Somboon Advance Technology Public Company Limited

SOMBOON
ADVANCE TECHNOLOGY

DRIVE BUSINESS TOWARD
A SUSTAINABLE FUTURE

SMART PEOPLE

BUSINESS TRUST

GROWTH SOCIETY

Annual Registration Statement
Annual Report
Form 56-1 One Report

2021

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In 2021, it was another year that Somboon Advance Technology Public Company Limited (the Company) has conducted our business with determination and carefulness from 2 challenge factors:

Firstly, technological changes for the automotive manufacturing industry, which the original equipment manufacturers have transformed and developed into electric vehicle (xEV). As well as digital transformation, the Company has prepared to support new technologies in production and adapt to all aspects of change.

Secondly, as a result of the covid-19 pandemic, which continues to affect all sectors, all parties have changed their lifestyles to live together with such epidemics including technological changes, communication, environment protection by starting to change into the new normal. These things show the truth of the world and the truth of life that "nothing is permanent". Every life has to learn how to adapt and keep up with those changes. As a result of this incident, the Company has adjusted the business strategy and focused on taking care of employees, which are main force for the Company.

On September 9, 2021, the Extraordinary General Meeting of Shareholders No. 1/2021 approved the business restructure to be a holding company. (Holding Company) to enable the Company to effectively implement the strategic plan and streamline business expansion by expanding investment in other businesses. The Company has adapted its working systems and developed production technology for the automotive parts and agricultural machinery business along with the development of personnel in preparing for the changes and becoming more self-reliance. The business transformation must be in line with the SBG's philosophy "Somboon Triple Bottom Line" which are "Smart People" to concentrate on the people development, "Business Trust" to move forward to technology transformation and "Growth society" to play a role to contribute to society and develop the quality of life in society with the balance.

Gross Domestic Product ("GDP") in 2021 grew approximately 1.2% from the severe contraction in 2020 around -6.1% and in 2021, the domestic vehicle production totaled 1,685,705 vehicles. This is increasing 18% from 2020 despite the economic situation and the covid-19 pandemic. As a result, there have been closing businesses such as the small and medium-sized enterprise, hotels, etc. However, the operations of the companies in Somboon Group have been adapted, improved, and adjusted management therefore, the operating results in the companies in Somboon Group in 2021 totaled Baht 8,716.08 million with net profit of Baht 955.21 million.

On this occasion, the Board of Directors would like to thank all shareholders, partners, customers and business partners, including the executives, employees who have always supported the business operations. The Company will commit to drive our business with corporate good governance and corporate social responsibility forward sustainable growth.

Mr.Sansern Wongcha-um
Chairman of the Board

Ms. Napatsorn Kitaphanich
President

Message of the Board of Directors

SOMBOON
ADVANCE TECHNOLOGY

SMART PEOPLE

BUSINESS TRUST

GROWTH SOCIETY

VISION

Strive for sustainable growth in automotive industry through advanced technology and partnership

MISSION

- Create values for shareholders
- Collaborate with strategic partners to develop business administration
- Provide solutions for customers through advance technology in products design and development
- Enhance Excellence in Operation and Corporate System with Information Technology
- Embrace Corporate Governance and Fairness throughout supply chain
- Be socially and environmentally responsible
- Continuously enhance our people skills and competencies through Somboon Learning Academy (SLA)

Company's General Information

Company's Name	:	Somboon Advance Technology Public Company Limited
Business	:	Auto part manufacturing which major products are Axle Shaft selling to (Original Equipment Manufacturer) ("OEM") inside and outside the kingdom and to invest in other companies which are engaging in auto part manufacturing
Head Office and Plant	:	129 Moo 2, Bangna - Trad Road, Tambol Bangchalong, Amphur Bangplee, Samutprakarn Province; 300/10 Moo 1 Tambol Tasit, Amphur Pluakdaeng, Rayong Province
Company's Registration	:	0107547000664
Telephone	:	02-080-8123
Fax	:	02-080-8198, 02-080-8268
Website	:	www.satpcl.co.th
Registered Capital	:	425,193,894 Baht
Paid-up Capital	:	425,193,894 **Baht**
References		• **Securities Registrar:** Thailand Securities Depository Company Limited 93, 14th Floor, The Stock Exchange of Thailand Building, Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand Telephone: 0-2009-9999 • **Auditor:** KPMG Phoomchai Audit Limited Empire Tower 1 South Sathon Road, Yannawa Sub-District, Sathorn, Bangkok 10120, Thailand Telephone: 0-2677-2000

Financial Highlight

For the Fiscal year ended December 31	Consolidated Financial Statements			Separate Financial Statements		
	2021	2020	2019	2021	2020	2019
Stock Data						
Par value (Baht)	1.00	1.00	1.00	1.00	1.00	1.00
Book value (Baht)	17.97	16.68	16.94	12.16	11.43	11.60
Earning per share (Baht) *	2.24	0.88	2.11	1.59	0.96	1.18
Operating (Thousand Baht)						
Sales revenue	8,598,180	5,882,559	8,005,588	2,700,082	1,884,678	2,547,970
Total income	8,727,221	6,026,795	8,198,588	3,305,578	2,290,882	2,927,691
Net profit	955,213	374,763	898,666	676,995	409,905	500,589
Balance Sheet (Thousand Baht)						
Current assets	5,542,888	4,406,626	4,580,744	1,624,015	1,565,741	1,692,838
Total assets	9,830,107	8,955,308	9,311,490	5,911,962	5,579,981	5,634,534
Current liabilities	1,892,112	1,500,761	1,635,510	678,715	540,173	478,692
Total liabilities	2,187,699	1,864,565	2,108,202	743,172	718,053	702,159
Paid-up capital	425,194	425,194	425,194	425,194	425,194	425,194
Shareholders' equity	7,642,409	7,042,274	7,203,288	5,168,790	4,861,928	4,932,375
Financial Ratio						
Returns on shareholders' equity (%)	13.01%	5.28%	12.80%	27.58%	27.58%	10.05%
Returns on fixed assets (%)	47.20%	29.09%	41.68%	123.82%	123.82%	66.65%
Returns on assets (%)	10.17%	4.10%	9.78%	22.78%	22.78%	8.72%
Gross profit (%)	19.25%	15.15%	18.66%	26.64%	26.64%	24.18%
Current assets ratio to items of current liabilities (times)	2.93	2.94	2.80	2.39	2.90	2.80
Current assets ratio to items of current liabilities (times)	2.39	2.36	2.28	1.66	1.74	2.27
Debt ratio to shareholders' equity (times)	0.29	0.26	0.29	0.14	0.15	0.14

Part 1
Business Operation and Operating Results

1. Organizational structure and operation of the group companies

1.1 Policy and business overview

History

Somboon Advance Technology Public Company Limited (the "Company" or "SAT") was established on 14 September 1995, registered share capital of Baht 80 million, to engaged in the manufacturing of automotive parts with the Axle Shaft as its main product, the factory and office are located at 129 Moo 2 15th KM., Bangna-Trad Road, Bangchalong, Bangplee, Samutprakarn. In 2004, the Company was increased its registered share capital to be Baht 226 million by offering share to existing shareholders; and transformed to Public Company and listed on the Securities Exchange of Thailand since on 31 January 2005 with a registered share capital of Baht 300 million divided into 300 million ordinary shares with a par value of Baht 1 per share. Currently, the Company has a registered share capital of Baht 425,193,894.

The company has 4 subsidiaries.

1. Somboon Malleable Iron Industrial Company Limited
   Auto part manufacturing which major products are Disc Brake, Drum Brake and part of agriculture machinery.

2. International Casting Products Company Limited
   Auto part manufacturing in Casting Products which are Disc Brake, Drum Brake and casting part of agriculture machinery.

3. Somboon Forging Technology Company Limited
   Auto part manufacturing from Hot / Cold Forging process which is Hub Wheel.

4. Bangkok Spring Industrial Company Limited
   Rent of real estate and investment in other companies and hire auto parts manufacturing.

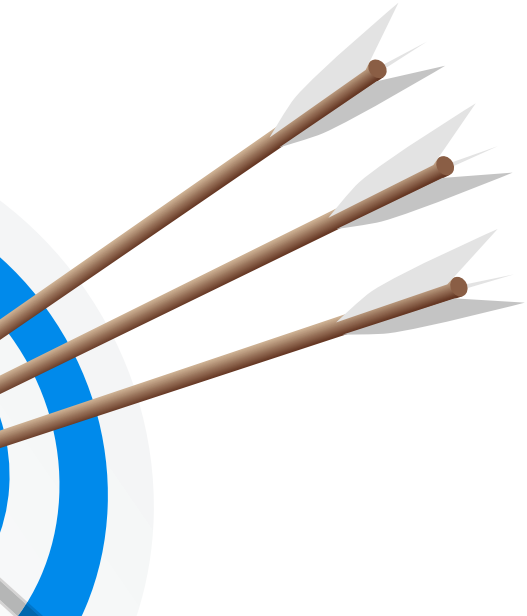
However, this is The company holds shares in 4 subsidiaries. 99.99% of total shares

1.1.1 Goal and Business Strategy

Somboon Group has been focusing on creating sustainable growth in accordance to the vision and; therefore, has set long-term goal of the group to develop revenue growth on average 7-8% annually and diversify revenue growth into businesses that has higher growth potential, including electric vehicles, agricultural machinery, and robotics and automations, while maintaining profitability. The Company continues to move forward under the business principle of "Somboon Triple Bottom Line" and emphasize adaptability to rapid changes to business environment.

In 2021, the situation of COVID-19 pandemic still lingers impact on business operations not only by causing supply chain interruption and volatility to demand for vehicles both domestic and export markets, but also by affecting health and safety of employees from COVID-19 infection. Moreover, the transition of automotive industry into electric vehicles and changes of consumer behaviors related to pick-up truck usage continue to be key factors driving the Company to embrace these changes in long-term. For agricultural machinery business, despite increasing trend on demand side that should drive the growth of the industry, the industry can still face some obstacles from external factors such as climate and weather changes, pricing control of agricultural products, and labor shortage in agricultural sector etc.

From all the factors aforementioned, strategy of Somboon Group is to concentrate on developing partnership with customers and suppliers in cost and delivery development in order for the Company's to maintain competitiveness. The strategy is also to focus on prepare the organization and people to be able to manage both risks and opportunities in order to achieve the Company's strategy while creating value to all stakeholders with balance. For the Company's to achieve defined goals and objectives, guidelines for business operations are the followings:



1. In the current environment where price competition is increasing together with uncertainty of demand from customers, the Company has been adapting by focusing on developing cost competitiveness throughout value chain and increasing efficiency of production process. The key strategy is developing more flexibility and system integration by adopting advance technology and automation system and also by encouraging involvement of employees in developing innovation and improvement in the process continuously. Moreover, the Company also closely manages relationship with customers in all levels to monitor changes in requirements and build confidence with the customers to maintain customer base. Furthermore, the Company has planned to find more business opportunities to enter into supply chain of new customers and also to find new products in order to achieve revenue according to goal and create sustainable growth

2. Electric vehicle is another new technology to Thailand's market with the key driving force from reducing carbon emission and minimizing impact to environment, leading to changes of engine technology to replace internal combustion engine (ICE). It is also the direction that Thailand has planned to increase value added to the country's automotive industry. These trends has led the Company to accelerate preparation and develop partnership for new business opportunities in electric vehicle sector with focus on new product development and raw material development for production to address to the changes abovementioned.

3. In addition to strengthen competitiveness in current business and prepare for transition into future vehicle technology, the Company is also emphasizing diversifying business by expanding into agricultural machinery business and robotics and automation business. Such development will allow long-term organization capabilities development in production technology and also play an essential role in develop growth in the high potential sectors.

July 2021

SAT1, SAT2 received the Certificate of Honor in zero accident campaign 2021 – bronze level from the Ministry of Labour

October 2021

1. Awards from the Ministry of Labour:

- **SAT1** received the 2021 National Outstanding Prototype Enterprise for Safety, Occupational Health and Work Environment (Gold Level), for 4 consecutive years
- **SAT1** received the 2021 Thailand Labour Management Excellence Awards on Employee relations and benefit, for 16 consecutive years
- **SAT2** received the 2021 National Outstanding Prototype Enterprise for Safety, Occupational Health and Work Environment (Gold Level) for 2 consecutive years
- **SFT** received the 2021 National Outstanding Prototype Enterprise for Safety, Occupational Health and Work Environment (Gold Level) for the 1st year
- **ICP1** received the 2021 Thailand Labour Management Excellence Awards on Employee relations and benefit, for 12 consecutive years
- **ICP2** received the 2021 Thailand Labour Management Excellence Awards on Employee relations and benefit, for 9 consecutive years
- **SBM** received the 2021 Thailand Labour Management Excellence Awards on Employee relations and benefit, for 13 consecutive years

2. Awards from the Ministry of Industry

- **SAT1, SAT2,** and **SBM** received the 2021 CSR-DIW Continuous Awards
- **ICP2** received certification on drug management system in workplace – the 3rd level under the white factory project

November 2021

1. **SAT** received awards from the Stock Exchange of Thailand (SET) together with Money and Banking Magazine:

- Sustainability Awards of Honor
- Outstanding Investor Relations Awards
- Be chosen to be listed as "Sustainable Shares" or Thailand Sustainability Investment (THSI)

2. The Company received the certificate of ethical role model according to the Promotion Program of Virtue Community, Organization, District and Province from Samutprakarn Provincial Cultural Office

September 2021

1. The Extraordinary General Meeting of Shareholders No. 1/2021 approved the business restructure of the Company by changing the nature of business from an operating company to a holding company and transferring partial business to Somboon Forging Technology Co., Ltd.
2. **SAT2** received the certificate of the standard on Prevention and Solution to Drug Problems in the Establishment from Rayong Province

December 2021

1. Bangkok Spring Industrial Co., Ltd. ("BSK"), a subsidiary company whose 99.99 percent of the total issued shares are held by the Company, sell its shares in Nippon Kikai Engineering Co., Ltd. ("NKE") (in total 268,100 shares or equivalent to 50.99 percent of total issues shares in NKE)
2. The Company received the 2021 CAC Change Agent Award from the Thai Private Sector Collective Action Against Corruption (CAC)
3. **SAT** received the 2021 Best Organization to Support Disabled Persons Awards from the Ministry of Social Development and Human Security
4. **SAT2** received the 2021 Thailand Labour Management Excellence Awards on Employee relations and benefit, for 4 consecutive years from Ministry of Labour
5. **SFT** received the 2021 Amata Best Waste Awards (Platinum Level (P1)) from Amata City Industrial Estate, Rayong Province.

Awards from Customers and external organizations for 2021

- The 4th Safety Activity 2021 (Level A): THAI HINO CO-OPERATION CLUB (SFT)
- Thailand Quality Prize Award 2021: Technology Promotion Association (Thailand-Japan) (SBM)
- 2018-2022 Supplier Evaluation Score Both Quality & Delivery 100 Points: ISUZU (SAT)

June 2020

1. The Company and Shenyang Siasun Robot & Automation Co., Ltd. established the Joint Venture Company named Somboon Siasun Tech Co., Ltd. to provide the full system integration services by focusing on automotive and automotive parts, agriculture machinery and machinery industry in Thailand.

2. **SAT1-2** received the Certificate of Honor in zero accident campaign 2020 – bronze level from Ministry of Labor

September 2020

1. Awards from Ministry of Labor:
   - **SAT1, SBM1-2** received the Thailand Labor Management Excellence Awards on employee relations and benefits, for 15 consecutive years.
   - **SAT2** received the 2020 Thailand Labor Management Excellence Awards on employee relations and benefits at a national level.
   - **SBM2** received the 2020 National Outstanding Prototype Enterprise for Safety, Occupational Health and Working Environment (gold level) for the third years.
   - **SBM3** received the Thailand Labor Management Excellence Awards on employee relations and benefits, for 10 consecutive years.
   - **ICP1** received the Thailand Labor Management Excellence Awards on employee relations and benefits, for 10 consecutive years.
   - **ICP2** received the Thailand Labor Management Excellence Awards on employee relations and benefits, for 5 consecutive years.

2. Rewards from Department of Labor Protection and Welfare
   - **SBM3** received the certificate on drug management system in workplace - the 1st level under the white factory project.
   - **ICP1-2** received certification on drug management system in workplace - the 3rd level under the white factory project.

3. **SAT2** received the certificate of the Standard on Prevention and Solution to Drug Problems in the Establishment from Rayong Province.

4. **SBM3, ICP1-2** received the certificate of green industry (Green System) – Level 3 from Ministry of Industry.

August 2020

SAT received the 2020 Role model of Ethical Corporation Award from Project to drive a moral organization.

November 2020

SAT1-2, SBM3 received CSR-DIW Continuous Awards 2020 from Ministry of Industry.

December 2020

1. **SAT** received awards from the Stock Exchange of Thailand (SET) together with Money and Banking Magazine:
   - Thailand Sustainability Investment (THSI)
   - SET Award of Honor - Excellence in Investor Relations 2017-2020

2. **SAT** received award for the 2020 best organization to support disabled persons from the Ministry of Social Development and Human Security.

3. **SFT** received Amata Best Waste Awards 2020 (Platinum Level (P1) from Amata City Rayong, Industrial Estate.

Awards from Customers and external organizations for 2020

- QCD Awards - SILVER: KUBOTA (SAT1)
- The 3rd Safety Activity 2020 (Level A): THAI HINO CO-OPERATION CLUB (SFT)
- Thailand Kaizen Award 2020 (Bronze award): Technology Promotion Association (Thailand-Japan) (SBM3)

Year 2020

Material changes and developments

January 2020

Rewards from Amata City Industrial Estate

- **ICP1** received Amata Best Wastes Management Award 2019 in gold level.
- **SBM3** received Amata Best Wastes Management Award 2019 in platinum level.

September 2019

1. Bangkok Spring Industrial Company Limited made the investment in Nippon Kikai Engineering Company Limited with a total investment value of Baht 69,974,100 as 50.99 percent of total issued shares.
2. Rewards from Ministry of Labor:
   - **SAT1-2, SBM1-3, ICP1-2** received Thailand Labor Management Excellence Awards on employee relations and benefits.
   - **SAT1** received the National Outstanding Prototype Enterprise for Safety, Occupational Health and Working Environment (gold level) for 2 consecutive years.
   - **SBM1** received the National Outstanding Prototype Enterprise for Safety, Occupational Health and Working Environment (gold level) for 4 consecutive years.
   - **SBM2** received the National Outstanding Prototype Enterprise for Safety, Occupational Health and Working Environment (gold level) for 2 consecutive years.
   - **SBM2** received the Certificate of Honor for Safety, Occupational Health and Working Environment Management (gold level).
3. **SAT1-2, SBM3** received CSR-DIW Continuous Awards 2019 from Department of Industrial Works, Ministry of Industry.
4. **SAT1** received the Certificate of Honor for the Project Partnership School Project 100% from Ministry of Education.
5. **SAT1** received Awards praise to the sector supporting to the employment for persons with disabilities.

December 2019

SAT2 received the Standard on Prevention and Solution to Drug Problems in an Establishment from Department of Labor Protection and Welfare.

July 2019

Rewards from Ministry of Labor:

SAT1 received Certificate of Honor in bronze level at the first year 1,301,426 hours by reducing zero accident from work.

SAT2 received Certificate of Honor in elementary level at the first year 958,336 hours by reducing zero accident from work.

October 2019

1. Ms. Napatsorn Kitaphanich, the President, received Outstanding ASEAN Women Entrepreneurs Awards 2019 from ASEAN Women Entrepreneurs Network: AWEN.
2. CAC Change Agent Award, to persuade SME business partners to declare their intention under CAC SME Certification Project more than 10 companies from the Thai Institute of Directors Association.

November 2019

1. **SAT** received Awards from the Stock Exchange of Thailand (SET)
   - Sustainability Awards of Honor, Third Year
   - Thailand Sustainability Investment (THSI)
   - SET Award of Honor-Excellence in Investor Relations 2017-2019
2. To renew the third term of the Certificate to certify member status of Thailand's Private Sector Collective Action Coalition Again Corruption: CAC

Awards from Customers and external organizations for 2019

- The first runner-up Group A: MCC QCC Activity 2019: MITSUBISHI (**SAT1**)
- The third runner-up Group B: THCC QCC Activity 2019: HINO (**SAT2**)
- Winner Group 4: THCC QA Improvement Activity 2019: HINO (**SFT**)
- Winner Group D: THCC QCC Activity 2019: HINO (**SFT**)
- The Best Kaizen: KUBOTA (**SBM3**)
- Certificate of Honor KUBOTA Green Procurement 2019: : KUBOTA (**SAT1**)

Year 2019

Material changes and developments

1.1.3 Spending on the raised fund

-None-

1.1.4 Obligations to which the Company has committed in the registration statement for securities offering

-None-

1.2 Nature of Business

1.2.1 Income structure

The Company and subsidiaries' income structures in 2019, 2020 and 2021 can be classified as followings;

Unit: Million Baht

Products	Operated by	% of share holding	Balance Sheet 2021		Balance Sheet 2020		Balance Sheet 2019	
			Income	%	Income	%	Income	%
Axle shaft	SAT		2,460	28	1,750	29	2,340	29
Disc& Drum Brake	SBM	99.99	1,613	19	1,150	20	1,800	22
Parts of Agriculture Machinery	SBM	99.99	2,045	24	1,390	23	1,570	19
Income from sales of other products and services *			2,480	28	1,593	26	2,296	28
Total income from sales and services			**8,598**	**99**	**5,883**	**98**	**8,006**	**98**
Other incomes**			129	1	144	2	193	2
Total income			**8,727**	**100**	**6,027**	**100**	**8,199**	**100**

Note :
1. * Income from sales of other products and services such as hub, spring shaft, valve, push rod, brackets and other products. The total number of products is more than 20 items including income from joint venture company that are consolidated into the financial statements.
2. ** Other incomes is income that is not generated from direct product sales, for example, revenue from scrap sales and income from dividends received from joint ventures companies, etc.

1.2.2 Products Information

Products of the Company and Its Subsidiaries

Company	Main Product(s)	Vehicle Type(s)	Main Customer(s)
Somboon Advance Technology Public Co., Ltd. (SAT)	Axle Shaft	Pickups	Mitsubishi Motors (Thailand) Co., Ltd. Toyota Motor Thailand Co., Ltd. Isuzu Motors Company (Thailand) Limited Siam Kubota Corporation Co., Ltd. Hino Motors Manufacturing (Thailand) Co., Ltd. DANA INCORPORATED
	Trunnion Shaft	10-Wheeler Trucks	

Somboon Malleable Iron Industrial Co., Ltd. (SBM)	Disc Brake	Pickups & Passenger Cars	Mitsubishi Motors (Thailand) Co., Ltd. Honda Automobile (Thailand) Co., Ltd. Hino Motors Manufacturing (Thailand) Co., Ltd. Isuzu Motors Company (Thailand) Limited Suzuki Motor (Thailand) Co., Ltd. Toyota Motor Thailand Co., Ltd. Siam Kubota Corporation Co., Ltd. GKN Driveline (Thailand) Ltd.
	Drum Brake	Pickups & Passenger Cars	
	Exhaust Manifold	Pickups & Passenger Cars	
	Fly Wheel Comp & Fly Wheel	Pickups & Passenger Cars	
	Bracket	Pickups & Passenger Cars	
	Gear Box	Tractors	
International Casting Products Co., Ltd. (ICP)	Disc Brake	Passenger Cars	Honda Automobile (Thailand) Co., Ltd. Isuzu Motors Company (Thailand) Limited Mitsubishi Motors (Thailand) Co., Ltd. Hino Motors Manufacturing (Thailand) Co., Ltd. Siam Kubota Corporation Co., Ltd. GKN Driveline (Thailand) Ltd.
	Drum Brake	Pickups & Passenger Cars	
	Camshaft	Pickups	
	Fly Wheel	Pickups & Passenger Cars	
	Exhaust Manifold	Pickups	
	Housing Fly Wheel	Tractors	
	Tooling, Jig Fixture and Mold	Internal Use	
Somboon Forging Technology Co., Ltd. (SFT)	Hub Front Wheel	Pickups	Hino Motors Manufacturing (Thailand) Co., Ltd. Valeo Automotive (Thailand) Co., Ltd. Dana Spicer (Thailand) Ltd.
	End Rear Housing	Pickups	
	Pulley	Passenger Cars	
	Bearing Housing	Pickups	

Product and Service Descriptions

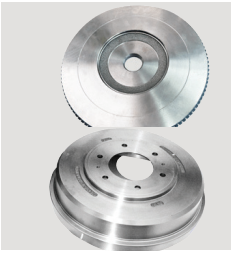
The Products manufactured by the Company and its subsidiaries are as follows:

1. Axle Shaft

Axle Shaft is one of the main products of the Company and its subsidiaries. It is mainly manufactured by SAT and generated about 35 percent of the 2021 total sales revenue of the Company and its subsidiaries. Presently, the Company is the first and the largest manufacturer of the Axle Shaft in Thailand. The product is compatible with 1-ton pickups and large trucks.

An Axle Shaft is a steel shaft that connects from the rear differential to the rear wheel plate on both the left and the right sides of the vehicle to deliver power from the rear differential. This part is designed to use with pickup trucks.

Main customers who have purchased this product are mostly original equipment manufacturers (OEMs), which includes Mitsubishi Motors (Thailand) Co., Ltd., Isuzu Motors Company (Thailand) Limited, Toyota Motor Thailand Co., Ltd., Hino Motors Manufacturing (Thailand) Co., Ltd., and Siam Kubota Corporation Co., Ltd. Moreover, the Products have been exported to Dana (South Africa), Spicer Axle South Africa (SASA), PT. INTI Ganda Perdana (IGP), Indonesia, and DANA INCORPORATED, USA.



2. Disc Brake & Drum Brake

Disc Brake is one of the main products of the Company and its subsidiaries. It is mainly manufactured by SBM. The Disc Brake is a cast iron plate that squeezes the brake pads attached to the brake rod, which holds the front of a disc plate, to stop the wheels from rotating when the brake pedal is pressed. Disc brakes are usually applied to front-wheel drive vehicles. However, some car models can apply disc brakes for all four wheels of the vehicles.

Drum Brake is one of the main products of the Company and its subsidiaries. It is mainly manufactured by SBM. The Drum Brake is another type of brake system which uses brake shoes fitted with brake linings that press against the 'drums' from the inside to stop the wheels from rotating (usually applied to rear wheels).

In 2021, the Company and its subsidiaries have generated 12 percent of the total revenue from Disc Brake and Drum Brake sales. Much of the sales are contributed to the fact that the products can be applied to both pickup trucks and passenger cars. Main customers who have purchased these products are OEMs of automotive operators, which includes Honda Automobile (Thailand), Co., Ltd., Mitsubishi Motors (Thailand) Co., Ltd., Isuzu Motors Company (Thailand) Limited, etc. Additionally, SBM has formulated Sales and Purchase Agreements (SPAs) with these customers annually, which are automatically renewed each year for the duration of the vehicle model's life.

3. Hub Wheel

Hub Wheel is one of the main products of the Company's two subsidiaries, SFT and SBM. SFT's Hub Wheels are designed for use with passenger cars and pickup trucks, while SBM's Hub Wheels are designed for use with commercial trucks. The Company and its subsidiaries have generated 3 percent of the total revenue of Hub Wheel sales in 2021.

The Hub Wheel is the fastening part between the axle and the wheel, which rotates wheel bearings placed on the wheel axis to transmit power from the drivetrain to the wheels. The product can be used in both passenger cars and commercial cars. The main customer of this product for the Company and its subsidiaries is Hino Motor Manufacturing (Thailand) Co., Ltd.

In addition to the above-mentioned products, the Company and its subsidiaries also distribute various other crucial vehicle components, including Trunnion Shafts, Brackets, and other casting products for use in both the automotive industry and the agricultural machinery industry. These products are distributed by SBM and ICP which, among others, add up to a total of over 20 products on the catalog.

Marketing Strategies and Target Customers

1. Marketing Strategies

The Company has been engaging in the automobile parts manufacturing business for more than 59 years. The Company and its subsidiaries are highly respected and trusted by customers for their commitment to customer satisfaction first and foremost as well as their effective marketing strategies that are employed continuously. One of these strategies is the QCDEM strategy, with details as follows:

(1) Q (Quality) - Quality of Products. The Company and its subsidiaries strive to manufacture quality products that meet international standards, with certifications of IATF 16949 and ISO 14001 as proof of this commitment.

(2) C (Cost) - Costs that can meet the needs of the competitive market. The Company and its subsidiaries have efficient cost management and cost improvement policies to maintain a competitive cost level in the market.

(3) D (Delivery) - On-time delivery. The Company and its subsidiaries have developed an efficient logistics system through implementing the Enterprise Resource Planning System (ERP) which allows the Company to meet the customers' demands for a 100 percent on-time delivery.

(4) E (Engineering) - Engineering Capabilities. The Company and its subsidiaries strive to expand their engineering capabilities in various fields such as designs, tooling manufacturing, and continuous engineering assessment methods. Moreover, the Company and its subsidiaries have also formed a business partnership with the Technical Assistance (TA) from Japan, which will ensure that the products are manufactured with excellent quality constantly through intensive technology knowledge.

(5) M (Management) - ManagementCapabilities.TheCompany and its subsidiaries possess management capabilities that can meet the rising competition in the business as well as the current economic conditions by employing new and innovative concepts and having an efficient Risk Management Department which improves itself constantly

2. Target Customers

(1) Original Equipment Manufacturer ("OEM")

The current main customers consist of Japanese automakers within Thailand, which include Mitsubishi, Toyota, Honda, Isuzu, Nissan, and Hino, among others, as well as international customers such as South Africa, Indonesia, and the United States. The Company and its subsidiaries have a policy of increasing customer satisfaction by focusing primarily on the "QCDEM" strategy as detailed above. Currently, the sales volume is approximately 73 percent of total sales revenue.

(2) Replacement Equipment Manufacturer ("REM")

The Company and its subsidiaries have conducted business with customers who are major spare parts suppliers which have a long history and are well-known among retail spare parts stores in Thailand, such as Yongkee Co., Ltd. One of the main products distributed in the REM market is the Trunnion Shaft. Currently, the sales volume is approximately 0.1 percent of total sales revenue.

(3) Agriculture Machine

The Company and its subsidiaries have expanded their business from the automobile parts industry to engage in the agricultural machinery market, which is highly relevant to the agricultural industry – one of the crucial industries of Thailand. A major customer that the Company and its subsidiaries have conducted business with is Siam Kubota Corporation Co., Ltd., which the Company and its subsidiaries have assembled farm tractors and harvesters under the KUBOTA trademark for distribution. Currently, the sales volume is approximately 26 percent of total sales revenue. In addition, the Company and its subsidiaries also produced other parts for Siam Kubota Corporation Co., Ltd. other than farming vehicles, which generated about approximately 1 percent of total sales revenue.

Policy research and development

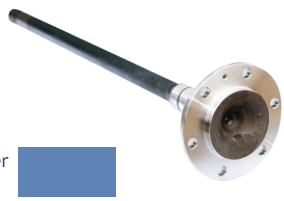
In 2021, the Company had an expense in research and technological development for process and material that have applied for existing and prepared for potential products in the future at the total amount of 25 Million Baht, in which the research and technological development can be categorized as follows;

1. Applied research is the study and research into findings of new knowledge with primary objectives or purposes to put the research results into beneficial use in any one of the practices such as Additive manufacturing (3D Printing) application of composite material for spare part, metallic material with advance heat treatment knowledge such as the Carburizing process for new product. This is for supporting the automotive industrial change especially lightweight technology requirement etc.

2. Experimental development is a systematic study by bringing the existing knowledge to develop both material and manufacturing process to enhance the quality of products and get cost competiveness advantage for steel and cast iron products. For example, the cost reduction of raw material for forging products by changing the material sources/co-developing with the steel suppliers together with the internal process development supporting various of raw material quality level usage, the natural frequency improvement of disc brake product by applying research and development to maintain the reasonable manufacturing cost and still maintain cost competitiveness advantage etc. However, experimental development does not include the regular changes according to the duration of the products, production system, production process, services or other operations that are underway although this change would lead to a progress.

Market Share

Rear Axel Shaft



Hub Wheel

Disc Brake
Drum Brake

Industrial Conditions and Competition

In 2021, the Company's vehicle production was at 1,685,705 units, increasing by 18 percent from 2020. The production is divided into domestic sales of 759,119 units (decreasing from 2020 by 4 percent) and exports of 959,194 units (increasing from 2020 by 30 percent). However, the Company did not meet the domestic sales target defined with the Federation of Thai Industries (FTI) due to several COVID-19 outbreaks in 2021 which has resulted in a mid-year lockdown, affecting the country's industry. However, the overall industry has improved towards the end of the year and that new semiconductors and parts allowed the Company to resume its productions from November onward.

Vehicle Production in Thailand

Year	Passenger Car (unit)	Pickup truck (unit)	Commercial vehicle (unit)	Total Commercial Vehicle (unit)	Total (unit)	Growth (%)
2014	742,678	1,114,778	22,551	1,137,329	1,880,007	-23.39
2015	760,688	1,115,818	36,496	1,152,314	1,913,002	1.76
2016	805,033	1,102,816	36,568	1,139,384	1,944,417	1.64
2017	818,440	1,130,058	40,325	1,170,383	1,988,823	2.28
2018	877,015	1,250,483	40,196	1,290,679	2,167,694	8.99
2019	796,304	1,176,976	40,430	1,217,406	2,013,710	-7.10
2020	537,633	861,553	27,888	889,441	1,427,074	-29.13
2021	594,690	1,050,202	40,813	1,091,015	1,685,705	18.12

Source: Thai Automotive Industry Association (TAIA)

The main factor which affected the automotive industry in 2021, which includes both domestic production and exports, is the COVID-19 pandemic. The pandemic started in 2020 and has been rising ever since, resulting in Thailand declaring a lockdown during mid-2021. This led to consumers canceling their bookings due to the unsafe circumstances at the time. Additionally, other relevant industries are also affected by the impact of the pandemic, which led to a shortage of semiconductor parts that are crucial components of a car. The Company's logistics are also affected, with transportation problems due to insufficient shipping containers to meet demands, which in turn led to delays in the car manufacturing process and limit the production value. These negative conditions have contributed to a decreased performance in Thailand's overall automotive industry, and despite the situation improving in 2021 and allowing the Company to resume its production, the production output is still lower than the outputs before the pandemic began. However, the Company has achieved better success in the agricultural machinery industry, which is crucial to Thailand's water supply, which led to much better growth in agricultural machinery production in 2021.

Raw Materials and Services

The primary raw material used in the Company and its subsidiaries' production lines are steel, which is divided into the following:

(1) Steel purchased from overseas. The Company and its subsidiaries will purchase steel that cannot be produced within Thailand directly from international manufacturers or place an order through domestic distributors. Steel belonging to this category includes a high carbon steel round bar, spring steel flat bar, spring steel round bar, or any other type of steel that the customers determined. The purchased steel will be carefully specified from selected source manufacturers to control the steel quality. Steel belonging to this type approximates about 60 – 70 percent of total primary raw material.

(2) Steel produced domestically. Steel scrap is another important raw material that is purchased from domestic operators and customers who are also automakers and/or owners involved in the automobile business. Steel belonging to this type approximates about 30 – 40 percent of total primary raw material.

The Company is constantly forming new partnerships with domestic and international steel manufacturers to reserve raw materials of good quality as specified by customers. This is to ensure that the cost used to restock raw materials remains competitive in the market and offer alternative and diverse steel sources for potential customers looking for a more competitive steel price.

As a result, the Company has more options to procure raw materials to meet customers' needs and in turn, increase its competitiveness in the market both in terms of quality and price. The Company continues to foster business relationships and product developments with its current partners. In addition to raw material quality and options, the Company is also interested in improving its product quality, lowering its costs, and reducing environmental impact, which is achieved by taking social responsibility and participation into account. Additionally, the Company constantly exchanges information and requests technical support from local and international manufacturers affiliated with the Company to ensure that the Company can anticipate new trends in the market and adjust its strategies accordingly. This ensures that the Company does not suffer from the raw material shortage issue which can negatively affect the Company's performance. Finally, the Company has established anti-corruption policies and employed them in conjunction with material procurement policies.

