly at:

The stakeholder can express his/her opinion via the Company's communication channels as follows:

1. Via postal services, by attention to:

The Chairman of the Board of Directors or the Chairman of the Audit Committee

Silicon Craft Technology Public Company Limited

40 Thetsabanrungsunnua Road, Ladyao, Chatuchak, Bangkok 10900

2. Via email:

The Chairman of the Audit Committee: ac@sic.co.th

The Company Secretary Department: comsec@sic.co.th

3. Via the Company's website: <http://www.sic.co.th>

4. Via phone: (66) 2 589 9991

Principle 7: Ensure Disclosure and Financial Integrity

The Board shall be responsible and to make sure that the financial reporting system and disclosure of all material information shall be correctly, adequately, on timely manner, pursuant to the applicable criteria, standards and operating practices. There shall be suitable and qualified personnel to prepare financial reports and on disclosure of information of the Company as well as monitor the Company's financial liquidity and solvency, including the financial mitigation plan in case there is any financial problem by taking into account the rights of the stakeholders.

In this regard, the Company has assigned the Company Secretary who acts as the Investor Relations to communicate and publicize information beneficial to the shareholders, investors, analysts and the related parties appropriately, equally and on timely manner. The Company Secretary shall also be responsible for dissemination of the Company's information pursuant to the specified criteria to the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand and the relevant agencies, such as material information which may impact the Company's securities prices or decision-making of the Company's stakeholders and investors in the Annual Registration Statement/ Annual Report (Form 56-1 One Report) and/or the Company's website, and etc. Investors can contact the Company's investor relations at

Silicon Craft Technology Public Company Limited

40 Thetsabanrungsunnua Road, Ladyao, Chatuchak, Bangkok 10900

Phone: (66) 2 589 9991

Fax: (66) 2 589 8881

E-mail Address: ir@sic.co.th

Principle 8: Ensure Engagement and Communication with Shareholders

The Board puts emphasis to the Company's shareholders to ensure that they shall be treated equally and shall fully exercise all fundamental rights, such as;

1. Right to purchase, sell and transfer securities;
2. Right to share the Company's profits;
3. Right to receive relevant news and information adequately via the Company's website or the SET's website or by other means;
4. Right to attend the meeting and exercise their voting right independently during the shareholders' meeting with regards to the appointment or removal of directors, consideration of the directors' remuneration, appointment of the auditor, payment of dividend, capital increase or issuance of new security as well as right to make inquiry to the Board concerning the Board's report and other matters proposed to the meeting for consideration and approval;
5. Right to propose the meeting agenda in advance and nomination of the candidate to be elected as the Company's directors as well as to participate in decision making of the Company's important matter

All shareholders shall have the right to vote pursuant to the number of shares they hold, where one share shall have one voting right.

In addition, the Board shall also realize and places importance to the shareholders' right by not performing any act which may violate or deprive the shareholders' right and make them feel confidence that they can take part in making decision on the Company's important matter. The Board shall oversee to make sure that the arrangement of the shareholders' meeting is successfully, transparently, efficiently and that the shareholders can exercise their

right properly. The resolutions of the shareholders' meeting shall be disclosed and the minutes of meeting shall be correctly and completely prepared.

The company shall review such policy regularly, at least once a year.

This Charter of the Board of Directors was firstly approved by the Board of Directors Meeting No. 1/2017 held on Feb 28, 2017. It was recently reviewed and approved by the Board of Directors Meeting No. 2/2022 held on Mar 17, 2022.

This announcement made on Mar 17, 2022.



(Dr. Bodin Kasemset)

Chief Executive Officer

Code of Business Ethics

and

Code of Conduct

Silicon Craft Technology Public Company Limited

Announcement

No. SIC-BC-MEMO-2020-007

Subject: Code of Business Ethics and Code of Conduct Manual

Silicon Craft Technology Public Company Limited

In order to make operations of executives and employees of Silicon Craft Technology Public Company Limited on par with standards with quality and morality, the Company has revised the Code of Business Ethics and Code of Conduct so as to be adhered as the operating guidelines and to maintain good image and pride of the employees which can lead the Company to become an organization with prudent corporate governance.

Silicon Craft Technology Public Company Limited strongly wishes that executives and employees shall constantly apply the Codes under this manual in all circumstances that they become working principle.

This Code of Business Ethics and Code of Conduct had been approved from the Board of Directors' Meeting No. 3/2020 dated May 14, 2020.

Announced on May 14, 2020

(Mr. Manop Thamsirianun)

Chief Executive Officer

CODE OF BUSINESS ETHICS

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Definition

Definition	Meaning
Executives	Company's Director, Executive Director and Executives in Department level / higher
Employee	Employee in supervisory level / equivalent and lower level
Ethics	Best practices in conducting business of the Company, the executives and employees in order to lead the organization to have good corporate governance
Properties	Movable properties, immovable properties, technology, copyrights, the Company's document of title, the Company's intellectual property and patents.
Specific information	Information owned or controlled by the Company which has economic value both at present and in the future. It is information known among limited number of persons and it should not be disclosed to the third party before approval has been granted from the authorized person, i.e. information of customers and employees, sales and marketing information, products and services information, accounting information, business plan, marketing plan, financial plan, project plan and etc.
Stakeholder	Individual and/or juristic person involving in business operations of Silicon Craft Technology Public Company Limited, including shareholders, executives and employees of Silicon Craft Technology Public Company Limited, customers, supplier, creditors, business competitors and society as a whole and etc.

Adherence to rules of law	Any decision and business operation based on relevant provisions of laws or regulations (Rule of Law)
Justice and morality	Performing duties with honesty, impartiality, without discrimination based on principles of fairness and morality
Transparency	Transparent decision making and operating procedures which can be disclosed for public acknowledgement and verifiable under laws and regulations framework (Transparency)
Integrity	Having honesty in performing duties in compliance with regulations, rules, custom and morals (Integrity)
Responsibility	Recognizing one's own duties to perform the work with fullest capacity and efficiency (Responsibility)
Accountability	Acceptance of one's own performance, both positively or negatively
Vision	Having creative visionary to add long term value to the business and aiming for excellence (Vision)

2. Code of Business Ethics

Silicon Craft Technology Public Company Limited has Code of Business Ethics that executives and employees, as representatives of Silicon Craft Technology Public Company, shall adhere to as follows:

2.1. Adherence to Rule of Law

Silicon Craft Technology Public Company Limited adheres to Rule of Law for undertaking its business. It is regarded that executives and employees shall have duty to learn about the Company's rules and

regulations, relevant laws including any laws to be enforced in the future which may impact to its own management and operation.

Guidelines

- 2.1.1. Executives and employees shall study and understand rules and regulations which have been mainly used as guidelines for operations of the government agencies, both currently enforce and to be enforced in the near future.
- 2.1.2. Executives and employees shall not seek for trade secret or specific information of competitors by illegal means, such as theft, espionage, or violation of non-disclosure agreement of competitors, whether it is obtained from customers or other persons.
- 2.1.3. Executives and employees shall comply with labor laws and other regulations concerning fair labor, forced labor, labor from human trafficking or child labor which is against the laws.
- 2.1.4. Executives and employees shall comply with regulations concerning fair trade laws.
- 2.1.5. Executives and employees shall comply with the laws and regulations concerning environment, safety and health protection.

2.2. Transparency

Decision making and operations of Silicon Craft Technology Public Company Limited are accountability, transparent and can be disclosed to all stakeholders for acknowledgement under laws and regulations framework, rules, operating procedures of Silicon Craft Technology Public Company Limited pertaining protection of illegal leakage of trade secrets to trade competitors.

Guidelines

2.2.1. The executives and employees shall prepare accounting report, financial reports, business condition report and performance report which identify financial status and performance of Silicon Craft Technology Public Company Limited truly, accurately and completely according to the generally accepted accounting principles and they shall be reliable and verifiable as per specified by the Audit Committee.

2.2.2. Executives and employees shall strictly comply with the procurement processes according to policy of Silicon Craft Technology Public Company Limited. Such process shall be transparent, clear and fair to all parties and it must have been inspected by the Procurement Committee.

In case executive, sales representative or shareholder of the business partner is a relative or person living under the same roof as an executive and employee of Silicon Craft Technology Public Company Limited, such executive or employee shall immediately notify his/her superior in writing and such person shall avoid from involvement in such procurement transaction.

2.2.3. Executives and employees shall strictly comply with delegation of authority manual of Silicon Craft Technology Public Company Limited.

2.2.4. Executive and employee who involve in procurement process including his/her relative and person living under the same roof should avoid joining activity including eating or playing sports with business partner. In case it is necessary and unavoidable, such activity should be attended by more than one representative of Silicon Craft Technology Public Company Limited and their superior shall be notified in writing beforehand.

2.3. Uphold to Fairness and Morality

Silicon Craft Technology Public Company Limited upholds to fairness and morality towards the stakeholders in order to build long lasting and good business relationship and it does not discriminate nor treat other person unfairly based on personal judgement or personal relationship. Everybody shall be provided with equal opportunities and without prejudice with regard to race, nationality, religion or gender.

Guidelines

- 2.3.1. Executives and employees shall have impartiality and shall not discriminate against any stakeholder in dealing business. Any rights and benefits provided to the customers shall be based on practices and policies of Silicon Craft Technology Public Company Limited.
- 2.3.2. Executives and employees shall perform works prudently so that the shareholders shall have trust and accept that decision for any operation is made with fairness and for the best interest of all shareholders.
- 2.3.3. Executives and employees shall be fair and shall not have any discrimination on employment, which shall include recruitment of personnel, consideration of remuneration and benefits, employment, promotion, job transfer, performance evaluation, training, compliance with rules and regulations, termination of employment, dismissal and reemployment, as well as involvement in social and recreational activities.
- 2.3.4. Executives and employees must try their best to provide exceptional services beyond the customers' expectation as well as provide services to customers with honesty, fairness and without taking advantages or cheating customers.

- 2.3.5. Executives and employees must honestly and fairly comply with trade conditions agreed with trade partners/creditors. In case of inability to comply with any condition, suppliers/creditors shall be notified, so that problem can be solved together.

2.4. Customer-Oriented

Executives and employees of Silicon Craft Technology Public Company Limited shall place importance to and take care good of customers by controlling on provision of products and services with good quality and meet the customers' satisfaction.

Guidelines

- 2.4.1. Executives and employees must have comprehensively knowledge and understanding of products and services of Silicon Craft Technology Public Company Limited and must be able to give correct and complete information to the customers.
- 2.4.2. Executives and employees must thoroughly study and understand customers' demands before presenting products or services in order to correctly meet the customers' demand. In additional, they must constantly seek new knowledge and work experiences in order to increase efficiency and enhance the customers' satisfaction.
- 2.4.3. Executives and employees shall treat customers with politeness, respect and speak politely with them.
- 2.4.4. Executives and employees must respect the customers' decision and opinion and must not violate the customers' privacy right.

2.5. Social Responsibility

Silicon Craft Technology Public Company Limited realizes about responsibility to society and communities and regards that it has main mission to build projects and activities which are beneficial for development of society and communities.

Guidelines

- 2.5.1. Executives and employees should participate in or arrange community service activities for social development, such as education and environment support activities and etc.
- 2.5.2. Executives and employees must recognize about involvement on conservation of natural resources and environment and must put effort to prevent Silicon Craft Technology Public Company Limited from performing any activities that may be harmful or cause pollution to natural resources, environment and relevant ecosystem.

2.6. Political Neutral

Silicon Craft Technology Public Company Limited respects and supports stakeholders to exercise their right and freedom under the constitution. Silicon Craft Technology Public Company Limited shall remain a neutral political company.

Guidelines

- 2.6.1. Executives and employees shall not use their authority and power to induce, pressure or enforce colleagues including subordinates to support any political activity or political organization or member of a political organization.

3. Code of Conduct

Silicon Craft Technology Public Company Limited has specified Code of Conduct for executives and employees to be observed as operating guidelines as follows:

3.1. Leadership

Executives shall have ethics and appropriately perform duties pursuant to their leadership role as well as suitably behave to gain social acceptance and be beneficial for management of Silicon Craft Technology Public Company Limited.