Undeletened tasks

-None-

Capacity

Companies and Subsidiaries There is capacity and capacity load classified by product as follows:

product	company	Capacity year 2021		Capacity year 2020		Capacity year 2019	
		Unit	Rate % Use of force	Unit	Rate % Use of force	Unit	Rate % Use of force
Axle Shaft	SAT	3,760,000	83	3,760,000	73	3,600,000	84
Turning Product Range (For Auto Part)	SBM	3,277,710	82	2,422,617	73	3,740,682	69
Turning Product Range (For Agriculture Machinery Part)	SBM	2,489,055	92	1,735,124	83	1,722,068	82
Casting Product Range (For Auto Parts and Agricultural Machinery Part)	ICP	53,810 (tons)	100	37,775 (tons)	65	53,905 (tons)	92
General Forging Part	SFT	3,326,400	50	3,326,400	41	3,360,000	44
Trunnion Product Range	BSK	2,243 (tons)	96	-	-	-	-

Remark :

- Capacity is calculated from Operation Time 500 hours per month, except for Axle Shaft products and General Forging at 550 hours per month.
- SBM3 P1 Split in Section To 2 Parts Group Agricultural Machinery and Auto Parts
- Casting capacity calculated from Operation Time 564 hours per month
- Bangkok Spring Industrial Co., Ltd. ("BSK") starts production on 1 April 2021, ends production 31 January 2022

Operating Fixed Assets

Operating Fixed Assets for the Company and subsidiaries as at 31 December 2021 Details are as below:

Operating Fixed Asset (Unit : Million Baht)		Proprietary Right	Net Book Value As at 31 December 2021	Type of Ownership or Obligation
Land	Tambol Bangchalong, Amphur Bangplee, Samutprakarn			
	1. 102-6-78.7 Rai	Owner	115.62	
	2. 8-2-49.5 Rai	Owner	39.67	
	Tambol Tasit, Amphur Pluak Daeng, Rayong			
	1. 21-3-76.9 Rai	Owner	38.40	
	Tambol Mabyangporn, Amphur Pluak Daeng, Rayong			
	1. 50-4-02 Rai	Owner	143.24	
	2. 16-2-20 Rai	Owner	33.21	-
	3. 63-3-91 Rai	Owner	108.56	
	4. 25.34 Rai	Owner	47.01	
	5. 7.55 Rai	Owner	13.71	
Buildings and other constructions		Owner	631.04	-
Machinery and factory equipment		Owner	1,705.53	-
Office furniture, fixtures and equipment		Owner	27.97	-
Vehicle		Owner	10.27	-
Right-of-use assets		Owner	154.86	-
Total			**3,069.09**	-

Summary of Technical Assistance Agreement

The Company and subsidiaries have entered into and renewed the Technical Assistance Agreement with the specialist company who having internationally recognized technology, with the following details:

Company	Counterparty	Effective Date	Expiring Date	Assistance Process
The Company	Gohsyu Corporation	13 July 2019	12 July 2024	Forged Steel Production Process
	Ibara Seiki Co., Ltd.	10 March 2020	9 March 2023	Machining Process
SBM	*Ibara Seiki Co., Ltd.	1 January 2022	31 December 2024	Machining Process
ICP	Takeda Casting Corporation	10 June 2020	31 December 2022	Casting Process
ICP	* Kageyama Industrial Co., Ltd.	1 January 2022	31 December 2024	Manufacturing of molds for steel casting process
SFT	Gohsyu Corporation	1 March 2018	28 February 2023	Forged Steel Production Process

Remark :
*Renewed Agreements of year 2022

The Company and subsidiaries recognize the importance of using technology to enhance competitiveness and customers' trust. Therefore, the Technical Assistance Agreements are renewed continuality with the abovementioned parties, who specialized in technology of manufacturing process that meet the international standard and be acceptable by the Original Equipment Manufacturer. The Company and subsidiaries are continuing to receive technology transferred from specialist companies to increase potential of internal employees; reduce their reliance on external technologies; and focus on building their own technology. At the same time, the Company and subsidiaries are also looking for companies that provide new technologies developing future production processes and products.

Investment Policy and Management in Subsidiaries, Associates and Joint Ventures

Subsidiaries

The Company has long-term investments in subsidiaries, all of which are manufacturers of auto parts. The investment proportion are 99.99, 99.99, 99.99, and 99.99 percent of total shares respectively. Total investment values under the cost method as at 31 December 2021 were equal to 3,792 million Baht, Details are as follows:

Direct Subsidiaries	Type of Business	Paid-up Capital (Million Baht)	Investment value under the cost method (Million Baht)
SBM	Manufacture and sale of auto parts	500.00	875.99
BSK	Manufacture and sale of auto parts	130.00	519.99
ICP	Manufacture and sale of auto parts	785.00	796.03
SFT	Manufacture and sale of auto parts	1,600.00	1,600.00
Total			**3,792.01**

Currently, the Company has long-term investments in 4 subsidiaries. After the public offering and being listed on the Stock Exchange of Thailand, the Company still has the policy to maintain the shareholding ratio in these 4 subsidiaries

Indirect subsidiary

The Company used to have long-term investment in an indirect subsidiary that manufactures and assembles machinery, automatic equipment and parts. A subsidiary of the Company had invested in 51.00% of total shares. The investment value under the capital method as at December 31, 2021 was equal to 0 Baht because during the year 2021, the subsidiary sold its investment in NKE, which was an indirect subsidiary. Therefore, the status of an indirect subsidiary is terminated.

Company	Main Business	Paid-up Capital (Million Baht)	Investment value under the cost method (Million baht)
NKE	Manufacture and assembly of machinery, automatic equipment and parts	52.57	-

Since the Company invests 99.99 percent of each subsidiary's total shares, the Company is able to control management and set the direction of the subsidiaries to be in line with the Company's. Currently, Board of Directors of SBM, BSK, ICP, and SFT have 4 committees, 3 of whom the Company assigned to manage BSK, SBM, ICP and SFT: Mr. Yongyuth Kitaphanich, Mr. Yongkiat Kitaphanich, and Ms. Napatsorn Kitaphanich. In addition, SAT, BSK and SBM allowed one representative committee to sit in the BOD of the associates, joint ventures, and other related companies, as follows:

Associates and Joint Ventures

As at 31 December 2021, The Company and its subsidiaries have investments in associates and joint ventures as follows:

Company	Type of Business	Paid-up Capital (Million Baht)	Ownership Interest (%)	Investment value using the cost method (Million Baht)	Investment value using the equity method (Million Baht)
Yamada Somboon Company Limited	Manufacture and sale of auto parts	150.00	20.00	30.81	503.04
Tsuchiyoshi Somboon Coated Sand Company Limited	Manufacture and sale of plastic coated sand and dry sand	72.00	21.25	15.30	53.70
Total				**46.11**	**556.74**
Joint Ventures	**Type of Business**	**Paid-up Capital (Million Baht)**	**Ownership Interest (%)**	**Investment value using the cost method (Million Baht)**	**Investment value using the equity method (Million Baht)**
Mubea Somboon Automotive Company Limited	Manufacture and sale of auto parts	701.00	50.00	350.50	363.43
Somboon Siasun Tech Company Limited	Provide service and consultation in system design including engineering system and automation system integration development	30.00	50.00	15.00	12.82
Total				**365.50**	**382.24**

As of 31 December 2021, Yamada Somboon Company Limited has an investment value under the equity method of 503.0 million Baht and share of profit for the year 2021 of 43.8 million Baht. The information is calculated from the financial statements for the year ended as at 31 December 2021, audited by the auditor of Yamada Somboon Company Limited.

As of 31 December 2021, Tsuchiyoshi Somboon Coated Sand Company Limited has an investment value under the equity method of 53.7 million Baht and share of profit for the year 2021 of 2.0 million Baht. The information is calculated from the financial statements for the year ended as at 31 March 2021, audited by the auditor of Tsuchiyoshi Somboon Coated Sand Company Limited and the financial statements for the nine-month period ended as at 31 December 2021, which were prepared by the management and not audited by the auditor.

As of 31 December 2021, Mubea Somboon Automotive Company Limited has an investment value under the equity method of 363.4 million Baht and share of profit for the year 2021 of 22.3 million Baht. The information is calculated from the financial statements for the year ended as at 31 December 2021, audited by the auditor of Mubea Somboon Automotive Company Limited.

As of 31 December 2021, Somboon Siasun Tech Company Limited has an investment value under the equity method of 12.8 million Baht and share loss for the year 2021 of 2.2 million Baht. The information is calculated from the financial statements for the year ended as of 31 December 2021, audited by the auditor of Somboon Siasun Tech Company Limited.

Related Companies

As of 31 December 2021, the subsidiary has other long-term investments in related companies with details as follows:

Related Companies	Business	Paid-up Capital (Million Baht)	Ownership Interest (%)	Investment value (Million Baht)
Nisshinbo Somboon Automotive Company Limited	Manufacture and sale of auto parts such as brake system	732.60	2.90	21.25
Somboon Somic Manufacturing Company Limited	Manufacture and sale of auto parts such as ball joint, bows, and Tie Rod End	300.00	1.80	5.40
Tron Energy Technology Company Limited	Manufacture and sale of electric vehicle platform, battery pack, electrical system integration, and automotive automatic system	5,416.00	0.83	45.10
Total				**71.75**

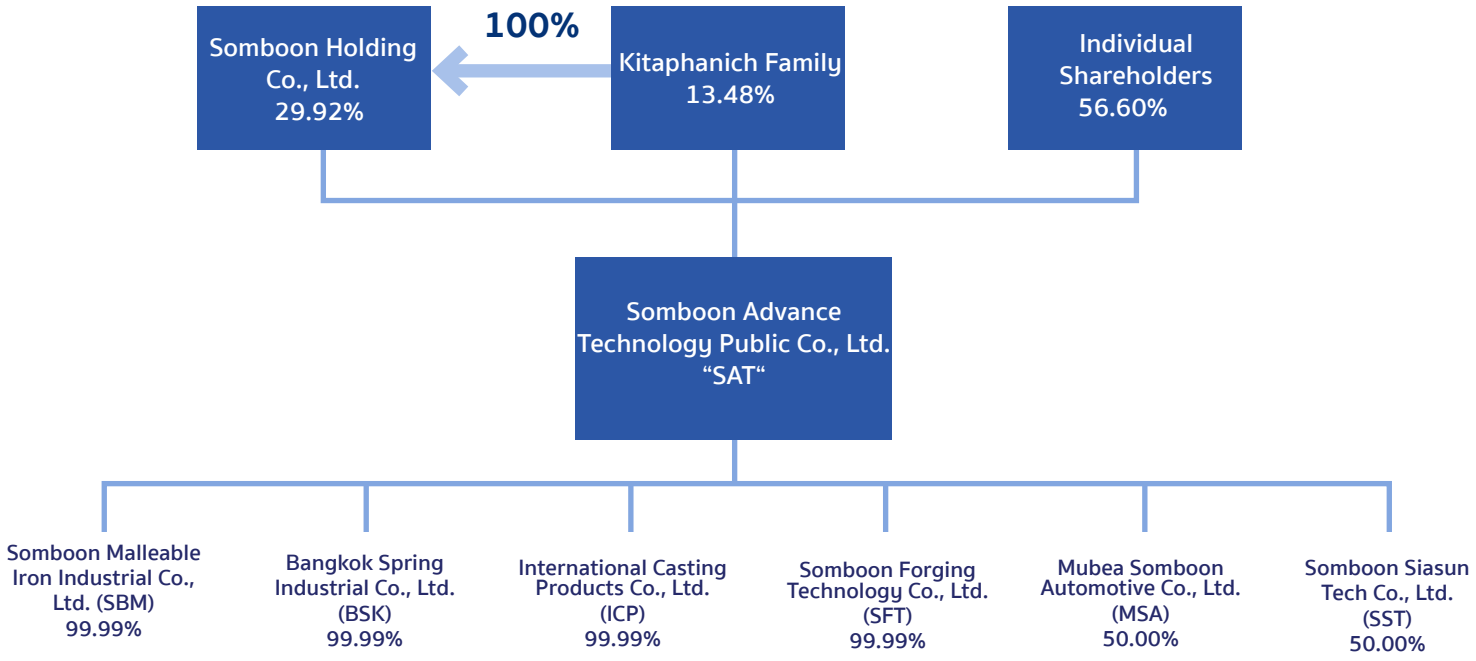
1.3 Shareholding Structure

1.3.1 Shareholding structure of the group of companies

The Company and subsidiaries has been engaging in the manufacturing of auto part for vehicle industry such as passenger car, pick-up, trucks and agriculture machinery industry. The main major customers are the original equipment manufacturer ("OEM") both domestic and international market with the long term purchase contract and the replacement equipment manufacturer ("REM").

The operation of each company in the group has the policy to grow together with customers, focus on creating values to the organization and stakeholder with differential products. In term of operation, each company shall operate its business in the business unit ("BU"). The Board of Directors shall stipulate the overall policy to be applied to each company in the group which all executives in each function shall directly report to the President. Each company has set goal, strategy and follow up with the result by the Executive Meeting regularly.

The shareholding structure of Somboon Advance Technology Public Company Limited
March 8th, 2022



Tsuchiyoshi Somboon Coated Sand Co., Ltd.* 21.25%

Yamada Somboon Co., Ltd.* 20.00%

Nisshinbo Somboon Automotive Co., Ltd.* 2.90%

Somboon Somic Manufacturing Co. Ltd.* 1.80%

Remarks :

1. *No persons who may have conflict of interest are holding shares in the related companies exceeding 10%.
2. Bangkok Spring Industrial Co., Ltd. ("BSK") sell its shares in Nippon Kikai Engineering Co., Ltd. ("NKE") on December 16, 2021.

1.3.2 In the case where a person with a potential conflict of interest holds shares of a subsidiary or associated company at an amount exceeding 10

- None -

1.3.3 Shareholders

The first top 10 major shareholders of the Company as of March 8, 2022 are as follows:

	List of Shareholders	Number of Shares	Percentage
1.	SOMBOON HOLDING COMPANY LIMITED	127,202,750	29.92
2.	KITAPHANICH FAMILY	57,326,737	13.48
3.	THAI NVDR COMPANY LIMITED	51,231,798	12.05
4.	NORTRUST NOMINEES LTD-CL AC	7,093,530	1.67
5.	MUANG THAI LIFE ASSURANCE PUBLIC COMPANY LIMITED	5,286,700	1.24
6.	THAI LIFE INSURANCE PUBLIC COMPANY LIMITED	4,486,300	1.06
7.	MR. KIATTISAK TRITRUENGTASSANA	4,430,000	1.04
8.	BBHISL NOMINEES LIMITED	4,207,800	0.99
9.	K MID SMALL CAP EQUITY RMF	3,717,900	0.87
10.	KKP EQUITY RETIREMENT MUTUAL FUND	3,362,900	0.79

Limitation of Foreign Shareholder

The foreign shareholders can hold the shares of the company not exceeding 49 percent of total issued and paid-up shares. As of March 8, 2022 the foreign shareholders held 7.19 percent of total shares.

1.4 Amounts of registered capital and paid-up capital

1.4.1 Common shares

The Company has a registered share capital of Baht 425,193,894, of which Baht 425,193,894 have been fully paid, divided into 425,193,894 ordinary shares with a par value of Baht 1 per share.

1.4.2 Other types of shares which different rights or conditions than ordinary shares

- None -

1.4.3 Shares or Convertible Securities of the Company for underlying securities to issue Thai Trust Fund

- None -

1.5 Issuance of other securities

1.5.1 In the case where the Company issued convertible securities

-None-

1.5.2 In the case where the Company has debt securities

-None-

1.6 Dividend policy

The Company has a policy to allocate the annual profit for the annual dividend distribution, taking into account the following conditions:

(i) its operational results turn out to be a profit,

(ii) there remain no accumulated losses,

(iii) the cash flow is sufficient for dividend payment, and

(iv) whether there is a future plan of any investment projects. It is a policy of the Company to pay dividend at a minimum rate of 30 (thirty) percent of its net profit after tax and legal reserve. However, a dividend payment partly depends on the Company's investment and finance plans.

Subsidiaries policy dividends will be determined by the factors mentioned above as well.

Details of the dividend in the past 5 years (Unit: Baht)

Details of dividend payment	Year 2021 (Proposed year)	Year 2020 (Previous year)	Year 2019	Year 2018	Year 2017
1. Net profit (Baht)	952,650,017	371,201,647	894,639,797	915,596,702	811,240,893
2. Number of shares	425,193,894	425,193,894	425,193,894	425,193,894	425,193,894
3. Dividend pay out Rate per share (Baht : Share)	1.50	0.60	1.35	1.35	0.90
4. Total amount of dividend (Baht)	637,790,841.00	255,116,336.40	574,011,756.90	574,011,756.90	382,674,504.60
5. Dividend pay out against net profit after tax (Percentage)	66.95	68.76	64.16	63.00	47.17

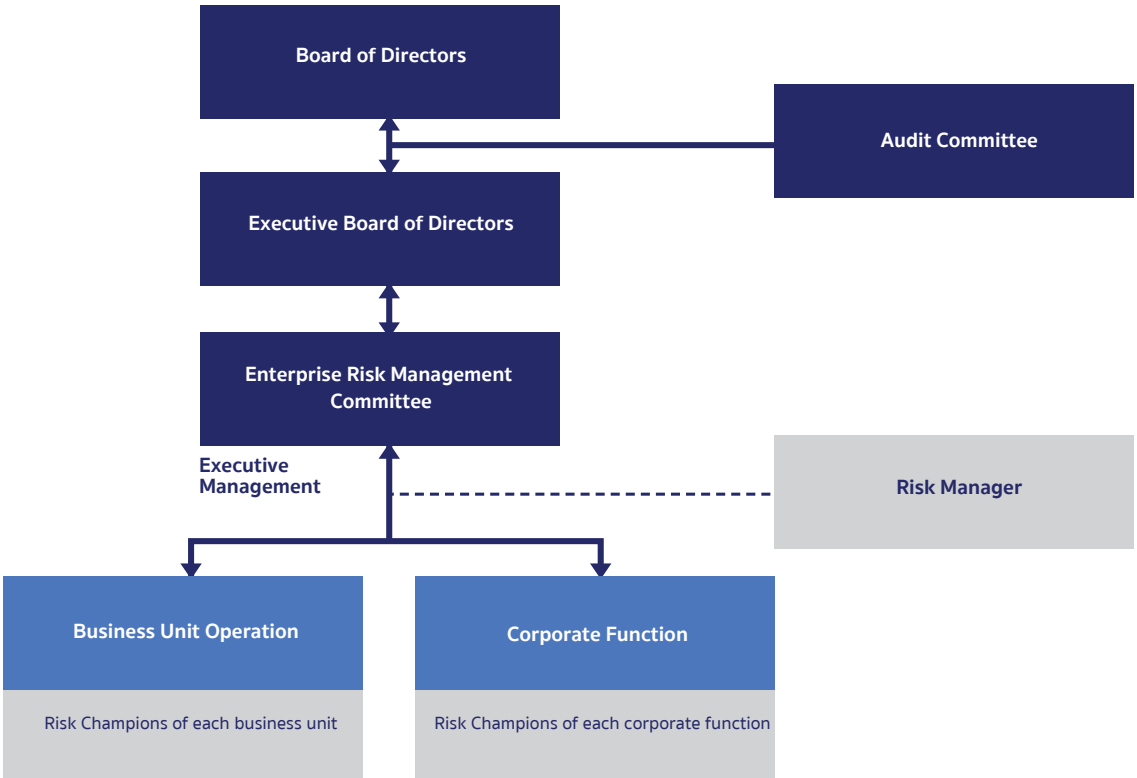
2. Risk Management

2.1 Risk management policy and plan

Somboon Group is well aware that the current business operations is facing rapid changes in the business context and; therefore, has adopted risk management system under the global standard of COSO ERM 2017 as part of corporate governance to control and minimize impact from risk within acceptable level. Risk management has helped the Company appropriately address the expectation of all key stakeholders, especially customers, employees and suppliers/partners, with the goal of achieving the organization's objective and sustainable growth.

Risk management structure

Somboon Group has risk management system integrated with corporate strategic planning and business planning to ensure that the system is implemented throughout the organization with effectiveness and efficiency. The Company has organized risk management structure as follows:



Remark: Risk Management Unit is operating under Department of Corporate Strategy and Sustainability Development

1. The Policy Risk Management Committee (BOD and Ex-BOD) is responsible for defining the risk policy and approving the Risk Appetite, overseeing the implementation of the organization's risk management policies and strategies, and defining the risk management structure. The BOD appoints an enterprise risk management committee and follow up on the performance of the Enterprise Risk Management Committee.

2. The Enterprise Risk Management Committee (ERM) is responsible for defining the enterprise risk management strategy and the risk appetite to propose to the Policy Risk Management Committee for consideration. ERM also defines processes and measures for enterprise risk management and follow up on risk review and reporting to the Audit and Corporate Governance Committee including the appointment of a functional risk management (FRM) working group as appropriate.

3. The Functional Risk Management Committee (FRM)) is responsible for identifying risks, assessing risks, preparing a risk treatment plan, and determining the responsible person. Also, FRM has its role in monitoring and reporting on functional risk management results to align with the Company's policy.

4. The Audit and Corporate Governance Commitee is responsible for overseeing effectiveness of risk management system of the organization, reviewing risk management performance, and providing suggestions to BOD, Ex-BOD, or ERM committee to improve the overall implementation of the organization's risk management process.

Building Risk Culture

An effective risk management system is an essential tool for corporate governance to achieve organizational objectives. The creation of corporate risk culture is a key component to the success of risk management.

The Board of Directors and the Executives of Somboon Group emphasize participation and implementation of the risk management framework by using as a tool for defining strategy and risks in achieving its target. This would enhance the quality of decision making and promote a good risk culture. There are ways to build risk culture as follows:

- Review policy regarding enterprise risk management and risk appetite on annual basis and communicate to management and all level including all units in the organization. This is to create awareness on importance of risk management and to develop participation for the responsibility toward risk management, including implementation of risk management policy to be part of the operation by using as guideline for decision making and planning.
- Determine process to consider risk as integrated part of strategic planning and business plan, including cascade risk appetite to functional or strategic projects level.
- Conduct risk maturity assessment with external consulting to determine roadmap for development of enterprise risk management process.
- Promote integration between functions according to the concept of Three Lines of Defense and define roadmap to develop risk champions of each functions to be representative in coordinating and monitor implementation of risk management plan.
- Promote policy on skills and knowledge development regarding risk management or set requirements to pass certified training related to risk management in working level for executive and all level of employees appropriately and effectively.
- Develop standard risk database to use in gathering and organizing risk inventory.

Stages of Risk Management Maturity

2.2 Key Risk Factors Affecting Business Operations

2.2.1 Risks in Business Operations

Somboon Group has conducted analysis on business environment both internal and external factors including economic outlook, industry, technology, competition, and other future trends to identify and asses risk that might affect performance and the ability to achieve objective of the organization. Risk management plan has been organized in order minimize impact of the risk that might occur. In 2021, Somboon Group has conducted assessment and management plan of risk in key areas as follows:

Strategic Risks

(1) Risks from competition and requirements of customers

Currently, the competition within the industry has been increasing mainly in cost, technology and changes in customers' requirement which has led to uncertainty in the performance of Somboon Group. Therefore, the Company has defined guidelines in risk management to minimize impact by focus on cost reduction activities, especially in raw material development, quality improvement of production process by implementing technology and automation system to improve productivity and reduce waste, and customer relation management in all level to retain confidence from customers. Moreover, the Company.

(2) Risks from implementation of corporate strategy

Changes in business environment, customers' needs, and rapid technological advancement might have impact on current business operations and new business opportunity in the future. Therefore, the Company has defined guidelines for reviewing strategic direction and business plans both short-term and long-term on annual basis to align with changes of economic direction, social trend, and technology as part of the global mega trend and the policy of the Thai Government. Strategic direction of the Company in 2021 focuses in creating business growth in new products and new customers including growth through business partnership in exploring opportunities to develop market and competitiveness to prepare for new business.

Operational Risks

(1) Risks related to human resource management and human resource development to prepare for business growth

Organization structure and readiness of personnel in key positions have impact on business continuity that might face interruption from external factors. The Company has developed plans to adapt to major changes, including recruiting and capabilities development for succession planning in key positions. Moreover, the Company has developed network with educational institution, changed working process in organization, developed competencies and created appropriate incentive to attract and retain key talents with the Company as preparation for new business.

(2) Risks from the situation of COVID-19 pandemic

The prolonged COVID-19 pandemic that occurred in 2021 posed risk to health and safety of the employees coming into work at the Company's premise and could lead to business interruption. The Company prepared for the COVID-19 situation by closely monitoring and assessing of the situation on regular basis to minimize the possibility of infection and outbreak among the personnel within the organization. Moreover, the Company has also developed several protocol to prevent the outbreak including "Bubble and Seal", active case finding by using Antigen Test Kit (ATK), and encourage vaccination of employees.

Financial Risks

(1) Risks from price volatility of raw material (for production)

Price volatility of raw material, especially steel which is the main raw material for production, can cause uncertainty in cost and financial performance of the Company. Therefore, the Company has defined guidelines for risk mitigation by including terms and conditions in purchase agreement and regular monitoring with customers to adjust product prices in line with the changes of steel prices.

Compliance Risks

(1) Risks from changes in laws, regulations, and law enforcement related to the industry

The impact of non-compliance to laws and regulations can cause damage to reputation of the Company, legal punishment or penalty from government agencies or industrial estate. Therefore, the Company defined guidelines to study and review laws and regulations related to business operations on regular basis or when there is any significant changes, develop policies to support changes in regulations, and assign accountable persons or committee to take action as necessary.

Risks related to Environmental, Social and Governance (ESG)

(1) Risks from climate change and natural disaster

1.1 Physical risk from global warming that causes climate volatility and natural disaster such as drought or flood can affect business operations and cause business interruptions with damage. The Company has defined guidelines to mitigate such risk by reviewing and preparing emergency plan if critical situation or crises occurs and also reviewing Business Continuity Plan (BCP) with assigned accountable persons and regular rehearsal of the plan.

1.2 Transition risk can occur from changes in changes in policy, technology, operating rules and can cause higher energy consumption related to increased production costs from policy of taxes or tariffs on goods at the destination country of export creates. This can lead to a risk of increasing price competition (Carbon border adjust Mechanism, Carbon Tax). Legislation by the state to provide annual Carbon Footprint organization reports raises the risk of increasing expense from hiring experts and audit procedure. Transition risk can also lead to risk of customers demanding more Low Carbon products. Moreover, the Company has set target to reduce greenhouse gas emission in 2021 by 6% from 2020 and review long-term goal of roadmap, with a plan to increase the use of renewable energy by 5% of total energy usage. In addition, the Company has organized carbon footprint registration at organization level to manage high emissions points and submit information to the government. The Company has also developed carbon footprint products report for communication to customers and in cases where it is used as a reference for exporting products to countries that requested such report.

(2) Risk in human rights

Human rights risk monitoring and assessment is important because can occur in several aspects, such as the use of illegal labor, unfair employment conditions, etc. The consequences of which may lead to legal complaints, suspension of license to operate, or reputational damage. The Company currently has a mechanism to continuously monitor and assess human rights risks to comply with the requirements of relevant agencies. Examples include honor and compliance with labor rights, honor and compliance with human rights and relevant stakeholders, etc. In addition, the Company has set a policy not to employ illegal foreign workers and no human rights violation case has been occurred thus far.

(3) Risk in PDPA

Personal data is a risk that the organization must manage appropriately as it is data that a scammer or malicious person may misuse if the data authority fails to protect it which can cause impact credibility of the organization. The Company recognizes the importance of protecting the personal information of employees, customers, and stakeholders that has been collected, used, disclosed, and transferred. Therefore, the Company has established a personal data protection policy with objective to tighten the security measures of the Company's information systems and cybersecurity. The Company has also adopted data security standards for the operation to be consistent with Personal Data Protection Act (PDPA), such as appointing a Data Protection Officer (DPO), establishing a system for collecting personal databases in all channels (Cookie and Consent Management), etc.

2.2.2 Risks of securities holder in investment of the Company

Risks of Uncertain Returns on Investment for Shareholders

SAT share price depends on the Company's performance and creation of long-term growth, which are affected by several factors, such as:

- Thailand automotive production
- Thailand agricultural machinery production.
- Change in government policies, regulations, requirements, or terms that affects automotive and agricultural machinery industries.
- Economic situation, crisis, or abnormal situation such as COVID-19 pandemic.

These factors could affect the performance of the Company and hence, share prices.

Risk from Dividend Affordability Below Investors' Expectation

SAT dividend affordability is subject to several factors such as maintaining cash flow for operating activities, normal capital expenditure and investment budgets that support SAT's business growth etc. These factors affect the cash level that is used for dividend payment for shareholders. However, SAT's dividend policy is to have minimum rate of dividend payout ratio at 30% of net profit after deducting all reserves under the law and the Company's policy.

2.2.3 Foreign investment risk (in case the issuer is a foreign company).

- None -

2.2.4 Emerging risks

(1) Cyber security risks

Currently, information technology has improved efficiency of business operations in storing data and coordinating various working process across organization which has helped business transaction to be completed more swiftly. However, information technology system can also become key factors to cause business interruption should the system is malfunctioned or threatened to be attacked for stealing data or overriding the system. This is under the definition of cybersecurity risks. Somboon Group has considered safety of information from all key stakeholders including customers, employees, raw material suppliers, and other related parties. Therefore, the Company has defined policy for safety of information technology by implementing mechanism to prevent hacking into system and data that can cause damage to business, increasing safety to information technology of the organization, and planning for mitigation in case potential cybersecurity should occur. Moreover, the Information Technology division has assessed the risk with relevant key risk indicators and reported to Enterprise Risk Management Committee on monthly basis in order to ensure that cybersecurity risk is mitigated efficiently and potential negative impact to the organization and business opportunities is minimized.

(2) Business model resilience risk of transition to xEV (Business model resillience)

The ongoing global campaign to reduce greenhouse gas emission is a major driving force to accelerate transition of automotive industry into xEV more rapidly and might have impact on business operations and performance. As a result, the Company has direction to mitigate risk and minimize impact to an acceptable level by reviewing strategic direction and business plan both short-term and long-term on annual basis, monitoring and studying technology trend of product development regularly, and exploring business opportunities that can leverage from current capabilities to build confidence from customers and long-term competitiveness of the organization. Moreover, the Company also has strategic direction to develop new business in order to diversify risk and create sustainable growth.

3. Business sustainability development

3.1 Sustainability management policy and goals

In 2021, Somboon Group will continuously work on sustainable development to drive the organization along with the rapidly changing global context with sustainability. This approach will be an excellent immunity to the organization, including the management of risk management principles to manage the crisis of the COVID-19 outbreak.

The Company focuses on driving business with incorporated development principles and sustainability goals into business strategies enabling sustainable development to develop continuously in all dimensions. As a result, the Company received an Award from the Stock Exchange of Thailand as Sustainability Awards of Honor for six consecutive years and Thailand Sustainability Investment Listed (THIS) seven successive years.

Management approach

The Company has a strategic plan for sustainability development by applying the sufficiency economy principles; the 17 United Nations Sustainable Development Goals (SDGs) and ESG Strategic, which consist of environmental, social, and governance dimensions. Adapted to the organization's core strategy in "Somboon Triple Bottom line."

Sustainability Management Performance 2021

Long Term Goal (2018 - 2023)

SMART PEOPLE

	Goal 2021	Performance, 2021	
Hours of good deeds	9	9.4	ours/ person/ year
Hours of training	14	12.44	hours/ person/ year

BUSINESS TRUST

	Goal 2021	Performance, 2021	
Partners declare their intentions with CAC	100%	92%	of the target group
Employee turnover rate	less than 10%	less than 8.24%	
Lost time employee injury rate	0 %	0.42%	
Customer satisfaction assessment	100%	94%	
GHG release from process	decresase 6%	decresase 13.22%	from the base year (2018)

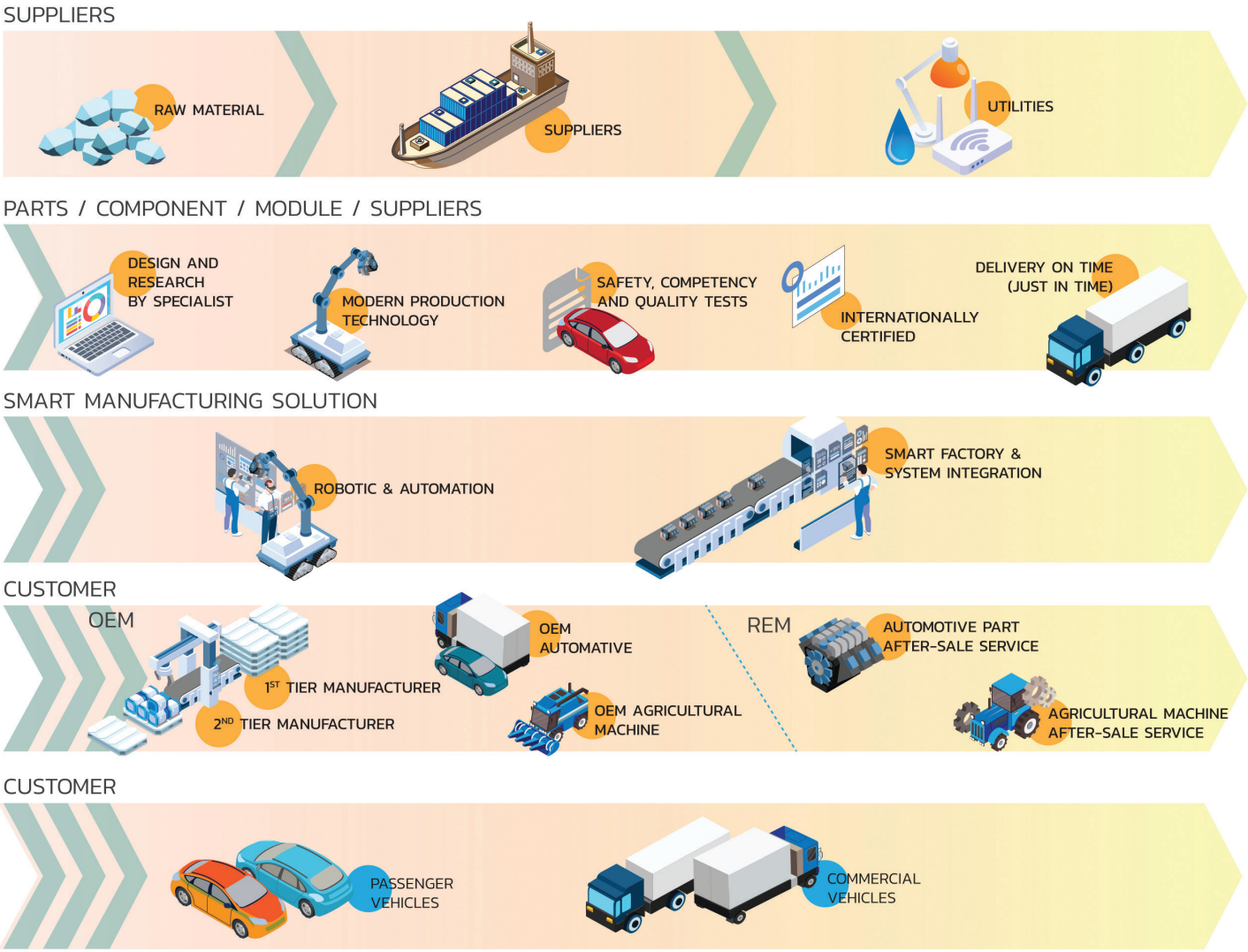
GROWTH SOCIETY

	Goal 2021	Performance, 2021	
create value for society.	0.18%	0.07%	of sales

In 2021, the Company conducted a corporate context review with the internal and external factors to affect the organization. For example, the stakeholders' expectations, Therefore, strategies have been adjusted both at the corporate business level and sustainability strategies. The Company has announced the Sustainability Policy and Master Plan 2022 - 2026 to align with the new vision and mission. It continues to operate in line with the United Nations Sustainable Development Goals, The Stock exchange of Thailand, and Customer policy.

In addition, in 2021, the Company committed to supporting the United Nations Global Agreement. Demonstrating its commitment to operate following international sustainability principles to lead to the achievement of the objectives of the United Nations Sustainable Development Goals (SDGs). by joining as a member of the United Nations Global Compact to express the Company's intention to conduct business under The Ten principles, consisting of 4 key elements The areas include human rights, labor, environment, and anti-corruption under the business philosophy of "Somboon Triple Bottom line." (The Company has set out the full verslon of sustainability policy and gcal in the QR Code below)

Business Value Chain



3.2 Managing impact on stakeholders in the business value chain

The Company identifies its stakeholders by analyzing supply chain relevance from upstream to downstream, which divided the stakeholders into eight main groups: shareholders and investors, customers, employees, business partners, government regulators, communities, industry associations, educational institutions, and the private sector, there is a Stakeholder Engagement forum where relevant parties are continually communicated and exchanged with stakeholders to understand the needs and expectations to be able to formulate appropriate management strategies, especially in the epidemic situation of COVID-19 which resulted in the change in communication way, Therefore, more channels and frequencies of communication are needed. (Please find more detail in the 2021 Sustainability Report)

- Employees
- Shareholders and investeros
- Customers
- Business partners
- Regulatory and government agencies
- Communities
- Industry assocations
- Educational institution
- Stakeholder

Stake-holders	Need and expectation	Actions & Responses	Communication and engagement channels
Employees	• Developing potential for career path • Fair compensation and benefits • Work with safety and a good working environment. • Flexible working arrangements and caring for employees during the COVID-19 pandemic • Equitable treatment of employees • Protection of personal information	• Provides a individual Competency Development Program • On-line training programs during the COVID-19 situation. • Set up welfare committee. • Establish a policy and the Safety, Health, and Environment Committee with both employee and employer representatives at the meeting • Establish a business continuity management committee. Business in the situation of the COVID-19 pandemic by acting as a policy and work manuals for employees	• Top management communicates directly with employees through quarterly discussion forums • Employee committee meeting of the welfare committee meeting of the safety committee • Annual two-way performance evaluation • Communication Application Line SAT Group, Somboon Group Facebook Somboon Group • Annual We Care Employee Satisfaction Survey Every 2 Years • Company Website • Complaint Channel
Shareholders and investors	• Good dividend • Development Business to Respond and aware business Disruption • Environmental, Socially Responsible Operations and Good Corporate Governance (ESG)	• Good dividend • Development Business to Respond and aware business Disruption • Environmental, Socially Responsible Operations and Good Corporate Governance (ESG)	• Annual General Meeting of Shareholders • Company visits. • Annual report. • Sustainability Report. • Company website. • Complaint Channel

Stake-holders	Need and expectation	Actions & Responses	Communication and engagement channels
Customer	• Efficient production and delivery good product quality and on time • Minimize product impact on the environment and create social value for customers • Compliance with manuals and value chain requirements. • Data Security and Privacy • Product development through innovation	• Conduct important business continuity activities such as BCP Plan, Safety Shop Floor Management • Research and develop products to meet environmentally friendly automotive technology expectations. Including requesting product carbon footprint certification from the agency to confirm the accuracy of the information • Conduct social activities with customers. • Carry out activities for business continuity.	• Product development activities to support consumer, social and environmental needs. • Cooperation in the development of efficient use of resources in the process. • Annual Customer Satisfaction Survey • Annual Customer Policy Acknowledgment Meeting • Confidence Management Social responsibility together • Participation in customer club activities. • Sustainability Report. • Company website. • Complaint Channel
Supplier	• Developing potential and growing business together • Business ethics, transparency, and equality • Contribute to social value	• Establish a Supplier Code of Conduct and regulate legal procurement policies. • Organize a supplier training and development program. • Assist with various measures in the situation of COVID-19 • Treat all trading partners with equality and equality as stated in the Supplier Code of Conduct	• Annual Partner Meeting • Cooperation on the development of efficient resource utilization in the production process • Supplier Audit (Site Visit) • Sustainability Report • Company website • Complaint Channel
Regulatory and government agencies	• Compliance with government rules, regulations and laws • Cooperation in projects at government and government agencies. • Social and Environmental Responsibility	• Strict compliance with rules, regulations, and laws by implementing the ISO14001 framework • Cooperate in government activities. Continuously support social activities with the government, such as CSR-DIW activities.	• Monitoring of government policies from various channels. • Meetings with government agencies. • Sustainability Report. • Company website.

Stake-holders	Need and expectation	Actions & Responses	Communication and engagement channels
Communities around the company	• Promoting career-building and education for strengthening the community. • No pollution impact effecting the community • Help in the COVID-19 situation	• Projects to build careers and create educational opportunities for communities, such as employment with people with disabilities. Opening a school for the elderly, etc., • Educational promotion projects such as scholarships. Bilateral projects are accepting students for internships, etc. • Implementation of EIA measures to promote CSR-DIW activities • Projects to help communities in COVID-19	• Dialogue and meeting with the district. • Community survey • Attending meetings on projects driven by the company for sustainability.
Industry association	• Cooperation with the association the industry as a role model of the business Group	• Participation in the Auto Parts Manufacturers Association	• Meeting with the association • Implementation of significant development projects together.
Educational institutions NGOs	• Building cooperation in developing technology and personnel in the industrial sector. • Collaboration in sustainable development in specific areas e.g. Climate change action.	• Conduct a project to build a career with educational institutions. • Conduct a project to create a carbon footprint calculation of products and organizations together with Thammasat University. • Joining the United Nations Global Compact to actively drive the Sustainable Development Goals (SDGs)	• Do essential projects. • Attend ongoing operations meetings. • Participate in operations and training activities of the Institute. • Annual report • Sustainability Report • Company website

3.3 Sustainability Management in Environmental Dimensions

Somboon Group is committed to doing business by focusing on efficiently using natural resources and reducing the environmental impact. The Company has set Environmental policy and goals for making a guideline for business units and all employees to be aware of using resources, reducing the environmental impact from the production process, and driving development throughout the value chain for sustainable management. Internal management must comply with the law and customer policies and set regular environmental audits to follow necessary certification standards ISO14001-2015 system. The key topics in management are climate change management, energy management, water resource management, waste management, and air quality management (Please find more detail in the 2021 Sustainability Report)

Indicators	Goal 2021	Performance 2021
1. The number of greenhouse gases per production quantity1 (Tonnes of carbon dioxide equivalent per ton of production) decrease from 2018 Scope 1+2[2]	Decrease 6 %	Decreased 13.22%
2. The number of energy consumption per production quantity1 (Gigajoules per ton of production) decrease from 2018	Decrease 3 %	Decreased 24.38%
3. The number of water consumption per production quantity1 (M3 per ton of production) decrease 3% from 2018	Decrease 3 %	Decreased 2.58 %
4. The amount of industrial waste disposed per production quantity1 (Tonnes of waste per ton of production) decrease 3% from 2018.	Decrease 3 %	Increased 31.13 %

1. = Using only the production weight from the account to set the target compared with 2018 base year data. We have two indicators from weight production and quantity of output in the past.

2. = In 2021, We collected greenhouse gas data verified only for Scope 1 and 2 by the Center of Excellence in Eco-Energy Faculty of Chemical Engineering Thammasat University.

Climate Change Management and Energy Management

Climate change is a major environmental crisis, causing domestic and global impacts, and is likely to be more severe. As a result, many governments and global private organizations have turned their focus to the campaign to reduce global warming.

Somboon Group is part of the automotive parts manufacturing industry for the automotive and agricultural machinery industries; the main customers are automotive manufacturers (Original Equipment Manufacturer "OEM") domestically and internationally. Energy and resources are used throughout the production process from raw material receiving, transportation, and production, resulting in waste. It's part of the greenhouse gas emissions that affect global climate change, such as electricity in factories and machinery, fuel for transporation and raw materials, etc.

The Company is committed to conducting business in an environmentally friendly manner and realizes the importance of efficient resources and energy. Therefore the company prepares greenhouse gas information by assessing the carbon footprint of organizations and products and the requirements of Thailand certified by the Greenhouse Gas Management Organization (Public Organization) presents data in the form of carbon dioxide equivalents. Furthermore, the Company awares of the significant (hot spots) of the organization's greenhouse gas emissions. Therefore, the Company has established guidelines for effective management and development of production and prepared greenhouse gas accounting information for the organization for the benefit of further reporting.

Management approach

1. Consolidate a greenhouse gas database of Carbon Footprint: Product and Organization (Carbon Footprint of Product: CFP, Carbon Footprint of Organization: CFO), which includes acquiring raw materials, production, and transportation expressed in terms of carbon dioxide equivalents. The Company aware of greenhouse gas emissions' significant point (Hot Spot). It started to divide into GHG 3 scopes according to ISO14064-1 principles. The data in 2021 has been verified by the Center of Excellence for Eco-Energy Department of Chemical Engineering Faculty of Engineering Thammasat University for Scopes 1 and 2, with a plan to collect Scope 3 data and verify it with a third party to register the Carbon Footprint Organization in 2022.

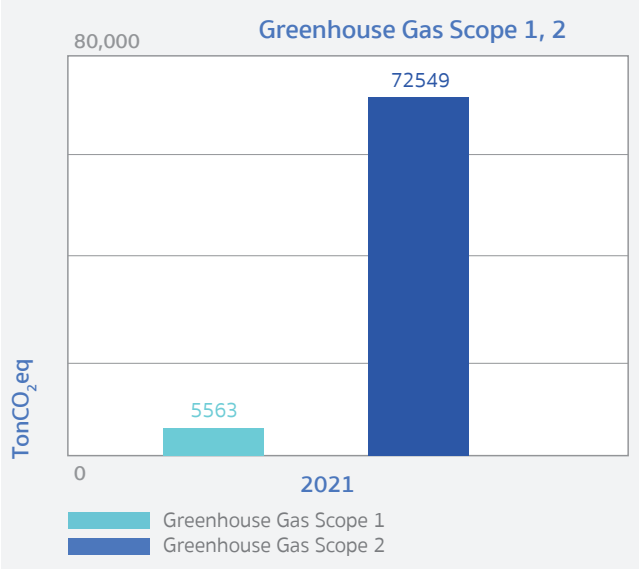
2. Set targets in line with the global warming reduction target to prevent global warming more than 2 degrees Celsius and continue to carry out activities to reduce greenhouse gas emissions. At present, the Company has set a target to reduce greenhouse gas emissions by 30% in 2030 from the base year 2018 by focusing on three main pillars:

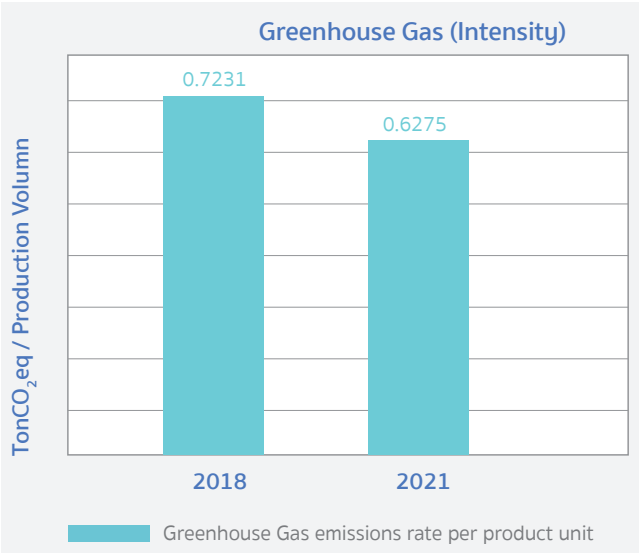
   2.1 Promote the use of renewable energy, such as installing solar cells, which currently have a combined capacity of more than 5.6 MW or nearly 5% of the total energy consumption. (in 2021, the total renewable energy consumption will remain at 1.7%. Due to the installation of Solar Cell in late 2021, the utilization of Solar Cell is not yet accounted for a full year)

   2.2 Efficient use of energy in the production process, such as installing equipment that uses less energy for high efficiency

   2.3 Promote the use of electricity from environmentally friendly production sources—low carbon emissions, such as electricity from power plants produced from natural gas.

3. Verification and disclosure of greenhouse gas information. After the Company had undertaken essential projects; therefore, the data were collected after the project and started by external auditors that have been certified by the Greenhouse Gas Management Organization to verify the information for accuracy before disclosing it to the public. In 2021, we released greenhouse gas emissions for Scope 1 & 2 78,112 TonC02eq with a decrease of 26.76% compared with the 2018 base year.





Performance

1. Reduce greenhouse gas emissions by 2,332.62 tons of carbon dioxide equivalent from the Solar Cell installation project.
2. Increase the proportion of renewable energy use to 1.7% from 0.01% in 2018
3. Save 6.03 million baht in energy expenditure.
4. Verify the Scope 1 and 2 greenhouse gas data of 5,563 and 72,549 tons of carbon dioxide equivalent and is in the process of collecting Scope 3 data and awaiting verification to register the carbon footprint at the

Sustainable Water Management

The Company emphasizes the cost-effective use of water resources by issuing policies and guidelines in setting goals Cost-effective help of water by creating a project to reduce water use in the continuous production process.

Performance

1. Reduce water usage water intensity by 2.58%, compared to the 2018 base year.
2. Reduce water usage costs by 788,141 baht per year.

Waste Management and Promotion of Circular Economy

Somboon Group is committed to waste management by using resources most cost-effectively. We have a goal to reduce waste from production using the 3R principle, which is to reduce waste by reducing raw material (Reduce), reusing waste from production (Reuse), and recycling waste to another process (Recycle). Moreover, we promoted circular economy management by cooperating with stakeholders to consolidate steel scrap from the value chain and use it again by using companies' strengths with their furnaces while maintaining essential quality standards.

Management approach

In 2021, the Company still adhered to waste management practices using the 3Rs principle, reducing waste in the production process, and circulate production aids such as black sand for molding. Recycling emphasizes promoting circular economy, including recycled materials back into casting production at new smelters. We have already requested certification of Carbon Footprint products in the circular economy category from the Greenhouse Gas Management Organization to verify such improvement of process with transparency. The Company has been certified for two products in the Disc Brake product line with a recycle content value of 47.52% for ICP plants and 65.48% for SBM plants. As a result, the companies in Somboon Group will drive the use of recycled materials in 2021 for 54.42%. or 52,907 tons.

Performance

1. Use recycled steel materials of 52,907 tons per year or 54.42% of the steel materials used in the ICP, SBM groups.

2. Certified Carbon Footprint for Circular Economy Products Including Disc Brake products with a high % Recycle Content of 65.48% for ICP 47.52% for SBM, helping to create a circular economy in the country.

3. Reduce waste disposal costs 545,559 baht per year

However, the amount of waste is likely to increase from 2018 to 28.85%. Currently, there is a plan to improve waste reduction continuously.

3.4 Sustainability management in social dimensions

The Company is committed to developing society both internal and external. The internal community emphasizes development following the principle of " Smart People" with the concept of developing employees to be "Good people " and " Smart people " by emphasizing employees to help society by setting hours of good deeds. As for being "Smart people", the company focuses on human capital development. emphasis on creating new potential to increase business competitiveness that require more diverse skills, including taking care and promoting safety for employees and emphasizing social treatment with human rights policy.

On the part of the external society, the Company promotes the theme of "Creating Opportunities for a Strong Society" to support sustainable development by meeting the needs of the community and society. One of the major stakeholders in the Company's business, including gaining trust and confidence from the community, is an important force in business, which let the community grow together. Therefore, the Company adheres to the concept of Sustainable business operations with social and community responsibility focusing on responding to needs and solving problems in the community to be trusted by the group of stakeholders. In addition, the Company focuses on building a network of educational institutions to benefit the organization's operations and benefit the academic institutions and support the development towards the Sustainable Development Goals (SDG) in creating equal education opportunities and innovation development in the Thai industrial sector.

The Company intends to develop sustainable social values. Therefore, the operational guidelines have been regularly updated as appropriate. In 2021, the Company continues to operate in response to the Covid-19 crisis by strictly emphasizing the Company's hygiene and safety measures. The Company focuses on preventing the spread of COVID-19. For more information, please feel free to learn more on this issue (the Human Rights Policy. Occupational Safety and Health Policy and other policies at https://www.satpcl.co.th/th/sustainability/disclosure-documents) and can see further details on social aspects in the 2021 Sustainability Report.

The Company divides social projects into 3 groups: educational projects; community project and social projects

side	indicators	Year 2021 goals	Year's performance of 2021
Internal social care			
Occupation Health &Safety	Employee Injury Frequency Rate	0%	0.42%
Employee Engagement	resignation rate	less than 10%	8.24%
Employee Development	staff training hours	14 hours / person / year	12.44 hours / person / year
Outside social care			
Social value creation	Value for Society	0.18% of sales	0.07 of sales
Promoting the good deeds of employees	Hour of good deeds for society, including the organization	18,396 hours	19,025 hours
Education promotion and support	The value of creating educational opportunities	1.2 million baht	1.2 million baht

4. Management Discussion and Analysis : MD&A

4.1 Explanation and Aanalysis of the Financial Position and Performance

Overall performance

The Company and its subsidiaries have operated the business of Automotive manufacturing parts. The main income of the company group is from selling automotive parts such as Axle shaft, disc brake, drum brake, etc. The sale is for car maker manufacturer (Original - Equipment Manufacturer) in the country mostly.

Profit and loss analysis

Profit Analysis

In the year 2021 and 2020, the Company has total income of 8,727 million baht and 6,027 million baht (accordingly) which has increased by 2,700 million baht or 45%. The net income from sale of goods and rendering of services for the year 2021 is 8,598 million baht, increased by 2,716 million baht or 46% from the increasing was caused by a slowdown in the economy due to the corona virus pandemic in the last year.

Cost and expense Analysis

- **Selling and Service Cost**

  In the year 2021 and 2020, the company has the total selling and service cost of 6,943 million baht and 5,023 million baht (accordingly), increased by 1,920 million baht or 38%; increase compared to last year as due to higher production volume.

- **The expense from selling and service**

  In the year 2021, the company has the expense in the selling and service of management for the amount of 482 million baht, increased by 17 million baht or 4% due to higher of Foreign delivery expense comply with sale increasing and decreasing from depreciation.

- **Corporate income tax**

  In the year 2021, the company has corporate income tax for the amount of 159 million baht, increased 119 million baht or 295% mainly from increase in profit management.

- **Profit from the work operation**

  The company's operating profit, excluding share of profit from investment in associates, financial cost, and corporate income tax in 2021 in the amount of 1,044 million baht, decreased by 626 million baht from last year or 150% due to higher of profit from operation.

- **Net Profit**

  The company's net profit is the amount of 955 million baht, increased by 580 million baht or 155% from the previous year, mainly from a slowdown in the economy due to the corona virus pandemic in the last year.

Financial position analysis

Asset

According to the consolidated financial statement the total asset as at 31 December 2021 and 31 December 2020, are the amount of 9,830 million baht and 8,955 million baht (accordingly), increased by 875 million baht or 10% mainly from Short term investment of Baht 1,047 million, Trade account receivable of Baht 324 million, Share of profit of joint ventures and associate companies of Baht 69 million and a new investment in foreign country of Baht 45 million.

- **Trade customers**

  The Company has net trade receivables as at 31 December 2021 for the amount of 1,531 million baht and as at 31 December 2020 for the amount of 1,206 million baht, increased by 325 million baht. The average debt collection period was 61 days.

- **Investments**

  According to the consolidated financial statements as at 31 December 2021, the Company's net investment in related companies is the amount of 1,031 million baht. The investments in associates included Yamada Somboon Co., ltd. and Tsuchiyoshi Somboon Coated Sand Co., ltd. The investments in joint venture is Mubea Somboon Automotive Co., ltd. and the other related investments are Nisshinbo Somboon Automotive Co., ltd. and Somboon Somic Manufacturing Co., ltd. And Tron Energy Technology Co., ltd. The Company's cost of investment in the afore-mentioned companies is for the amount of 483 million baht.

- **Land, Property and Equipment**

  The Company's land, property and equipment as at 31 December 2021 is the amount of 3,069 million baht, and as at 31 December 2020 is the amount of 3,403 million baht, decreased by 334 million baht or 10% due to the depreciation on period for the amount of 607 million baht. The Company and subsidiaries has made additional investment totaling of 273 million baht in production line to improved productivity.

Debt

As at 31 December 2021, the Company's total liabilities is 2,188 million baht. The short-term liabilities is 1,892 million baht and long-term liabilities is 296 million baht, decreased by 68 million baht or 19% from the previous year. The short-term loans from financial institution decrease by 17 million baht and the long-term loans from financial institution decrease by 110 million baht.

Part of shareholders

- **Capital structure**

  The Company's shareholders' equity as at 31 December 2021 is 7,642 million baht, increased by 552 million baht from the year ended 31 December 2020 of which the shareholders' equity equal to 7,091 million baht. This is the result of the interim operating profit of Baht 955 million.

  The company's profit appropriation in 2021 includes dividends for 2021 operating at the rate of 1.50 baht per share, totaling 638 million baht. The interim dividends at the rate of Baht 0.40 per share, in amounting to Baht 170 million were paid in September 2021. Therefore, the remaining dividends of Baht 1.10 per share, in amounting to Baht 468 million will be paid to shareholders in May 2022.

  The company's profit appropriation in 2020 includes dividends for 2020 operating at the rate of 0.60 baht per share, totaling 255 million baht. The interim dividends at the rate of Baht 0.12 per share, in amounting to Baht 51 million were paid in September 2020. Therefore, the remaining dividends of Baht 0.48 per share, in amounting to Baht 204 million will be paid to shareholders in May 2021.

  As at 31 December 2021, the company's capital structure consists of total liability for the amount of 2,188 million baht and the shareholders' equity for the amount of 7,642 million baht; the debt-to-equity ratio is approximately 0.29 times.

Analysis of Cash Flow Statement

According to the consolidated financial statements as at 31 December 2021 and 31 December 2020, the company's net cash inflow from operating activities is 1,379 million baht and 1,029 million baht (respectively). The company's net cash outflow from investing activities is 1,268 million baht and 59 million baht (respectively), this is the result of the investment in production line, to enhance productivity capacity. Net cash outflow from financing activities is 490 million baht and 692 million baht (respectively), which is the result of the repaid long-term loan for investment project for the amount of 110 million baht and the total cash dividend paid for the amount of 374 million baht.

4.2 Main factors and influences that might effect on operation and financial status in the future

As business nature of Somboon Group relates to parts manufacturing for Automotive OEM customers both domestic and abroad, business operations are mainly influenced by changes in automotive industry. In 2021, the COVID-19 pandemic and the success of the vaccine development had major impact on economic recovery of Thailand and other countries and also on the slowdown of global car production due to supply chain disruption. Since this pandemic is expected to linger impact in the next 1-2 years, it is crucial for the Company to closely monitor the situation to prepare for fluctuation in demand from customers and the potential impact on business performance.

Moreover, Thailand's economic recovery and rising household debt affects investment of private sector and public consumption in durable goods such as cars are also key factors influencing business performance. Changes of these factors depend on measure and policy from Thai government to control the COVID-19 situation and the pace of recovering economic activity to normal level. Nevertheless, the Company has been closely monitor the impact of the situation on business operations on a regular basis to ensure that business performance can still be managed in accordance to the Company's goal.

For factors related to ESG, the global campaign on greenhouse gas emission reduction, the development of Green taxonomy, and the goal to elevate supply chain to achieve "Net Zero" of several countries has led a number of financial institutions increase emphasis on investment policy for companies that focus on ESG. ESG is another factor that has impact on transition risk which drive rapid changes in policy, technology and regulations related to business transactions and also accelerate transition into electric vehicles at faster pace. Impact on the business is the challenges from competition within industry, preparation for customers' requirement for greenhouse gas emission compliance, and potential increase in manufacturing costs and expenses. However, Somboon Group has embraced this trend by defining strategy and target to reduce greenhouse gas emission in 2021 by 6% from 2020 and review long-term goal of roadmap to align with policy requirements from customers and by researching changes in technology of the main products to ensure that they can extend into xEV technology and minimize potential business impact in the future.

In addition to the factors aforementioned, changes in social factors is also important and might have impact on long-term business operations in the future. The changes comprised of transition into aging society and social value change of the new generation that prefer more freedom in working lifestyle which can be challenging in recruiting skilled workers for factory operations and recruiting for key positions to drive strategic execution to achieve the organization's objective. Moreover, the Company also considers potential effect from human rights violation in which legal complaint or reputational damage can occur and; therefore, emphasizes human resource management under principle of "Somboon Triple Bottom Line" to create sustainable growth for the organization.

4.3 Financial Highlights

Table 1 – 1 Consolidated Statement of income

Unit: Thousand Baht

Details	Consolidated financial statements		
	2021	2020	2019
Income			
Revenue from sale of goods and rendering of services	8,598,180	5,882,559	8,005,588
Net foreign exchange gain	9,482	424	220
Dividend income	3,080	2,386	54,276
Other income	116,480	141,426	138,503
Total income	8,727,221	6,026,795	8,198,588
Expenses			
Cost of sale of goods and rendering of services	6,943,351	5,023,298	6,512,033
Selling and administrative expenses	736,946	583,578	736,207
Losses on disposal of investment in subsidiary	11,501	-	-
Total expenses	7,691,798	5,606,876	7,248,240
Profit before financial costs and income tax expense	1,046,924	419,919	950,348
Financial costs	(5,790)	(7,752)	(10,664)
Share of profit of joint venture and associates accounted for using the equity method	84,340	2,833	58,742
Tax expense	(158,760)	(40,236)	(99,758)
Profit for the year	955,213	374,763	898,666
Operating profit 1	1,043,844	417,533	896,072

Noted :

1 Operating profit equals to earnings before finance costs and tax expense excluding share of profit from associates and dividend income

Table 1 – 2 Separate Statement of income

Unit: Thousand Baht

Details	Separate Statement of income		
	2021	2020	2019
Income			
Revenue from sale of goods and rendering of services	2,700,082	1,884,678	2,547,970
Dividend income	235,500	277,798	199,298
Gain on business restructuring	182,379	-	-
Other income	176,399	124,342	180,423
Net foreign exchange gain	11,218	4,065	-
Total income	3,305,578	2,290,882	2,927,691
Expenses			
Cost of sale of goods and rendering of services	2,030,233	1,520,364	1,931,842
Selling and administrative expenses	511,049	334,827	438,733
Total expenses	2,541,282	1,855,191	2,370,575
Profit before financial costs and income tax expense	764,296	435,691	557,116
Financial costs	(2,664)	(3,285)	(5,045)
Tax expense	(84,637)	(22,502)	(51,482)
Profit for the year	676,995	409,905	500,589
Operating prifit [1]	346,417	132,107	357,818

Noted

1 Operating profit equals to earnings before finance costs and tax expense excluding share of profit from associates and dividend income

Table 2-1 Consolidated statement of financial position

Unit: Thousand Baht

Details	Consolidated financial statement		
	2021	2020	2019
Assets			
Current Assets			
Cash and cash equivalents	3,000,133	2,330,599	2,362,978
Trade accounts receivable	1,531,158	1,206,210	1,359,182
Inventories	593,652	564,882	569,758
Other receivables	219,546	104,934	88,826
Short-term loans to related parties	200,000	200,000	200,000
Total current assets	5,542,888	4,406,626	4,580,744
Non-current assets			
Investments under the equity method.	938,990	867,067	862,411
Other non-current financial assets	92,483	26,651	26,651
Property, plant and equipment	3,069,095	3,403,146	3,596,205
Other non-current assets	186,652	251,818	245,479
Total non-current assets	4,287,220	4,548,682	4,730,746
Total assets	9,830,107	8,955,308	9,311,490
Liabilities			
Current liabilities			
Short-term loans from financial institutions	-	12,210	108,898
Trade accounts payable	1,227,744	974,475	885,396
Current portion of long-term loans	12,548	73,023	91,461
Other current liabilities	651,820	441,053	549,755
Total current liabilities	1,892,112	1,500,761	1,635,510
Non-current liabilities			
Other Long-term loans	18,407	69,975	121,884
Other Non-current liabilities	277,180	293,828	350,808
Total Non-current liabilities	295,587	363,803	472,692
Total Liabilities	2,187,699	1,864,565	2,108,202
Equity			
Authorized share capital	425,194	425,194	425,194
Issued and paid-up share capital	425,194	425,194	425,194
Premium on ordinary shares	716,443	716,443	716,443
Retained earnings	6,500,772	5,900,637	6,016,328
Total equity	7,642,409	7,042,274	7,157,965
Non-controlling interests	-	48,469	45,323
Total equity	7,642,409	7,090,743	7,203,288
Total liabilities and equity	9,830,107	8,955,308	9,311,490

Table 2 – 2 Separate statements of financial position

Unit: Thousand Baht

Details	Separate financial statements		
	2021	2020	2019
Assets			
Current assets			
Cash and cash equivalents	580,634	522,779	671,131
Trade accounts receivable	544,319	419,692	414,299
Inventories	-	134,797	112,142
Short-term loans to related parties	400,000	420,000	420,000
Other receivables	99,062	68,473	75,263
Total current assets	1,624,015	1,565,741	1,692,835
Non-current assets			
Investments under the equity method.	4,157,512	2,907,512	2,892,512
Other non-current financial assets	45,108	-	-
Property, plant and equipment	63,348	1,066,710	1,011,827
Other non-current assets	21,978	40,017	37,360
Total non-current assets	4,287,946	4,014,240	3,941,699
Total assets	5,911,962	5,579,981	5,634,534
Liabilities			
Current liabilities			
Short-term loans from financial institutions	-	-	-
Trade accounts payable	402,627	351,191	286,788
Current portion of long-term loans	4,762	49,503	43,428
Other current liabilities	271,326	139,479	148,476
Total current liabilities	678,715	540,173	478,692
Non-current liabilities			
Other Long-term loans	3,513	51,558	91,643
Other Non-current liabilities	60,944	126,322	131,824
Total Non-current liabilities	64,457	177,880	223,467
Total Liabilities	743,172	718,053	702,159
Equity			
Authorized share capital	425,194	425,194	425,194
Issued and paid-up share capital	425,194	425,194	425,194
Premium on ordinary shares	716,443	716,443	716,443
Retained earnings	4,027,153	3,720,290	3,790,738
Total equity	5,168,790	4,861,928	4,932,375
Total liabilities and equity	5,911,962	5,579,981	5,634,534

Table 3 Statement of cash flows

Unit: Thousand Baht

Details	Consolidated Financial statements			Separate financial statement		
	2021	2020	2019	2021	2020	2019
Cash flows from operating activities	1,379,065	1,028,661	1,297,429	508,644	329,752	472,973
Cash flows from investing activities	(1,267,937)	(58,807)	(236,718)	(5,212)	207,392	88,884
Cash flows from financing activities	(489,988)	(692,075)	(720,753)	(475,832)	(529,456)	(622,526)
Net increase (decrease) in cash and cash equivalents	(378,860)	277,779	339,958	27,601	7,688	(60,669)
Cash and cash equivalents at 1 January	1,980,513	1,702,734	1,362,776	422,778	415,090	475,759
Cash and cash equivalents at 31 December	1,601,653	1,980,513	1,702,734	450,379	422,778	415,090

Table 4 Important financial ratios for Consolidated Financial statements

Ratios	Consolidated Financial statements		
	2021	2020	2019
Liquidity Ratio			
Liquidity Ratio	2.93	2.94	2.80
Quick Ratio	2.39	2.36	2.28
Operating Cash Flow to Debt Ratio	0.73	0.52	0.79
Account Receivable Turnover Ratio	6.28	4.59	5.83
Avearge Correction Period (days)	57	78	62
Inventory Turnover Ratio	11.99	8.80	12.45
Avearge Turnover Peiod (days)	30	41	29
Account Payable Turnover Ratio	6.31	5.37	6.41
Avearge Payment Period (days)	57	67	56
Cash Conversion Cycle (days)	30	52	34
Profitability Ratio			
Gross Profit (%)	19.25%	15.15%	18.66%
Operating Profit Margin (%)	12.96%	7.05%	12.47%
Other Profit Margins (%)	1.48%	2.39%	2.35%
Operating Cash Flow to Net Profit Ratio (%)	123.80%	186.39%	129.95%
Net Profit Margin (%)	10.95%	6.22%	10.96%
Return on Equity (%)	13.01%	5.28%	12.80%
Efficiency Ratio			
Return on Total Assets Ratio (%)	10.17%	4.10%	9.78%
Return on Fixed Assets Ratio (%)	47.20%	29.09%	41.68%
Total Assets Turnover Ratio	0.93	0.66	0.89
Leverage Ratio			
Interest-Bearing Debt to Equity Ratio	0.00	0.02	0.03
Debt to Equity Ratio	0.29	0.26	0.29
Times Interest Earned (TIE) Ratio	266.61	105.97	132.02
Cash Ratio	1.79	0.74	1.25
Dividend Payout Ratio (%)	67%	69%	64%
Growth Ratio			
Sale Growth Rate (%)	46.16%	-26.52%	-2.30%
COGS Growth Rate (%)	39.11%	-23.35%	-2.57%
Selling and Administrative Expense Growth Rate(%)	19.74%	-16.40%	7.87%
Net Profit Growth Rate (%)	154.88%	-58.30%	-1.85%

Table 5 Important financial ratios for Separate financial statement

Unit: Thousand Baht

Ratios	Separate financial statement		
	2021	2020	2019
Liquidity Ratio			
Liquidity Ratio	2.39	2.90	3.54
Quick Ratio	1.66	1.74	2.27
Operating Cash Flow to Debt Ratio	0.75	0.61	0.99
Account Receivable Turnover Ratio	5.60	4.52	5.70
Avearge Correction Period (days)	64	80	63
Inventory Turnover Ratio	30.12	12.31	16.50
Avearge Turnover Peiod (days)	12	29	22
Account Payable Turnover Ratio	5.39	4.77	5.71
Avearge Payment Period (days)	67	76	63
Cash Conversion Cycle (days)	9	33	22
Profitability Ratio			
Gross Profit (%)	24.81%	19.33%	24.18%
Operating Profit Margin (%)	28.21%	22.94%	21.67%
Other Profit Margins (%)	12.80%	17.73%	12.97%
Operating Cash Flow to Net Profit Ratio (%)	66.78%	76.26%	85.67%
Net Profit Margin (%)	20.48%	17.89%	17.10%
Return on Equity (%)	13.50%	8.37%	10.05%
Efficiency Ratio			
Return on Total Assets Ratio (%)	11.78%	7.31%	8.72%
Return on Fixed Assets Ratio (%)	134.80%	41.61%	66.65%
Total Assets Turnover Ratio	0.58	0.41	0.51
Leverage Ratio			
Interest-Bearing Debt to Equity Ratio	0.00	0.02	0.03
Debt to Equity Ratio	0.14	0.15	0.14
Times Interest Earned (TIE) Ratio	223.68	108.24	104.96
Cash Ratio	1.11	0.47	0.72
Dividend Payout Ratio (%)	91%	57%	115%
Growth Ratio			
Sale Growth Rate (%)	43.26%	-26.03%	-0.65%
COGS Growth Rate (%)	33.54%	-21.30%	2.67%
Selling and Administrative Expense Growth Rate(%)	52.63%	-22.99%	7.96%
Net Profit Growth Rate (%)	65.16%	-18.12%	-60.62%

5. General information and other material facts

5.1 Other material facts

- None -

5.2 Legal disputes

As of 31 December 2021, the Company, its subsidiaries, and related companies have neither significant legal dispute affecting to the Company's business nor negative impacts on the Company's assets amounting to more than 5 percent of shareholder's equity.

5.3 Secondary market

- None -

5.4 Financial institution with regular contact

- None -

6. Corporate Governance Policy

6.1 Overview of the Policy and Guidelines

1. Structure of the Board of Directors

1.1 Diversity of the Structure of the Board of Directors

The Board of Directors has established the policy of the diversity of the Board of Directors, provided that it shall consist of a variety of genders, skills, professions and elements of the Board of Directors's competency (Skill Matrix), such as engineering, factory management, accounting, finance, management, business management etc. and comprise of at least three non-executive directors with work experience in the company and knowledge about the company's business, one director with legal experience and one director with accounting and auditing, finance, capital management, civil society, community enterprise, natural resources and environment. Also, the Board of Directors shall consist of independent directors who must be independent according to the specified qualification of the independent directors defined by Somboon Group, which is consistent with and more intense than those specified in the Announcement of the Capital Market Supervisory Board as shown on page ... and there are at least one-third of the entire Board of Directors and not less than three persons. Currently, the number of independent directors of Somboon Group have exceed the number of independent directors required by law.

As of 31 December 2021, the Board of Directors comprises of nine members as follows:

First-Last Name	position
1. Mr. Sansern Wongcha-um	Independent Director/ Chairman of the Board of Directors
2. Mr. Yongyuth Kitaphanich	Director/ Vice Chairman of the Board of Directors
3. Dr. Panja Senadisai	Independent Director/ Chairman of the Audit and Corporate Governance Committee/ member of the Nomination and Remuneration Committee
4. Mr. Ajarin Sarasas	Independent Director/ Chairman of the Executive Board / Member of the Nomination and Remuneration Committee
5. Mr. Paitoon Taveebhol	Independent Director / Member of the Audit and Corporate Governance Committee/ Chairman of the Nomination and Remuneration Committee
6. Dr. Suthad Setboonsarng	Independent Director/ Member of the Audit and Corporate Governance Committee
7. Mr. Prayong Hirunyawanich	Independent Director / Executive Board
8. Mr. Yongkiat Kitaphanich	Director/ Vice Chairman of the Executive Board
9. Ms. Napatsorn Kitaphanich	Director / President

The Chairman of the Board of Directors is an independent director.

The Board of Directors has at least one female director.

The Board of Directors consists of 88.88% of non-executive directors and 8 of them are non-executives (6 independent directors and 2 non-executive directors).

The Board of Directors consists of 66.67% of independent directors and 1 executive director, which is completely under the Board of Directors' structure, and there is no directors holding positions in more than 5 listed companies.

1.2 Criteria and Procedures for Nomination and Appointment of Directors:

Criteria and procedures for nomination and appointment of directors:

In the event that the Company's directors are vacated, the Nomination and Remuneration Committee will be responsible for selecting and recruiting qualified persons who has an experience, knowledge and ability to benefit the Somboon group and deserve to be nominated as directors, independent directors or Audit and Corporate Governance Commitee's member in order to present to the Board of Directors' Meeting and the Shareholders' Meeting to consider for the appointment of the director according to the Company's Articles of Association.

Subject to the structure of the Board of Directors, it shall nominate those who will serve as directors, provided that this is an important factor to help increasing the efficiency and performance of the Board of Directors. To recruit and select the directors, it will consider the elements according to the Board Skill Matrix in order to determine the qualifications, knowledge, skills and experience required for such nominated directors, and the Board of Directors will consider the necessary skills that are lacking in the Board of Directors regardless of the gender, age, education history, professional experience, skills and knowledge to serve as directors in order to ensure that the Board of Directors will perform more efficiently and be in line with business strategies, and support the composition of the entire Board of Directors to be completed in terms of knowledge, competency, experience and diversity dimensions that contribute to the most efficient work, as well as without prohibited characteristics under the law and good corporate governance principles. Also, Director Pool shall be applied in order to help considering the nomination of new directors.

In addition, the Company has given shareholders the right to nominate a person deemed qualified to be elected as a director of the Company by announcing on the Company's website. However no shareholder has nominated a person to be elected as a director of the Company.

The Nomination and Remuneration Committee moderates the qualifications and suitability of applicants. Nominees or directors who are due to issue the agenda by presenting their opinions to the Board of Directors to approve the proposed shareholders' meeting to be elected as directors by considering the following qualifications:

Qualifications of directors: Persons who hold director positions must be knowledgeable, competent and ready to perform their duties and have at least the following qualifications:

(a) Qualified and not of prohibited characteristics as defined in Public Companies Laws and shall not have a characteristic that implies a lack of appropriateness to be trusted to manage the Company from shareholders as announced by the Securities and Exchange Commission.

(b) Have specialized knowledge, skills, profession, experience and expertise, especially in relation to the production of automotive parts, agricultural machinery, future automotive technology and international trade depending on the suitability of the company's situation during that time according to the structure of the diversity of the Board of Directors. The nomination and appointment of directors is based on knowledge and competency and use the diversity criteria for consideration.

(c) Be fully dedicated, especially in making important decisions and protecting the interests of the Company, and attending the Board of Directors' meeting and shareholders' meetings every time, unless the force majeure is occurred.