Guidelines

- 3.1.1. Executives shall manage business with vision, conscientiousness and accountability for their performance in order to gain respect and acceptance from society.
- 3.1.2. Executives shall acquire and implement quality management system to decrease processes and increase efficiency as well as seek for suitable innovation including training and personnel development which are in line with innovation and quality management system so that Silicon Craft Technology Public Company Limited can manage business on sustainable basis and become the business leader.
- 3.1.3. Executives must investigate grievance/complaints received from stakeholder or other person in order to find fact and solve problem in promptly and fairly manner. However, the executives may not perform any act if any grievance/complaint is lodged via anonymous letter.
- 3.1.4. Executives must promote leadership among employees and encourage employees at all levels to play a part in development of Silicon Craft Technology Public Company Limited.

- 3.1.5. Executives shall take part in and encourage employees to participate in social and communities contribution activities, so that Silicon Craft Technology Public Company Limited shall become a part of the community on development and building good relationship with community members and society as a whole.

3.2. Integrity

Executives and employees must perform their duties with integrity and carefulness on preserving benefits of Silicon Craft Technology Public Company Limited.

Guidelines

- 3.2.1. Executives and employees must perform their duties with integrity, without prejudice and do not abuse their power to seek for their own or for other benefits.
- 3.2.2. Executives and employees must not deliberately make false or erroneous reports or records and must not intentionally conceal or present fault or erroneous information to Silicon Craft Technology Public Company Limited. Upon fault or erroneous report or record is found, their superior must be reported for acknowledgement immediately.
- 3.2.3. Executives and employees must utilize their working hours efficiently and effectively as per specified in the Article of Associations and must not perform any act or persuade any colleagues and subordinates to utilize their working hours to perform any activities which are not for interest of Silicon Craft Technology Public Company Limited or the shareholders.
- 3.2.4. Executives and employees must perform their assigned works with fullest knowledge and capability including with consciousness and accountability.

3.3. Compliance with Laws and Regulations

Executives and employees must strictly perform their duties relevant to businesses of Silicon Craft Technology Public Company Limited and must avoid any acts which might cause negative impact to image on business operations of Silicon Craft Technology Public Company Limited.

Guidelines

- 3.3.1. Executives and employees must not violate, avoid, disobey or neglect regulations, rules, announcement or orders of Silicon Craft Technology Public Company Limited, including lawful and rightful orders from superiors.
- 3.3.2. Executives and employees must not produce or possess any illegal material, either for personal usage, for distribution or for other person.
- 3.3.3. Executives and employees must utilize communication system and computer system with responsibilities and must not cause schism, disgrace, demoralize other or encourage for hostility in workplace.
- 3.3.4. Executives and employees must not utilize communication system and computer system to engage in any activities which are illegal or against policies of Silicon Craft Technology Public Company Limited and must not utilize internet or similar services in the manner that could cause damage, scandal, dishonor or discredit.
- 3.3.5. Executives and employees must strictly comply with the Company's rules and regulations regarding computer crimes.
- 3.3.6. Executives and employees must be well aware on importance of intellectual property and must strictly comply with general principles on intellectual property management announced by the Company, including other relevant rules, regulations and standard operating procedures on request for patent, analysis and risk prevention on violation of patent.

3.4. Safeguarding of Assets

Executives and employees shall have duty to safeguard and utilize assets of Silicon Craft Technology Public Company Limited for maximum benefits to business of Silicon Craft Technology Public Company Limited only and they must not use them for other benefits or wrongfully.

Guidelines

- 3.4.1. Executives and employees must abide by safety regulations of Silicon Craft Technology Public Company Limited on usage of tools, equipment and working environment.
- 3.4.2. Executives and employees must not utilize, sell, give, borrow, and lend assets of Silicon Craft Technology Public Company Limited without having permission, regardless of value or condition.
- 3.4.3. Executives and employees must not intentionally damage, sabotage or destroy asset of Silicon Craft Technology Public Company Limited.
- 3.4.4. Executives and employees must not use assets of Silicon Craft Technology Public Company Limited for their own interest or for external business, unless permission of their superior has been granted.
- 3.4.5. Executives and employees shall assist or make an effort to obtain patent and copyright or shall protect trademark which is the intellectual property of Silicon Craft Technology Public Company Limited.

3.5. Conduct oneself towards Superiors, Colleagues and Subordinates

Executives and employees shall keep working environment to be free from privacy right violation and to be a place where people respect each other, provide collaboration, assistance as well as give recommendation to mutually solve any working problems.

Guidelines

- 3.5.1. Executives and employees must not instigate, defame, harass others which can cause disharmony in the workplace and must abstain from claiming work of others as one's own work.
- 3.5.2. Executives and employees must not commit any action of violation or harassment related to sex towards colleagues. In case it is found that there is any sexual harassment among the colleagues, such matter shall be immediately reported to the superior.
- 3.5.3. Executives and employees shall be disciplined and shall not take any actions that are disrespectful to their superiors, and they shall treat their colleagues and subordinates with politeness, thoughtfulness and friendliness.
- 3.5.4. Executives and employees must respect right of the colleagues on participation or refusal to participate in the employees' representative organization.

3.6. Be a Good Citizen

Executives and employees shall perform their duties as good citizen who could live harmoniously with others in the society with a sense of pride.

Guidelines

- 3.6.1. Executives and employees must practice themselves to adhere to virtue and ethics as well as to seek for additional knowledge so as to improve their duties effectively and efficiently.
- 3.6.2. Executives and employees must not behave themselves in a way that is hated by others. They must not abuse people of the opposite sex, bully others, be indebted, addict to gambling, take drug, drink alcohol while performing work or commit any act which can be considered as morality dishonorable.

- 3.6.3. Executives and employees must not carry a weapon to the workplace, unless permission from high level superior has been granted.

3.7. Avoid Receiving Excessively Valuable Remuneration

Executives, employees and their closed persons shall not receive money, benefits or items from the person who has business dealings with Silicon Craft Technology Public Company Limited, if such receiving may lead to any misunderstanding in the way that the recipient is favoritism or has special business relationship with the giver, which may cause damage to Silicon Craft Technology Public Company Limited.

Guidelines

- 3.7.1. Executives, employees and their relative or other person living under the same roof must not request for, accept or participate in any social activity, sports event, reception, gratuity, gift or commission for oneself or for others from a person whom they have business dealings with.
- 3.7.2. However, if it is undeniable case, executives and employees may accept benefits or gifts for purposes of business advertisement or tradition, if value of such benefits or gifts does not exceed 3,000 Baht. In case such value is more than 3,000 Baht, executives and employees must report their superior in writing and submit such benefits or gifts to Silicon Craft Technology Public Company Limited.
- 3.7.3. In case executives and employees participate in the supplier's reception or travel outside for training/study visit as representatives of Silicon Craft Technology Public Company Limited and receive benefits or gifts with value exceeding 3,000 Baht, either through lucky draw, drawing lot or as souvenir, they shall observe practice in the same way as Clause 3.7.2.

3.8. No Conflict of Interest

Executives and employees shall not conduct themselves in a way that may cause conflict of interest with Silicon Craft Technology Public Company Limited.

Guidelines

- 3.8.1. Executives, employees, their family members and persons who regarded as their group of friends, relatives and followers shall not engage in any business/activity which may be perceived by others as business/activity which may have conflict of interest with Silicon Craft Technology Public Company Limited, whether directly or indirectly.
- 3.8.2. Executives and employees shall not join with family members or close person to undertake any business/activity that may cause conflict of interest with Silicon Craft Technology Public Company Limited, whether directly or indirectly. In order to avoid any unsuitability which may arise, relationship with family members or other person that may likely to cause conflict of interest should be reported to superiors in writing.

3.9. Refrain from Usage of Specific Information for Unlawful Benefits

Executives and employees must not use specific information of Silicon Craft Technology Public Company Limited for unlawful benefits.

Guidelines

- 3.9.1. Executives and employees who have responsibility to use specific information must be careful, not to let others overhear, eavesdrop, bug or audio record such information. Moreover, they should not discuss such information in public through communication devices or converse with family members or closed person which may cause such information to expose to others.

- 3.9.2. Executives and employees must strictly manage, maintain and classify specific information pursuant to rules and regulations of Silicon Craft Technology Public Company Limited.
- 3.9.3. Executives and employees shall not disclose any specific information of Silicon Craft Technology Public Company Limited to any unauthorized person pursuant to rules, regulations or business agreement, unless it has been approved in writing from the authorized person and the responsible agency.
- 3.9.4. Executives and employees shall not use specific information for security trading or make available to others for purpose of security trading.

4. Whistle Blowing and Suggestion

In order to make this Code of Business Ethics and Code of Conduct able to yield concrete results, the Board of Directors of Silicon Craft Technology Public Company Limited opens opportunities on whistle blowing channel to employees and stakeholders to lodge complaints, recommendation on misconduct. Operating procedures after complaint/recommendation has been received shall be as follows:

4.1. Whistle Blowing Channels

- 4.1.1. Supervisor or executive
- 4.1.2. Human Resources Department
- 4.1.3. SIC Alert Line (Attention to Manager of Human Resources Department, CEO or Chairman of Audit Committee)

4.2. Operating Procedures after Receiving Complaint

- 4.2.1. Person receiving complaint shall compile fact relevant to violation or non-compliance with the regulations, Code of business Ethics and Code of Conduct

- 4.2.2. Person receiving complaint shall report fact to executive and/or Independent Director and/or Audit Committee, as appropriated, to conduct investigation.
- 4.2.3. **Operating Measures:** Executive and/or Independent Director and/or Audit Committee shall conduct investigation of complaints/recommendation in order to find fact and stipulate prompt, suitable and fair measures to suppress such violation or non-compliance with the regulations, Code of business Ethics and Code of Conduct.
- 4.2.4. **Result Report:** Executive or the Independent Director or the Audit Committee shall report investigation result to the complainant, if the complainant exposes himself/herself. In case it is material matter, result shall be reported to the Chairman and/or the Board of Directors for acknowledgement.

5. Conclusion

All executives and employees of Silicon Craft Technology Public Company Limited are obligated to understand and comply with the standards specified in this Code of Business Ethics and Code of Conduct Manual as well as to perform duties with honesty. In addition, they shall also comply with the obligations which have not been specifically mentioned in this Code of Business Ethics and Code of Conduct. All employees shall perform duties with honesty and voluntarily by regarding as their own commitment. However, if any employees violate any obligations specified in this Code of Business Ethics and Code of Conduct, or policy or procedures relevant to the Company or law or regulations applied with the Company's business, the Company shall immediately impose disciplinary penalty by applying the measures specified in the Work Regulations, Section 6 (Discipline and Disciplinary Penalty) or as appropriated.

The Company shall provide opportunity to employees, so as to make them constantly learn about the Company's Code of Business Ethics every year and shall assign the Internal Audit Function

to monitor on compliance, as well as to review this Code of Business Ethics and Code of Conduct every year. However, in case there is any material change or revocation, it may be reviewed at appropriated period of time.

SIC-BC-CHA-2022-002

Charter of Chairman of the Board of Directors**Silicon Craft Technology Public Company Limited****Material authorities, Duties, and Responsibilities of Chairman of the Board of Directors**

1. To ensure the overall company's strategy and policy guidelines in accordance with the laws, relevant regulations of government agencies and the company, as well as the resolutions of the shareholders' meeting.
2. Establish a system to monitor and evaluate the company's performance in order to comply with the policy on a regular basis.
3. Promote compliance with corporate governance and corporate social and environmental responsibilities and promote ethical creation for people at all levels.
4. Encourage all directors to participate in development training to enhance knowledge in areas that are useful for the performance of directors' duties in reputable and respected institutions such as the Thai Institute of Directors Association and the Stock Exchange of Thailand.
5. Act as chairman of the meeting and attend every meeting to ensure the effectiveness of the Board of Directors' meeting, as well as encourage all directors to express their opinions; ensure that the authority of the management of the organization is assigned to the management in an appropriate manner; ensure that all directors receive the correct company information, on time and clear for decisions making that will effectively lead to the success of the company.
6. Act as chairman of every shareholder's meeting and assign supervisors to shareholders' meeting to ensure compliance with laws and regulations; ensuring that all directors attend the shareholders' meeting and allows shareholders to fully exercise their right to attend the meeting, vote, questioning or requesting additional clarification.