(d) Be virtuous, ethical and have an additional qualification required by law or as appropriated of the Board of Directors;

Knowledge / Experience / Expertise	Amount
Administration and Business Management	9
Factory Management/ Engineering/Automotive	4
Strategic Planning	9
Related Laws and Regulations	3
Human Resource Management	7
Sales - Marketing	4
Account - Audit	6
Finance - Capital Management	6
Civil society, Community Enterprise, Natural Resources, Environment and Sustainable Development	7
Information and Digital Technology	1

Qualifications and skills that the Board of Directors must have, which are essential and beneficial to corporate governance that will enable the Company to grow according to the strategic plan and goals, are as follows:

1. Administration and Business Management
2. Factory Management/Engineering/Automotive
3. Strategic Planning
4. Related Laws and Regulations
5. Human Resource Management
6. Sales - Marketing
7. Account - Audit
8. Finance - Capital Management
9. Civil society, Community Enterprise, Natural Resources, Environment and Sustainable Development
10. Information and Digital Technology
11. Others

1.3 The Chairman of the Board of Directors is a different person to the President.

The Board of Directors determine that the Chairman of the Board of Directors shall be a different person to the President and their role, power and duties shall be clearly separated, and it shall appoint an independent director to be the Chairman of the Board of Directors, Chairman of the Executive Board and Chairman of any Sub-Committee.

Mr. Sansern Wongcha-um, the independent director, is the Chairman of the Board of Directors and Ms. Napatsorn Kitaphanich is the President.

1.4 Director's tenure at other companies

To lead to performance the corporate governance efficiently, the Board of Directors has established a policy on the number of companies in which each director can become a director. as follows:

(1) The number of listed companies in which each director can hold director positions shall not exceeding 5 companies.

Performance: In 2021, there is no directors who served as directors in listed companies more than 5 companies.

(2) No executive directors have been held as directors in other listed companies outside the business group more than 2 companies.

(3) Directors and executives of the Company has never been an employee or partner of an external auditing company used by the Company in the past two years.

(4) To be a director at other companies of the President and executive of the Company: The President and executive of the Company can serve as directors in other companies but shall be approved by the Board of Directors.

1.5 Term of Director

(1) At every annual general meeting, the directors shall leave their positions at a rate, with the longest-in-position directors leaving their positions first. If the number of directors who are divided directly into three parts is not, the directors shall issue the closest number to the one-third section, and the Company's Regulations Article 18.

(2) The term of independent directors shall be defined for up to 9 years without conditions to start from 1 January 2015 onwards.

2. Supervisory Duties

2.1 Roles of the Chairman of the Board of Directors

The Chairman of the Board of Directors plays an important role in overseeing and encouraging the Board of Directors to perform its duties to the fullest according to the direction and strategy as set out for the best interests of the Company and its all shareholders. The Chairman of the Board of Directors plays a leading role in the Board of Directors. Duties of the Chairman of the Board of Directors are as follows:

1. Supervise, monitor and ensure that the performance of the Board of Directors' is effective and achieves its core objectives and goals.

2. Maintain and promote ethics and good corporate governance

3. Set the agenda of the Board of Directors' meeting by discussing with the President and have measures to ensure that important matters are contained in the agenda.

4. Allocate sufficient time to the Board of Directors' meetings for Management to propose matters, and for the directors to fully discuss important issues.

5. To Build up the relationship between the executive directors and non-executive directors and between the Board of Directors and management.

2.2 The Board of Directors prepares corporate governance policy

2.2.1 Overview of corporate governance policies and practices

The Board of Directors has established a "Corporate Governance Policy" to promote corporate governance principles. under the rules of the Stock Exchange of Thailand and good corporate governance principles for listed companies issued by the Securities and Exchange Commission to serve as a guideline for business operations for directors, company's executives and employees and also have scheduled to review the policy annually to suit the changes of business operations.

The Board of Directors focuses on conducting business with transparency, morality, ethics and integrity on the basis of "Code of Conduct" and apply it as a good practice of directors, executives and employees of Somboon Group at all levels in order to develop the organization to be good governance and to develop people to be good, smart and have knowledge and morality as well as to protect environment and benefit of whole stakeholders and society which will lead to the social responsibility through the SBG's philosophy "Somboon Triple Bottom Line" and be a truly sustainable organization.

The Board of Directors requires regular monitoring of compliance with corporate governance policies and practices. The company has also publicized all employees' corporate governance policies and practices through both internal information systems (Intranet) and has been shown to the public through the company's website, https://www.satpcl.co.th under the theme Corporate Governance.

Also, the company establish the Code of Conduct and review it annually to take it as a guideline for executives and employees to work and perform their duties with integrity, virtuous, socially responsibility, irrelevant in politics, taking into account of all stakeholders, irrelevant to human rights violations, anti-corruption, non-infringement of third party's intellectual property right by having the activities as below:

Operating Year 2021

1. **organizing the testing of Code of Conduct and anti-corruption to AGM up to 100%**

2. **providing training through the course. "Ethics...and Corporate Sustainability" for new executives and employees at all levels to understanding of Code of Conducts Achieve 100%**

   In 2021, the Board of Directors supervised and monitored the directors, executives and employees at all levels to follow good corporate governance principles and Code of Conducts by taking into the consideration of the stakeholders in all areas and created value for the business, environment and social sustainability and received the assessment's result on corporate governance and awards as follows:

   1) The company was evaluated from the Corporate Governance Report of Thai Listed Companies Project (CGR) as one of 716 listed companies rated "Excellent CG Scoring" for 2021 from the Thai Institute of Directors Association (IOD), with Excellent score in all categories

   2) The 2021 Annual General Meeting of Shareholders (AGM Checklist) was assessed by 100 points. from Thai Investors Association.

3. **Awards from the Stock Exchange of Thailand**

   - Sustainability Awards of Honor
   - Outstanding Investor Relations Awards
   - Selected to be listed as "Sustainable Shares" or Thailand Sustainability Investment (THSI)

บรรษัทภิบาลแห่งชาติ National CG Committee | บรรษัทภิบาลแห่งชาติ National CG Committee | บรรษัทภิบาลแห่งชาติ National CG Committee | บรรษัทภิบาลแห่งชาติ National CG Committee | บรรษัทภิบาลแห่งชาติ National CG Committee

In addition, the Company has adhered to good corporate governance principles to reflect that all entities of the Company and its subsidiaries implemented the policies and guidelines as set out by the Board of Directors

2.3 Supervision of subsidiaries and Joint Venture Companies

The Company has supervision of Somboon Group. The Board of Directors is responsible for overseeing, supervision, management of the business of subsidiaries and joint venture companies and establish measures to monitor the management of subsidiaries and joint venture companies in accordance with the company's Articles of Associations, provided that any transactions or any action of the subsidiaries or joint venture companies must be approved by the Board of Directors of the Company or the Shareholders' Meeting.

The Board of Directors will monitor the Board of Directors and executives of its subsidiaries and joint venture companies to comply with their duties and responsibilities under the laws, Company's Articles of Associations and policies, and also have the internal control system, risk management system and anti-corruption system, as well as to establish the appropriate, efficient and sufficient monitoring measures to ensure that the performance of subsidiaries and joint venture companies are implemented according to the plan, budget and company's Policy (Supervision details specified in Section 8 Clause 8.1.3 Supervision of subsidiaries and Joint Venture Companies Page 92)

2.4 Supervisory Operations

1. The Board of Directors holds a regular review of the scopes, roles and authorities of company's directors and subsidiaries' directors at least once a year.

2. The Board of Directors has reviewed and approved the company's vision, mission and strategy in order to improve them to be in line with its goals and business operations by requiring an agenda to monitor the progress of the strategy, implement the strategy and monitor the management's performance every quarter. In the past year, the Board of Directors' meeting has considered to amend mission and vision, which is effectively on 1 January 2022, in accordance with the Company's future business goals and strategies.

   To provide executives and employees the same objectives of operation, the guidelines are as follows:

   1) To determine the vision, mission, strategy, goal, business plan and budget of the Company by expressing opinion with open-minded in order to jointly set the direction of the organization through workshop between the Board of Directors and senior Executives regularly every year.

   2) To review progress of strategic execution on regular basis in order to monitor and ensure that the management is working according to the plan and strategic direction that has been set

   3) To arrange sessions for the management to freely discuss and share their opinions in order to determine the direction of organization and prepare for changes in business context

   4) To provide suggestions, feedback, and guidelines for managing the organization so that the Management can develop plans that are clear and align with the overall objectives

   5) To communicate policy, goal and direction of the organization to all levels of the employees where there are Top-Management Communication Activity (TCA) four times per year and the activity called, "Jub Khao Khui Kun" for company-wide twice a year, both activities are communicated by President.

In 2021, COVID-19 situation continued to remain an obstacle to the recovery of economic and industries of both Thailand and overseas market which has led to acceleration of changes in many aspects including industries, policies of Thailand and other countries, and consumer behaviors. With these changes in business context together with the occasion of 60th anniversary of the Company in 2022, it was an appropriate timing to create new vision and mission statement to reflect the new direction and changes of the organization.

The Board of Directors and the Executive team together has set course for the business direction toward strengthening existing business of parts manufacturing for automotive and agricultural machinery sectors while developing new businesses related to electric vehicles, agricultural machinery, and robotics and automation. The overall goal is to create revenue growth of 7-8% each year to the Company while maintaining the core principle of "SBG Triple Bottom Line" to create sustainable growth while considering all key stakeholders.

The goal is to achieve average gross income growth 7-8% per year.

3. The Board of Directors shall monitor that the management shall operate business in compliance with the business strategy, therefore the management shall report the operational and financial performance particularly strategy progress and financial target to comply with strategy plan to the Board of Directors every quarter.

In 2021, due to the spread of COVID-19, the Board of Directors considered for the critical plan for economic crisis in many sectors including providing the strict measurement for the safety of all employee in compliance with the business and strategy plan as follows:

1) The strict measurement for the safety of employees for dealing with COVID-19 situation

1.1 The strict measurement for the safety of employees for dealing with COVID-19 situation

1.2 Organize waiting center and bubble and seal center within the Company

1.3 Set measurement to prevent, control and encourage vaccination of employees

1.4 Set measurement for active case finding with using Antigen Test Kit (ATK) on regular basis

2) To adapt to changes in business context and technology

2.1 Focus developing manufacturing process for high quality standards

2.2 Study and develop products that create competitiveness

2.3 Monitor trend in technological changes and study competitors' information

2.4 Develop knowledge and collaboration with experts in technology

2.5 Explore new business opportunities according to strategic direction

2.6 Prepare the organizations and employee to be ready for the transformation.

3) Internal Management will focus on:

3.1 Cost reduction to be competitive with the competitors

3.2 Maintain quality control and standard to meet the customer need

3.3 Human resources development and teamwork

3.4 Process improvement to increase efficiency in the organization

2.5 Internal Control and Risk Management

1) The Board of Directors manages to have an internal control system that covers all aspects of finance, operation to be in accordance with laws, regulations, and relevant regulations, including providing adequate and appropriate risk management. As well as establish a mechanism for checking and balance that is effective enough to operate, including taking care of assets by establishing an internal audit department under the supervision of Assistant General Manager - Internal Audit Department is Mr. Wasumeth Kullachote; who is an independent agency that reports directly, to the Audit and Corporate Governance Committee and prepares the Audit and Corporate Governance Commitee Report to reveal the number of Audit and Corporate Governance Commitee meetings in that year and has been assessed Review the internal control system related transactions consideration for the nomination Termination of the auditor financial report review Determine risk management policies. Overseeing compliance with regulations and policies and has the conclusions and approval of the Audit and Corporate Governance Commitee on the overall operations in various fields.

2) The Board of Directors has established a risk management policy and has an adequate risk management system and to monitor risk management regularly, therefore, a Risk Management Committee was established. To consider the risk factors and key risk management approaches to achieving the strategic goals of the organization, carefully considering every risk in both quality and quantity with the best suggestion to protect and preventive risk from the current situation reporting to the Board of Directors.

2.6 The Company provides responsible persons or regulatory agencies.

To provide compliance units to supervise compliance with the appointment of Mr. Wasumeth Kullachote. Assistant General Manager - Compliance Department instead of Ms. Pasucha Sinchai starting from 1 July 2021.

The Compliance Department has overseen corporate governance as follows:

(1) Promote, disseminate Corporate Governance Policy and Code of Conduct.

(2) Study, revisit, evaluate, review, suggest corporate governance guidelines and Code of Conduct to be up to date in accordance with the laws and criteria of the Stock Exchange of Thailand and the Securities and Exchange Commission and the best practices of leading organizations that are international standards.

(3) To ensure an evaluation of the Company's compliance with corporate governance and Code of Conduct, as well as to review the implementation of the CG Code principles to apply to the Company's business operations, as well as to supervise anti-corruption by reporting to the Board of Directors quarterly through the Audit and Corporate Governance Commitee.

(4) Perform other actions as assigned by the Audit and Corporate Governance Committee.

2.7 Meeting Schedule in advance and in the past year there have been more than 6 meetings / proportions of board attendances.

The Board of Directors schedules meetings of the General and Subordinate Committees in advance of the year, which will consider the schedule of meetings during the month. The meeting is held more than six times each year, as well as special meetings as needed. Both agenda to know and to consider for discussion and share opinion. The supporting documents must be sufficiently complete and delivered to the directors at least 7 days in advance to allow the directors to have sufficient time to study the information before attending the meeting, and on the day of the meeting, the President must allocate time so that all committee members can freely discuss and express their opinions and the Chairman will process the opinions, summarize the priorities obtained from the meeting, with the preparation of the minutes of the meeting on a case-by-case basis by the Secretary of the Board of Directors. After receiving the meeting's approval, the documents will be stored at the Company Secretariat, 2nd Floor, Building 11, Head Office (Attendance details specified in Section 8.1.2 Attendance of the Faculty of Directors page 90.

In 2021, the entire Board of Directors attended 100% of the total number of meetings both Physical Meeting and E-Meeting.

Duty of the Board of Directors in 2021

Q1

1. To consider the schedule and agenda of the Annual General Meeting of Shareholders
   - To consider and approve the record date to determine the list of shareholders eligible for the 2021 annual meeting and the right to receive dividends.
   - To consider and acknowledge the company's performance
   - To approve and propose the AGM to approve the financial statements ended 31 Dec 2021
   - To consider and acknowledge the interim dividend payment
   - To consider and approve the allocation of profit from annual performance
   - To consider and approve the appointment of directors in place of those retiring by rotation
   - To consider and approve the remuneration of directors
   - To consider and appoint an auditor and determine the annual audit remuneration
2. To consider the financial statements and performance of the past year
3. To consider and acknowledge the performance of the Audit and Corporate Governance Committee in the past year
4. To consider and approve the director remuneration
5. To acknowledge the performance of the corporate strategy.
6. To approve the criteria of 2021 KPI Bonus for employee
7. To acknowledge SBG's air status
8. To acknowledge the performance of investor relation
9. To consider the executive successor plan and organization structure
10. To consider corporate strategy and human resource strategy
11. To consider the risk management plan
12. To consider investment plan
13. To consider cash management
14. To arrange the Meeting of Non-Executive Director

Q2

1. To arrange the 2021 Annual General Meeting of Shareholders
2. To consider and approve the appointment of directors to return in the sub-committee
3. To consider the business restructuring to be holding
4. To consider and approve the financial statements and the results of the first quarter.
5. To consider and acknowledge the performance of the Audit and Corporate Governance Committee of the first quarter.
6. To consider the restructuring of the organization

Q3

1. To consider the business restructuring of holding company
2. To arrange the Extraordinary General Meeting of Shareholders No.1/2564
3. To monitor the management of hazardous materials
4. To approve the payment of interim dividend
5. To acknowledge the progress of investment
6. To consider and approve the financial statement and operating results of the second quarter
7. To acknowledge the performance of Audit and Corporate Governance Committee of the second quarter
8. To define the vision, mission, and strategy

Q4

1. To consider the vision and company's logo
2. To sell the shares in Nippon Kikai Engineering Co., Ltd. (NKE)
3. To consider approval 2022 budget
4. To consider and approve the financial statement and operating results of the third quarter
5. To acknowledge performance of Audit and Corporate Governance Committee of the third quarter
6. To approve the Meeting schedule of the Board of Director and Sub-Committee in advance
7. To acknowledge the report of risk management in the third quarter
8. To consider and approve the appointment of auditors and to fix the remuneration in the year 2022
9. To consider the investment plan
10. To consider the 2022 manpower and organization structure
11. To approve the compliance policy to comply with laws, rules, and regulations

2.8 The Company established the quorum policy of two-third

To set the policy on the minimum quorum of the Board of Directors by providing that, to vote at the meeting, the Directors must be present at least two-third of all members.

2.9 The Board of Directors hold meetings of the Non-Executive Directors without management attending.

The Company has a policy for Non-Executive Directors (NED) to organize their own meeting to discuss on business or outstanding issues without an attendance of management at least once a year.

In 2021, the NED's meeting was arranged 1 time on 18 March 2021, the Chairman discussed issue on business restructure. The results of the meeting were reported to the Board of Directors by added in the agenda of the Board of Directors' meeting so that the directors can jointly discuss and share their opinions.

2.10 The Company discloses the policy President and Executive.

2.10.1 Criteria and procedures for the nomination of the President and executives

The Company has the criteria and procedures for the nomination of the President and Executives. The Nomination and Remuneration Committee is assigned to be the person in charged to select and nominate the qualified person to be nominated to the Board of Directors to consider an appointment with criteria as follows:

1. To consider from the appropriation of knowledge, experience, competency, expert skill to be necessary to the Company or in relating to the business or core industry of the current operation consistency with the strategy and business direction.

2. To consider the diversity of gender, age, race, nationality, expertise, skill experience and knowledge, academic competency, and sustainable factor, including having good image, leadership, and compliance of the good governance principle to bring about the efficiency executives.

2.10.2 To establish the Remuneration Policy of the President, including the Performance Evaluation of the President

The remuneration of the President is aimed to reward the success of implementation of short-term and long-term strategies including the performance of the President as assigned by the Board of Directors. The Nomination and Remuneration Committee is assigned to evaluate and present to the Board of Directors for approval. The results of the President's evaluation shall be deemed as confidentiality and undisclosed. The criteria that evaluating the President for short-term and long-term remuneration are divided into 2 sections as follows:

1. Organizational Key Performance Indicators according to the business plan and strategy in short-term and long-term.

2. To Support transparent and sustainable growth

The criteria are covered the establishment and execution of strategy, planning and financial performance, management and personnel relations, leadership, as well as solutions impacting organization and stakeholder. The evaluation results will be determined as salary increase rates and bonus of the President approved by the Board of Directors (details of remuneration disclosure of CEO specified in Section 7.3.4, the total amount of the Executive's Compensation Page [ ])

2.10.3 The Performance evaluation of Executives

The Board of Directors and the Nomination and Remuneration Committee establish annual measurement of top executive's performance by Key Performance Indicator (KPI) compared with targeted KPI, which relating to compensation rate in accordance with the criteria set by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee will consider the appropriation of such remuneration according to the remuneration structure of the Company compared with 1) remuneration survey from trusted institutions, organizations, and entities; and 2) growth rate of the Gross Domestic Product, inflation rate, and net profit for the past 5 years, as well as based on performance and responsibilities be assigned.

2.11 Establishment of the successor plan of top executives and proposing the implementation guidelines

Establishment of the successor plan for the President and the Vice President is made to ensure that the Company has sufficient knowledgeable and competence executives to perform their duty as follows:

(1) The Board of Directors has established the executive development plan to provide the successor plan for the President and Vice President in all functions.

(2) The Nomination and Remuneration Committee has prescribed the knowledge, competency, and experience of each position to select qualified executives according to the requirements and can inherit such roles.

(3) The President has evaluated the performances, knowledge, and competency of qualified executive compared with required competency to develop the individual development plan to reduce competency gap.

(4) To assign the Organization Development function to Human Resource Department to monitor on the training to develop knowledge and competence of the successor to the Vice President.

(5) The President has rotated the duty and responsibilities of the executives and assigns the Vice President to participate in the Executive Board to gain the understandings, experiences, and readiness in the organization administration in the future.

(6) The President has reported the performance and development result according to the individual development plan of executive to the Nomination and Remuneration Committee twice a year.

(7) The Nomination and Remuneration Committee has regularly reviewed and summarized the results of the successor plan of the President and the Vice President and report to the Board of Directors twice a year.

In addition, to evaluate of internal successor readiness, in case of unreadiness, the external recruitment shall be considered by criteria as follows:

1. Qualification shall be consistency with competency.
2. Having experience in covering field
3. To be readiness to manage the organization
4. To have good relationship with external organizations and the Board of Directors.

2.12 Governance on internal information

1. The Company has required that the directors, executives, and employees, who are acknowledge significant internal information, which may impact the fluctuation of the trading price of the securities, shall suspend trading of the Company's securities during 1 month prior to the Company's announcement, of its operating information, is made to the public.

2. The directors and executives have the duty to report the trading of the Company's securities/the changes in the holding of the securities, inclusive thereof spouses' and underage children's as well as related persons according to section 59 of Securities and Exchange Act 1992 (2535 B.E.) within 3 business days from the date which the buying, selling, transfer or being transferred have been carried out to the Securities and Exchange Commission. It is also prohibited to trade the Company's securities during the 1-month period prior to the publication of the financial statements (including additional amendments).

3. The directors and executives must report the trading of the Company's securities/the changes in the holding of the securities to the Securities and Exchange Commission as well as noticing the Company at least 1 day in advance prior to the trading of the securities through the supervising and inspection department and report to the inspection and good governance committee every quarter. The inspection and good governance committee will then make a deliberation on the holding of the securities and make a quarterly report to the Board of Directors.

In 2021,

1. No corruption case
2. No resigned case of non-executive director caused by the corporate governance issues of the Company.
3. The Board of Directors and executives of the Company have no ethical offenses.
4. The Company has no history relating regulatory misconduct of the Securities and Exchange Commission and the Stock Exchange of Thailand.

3. Performance Evaluation of the Board of Directors

The Board of Directors has evaluated its entire performance at least once a year to review whether the governance in various operations is adequate and be used such information supporting the management to enhance and develop management efficiency. The Company also adjust the self-assessment form, according to an example and guideline of the Stock Exchange of Thailand, with appropriation and consistency of characteristics of the Board of Directors; and further inform the Board of Directors of the assessment results analyzed to improve the performance efficiency, by divided into the following: (1) Self-assessment of the entire Board of Directors, (2) Self-assessment of the Directors individually, and (3) Self-assessment of the three sub-committees, namely the Executive Board, the Audit and Corporate Governance Committee, and the Nomination and Remuneration Committee. The Board of Directors, therefore, jointly consider the performance evaluation and solve the problem for further improvement and development. (Evaluation details specified in Section 8.1.1 Nomination, Development and Evaluation of The Performance of the Board of Directors Page 85-87)

4. Directors and Executive Development

1. Director Orientation

The Board of Directors organizes the orientation of all new directors to provide knowledge, understanding in business and operations of the Company to be ready to perform their duties as director. At the same time, the Company establishes the policy to strengthen knowledge and new vision in terms of corporate governance, industry condition, technology business and innovation for all directors in order to encourage their performance with effectiveness and be able take the position as directors as soon as possible and also assign the Company Secretary to be a coordinator on the following matters:

(1) Acknowledged matter: business structure and director structure, scope of authority, and law:

(2) General business information, operation guideline and visiting the production line; and

(3) Arrange the discussion session with the chairman and the President to inquire them about in-depth information of the Company's business operation.

In 2021, the Company did not nominate a new director. However, to keep up with the current and update information, the Company report and update the new regulation and law such as the corporate governance policies, code of conduct, anti-corruption measures and ASEAN CG Scorecard guidelines that directors should know.

2. Knowledge Development for Directors and Executives

The Company support the directors and executives to participate in the seminar that will be benefited to perform]their duty. The Company Secretary will coordinate with the director to participate in the course provided by Thai Institute of Directors and other institutions including Directors Certification Program (DCP), Directors Accreditation Program (DAP), Audit and Corporate Governance Commitee Program (ACP), and Corporate Governance for Executives (CGE), etc., and attend the seminars organized by the Company between directors and executives to exchange their opinion and enhance knowledge and improve performance (evaluation details specified in Section 8.1.1, Recruitment, Development and Evaluation of The Board of Directors Page 85-87).

Policies and practices relating shareholders and stakeholders

1. Rights of Shareholders

The Company emphasizes on the importance of the rights of shareholders by allowing the shareholders to participate in corporate governance and emphasizes on the importance of good practices in the execution of shareholders' meetings regarding (1) the quality of the invitation letter, (2) the quality of the minutes of meeting, (3) the role and attendance of the Chairman and the sub-committee, by preparing the minutes of shareholders' meeting to inform the shareholders of the meeting's resolutions and the accuracy can be reviewed by the channels of the Stock Exchange of Thailand and the Company's website within 14 days from the meeting date. The Company has administered in the category of shareholders' rights as follows:

Operating Year 2021

1.1 The shareholders are given the opportunity to propose matters to be included in the meeting's agenda and propose the name of qualified persons to nominate as directors between 30 September2021 to 31 December 2021 by informing the shareholders through the News System of the Stock Exchange of Thailand as well as published clear instructions and process on the Company's website at www.satpcl.co.th under the Investor Relations section, shareholders information, and select sub-heading "Shareholders' Meeting".

1.2 The shareholders are given the opportunity to submit questions related to the agenda of the 2021 Annual General Meeting of Shareholders In advance between 19 March 2021 to 9 April 2021 by informing the shareholders through the news system of the Stock Exchange of Thailand as well as published clear instructions and process on the Company's website at www.satpcl.co.th under the Investor Relations section, shareholders information, and select sub-heading "Submission channels for questions regarding the meeting agenda".

1.3 The Company announced the number and ratio of the shareholders attending the meeting and the proxies attending the meeting, the voting and counting process prior to the shareholders' meeting and the Company usages of ballots.

1.4 To propose the guidelines and procedures for the proposal of the directors' remuneration by explaining the composition and proposed remuneration for the Company's directors of all arrangements divided into monthly remuneration, meeting allowance, annual remuneration and other privileges for the shareholders consideration on a yearly basis.

1.5 To propose the policies, methods, and criteria for the remuneration of the directors in each position for the shareholders' acknowledgement.

1.6 The opportunity is given for the shareholders to cast an election vote for a director individually by presenting the name of the director for the shareholders to vote one by one.

1.7 The Company has an independent inspector, which is a non-stakeholder, from LS Horizon Limited. to perform the duty of counting the quorum, inspect the vote counts and the voting results in order for the meeting to be conducted in transparency, and in accordance with the law and Articles of Association of the Company.

1.8 The Company facilitated and encouraged the shareholders as well as the institutional investors to attend the meeting by organizing the meeting at a location with ease of access by the various public transport systems.

1.9 In the 2021 Annual General Meeting of Shareholders, the Company has clearly specified the shareholders meeting agenda divided into different categories without any addition to the meeting agenda or changes of important information without noticing the shareholders in advance and the shareholders are given the opportunity to share their views and raise questions at the meeting, in which the details are recorded in the shareholders meeting minutes.

1.10 To hold the general meeting, the Company give opportunity to attend the electronic meeting.

1.11 The Board of Directors altogether does not hold more than 25 percent of the total Company's issued shares.

1.12 To promote the ratio of the common shares held by minority shareholders (Free Float) at more than 40% of the total issued shares of the Company.

1.13 The shareholders are given the opportunity to connect and communicate among each other without the Company's obstruction or hindrance.

1.14 In the event that the shareholders will enter into a shareholder's agreement, the Company will ensure that the agreement between the shareholders does not have a significant impact to the Company or other shareholders.

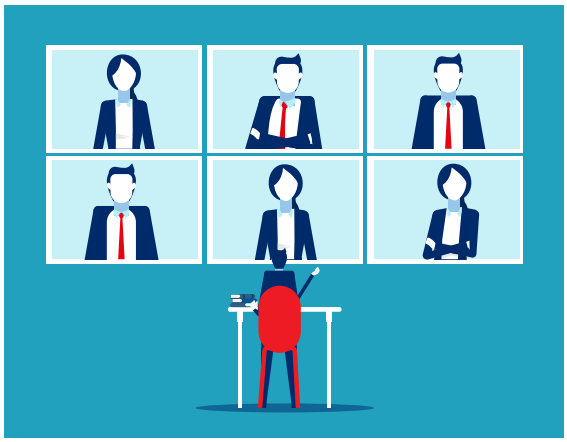
1.15 The Company has prepared personnel and up-to-date technology to facilitate the shareholders' document inspection process for the registration, vote counting, results display and the execution of the meeting to be completed quickly, correctly, and precisely.

1.16 The Annual General Meeting of Shareholders

In 2021, due to the spread of Coronavirus 2019 (COVID-19), the Company had to change the date and place to arrange the Annual General Meeting of Shareholders. The Company has focused on the safety of shareholders and the Company shall strictly comply with the measures and practice to prevent Coronavirus 2019 (COVID-19) infection of Department of Disease Control as follows:

Before the Meeting Date

1. The Company request for the shareholders' cooperation not to attend the meeting in person to minimize the risk of spreading infection therefore, the shareholders can grant proxy to the Company's independent directors as stated in Proxy Form B to attend the meeting and vote on their behalf.
2. The Shareholders submit questions which related to the agendas prior to the meeting by e-mail to pasucha.s@somboon.co.th and/or nopamas.p@somboon.co.th



On Meeting Date

1. The Company has a health screening point with various equipment at the meeting entrance and will request all shareholders and attendees to fill in COVID-19 screening form before entering the meeting. The Company reserves the right not to allow those who do not pass screening point e.g., have a fever (temperature of 37.5 degrees Celsius or higher), cough, sneezing, running nose, respiratory symptom or difficult to breath etc. to attend the meeting.
2. The Company arranges the seats with appropriate social distancing at a minimum of 1.5 meters from each other. The Company will indicate the seat number for the shareholder who already completed the meeting registration. Therefore, the shareholder is required to sit according to the seat number as specified.
3. All attendees strictly comply with the Company's guideline for the meeting by always wearing a facemask and screening sticker during the meeting.
4. The Company does not serve food and beverages in the meeting area to prevent the spread of infection.
5. The Company conducts the meeting concisely and in line with agendas in accordance with the laws.
6. The Company accepts only written questions.
7. The Company does not distribute the hard copy of the Annual Report and Sustainability Report on the meeting date.

The Extraordinary General Shareholder Meeting through Electronic Means (E-EGM)

Before the Meeting Date

1. As the Coronavirus 2019 (COVID-19) situation has not returned to normal, the Company is aware of and has concerned over health and safety of all shareholders and relevant persons, therefore, the Extraordinary General Meeting of Shareholders was held through electronic means (E-EGM) in compliance with the rules and laws relating to electronic meeting.
2. For the shareholders who wish to attend the meeting by him/herself or appoint the proxy to attend the meeting, please submit the completed filled and signed Registration Form for Attending the Extraordinary General Meeting of Shareholders through Electronic Means (E-EGM).
3. The shareholder must comply with the Guidelines for Attending the Extraordinary General Meeting of Shareholders through Electronic Means (E-EGM).
4. In case where the shareholders cannot attend the e-meeting through electronic means by him/herself, the shareholders can grant the proxy to any other person or one of the Company's independent directors to attend the meeting and cast vote according to your instruction.
5. The Shareholders submit questions which related to the agendas prior to the meeting by e-mail to pasucha.s@somboon.co.th and/or nopamas.p@somboon.co.th

On the Meeting Date

The Company shall arrange the Extraordinary General Meeting of Shareholders through Electronic Means (E-EGM) as follows:

1. The Company proceeded the meeting according to the agenda specified in the invitation letter to the Extraordinary General Meeting of Shareholders.
2. During the e-meeting in any agenda, the shareholders attending the meeting can submit their suggestions or questions through the e-meeting system that notified the shareholder in detail of the Guideline for Attending Meeting through Electronic Means. The shareholder can submit their question by typing in the chat box.
3. To cast the vote during the e-meeting, the shareholder may cast his or her vote in each agenda either "Approve", "Disapprove", or "Abstain" from voting through the monitor and notify the vote result as well.
4. The Company informed the shareholder for the contact channel if the shareholders had any technical queries or problems in using the e-meeting system before or during the meeting.

Section 2 Equitable Treatment of the Shareholders:

The Company has a policy to treat all shareholders equally, regardless of major shareholders, minority shareholders, institutional investors, or foreign shareholders by ensuring that the shareholders have the fundamental rights as required by the law.

Operating Year 2021

2.1 The Company has attached a proxy form B. together with the meeting invitation letter, which is a form which enables the shareholders to set their own directions in the vote casting in each agenda, to allow the excused shareholder to authorize an independent director or other persons to attend the meeting and cast a vote on their behalf. It is also published on the Company's website for the shareholders to download by themselves.

2.2 The Company has issued a procedure for shareholders meeting attached with the shareholders meeting invitation letter in order for the attending shareholders and/or the proxies (in the cases where proxies are assigned) to be able to prepare documents/evidence as a self-identification to properly enter the meeting in accordance with the law and the Company's regulation whereby the Company does not stipulate conditions in an obstructive manner or unreasonably create a burden to the shareholders.

2.3 The Company has held 2 shareholders' meetings, which are:

(1) The 2021 Annual General Meeting of Shareholders on 22 April 2021, with all 9 directors presenting at the meeting and has authorized Thailand Securities Depository Co., Ltd., which is the Company's share registrar, to send out the meeting invitation letter in both Thai and English language to the shareholders 27 days in advance, as well as publicized the meeting invitation letter including the supporting documents on the Company's website in both Thai and English language 34 days in advance in order for the shareholders to learn the information prior to the date of the meeting.

(2) The Extraordinary General Meeting of Shareholders No. 1/2021 on 9 September 2021, with all 9 directors presenting at the meeting and has authorized Thailand Securities Depository Co., Ltd., which is the Company's share registrar, to send out the meeting invitation letter in both Thai and English language to the shareholders 15 days in advance, as well as publicized the meeting invitation letter including the supporting documents on the Company's website in both Thai and English language 15 days in advance in order for the shareholders to learn the information prior to the date of the meeting.

2.4 The Company grants equal voting rights to the shareholders, which is one share per one vote, according to the number of shares held.

2.5 The Company has no transaction for the financial support to the company which is not the subsidiary or affiliate of the Company.

Section 3 Conflict of Interest Prevention

The Company has policies and practices to prevent the use of internal information of the Company without the directors, executives, and employees make transactions that may cause conflicts of interest and take the opportunity to seek personal gain and/or related parties.

Operating in 2021

3.1 Buying and selling shares/ holdings of securities of the Company: To establish policies for directors and executives must prepare a report on the purchase and sale of shares/ change of securities holdings to SEC and notify the Company at least 1 day in advance of securities trading through the Company Secretary and report to the Audit and Corporate Governance Committee on a quarterly basis and report to the Board of Directors quarterly.

3.2 The Company establishes policies and practices regarding the prevention of the use of internal information to directors, executives and employees acknowledge and comply.

The Board of Directors has established the use of internal information in accordance with the laws and principles of good corporate governance, as defined in writing in the Code of Conduct to prevent the use of information for trading securities of the Company or unlawful exploitation as follows:

1) Directors and executives, including employees who are in positions or lines responsible for internal information or who have access to internal information of the Company cannot purchase or sell the securities of the Company within 1 month prior to the disclosure of quarterly and annual financial statements.

   In 2021, the Compliance Department will notify the relevant persons in an email during that period and no directors, executives or related employees will traded securities during such period.

2) The directors and the first 4 executives of the company wishing to trade securities must notify the Company at least 1 day in advance of trading securities through the Company Secretary and be responsible for reporting changes in securities holdings to the SEC within 3 business days from the date of the change via the SEC's website and the Company Secretary Department to report to the Audit and Corporate Governance Committee and report to the Board of Directors.

   In 2021, no directors and executives traded the company's securities.

3.3 The Company has focused on the use of internal data and preventing the use of internal data for own gain and/or related parties or conduct business competing with the Company or related businesses.

The Company has conducted training on the use of internal information of the Company and preventing the use of internal data for own gain and/or related parties through the "Ethics...with Corporate Sustainability" course for new executives and employees at all levels to gain an understanding of the Code of Conduct as follows:

1) Director, executives and employees must keep confidential information and/or internal information of the Company.

2) Director, executives and employees must not disclose confidential information and/or internal information of the Company or to use for your own gain, or any other person, directly or indirectly.

3) Director, executives and employees shall not purchases, shares/ holdings of securities of the Company by using confidential information and/or internal information and/or enter in legal transaction by using confidentiality and/or internal information of the Company that may cause direct or indirect damage to the Company.

Guidelines: Directors and executives acknowledge their duty to report changes in securities holdings, including spouses and minor to the Company, as well as to report to the SEC under Section 59 of the Securities and Exchange Act B.E. 2535 (1992).

3.4 The Board of Directors establishes the criteria for the Directors of the Company, subsidiaries and executives reporting on the conflict of interest transaction of themselves and related persons under Section 89/14 of the Securities and Exchange Act B.E. 2535 (1992), upon first time in office and require a review of the report every year and/or every time the information is changed by submitting the report to the Compliance Department within 7 business days.

This has been extended to management-level of the Company and its subsidiaries, from the manager level up, and to employees who are involved in level of manager down.

In 2021, a total of 122 persons were reported, and the survey found that there were no executives, employees and individuals involved, having interests and transaction with the Company and its subsidiaries by reporting to the Audit and Corporate Governance Committee and the Board of Directors.

3.5 In the event of a connected transaction that is deemed to be subject to the approval of shareholders in accordance with the rules of the SET and SEC. Before entering in the transaction, the Company shall discloses the details and reasons for the transaction to the shareholders before entering to the transaction every time.

3.6 The Company establishes a policy for the related transactions to be considered and approved by the Board of Directors, and in 2021 there are no the related transactions that may cause significant conflicts of interest.

3.7 The related transaction will process with fairness and under market price and will be the normal as business standard practice. In 2021 the Company has no the related transactions that is not comply with the rule of related transaction.

3.8 Prevention of conflicts of interest

The Company has the policy that the directors, executives and staff shall not use the opportunities from their status in the Company to acquire personal interests eventually imposes the practices as follows.

1. They shall avoid a transacting having involvement with themselves which may cause the conflict of interest to the company.

2. In case such transacting is needed for the Company's interest it shall be carried out as if a transacting with an outsider having trade agreement reasonably same as transacting contracts in general over a trading negotiation authority with no influence from being directors, executives or related persons and not participating in a consideration for approval including having to comply the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission on the transaction information disclosure and connected transactions

In 2021, the Company found no conflict of interest acts.

Section 4 Role of Stakeholders:

The Board of Directors focus on the responsibility of environment and society including other stakeholders and realize on the role of all stakeholders which is the important factors to drive the Company sustainable growth.

Operating Year 2021

4.1 The Company has prepared a sustainability report in accordance with the frame by Global Reporting Initiative (GRI) both in Thai and English language which is separated from the annual report and the Company has published the mentioned sustainability report on the Company's website.

4. 2 The Company has issued policies and procedure regarding safety and hygiene in the workplace as well as a disclosure on the statistics of accidents or the rate of absence and the occupational illness rate (the details are in the sustainability report).

4. 3 The Company has issued policies and procedure regarding the employees' remuneration and benefits which is in consistent with the Company's operational performance as follows:

1) The Company is committed to pay a fair compensation as well as provide fair benefits to the employees, suitable with the economic conditions and in coherent with the law and the compensation paid by other competitive companies in the same industry.

2) The Company provides opportunities for all employees to demonstrate their full capabilities and have an evaluation system through individual scorecard (KPIs) that are linked to annual business plans and short- and long-term strategy goals and the Company shall determine the appropriate returns and creating a motivation in a form of the annual merit increase, bonus for the employee who work and support the business plan and the short-term and long-term strategy.

3) The Company provides a welfare which responds to the basic needs of employees such as provident fund, meal allowance, diligence allowance, providing scholarships for employees, employee uniforms, shuttle bus, and various other financial support for employees, etc.

Fair Remuneration

The Company has set a minimum wage rate for general employees without experiences in accordance with the minimum wage rate set by the law. The Company then proceeds to adjust the employees' entry remuneration rate according to their qualifications and fields used in the work operation in accordance with the specific requirements of the position, as well as adjust the outcome to reduce the wage gap from the adjustment of the minimum wage and the mentioned entry wage among the new employees and the current employees.

To provide appropriate welfare to the employees and other supports

The employees of the Company also receive other welfares to reduce the cost-of-living burden and improve the quality of life for the employees and extending to their families, which will result in an improvement of the employee's work performance and their way of life, as follows.

- The Company provides (plain) rice for the employees at every meal
- Increase the lunch allowance and control the food cost to remain lower than the market price.
- Infirmary service and scheduled doctor's service
- Employees' health insurance and life insurance by arranging an annual health check for the employees including a group health insurance and group accident insurance.
- Employees' children education funds support and financial support in the event of the death of the employee, the employee's spouse, or the employee's parents.
- The employees are given the opportunity to express their opinions though the internal suggestions channel.
- To provide transportation for employee

Measures to take care the employee during the spread of Coronavirus 2019 (COVID-19)

From 2020 to 2021, due to the spread of Coronavirus 2019 (COVID-19) all over the world, including in Thailand. The Company has realized and concerned about the health and safety of all employees including disable employees and contractors working in of the company's area. The Company, therefore, strictly implemented measures to prevent Coronavirus 2019 (COVID-19) infection to create the confidence to all employee to build a courage as follows:

1) To communicate and educate all employees to raise awareness of practices and reduce the risk of self-infested epidemics, family, and surrounding society, seriously and continuously. The Company also provide a wide range of communication's medias and channels to communicate and emphasize that employees understand and can do, including expansion to families and communities continuously.

2) To improve area, environment, and working patterns in accordance with D-M-H-T measures
   - Distancing measures include distancing seats, waiting points and common areas; as well as providing partitions preventing aerosols which are pathogen passes, and refraining from arranging group activities by changing to be online meeting.
   - Providing screening points to measure temperature and screening of employees and visitor at risk before entering the Company's area.
   - Provide hand sanitizer and alcohol gel in common contact areas such as doors, handles, railings, shuttle bus, etc., as well as regularly determining the frequency of cleaning common contact points.
   - Proactively conduct examinations of employees including contractors, in area and group at risk by ATK test, to ensure that personnel within Company's area are regularly sterile and safe.

   - To arrange Bubble & Seal process under the order, rule specified by government authorities

3) To provide work from home system to reduce the density of employees per area.

4) To provide surgical masks to all employees adequately which appropriate to operating conditions of the employee.

5) To provide 2 areas for employee care in case of need to quarantine and rest from Covid-19 infection, FAI center and Bubble & Seal center, which have been evaluated by representatives of Public Health Office, SAO; and having a nanny hospital that can refer emergencies, as well as always provide nurses and staff at the center.

- Somboon Bubble & Seal: The employees at risk following the Bubble & Seal guidelines at Somboon Learning Academy (SLA) is a rest center and care for employees who need quarantine.

- Somboon FAI: For infected employees with mild symptoms (green groups), the Company has set up the Factory Accommodation Isolation (FAI) to be used in case of finding an infected employee waiting to be referred to a hospital or field hospital.

Somboon Learning Academy is the vacination center (Industrial for EEC) in Amata City Rayong

6) To encourage employees to be vaccinated against COVID-19 through various channels, including the Company procures vaccines for employees to ensure that all employees are immune.

7) To encourage employees to immunize, by eating Thai herbs such as ginger, Kaempferia and shallots, etc., from meals and herbal drinks that the Company provides to all employees to strengthen their body and prevent diseases.

The establishment of funds, Provident fund, Compensation fund and Cremation Aid Association

Regarding the provident fund, the Company pays contribution and benefits to the employees to promote savings for the employees to have a reserve which can be used once they retire and/or leave the job, as another one of the employees' welfares.

Collection and Contribution (%) of the wage			Payment of Contribution and Benefit of the employee	
Year of work or year of membership	Employee (%)	Employer (%)	Year of work	The right of the contribution and benefit (%)
4 months or less than 4 years	Minimum 3% Maximum 15%, regardless of the years of membership	Not over 3%	• less than 5 years	0
From 4 years – 7 years		Not over 4%	• 5 years but less than 6 years	50
More than 7 years		Not over 6%	• 6 years but less than 7 years	60
			• 7 years but less than 8 years	70
			• 8 years but less than 9 years	80
			• 9 years but less than 10 years	90
			• 10 years onward	100

Remark: The employee can choose to pay money to the provident fund at the rate of 3 - 15%.

4.4 The Company has issued policies and procedures regarding the development of knowledge and potentials of employees at every level by building an education center for the companies in the Somboon Group, which was established in 2014 (2557 B.E.), to develop and enhance the competency of employees at every level of the Company as well as the stakeholders and the society, with important mission as follows.

1) Develop and enhance the ethics and morals including knowledge and skills in terms of quality, safety, technology, administration, and capabilities according to their career path.

2) Reinforce healthy people's behavior to be consistent with the corporate culture.

3) Develop and improve trading partners in terms of procedures and business ethics.

4) To be the learning center of the community, students, university students through activities and various projects. Where the imperative goal is to operate under the philosophy of "Somboon Triple Bottom Line".

Average employee training (hour / per person / per year)

Success Indicator	Elimination of 2019	Increase Performance 2021
	8.00	2.44

4.5 The Company has provided fair employment conditions for its employees and the policy to provide employees with short-term and long-term remuneration, such as the appropriate salaries and bonuses based on employees' performance and the results of the Company's performance, as well as the Provident Fund for employees.

4.6 The Company has established policies (1) not to relate to the violation of human rights (2) to fairly practice and be responsible to customer / competitor / trade partner - the process of selection of trade partner / creditor - the condition of the bond, the capital management and in the event of default (3) not to conduct an infringement of intellectual property / copyright. (as detail specified in code of conduct)

4.7 The Company has promoted the use of resources with efficiency and worthiness and directed employees to be definitely attentive and perform duties with consciousness by taking into account the safety and environment, encouraging stakeholders of the Company to participate in the developments of the community and societies and still adhering to and develop the practical performance towards the stakeholders continuously by revealing accident statistics, rate of strike and illness rate of work. (as detail specified in the sustainability report)

4.8 The Company has issued clear policies and procedures regarding all groups of stakeholders such as shareholders, employees, clients, trade partners, creditors and competitors in the business ethics manual and code of conduct at work, as well as emphasizing on the importance of the guidelines on safety, occupational health, environment, community, and society including a wide variety of social activities.

4.9 To establish policies and procedures on anti-corruption prevention measures on receiving and giving of gifts or other benefits to persuade the other party to commit a wrongful act and cause a conflict, by revealing the practical guidelines to the Company's trading partners' general acknowledgement, as well as establish a procedure to assess risks from corruption, supervising, control, monitoring and evaluation. In this matter, the Company had organized a training session for the employees and trading partners to create awareness regarding the policies and procedures in the practice of anticorruption. Moreover, the Company has a procedure to manage complaints regarding a possibility of a wrongful act and has a guideline in the protection of the employees or the informant of such behavior.

4.10 To support the employees to exercise their political rights in neutrality.

4.11 In order to lead to a serious practice, the Company has organized a preparation of a manual on "Code of Conduct" as a discipline in which the directors, executives and all employees must strictly adhere to. If there is a violation or non-compliance, it will be considered as a violation of discipline in accordance with the personnel management regulations.

4.12 The Company is consideration of the equal rights and morality in accordance with human rights by treating the employees in the same way as other stakeholders.

4.13 The Company has a policy to ensure that the trading partners will be treated equally, fairly and based on fairness for both parties, avoiding situations that can cause conflict of interest as well as adhering to the commitment, providing information, accurate reports and strictly comply with the various conditions as agreed with the trade partners. If any of the conditions cannot be fulfilled, the Company must notify the trade partners in advance to jointly consider on a solution.

Trade partners selection criteria covering 6 aspects are as follows:

1) Financial status
2) Expertise and experience
3) Technical abilities
4) Complaint's history
5) Conflict of interests / connected transaction
6) Anti-corruption policies and quality policies

4.14 The Company has a strict compliance policy with the conditions, contracts and obligations as agreed with the creditors, whether in terms of objectives of the expense, repayment, quality assurance of the collateral and other matters which have been agreed with the creditors. If any of the conditions cannot be fulfilled, the Company will notify the creditors promptly to jointly consider on a solution. The Company is committed to maintain a sustainable relationship with the creditors and convey a mutual trust.

The Company has established a guideline in capital management to build a strong stability and prevent the Company from being in a difficult situation in creditors' debt repayment and attach importance to the management of financial liquidity by making debt repayment plan to the creditors and prepared to repay debt to the creditors by the due time.

Nonetheless, the Company's directors attach importance to the monitoring, planning and control of financial liquidity to be suitable with the Company's financial activities by having a process to evaluate the ability of debt repayment and the liquidity to prevent significant risks from all dimensions, both under normal conditions and under crisis.

Section 5: Disclosure and transparency

The Company focuses on the disclosure of the Company's significant information regarding their accuracy, transparency, proper period such as the shareholder's structure, the business operation, the financial performance, the corporate governance policy, the business policy, the inspection and internal control process through the news system of the Stock Exchange of Thailand and the Company's website according to rules and guidelines on good governance in accordance with the laws, rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission so that all stakeholders can equally access to the Company's information.

Operations in 2021

5.1 To submit the financial report quarterly and annually, which are certified unconditionally by auditor, to the Securities and Exchange Commission / Stock Exchange of Thailand within the specified period. The Company has no history of being ordered to amend financial report from the Securities and Exchange Commission and the Stock Exchange of Thailand.

5.2 The Company provide and disclose the Management Discussion and Analysis (MD&A) comparing to the previous year and if there is any change, the Company shall explain the reason.

5.3 The Company appointed the certified auditor by the 2021 Annual General Meeting of Shareholders since they have already performed their duties for 7 consecutive years. All auditors' qualifications had qualified with the requirements of the Stock Exchange of Thailand and the auditing fee including the audit of the Company's BOI promoted business for the year 2021 was 1,571,000 Baht which equivalent to year 2020. Also, none of the auditors provide other services to the Company or have any relationship or interest in or with the Company or its subsidiaries, executives or major shareholders and any related persons.

5.4 To disclose the information in Annual Report and the Company's website such as shareholder structure, information of director and executives, vision and mission, nature of business operation, corporate governance policy, corporate social responsibility policy, financial statement and analysis from the analyst and institutions, annual report, sustainability report, annual registration statement, shareholder's meeting, names of major shareholders, news informed to SET and news from printing media

5.5 To disclose the criteria on directors and executives' remuneration.

5.6 To disclose the roles and duties of the Board of Directors and the sub-committees, as well as the number of meeting and each meeting attendance records in the past year including professional training program and development consecutively.

5.7 To disclose the information regarding directors and executives' shareholding in the Company and specify the policy for directors and executives to report on the followings.

(1) To acquire and dispose of the Company's share under the policy : Directors and executives shall be responsible to report the trading of the Company's securities/the changes in the holding of the securities each time they are acquired and disposed to the Office of Securities and Exchange Commission and notify the Company at least 1 day prior conducting the securities' acquired or disposed share to Compliance Department, the Audit and Corporate Governance Committee and report to the Board of Directors.

(2) Report on Interests of Directors and Executives: The Company establishes the policy for directors and executives to prepare the Report on Interest of Directors and Executives to prevent the conflicts of interest of directors and executives by Compliance Department and report to the Audit and Corporate Governance Committee quarterly. The Audit and Corporate Governance Committee will consider the Related Parties Transaction and the Report of Interests, and report to the Board of Directors quarterly.

5.8 The Company has the policy for the connected transaction approved by the Board of Directors. In addition, in 2021, there is no connected transaction may cause the significant conflict of interest.

5.9 The Board of Directors established the policy to prevent the use of internal information by prohibiting to take the opportunity or information received from being in the position of executive director or employee for personal gain or to operate the business that competes with the Company or related the Company's business as well as not using the internal information to acquire or dispose the Company' share for personal gain or disclose the internal information to others for the benefit to acquire or dispose the Company's share and not to acquire, dispose, or transfer shares in advance at least 1 month before the operation result and/or internal information disclosed to public by news system of SET. In addition, the directors and executives must report the trading of the Company's securities/ the changes in the holding of the securities to the Office of Securities and Exchange Commission according to Section 59 of the Securities and Exchange Act. B.E. 2535 (1992)

5.10 The Board of Directors has specified the principle for the directors of the Company, subsidiaries, and executive to report on their conflict of interest and related person according to the Section 89/14 of the Securities and Exchange Act B.E. 2535 (1992) and require revising the report every year and/ or any change every time by sending to Compliance Department within 7 working days.

The Company has also required the employee of the Company and its subsidiaries at the management level, the manager up level and related employees in manager down level considered by Vice President in each division to provide such report of the conflict of interest according to the Corporate Governance Policy. In 2021, there were the report of 122 persons in total and the results shows that there were no executives, employee and related persons involved with the interest and entering transaction with the Company and its subsidiaries and then report to the Audit and Corporate Governance Committee for further informing to the Board of Directors for acknowledgement.

5.11 The Company has the Investor Relation Section to be the channel to communicate all information and question to respond to investor queries via the email address: ir@somboon.co.th and telephone number 02-080-8197.

Investor Relationships

The top executives of the Company pay an important role in the investor relations by participating in the meeting, giving information, and exchanging opinions with the shareholders, the investors the analyst and the reporter regularly. The Company has established the Investor Relations Department since registering in the Stock Exchange of Thailand so that the shareholders, the investors, the analyst, the reporter and general interested people can quickly access to the Company's information. The Company's information is correct, complete, clear, and up-to-date especially the significant information that would affect the share price of the Company. Moreover, such information can be used for decision-making for effective investment which would affect the true value of the Company.

The Company has disclosed information and news according to the criteria of the Securities Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) through various channels such as communication channel and promulgation of information of SET, giving an opportunity of Site visit for investors or analysts or Company Visit, proving an opportunity for the reporter from Thai and foreign news station to meet and interview, issuing of Earning Release of the Company to the public regularly, arranging the meeting to communicate the information of the Company, giving opportunity to the investor to inquire the Company's information through IR Contact via telephones and electronic mail and post news via the Company's website (www.satpcl.co.th) which has been updated in part of Investor Relations regularly in relation to the Balance Sheet, the Annual Report, 56-1 Form, the Company's presentation document, security analysis and others.

Due to the spread of COVID-19 pandemic that continued from 2020 to 2021, the Company still arranged the activities to present direct and indirect information in appropriate measure to the situation as follows:

1. To present the information to investors (Road Show) communicating to both domestic and foreign investors for 7 times.

2. 4 Quarterly Analyst Meetings to clarify the performance result.

3. To conduct the Company's Site Visit or to discuss with the executives of the Company (Company Visit) and conference calls from the analysts and investors from both domestic and foreign institutes for 23 times.

4. To present the information in the Opportunity Day organized by the Stock Exchange of Thailand for 4 times.

5. To publish news to mass media and the Executives have interviewed to the domestic newspaper for 5 times.

6. To publish Press Releases when the Company had the investment activities or significant business activities.

7. To give information and answer questions of the investors and press regularly via email at ir@somboon.co.th and telephone no. 02-080-8197.

In 2021, the Company received Outstanding Investor Relations Awards from the Stock Exchange of Thailand.

6.2 Business Ethics

The Board of Directors has created the Corporate Governance Policy and the Code of Conduct, and it is required that both manuals are to be revised yearly to be consistent with the business context and related law, rules, and regulations, and publish on the Company's website under the corporate governance section, in both Thai and English, according to the Corporate Governance Code (CG Code) by the Securities and Exchange Commission and Thai Institute of Directors Association, including international guidelines such as ASEAN CG Scorecard, etc.

6.3 Major changes and developments of Policy, Practice, and System of Corporate Governance for the past year

In 2021, the Board of Directors significantly approved and reviewed the policy, guideline, and Code of Conduct to be aligned with business context, related law, rules, and regulations, which are:

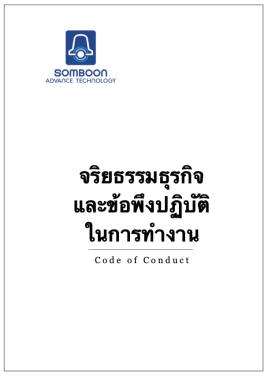
1. Review the policy and guideline on Anti-corruption

2. Review the policy and guideline on Use and Protection of Technology Systems

3. Establish the policy and guideline on Personal Data Protection

4. Establish the policy and guideline on Transactions between Companies

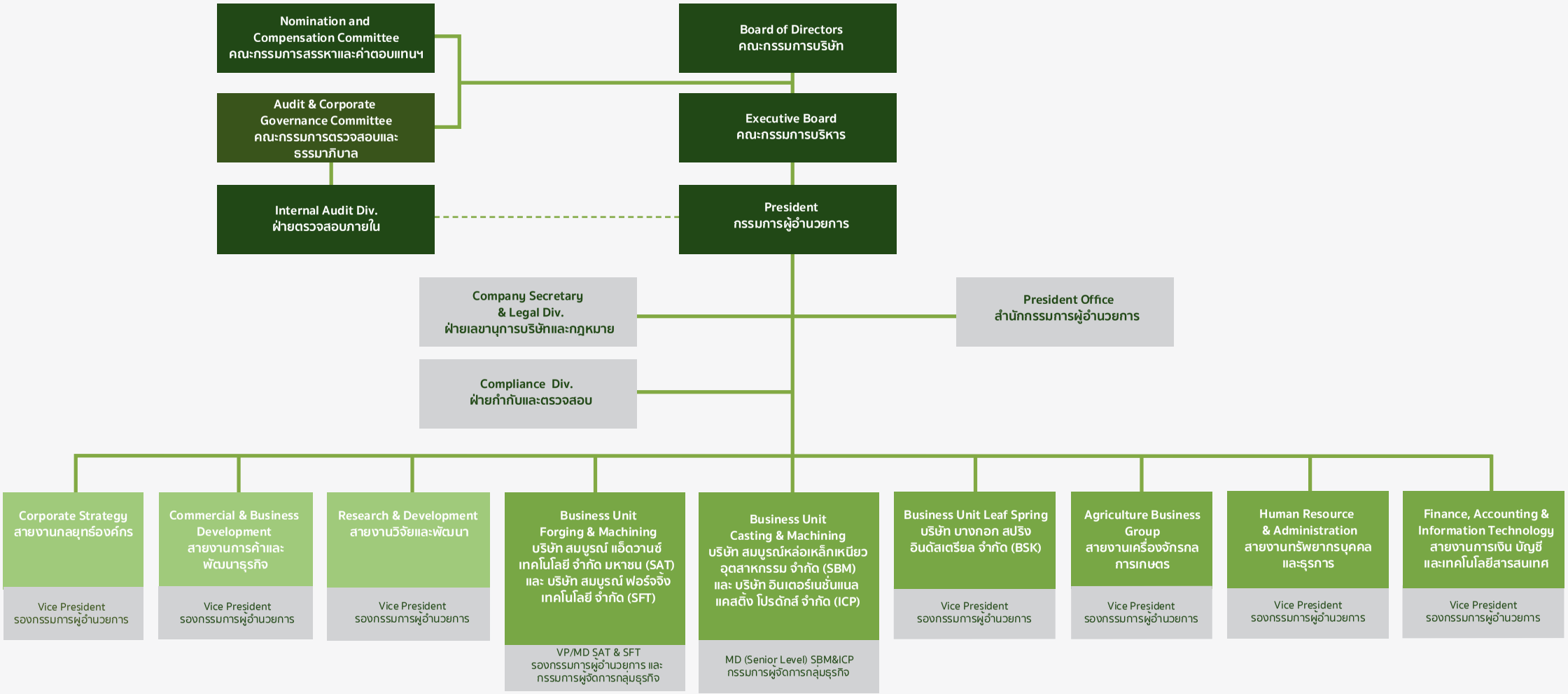
5. Establish the policy and guideline on Intellectual Property



7. Corporate Governance Structure and Significant Information related to the Board of Directors, subcommitees, executives, employees and others

7.1 Corporate Goverance Structure

Organization Structure
Somboon Advance Technology Public Company Limited



7.2 Information of the Board of Directors

The Company's management structure consists of the Board of Directors and 3 Sub-committees which are Executive Board, Audit and Corporate Governance Committee and Nomination and Remuneration Committee.

7.2.1 Elements of the Board of Directors

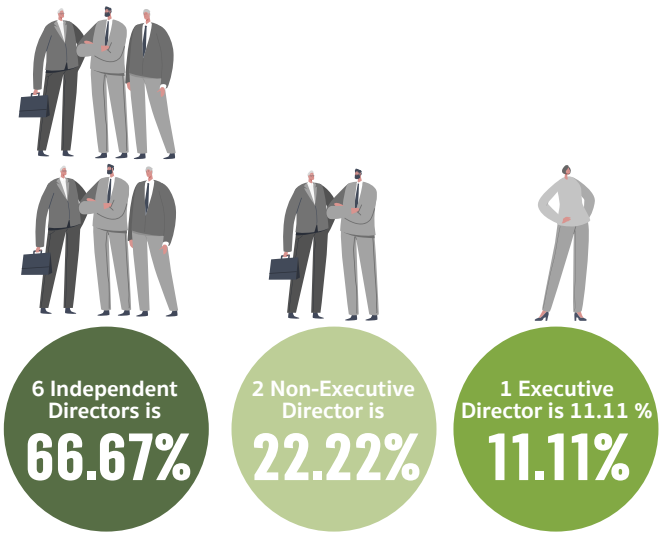
The Articles of Association of the Company is prescribed the elements of the Board of Directors that:

- The number at least 5 directors and not less than half of the total number of directors must be resident in country.

However, the current structure of Directors has consisted of 9 persons which are 1 Executive Director and 8 Non-Executives Directors (of these are 6 Independent Directors).

Independent Director is 66.67 % of the Board of Directors, which consists of;

1. Mr. Sansern Wongcha-um
2. Dr. Panja Senadisai
3. Mr. Ajarin Sarasas
4. Mr. Paitoon Taveebhol
5. Dr. Suthad Setboonsarng
6. Mr. Prayong Hirunyawanich



7.2.2 The information on each director and controlling person.

Name		Position
1. Sansern	Wongcha-um	Independent director / Chairman
2. Mr. Yongyuth	Kitaphanich	Director / Vice Chairman
3. Dr. Panja	Senadisai	Independent director / Chairman of the Audit and CG Committee / Member of the Nomination and Remuneration Committee
4. Mr. Ajarin	Sarasas	Independent director / Chairman of Executive Board/Member of the Nomination and Remuneration Committee
5. Mr. Paitoon	Taveebhol	Independent director / Member of the Audit and CG Committee / Chairman of the Nomination and Remuneration Committee
6. Dr. Suthad	Setboonsarng	Independent director / Member of the Audit and CG Committee
7. Mr. Prayong	Hirunyawanich	Independent director / Executive Board
8. Mr. Yongkiat	Kitaphanich	Director / Vice Chairman of the Executive Board
9. Ms. Napatsorn	Kitaphanich	Director / President

Authorized Directors

Directors who have authorization to sign and bind the Company are Mr. Yongyuth Kitaphanich, Mr. Yongkiat Kitaphanich and Ms. Napatsorn Kitaphanich. Any two of such three directors jointly sign with the company's seal be affixed.

7.2.3 Scope of Powers and Duties of the Board of Directors

The Board of Directors is responsible for shareholders in relation with the Company's business operation and supervision of the management to be in accordance with the policy, guidelines and objectives with the maximum benefit to the shareholders and within the frame of good ethics and morality and to take the interest of all interested parties into account.

The Board of Directors shall comply with laws, objectives and articles of Association of the Company and the resolution of the shareholder's with honesty and care

for the shareholders' interests including in compliance with the criteria and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission of Thailand.

In perform their duties, the Board of Directors shall appoint the President to be responsible for the Company's business operation.

To supervise all the Company's business, the Board of Directors has determined the following matters to be the authority and responsibility of the Board of Directors to consider approval:

1. Policy, business conducts strategy guidelines, targets, plans and annual budget of the company and subsidiaries.
2. The Company's monthly and quarterly business performances comparing to the plan and budget and the consideration of the further trends of the year.
3. The investment in the annual non-budgetary project.
4. Spending on the investment capital at 5% in excess of the investment budget in the approved project and 10% in excess of the other investment budgets that are not the project investment budget.
5. The purchase and sale of assets, the purchase of business and the participation in the coin vestment project that is not contradicted to the Stock Exchange of Thailand's criteria and not exceeding in values authorized to the President.
6. The transaction or any actions that shall result in the major impact against the Company's financial status, debt burden, business operation strategy and reputation.
7. Any contract execution that is not related to the normal business operation and the contract related to the major regular business operation.
8. Connected transaction between the Company, subsidiaries, associated companies and the related persons in part of the transactions that are not meet with the requirements of the Stock Exchange and the Securities and Exchange Commission.
9. Any transactions effecting the Company's capital structure at the debt ratio against the capital that is exceeding 1.5:1.
10. Payment of the interim dividends.
11. The charge of policy and practical methods with the significance related to the accounting, risk management and internal audit.
12. Employment of the President and senior executives.
13. Determination and change of the approval authority conferred to the President and senior executives.
14. Approval of the amount of salaries, salary adjustment and bonuses or bonus formula adjustment or the formula of the annual remuneration adjustment of the executives and employees.
15. The appointment proposal and the termination of the Directors, the Company Secretary and the Board of Directors' secretary.
16. Authorization of power and duties to the Chairman, the President, or any Director, including the revision of the said power and duties authorization, however, this must not be in contradiction with the criteria and requirements of the Stock Exchange and Securities and Exchange Commission and related laws.
17. The appointment and the determination of authority of the Sub-committee.
18. To monitor and supervise the business management in accordance with the good corporate governance principle.
19. To appoint the director in subsidiaries.
20. Approval to change and modify the organization structure in Vice President Level up.
21. To enter into the agreement in relation to management or Consulting agreement or technical assistance agreement in connection with core business of the Company.
22. Any other actions to be in accordance with laws, objectives, Articles of Association and resolutions of the meeting of shareholders.

The definition of "Independent Director" of the Company are as following;

(1) holding no more than 0.5 percent of the total voting shares of the Company, parent company, subsidiary, associate company, major shareholder or controlling person of the Company, including shares held by the connected persons of such independent director;

(2) not being or having been an executive director, employee, staff, advisor earning regular monthly salary or the controlling person of the Company, its parent company, subsidiary, associate company, same-level subsidiary, major shareholder or controlling person, unless the foregoing status has ended for at least two years prior to the appointment date. In this regard, such prohibited characteristics shall exclude the case where an independent director used to be a government official or advisor of a governmental agency, which is a major shareholder or the controlling person of the Company;

(3) not being a person who is related by blood or legal registration as father, mother, spouse, sibling and child, including spouse of child, other directors, executives, major shareholders, controlling person or person to be nominated as director, executive or controlling person of the Company or its subsidiary;

(4) not having or having had a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder or controlling person in a manner that may interfere with independent discretion, which includes not being or having been a significant shareholder or the controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder or controlling person, unless such foregoing relationships have ended for at least two years prior to the appointment date.

The business relationship under Paragraph 1 shall include normal business transactions, rental or lease of real estate, transactions related to assets or services or granting or receipt of financial assistance through receiving or extending loan, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or the counterparty being subject to indebtedness payable to the other party in an amount staring from three percent of the net tangible assets of the Company or from twenty million baht or more, whichever amount is lower. In this regard, the calculation of such indebtedness shall be in accordance with the method for calculating the value of related party transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Execution of Related Party Transactions, mutatis mutandis. In any case, the consideration of such indebtedness shall include the indebtedness incurred during the period of one year to the date of establishing the business relationship with the related person;

(5) not being or having been an auditor of the Company, its parent company, subsidiary, associate company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of the audit firm which employs the auditor of the Company, its parent company, subsidiary, associate company, majority shareholder, or controlling person, unless the foregoing relationship has ended for not less than two years prior to the appointment date;

(6) not being or having been a provider of professional services, which includes serving as a legal advisor or financial advisor being paid with a service fee of more than two million baht per year by the Company, its parent company, subsidiary, associated company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of such provider of professional services, unless the foregoing relationship has ended for not less than two years prior to the appointment date;

(7) not being a director who is appointed as the representative of directors of the Company, major shareholder, or shareholder who is a connected person of a majority shareholder;

(8) not undertaking any business of the same nature and in significant competition with the business of the Company or its subsidiary, or not being a significant partner in a partnership, or an executive director, employee, staff, advisor earning regular monthly salary, or holding more than one percent of the voting shares of another company that undertakes a business of the same nature and in significant competition with the business of the Company or its subsidiary;

(9) not having any other characteristics that cause the inability to express independent opinions on the business operation of the Company; and

(10) Determining term of independent director for not exceeding 9 consecutive years, starting from 1 January 2015 onwards.

The Role of Chairman

The Chairman has an important role in overseeing and encouraging the Board of Directors to perform their duties to the fullest in accordance with the established directions and strategies for the best interests of the Company and its shareholders. The Chairman plays a leadership role of the Board of Directors, namely:

1. To supervise, monitor, and ensure that the Board of Directors' duties are effective and achieve the main objectives and goals.
2. To oversee and promote good corporate governance and ethics.
3. To set the agenda of the Board of Director's meeting by discussing with the President and having measures to ensure that important matters are included on the agenda.
4. To allocate sufficient time for the Board of Director's meeting for the management to propose the matters, and the Directors will discuss the important issues in full and encourage the Directors to exercise cautious discretion and independent opinion.
5. To strengthen good relationships between the Executive Director and the Non-Executive Directors, and between the Board of Directors and management.

Tenure Committee

The Board of Directors consists of person with knowledge and competency. The Company specified the number of the directors as appropriate with the business size. Currently, the Company has 9 directors, 1 of them are Executives and the remain 8 are Non-Executives (6 of them are Independent Directors) which is 66.67% of the total directors. Each of them has term for 3 years and the term of Independent Directors not exceeding 9 years, starting from 1 January 2015 onwards.

Name	Year of appointment	Year of the latest election (2021)	Type of Director	Nomination/ Appointment to be director in 2022	Next due for Appointment
1. Mr. Sansern Wongcha-um	2008	2020	Chairman/ Independent Director	No	2023
2. Mr. Yongyuth Kitaphanich	2004	2019	Non-Executives	Yes	2022
3. Mr. Panja Senadisai	2004	2021	Independent Director	No	2024
4. Mr. Ajarin Sarasas	2009	2020	Independent Director	No	2023
5. Mr. Paitoon Taveebhol	2008	2020	Independent Director	No	2023
6. Dr. Suthad Setboonsarng	2018	2021	Independent Director	No	2024
7. Mr. Prayong Hirunyawanich	2017	2019	Independent Director	Yes	2022
8. Mr. Yongkiat Kitaphanich	2004	2021	Non-Executives	No	2024
9. Ms. Napatsorn Kitaphanich	2004	2019	Executive Director	Yes	2022

7.3 Information on subcommittees

The Sub-committees consist of:

1) Executive Board

3 non-executive director (2 independent director) and 1 executive and a Chairman of Executive Board an independent director, consists of

Name		Position
1. Mr. Ajarin	Sarasas	Chairman
2. Mr. Yongkiat	Kitaphanich	Vice Chairman
3. Mr. Prayong	Hirunyawanich	Director
4. Ms. Napatsorn	Kitaphanich	Director

The Executive Director holds a term for 3 years.
Ms. Pasucha Sinchai is a secretary of Executive Board.

Scope of Powers and Duties of the Executive Board

1. Audit

- Policy, direction, business strategies and management structure, as well as business operational criteria of the Company are screened in alignment with the economic conditions and competitions
- Business plan and annual budget
- Every Investment project
- Annual Manpower Plan
- The recruitment / selection of a new executive in the Vice President level according to the rules of Nomination and Remuneration Committee designated by the applicant to consider the selection of at least two but not more than three people, excluding the President. For the return value considering to the salary structure except (1) the promotion (2) the remuneration which is not in accordance with the rules should be proposed to Nomination and Remuneration Committee for consideration.

2. Approve or not approve

- Investment project in the capital not exceeded 100million baht which should be involved the main business of the company and IRR not less than 15% excepted investment for maintenance, improve efficiency or machinery compensation.
- Open and Close the account of the Company in other Financial Institute
- Written-off assets

- Sell non-operation assets not exceeding 10 million baht
- Improvement, change and modify the organizational structure in Department Level and report to the Board of Directors (lower than Department level approved by President)
- Loan or financial assistance to subsidiaries for ordinary business exceeding 30 million baht per time or accumulate amount of each subsidiaries exceeding 100 million baht.

3. **Follow and supervisory the operations**

- Strategy, plan and project including in annual business plan which have to approved by the Board of Directors
- Financial performance of the Company

4. **Report to Board of Directors**

- Monthly financial performance of the Company
- The transaction approved or not be approved by the Executive Board

5. **Perform any acts designated by the Board of Directors**

2) Audit and Corporate Governance Committee

consists of all independent directors and one of them has the knowledge and experience in accounting and finance.

Name		Position
1. Dr. Panja	Senadisai	Chairman
2. Mr. Paitoon	Taveebhol	Director
3. Dr. Suthad	Setboonsarng	Director

Mr. Paitoon Taveebhol has a knowledge and experience in accounting and finance to review the creditability of the financial statements of the Company

The Audit and Corporate Governance Committee holds a term for 3 years. Mr. Wasumeth Kullachote is a secretary of secretary of the Audit and Corporate Governance Committee

Scope of Powers and Duties of the Audit and Corporate Governance Committee

1. Review financial reports against the accounting standard and ensure adequate disclosure.
2. Review the internal control and internal audits to ensure suitability and effectiveness; consider independency of the Internal Audit Unit.
3. Review the Company's performance against the law on securities and stock exchange, Stock Exchange's requirements, or applicable laws.
4. Review related-party transactions or any actions with potential conflicts of interests against applicable rules and ordinances.
5. Review the suitability and adequacy of risk management of the Company.
6. Consider, select, nominate, appoint, terminate and propose Company external auditor emolument; determine auditor independency; hold a meeting with auditors at least once a year without management participation.
7. Concur with appointment, transfer, terminate and laurels of the Chief of Internal Control Unit; consider concurring with plans, budgets and manpower of the Unit.
8. Furnish a corporate governance report of the Audit and Corporate Governance Committee inside the Company's annual report, signed by the Chairman of Audit and Corporate Governance Committee and containing at least the following key attributes:
   (1) Accuracy and reliability of the financial report.
   (2) Adequacy of the internal control.
   (3) Compliance with the law on securities, SET requirements or applicable laws.
   (4) Auditors' fitness.
   (5) Transactions with potential conflicts of interests.
   (6) Audit and Corporate Governance Commitee meetings and attendance of individual members.
   (7) Opinions or notices arising out of performing duties.
   (8) Any other matters the shareholders and general investors should know.
9. In performing its duties, the Audit and Corporate Governance Committee is empowered to invite the management or pertaining staff of the Company to give opinions, join a meeting, or submit documents deemed relevant or necessary.
10. Have power to hire a consultant or third parties to provide opinions or consultancy in case of necessity, the expenses borne by the Company.
11. Consider and review the scope of powers and duties and responsibilities and evaluate the Audit and Corporate Governance Commitee's performance regularly on a yearly basis.