This Charter of Chairman of the Board of Directors was firstly approved by the Board of Directors Meeting No. 1/2017 held on Feb 28, 2017. It was recently reviewed and approved by the Board of Directors Meeting No. 2/2022 held on Mar 17, 2022.

This announcement made on Mar 17, 2022.



(Mr. Manop Dhamsirianunt)

Chairman of the Board of Directors

SIC-BC-CHA-2022-003

Charter of the Audit Committee**Silicon Craft Technology Public Company Limited****Objective**

The Audit Committee is a sub-committee of the Board of Directors which appointed to help ease the Board of Directors' mission in its operations and to provide the business with a good corporate governance. The Audit Committee was established to enhance the efficiency of operations and value-added to the organization in various areas as follows.

1. Confidence and reliability, as well as transparency of the Company's financial reports
2. Increased awareness in the performance of the Board of Directors' duties. The Audit Committee shall take into account on its responsibilities as follows.
 - 2.1. Financial reporting
 - 2.2. Choosing the right accounting policy
 - 2.3. Financial Management
 - 2.4. Internal control system and internal audit
 - 2.5. Consideration of the independence of the internal auditors and/or third-party internal auditors, as well as the evaluation of the work of the head of internal auditors and/or the third-party internal auditor.
 - 2.6. Compliance with relevant requirements and laws
 - 2.7. Business Risk Management and Control
 - 2.8. Recommendation of appointment and evaluation of the performance of the certified auditors
3. Allows the Board of Directors to consider in depth in other matters other than financial reporting and internal control systems and increase efficiency in other areas of management.
4. Strength in the role and authority of external directors
5. Strengthen the directors' understanding of the scope of the audits that have been determined.

In order to perform the duties of the Audit Committee, the Committee must maintain a working relationship with the Board of Directors, executives, as well as external auditors and internal auditors of the Company to ensure efficient operation. Each audit committee member needs to develop and maintain expertise and knowledge as well as understanding of responsibilities and understanding of the company's business and damages.

Nomination and appointment of The Audit Committee

1. The Board of Directors shall appoint the Audit Committee which consists of at least 3 persons and all of them must be the Independent Directors;
2. The independent directors who have been appointed as the Audit Committee shall possess qualifications as per stipulated by the regulations of the Office of the Securities and Exchange Commission and/or the Stock Exchange of Thailand and at least one member of the Audit Committee shall have adequate knowledge, understandings or experiences on accounting and/or finance;
3. Term of office of each member is 3 years each. The Audit Committee may be re-appointed pursuant to the agenda approved by the Board of Directors but the term of office shall not be renewed automatically.
4. The Audit Committee shall jointly elect one of the members to be the Chairman of the Audit Committee;
5. The Audit Committee shall appoint the secretary to assist the works pertaining to summoning of meetings, preparation of the meeting agenda, submission of the meeting document and record the minutes of meeting;
6. Apart from vacating office upon expiry of the term, the Audit Committee may vacate from holding office upon occurrence of the following circumstances;
 1. Resignation;
 2. Expiration of the term or termination from the being the Company's Director;
 3. The Board of Directors passed a resolution to remove from office;
 4. Lack of qualification and possess any prohibited characteristic, as per specified by the laws;
 5. Death.

Qualifications of The Audit Committee

1. Be an Independent Director and have qualification as prescribed by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand (please see more details in topic “Qualifications of the Independent Director);
2. Must not be a director who is appointed from the Board of Directors to make decision with regards to the business operations of the Company, its parent company, its subsidiary, its associated company, a subsidiary in the same level, a major shareholder or a controlling person of the Company;
3. Must not be a director of the parent company, its subsidiary, or a subsidiary in the same level, only of the listed company;
4. To have duty in the same manner specified in the notifications, regulations and/or rules of the Stock Exchange of Thailand on qualifications and scope of work of the Audit Committee;
5. To have adequate knowledge, understandings and experiences on accounting or finance that can audit credibility of the financial statement as well as perform other duties as the Audit Committee.

Qualifications of the Independent Director

The Company has the process to nominate the independent director by assigning the Nomination, Remuneration and Corporate Governance Committee to consider the right independent directors from qualifications and prohibited qualifications of the directors pursuant to the Public Limited Companies Act, laws on securities and exchange, notifications of the Office of the Securities and Exchange Commission, the Market Capital Supervisory Board, the Stock Exchange of Thailand, as well as the relevant notifications, regulations and/or rules. The Board shall consider and select the independent directors from the experts who have working experiences and other appropriated aspects. The Company has policy to appoint the independent directors at least one-thirds of total number of directors and the number shall be at least 3 persons with qualifications as follows.

1. Holding shares not exceeding 1.00 percent of the total number of voting rights of the Company, its parent company, subsidiary, affiliated company, principal shareholder or controlling person of the Company. Shares held by the related persons of such independent director shall also be included;

2. Not being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, affiliated company, same-level subsidiary, major shareholder or controlling person of the Company unless the foregoing status has ended not less than 2 years prior to the date being appointed 124 as the independent director. However, such prohibited characteristics exclude the case where such Independent Director used to be the government official or the advisor of the government entity who is the major shareholder or the controlling person of the Company;
3. Not being a person related by blood or registration under laws, i.e. father, mother, spouse, sibling, and child, including spouse of the children of the executive, major shareholder, controlling person, or person to be nominated as executive or controlling persons of the Company or its subsidiary;
4. Not having a business relationship with the Company, its parent company, subsidiary, affiliated company, major shareholder or controlling person of the Company, in the manner which may interfere with his or her independent judgment, and neither being nor having been a significant shareholder or controlling person of any person having business relationship with the Company, its parent company, subsidiary, affiliated company, major shareholder or controlling person of the Company unless the foregoing relationship has ended not less than 2 years prior to the date being appointed as the independent director. Such business relationship includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Applicant or its counterparty being subject to indebtedness payable to the other party in the amount of three (3) percent or more of the net tangible assets of the Applicant or twenty (20) million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Securities and Exchange Commission concerning rules on connected transactions, mutatis mutandis. The combination of such indebtedness shall include indebtedness taking place during the course of one (1) year prior to the date on which the business relationship with the same person commences.
5. Neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliated company, major shareholder or controlling person of the Company, and not being a

significant shareholder or controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate, major shareholders or controlling person of the Company unless the foregoing relationship has ended not less than two (2) years from the date being appointed as the independent director.

6. Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding 2 million Baht from the Applicant, its parent company, subsidiary, affiliated company, major shareholders or controlling person of the Company, and neither being nor having been a significant shareholder, controlling person or partner of the professional advisor unless the foregoing relationship has ended not less than 2 years from the date being appointed as the independent director.
7. Not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the major shareholders.
8. Not operate any business which has the same nature as and is in significant competition with the business of the Company or subsidiary, or not being a significant partner in any partnership, or not being an executive director, employee, staff, or advisor who receives salary; or holding shares not exceeding 1.00 per cent of the total number of voting rights of any other company operating business which has the same nature as and is in significant competition with the business of the Company or its subsidiary.
9. Not having any characteristics which make him/her incapable of expressing independent opinions with regard to the Company's business affairs.

Authority of the Audit Committee

The Board of Directors assigns the Audit Committee the authority to:

1. Perform duties within the scope of responsibilities set out in the Charter of the Audit Committee;
2. Invite directors, executives or employees attend meetings or clarify or respond to inquiries relating to the Company's business and operations, subsidiary, joint ventures, and joint venture projects within the scope of duties and responsibilities of the Audit Committee;

3. Consult an expert or advisor of the Company (if any) or hire a consultant or external expert, if necessary, at the expense of the company;
4. Inspect and investigate as necessary in matters, as well as request the Company's for information as necessary to complete the performance under the responsibilities of the Audit Committee.

Material authorities, Duties, and Responsibilities of The Audit Committee

1. To review accuracy and adequacy of the Company's financial reporting by coordinating with the external auditor and the executives who are responsible for preparing of quarterly and yearly financial reports. The Audit Committee may recommend the auditor to review or audit any transaction which it deems necessary and materially during the Company's auditing process;
2. To review the Company's internal control system and internal audit jointly with the external auditor and the internal auditor to ensure that they are suitable and efficient, to determine independence of the internal audit unit and/or the outsourced internal auditor, including to approve the appointment, transfer and dismissal of the chief of the internal audit unit and/or the outsourced internal auditor;
3. To review the Company's compliance with the laws on securities and exchange, regulations of the stock exchange and the laws pertaining to the Company's businesses;
4. To select and propose an independent person to be the Company's auditor and to fix his/her remuneration based on creditability, adequacy of resources and amount of auditing work of such auditing firm, including the experiences of the personnel assigned to perform the Company's audit works, as well as to attend the meeting with the auditor without any participation of the Company's Management at least once a year;
5. To consider the connected transactions or transactions that may lead to conflicts of interest to ensure their compliance with the laws, notifications and regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board to make sure that such transactions are reasonable and for the best interests of the Company.
6. To consider transactions on acquisition or disposition of the Company's assets of which transaction size is required to obtain approval from the Audit Committee as per specified in the

laws, notifications, regulations of the Stock Exchange of Thailand and criteria of the Office of the Securities and Exchange Commission and the Capital Market Supervisory Board.

7. To prepare the Audit Committee's report and disclose in the Company's annual report. Such report must be signed by the Chairman of the Audit Committee and at least it must contain the following information:
 - Recommendation on accuracy, completeness and creditability of the Company's financial report;
 - Recommendation on adequacy of the Company's internal control system;
 - Recommendation on compliance with the laws on securities and exchange, regulations of the Stock Exchange of Thailand, or laws related to the Company's businesses;
 - Recommendation on suitability of the auditor;
 - Recommendation on transaction which may have conflict of interest;
 - Number of the Audit Committee's meetings arranged and attendance of such meetings by each committee member;
 - Overall recommendations or observations that have arisen while the Audit Committee performed its duties in accordance with the Charter;
 - Other matters which should be made available to the shareholders and general investors within scope of duty and responsibilities assigned by the Company's Board of Directors.
8. The Audit Committee shall conduct self-evaluation on its performance and report such evaluation results together with problems or obstacles found in performing the works which may make them unable to achieve objectives as per specified to the Board for acknowledgement every year;
9. To approve the internal audit plan, as well as to consider on acknowledgement of performance report of the Internal Audit Unit and/or the outsourced internal auditor;
10. To consider, review and improve the Audit Committee Charter and propose to the Board for consideration and approval;
11. In carrying out duties, if the Audit Committee has found or is suspicious about any of the following transactions or activities which may have material impacts to the financial position or performance

of the Company, the Audit Committee must report the Board of Directors to take corrective action within a period of time it deems appropriated. Such transaction include: Recommendation on accuracy, completeness and creditability of the Company's financial report;

- Transaction with the conflicts of interests;
- Fraud or unusual transaction or significant deficiency in the Company's internal control system;
- Violation or breach of laws on securities and exchange, notifications and regulations of the Stock Exchange of Thailand and the laws related to the Company's business.

12. To conduct an investigation of the matter notified by the Company's auditor. If the Company's auditor discovered any suspicious circumstance concerned with the director, manager or any person responsible for the Company's operations, which can be regarded as the fraudulent act as per specified in the Securities and Exchange Act and the auditor has reported such issue to the Audit Committee, the Audit Committee must conduct an investigation and shall report the result of the preliminary investigation to the Office of Securities and Exchange Commission and the auditor within 30 days from the date notified by the auditor.
13. To perform any other tasks as assigned by the Board of Directors and approved by the Audit Committee.