12. Perform any acts designated by the Board of Director and already approved by the Audit and Corporate Governance Committee.

13. Report the Audit and Corporate Governance Commitee's performance to the Board of Directors every quarter.

14. Conduct an audit and report the preliminary audit to the SEC Office and auditors. In case the Audit and Corporate Governance Commitee is informed by the auditors of any reasonably suspicious events, action must be taken within 30 days from its receipt of such notification.

15. Acknowledge a copy of report of Company's directors and executives regarding their or other related persons' conflicts of interests in relation to the business management of the Company or its subsidiaries, subject to the criteria, conditions and methods stipulated under the Capital Market Commission's notifications.

16. Review the corporate governance policy and code of conduct; monitor compliance with the policy regularly at least once a year.

17. Consider appointing working team to undertake supporting corporate governance and business ethics as appropriate.

18. Review the self- evaluation form in relation to Anti-Corruption of the Company according to the Private Sector Collective Action Coalition against Corruption Project.

3) Nomination and Remuneration Committee for Directors and Executives

consists of all independent directors

	Name		Position
1.	Mr. Paitoon	Taveebhol	Chairman
2.	Dr. Panja	Senadisai	Director
3.	Mr. Ajarin	Sarasas	Director

The Nomination and Remuneration Committee holds a term for 3 years.

Dr. Anotai Mohjhaw is a secretary of the Nomination and Remuneration Committee

Scope of Powers and Duties of the Nomination and Remuneration Committee

1. To formulate policies for submission to the Board of Directors as follows.

   1.1 Policy, criteria and method for nomination of the directors and president

   1.2 Policy, criteria and method for payment of remunerations and other benefits to the Board of Directors, subcommittees and president.

2. To select and nominate the persons with suitable qualifications to the Board of Directors as follows.

   2.1 Directors

   2.2 Subcommittee members of various sub-committee assigned with authority, duty and responsibility directly from the board of directors of the company.

   2.3 President and vice president. For the vice president position, the president is required to make an initial screen before submission is made to the Nomination and Remuneration Committee for approval and to the board of directors for consideration.

3. To supervise the board of directors of the company to ensure that its size and components are suitable to the organization, including adjustment in response to the changing environment.

4. To supervise directors and president to ensure that their remuneration is suitable to their duties and responsibilities assigned.

5. To determine guideline, present and approve the performance evaluation on the directors and president for adjustment of remuneration and bonus payment annually.

6. To monitor the preparation of the succession plan for the president and vice president for submission to the board of director of the company for consideration at least twice a year.

7. To submit a performance report to the board of directors once a year.

8. To specify the social responsibility and sustainability policies.

9. To review and follow up the company's operation to be in line with the policy as concern of impact on all stakeholders twice a year.

10. To consider appointing the working team to work on the social responsibility and sustainability as appropriate.

11. To perform any acts designated by the board of directors.

4) Enterprise Risk Management Committee

Consists of the Executive of the Company

Name	Position
1. President	Chairman
2. All Vice President / Managing Director	Director
3. Deputy Managing Director	Director

Mr. Tithaphong Phongsphetrarat is a secretary of the Enterprise Risk Management Committee

Scope of Powers and Duties of the Enterprise Risk Management Committee

1. Prepare enterprise risk management plan, including risk assessment and treatment plan and integrate them with corporate strategy and perform yearly review.
2. Prepare procedure, criterion and measurement of enterprise risk management, including identifying, analyzing, monitoring and communicating at enterprise level and related functions continuously.
3. Follow up risk treatment plan to control enterprise risks according to company's targets and report to the Audit and Corporate Governance Committee.
4. Appoint the functional risk management working team (FRM) of each business unit and monitor performance of the functional risk management working team quarterly.
5. Promote risk awareness to business units and support functions, including suggestion and support necessary resources for effective implementation with sufficient control.
6. Conduct a meeting to review the performance according to the risk management system in order to maintain the organization's ability to achieve its goals with measures to control risks at acceptable levels and in accordance with the business environment.

7.4 Information on executives

7.4.1 Names and positions of the highest ranking executive

Management consists of

Name	Position
1. Ms. Napatsorn Kitaphanich	President
2. Dr. Cheerawit Sureerattanan	Senior Managing Director of Business Unit SBM & ICP
3. Mr. Patpong Weerasin	Vice President of Business Unit SAT and Managing Director of Business Unit SFT
4. Mr. Thanthach Ritthinam	Vice President – Agriculture Business Group and Vice President - BSK
5. Dr. Anotai Mohjhaw	Vice President - Human Resources and Administration
6. Mr. Vacharatorn Kitaphanich	Vice President - Commercial & Business Development

Remarks:
1. Mr. Thanthach Ritthinam Transfer to Vice President – Agriculture Business Group and Additional Responsibility Vice President – BSK On April 19, 2021
2. Mr. Vacharatorn Kitaphanich hold a position Vice President - Commercial & Business Development On January 1, 2021

Scope of Powers and Duties of the President

1. To prepare the policy, business conduct strategy guidelines, target, work plan and annual budget of the company and subsidiaries submitted to the Board of Directors for the Approval.
2. To undertake in accordance with the policy, business conduct strategy guidelines, target, work plan and annual budget of the company and subsidiaries as approved by the Board of Directors.
3. To report the monthly and quarterly business performance of the company and subsidiaries in comparison of the plan and budget to the Board of Directors together with the recommendations.
4. To approve the expenses and investment capital that are not in the annual budget for not exceeding one million baht on each occasion but the report has to be made to the Board of Directors for acknowledgement.
5. To approve the investment projects in an amount not exceed 20 million baht by the investment project has to associate with the main business of the company. The rate of return on investment (IRR Project) not less than 15 percent and conforms to the pricing policy of

Executive committee. In addition, the investment projects shall be reported to Executive committee except those projects do not along to the criteria that would be approved by Board of Director including the investment project for maintenance, increasing efficiency or replacement.

6. Approval to change and modify the organizational structure below Department Level and report to Executive Board.

7. Other matters assigned by the Board of Directors.

In this regard, the exercise of power of the President is not included (Must not be contradicted with the Security and Exchange Commission's Criteria) the power in approving the transaction causing the President or contradicted persons to have the interest or may have the conflict of interest in otherwise manners with the company and subsidiaries including the transaction provided to have the approval of the meeting of the Board of Directors or shareholders such as the inter-related transactions or acquisition or disposal of the assets of the Company and subsidiaries.

7.4.2 Remuneration policy for executive directors and executives

The Remuneration of Management Policy and Payment Criteria

The Nomination and Remuneration Committee will consider and review the President's remuneration and propose it to the Board of Directors for consideration and approval. Such remuneration will be appropriately fixed based on the remuneration structure of the Company and compared to 1) surveyed information about remuneration payment by recognized institutes, Organizations and entities 2) the growth rate of the gross domestic product, inflation rate and net profits 5 years backward, including his performance and consistency with the duties and responsibilities assigned.

The President will consider the suitability of determining remunerations and adjusting yearly wages of the Vice President, with consideration of his performance and Company results of operations and his attainment to the pre-defined goals.

7.4.3 Total amount of the remunerations of executive directors

1. Remuneration in cash for the Company's executives in the form of salary and bonus

Units : Baht	Number of ex ecutives	Y 2021	Number of ex ecutives	Y 2020
Salary	7	25,506,610.00	7	29,446,378.67
Bonus	6	7,487,494.00	7	7,333,744.00
Total	7	32,994,104.00	7	36,780,122.67

Remark: In 2021, the Management consisted of 7 executives which are Ms. Napatsorn Kitaphanich, Dr. Anotai Mohjhaw, Dr. Cheerawit Sureerattanan, Mr. Patpong Weerasin, Mr. Vacharatorn Kitaphanich, Mr. Thanthach Ritthinam and Mr. Seksom Na Nakornpanom (Leave during the year)

2. Other remunerations
Contributions to the Provident Fund

Units : Baht	Number of ex ecutives	Y 2021	Number of ex ecutives	Y 2020
Provident Fund	7	1,171,669.80	7	1,122,839.22

Remark: In 2021, the Management consisted of 7 executives which are Ms. Napatsorn Kitaphanich, Dr. Anotai Mohjhaw, Dr. Cheerawit Sureerattanan, Mr. Patpong Weerasin, Mr. Vacharatorn Kitaphanich, Mr. Thanthach Ritthinam and Mr. Seksom Na Nakornpanom (Leave during the year)

7.5 Information on employees

1. Number of employees

Number of employees as at December 31, 2021 and at December 31, 2020 of the Company and its subsidiaries are as follows;

	Number of (people)			
	December 31, 2021		December 31, 2020	
	Male	Female	Male	Female
1. Somboon Advance Technology Public Company Limited	490	137	430	139
2. Somboon Malleable Iron Industrial Company Limited	662	112	699	122
3. Bangkok Spring Industrial Company Limited	36	7	2	1
4. International Casting Products Company Limited	499	52	490	51
5. Somboon Forging Technology Company Limited	44	5	43	4
Total	**1,731**	**313**	**1,664**	**317**
Amount of Employee by type of employment	Male	Female	Male	Female
Employee	1,634	307	1,655	313
Subcontract	97	6	9	4

Remark: Disabled people are not included / Sub Contract

Number of employees as at December 31, 2021 and at December 31, 2020 of the Company and its subsidiaries can be classified by the primary work as follows:

Department	Number of (people)	
	December 31, 2021	December 31, 2020
1 Production Department / Engineering Laboratory-Jig Shop	1,217	1,138
2. Engineering Department	93	102
3. Maintenance / Warranty / Planning	325	337
4. Warehouse Sourcing and Procurement	155	136
5. Human Resources and Administration (including individual BU)	61	59
6. Finance and Accounting	40	43
7. Sales and Marketing	23	22
8. Quality Development / Product Development / Development Process	25	21
9. Management / Operations Management	51	80
10. Information Technology Department / Division BPI	13	12
11. Others (CSBD / Legal / SEE / Audit / BOI / SQMR)	41	31
Total	**2,044**	**1,981**

Remark: The Company has not had the labor Union and not have any labor disputes in the past five years.

2. Remunerations of employees

Remuneration in cash for the Company's employees in the form of salary and bonus

Units : Baht	Y 2021		Y 2020	
	Number of employees	Baht	Number of employees	Baht
Salary	2,102	552,655,086	1,981	586,194,242
Bonus	1,907	194,163,760	1,834	102,203,784
Total		**746,818,846**		**688,398,026**

The proportion of female employees to male employees is 16% female, 84% male.

3. Other remunerations

Contributions to the Provident Fund

In 2021, the Company paid the following contributions to the Company's employees:

Units : Baht	Y 2021		Y 2020	
	Number of employees	Baht	Number of employees	Baht
Provident Fund	1,125	14,698,714.69	1,740	18,843,781.63

The proportion of employees who have contributed to the Company's provident fund is 55% of the total employees.

Remark: In 2021, the number of MSA and SST employees are not included.

7.6 Other significant information

The Company Secretary

The director's meeting No.4/2018 had the resolution to appoint Ms. Pasucha Sinchai, Assistance General Manager-Legal, to be Company Secretary, effectively on May 1, 2018, to perform the duties according to the law and Securities and Exchange Act, Section 89/15 and 89/16 as follows:

(1) Center of document in document preparation and filing.

(2) a register of directors

(3) To arrange shareholder meeting, notice of calling a director meeting and minutes of meeting

(4) To report on interest filed by a director or an executive

(5) To arrange activities between directors and executives for good relationships

(6) To coordinate in the performance to be in Accordance with the resolution of the Board of Directors

(7) Others business assigned by the Board of Directors

Biographies Ms. Pasucha Sinchai

- Master of Indiana University, Bloomington IN, USA, LLM.
- Bachelor of Laws Thammasat University

Qualification:

Having knowledge in business law and other related, work experience in arrangement of Board of Director's meeting and preparing the minutes together with good personality.

Training Program:

- Effective Minutes Taking (EMT) 44/2019 (IOD)
- Company Secretary Program(CSP) 83/2017 (IOD)
- Company Reporting Program (CRP) 18/2017 (IOD)
- Basic Course Company Secretary 1/2015 (Thai LCA)

The person assigned to take direct responsibility for accounting

The person assigned to direct responsibility to oversee the accounting of the Company is Mrs. Porntip Sangsuk, Head of Accounting, Costing and Budgeting. More details are shown in the executive history in attachment 1.

Heads of the Internal Audit

The person assigned to be the head internal audit of the Company is Mr. Wasumeth Kullachote, Assistant General Manager – Internal Audit and Compliance, effective on 1 July 2021, replacing Mrs. Onanong Yaiyatham. There is an independent department that reports directly to the Audit and Corporate Governance Committee. More details of head internal audit of the Company are shown in attachment 3.

Heads of the Compliance Units

The person assigned to be the head compliance of the Company is Mr. Wasumeth Kullachote, Assistant General Manager – Internal Audit and Compliance, effective on 1 July 2021. More details of head compliance of the Company are shown in attachment 3

Head of the Investor Relations

The person assigned to be the head investment relation is Ms. Nopamas Panthong, Manager – Investment Relation, to communicate a wide range of communication and respond to inquiries from investors and mass media through E-mail: ir@somboon.co.th, by telephone 0-2080-8197, or by the Company's website www.satpcl.co.th.

Head of the Investor Relations

The person assigned to be the head investment relation is Ms. Nopamas Panthong, Manager – Investment Relation, to communicate a wide range of communication and respond to inquiries from investors and mass media through E-mail: ir@somboon.co.th, by telephone 0-2080-8197, or by the Company's website www.satpcl.co.th.

Auditor Remuneration

The Company appoints the auditors from KPMG Phoomchai Audit Limited to be the Company's auditor by approval of the 2021 Annual General Meeting of the Shareholders for 7 consecutive years which considered and viewed that the auditor has qualifications meet the requirement of regulations of the Stock Exchange of Thailand, which he remuneration for the year 2021 amounts to Baht 1,571,000, which equals to the year 2020.This amount includes the audit work relating to the Company's BOI promoted business. The auditors do not receive any other non-audit fee from the Company. None of the above auditors provides other services to the Company or has any relationship and/or conflict of interest with the Company/ its subsidiaries/ executives/ major shareholders or any related person of such persons.

With respect to the 4 subsidiaries i.e. (1) Bangkok Spring Industrial Company Limited (2) Somboon Malleable Iron Industrial Company Limited (3) International Casting Products Company Limited and (4) Somboon Forging Technology Company Limited, appoint of auditors of KPMG Phoomchai Audit Limited to be the Company's auditors for the year 2021 being the same audit firm as the Company, the remuneration for these 4 companies are collectively Baht 2,110,000, which includes the audit work relating to the BOI promoted business. The auditors do not receive any other non-audit fee from the Company.

8. Corporate Governance Performance Report

8.1 Summary of the performance of the Board of Directors in the past year

8.1.1 Nomination, development and evaluation of the performance of the Board of Directors

(1) Independent Director

The definition of "Independent Director" is as follows:

(1) Holding no more than 0.5% of the total voting shares of the Company, the company, the subsidiary. The company shares, major shareholders or the controlling authority of the authorized person, including the shareholding of the relevant persons of the independent director.

(2) Not be or have been a director who is involved in management Employees, employees, consultants with regular salary, or controlling authority of the company, the company, the subsidiary. Associates, subsidiaries of the same order Major shareholders or of the authorized person's control unless they are cleared. As a result of this nature, it has been at least 2 years prior to the date of application for permission to the office. Such prohibited characteristics do not include cases where independent directors have been public servants or advisors of government offices that are major shareholders or controlling authority of the Company.

(3) Not a person with a blood relationship or by legal registration in a manner that is parents, spouses. Siblings and children, as well as spouses of children of other directors, executives, major shareholders, controlling authorities, or persons who will be proposed as directors. Executives or controlling authorities of the Company or its subsidiaries

(4) No or ever have a business relationship with a licensor, a large company, a subsidiary Associates, major shareholders or controlling authority of the Company In a manner that may impede the use of their independent judgment, including not being or has been an implicit shareholder or controlling person of a person with a business relationship with a company, a major company, a subsidiary. Unless the company has been removed from such characteristics at least 2 years prior to the date of filing an application for permission to the Office of a non-auditor of the Company. Subsidiaries Associates Legal entities that may have conflicts

Business relations in accordance with paragraph one, including the transaction of trades that are normally done for business purposes. Renting or renting a property List of assets or services, or providing or receiving financial assistance by receiving or lending guarantees Assets are collateral liabilities, as well as other similar circumstances, resulting in the company or its counterparties. There is a debt obligation to be paid to the other party, from 3% of the company's net tangible assets or 20 million baht or more, whichever is lower. The calculation of such debt obligations is based on the method of calculating the value of connected items in accordance with the Notification of the Capital Market Supervisory Board on the rules for intertwined transactions. However, in determining the debt obligations, count the debt obligations incurred during the 1 year prior to the date of business relationship with the same person.

(5) Not be or have been an auditor of a company, a major company, a subsidiary Associates, major shareholders or controlling persons of the Company and are not implicit shareholders. The supervisor or partner of the audit office, which has the auditor of the company, the company, the subsidiary, the subsidiary. Unless the nomination of directors and senior executives has been removed from such characteristics at least two years prior to the date of filing the application for permission to the Office of the Board of Directors. SEC

(6) Not be or have been a professional service provider, including providing services as legal advisors or financial advisors, which receive service fees in excess of 2 million baht per year from the company, the subsidiary. Associates, major shareholders or controlling authority of the licensee and are not implicit shareholders. Unless you have been removed from such characteristics at least 2 years prior to the date of application to the office.

(7) Not to be a director appointed to represent the Directors of the Company. Major shareholders or shareholders who are related to major shareholders

(8) Not operate in the same condition and be a competition that implies the business of the Company or its subsidiaries, or is not a partner with implications in the partnership or as a member of the participating directors. Employees,

employees, consultants who receive regular salaries or hold more than 1% of the total voting rights of other companies, which operate the same and competitive business implicit to the company's business or its subsidiaries.

(9) There are no other characteristics that make it impossible to provide an independent opinion on the Company's operations.

(10) Set an independent director term for no more than 9 years starting from January 1, 2015.

(2) Nomination of directors

In 2021, the Company has qualified directors at the 2021 Annual General Meeting of Shareholders.

The Nomination and Remuneration Committee by the Board of Directors considers the criteria and procedures for nomination from the Board of Directors' structure and moderates the qualifications of directors in various areas, including performance in the positions of directors. Individually With thoroughness and caution. The company proposed to the 2021 Annual General Meeting of Shareholders to consider the appointment of the original directors who have completed their term. 3 persons returned to the board of directors. For another term, it is 1. Dr. Panja Senadisai. As an Independent Director 2. Dr. Suthad Setboonsarng serves as an independent director 3. Mr. Yongkiat Kitaphanich serves as a Director

However, this is Criteria and procedures for the nomination of independent directors reported under Section 2 Corporate Governance Topic 1.2 Criteria and procedures for nomination and appointment of directors Page 51-52

(3) Senior Executive Recruitment

The Nomination and Remuneration Committee considers the criteria and procedures for recruiting qualified persons to hold top executive positions and nominates people deemed appropriate. With reasons for the Board of Directors to consider the appointment further. In recruitment, we consider screening the recruitment of qualified persons. Have knowledge, skills and experience that are beneficial to the company's operations and understand the company's business well and manage to achieve its objectives. Goals set by the Board of Directors

In recruiting senior executives The administration has recruited, recruited and nominated qualified persons. Appropriate qualifications, skills and experience that benefit the Company's operations and proposed to the Nomination and Remuneration Committee and the Board of Directors, which in 2021 did not appoint a new chief executive.

However, this is Criteria and process for recruitment Report under Section 2 Corporate Governance Topic 2.10.1 Criteria and procedures for nominating directors and senior executives Page 59

(4) Development of Knowledge of Directors and Executives

The Board of Directors and senior executives attach importance to participating in courses related to the development of knowledge and ability to perform director duties regularly. The Company's directors have been trained with the Thai Institute of Directors Association. (IOD) in courses related to the performance of director duties. 100% of the total number of directors, with IOD courses being Directors Certification Program (DCP), Directors Accreditation Program (DAP), Audit and Corporate Governance Commitee Program (ACP), as well as attendances in more details, shown in detail of the director's history in Attachment 1.

In 2021, the Company had directors and senior executives trained in the post-formula. as follows

Referee	Curriculum
1. Mr. Sansern Wongcha-um Chairman of the Board of Director	• Strategic Planning and Management • Tutor, Sustainable Landscape Program Maejo University
2. Mr. Yongyuth Kitaphanich Vice Chairman	• Strategic Planning and Management
3. Dr. Panja Senadisai Chairman of the Audit and Governance Committee	• Strategic Planning and Management
4. Mr. Ajarin Sarasas Chairman of the Executive Board	• Strategic Planning and Management
5. Mr. Paitoon Taveebhol Chairman of the Nomination and Remuneration Committee	• Strategic Planning and Management
6. Dr. Suthad Setboonsarng Independent Director	• Strategic Planning and Management
7. Mr. Prayong Hirunyawanich Independent Director	• Strategic Planning and Management
8. Mr. Yongkiat Kitaphanich Vice Chairman of the Executive Committee	• Strategic Planning and Management
9. Ms. Napatsorn Kitaphanich Director	• Strategic Planning and Management • Director Refreshment Program

(5) Performance Evaluation of the Board of Directors rule

To comply with good corporate governance principles. The Board of Directors holds an evaluation of the Board of Directors' performance in both form(1) Self-assessment of the entire board of directors (2) Self-assessment of directors individually (3) Self-assessment of sub-committees By using the Committee's self-assessment guidelines. From the Stock Exchange of Thailand to adapt to suit the characteristics and structure of the Board of Directors. To serve as a framework for the performance of the Board of Directors and to encourage joint consideration of the work and operations.

Operation

The Company holds an annual evaluation of the board's performance every year. To evaluate the performance of the previous year. The Company Secretary will submit such assessment form to each director to conduct both individual and individual (self-assessment) forms to bring the results of the assessment to the Board of Directors and bring recommendations to improve the effectiveness of the Board of Directors.

Self-Assessment Process - Entire Board of Directors

Performance Evaluation of The Board of Directors' entire entire board of directors The assessment is divided into 6 main topics according to the Stock Exchange of Thailand guidelines. as follows

1. Structure and qualifications of the Board of Directors: consists of a variety of directors. Proportion of Directors Qualifications of each sub-committee
2. Roles, duties and responsibilities of the Board of Directors: Consists of the use of sufficient time to consider important matters. Items with conflicts of interest, internal control system, risk management
3. Board meeting: Includes: Schedule meetings in advance for the whole year, document quality There is sufficient information to make decisions of the directors.
4. Performing duties of directors: Includes: Regular attendance Free expression
5. Relationship with management: It consists of allowing for discussions. Allow participation in troubleshooting
6. Self-development of directors and executive development: Includes role understanding Knowledge of the company's business encourages directors to attend training, succession plans, etc.

The criteria for self-assessment - the entire Board of Directors are as follows:

1. The Board of Directors approves and reviews the evaluation form to ensure accuracy, completeness and compliance with the criteria set by the regulatory authorities.
2. The Company Secretary concludes and analyzes the results of the Performance Assessment of the Board of Directors and reports the results of the analysis from the assessment to the Board of Directors.
3. The Company Secretary leads the analysis and additional opinions to inform and improve the performance of the Board of Directors.

Self-Assessment Process - Individual Directors

Individual evaluation of the performance of the Board of Directors, divided into three main topics. as follows

1. Features of the Board of Directors: Variety of Boards Approval for the performance of duties of directors
2. Roles, Duties and Responsibilities: Independence of Directors Adequate commentary and participation Internal control system and risk management Disclosure
3. Meetings: Meetings, meeting comments Studying the data in advance
4. Other comments that are condescending to the administration Manage organizations

With self-assessment guidelines - Individual Directors as follows:

1. The Board of Directors approves and reviews the evaluation form to ensure accuracy, completeness and compliance with the criteria set by the regulatory authorities.
2. Individual directors are self-assessing to express their views on the roles of directors. independence Management Structure Knowledge development and opinions on organizational management
3. The Company Secretary is the summary and analysis of the evaluation results and reports to the Board of Directors to improve the performance of the Board of Directors.

In 2021, the Company assessed the performance of the Board of Directors. (1) Self-assessment of the entire Board of Directors, (2) self-assessment of directors individually, (3) self-assessment of the three sub-committees: the Executive Board, the Audit and Corporate Governance Committee, and the Nomination and Remuneration Committee.

1) **Self-assessment results of the entire board of directors for the year 2021**

The average score of 2.92 is quite good.

Estimate header	
• Structure and qualifications of directors	Average 2.88
• Roles, Duties and Responsibilities of Directors	Average 2.91
• Board Meeting	Average 2.91
• Performing duties of the Board of Directors	Average 2.91
• Management relations	Average 2.96
• Self-improvement and management	Average 2.87

Comments / Remarks in addition to self-assessment see The Board of Directors is focused on supervising, monitoring and managing in accordance with technological changes in the automobile industry, as well as changing business operations in the midst of the COVID-19 pandemic.

2) **Results of individual self-assessment of directors for the year 2021**

The average score of 2.90 is quite good.

Estimate header	
• Structure and qualifications of directors	Average 2.86
• Board Meeting	Average 2.91
• Roles, Duties and Responsibilities of Directors	Average 2.94

Comments / Remarks from the Evaluation It found that the Board of Directors allowed individual directors to comment. Noted, provide feedback on useful and important issues in managing the business to implement the strategy. Supports technological changes Communication and Environmental Protection

3) **Self-assessment results of the Sub-Committee for the year 2021**

3.1 The Executive Board averages 2.82 is quite good.

Estimate header	
• Structure and qualifications of directors	Average 2.65
• Board Meeting	Average 2.92
• Roles, Duties and Responsibilities of Directors	Average 2.94
• Self-improvement	Average 2.79

Comments / Remarks from the Evaluation Found that the Executive CommitteeFocus on moderation Approval of investment projects workReduce costs, technology development, risk management Environment & Safety

3.2 The Audit and Corporate Governance Committee averaged 3.00 very good.

Estimate header	
• Performing the overall duties of the directors	Average 3.00
• Review of related financial/system reports	Average 3.00
• Independence of directors	Average 3.00
• Compliance with law	Average 3.00
• Director's Reporting	Average 3.00

Comments/remarks in addition to the evaluation deemed that the Audit and Governance Committee had expressed its opinion and provided feedback on the accuracy, completeness and reliability of the financial report. Internal control system adequacy, internal audit, risk management, good corporate governance and compliance with the law

3.3 The Nomination and Remuneration Committee averaged 3.00 very good.

Estimate header	
• Structure and qualifications of directors	Average 3.00
• Roles, Duties and Responsibilities of Directors	Average 3.00
• Acting Director	Average 3.00
• Self-improvement	Average 3.00

8.1.2 Attendance and remuneration of individual committees

Attendance of the Board of Directors

The Board of Directors has scheduled a full-year schedule of board of directors' meetings and sub-committees, which will consider the schedule for the meeting from September to October of each year, with more than six meetings held each year, as well as holding special meetings as needed, with each meeting setting out a clear agenda, both agendas to consider, to be informed, to discuss and express their opinions, to have sufficient documentation and to submit to the directors at least 7 days in advance, so that the directors have sufficient time to study the information before attending the meeting, and at the meeting the Chairman has allocated time so that all directors can discuss and express their opinions freely, and the Chairman will codify the opinions and summarize the issues obtained from the meeting. The minutes of the meeting are prepared in writing by the Secretary of the Board of Directors, after the meeting is approved, and will be stored at the Company Secretary's Office. 2nd Floor, Building 11, Head Office

In 2021, the covid-19 pandemic in Thailand In 2020, the Board of Directors held electronic meetings in order to comply with covid-19 prevention and control measures. The meeting was held on March 18, 2021 to discuss the restructuring of the business and informed the Board of Directors to inform the Management of the plan and report the progress to the Board of Directors.

Details of each director's attendance The summary is as follows:

First-Last Name	position	All Attendances / Meetings (Times)						
		Board of Directors	Physical	Via electronic meeting	Executive Board	Audit and Corporate Governance Committee	Nomination and Remuneration Committee	NED
1. Mr. Sansern Wongcha-um	Independent Director/ Chairman of the Board of Directors	14/14	5/14	9/14	-	-	-	1/1
2. Mr. Yongyuth Kitaphanich	Director / Vice Chairman	14/14	5/14	9/14	-	-	-	-
3. Dr. Panja Senadisai	Independent Director/ Chairman of the Audit and Corporate Governance Committee/ Member of the Nomination and Remuneration Committee	14/14	4/14	10/14	-	7/7	2/2	1/1
4. Mr. Ajarin Sarasas	Independent Director/ Chairman of the Audit and CG Board / Member of the Nomination and Remuneration Committee	14/14	3/14	11/14	12/12	-	2/2	1/1
5. Mr. Paitoon Taveebhol	Independent Director / Member of the Audit and CG Committee / Chairman of the Nomination Committee and remuneration	14/14	2/14	12/14	-	7/7	2/2	1/1
6. Dr. Suthad Setboonsarng	Independent Director / Member of the Audit and CG Committee	14/14	3/14	11/14		7/7	-	1/1
7. Mr. Prayong Hirunyawanich	Independent Director / Executive Director	14/14	3/14	11/14	12/12	-	-	1/1
8. Mr. Yongkiat Kitaphanich	Director/ Vice Chairman of the Executive Board	14/14	5/14	9/14	12/12	-	-	-
9. Ms. Napatsorn Kitaphanich	Director/ President	14/14	5/14	9/14	12/12	-	-	-

Note: In 2021, there were 14 board meetings divided into
1. 11 regular meetings (including the 2021 Annual General Meeting of Shareholders)
2. It's two special meetings.
3. The Extraordinary General Meeting of Shareholders No. 1/2021 has been made 1 time.

The entire Board of Directors attends meetings 100% per annum.

100

Each director attends 100% of the total meeting.

100

Remuneration of Directors

Policy and Criteria for Remuneration of the Board of Directors

The Board of Directors has established policies and criteria for remuneration of directors. Divided into 3 parts: 1) monthly remuneration, 2) meeting allowance, 3) Annual remuneration based on responsibility, suitability and compliance with performance. The Company's performance and the performance of the Board of Directors and comparative data are based on other companies in the same industry with similar business sizes and characteristics. As well as overall performance and economic conditions. Remuneration structure of directors and sub-directors, including the Survey of Directors' Remuneration of The Thai Institute of Directors (IOD) and the Stock Exchange of Thailand The directors assigned to the duties and responsibilities are increasing. More compensation will be paid for the duties and responsibilities assigned.

In 2021, the Nomination and Remuneration Committee and the Board of Directors presented to the AGM to approve the remuneration of directors. On April 22, 2021

1. Monthly recurring and meeting allowances

Monthly remuneration (Baht)		Meeting Allowance / Time (Baht)			
Position	Board of Directors	Board of Directors	Executive Board	Audit and Corporate Governance Committee	Nomination and Remuneration Committee
1. Chairman	36,000	54,000	45,000	45,000	45,000
2. Vice Chairman	25,000	37,500	37,500	-	-
3. Director	20,000	30,000	30,000	30,000	30,000

2. Monetary compensation for the year ended 31 December 2021

Monetary remuneration of the Board of Directors in the form of meeting allowances Monthly and annual remuneration totaling 14,000,000 baht Details are as follows:

Board of Directors	Bonus of year 2021	Monthly remuneration and meeting allowance (Baht)				Total Remuneration (Baht)
		Board of Directors	Executive Board	Audit and Corporate Governance Committee	Nomination and Remuneration Committee	
1. Mr. Sansern Wongcha-um	871,880.60	1,242,000				2,113,880.60
2. Mr. Yongyuth Kitaphanich	605,472.64	825,000				1,430,472.64
3. Dr. Panja Senadisai	484,378.11	690,000		315,000	60,000	1,549,378.11
4. Mr. Ajarin Sarasas	484,378.11	690,000	540,000		60,000	1,774,378.11
5. Mr. Paitoon Taveebhol	484,378.11	690,000		210,000	90,000	1,474,378.11
6. Dr. Suthad Setboonsarng	484,378.11	690,000		210,000		1,384,378.11
7. Mr. Prayong Hirunyawanich	484,378.11	690,000	360,000			1,534,378.11
8. Mr. Yongkiat Kitaphanich	484,378.11	660,000	450,000			1,594,378.11
9. Ms. Napatsorn Kitaphanich	484,378.11	660,000				1,144,378.11
Total						**14,000,000**

Remark : 1. Annual remuneration is calculated based on 2021 performance paid in 2022.

3. Other compensation

No other benefits In addition to monthly regular compensation Meeting allowances and annual compensation

8.1.3 Supervision of subsidiaries and associates

The Board of Directors has mechanisms for maintaining that it can oversee the management and responsibility of the operating of subsidiaries and associates to maintain the interests of the Company's investments in accordance with the Company's regulations. as follows

1. The Company sends a person to represent the Company as a director. Executives or regulators approved by the Board of Directors' Meeting
2. Determine the qualifications of the Board of Directors and executives of the subsidiary shall be in accordance with the requirements.

   Related of The Securities and Exchange Commission and the Stock Exchange of Thailand
3. Define the scope of the director's duties and responsibilities. and executives representing companies, subsidiaries and associates.
4. Monitor and provide board members and executives of subsidiaries and associates. To comply with legal duties and responsibilities Regulations and Policies of the Company
5. Any transaction or action of a subsidiary or associate, such as capital increase, capital reduction, dividend payment, etc., or items deemed material, and if entered into the transaction will have a significant impact on the financial position and performance of the subsidiary must be approved by the Board of Directors or the Shareholders' Meeting.
6. Determine the direction of the subsidiary's strategy, policies and business plan to comply with the company's direction.
7. To provide subsidiaries with internal control systems, risk management systems and systems to prevent fraud, including requiring appropriate monitoring measures to monitor the performance of subsidiaries and associates. Efficient and concise enough to ensure that the actions of subsidiaries and associates are implemented according to the budget plan, the Company Policy.
8. Report the company's earnings and operations connected transactions of subsidiaries, as well as acquisition or disposition of property; In particular, important items that may have a significant impact on the financial position and performance of subsidiaries and any other items other than the subsidiary's business list will have a significant impact on the subsidiary.
9. No Directors, executives, employees, employees or assignees of the Company and its subsidiaries, as well as spouses and underage children of such persons, use the internal information of the subsidiary, whether it is derived from any act of duty or in any other way that has or may have a significant impact on the subsidiary for the benefit of oneself or others, directly and/or indirectly, and whether it is returned or not.

Agreement between the company and other shareholders to manage subsidiaries and associates

- None -

8.1.4 Monitoring compliance with corporate governance policies and practices

The Company is edging good corporate governance by having defined relevant policies and practices in its policy with good corporate governance and business ethics and work practices. As well as encouraging real action to build trust with all stakeholders.

In the past year, The Company has been monitored to ensure compliance with good corporate governance, covering important issues including

1) Employee care and non-discrimination
2) Anti-unfair competition
3) Environmental care, hygiene and safety in the organization
4) Data security
5) Personal data protection

The follow-up results showed that the Company had fully pursued the guidelines of each issue. In addition, the company has followed up to achieve compliance with good corporate governance. as follows

Conflict of interest prevention

The Company sets policies that do not allow directors. Executives and employees to take advantage of directorship Executives or employees of the Company seek personal interests and/or related parties. In business ethics and work practices as follows

1. Avoid transactions related to yourself and/or related parties that may cause conflicts of interest to the Company.

2. In the event that the transaction is required, for the benefit of the Company, make the transaction as if making a transaction with a third party with a trade agreement in the same way that the Vigneault should act with the general parties with the power of trade bargaining without influence to be a director. Executives or related persons and must not be involved in the approval and are obliged to: Comply with the requirements of the SET and the Securities and Exchange Commission. In regards to the disclosure of connected transactions
3. It must be prepared to prepare a report of their own interests and related persons. Under Section 89/14 of the Securities and Exchange Act In 1992, the report was reported upon taking office for the first time and required a review of the report every year and/or every time the information was changed, sending a report to the Supervisory and Audit Department within 7 working days and reporting it to the Audit and Governance Committee quarterly. The Audit and Governance Committee will review the linkage and report on the interests and report it to the Board of Directors quarterly.

This has expanded to employees at the management level of the company and its subsidiaries, from the manager level of the department or above, and the employees involved in the lower level of the manager.

In 2021, a total of 122 were reported. The survey showed that there were no executives, employees and individuals involved. Have a stake and make transactions with companies and subsidiaries. And report to the Audit and Governance Committee to inform the Board of Directors' meeting.

Use of internal information for exploitation

The Board of Directors establishes a policy to prevent the use of internal data by imposing measures prohibiting the use of opportunities or information obtained by directors. Executives or employees in exploiting themselves or doing business that compete with related companies or businesses, including not using internal information for their own benefit in trading the Company's shares or providing internal information to other parties for the sake of trading the Company's shares, in the Company's Business Ethics Manual.

1. No trading of securities for at least 1 month before the Company's performance data and/or internal information are made public through the News System of the Stock Exchange of Thailand, and directors and executives must report the share buy-to-sell/ Change of securities holdings To the Office of the Board of Directors SEC under Section 59 of the Securities and Exchange Act B.E. 2535 (1992).

   However, this is The Supervision and Audit Department has announced the suspension of trading of the Company's securities through the Company's internal email channels for directors. Executives and employees are informed all over the quarter to ensure that directors Executives and employees are informed of the rules and comply. If any such action is found, it shall be deemed to be in violation of company regulations.

   In 2021 No, no judges found. In the period 1 month prior to the announcement of its operating results or internal information, it will be made public.
2. Assign directors The company's first four executives wishing to trade securities must notify the company to truly. At least 1 day in advance of trading securities through the Company Secretary and is responsible for reporting changes in securities holdings. To the SEC within 3 business days from the date of the change via the SEC's website and the Secretariat, report to the Audit and Governance Committee and report it to the Board of Directors.

   In 2021 , no directors and executives traded in the company's securities.

Anti-corruption

The Board of Directors is committed to conducting business with integrity, fairness and combating corruption to lead to a truly transparent organization. Disciplined, knowledgeable and you're a good man.

The Company was one of the first 27 organizations to announce its intention to fight corruption and was one of the first nine organizations to be approved by the Thai Private Sector Collective Action Against Corruption (CAC) committee on July 29, 2013.

In 2021, the Company set out its plans and goals for combating corruption and supported its partner companies by continuing to provide benefits to partners participating in the CAC SME program, which can persuade partners according to the plans and goals set, receiving the Change Agent Award 2021 from the Thai Private Sector Anti-Corruption Coalition. As companies committed to expanding the private anti-corruption coalition network during the COVID-19 pandemic demonstrated their power and commitment to participate in and promote transparent business, continuing to expand the network, pushing partners into an anti-corruption coalition. This leads to a reduction in corruption in the future.

The Board of Directors has approved the Company's policies / requirements / practices against corruption of the Group. as follows

The Company in the Group is committed to conducting business with integrity, fairness, adherence to social responsibility and all stakeholders, as well as strictly complying with corporate governance and business ethics policies and work practices. Executives and employees of the Group will behave as good citizens of society and the nation. It does not accept corruption in all forms, directly or indirectly, covering all businesses and agencies involved, as well as regularly reviewing the implementation of anti-corruption policies. Such policies and business practices that may be vulnerable to corruption are regularly reviewed. TheRefore, the Board of Directors should establish and review the anti-corruption policy, as well as to establish effective duties, responsibilities and supervision to all agencies and activities of the Company. continuously

Rule

1. Directors are forbidden. Executives and Employees of the Somboon Group Conduct or accept all forms of corruption directly or indirectly, including giving and receiving gifts, receptions, income, donations and other benefits to themselves from individuals who complete business with the Group companies.
2. To publish this anti-corruption policy, educate, understand, cover all employees, partners, customers and stakeholders at home and abroad, and provide regular review of anti-corruption policies at least once a year, as well as review practices and requirements to comply with business changes. Periodical regulations, regulations and legal requirements
3. The Board of Directors is responsible for establishing policies and supervising the Company's effective and adequate anti-corruption support system. As well as focusing on the group's complete anti-corruption focus.
4. The Audit and Corporate Governance Commitee is responsible for reviewing the financial and accounting reporting system. Internal control system, internal audit system, as well as receiving fraudulent whistleblowers Fact-checking Monitoring of compliance with policies, including important reports to the Board of Directors
5. Director, Faculty of Management and Management It has a duty and responsibility to implement this policy thoroughly. Define and support the work system needed to combat corruption and to communicate to employees and stakeholders, as well as review the suitability of the work system in various matters in accordance with business changes. Regulations, Regulations and Laws
6. The Internal Audit Department is responsible for reviewing the risk assessment of the risk of corruption of the organization, as well as reviewing to ensure that the Company has the appropriate control system. Sufficient to control such risks. Agencies are treated correctly, in line with the policy. This includes advising on corruption prevention guidelines and regularly reporting the results of the review to the Audit and Corporate Governance Commitee. The results of the review are reported urgently in case of detecting issues important to the company to senior management and board of directors.

Guidelines

1. Director Executives and Employees of the Group Must comply with anti-corruption policies and work ethics and practices. It must not be involved in corruption, directly or indirectly.
2. Employees of the Group complete Do not neglect or ignore it. When seeing any corrupt conduct in relation to the Company/subsidiary, the supervisor or responsible person must be notified and cooperate in the investigation. If you have any questions or questions, consult your supervisor or designated person responsible for monitoring business ethics compliance through designated channels.
3. The Company will be fair and protect employees who refuse or report corruption related to the Company and its subsidiaries by using measures to protect complainants or those who cooperate in reporting corruption as defined by the Company in the complaints and recommendations policy.
4. Those who commit corruption are considered unethical acts of the Company, which must be considered disciplinary penalties in accordance with the regulations set by the Company and punished by law. If the act is illegal,
5. The Company/subsidiary recognizes the importance of disseminating, educating and understanding other persons who must perform duties in relation to the Company and its subsidiaries, including its stakeholders, in accordance with this anti-corruption policy.
6. The Company is committed to developing and creating "Complete" to have good conscience and behave as a good citizen of society and the nation. Create a culture that does not accept all forms of corruption.

Principles and procedures for assessing corruption risks

The Company requires an assessment of corruption risks. Separate from enterprise risk assessment with risk management in conjunction with supervision and audit department. Collaborate with various departments Identify corruption risks associated with the operation of all potential aspects of the business, as well as gather such risk levels, consider finding processes for preventing and investigating corruption risks. efficiently

Besides, let the internal audit. Review the corruption risk control process for each of the Company's activities to analyze the channels and opportunities for corruption, and assess the opportunities and consequences involved (according to the level of ratings, assessment of opportunities and impacts. According to the criteria of the Corporate Risk Management Manual), the results of the risk assessment are prepared annually and reviewed annually.

The Board of Directors requires a follow-up approach to the implementation of anti-corruption policies. as follows

1. Conduct a survey of the "Interests" of directors. And the first 4 executives, as required by law, and expanded the survey to executives at all levels with authority to act, including employees with interests, to prevent conflicts of interest that would lead to corruption.
2. Define whistleblowing channels and whistleblower protection measures on the Company's website by communicating to employees at all levels to make complaints and whistleblowers, and to be disciplined and dutiful to employees.
3. Require the Supervision and Audit Department to review the risks of corruption and prepare a review plan in accordance with the annual internal audit plan.
4. Those who commit corruption are considered unethical of the Company, which must be considered disciplinary penalties in accordance with the regulations set by the Company and punished by law. If the act is illegal,
5. Promote knowledge through the curriculum "Ethics...and corporate sustainability" for new employees to understand business ethics and work practices. Anti-corruption policy and guidelines for receiving items and providing items or other benefits of the Group in complete.
6. Prepare cognitive tests on business ethics and work practices and anti-corruption through the Company's Intranet system and apply the results to assess the level of knowledge and understanding to review and develop the Code of Conduct, as well as raise awareness of all forms of anti-corruption.

Guidelines for receiving thing or other benefits

(1) Executives and employees are prohibited from receiving, request, providing service, financial support, any winnings award from customers, creditors or stakeholders who do business with the Company.

(2) Request for support in the form of money or items can be made in the form of an organization with the organization. It must be signed by authorized directors only.

(3) Except on occasions or festivals that are traditionally treated by the general public. By any other item or benefit. The price or receipt value must not exceed 2,000 baht and/or it is necessary to maintain good relationships between individuals or organizations.

(4) Require the Senior Executive to represent the organization to receive any other items or benefits and submit the Director through the Company Secretary's Office within 5 working days from the date of receipt of any other items or benefits.

(5) Except for traditional festival tributes Employees can receive it with a value not exceeding 500 baht, such as key chains, calendars, notebooks, etc. with the emblem of the organization, designated by the senior executive as the representative of the receiving and reporting to the Director through the Office of the Company Secretary in writing.

(6) In order to prevent conflicts of interest, the Company does not allow employees to represent the organization to receive any other items or benefits unless force majeure causes the executives below 1 step (their own or other lines of work) to be consigned and report to senior management immediately.

Guidelines for give thing or other benefits

(1) Giving items to be given on the occasion of traditional festivals that people should treat each other. By any other item or benefit. The Company conducts a supply that sets a price or value not exceeding 2,000 baht and provides a survey/inspection of suitability before proceeding. To prevent the lead to corruption.

(2) Assign senior executives to represent the organization to provide any other items or benefits.

Operating Year 2021

1. The Company formulates strategies for raising good governance. Risk management, responsibility to stakeholders and society based on knowledge of virtues, are one of the six main missions of the organizational strategy to ensure sustainable business growth in accordance with the Sufficiency Economy Philosophy and to build good immunity in business operations and encourage employees at all levels throughout the organization. Knowledge and understanding Be conscious of performing duties with responsibility, careful, honesty, honesty.

2. The Company promotes knowledge in training / seminars, workshops and activities to contribute to the new corporate culture. Under the plan to promote and cultivate corporate ethics as follows

   2.1 The Company defines the "Ethics... and Corporate Sustainability" course with a focus on the company's policies, ethics and work consciousness, morality, honesty, integrity, adherence to accountability for oneself and others, and a conscience of anti-corruption for newly entered employees at all levels to gain an understanding of the company's principles of good corporate governance and business ethics, and to lead the organization to become a "transparent and quality organization" that can be monitored in all processes. In 2021, training was conducted for 22 new employees.

   2.2 For review Regularly review management's compliance with corruption policies. The Company conducts all executives to take tests and review their knowledge of anti-corruption from the Corporate Governance (CG) knowledge test through the Company's Intranet system. It found that all executives have a good understanding of the company's anti corruption.

   2.3 The Board of Directors has a policy to encourage partners. Stakeholders grow with complete group companies by formulating business enrichment strategies. From the beginning of the Thai Private Sector Anti-Corruption Coalition Project To ensure that the Supply Chain process is truly transparent, it has expanded its network of declarations to suppliers by promoting their understanding and seeing the importance of combating corruption. To continuously expand thailand's private anti-corruption network.

   2.4 Report on roadmap and implementation of anti-corruption and compliance with corporate governance principles That's good to the Board of Directors through the Audit and Governance Committee every quarter.

   2.5 The Board of Directors defines whistle blower channels, allowing all employees and stakeholders to be informed. To independently comment and report whistleblowing of illegal or corrupt conduct with the goal of (1) providing clear whistle blower channels, (2) revising / improving management, (3) reviewing the facts, and requiring the Company Secretary and The Supervision and Audit of the Company's duties as such corporate governance and business ethics complaints agencies.

   In 2021 , the company found no issues, issues or shortcomings that were material about anti-competitiveness. Discrediting, trade monopoly Discriminatory events Incidents of corruption and violations of the Code of Conduct

Channels for complaints and suggestions via emails of independent directors

1. Mr. Sansern Wongcha-um
   Email : sansern.w@somboon.co.th or
2. Dr. Panja Senadisai
   Email : panja.sena@somboon.co.th or
3. Mr. Ajarin Sarasas
   Email : ajarin.s@somboon.co.th or
4. Mr. Paitoon Taveebhol
   Email : ptaveebhol@somboon.co.th or
5. Dr. Suthad Setboonsarng
   Email : suthad.setboonsarn@somboon.co.th or
6. Mr. Prayong Hirunyawanich
   Email : prayongh@somboon.co.th or
7. Company Secretary
   Email : pasucha.s@somboon.co.th
   or Phone No. 02-080-8271
8. Email Supervision and Verification :
   Email : Wasumeth.kul@somboon.co.th
   Or Phone No. 02-080-8143

- -

Or send by post to Company Secretary, Building 11, 2nd Floor, Somboon Advance Technology Plc., No. 129 Moo 2, Bangna-Trad Road KM.15 Tumbol Bangcholeng Amphoe Bang Phli Samut Prakan 10540

2.6 The Company has announced that it will refriminance– provide any form of no gift policy to reduce the risks that may be caused by giving and receiving gifts, and to establish good norms to work without other benefits and to prevent ongoing corruption annually.

The operation of the expansion of the anti-corruption network with the Thai Private Sector Collective Action Against Corruption (CAC) of the Companies in SBG

The Company has required all of its partners to sign a declaration of intent to fight corruption with SBG, and in 2021, the Company set out a plan and anti-corruption target, allowing partners with a total of 10 million baht or more to participate in the declaration of intent with the CAC.

The operation of the expansion of the anti-corruption network with the Thai Private Corruption Coalition

The Company has required all of its partners to sign a declaration of intent to fight corruption with SBG, and in 2021, the Company set out a plan and anti-corruption target, allowing partners with a total of 10 million baht or more to participate in the declaration of intent with the CAC.

Results of declaration of intent with supplier with CAC

Note: 1 supplier company denied participating in the anti-corruption declaration

On December 16, 2021, the Thai Private Sector Anti-Corruption Coalition (CAC) presented the Change Agent Award 2021 to companies that are a force for expanding the transparency network to the Thai Private Sector Collective Action Against Corruption (CAC).

Promoting Supplier Training

From covid-19 pandemic The Company continues to promote knowledge to its partners. To expand the anti-corruption project network and provide Supplier with a conscience and focus on anti-corruption. To promote all stakeholders to be responsible for themselves and society. (1) Have a transparent in-house operating system, (2) have a standard of work to be accepted by major and foreign partners, (3) reduce the risk of corruption by providing online seminars through WebEx as follows:

1. On March 2, 2021, the SME Clinic seminar "What will SME have to accept with Thai CAC?"
2. On May 11, 2021, Road to join Thai CAC seminar "Immunize organizations from corruption, create business opportunities".
3. On July 22, 2021, CAC SME Clinic seminar "Creating a self-assessment anti-payment system (17 clauses) to obtain certification with CAC.
4. On September 23, 2021, Road to Join Seminar No. 4/2021 "Principles of Corruption Immunization to Reduce Costs and Create Business Opportunities"
5. On November 11, 2021, the SME Clinic seminar "What will SME certify with Thai CAC to increase business opportunities?"

TIMELINE

Year 2010

- SAT Received the transparency award from the Office of Anti-Corruption Commission
- Participated in announcing its intention to prevent corruption

Year 2011

- Provided trainings to the Board of Directors and top executives

Year 2012

- Revised the good corporate governance manual to be in line with the preventive corruption operation
- Provided trainings to directors and middle-level executives

Year 2013

- Certified by CAC in the preventive corruption measures
- Announced its participation in the Anti-Corruption coalition to partners
- Anti-corruption representative in Asia Pacific region PR. SBG 180 countries around the world

Year 2014

- The company has expanded the Anti-Corruption with the suppliers
- 11 companies declared their intention against corruption
- 9 companies passed the 71 Self-Assessment

Year 2015

- The company has expanded the Anti-Corruption with the suppliers
- 67 companies declared their intention against corruption
- 41 companies passed the 71 Self-Assessment

Year 2016

- SBG joints with CAC to support 88 suppliers to entering in the Declaration Intention Against Corruption
- SBG has provided training for 100 suppliers to register system in “One Accounting with One Transparency
- SBG visited the partners who joind the announcement of anti-corruption.
- Certified by CAC in the preventive corruption measures in 2nd year

Year 2016

- The suppliers shall declare intention against corruption 100% (636 Company)
- SBG visited the partners who joined the announcement of anti-corruption

Year 2018

- To support suppliers to certified by CAC in the preventive corruption measures
- To train the supplier to understand the declaration of intent against corruption totally 36 companies and 7 suppliers aim to support with the knowledge of Anti-Corruption in order to prepare for Certified by CAC in the preventive corruption measures
- To send the SBG staff to provide Anti-Corruption system in order to get Certified by CAC in the preventive corruption measures
- SBG visited the partners who joined the announcement of anti-corruption

Year 2019

- The company promotes and educates business partners to understand and recognize the importance of anti-corruption and inviting business partners to announce their intention to against corruption with CAC. There were 24 suppliers announcing their intention with CAC.
- Received the CAC Change Award from Thai Institute of Directors (IOD) by influencing more than 10 of the Company's SME business partners to announce their intention under CAC SME Certification project in one year.
- Received a certification as a member of Thailand's Private Sector Collective Action Coalition against Corruption (CAC) which is the Company's 3rd renewal of the certification.

Year 2020

- The situation of the coronavirus outbreak 2019 (COVID-19) continues to spread around the world. The Company still continues to promote knowledge to partners to expand the network of anti-corruption measures by training in the form of online seminar via the WebEx system as follows:
  1. On September 15, 2020, joined seminar issued "the SME Executive Briefing 2/2020" in the form of online seminar via WebEx system, with 7 suppliers participating.
  2. On November 4, 2020, joined seminar issued "SME Clinic 2/2020" in the form of online seminar via WebEx system, with 7 suppliers participating.
- Suppliers have realized the importance and jointly announced a Declaration of Intent-Collective Action Coalition Against Corruption (CAC) in 2020 with CAC at a total of 11 companies.

Year 2021

- Supplier have focused priority and joined the declaration of anti-corruption intentions with CAC. 13 companies
- The Thai Private Sector Anti-Corruption Coalition (CAC) has awarded the Change Agent Award 2021 to companies that are a force in expanding the transparency network to the CAC.
- In the situation of the Coronavirus 2019 (COVID-19), the Company continues to promote knowledge with its suppliers. To understand and focus on anti- corruption by public relations, invite supplier to participate in CAC training in the online seminar via WebEx system for 5 courses.

Year 2022

- Target
  39 suppliers with purchases of 10 mb or more must declare their intentions against corruption with CAC.

CAC CHANGE AGENT

Report on securities holdings of directors and executives.

referee	Number of ordinary shares As of March 8, 2022	Shareholding Characteristics	Number of shares held Non-ordinary shares
1. Mr. Sansern Wongcha-um	-	-	-
2. Mr. Yongyuth Kitaphanich	37,986	Direct	-
3. Dr. Panja Senadisai	-	-	-
4. Mr. Ajarin Sarasas	-	-	-
5. Mr. Paitoon Taveebhol	-	-	-
6. Dr. Suthad Setboonsarng	-	-	-
7. Mr. Prayong Hirunyawanich	-	-	-
8. Mr. Yongkiat Kitaphanich	3,330,600	Direct	-
	489,743	Indirect (Spouse)	-
9. Ms. Napatsorn Kitaphanich	2,911,590	Direct	-
	4,217,386	Indirect (Minor Children)	-
10.Mr. Patpong Weerasin	250	Direct	
11.Dr. Cheerawit Sureerattanan	0	Direct	-
12.Mr. Thanthach Ritthinam	6,150	Direct	-
	45,000	Indirect (Spouse)	-
13. Dr. Anotai Mohjhaw	-	-	-
14. Mr. Vacharatorn Kitaphanich	-	-	-

Report on changes in securities holdings of directors and executives.

Name – Last Name	Common Shares (Shares)		
	8 Mar 22	4 Mar 21	Number of shares changed (increase/decrease)
1. Mr. Sansern Wongcha-um	-	-	-
2. Mr. Yongyuth Kitaphanich	37,986	37,968	0
3. Dr. Panja Senadisai	-	-	-
4. Mr. Ajarin Sarasas	-	-	-
5. Mr. Paitoon Taveebhol	-	-	-
6. Dr. Suthad Setboonsarng	-	-	-
7. Mr. Prayong Hirunyawanich	-	-	-
8. Mr. Yongkiat Kitaphanich	3,820,343	3,920,343	100,000
9. Ms. Napatsorn Kitaphanich	7,128,976	7,128,976	0
10.Mr. Patpong Weerasin	250	250	0
11.Dr. Cheerawit Sureerattanan	0	5,000	5,000
12.Mr. Thanthach Ritthinam	51,150	51,150	0
13. Dr. Anotai Mohjhaw	-	-	-
14. Mr. Vacharatorn Kitaphanich	-	-	-

8.2 Report on the results of duty performance of the Audit and Corpoate Governance Committee in the past year

Audit and Corporate Governance Committee Report:

Dear Shareholders,

Audit and CG Committee of the Company Somboon Advance Technology Public Company Limited consists of qualified independent directors. 3 Persons, one of whom has sufficient knowledge and experience to review the reliability of the financial statements. The Audit and CG Committee performs its duties in accordance with the scope of responsibility assigned by the Board of Directors and in accordance with the Charter of the Audit and CG Committee, which complies with the requirements of the Stock Exchange of Thailand.

In 2021, there were seven meetings of the Audit and CG Committee and the results were reported to the Board of Directors on a quarterly basis. The Audit and CG Committee attended the meeting as follows:

Dr. Panja Senadisai	Chairman of the Audit and CG Committee	attended	7/7 meetings
Mr. Paitoon Taveebhol	Member of the Audit and CG Committee	attended	7/7 meetings
Dr. Suthad Setboonsarng	Member of the Audit and CG Committee	attended	7/7 meetings

At each meeting, the Audit and CG Committee discussed with management, auditors and internal auditors in accordance with the appropriate agenda. The Audit and CG Committee has made its comments as well as providing independent recommendations. In summary of the performance Comments and suggestions on various subjects as follows

Accuracy, completeness and reliability of financial reports

The Audit and CG Committee reviewed quarterly financial statements and 2021 financial statements, key accounting policies and significant financial reports. By reviewing the compliance with accounting standards set by the Federation of Accounting Professions, as well as adequate disclosure of important information in the financial statement notes in accordance with financial reporting standards and issues detected by the auditor in conjunction with the management. Audit and Corporate Governance Commitee It is of the opinion that the Company's financial reports are prepared in accordance with the standards of the Federation of Accounting Professions. Accurate As should be in the material, important and reliable, including the choice of accounting policies, is reasonable and sufficiently disclosed.

Internal control system adequacy, internal audit, risk management and good corporate governance

The Audit and CG Committee reviewed the audit reports of the internal audit division and the auditor regarding the assessment of the internal control system. Review the Company's risk management and good corporate governance and provide the necessary recommendations for development. Monitor improvements in management's performance based on recommendations in related reports. The Audit and CG Committee is of the opinion that the Company's internal control system is sufficient and appropriate.

The Audit and CG Committee has reviewed and approved the annual internal audit plan prepared using risk-based criteria, the performance of the plan, and has regularly discussed with the head of the internal audit division. Therefore, the Audit and CG Committee is of the opinion that the internal audit is independent in its operations, as well as promoting and monitoring the progress of the development process, good corporate governance and social responsibility. The designation of human rights policies, including providing recommendations for sustainable business practices and environmental management, is ongoing, as well as reviewing and considering improvements to the Good Corporate Governance Manual (CG) in accordance with the principles of good corporate governance for listed companies (CG Code).

In addition, the Company's risk management system is directed to have the appropriate standard risk management process. To be effective and effective, to receive risk management reports in the past year and provide improvement recommendations and risk perspectives.

Anti-Corruption Oversight

After the Company was certified as a member of the Thai Private Sector's Collective Coalition against Corruption and Corruption on July 5, 2013 and received the third continuous certification on November 4, 2019, the Audit and CG Committee has focused on overseeing the compliance of anti-corruption and corruption guidelines. The internal audit department is assigned to review the annual assessment of compliance with anti-corruption and anti-corruption measures. As well as pushing the Company to expand its network of anti-corruption projects in the status of CAC Change Agent, it is the first Thai company to persuade its partners of SME companies to participate in the announcement of their intentions under the CAC SME Certificate program.

Connected transactions or transactions that may have conflicts of interest

The Audit and CG Committee has reviewed the financial statements and important financial activities between the Company and its subsidiaries or associates, with the importance of determining connected transactions or items that may have conflicts of interest in accordance with the laws and regulations of the Stock Exchange of Thailand. The Audit and CG Committee is of the opinion that connected transactions considered as regular business with general commercial conditions are reasonable, fair and in the best interests of the Company.

Suitability of auditors, considerations Select and propose the appointment of an auditor

The Audit and CG Committee assessed its independence and performance in 2021. The auditor is independent enough. Audit and CG Committee We have convened one meeting with the auditor without management to hear from the auditor regarding the audit performance. Problems working with relevant management

In determining the selection and proposed appointment of auditors for 2022, the Audit and CG Committee Have considered the performance, scope. Work experience, knowledge, reliability, resource adequacy and audit workload, as well as the independence of the auditor versus the audit fee for the year 2022 proposed, deemed appropriate. TheRefore, the Audit and CG Committee has approved the proposal to the Board of Directors to present to the shareholders' meeting to appoint the auditor of the Company. KPMG Bhumibol Audit co., ltd. is an auditor and comments on the financial statements of the Company and its subsidiaries for the year 2022.

Compliance with securities and exchange laws, SET's requirements and laws relating to the Company's business

The Audit and CG Committee has reviewed compliance with securities and exchange laws. Requirements of the Stock Exchange of Thailand and laws relating to the Company's business and monitoring method Management's regular amendments, which the Audit and CG Committee considers that the Company has complies with the Securities and Exchange Act. The terms of the Stock Exchange of Thailand and the laws relating to the Company's business are strictly strict.

Opinions and overall observations from the performance of duties in accordance with the Charter of the Audit and CG Committee

The Audit and CG Committee has evaluated the audit and CG committee's own performance on a 2021 basis, assessing the overall functioning and specific functions, including 1) reviewing the Company's financial reporting correctly and adequately, 2) reviewing the Company's internal control and effective internal audit. 3) Consideration of connected transactions or transactions that may have conflicts of interest 4) Consideration of selection and proposed appointment of auditors 5) Reviewing the Company's compliance with securities and exchange laws The Terms of the Stock Exchange of Thailand and laws relating to the Company's business and 6) Preparation of the Audit and CG Committee's Report

The Audit and CG Committee has an overall opinion that it has performed the duties and responsibilities specified in the Charter of the Audit and CG Committee, adequately approved by the Board of Directors, using knowledge, competence and caution, sufficient independence for equal benefit to stakeholders.

Dr. Panja Senadisai
Chairman of the Audit and Corporate Governance Committee

8.3 Summary of the results of duty performance of subcommittees

Report of the Nomination and Remuneration Committee of Directors and Executives

The Nomination and Remuneration Committee consists of 3 directors. He is an independent director of the entire faculty, with Mr. Paitoon Taveebhol. The Independent Director serves as chairman of the Nomination and Remuneration Committee and has independent directors in the Nomination and Remuneration Committee, including Dr. Panja Senadisai and Mr. Ajarin Sarasas has a three-year term in office.

In 2021, the Nomination and Remuneration Committee held two meetings, with all directors attending every meeting to monitor and consider the important matters assigned by the Board of Directors, which are set out in the Charter of the Nomination and Remuneration Committee.

1. Review the roles, duties and responsibilities of the Board of Directors and Remuneration

2. Review the policies related to recruitment and remuneration, including the following key criteria:

   2.1 Criteria and Process of Nomination of Directors and appoint executives.

   2.2 Select and nominate qualified persons as directors to be presented to the Board of Directors.

   2.3 Criteria for adjusting wage rates and incentives in accordance with and reflecting actual performance and appropriate for economic conditions and industry trends

   2.4 Review the remuneration structure and other benefits of directors In accordance with the responsibilities and duties of the directors.

   2.5 Review of directors' remuneration policies and guidelines Considering:

      2.5.1 Responsibilities and performance of the Board of Directors

      2.5.2 Comparative data referring to other companies in the same industry, including the Survey of Directors' Remuneration of the Thai Institute of Directors Association (IOD)

   2.6 Establish social responsibility and sustainable development policies

   2.7 Promote, support and allow small shareholders to take part in overseeing the business and comment on the business operations. Nomination of agenda and nomination of persons to be directors On behalf of the directors who have completed the term in advance for the 2022 Annual General Meeting of Shareholders for at least 90 days from September 30, 2021 to December 31, 2021 via the Company's website.

Mr. Paitoon Taveebhol
Chairman of the Nomination
and Remuneration Committee

Report of the Executive Board

Executive Director consists of 4 directors You have two independent directors. 1 non-executive director and 1 executive director with Mr. Ajarin Sarasas, Independent Director, serves as Chairman of the Executive Board and has directors on the Executive Board, namely Mr. Yongkiat Kitaphanich, Mr. Prayong Hirunyawanich and Ms. Napatsorn Kitaphanich have three-year term terms.

In 2021, the Executive Board held a total of 12 meetings, with all directors attending every meeting to scrutinize and consider important matters assigned by the Board of Directors. The summary is as follows:

1. Review roles Duties and Responsibilities of the Executive Board.
2. Approve policymaking, direction Business strategy and management structure, as well as the company's business practices.
3. Approve the Company's business plan and 2021 budget.
4. Approval of investment projects in accordance with the authority and responsibilities of the Executive Board 2 projects
5. Track the progress of the company's cash management in complete group
6. Track cost reduction plans and optimize the production efficiency of the group companies in complete, to be efficient and targeted
7. Monitor risk management progress Quarterly, including environment and safety Compliance with the laws.
8. Track monthly financial performance
9. Track monthly market sales and trends
10. Monitor and control the implementation of Covid-19 pandemic prevention measures closely and monitor management report on progress in both proactive examinations, buble and seal and employee vaccinations.

Mr. Ajarin Sarasas
Chairman of the Executive Board

8.4 Report on the Board of Directors' responsibilities to financial reports

Management has prepared annual financial statements ended December 31, 2021 in accordance with generally accepted accounting standards, adopting appropriate policies and regularly adhering to the financial statements, as well as carefully and reasonablely discretion in the preparation of financial statements, as well as adequate disclosure of important information in the notes to the financial statements.

The Board of Directors recognizes the responsibility for effective supervision of financial reports. The Audit and Governance Committee, consisting of qualified persons, is appointed to take care of the quality of financial reports in full. Appropriate policies are implemented and practiced regularly, as well as reviewing the Company's adequate and appropriate internal control system and jointly assessing the Company's risks. To prevent or reduce the potential risk of fraud or irregular conduct with a significant and sufficient basis to maintain the Company's assets.

From the above practices and supervisions TheRefore, the Board of Directors is of the opinion that the financial statements of Somboon Advance Technology Public Company Limited as of December 31, 2021 have accurately expressed their financial position and performance. Reliable, in accordance with generally accepted accounting standards and practices in accordance with applicable laws and regulations.

Mr. Sansern Wongcha-um
Chairman of the Board of Director

Ms. Napatsorn Kitaphanich
President

9. Internal control and related party transactions

9.1 Internal control

In the Board of Directors there were 3 directors of Audit and Corporate Governance Committee joined the Meeting and expressed opinion on the satisfaction and suitability of the internal Audit control by referring to "evaluation form of satisfaction of internal control system" of the Office of Security and Exchange Commission.

The Audit and Corporate Governance Commitee has reported the internal audit summary and proposition and inspection which focus on the operating inspection so that it would be efficient continuously. There is follow-up to revise according to the audit result report and report to the company board of directors regularly. From the review, the company has sufficient internal control system. The company has arranged sufficient personnel to operate according to the system efficiently and to have internal control system on follow up the work operation supervision of the company in order to prevent the property of the company and subsidiary from the fact that directors or executives had used illegally or without authorization and to enter into a transaction with people who might have conflict and general related people with the important details as follows.

1. Internal Control System within the Organization

The Company has determined the clear business operation target and can be measured by specifying the annual budget business plan and clear indicator in creating the value to shareholders and enhance the ability and quality of life of personnel as well as promote and monitor a progress of a process in developing corporate governance, social responsibilities, human right policy, sustainable business operations, and environmental management. This would respond to the expectation of customers including the design and product development along with responsibility to environmentally friendly and society by paying incentive reward to personnel and consider from the achievement of the target of personal indicator and profit of the company in order to create the benefit in the development of work operation quality.

Regarding business supervision of the Company, the structure of the supervision consists of the Board of Directors and sub-committee including Executive Board of Directors, Audit and Corporate Governance Committee, and Nomination and Remuneration Committee. Each committee is responsible for shareholders on the business operation of the company and supervise management so that it would be according to the target and has the highest benefit to shareholders and to be in the good ethic frame and be responsible to society, promote and follow up the progress of the good business supervision development process and social responsibility continuously, the consideration to improve CG manual and Code of Conducts and to provide the guideline and other necessary suggestion in order to improve. In this year, the Company has received awards which are Thailand Sustainability Investment (THIS) and SET Sustainability Award of Honor, Outstanding Investor Relations award, and CSR-DIW Continuous 2021 from Department of Industrial Works.

According to anti-corruption, the Company has joined the project of Collective Anti-Corruption (CAC) by Certified since 2013 and renew continuously the CAC Certificate for the third time in 2019. The Company has expanded the result to be the participants to important suppliers of the Company and in order to have continuity, the Company had evaluated the risk related to the corruption inside the company and review the operation according to the policy to the anti-corruption of Thai Private Sector to the anti-corruption in order to confirm that the Company has enough measurement in the fraud protection and corruption inspection effectively.

2. Risk Assessment

The company specifies the risk management policy as important policy by appointing risk management committee in management level including directors and executives performing the duty of evaluating the risk factor from the outside and inside factor affecting the target and business operation of the company and specify risk responsible person in various units and assign risk management of every executives and planning and specifying risk management measure with risk assessment that might affect the business operation and target of the company and arrange follow-up of risk managements of various units in every quarter.

3. The Control of the Work Operation

The Board of Directors had appointed 3 sub-committee consisting of the Executive Board of Directors, Audit and Corporate Governance Committee, and Nomination and Remuneration Committee. The 3 groups of committee had performed the work under the scope or duty assigned under the monitoring of the executive.

Moreover, the Audit and Corporate Governance Commitee has considered and reviewed and approve the annual audit plan in order to cover every work operation process with significant risk and to cover the anticipation of people related to the Company which makes the Company to be sure that the various agencies had sufficient control of the work operation on the finance, work operation, law and compliance, rule, regulation, and the anti-corruption. The Audit and Corporate Governance Commitee has considered the important point and the problem found from an inspection by proposing the executive to revise and to have the report of the revision result and prevent measures.

In case of entering into a transaction with business or relevant people which might lead to the conflict of interest between companies and the business or related people with the Company. The business that happens must go through the approving process according to the regulation of the company just like a normal business and related people to the making of item must consider that transaction is reasonable and according to the normal business by considering the highest benefit of the company and shareholders as it is an action with outside people and legal. The business that would bring about the conflict of interest and the said people with interest would not have the right to vote and reveal the information according to the law.

The Company is determined to develop the production process in order to be accepted in the international standard and to focus on safety in the work and environment maintenance. The Company has certified the quality management system "IATF 16949" and "ISO 14001" which has separate section from the production line to perform of the duty of inspecting and following up to comply with rule and specification regularly. As for the business on finance, purchase and procurement, stipulated the staff and executive must comply the Authority Table and "Procurement Control Manual" specified in writing by clearly stated the criteria, condition and the power in approving to pay the money and entering in procurement contract in order to be careful and prevent fraud in money-related transaction.

4. Information Technology and Telecommunication System

To propose the matter for the Board of Directors to consider, the Company has arranged important information so that the Board of Directors would use in the decision-making by making analytical report comparing the principle and reason along with documents and send the information for studying in advance for 7 days. There is secretary of the Company to provide recommendation on the regulation and various rules and supervise the business of the Board of Directors and coordinate so that there would be operation according to the resolution of the Board of Directors and the agency which is the center in making and storing documents including Director registry, Board of Directors Meeting appointment letter, minutes of the Meeting of the Board of director, shareholder meeting appointment letter and minutes of shareholder meeting orderly so that shareholders can verify the suitability in the work operation of directors.

As for the storing of accounting record and various accounting, the Company would store it completely in every category for transparency and to be work operation information without notification from an auditor that there is a flaw in this matter.

The Audit and Corporate Governance Commitee has considered along with an auditor, internal audit and related people in making the financial statement of the company in every quarter in order to make sure that the company has used accounting policy according to the general accounting principle and suitable with the business type of the company and to reveal suitable information according to the law.

5. Follow-up System

The Company has followed up on the work operation whether it is according to the target by having the Board of Directors, Meeting in 2021 for the total of 13 times and the Executive Board for 12 times in order to follow up the operation in each level starting from the Board of Directors, the Executive Board and Executives in order to follow up the target and supervise the work operation according to the strategy, work plan and the project in the annual business plan that has been approved from the Board of Directors and to solve problems that might happen and to adjust the work plan so that it is consistent with the changed situation and when it is found that the work operation result is different from the specified target and specified the responsible people to present the report in order to review the work operation and analyze the including co-consider to approve the plan to solve problems and to continuous report. The Company has arranged regular internal control system audit. The management would be responsible in supervision of the internal control system and there is Internal Audit Department to inspect and report the result independently to the Audit and Corporate Governance Committee.

9.2 Related party transactions

The Company and its subsidiaries have related transactions with person(s) who would have been involved in the dispute during the year 2021 2020 and 2019 were as follows;

Somboon Malleable Iron Industrial Co., Ltd. (SBM)

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price / Necessity
		2019	2020	2021	
The Company ownership interest 99.99%	**List of ordinary transactions** 1. SAT sold scraps material to SBM	0.30	0.60	-	Market price/ to increase income to SAT by selling scraps material which was normal loss from the production.
	2. SAT sold Semi-finished products to SBM	148.49	114.13	168.48	Market price
	3. SAT received utilities payment from SBM	12.40	8.15	2.53	Price was close to the Cost/ SBM used utilities of SAT
	4. SAT received management fee from SBM	42.44	27.52	3.50	Price was close to the Cost/ Services for SBM

Remark: Item 1 - 4 are the items indicated in the notes to the financial statement.

Bangkok Spring Industrial Co., Ltd. (BSK)

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price / Necessity
		2019	2020	2021	
The Company ownership interest 99.99%	**List of ordinary transactions** 1. SAT paid utilities fee to BSK	6.38	6.12	6.06	Price was close to the Cost / SAT used utilities of BSK
	2. SAT received utilities payment from BSK	1.73	0.22	0.41	Price was close to the Cost / SAT used utilities of BSK
	3. SAT Dividends received from BSK	199.30	277.80	235.50	
	4. SAT disposal of asset to BSK	-	-	91.13	Market price
	5. SAT received management fee from BSK	-	-	3.71	Price was close to the Cost/ Services for BSK

Remark: Item 1 - 5 are the items indicated in the notes to the financial statement.