In performing the operations pursuant to the scope of authority and duty, the Audit Committee shall have power to invite or order the concerned management, the department head or the employee of the Company to provide recommendation, participate in the meeting or submit document which is deemed relevant and necessary. Moreover, in performing duties under scope of authority and duty of this regulation, the Audit Committee may consult with the external independent consultant or the expert in various professions, if it deems necessary and appropriated, at the Company's expenses.

Audit Committee Meeting

1. Submission the meeting's notice: Secretary of the Audit Committee prepares an invitation to the Audit Committee meeting, with clearly defined the date, time, location and agenda, and send the documents to the Audit Committee and the attendees in advance for a sufficient amount of time (or at least 7 days) to consider the matters or request information for further consideration, and to determine the matters that are in the responsibilities of the Audit Committee as follows:
 - Consideration of financial statements and related financial reports, accounting principles and accounting practices, compliance with generally accepted accounting standards, the existence of the business, major changes to accounting policies, including management's reasons regarding accounting policy making before presenting to the Board of Directors for publicity to shareholders and investors;
 - Consideration of Internal Control and Internal Audit system;
 - Review of the Company's Annual Audit Plan, as well as the coordination procedures of various relevant audit plans and audit evaluations in conjunction with internal auditors and auditors to ensure that such audit plans help detect fraud or deficiencies of the internal control system;
 - A joint review with the Internal Auditor on issues or limitations arising during the audit and review the performance of the internal auditor;
 - Consideration with the auditor on issues or limitations arising from the audit of the financial statements;
 - A joint review with internal auditors and auditors to plan a review of electronic data processing methods, controls, and security, specifically to prevent fraud or misuse of electronic information systems by the Company's employees or third parties;
 - Review of items that may cause conflicts of interest, such as connected transactions of the Company etc;
 - Self-evaluation of duties and responsibilities as assigned.
2. Number of meetings: The Audit Committee has at least 1 meeting in every 3 months, depending on the circumstances and necessity.

3. Attendees: The Audit Committee should invite external auditors and internal auditors of the Company to present their work and may invite others who are not audit committee members, such as the executives to attend meetings as necessary and appropriate.
4. Voting: Use the majority voting system as a resolution of the meeting.
5. Minutes of the Meeting: The Secretary of the Audit Committee prepares the minutes of the meeting, which must be submitted to the Audit Committee and the Directors of the attendance, and forwarded to the auditor to confirm the information and inform about the matters that the audit committee is paying attention to or should be paid special attention to within 14 days from the date of the Audit Committee meeting.

The reports

The Audit Committee has a duty and responsibility to report the activities of the Audit Committee or any other duties assigned by the Board of Directors. The Audit Committee's report is important to the Board of Directors, shareholders, and investors as it expresses the independent and frank opinions of the Audit Committee and ensures that the management of the Company manages business operation carefully and with respect to the interests of all shareholders equally.

1. Reporting to the Board of Directors:
 - 1.1. Report regular activities to the Board of Directors to be aware of the activities of the Audit Committee
 - Minutes of the Audit Committee meeting, which clearly stated the opinions of the Audit Committee on matters.
 - Summary of activity reports made during the year
 - Reports an opinion on financial reports, internal audit, and internal audit process
 - Any other reports that the Board of Directors should be aware of
 - 1.2. Report what is detected immediately so that the Board of Directors can find a solution in time
 - List of conflicts of interests
 - Suspicion or presumption of fraud or irregularities or significant deficiencies in the internal control system

- Suspicion of possible violation of the Securities and Exchange laws, the stock exchange regulations, or related laws of the Company
- Any other reports that the Board of Directors should be aware of

2. Reporting to official agencies:

If the Audit Committee has reported to the Board of Directors what has a significant impact on its financial position and performance and has been discussed with the Board of Directors and management, revisions must be taken. When a time is due, if the Audit Committee finds that such corrective action has been ignored without reasonable justification, any member of the Audit Committee or the Audit Committee may report such findings to the Securities and Exchange Commission or the Stock Exchange of Thailand.

3. Reporting to shareholders and investors:

Report on activities made during the year in accordance with the duties and responsibilities assigned by the Board of Directors. The report shall be signed by the Chairman of the Audit Committee and disclosed in the Company's annual report.

This Charter of the Board of Directors was firstly approved by the Board of Directors Meeting No. 1/2017 held on Feb 28, 2017. It was recently reviewed and approved by the Board of Directors Meeting No. 2/2022 held on Mar 17, 2022.

This announcement made on Mar 17, 2022.



(Mrs. Monluedee Sookpantararat)

Chairman of the Audit Committee

SIC-BC-CHA-2022-004

Charter of the Risk Management Committee**Silicon Craft Technology Public Company Limited****Objective**

The establishment of the Risk Management Committee in accordance with the guidelines and principles of good corporate governance. In addition, for management and employees to be aware of their relevant roles and responsibilities.

Nomination and appointment of the Risk Management Committee

The Board of Directors shall appoint the Risk Management Committee and also appoint Chairman of the Risk Management Committee. The Risk Management Committee will consist of;

1. At least one of Independent Directors
2. At least one of Executive Directors
3. One of executives shall be appointed as secretary of the Risk Management Committee

Term of office

The directors shall have a term of office of 3 years at a time. A retired director may be re-appointed by the Board of Directors but the term of office shall not be renewed automatically. Apart from vacating office upon expiry of the term, The Risk Management Committee may vacate from holding office upon occurrence of the following circumstances:

1. Resignation;
2. Expiration of the term or termination from the being the Company's Director;
3. The Board of Directors passed a resolution to remove from office;
4. Lack of qualification and possess any prohibited characteristic, as per specified by the laws;
5. Death.

The Board of Directors has the power to appoint a member of Risk Management Committee carrying out the objectives or to replace the directors in the committee who retired from the office. The person who is appointed to the Risk Management Committee, substitute for resignation or resolved to vacate, will only be in office as long as the remaining term.

Material authorities, Duties, and Responsibilities of The Risk Management Committee

1. To specify risk management policy and risk appetite to propose to the Board;
2. To specify overall policies and guidelines of the Company's risk management which shall cover financial risks, investment risks and other risks which might impact the Company's reputation, and etc. to propose to the Board for approval;
3. To specify the Company's risk management plan, framework and processes to make them correspond to risk management policy, then monitor on implementation, as well as review efficiency of risk management framework;
4. To review risk management report and operation to make sure that risk management is continually conducted and risk appetite can be adequately and suitably managed;
5. To develop and review the Company's risk management system to make it efficiently and effectively on continued basis by constantly evaluating and monitoring risk management process pursuant to the specified policy;
6. To appoint the risk management working group, as appropriate, as well as to support on personnel, budget and other necessary resources which are consistently with its scope of responsibility;
7. To constantly coordinate with the Audit Committee by exchanging knowledge and information on risk and internal control which has or may have impact to the Company;
8. To make decision and provide recommendation concerning important issues occurred in the risk management process;
9. To present performance report of the Risk Management Committee to the Board of the Directors for acknowledgement and/or consideration every quarter;
10. To perform other duties as per assigned by the Board.

Meetings and Reports

1. The Risk Management Committee arranges or calls for meetings as deemed appropriate at least 4 times a year and has the power to request additional meetings as needed. The meeting shall consist of member of the Risk Management Committee not less than half of the total number of directors
2. Chairman of the Risk Management Committee acts as chairman of the meeting. In the case of Chairman of the Risk Management Committee is not in the meeting or unable to perform his duties, the member of the Risk Management Committee who attended the meeting may choose one of the risk members to chair the meeting.
3. The resolution of the Risk Management Committee is conducted with a majority. The Risk Management Committee, which has any interest in the matters considered, shall not participate or express the opinion and shall not have the right to vote on the matter.
4. The meeting's notice to the Risk Management Committee shall be delivered in advance of the meeting, unless necessary or urgent. The invitation of the meeting will be informed by other means or schedule the meeting earlier. The Secretary of the Risk Management Committee will record in the minutes of the meeting.
5. The Risk Management Committee can invite relevant parties to attend the meeting to clarify the facts to the Risk Management Committee to acknowledge.

This Charter of the Risk Management Committee was firstly approved by the Board of Directors Meeting No. 1/2017 held on Feb 28, 2017. It was recently reviewed and approved by the Board of Directors Meeting No. 2/2022 held on Mar 17, 2022.

This announcement made on Mar 17, 2022.


(Dr. Wuthipong Suponthana)

Chairman of the Risk Management Committee

SIC-BC-CHA-2022-006

Charter of the Nomination, Remuneration and Corporate Governance Committee**Silicon Craft Technology Public Company Limited****Objective**

Nomination, Remuneration and Corporate Governance Committee has been appointed by the Board of Directors to promote good corporate governance. It is responsible for setting criteria and policies for the nomination and remuneration of the Board of the Directors' members and sub-committee's members, as well as nominating, selecting, and proposing suitable persons to serve as directors, and considering the remuneration for directors. The Committee is responsible to conduct corporate governance and perform other tasks as assigned and present to the Board of Directors and/or the Shareholders' Meeting.

Composition of the Nomination, Remuneration and Corporate Governance Committee

- Nomination, Remuneration and Corporate Governance committee is appointed by the Board of Directors and consists of at least 3 directors and/or executives, with more than half of the total directors having to be independent directors.
- The Nomination, Remuneration and Corporate Governance Committee shall jointly elect one of the members to be the Chairman of the Nomination, Remuneration and Corporate Governance Committee

Term of Office

- The directors shall have a term of office of 3 years at a time.
- A retired director may be re-appointed by the Board of Directors but the term of office shall not be renewed automatically.
- Apart from vacating office upon expiry of the term, the Nomination, Remuneration and Corporate Governance Committee may vacate from holding office upon occurrence of the following circumstances:

1. Resignation;
 2. Expiration of the term or termination from the being the Company's Director;
 3. The Board of Directors passed a resolution to remove from office;
 4. Lack of qualification and possess any prohibited characteristic, as per specified by the laws;
 5. Death.
- The Board of Directors has the power to appoint a member of Nomination, Remuneration and Corporate Governance committee for carrying out the objectives or to replace the directors in the committee who retired from the office. The person who is appointed to the Nomination, Remuneration and Corporate Governance committee, substitute for resignation or resolved to vacate, will only be in office as long as the remaining term.

Material authorities, Duties, and Responsibilities of The Nomination, Remuneration and Corporate Governance Committee

On Nomination

- To specify criteria and policy on nomination of the directors and the sub-committees by considering from appropriateness of the number, structure and component of the Board; specify 115 qualifications of the director to propose to the Board and/or to propose to the shareholders' meeting for approval, as the case may be;
- To consider, recruit and propose suitable persons to be the Company's director or replace the director whose term shall be expired and/or when such position is vacant and/or when it is required to appoint additional director;
- To consider a list of the proposed candidates then select the person whose qualifications conform to the specified criteria;
- To approach the person whose qualifications, conform to the criteria specified to make sure that such person is willing to accept the position of the Company's director, if he/she appointed by the shareholders;

- To perform other tasks assigned by the Board of Directors pertaining to nomination;
- To nominate and evaluate performance of the Chief Executive Officer to propose to the Board of Directors' meeting for consideration and approval.

On Remuneration

- To prepare criteria and policy on determination of remuneration of the Company's Board of Directors and the sub-committees to propose for approval from the Board and/or the shareholder's meeting, as the case may be;
- To specify necessary and suitable remuneration, both pecuniary benefits and non-pecuniary benefits, of the Board of Directors, individually in each year based on scope of authority, duties and responsibilities (Accountability and Responsibility), performance and from comparing with other companies engaging in similar businesses as well as benefits expected to be obtained from the director to propose to the Board of Directors for consideration and further propose for approval from the shareholder's meeting;
- To be responsible for the Board and to have duty to clarify and answer any queries on remuneration of the Board during the shareholders' meeting;
- To consider evaluation criteria of performance of the Chief Executive Officer, as per assigned by the Board;
- To report policy, principle/reason on determination of remuneration of the directors and the management pursuant to regulations of the stock exchange, by disclosing in the annual registration statement (Form 56-1) and the annual report of the Company;
- To determine annual remuneration of the directors and the Chief Executive Officer, pursuant to the payment criteria considered then propose to the Board of Directors for consideration on approval of remuneration of the Chief Executive Officer. For remuneration of the directors, the Board shall propose to the shareholders' meeting for approval;
- To consider on appropriateness and to give consent in case of offering of newly issued securities as incentives to the Company's directors and employees, by adhering to fairness to the shareholders in

order to motivate the directors and the employees to perform duties on enhancement of value to the shareholders in the long term and to be able to truly retain the qualified employees;

- To perform other tasks relevant to the determination of remuneration as per assigned by the Board; The management and the department heads shall report or present relevant information and document to the Nomination, Remuneration and Corporate Governance Committee to support its operations in order to achieve the assigned duties;
- To consider bonus framework, salary increase and key index performance of the organization to propose to the Board for consideration.

On Corporate Governance

- Consider to set guidelines and policy regarding business ethics, as well as anti-corruption policy, in accordance with the principles of good corporate governance to the Board of Directors and management to establish an organization's code of conduct which has standardized and appropriate.
- Supervise, consult, evaluate and review policies and adhere to good corporate governance principles and business ethics, including social and environmental responsibility, as well as sustainability development, to develop and enhance the company's corporate governance to international standards.
- Suggest on guidelines about social and environmental responsibility, as well as supervising, consulting, supervising, and monitoring the progress of the organization's sustainable development actions and evaluating the effectiveness of the operation.
- Review the suitability of the Charter of the Nomination, Remuneration and Corporate Governance committee and present to the Board of Directors for approval if the charter has been updated.
- Perform any other duties as assigned by the Board of Directors

Reporting

The Nomination, Remuneration and Corporate Governance Committee reports to the Board of Directors.

Meeting

- The Nomination, Remuneration and Corporate Governance Committee holds or calls meetings as deemed appropriate at least once a year and has the power to request additional meetings as needed. The meeting shall consist of members of the Committee not less than half of the total number of the members.
- All the committee's members should attend the meeting every time unless there is a reason for not being able to attend the meeting. Chairman of the Nomination, Remuneration and Corporate Governance Committee shall be notified.
- The Chairman of the Nomination, Remuneration and Corporate Governance Committee act as Chairman of the meeting. In case the Chairman of the Committee is not present at the meeting or is unable to perform his duties, one of the members shall be selected to chair the meeting.
- The Committee's vote is conducted with a majority. The Nomination, Remuneration and Corporate Governance Committee's members who has any interest in the matters considered, shall not participate in the meeting or express an opinion and shall not have the right to vote on the matter.
- Meeting invitations to the Nomination, Remuneration and Corporate Governance Committee shall be delivered in advance of the meeting, unless necessary or urgent. The invitations of the meeting shall be informed by other means or schedule the meeting earlier. The Secretary of the Nomination, Remuneration and Corporate Governance Committee will record in the minutes of the meeting.
- Nomination, Remuneration and Corporate Governance Committee can invite the relevant parties to attend the meeting to clarify the facts to the Committee to acknowledge.

This Charter of the Nomination, Remuneration and Corporate Governance Committee was firstly approved by the Board of Directors Meeting No. 1/2017 held on Feb 28, 2017. It was recently reviewed and approved by the Board of Directors Meeting No. 2/2022 held on Mar 17, 2022.

This announcement made on Mar 17, 2022.



(Dr. Sarote Phornprapha)

Chairman of the Nomination, Remuneration
and Corporate Governance Committee

SIC-BC-CHA-2022-005

Charter of the Executive Committee**Silicon Craft Technology Public Company Limited****Appointment of the Executive Committee**

1. The Executive Committee is appointed by the Board of Directors with be consisted of a number of company directors, company executives and probably appropriate outsiders. The Board of Directors shall appoint an executive director who is a director of the Company to be Chairman of the Executive Committee.
2. Chief Executive Officer shall be automatically one of member of Executive Committee.
3. The Executive Committee shall appoint the secretary of the Executive Committee.

Term of office

The directors shall have a term of office of 3 years at a time. A retired director may be re-appointed by the Board of Directors but the term of office shall not be renewed automatically. Apart from vacating office upon expiry of the term, The Executive Committee may vacate from holding office upon occurrence of the following circumstances:

1. Resignation;
2. Expiration of the term or termination from the being the Company's Director;
3. The Board of Directors passed a resolution to remove from office;
4. Lack of qualification and possess any prohibited characteristic, as per specified by the laws;
5. Death.

The Board of Directors has the power to appoint a member of Executive Committee carrying out the objectives or to replace the directors in the committee who retired from the office. The person who is appointed to the Executive Committee, substitute for resignation or resolved to vacate, will only be in office as long as the remaining term.

Material authorities, Duties, and Responsibilities of The Executive Committee

1. To have power to make decision on important operations of the Company by specifying scope, type or size of business, objectives, guideline and policy of the Company within the scope of power assigned including to supervise overall operations, productivity, relationship with the customers as well as to be responsible for the Board;
2. To oversee and manage the Company's business operations pursuant to the policy specified by the Board of Directors and to report operating results to the Board;
3. To formulate strategy and business operation plan, annual budget including management structure so that the works can be undertaken pursuant to the policy and target specified by the Board, as well as to propose to the Board for consideration;
4. To specify approval authority of each person appropriately, segregate duties which may be prone to corruption then propose to the Board for approval then supervise to ensure that the approved principles and regulations have been adhered to;
5. To have power to manage salary structure, to specify scope of duty on work, appointment, transfer, wages cutting or reduction, removal, dismissal, disciplinary penalty, awarding and merit of the employees;
6. To consider on approval of financial transactions with the bank or the financial institutes to support normal course of business operations, such as opening or closing of bank account, loan, borrowing, credit line financing, pledge, mortgage, guarantee and etc., including purchase, sale and register for ownership in any land for normal course of business operation pursuant to the approval power approved by the Board of Directors;
7. To consider on investment, work expansion as well as acquisition and disposition of the Company's fixed assets to propose to the Board;
8. To have power to purchase/sell/transfer of assets, invest in other businesses/new business, purchase-sell of goods/raw materials and services which are normal or related with normal trade, to enter into the contract to have commercial binding obligation and to enter into loan agreement, guarantee and financial obligation pursuant to the budget plan approved by the Board and can approve the capital expenditure which is out of the annual budget within the amount of 0.50-2.00 million Baht, except

the transaction on short-term investment. The Executive Committee can approve the capital expenditure which is out of the annual budget within the credit amount of 30-50 million Baht.

9. To have power to act and represent the organization with the third party in the activities related to and beneficial to the organization;
10. To consider about the Company's fund raising activity to propose to the Board;
11. To approve on appointment of consultants in various fields necessary for business operations;
12. To manage general business of the Company;
13. To consider and approve operation plans of each department and consider and approve the requested application of any department which exceeds power of such department;
14. To jointly work with the Risk Management Committee on formulation of risk management policy and risk appetite to propose to the Board;
15. To jointly work with the Risk Management Committee to specify overall risk management policy and guidelines of the Company covering various material types of risks, i.e. financial risk, investment risks and risks which may impact to the business's reputation, and etc. to propose for the Board's approval;
16. To jointly work with the Risk Management Committee to specify the Company's risk management plan, framework and process to make them consistent with the risk management policy and follow-up on its implementation as well as review efficiency of the risk management framework;
17. To jointly work with the Risk Management Committee to review management report and to operate to make sure that risk management is continually conducted and risk appetite can be adequately and suitably managed;
18. To jointly work with the Risk Management Committee to develop and review the Company's risk management system to make them efficiency and effectiveness continually by constantly evaluating its results and to monitor risk management processes to ensure that they are consistently with the specified policy;

19. To jointly work with the Risk Management Committee on appointment of the risk management working group, as necessary, as well as to support on personnel, budget and other necessary resources which are consistently with its scope of responsibility;
20. To jointly work with the Risk Management Committee on coordination with the Audit Committee constantly by exchange knowledge and information on risk and internal control which has or may have impact to the Company;
21. To jointly work with the Risk Management Committee on making decision and provision of recommendation with regards to material problem occurred in the risk management processes;
22. jointly work with the Risk Management Committee to present the performance report of the Risk Management Committee to the Audit Committee for acknowledgement and/or consideration every quarter;
23. To perform any other tasks assigned by the Board of Directors.

However, the delegation of authority and responsibility of the Executive Committee shall not entitle the authorized person to have authority to approve any undertaking that such person or a person who might have conflict of interest (the definition of “Person who might have conflict of interest” shall have meaning as per specified in the Notification of the Securities and Exchange Commission), interests or any benefits in any other manners against benefits of the Company. Approval of such transaction is required to be proposed to the Board of Directors’ meeting and/or the shareholders’ meeting for consideration and approval, pursuant to the Articles of Association of the Company or the relevant laws, except it is the approval of the transaction which is normal course of business operation pursuant to the policy and criteria already considered and approved by the Company.

Meeting and Report

1. Executive Committee shall arrange meetings as a monthly basis or call meeting as deemed appropriate and has the power to request additional meetings as needed. The meeting shall consist of members of the Committee not less than half of the total number of the members.
2. The Chairman of Executive Committee act as Chairman of the meeting. meeting. In case the Chairman of the Committee is not present at the meeting or is unable to perform his duties, one of the members shall be selected to chair the meeting.

3. The Committee's vote is conducted with a majority. The Executive Committee's members who has any interest in the matters considered, shall not participate in the meeting or express an opinion and shall not have the right to vote on the matter.
4. The Meeting invitations to the Executive Committee shall be delivered in advance of the meeting, unless necessary or urgent, shall be informed by other means or schedule the meeting earlier. The Secretary of Executive Committee will record in the minutes of the meeting.

This Charter of the Executive Committee was firstly approved by the Board of Directors Meeting No. 1/2017 held on Feb 28, 2017. It was recently reviewed and approved by the Board of Directors Meeting No. 2/2022 held on Mar 17, 2022.

This announcement made on Mar 17, 2022.



(Dr. Naiyavudhi Wongkomet)

Chairman of the Executive Committee



Silicon Craft Technology Public Company Limited

Attachment 4

Internal Control Sufficiency Evaluation Form
for the year ended December 31, 2022

Internal Control Sufficiency Evaluation Form
Silicon Craft Technology Public Company Limited

For the year ended December 31, 2022

This assessment is prepared by the Board of Directors.
This is the opinion of the Board of Directors on the sufficiency of the internal control system.

Control Environment

1. The organization demonstrates a commitment to integrity and ethical values.

Questions	Yes	No
<p>1.1 The board of directors and the management set up principles and guidelines based on integrity and codes of conduct in the following areas:</p> <p>1.1.1 Daily routine operation and decision making;</p> <p>1.1.2 Treatment of trade partners, clients and other parties.</p> <p><i><u>Description</u> the Company's Board of Directors and executives place importance on practice based on decisions and conducting business operations in accordance with the provisions of the law or relevant regulations. The Company adheres to the rule of law in doing business, maintaining transparency, giving importance to customers along with social responsibility, as well as establishing ethical practices for performing daily duties, making decisions on various matters and dealing with business partners and third parties. These are set out in the Business Ethics and Code of Conduct Handbook. The latest edition of the Business Ethics and Code of Conduct Handbook has been reviewed and approved according to the minutes of the Board of Directors' Meeting No. 2/2022 (Agenda 4.1) held on March 17, 2022 in order to be used as an updated guideline for proper conduct in the organization.</i></p>	✓	
<p>1.2 Following written rules are provided to ensure that executives and employees perform the duties with integrity and ethics:</p> <p>1.2.1 Appropriate code of conduct for executives and employees;</p> <p><i><u>Description</u> The Company has established a code of conduct for executives and employees as a guideline for their work by specifying in the Business Ethics and Code of Conduct Handbook in writing. Such regulations have been approved by the Board of Directors, signed and enforced by the Chief Executive Officer.</i></p> <p>1.2.2 Prohibitions on any actions by the executives and employees that could cause conflicts of interest with the business; and prohibitions on corruptions which will cause damages to the organization.</p> <p><i><u>Description</u> The Company has ethical requirements that executives and employees must not follow or conduct any business or activity in a manner that may cause a</i></p>	<div>✓</div> <div>✓</div>	

Questions	Yes	No
<p><i>conflict of interest, whether directly or indirectly, with the Company. It also includes establishing policies and guidelines regarding anti-corruption clearly. The latest policy has been reviewed and approved by the Board of Directors meeting No. 2/2022 (Agenda 4.1) held on March 17, 2022.</i></p> <p>1.2.3 Appropriate penalties in the case of violation of the aforementioned rules</p> <p><u>Description</u> <i>The Company has set up a penalty process when there is a violation or non-compliance with the policy in accordance with the regulations on work on disciplinary action of the Company.</i></p> <p>1.2.4 Communication of the aforementioned rules and penalties to the executives and the employees. For example: they are included in the orientation session for new employees; employees annually sign for acknowledgment of the rules and penalties; the code of conduct is publicized for employees and outsiders.</p> <p><u>Description</u> <i>Requirements in the Business Ethics and Code of Conduct Handbook including penalties in business ethics have been communicated to executives and employees at all levels to acknowledge through orientation when starting a new job by the Human Resources Department. It is ready for employees to sign in "Letter of Consent" to show intention and willingness to comply with the best practices specified in the Business Ethics Handbook, covering requirements on business ethics and disciplinary action. In this regard, executives and employees at all levels can access various policies of the Company through the Share Point system. Including during the year 2022, the Human Resources Department has communicated via email by attaching a book of business ethics and code of conduct to employees at all levels to understand and adhere to such business ethics, promptly to confirm and acknowledge via clicking the provided link. In addition, the Company has published and communicated business ethics and good corporate governance policies to third parties through the Company's website.</i></p>	<p>✓</p> <p>✓</p>	

Questions	Yes	No
<p>1.3 There are procedures to monitor and assess whether the code of conduct is complied:</p> <p>1.3.1 Monitoring and assessment by an internal audit unit or a compliance unit;</p> <p>1.3.2 Self -assessment by executives and employees;</p> <p>1.3.3 Assessment by independent professionals ,outsiders of the organization.</p> <p><u>Description</u> <i>The Company determines compliance with the Code of Business Conduct as one of the topics that the Board of Directors must assess annually.</i></p>	✓	
<p>1.4 There is timely management upon a detection of non-compliance with rules on integrity and code of conduct.</p> <p>1.4.1 There are procedures for timely detection of the violations;</p> <p>1.4.2 There are procedures for suitable and timely punishment or management of the violations;</p> <p>1.4.3 There are timely and suitable corrections for the violations of rules for integrity and code of conduct.</p> <p><u>Description</u> <i>The Company has established measures and procedures when receiving complaints or actions. For violation of any standard in the Business Ethics and Code of Conduct Handbook, the Company will take disciplinary actions as specified in the work regulations, chapter 11 on discipline and disciplinary action or as appropriate immediately. The investigation will be conducted to obtain facts and take action to stop the violation or non-compliance with that matter.</i></p>	✓	

2. The board of directors demonstrates independence from the management and exercises oversight of the development and performance of internal control.

Questions	Yes	No
<p>2.1 The roles and duties of the board of directors are set separately from those of the management. The authorities of the board of directors are clearly defined.</p> <p><u>Description</u> <i>The Company specifies the duties and responsibilities of the Board of Directors in the charter of each committee, including the authorization framework established where the right of approval is reserved for the Board of Directors such</i></p>	✓	

<p><i>as vision, mission, goals, strategies and Company policies, annual budget, annual product research and development budget, management structure, purchasing or transferring assets, and investing in other or new businesses, fundraising, loan agreements, guarantees and financial obligations.</i></p>		
<p>2.2 The board of directors oversees whether the company goals are clear and measurable to be used as guidelines for executives' and employees' operation.</p> <p><u>Description</u> <i>In 2022, the management attended a meeting and formulated a strategic plan for the year (Corporate Focus 2022) in order to achieve the set goals and objectives. The strategies are divided into ones that focus on sales marketing, technology, product development, operations, and personnel development which are consistent with the mission of the organization that places importance on unique products and technology, innovation, customers and business partners. The Corporate Focus 2022 has been presented to the Board of Directors for consideration and approval. The management has clearly defined key indicators (KPIs) for each goal, able to measure performance and report results to the Executive Board every month through the Executive Board meeting. It also includes reports on progress, strategies and business directions to the Board of Directors on a quarterly basis through the Board of Directors meeting.</i></p>	✓	
<p>2.3 The board of directors oversees that the company follows the laws and charters in specifying roles and duties of the board of directors, the executives, the audit committee, auditors, internal auditors, and the personnel who is responsible for financial statements.</p> <p><u>Description</u> <i>The Company defines the roles and responsibilities of the Board of Directors in the Board of Directors Charter, and the charter of each sub-committee. It also includes high-level executives such as the Chief Executive Officer Charter and Company Secretary Charter, which clearly covers roles and responsibilities. Each charter has been reviewed and approved by the Board of Directors Meeting No. 2/2022 (Agenda 4.1) held on March 17, 2022.</i></p>	✓	
<p>2.4 The board of directors are knowledgeable for the company business and have expertise beneficial to the company or can seek advices from experts in a particular area.</p>	✓	

<p><u>Description</u> <i>The Company assesses the specific knowledge and competencies of the Board of Directors by preparing a skill matrix to consider both knowledge, expertise or experience in macro-management, specific field, and corporate governance or good corporate governance. It is evaluated from skill matrix assessment. The Company has a committee consisting of people who have knowledge about the Company's business, and expertise that is beneficial to the Company in all aspects.</i></p>		
<p>2.5 The board of directors comprises of independent directors who are knowledgeable, reliable and truly independent in performing the duties. For example, the independent directors should have no business relationship with the company or any relationship that could influence their judgement and independent performance.</p> <p><u>Description</u> <i>The Board of Directors consists of three independent directors who are knowledgeable and competent in different fields, and are independent in performing their duties and using appropriate discretion in considering various matters, including no shareholding in the Company in the company.</i></p>	✓	
<p>2.6 The board of directors oversees the development and implementation of the internal control in the organization, including creating control environment, risk assessment, control activities, information and communication, and monitoring activities.</p> <p><u>Description</u> <i>The Board of Directors is responsible for supervising and managing the Company's accounting system, reliable financial reporting, transparent internal control system with sufficient and appropriate level, as well as taking care of risk management to cover the entire organization. In addition, the Audit Committee, which is a sub-committee, is mainly responsible for ensuring that the Company has an adequate internal control system with an international standard. It also supervises to have a reliable accounting system and financial reports, and review the Company to comply with the law, regulation or legal requirements related to the Company's business.</i></p>	✓	

3. Management establishes, with board oversight, structures, reporting line, and appropriate authorities, and responsibilities in the pursuit of objectives.

Questions	Yes	No.
<p>3.1 Top management set up the organizational structure which supports the pursuit of the company's objectives by considering appropriateness of business functions and legal requirement. There is, also effective internal control function. For example, there is a separation of duties in important business units which would result in check and balance; there is an internal audit unit which reports directly to the audit committee; there is a clear line of report..</p> <p><u>Description</u> <i>The Company has set up an organizational structure both at the organizational and department level appropriately. There is a clear chain of command and report where each department will have a consistent work relationship to achieve the objectives of the Company with a division of duties, making checks and balances between departments.</i></p>	✓	
<p>3.2 Top management establishes reporting line by considering appropriateness of authorities, responsibilities and communication.</p>	✓	
<p>3.3 Authorities and responsibilities among the board of directors, top management, management and employees are appropriately defined and assigned.</p> <p><u>Description</u> <i>The Company defines the duties and responsibilities of the Board of Directors. Each sub-committee, executives and employees of the Company are defined and identified in their charter and Job Descriptions respectively, which are appropriately prepared and approved by the authority. It also includes the establishment of approval authority for operations both at the organizational and operational level. It was officially announced for work reference.</i></p>	✓	

4. The organization demonstrates its commitment to attract, develop and retain competent individuals in alignment with objectives.

Questions	Yes	No
<p>4.1 The company has policies and practices to recruit, develop and retain competent employees and regularly reviews such policies and practices.</p> <p><u>Description</u> <i>The Company has an annual manpower plan, as well as written process and procedure for recruiting and hiring personnel used as a tool for selecting</i></p>	✓	

<p><i>employees having knowledge, competence and experience suitable for the job position as specified in the Job Description. It also includes planning and training employees at all levels according to the annual employee development and training plan in order to develop potential knowledge and ability of employees to be able to work efficiently.</i></p>		
<p>4.2 The company has evaluation process, incentives or rewards to employees with good performance, and management measures for employees who do not achieve the targets. Such processes are well informed to executives and employees.</p> <p><u>Description</u> <i>The Company has established guidelines and criteria used in the annual performance appraisal for both executive and employee levels. There is a process of clarifying and notifying the results of the assessment for employees to sign and acknowledge in writing, including reviewing and approving the assessment results from the official authority.</i></p>	✓	
<p>4.3 The company has process of timely solutions and preparation when lacking competent employees.</p> <p><u>Description</u> <i>The Company has established a succession plan policy in order to prepare in a timely manner for the lack of competent personnel. The job positions that are important to the organization are defined such as C-Level positions and Manager levels of each department, including positions and employees in subordinate order suitable for succession to such important positions in the Successor Profile, clearly written to be prepared if important positions become vacant and then can continue working in a timely manner.</i></p>	✓	
<p>4.4 The company has process of recruitment, development and retention for executives and employees such as providing mentoring system and trainings.</p> <p><u>Description</u> <i>The Company determines job positions and identifies employees who are suitable for succession in important positions, including adding topics for development and training to enhance skills and prepare for the succession in each important position in the Successor Profile such as management skills, leadership skills, technical skills, and financial skills. In addition, the Human Resources</i></p>	✓	

<p><i>Department provides training for employees at all levels, both internal and external in order to develop knowledge and skills of employees on a regular basis, along with recording the training history of employees.</i></p>		
<p>4.5 The company has a succession plan for important positions.</p> <p><u>Description</u> <i>The Company has a written succession plan policy which has been reviewed and approved by the Board of Directors in order for the Company to have a guideline for the replacement and succession plan for retirement and talent management or job positions targeted by the market or competitors, and to reduce the rate of loss of personnel who have with knowledge and experience. There is a clear, transparent recruitment process, including an assessment of efficiency and potential, and encouragement to develop suitable knowledge and skills. As a result, the employees are motivated to work, able to succeed in the position which will make continuity of the operations.</i></p>	✓	

5. The organization hold personnel accountable for their internal control responsibilities in the pursuit of objectives.

Questions	Yes	No.
<p>5.1 The board of directors and executives have procedures and communication tools to enforce all employees to take responsibilities in internal control and to provide corrective measure for such procedure, if necessary.</p> <p><u>Description</u> <i>The Company has established process and instilled employees to comply with policies, rules, regulations and guidelines/ procedures in various fields in order to perform their duties to the same standard. There is a management representative selected from the management to monitor the ISO compliance on a regular basis. In addition, the Board of Directors supervises and monitors the results of internal control assessment through external auditors on a quarterly basis.</i></p>	✓	
<p>5.2 The board of directors and executives set suitable indicators for performance appraisal, incentives and rewards with regard to code of conduct, and the company's short-term and long-term objectives.</p>	✓	

<p><u>Description</u> The Company has set and communicated key performance indicators (KPIs) of each department and the performance indicators are evaluated every quarter, as well as creating incentives and rewards for employees who perform as the specified goals. For example, it determines the incentive payment criteria to continuously stimulate sales for sales staff.</p>		
<p>5.3 The board of directors and executives continuously assess the incentives and rewards by focusing on the connection between success of the performance and the compliance with the internal control .</p>	✓	
<p>5.4 The board of directors and executives do not put excessive pressures on each personnel duties.</p> <p><u>Description</u> The Company has set KPIs for use as a tool to measure and evaluate the performance of each department. This covers necessary internal control activities. Such indication is based on historical data. As a result, the standard values are set reasonably, which does not put too much pressure on the employees.</p>	✓	

Risk Assessment

6. The organization specifies the objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.

Questions	Yes	No
<p>6.1 The company is able to comply with the generally accepted accounting principles which is suitable to the business at that time by presenting that transactions in financial statements exist, complete, correctly show the rights or obligations of the company, have the right value as well as properly disclosed.</p> <p><u>Description</u> The Company complies with generally accepted accounting standards and financial reporting standards related to business. The Company's financial statements have been reviewed/audited by certified auditors every quarter and every year who expressed an unreserved opinion on such financial statements.</p>	✓	
<p>6.2 The company determines materiality of the financial statement by considering key</p>	✓	

factors including financial report users, transaction sizes, and business trends.		
<p>6.3 Financial statements reflect true business operation activities of the company.</p> <p><u>Description</u> <i>The Company prepares financial reports in full compliance with generally accepted accounting principles. It has been audited/reviewed by an auditor approved by the SEC, who has expressed an unreserved opinion on the Company's financial reports.</i></p>	✓	
<p>6.4 The board of directors or the risk management committee approves and communicate risk management policy to executives and all employees. The policy is acknowledged and accepted for practices as a part of the organization's culture.</p> <p><u>Description</u> <i>The Company has formulated a risk management policy prepared as a guideline for executives and employees to apply in order to manage risks appropriately. Such policy has been formally reviewed and approved by the Board of Directors in accordance with the resolution of the Board of Directors meeting No. 2/2022 (Agenda 4.1) held on March 17, 2022.</i></p>	✓	

7. The organization identifies risks to the achievement of the objectives across the entity and analyses risks as basis for determining how the risk should be managed.

Questions	Yes	No
<p>7.1 The company identifies all risks which may affect business operation at levels of organization, business unit, departments, and working functions.</p> <p><u>Description</u> <i>The Company has identified and analyzed all types of risks that may arise from both internal and external factors and considered together with other companies' risk factors in the same industry in order to develop an overall risk management framework in line with business goals, strategies and future operations. It considers impacts on business operations both at the organizational level and various departments, covering risks in various areas such as strategies, operations, customer, finance, and law and compliance.</i></p>	✓	

<p>7.2 The company analyzes all risks that could come from both internal and external factors, including risks from business strategies, operations, reporting, compliance with law and regulation, and information technology.</p> <p><u>Description</u> <i>The management has analyzed the overall risk of the Company by considering risks from both internal and external factors. These include strategic risks, operational risks, customer risks, financial risks, Environmental, Social and Governance (ESG) risks, and compliance risks in order to assess and impacts the risk, current risk control and clearly define risk management methods in each aspect.</i></p>	✓	
<p>7.3 Executives at all levels participate in risk management.</p> <p><u>Description</u> <i>The Company has established a risk management working group, comprised of main representatives who own the risks in each area and related function. There was an official letter establishing a risk management and a crisis management working group in order to follow up on risk control measures, update the impact value and likelihood of the event to be up to date. It also adds list of new risks (if any), together with report of risk management results to the Secretary of the Risk Management Committee to present to the Risk Management Committee respectively.</i></p>	✓	
<p>7.4 The company assesses the significance of risks by considering the likelihood and the possible effects.</p> <p><u>Description</u> <i>The risk management working group joins a meeting to assess the importance of risks. It considers both impact and likelihood of the event and is constantly reviewed.</i></p>	✓	
<p>7.5 The company has measures and operational plans to handle risk by either accepting, reducing, avoiding or sharing risks.</p> <p><u>Description</u> <i>The Risk Management Committee has considered measures to manage each risk to be at an acceptable level. There are clearly defined indicators and acceptable risk levels for timely monitoring and reporting of risk management results.</i></p>	✓	

8. The organization considers the potential for fraud in assessing risks to the achievement of the organization's objectives.

Questions	Yes	No
<p>8.1 The company assesses the potential for fraud covering all types of fraud including fraudulent financial reporting, losses of assets, corruptions, management override of internal controls, manipulations on important financial information, unauthorized acquisition or disposition of assets etc.</p> <p><i>Description The Company has considered risks covering fraud risks by identifying events and assessing the likelihood and impacts in the process of a risk registration in order to determine management measures such as the risk from account manipulation, misappropriation of property/loss of property, abuse of power or credibility of the Board of Directors or Executives, the use of inside information not yet publicly been disclosed for securities trading, and the risk of corruption.</i></p>	✓	
<p>8.2 The company carefully reviews the operational objectives, considering possibility of achieving the goals. Also, incentives and rewards granted to the employees should be reasonable and would not instigate wrong doing. For example, The company does not set expected sales much higher than its capabilities so that it will lead to sales manipulation.</p> <p><i>Description The Company has set operational goals and annual budget plans for 2022 which mainly consider the feasibility of the goals and business growth opportunities. The management has presented the goals and annual budget to the Board of Directors for consideration and approval before applying to the management respectively.</i></p>	✓	
<p>8.3 The audit committee considers and inquires executives in accordance with the potential for fraud and measures that the company establishes to prevent or correct the frauds.</p>	✓	
<p>8.4 The company communicates to all employees to understand and comply with the policies and guidelines.</p>	✓	

<p><u>Description</u> The Company has a channel to communicate policies, operation manuals and guidelines through the Company's Share Point where executives and employees at all levels can access.</p>		
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9. The organization can identify and assess changes that could have impacts on the system of internal control.

Questions	Yes	No
<p>9.1 The company assesses changes of external factors which could affect the business operations, internal control, and financial reporting. Moreover, the company launches measures to deal with the changes sufficiently.</p> <p><u>Description</u> The Company evaluates changes in external factors that may affect the business operations of the Company through various meetings such as weekly meetings of the Production Planning Department (Planning), together with the Supply Chain Department to plan and acknowledge the plan and the period of time that the Company will receive the products from the contractor in order to manage the delivery of products to customers on time. There are weekly internal meetings of Global Sales and Marketing Department, and monthly meetings of the Executive Committee, etc., as well as policies and procedures to meet changes appropriately.</p>	✓	
<p>9.2 The company assesses changes in business models which could affect business operations, internal control, and financial reporting. Moreover, the company launches measures to deal with the changes sufficiently.</p> <p><u>Description</u> Through the Board of Directors' meetings, the Company assesses business models that may affect business operations in order to plan and formulate strategies for doing business each year. In addition, the Company has an Innovation Committee to perform analytical thinking, assess the business, as well as driving innovation and various technologies that are constantly changing through planning and adjusting corporate strategies in line with the market and business. The committee will meet with the Chief Executive Officer (CEO) and Chief Technology Officer (CTO) every two weeks.</p>	✓	

<p>9.3 The company assesses changes of the organizational leaders which could affect the business operation, internal control, and financial reporting. Moreover, the company launches measures to deal with the changes sufficiently.</p> <p><u>Description</u> <i>The Company has formulated a succession plan policy with emphasis on executive positions (C-LEVEL) in order to enable continuation of business operations. Currently, the Company has created a Successor Profile that clearly specifies qualifications, skill, experience and responsibilities used as a criterion for recruiting successors to replace important executives. It also includes appointing executives who will replace in the event of force majeure or executives are unable to perform their duties (Emergency Replacement), both short-term and long-term, until a suitable successor can be recruited respectively. This is to reduce the impact on business operations and personnel shortage problems which may affect the Company.</i></p>	✓	
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Control Activities

10. The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of the objectives to the acceptable levels.

Questions	Yes	No
10.1 The company's control measures are suitable to the risks and specific characteristics of the organization such as the environment; the work complexity, the characteristics of work, the scope of the operations, and other specific condition	✓	
10.2 The company has written internal control measures covering all procedures appropriately. For example, the company has policies and procedures in regard to financial transactions, procurement, and general administration. The company also gives clear scope of authorities and approval hierarchy of each management level to prevent fraudulence. For example, the company establishes: chart of authority approval to each management level to limit amounts of expenditures; project/investment approval manual; procurement and vendors selection manual; decision making on procurement process manual; or equipment/tools disbursement manual. Therefore,	✓	

<p>following procedures are provided:</p> <p>10.2.1 Collection on information of major shareholders, directors, executives and related persons, as well as connected persons benefits for monitoring and reviewing on related transactions or transactions with conflict of interests. The collection will be consistently up-to-date.</p> <p>10.2.2 In case that the company has already approved transactions or entered into the contracts with long term obligations such as purchasing and selling contracts, lending, guaranteeing, the company monitors whether the conditions of the agreements are followed through the contracts periods. For example, monitoring compliance with loans repayment agreement or the contracts are regularly reviewed for appropriateness.</p> <p><i>Description The Company has clearly defined the scope of authority and the approval process in each level for the approval authority, both executive and operational levels, in writing. It has been announced to all employees and requires that the suitability be reviewed regularly, including internal control measures written. There are also policies and operation manuals covering every process as a guideline for those involved in various functions to follow correctly. In addition, the Company also considers related transactions which has been approved by the Audit Committee and the Board of Directors respectively on a quarterly basis.</i></p>		
<p>10.3 The company sets up suitable varieties of internal control such as manual and automated controls or preventing and monitoring controls.</p> <p><i>Description The Company has designed an internal control system, defined as a part of the operation manuals. It also includes the control of information access and various transactions approval, both in the form of protection and detective control, for example,</i></p> <p><i>1) Designate budget control for research and development projects through the ERP system, with a system to prevent orders or budget exceeding the approved budget or changes in price per unit on an approved purchase order. It also includes requiring that the allocation be checked and cost recorded by the Accounting Authority on a monthly basis.</i></p> <p><i>2) Designate control and monitoring of product development projects every week (Gate Review) so that each development process can be tracked or problems (if any)</i></p>	✓	

<p><i>can be solved in a timely manner. It also reduces potential impacts in case the product has already been developed and significant errors are found later, for example.</i></p>		
<p>10.4 The company builds internal control throughout all level of the organization such as the group of companies, business unit, function, department, division or process.</p> <p><u>Description</u> <i>The Company has established internal control at all levels of the organization, for example, the authorities and responsibilities of the Board of Directors, Chief Executive Officer, an organizational structure, departmental structure to determine appropriate lines of command and authority to approve transactions. There is a clear separation of duties to ensure mutual checks. The Department Manager is mainly responsible for ensuring that the internal control system is complied with.</i></p>	✓	
<p>10.5 The company conducts segregation of duties to the 3 parts as followed for check and balance purposes:</p> <ul style="list-style-type: none"> (1) Authorization; (2) Recording accounting entries and information and; (3) Custody of assets. <p><u>Description</u> <i>The Company has clearly separated important duties and responsibilities such as</i></p> <p><i>1) Before recording the receipt of goods into the accounting system and the warehouse, the Inventory Division is responsible for inspecting the goods which must go through the QC section in order to check the quality of the products according to the specified qualifications every time before making a record and storing products in the warehouse. The Accounting Manager is assigned to inspect the accuracy and completeness of the supporting documents for entries and debt collection records. The Account Manager approves all debt transactions, including requiring the Accounting Department to randomly check inventory together with the Inventory Division on a monthly basis.</i></p> <p><i>2) In order to create a sales order in the ERP system, the Sales Department must deliver customer demand information to the warehouse department to verify and</i></p>	✓	

<p><i>confirm the availability of inventory before issuing an invoice every time. When the invoice is issued, it will be sent to logistics staff to prepare products, packaging and transportation companies respectively. In this regard, the sales invoice must be examined in terms of quantity and unit price by the Accounts Receivable Officer before submitting to the authorized person according to the established authority in order to approve the sales invoice every time. In addition, the Accounting Manager is the chief in the Accounting Department to approve all accounts receivable.</i></p>		
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11. The organization selects and develops general control activities over technology to support the achievement of objectives.

Questions	Yes	No
<p>11.1 The company should define relationship between uses of information technology in the operation process and the general control of the information technology system.</p> <p><u>Description</u> <i>The Company uses the Microsoft 365 program (MS365) for its key operations in sales, purchasing, raw material and inventory control, budget control, payment and accounting records, etc. There is sufficient control for such systems such as setting data access rights in the system and processing, including safe storage. In addition, the Company has a policy to maintain the security of information technology systems, including IT regulations clearly written. This has been communicated to employees and executives at all levels through orientation for new employees and presented as a monthly report to the management regarding the system security which may be at risk.</i></p>	✓	
<p>11.2 The company should define suitable control measures for infrastructure of technology system.</p> <p><u>Description</u> <i>For the management of information technology systems, the Company has established policies and complete and important operating regulations in writing to ensure that the Company's information is secure. There is reliable processing and ready to use in a timely manner.</i></p>	✓	

11.3 The company should define suitable security control for the technology system. <i>Description The Company has limited the right to access the information system which will be classified according to the authority and responsibility of each job position. Physical and logical access controls are provided sufficiently and appropriately.</i>	✓	
11.4 The company should define suitable control measures on process of procurement, development, and maintenance of the technology system.	✓	

12. The organization deploys control activities through policies which establish what is expected and procedures that put the policies into action.

Questions	Yes	No
12.1 The company has strict policies to monitor that transactions made by major shareholders, directors, executives, or the related persons must be passed through approval procedures as defined in , for example, by the articles of corporation, the regulation of the Stock Exchange of Thailand and SEC etc. This is to prevent exploitation of company benefit against the use for personal gains. <i>Description The Company has a written policy on related party transactions reviewed and approved by the Board of Directors at No. 2/2022 (Agenda 4.1) on March 17, 2022, and has set guidelines for future transactions. It also includes the process of collecting transaction information in writing in order for such transactions to be approved and disclosed accurately and completely. In addition, the Company is aware of the importance of duties and responsibilities of the Board of Directors in disclosing information and ensuring the accuracy of information in the Company's statement to SEC. The Company Secretary will inquire and coordinate with each committee member to confirm names and transactions with related companies or individuals.</i>	✓	
12.2 The company has a policy that a transaction must be approved by the person who has no personal interests in such transaction.	✓	

<p><u>Description</u> <i>The Company's policy on related party transactions determines that a person who may have conflicts of interest or has conflicts of interest in the transaction will not have the right to vote in approving the transactions between them.</i></p>		
<p>12.3 The company has a policy to approve transactions by considering the company's best interests, and consider the transactions as at arm's length basis.</p> <p><u>Description</u> <i>The Company's policy on related party transactions determines the principles for transaction approval similar to those for general customers. The Company has considered comparing product or service prices with the external ones under similar product or service conditions. The consideration of the related party transactions will be proceeded by the Audit Committee meeting to provide opinions on the reasons and necessity of such transactions on a quarterly basis.</i></p>	✓	
<p>12.4 The company has monitoring process for operations of subsidiaries or associated companies including setting guidelines to the person who is appointed as a director or an executive in the subsidiaries or associated companies. (Answer this question is not required if the company does not invested in the subsidiary or associated companies)</p> <p><u>Description</u> <i>The Company has established investment policies and guidelines for supervision of subsidiaries, associated company or joint venture which was reviewed and approved by the Board of Directors at No. 2/2022 (Agenda 4.1) on March 17, 2022. The policy has taken into account important requirements such as the appointment of a person as a director in a subsidiary or associated company, operational supervision and the approval authority before making transactions, in order to make the operations of the group more flexible and in the same direction.</i></p>	✓	
<p>12.5 The company assigns roles and responsibilities that executives and employees are to implement the policies and procedures in their operation.</p>	✓	
<p>12.6 The company's policies and procedures are timely implemented by competent personnel including the process of operation correction.</p> <p><u>Description</u> <i>Policies and operational processes of each work process have been communicated to employees for acknowledgment in order to apply the same</i></p>	✓	

<i>standard. There are channels for policy communication and operational manuals through Share Point, where executives and employees at all levels can access.</i>		
12.7 The company regularly reviews its policy and procedures. <u>Description</u> <i>The Company arranges meetings to communicate policies and operational procedures between department executives and employees regularly or when there is a change.</i>	✓	

Information & Communications

13. The organization obtains or generates and uses relevant and quality information to support the functioning of internal control as intended.

Questions	Yes	No
13.1 The company specifies information required for business operations. The information should be from both internal and external sources, which are quality and related to the company business. <u>Description</u> <i>The Company has prepared a manual for each work process, including clearly specifying information or supporting documents that are required in the work process from both internal and external sources. For example, it requires documents for approval and registration of new customers in the customer database in the accounting system, and determines the supporting documents for the consideration of recording and month-end closing quarterly and annually, etc.</i>	✓	
13.2 The company reviewed cost and benefit to gain the information, including quality and accuracy of such information.	✓	
13.3 The company provides the board of directors with essential and sufficient information for their decision-making. Examples of essential information include details of the proposed agenda, reasons and impacts on the company, and alternatives available.	✓	

<p><u>Description</u> <i>The Company specifies the names of documents and information delivered together with the meeting agendas to the Board of Directors and sub-committees to acknowledge. This will be sent to the directors in advance of the meeting to communicate and provide sufficient information to make decisions on important matters.</i></p>		
<p>13.4 The company provides the board of directors with the invitations to the board of directors' meetings and documentation for the meetings which contain necessary and sufficient information for consideration. The documents should be delivered before the meeting date at least as minimum requirement period by the regulations.</p> <p><u>Description</u> <i>Referred to 13.3</i></p>	✓	
<p>13.5 The company provides minutes of board of directors meeting with sufficient details in order to be used for subsequent audit on appropriateness of each director's responsibilities; such as: records of directors' questions; directors' views and remarks of the issues; their opposing views and reasons against the proposed agenda etc.</p> <p><u>Description</u> <i>The Company records the minutes of the meetings of each committee, namely the Board of Directors, Audit Committee, Risk Management Committee, and Remuneration and Corporate Governance Committee regarding the agenda and resolutions of the meeting, with the secretary of each committee prepare and record the details of each meeting in writing in order to be able to verify retrospectively about the suitability of the performance of duties of each committee.</i></p>	✓	
<p>13.6 The company has the following procedures:</p> <p>13.6.1 Filing and Classification with completeness on important documents.</p> <p>13.6.2 In case of report of deficiency found by the external auditor or internal auditor on deficiencies in internal control, the company fix the deficiency thoroughly.</p>	<p>✓</p> <p>✓</p>	

14. The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.

Questions	Yes	No
<p>14.1 The company has effective process of internal communication and appropriate channels of communication to support internal control.</p> <p><u>Description</u> <i>There are many channels of information communication between related departments within the Company such as department meeting, weekly meeting, monthly management meeting, company email, announcement board, the central Share Point, and Town Hall Meeting on a quarterly basis in order to support a system of communication and internal control on a regular basis.</i></p>	✓	
<p>14.2 The company regularly reports important information to the board of directors. The board of directors has access to information sources that are vital to the operations or to review any transactions as required. For example, the company assigned contact personnel for providing other information except those received from management; requesting information from external auditor and internal auditor; arranging meetings between the board of directors and executives as requested by the board of directors; conducting other meetings for the board of directors and executives except the regular board of directors' meetings etc.</p> <p><u>Description</u> <i>The Company assigns the Company Secretary to report important information to the Board of Directors and act as a coordinator between the Board of Directors, auditors and internal auditors to gather information to support the Board of Directors.</i></p>	✓	
<p>14.3 The company establishes whistle-blower hotline in order that personnel could safely inform information or traces of frauds or corruptions to the company.</p> <p><u>Description</u> <i>The Company has a policy to notify clues or complaints of misconduct or fraud in writing and communicated to executives and employees through orientation and annual training. Thus, personnel within the Company can report, make complaints, express opinions or clues about wrongdoings. There are many channels for receiving complaints both from outside and within the Company; for example, for within the Company, notifying directly through supervisors or executives, Human Resources and through the SIC Alert line. It also includes channels for notification from</i></p>	✓	

<p><i>stakeholders and outsiders through the topic of Investor Relations – Corporate Governance (complaint channels) on the Company's website, and requires an email connection to the Chairman of the Audit Committee, Company Secretary and the Secretary of the Chairman of the Audit Committee directly, including via postal channels or telephone according to the current information of the Company, etc.</i></p> <p><i>In addition, the Company has set a process to proceed when receiving complaints or clues, measures to consider the facts, as well as reporting the results of operations to independent directors or Audit Committee within a specified period after the actions taken. There are measures to protect whistleblowers or complainants safely.</i></p>		
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15. The organization communicates with external parties about matters affecting the functioning of internal control.

Questions	Yes	No
<p>15.1 The company has effective procedures of communication with external stakeholders and appropriate channels of communication to support internal control. For example, the company sets up an investor relations officers/center or compliant center etc.</p> <p><u>Description</u> <i>The Company has a channel for stakeholders to send comments, questions, and complaints to the Company through the Company's address, website and email of the Audit Committee. The Company has specified that such email be linked to the Chairman of the Audit Committee, Secretary of the Audit Committee and Company Secretary directly. Currently, the Company has established a clear communication channel between the Company and external parties, including preparing information for investor relations at https://investor.sic.co.th/en as information and effective communication with stakeholders outside the organization.</i></p>	✓	

15.2 The company establishes whistle-blower hotline in order that external stakeholders could safely inform information or traces of frauds or corruptions to the company. Description refer to 14.3.	✓	
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Monitoring Activities

16. The organization monitors and evaluates to ascertain whether the components of internal control are completely present and suitably functioning.

Questions	Yes	No
16.1 The company has a process to monitor the compliance with code of conduct and prohibit the executives and employees from conducting themselves in a manner is likely to cause conflicts of interest. The company, for example, assigns each individual unit to monitor operation and report to the respective supervisors. Alternatively, the company assigns the internal auditor to monitor operation and report to the audit committee etc.	✓	
16.2 The company provides inspection on compliance with internal control procedures by self-assessment and /or by independent assessment of internal auditors. Description <i>The Company has employed an external independent internal auditor to examine and assess the adequacy of the internal control system for each activity in line with the annual plan approved by the Audit Committee and the Board of Directors. It also includes monitoring the progress in the operational process correction and improvement, and presents to the Audit Committee for acknowledgment through the Audit Committee meeting on a quarterly basis.</i>	✓	
16.3 Frequency of monitoring and assessment activities is suitable to the company's change.	✓	
16.4 The monitoring and assessment activities on the internal control are carried out by knowledgeable and competent personnel.	✓	

16.5 The company specifies that the internal control evaluation is directly reported to the audit committee. <i>Description The Company has established an organizational structure where the Internal Audit Department reports directly to the Audit Committee. The Audit Committee will be notified of the results of audit from the internal audit staff or any flaws in the internal control system found by the auditor in order to report to the Board of Directors promptly and regularly.</i>	✓	
16.6 The company encourages the internal auditors comply with International Standards for the Professional Practice of Internal Auditing (IIA).	✓	

17. The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate.

Questions	Yes	No
17.1 The company evaluates and communicates internal control deficiencies and monitors for correcting immediately, in case that results of the performance significantly deviates from the target. <i>Description The executives of each department have regularly communicated and followed up on faults arising from the operations and the internal control system regularly through department meetings in order to solve them in a timely manner. In addition, the Company requires that the actual performance be monitored and reported in comparison with the set goals. This has been reported and communicated to the management through the Quarterly Review meeting, including reporting to the Executive Committee on a monthly basis.</i>	✓	
17.2 The company has a reporting policy as follows : 17.2.1 Management must report to the board of directors immediately if there is an incident or a suspicion of serious fraudulence, law violation, or other unusual actions that could significantly affect the reputation and financial position of the company. 17.2.2 Significant internal control deficiencies including solutions (although the problems may have already been managed) are timely reported to the board of	✓ ✓	

<p>directors/the audit committee for consideration.</p> <p>17.2.3 The progress on remedies of the significant internal control deficiencies is reported to the board of directors/the audit committee.</p> <p><u>Description</u> <i>The Company's executives report their performance to the Board of Directors through the Board of Directors' meeting every quarter, including having an independent internal auditor from outside to assess the internal control of the Company, suggest ways to improve/correct work process, and keep track of improvements every quarter for reporting to the Audit Committee.</i></p>	✓	
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