International Casting Products Co., Ltd. (ICP)

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price / Necessity
		2019	2020	2021	
The Company ownership interest 99.99%	**List of ordinary transactions** 1. SAT sold scraps material to ICP	7.73	3.74	7.55	Market price/ to increase income to SAT by selling scraps material which was normal loss from the production
	2. SAT received management fee from ICP	30.89	25.40	33.56	Price was close to the Cost/ Services for ICP
	3. SAT received utilities payment from ICP	2.28	1.63	1.60	Price was close to the Cost/ ICP used utilities of SAT

Remark: Item 1 - 3 are the items indicated in the notes to the financial statement.

Somboon Forging Technology Co., Ltd. (SFT)

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price / Necessity
		2019	2020	2021	
The Company ownership interest 99.99%	**List of ordinary transactions**				
	1. SAT was the short-term loan lender of SFT	220.00	220.00	200.00	According to loan agreement
	2. SAT received interest of loan from SFT	5.05	4.90	4.49	According to loan agreement
	3. SAT received utilities payment from SFT	0.72	0.40	-	Price was close to the Cost/ SFT used utilities of SAT
	4. SAT received management fee from SFT	11.47	5.53	6.78	Price was close to the Cost/ Services for SFT
	5. SAT invested in addition shares of SFT	-	-	1,250.00	At par value
	6. SAT disposal of asset to SFT	-	-	1,050.07	Market price
	7. SAT sale goods to SFT	-	-	178.14	Market price

Remark: Item 1 - 7 is the items indicated in the notes to the financial statement.

Tsuchiyoshi Somboon Coated Sand Co., Ltd.

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price / Necessity
		2019	2020	2021	
The Company ownership interest by Somboon Malleable Iron Industrial Co., Ltd. (SBM) 21.25%	**List of ordinary transactions**				
	1. ICP purchased dry sand from Tsuchiyoshi Somboon Coated Sand Co., Ltd.	42.14	30.45	47.39	Market price/ purchase from time to time in the production.

Remark: Item 1 is the items indicated in the notes to the financial statement.

Mubea Somboon Automotive Co., Ltd. (MSA)

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price / Necessity
		2019	2020	2021	
The Company holds shares 50.00%	**List of ordinary transactions**				
	1. SAT was the short-term loan lender of MSA	200.00	200.00	200.00	According to loan agreement
	2. SAT had management service agreement with MSA	12.34	12.23	12.34	According to the agreement/ provide management service
	3. SAT received interest of loan from MSA	7.00	6.66	5.44	According to loan agreement
	4. SAT received utilities payment from MSA	1.44	2.79	1.22	Price was close to the Cost/ MSA used utilities of SAT
	5. BSK had land and building lease agreement with MSA	16.22	15.54	4.68	According to the agreement/ renting land and building
	6. BSK received utilities payment from MSA	14.39	4.39	2.18	Price was close to the Cost/ MSA used utilities of BSK
	7. BSK sale goods to MSA	-	-	140.15	Market price

Remark: Item 1 - 7 is the items indicated in the notes to the financial statement.

Nippon Kikai Engineering Co., Ltd. (NKE)

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price / Necessity
		2019	2020	2021	
The Company ownership interest by Bangkok Spring Industrial Co., Ltd. (BSK) 51.00%	**List of ordinary transactions**				
	1. BSK was the short-term loan lender of NKE	30.00	30.00	60.00	According to loan agreement
	2. BSK received interest of loan from NKE	0.20	2.01	1.35	According to loan agreement
	3. SAT purchased machine and had service expenses from NKE	7.94	1.47	19.70	Price was close to the Cost/ MSA used utilities of SAT
	4. BSK disposal investment in NKE	-	-	69.97	Cost

Remark: Item 1 - 3 is the items indicated in the notes to the financial statement.

Yongkee Co., Ltd.

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price / Necessity
		2019	2020	2021	
Common shareholder of the Company	**List of ordinary transactions**				
	1. BSK and SAT sale of goods to Yongkee Co., Ltd.	13.17	11.38	14.02	Approximates market prices/ sales as the normal business

Remark: Item 1 is the items indicated in the notes to the financial statement

Somboon Holding Co., Ltd. (SBH)

Relationship	Description of important items	Total amount remaining (Million Baht)			Conditions of price / Necessity
		2019	2020	2021	
Major shareholders of the Company holding 30% of shares	**List of ordinary transactions**				
	1. BSK received utilities fee from Somboon Holding Co., Ltd.	0.14	0.16	0.15	Price was close to the Cost/ SBH used utilities of BSK
	2. SAT had management service agreement with Somboon Holding Co,, Ltd.,	19.50	17.03	15.00	According to the provider's actual cost allocated to the services/ considering mainly on the long term expertise in managing automotive manufacturing parts.

Remark: Item 1 - 2 is the items indicated in the notes to the financial statement.

Somboon Advance Technology Public Company Limited and its Subsidiaries

Financial statements for the year ended 31 December 2021 and Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Somboon Advance Technology Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Somboon Advance Technology Public Company Limited and its subsidiaries (the "Group") and of Somboon Advance Technology Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2021, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2021 and their financialperformance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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 consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of inventories	
Refer to Note 3(g) and 8 to the financial statements.	
The key audit matter	**How the matter was addressed in the audit**
Financial performance of the Group is mainly dependent upon the automotive market and car manufacturers. Sales volume of each product of the Group depends on demand of each car model which can vary. Fluctuations on sale of car manufacturers and changing in the technology for car manufacturing of each model may result in slow-moving inventories especially supplies and spare parts for machinery. The management has to use judgment in order to set up policy for allowance for decline in value for each aging of inventories. I focused on valuation of inventories because this account is significant. Also, the allowance for decline in value of inventories subject to significant estimation and judgment of the management. Therefore, I considered this matter as key audit matter.	Our audit procedures performed included: • inquiring of the management in order to understand the Group's policy relating to estimation of allowance for decline in value of inventories; • assessing the reasonableness of management's assumptions use for the above estimation by considering the historical data and inventory turnover analysis; • testing the inventory aging report by, on a sampling basis, inspecting supporting documents to assess an appropriateness of aging classification as well as testing the calculation of allowance for decline in value whether it is in accordance with the Group's policy; • assessing adequacy of disclosures in the financial statements according to TFRSs

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate 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 consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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 and request that the correction be made.

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and 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 Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and 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 Group's and 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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate 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.

(Songchai Wongpiriyaporn)
Certified Public Accountant
Registration No. 10996

KPMG Phoomchai Audit Ltd.
Bangkok
22 February 2022

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of Financial Position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Assets	*Note*	2021	2020	2021	2020
		(in Baht)			
Current assets					
Cash and cash equivalents	*5*	1,601,653,414	1,980,513,100	450,379,218	422,778,504
Other current financial assets	*25*	1,396,877,566	350,086,260	130,254,653	100,000,000
Trade accounts receivable	*4, 6*	1,531,158,148	1,206,210,436	544,319,345	419,692,464
Other receivables	*4, 7*	219,546,493	104,934,469	99,062,153	68,473,037
Short-term loans to related parties	*4, 25*	200,000,000	200,000,000	400,000,000	420,000,000
Inventories	*1, 8*	593,651,926	564,882,146	-	134,797,406
Total current assets		**5,542,887,547**	**4,406,626,411**	**1,624,015,369**	**1,565,741,411**
Non-current assets					
Restricted deposit at financial institution	*25*	-	25,157,866	-	-
Investments in associates	*9*	556,746,308	510,921,470	-	-
Investments in subsidiaries	*1, 10*	-	-	3,792,012,202	2,542,012,202
Investments in joint venture	*9*	382,244,180	356,146,280	365,499,900	365,499,900
Other non-current financial assets	*25*	92,483,233	26,651,146	45,107,524.00	-
Investment properties	*11*	58,561,500	58,561,500	-	-
Property, plant and equipment	*1, 12*	3,069,095,354	3,403,146,187	63,347,711	1,066,710,101
Goodwill	*10*	17,934,556	44,590,813	-	-
Intangible assets	*1, 13*	20,755,315	25,669,797	8,007,988	9,723,949
Deferred tax assets	*21*	31,211,291	58,393,849	11,977,628	26,202,530
Other non-current assets		58,188,038	39,442,601	1,993,404	4,090,877
Total non-current assets		**4,287,219,775**	**4,548,681,509**	**4,287,946,357**	**4,014,239,559**
Total assets		**9,830,107,322**	**8,955,307,920**	**5,911,961,726**	**5,579,980,970**

The accompaying notes are an integral part of these financial statments

Somboon Advance Technology Public Company Limited and its Subsidiaries
Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	*Note*	2021	2020	2021	2020
		(in Baht)			
Current liabilities					
Short-term loans from financial institutions	*25*	-	12,210,081	-	-
Trade accounts payable	*4, 25*	1,227,744,287	974,474,847	402,627,415	351,190,651
Other payables	*4, 15, 25*	465,776,679	362,726,585	190,675,147	108,036,025
Accounts payable - purchase of assets		104,294,712	56,237,501	43,736,285	14,351,559
Current portion of long-term loans from financial institutions	*14, 25*	-	58,797,483	-	43,428,000
Current portion of lease liabilities	*14*	12,548,048	14,225,511	4,762,265	6,075,007
Income tax payable		81,747,906	22,089,326	36,913,884	17,092,255
Total current liabilities		**1,892,111,632**	**1,500,761,334**	**678,714,996**	**540,173,497**
Non-current liabilities					
Long-term loans from financial institutions	*14, 25*	-	58,572,477	-	48,214,630
Lease liabilities	*14*	18,406,619	11,402,194	3,512,519	3,342,776
Non-current provisions for employee benefits	*1, 16*	276,194,999	292,877,441	59,942,537	125,354,278
Other non-current liabilities		985,398	951,213	1,002,168	967,980
Total non-current liabilities		**295,587,016**	**363,803,325**	**64,457,224**	**177,879,664**
Total liabilities		**2,187,698,648**	**1,864,564,659**	**743,172,220**	**718,053,161**

The accompaying notes are an integral part of these financial statments

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	*Note*	2021	2020	2021	2020
		(in Baht)			
Equity					
Share capital					
Authorised share capital					
(425,194,894 ordinary shares, par value at Baht 1 per share)		425,193,894	425,193,894	425,193,894	425,193,894
Issued and paid-up share capital					
(425,194,894 ordinary shares, par value at Baht 1 per share)		425,193,894	425,193,894	425,193,894	425,193,894
Premium on ordinary shares		716,443,452	716,443,452	716,443,452	716,443,452
Retained earnings					
Appropriated	*17*				
Legal reserve		55,671,181	55,671,181	42,671,181	42,671,181
Unappropriated		6,445,100,147	5,844,965,198	3,984,480,979	3,677,619,282
Total equity		**7,642,408,674**	**7,042,273,725**	**5,168,789,506**	**4,861,927,809**
Non-controlling interests	*10*	-	48,469,536	-	-
Total equity		**7,642,408,674**	**7,090,743,261**	**5,168,789,506**	**4,861,927,809**
Total liabilities and equity		**9,830,107,322**	**8,955,307,920**	**5,911,961,726**	**5,579,980,970**

The accompaying notes are an integral part of these financial statments

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of Income

	Note	Consolidated financial statements Year ended 31 December 2021	2020	Separate financial statements Year ended 31 December 2021	2020
		(in Baht)			
Income					
Revenue from sale of goods and rendering of services	*4, 18, 22*	8,598,180,158	5,882,559,090	2,700,082,221	1,884,678,029
Net foreign exchange gain		9,481,647	423,836	11,217,719	4,064,774
Dividend income	*4, 9, 10*	3,079,959	2,386,375	235,499,994	277,797,856
Gain on business restructuring	*1*	-	-	182,378,637	-
Other income	*4*	116,479,633	141,426,105	176,399,416	124,341,705
Total income		**8,727,221,397**	**6,026,795,406**	**3,305,577,987**	**2,290,882,364**
Expenses	*20*				
Cost of sale of goods and rendering of services	*4*	6,943,350,843	5,023,298,143	2,030,232,777	1,520,363,675
Distribution costs	*4*	254,830,199	118,968,443	170,104,545	59,566,972
Administrative expenses	*4*	482,115,643	464,610,052	340,944,651	275,260,159
Losses on disposal of investment in subsidiary	*10*	11,501,364	-	-	-
Finance costs		5,789,784	7,752,348	2,664,229	3,284,795
Total expenses		**7,697,587,833**	**5,614,628,986**	**2,543,946,202**	**1,858,475,601**
Share of profit of joint venture and associates accounted for using equity method	*9*	84,339,738	2,833,031	-	-
Profit before income tax expense		**1,113,973,302**	**414,999,451**	**761,631,785**	**432,406,763**
Tax expense	*21*	(158,759,972)	(40,236,316)	(84,636,961)	(22,501,655)
Profit for the year		**955,213,330**	**374,763,135**	**676,994,824**	**409,905,108**
Basic earnings per share *(Baht)*	*23*	**2.24**	**0.87**	**1.59**	**0.96**
Profit attributable to					
Owners of the parent		952,650,017	371,201,647	676,994,824	409,905,108
Non-controlling interests		2,563,313	3,561,488	-	-
Profit for the year		**955,213,330**	**374,763,135**	**676,994,824**	**409,905,108**

The accompaying notes are an integral part of these financial statments

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2021	2020	2021	2020
	(in Baht)			
Profit for the year	**955,213,330**	**374,763,135**	**676,994,824**	**409,905,108**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Gain on investments in equity instruments designated at FVOCI	20,724,563	-	-	-
Gain (losses) on remeasurements of defined benefit plans	5,457,020	(12,911,033)	5,041,208	(5,183,875)
Income tax relating to items that will not be reclassified	(6,555,835)	1,810,681	(1,008,242)	1,036,775
Total items that will not be reclassified subsequently to profit or loss	**19,625,748**	**(11,100,352)**	**4,032,966**	**(4,147,100)**
Other comprehensive income for the year, net of tax	**19,625,748**	**-11,100,352**	**4,032,966**	**-4,147,100**
Total comprehensive income for the year	**974,839,078**	**363,662,783**	**681,027,790**	**405,758,008**
Total comprehensive income attributable to				
Owners of the parent	972,447,281	360,515,921	681,027,790	405,758,008
Non-controlling interests	2,391,797	3,146,862	-	-
Total comprehensive income for the year	**974,839,078**	**363,662,783**	**681,027,790**	**405,758,008**

The accompaying notes are an integral part of these financial statments

Somboon Advance Technology Public Company Limited
and its Subsidiaries
Statement of Changes in equity

		Consolidated financial statements						
				Retained earnings				
	Note	Issued and paid-up share capital	Shares premium	Legal reserve	Unappropriated	Equity attributable to owners of the parent	Non-controlling interests	Total equity
					(in Baht)			
Year ended 31 December 2020								
Balance at 1 January 2020		**425,193,894**	**716,443,452**	**55,671,181**	**5,960,657,018**	**7,157,965,545**	**45,322,674**	**7,203,288,219**
Transactions with owners, recorded directly in equity								
Distributions to owners of the Company								
Dividends to owners of the Company	*24*	-	-	-	(476,207,741)	(476,207,741)	-	(476,207,741)
Total transactions with owners, recorded directly in equity		**-**	**-**	**-**	**(476,207,741)**	**(476,207,741)**	**-**	**(476,207,741)**
Comprehensive income for the year								
Profit		-	-	-	371,201,647	371,201,647	3,561,488	374,763,135
Other comprehensive income		-	-	-	(10,685,726)	(10,685,726)	(414,626)	(11,100,352)
Total comprehensive income for the year		**-**	**-**	**-**	**360,515,921**	**360,515,921**	**3,146,862**	**363,662,783**
Balance at 31 December 2020		**425,193,894**	**716,443,452**	**55,671,181**	**5,844,965,198**	**7,042,273,725**	**48,469,536**	**7,090,743,261**

The accompaying notes are an integral part of these financial statments

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of Changes in equity

	Note	Issued and paid-up share capital	Shares premium	Retained earnings: Legal reserve	Retained earnings: Unappropriated	Equity attributable to owners of the parent	Non-controlling interests	Total equity
					(in Baht)			
Year ended 31 December 2021								
Balance at 1 January 2021		**425,193,894**	**716,443,452**	**55,671,181**	**5,844,965,198**	**7,042,273,725**	**48,469,536**	**7,090,743,261**
Transactions with owners, recorded directly in equity								
Distributions to owners of the Company								
Dividends to owners of the Company	*24*	-	-	-	(374,166,093)	(374,166,093)	-	(374,166,093)
Total contributions by and distributions to owners of the parent		**-**	**-**	**-**	**(374,166,093)**	**(374,166,093)**	**-**	**(374,166,093)**
Changes in ownership interests in subsidiary								
Loss of control from disposal in subsidiary	*10*	-	-	-	1,853,761	1,853,761	(50,861,333)	(49,007,572)
Total changes in ownership interests in subsidiary		**-**	**-**	**-**	**1,853,761**	**1,853,761**	**(50,861,333)**	**(49,007,572)**
Total transactions with owners, recorded directly in equity		**-**	**-**	**-**	**(372,312,332)**	**(372,312,332)**	**-50,861,333**	**(423,173,665)**
Comprehensive income for the year								
Profit		-	-	-	952,650,017	952,650,017	2,563,313	955,213,330
Other comprehensive income		-	-	-	19,797,264	19,797,264	(171,516)	19,625,748
Total comprehensive income for the year		**-**	**-**	**-**	**972,447,281**	**972,447,281**	**2,391,797**	**974,839,078**
Balance at 31 December 2021		**425,193,894**	**716,443,452**	**55,671,181**	**6,445,100,147**	**7,642,408,674**	**-**	**7,642,408,674**

The accompaying notes are an integral part of these financial statments

Somboon Advance Technology Public Company Limited
and its Subsidiaries
Statement of Changes in equity

		Separate financial statements				
				Retained earnings		
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Total equity
				(in Baht)		
Year ended 31 December 2020						
Balance at 1 January 2020		**425,193,894**	**716,443,452**	**42,671,181**	**3,748,066,871**	**4,932,375,398**
Transaction with owners, recorded directly in equity						
Distributions to owners of the Company						
Dividends to owners of the Company	*24*	-	-	-	(476,205,597)	(476,205,597)
Total transaction with owners, recorded directly in equity		**-**	**-**	**-**	**(476,205,597)**	**(476,205,597)**
Comprehensive income for the year						
Profit		-	-	-	409,905,108	409,905,108
Other comprehensive income		-	-	-	(4,147,100)	(4,147,100)
Total comprehensive income for the year		**-**	**-**	**-**	**405,758,008**	**405,758,008**
Balance at 31 December 2020		**425,193,894**	**716,443,452**	**42,671,181**	**3,677,619,282**	**4,861,927,809**

The accompaying notes are an integral part of these financial statments

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of Changes in equity

		Separate financial statements				
				Retained earnings		
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Total equity
				(in Baht)		
Year ended 31 December 2021						
Balance at 1 January 2021		**425,193,894**	**716,443,452**	**42,671,181**	**3,677,619,282**	**4,861,927,809**
Transaction with owners, recorded directly in equity						
Distributions to owners of the Company						
Dividends to owners of the Company	*24*	-	-	-	(374,166,093)	(374,166,093)
Total transaction with owners, recorded directly in equity		**-**	**-**	**-**	**(374,166,093)**	**(374,166,093)**
Comprehensive income for the year						
Profit		-	-	-	676,994,824	676,994,824
Other comprehensive income		-	-	-	4,032,966	4,032,966
Total comprehensive income for the year		**-**	**-**	**-**	**681,027,790**	**681,027,790**
Balance at 31 December 2021		**425,193,894**	**716,443,452**	**42,671,181**	**3,984,480,979**	**5,168,789,506**

The accompaying notes are an integral part of these financial statments

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
	2021	2020	2021	2020
	(in Baht)			
Cash flows from operating activities				
Profit for the year	955,213,330	374,763,135	676,994,824	409,905,108
Adjustments to reconcile profit to cash receipts (payments)				
Tax expense	158,759,972	40,236,316	84,636,961	22,501,655
Finance costs	5,789,784	7,752,348	2,664,229	3,284,795
Depreciation and amortisation	572,267,490	619,851,263	203,932,757	198,420,142
Impairment loss recognised in profit or loss	284,117	1,252,411	-	-
(Reversal of) impairment loss of plant and equipment	-6,998,663	13,843,557	-	-
Written-off property, plant and equipment	12,527,372	6,391,150	1,855,605	16,016
Interest income	-14,650,227	-15,527,251	-11,639,470	-13,559,724
Losses on inventories devaluation	9,817,889	952,807	346,811	54,882
Unrealised (gain) loss on exchange	-291,701	878,938	-239,928	965,975
Gain (loss) on disposal of property, plant and equipment	3,715,495	-7,939,940	(36,669,939)	(638,986)
Gain on business restructuring	-	-	(182,378,637)	-
Losses on disposal of investment in subsidiary	11,501,364	-	-	-
Share of profit of joint ventures and associates accounted for using equity method	-84,339,738	-2,833,031	-	-
Dividends income	-3,079,959	-2,386,375	(235,499,994)	(277,797,856)
Provisions for employee benefits	22,979,360	36,771,639	9,754,915	17,292,244
	1,643,495,885	1,074,006,967	513,758,134	360,444,251
Changes in operating assets and liabilities				
Trade accounts receivable	-431,612,709	150,413,559	-124,344,809	-6,698,131
Other receivables	-68,724,761	-14,489,735	-29,670,337	6,103,870
Inventories	-136,624,595	3,923,420	134,450,595	-22,710,355
Other non-current assets	-20,381,620	-9,210,675	2,097,473	-292,308
Trade accounts payable	317,986,851	89,058,546	51,442,108	64,398,856
Other payables	182,605,778	-91,489,938	82,600,681	-12,993,928
Other non-current liabilities	34,185	133,793	34,188	133,790
Net cash generated from operating	1,486,779,014	1,202,345,937	630,368,033	388,386,045
Employee benefit paid	-24,118,260	-106,796,105	-70,125,448	-28,111,348
Taxes paid	-83,595,349	-66,889,242	-51,598,672	-30,522,154
Net cash from operating activities	**1,379,065,405**	**1,028,660,590**	**508,643,913**	**329,752,543**

The accompaying notes are an integral part of these financial statments

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
	2021	2020	2021	2020
	(in Baht)			
Cash flows from investing activities				
Proceeds from disposal of investment in subsidiary, net of cash disposed of	60,234,422	-	-	-
Increase in restricted deposit at financial institution	-66,523	-202,712	-	-
Interest received	13,951,405	18,072,356	10,720,691	14,588,374
(Increase) decrease in other current financial assets	(1,046,877,737)	310,157,683	-30,254,653	156,041,130
Dividends received	15,496,959	15,562,375	235,499,994	277,797,856
Short-term loans to related parties	(200,000,000)	-	-1,120,000,000	-880,000,000
Proceeds from repayment of short-term loans to related parties	200,000,000	-	1,140,000,000	880,000,000
Acquisition of property, plant and equipment	(268,520,691)	(395,190,413)	-83,669,676	-226,953,673
Proceeds from sale of property, plant and equipment	8,080,742	16,577,756	1,138,185,988	1,806,529
Acquisition of interest in subsidiary	-	-	-1,250,000,000	-
Acquisition of interest in joint ventures	-	-14,999,800	-	-14,999,800
Acquisition of other long-term investment	-45,107,524	-	-45,107,524	-
Proceeds from sale of intangible assets	-	-	3,768,158	-
Acquisition of intangible assets	-5,127,687	-8,783,901	(4,354,527)	(888,000)
Net cash from (used in) investing activities	**-1,267,936,634**	**-58,806,656**	**-5,211,549**	**207,392,416**
Cash flows from financing activities				
Interest paid	-4,573,270	-6,427,308	-2,163,875	-2,691,584
Payment of lease liabilities	-17,135,952	-22,160,445	(7,859,052)	(7,130,900)
Increase in short-term loans from financial institutions	15,768,377	-	-	-
Repayment of borrowings from financial institutions	-109,881,519	-187,279,461	-91,642,630	-43,428,000
Proceeds from short-term loans from related parties	-	-	1,000,000,000	-
Repayment of short-term loans from related parties	-	-	-1,000,000,000	-
Dividends paid to owners of the Company	-374,166,093	-476,207,741	-374,166,093	-476,205,597
Net cash used in financing activities	**-489,988,457**	**-692,074,955**	**-475,831,650**	**-529,456,081**
Net increase (decrease) in cash and cash equivalents	**-378,859,686**	**277,778,979**	**27,600,714**	**7,688,878**
Cash and cash equivalents at 1 January	1,980,513,100	1,702,734,121	422,778,504	415,089,626
Cash and cash equivalents at 31 December	**1,601,653,414**	**1,980,513,100**	**450,379,218**	**422,778,504**
Non-cash transactions				
Increase in payable for purchase of assets	47,966,919	6,856,899	29,384,726	6,737,248
Increase in right-of-use assets	25,159,579	9,087,224	6,206,652	7,635,469

The accompaying notes are an integral part of these financial statments

Somboon Advance Technology Public Company Limited
and its Subsidiaries

Notes to financial statements

For the year ended 31 December 2021

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 22 February 2022.

1 General information

(a) General information

Somboon Advance Technology Public Company Limited, the "Company", is incorporated in Thailand and was listed on the Stock Exchange of Thailand in January 2005. The Company's registered office at

Head Office	:	129 Moo 2, Bangna-Trad Road, Tambon Bangchalong, Amphur Bangplee, Samutprakarn 10540.
Branch	:	300/10 Moo 1, Tambon Tasit, Amphur Pluak Daeng, Rayong 21140.
Branch	:	7/389 Moo 6, Tambon Mapyangporn, Amphur Pluak Daeng, Rayong 21140.

The Company's major shareholders during the financial year were Somboon Holding Company Limited (29.92% shareholding) which was incorporated in Thailand and Kitaphanich family (13.54% shareholding).

The principal activities of the Company are the manufacture of pick-up axles and truck trunnion shafts. Details of the Company's subsidiaries as at 31 December 2021 and 2020 are given in note 10.

(b) Business restructuring

During the year 2020, the Company pursuant to the restructuring plan which was approved by the Extraordinary General Meeting of Shareholders held on 9 September 2021, the shareholders approved the restructuring plan to implement the strategic plan effectively and increase the flexibility in business expansion by changing the nature of the Company's business to a holding Company through a partial business transfer which are the production and distribution of axel shaft business to Somboon Forging Technology Co., Ltd., a subsidiary.

On 9 December 2021, Somboon Forging Technology Co., Ltd. issued additional ordinary shares of 12.5 million shares, with a par value of Baht 100 per share. The subsidiary registered the increasing shares with the Ministry of Commerce on 14 December 2021.

On 27 December 2021, the Company transferred partial business which equal to net book value of Baht 971.52 million, and Somboon Forging Technology Co., Ltd will pay the compensation in cash amount of Bath 1,153.90 million. The Company recognised gain on business restructuring in the separate statement of income amounting to Baht 182.38 million.

The carrying amount of net assets and liabilities of the Company at the partial business transfer date were comprised as follows:

	Note	Separate financial statements (in million Baht)
Inventories		166.09
Property, plant and equipment	*12*	863.92
Intangible assets	*13*	3.77
Non-current provisions for employee benefits	*16*	(62.26)
Net		**971.52**

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS"), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

(b) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional currency.

(c) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about judgements, assumptions and estimation uncertainties at 31 December 2021 in applying accounting policies that have most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 3 (r)	Current and deferred taxation
Note 3 (k) and 12	Leases
Note 16	Measurement of defined benefit obligations

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and joint venture.

Business combinations

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less net fair value of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration, and equity interests issued by the Group.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group estimates provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Business combination under common control are accounted for using a method similar to the pooling of interest method, by recognising assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the transaction date. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or deficit from business combinations under common control in shareholder's equity. The surplus or deficit will be written off upon divestment of the businesses acquired. The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

When there is a change in the Group's interest in a subsidiary that do not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received from the acquisition or disposal of the non-controlling interests with no change in control are accounted for as other surpluses/deficits in shareholders' equity.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity–accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Investments subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Disposal of investments in the separate financial statements

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(c) Foreign currencies

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

(d) Financial instruments

(d.1) Classification and measurement

Financial assets and financial liabilities (except trade accounts receivables (see note 3(f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss on the date on which the Group's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(d.2) Derecognition and offset

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group] neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Derivatives

Derivative are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(d.4) Impairment of financial assets other than trade accounts receivables

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, 'trade and other accounts receivable, and loan to related parties).

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group recognises ECLs for low credit risk financial asset as 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

(d.5) Write offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(d.6) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Trade and other accounts receivable

A trade receivable is recognised when the Group has an unconditional right to receive consideration.

A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost of finished goods and works in process are calculated using the average cost principle. Raw materials, factory supplies and spare parts for machinery are calculated using the first in first out principle. Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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

(h) Investment properties

Investment properties are measured at cost less impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

(i) Property, plant and equipment

Recognition and measurement

Owned asset

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located including transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. The estimated useful lives are as follows:

Buildings and other constructions	5 - 40 years
Machinery and factory equipment	2 - 30 years
Office furniture, fixtures and equipment	2 - 5 years
Vehicle	5 years
Right-of-use assets	2 - 4 years

No depreciation is provided on freehold land, assets under construction and spare parts for machinery.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Intangible assets

Goodwill

Goodwill is measured as the excess of the cost of acquisition over the fair value of the identifiable assets acquired.

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in note 3 (l). Negative goodwill is recognised immediately in profit or loss.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred

Amortisation

Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

Software licences	3 - 10 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) Leases

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value or, if that rate cannot be readily determined, the Group and the Company's incremental borrowing rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Group recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the accounting period in which they are earned.

(l) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised in profit or loss if the carrying amount of an asset exceeds its recoverable amount.

Calculation of recoverable amount

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

Reversal of impairment

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Employee benefits

Defined contribution plans

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(o) Measurement of fair values

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(p) Revenue from contracts with customers

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Sale of goods and services

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognise revenue for this transaction and remains recognition of inventory for the estimated products to be returned.

Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

(q) Other income

Other income comprises dividend, interest income and others. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(r) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to [a business combination, or] items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised

(s) Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(t) Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(u) Segment reporting

Segment results that are reported to the Group's CODM (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

4 Related parties

Relationships with subsidiaries, associates and joint ventures are described in notes 9 and 10. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Somboon Holding Company Limited	Thailand	Major shareholders, 29.92% shareholding
Yongkee Co., Ltd.	Thailand	A common shareholder of the Company

Significant transactions for the years ended 31 December with related parties were as follows:

Year ended 31 December	Pricing policies	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		(in million Baht)			
Subsidiaries					
Sales of goods	Approximates market prices	-	-	341	114
Dividend income	Right to receive	-	-	235	278
Interest income	Contractually agreed rate	-	-	4	5
Management fee income	Contractually agreed price	-	-	84	58
Facilities income	Approximates cost	-	-	1	6
Rental income	Contractually agreed price	-	-	1	3
Sales of scraps	Approximates market prices	-	-	8	4
Other income	Approximates market prices			3	3
Disposal of assets from partial business transfer	Contractually agreed price	-	-	1,034	-
Sale of fixed assets	Approximates market price	-	-	92	
Purchases of goods	Approximates market price	-	-	35	18
Rental expense	Contractually agreed price	-	-	3	3
Facilities expense	Approximates cost	-	-	3	3
Other expense	Approximates market prices	-	-	-	2
Joint venture					
Sales of goods	Approximates market prices	143	-	-	-
Rental income	Contractually agreed price	6	16	1	1
Interest income	Contractually agreed rate	5	7	5	7
Management fee income	Contractually agreed price	12	12	12	12
Other income	Contractually agreed price	2	-	-	-
Purchase of goods	Approximates market prices	40	-	-	-
Rental expense	Contractually agreed price	3	-	-	-

Year ended 31 December	Pricing policies	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		(in million Baht)			
Associate					
Dividend income	Right to receive	12	13	-	-
Purchases of goods	Approximates market price	47	30	-	-
Key management personnel					
Key management personnel compensation					
Short-term benefits		66	53	53	44
Other long-term benefits		2	1	2	1
Total key management personnel compensation		**68**	**54**	**55**	**45**
Other related parties					
Sales of goods	Approximates market prices	14	11	14	12
Rental income	Contractually agreed price	2	2	-	-
Management fee	Contractually agreed price	15	17	15	17
Purchases of goods	Approximates market prices	1	-	-	-

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Trade accounts receivable				
Subsidiaries	-	-	29,224	26,880
Joint venture	37,502	21	-	-
Other related parties	4,602	4,424	4,602	4,424
Total	**42,104**	**4,445**	**33,826**	**31,304**
Other receivables				
Subsidiaries	-	-	51,919	38,569
Joint venture	5,727	8,246	3,935	3,386
Other related parties	623	485	4	7
Total	**6,350**	**8,731**	**55,858**	**41,962**

	Consolidated financial statements			
	As at 31 December 2020	Increase	Decrease	As at 31 December 2021
	(in thousand Baht)			
Loans to				
Joint venture	200,000	200,000	(200,000)	200,000
Total	**200,000**	**200,000**	**(200,000)**	**200,000**

	Separate financial statements			
	As at 31 December 2020	Increase	Decrease	As at 31 December 2021
		(in thousand Baht)		
Loans to				
Subsidiaries	220,000	920,000	(940,000)	200,000
Joint venture	200,000	200,000	(200,000)	200,000
Total	**420,000**	**1,120,000**	**(1,140,000)**	**400,000**

Short-term loans to related parties carry interest at MMR (Money Market Rate) per annum.

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
		(in thousand Baht)		
Trade account payable				
Subsidiaries	-	-	7,632	6,972
Joint venture	701	-	-	-
Associates	12,676	11,088	-	-
Other related parties	329	-	-	-
Total	**13,706**	**11,088**	**7,632**	**6,972**
Other payables				
Subsidiaries	-	-	1,006	18,325
Joint venture	52	71	5	23
Associates	235	300	-	-
Other related parties	1,338	1,326	1,338	1,304
Total	**1,625**	**1,697**	**2,349**	**19,652**

	Separate financial statements			
	As at 31 December 2020	Increase	Decrease	As at 31 December 2021
		(in thousand Baht)		
Loans from				
Subsidiaries	-	1,000,000	(1,000,000)	-
Total	**-**	**1,000,000**	**(1,000,000)**	**-**

(1) Land and building lease agreement

A subsidiary has land and building lease agreements with a joint venture for the period of 1 year. The agreement is effective from 1 January 2021 to 31 December 2021. The subsidiary will receive land and building rental fees as stipulated in the agreement. However, the new agreement is currently in process of consideration of conditions and preparation by both parties.

(2) Management service agreement with joint venture

The Company had a management service agreement with a joint venture for the period of 1 year. The agreement is effective from 1 January 2021 to 31 December 2021. Under the terms of the agreement, the Company will provide management services and will receive service fee as stipulated in the agreement. However, the new agreement is currently in process of consideration of conditions and preparation by both parties.

(3) Management service agreement with related party

The Company entered into a management service agreement with a related company whereby the latter will provide consulting services as stipulated in the agreement. The Company is committed to pay annual fees amounting to Baht 15 million. The agreement is effective from 1 January 2021 to 31 December 2023.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Cash on hand	220	445	90	90
Cash at banks	1,601,433	1,780,068	450,289	422,689
Highly liquid short-term investments	-	200,000	-	-
Total	**1,601,653**	**1,980,513**	**450,379**	**422,779**

6 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
		(in thousand Baht)			
Related parties					
Within credit terms		42,104	4,445	33,826	31,304
	4	**42,104**	**4,445**	**33,826**	**31,304**
Other parties					
Within credit terms		1,489,054	1,179,901	510,493	384,002
Overdue:					
Less than 3 Months		-	10,721	-	4,386
6 - 12 Months		-	439	-	-
More than 12 Months		-	14,532	-	-
		1,489,054	**1,205,593**	**510,493**	**388,388**
Less allowance for expected credit loss		-	(3,828)	-	-
		1,531,158	**1,201,765**	**544,319**	**388,388**
Net		**1,531,158**	**1,206,210**	**544,319**	**419,692**

Information of credit risk is disclosed in note 25 (b.1).

7 Other receivables

	Note	Consolidated financial statements 2021	Consolidated financial statements 2020	Separate financial statements 2021	Separate financial statements 2020
		(in thousand Baht)			
Related parties	*4*	6,350	8,731	55,858	41,962
Other parties					
Revenue department receivable		130,867	82,040	30,210	21,986
Receivable from promissory note conversion		60,000	-	-	-
Accrued incomes		5,946	1,181	5,616	962
Prepaid expenses		5,407	11,404	2,761	2,137
Others		10,976	1,578	4,617	1,426
Total		**219,546**	**104,934**	**99,062**	**68,473**

8 Inventories

	Consolidated financial statements 2021	Consolidated financial statements 2020	Separate financial statements 2021	Separate financial statements 2020
	(in thousand Baht)			
Finished goods	280,000	255,203	-	76,650
Work in process	53,038	83,684	-	6,530
Raw materials	41,321	46,413	-	8,676
Factory supplies	125,419	99,060	-	17,833
Spare parts for machinery	151,134	120,805	-	30,660
Goods in transit	977	26,527	-	106
Total	**651,889**	**631,692**	**-**	**140,455**
Less allowance for decline in value	(58,237)	(66,810)	-	(5,658)
Net	**593,652**	**564,882**	**-**	**134,797**

9 Investments in associates and joint ventures

Investments in associates and joint ventures as at 31 December, and dividend income for the years then ended were as follows:

						Consolidated financial statements					
	Type of business	Ownership Interest		Paid-up capital		Cost method		Equity method		Dividend income for the years	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
		(%)				(in thousand Baht)					
Associates											
Tsuchiyoshi Somboon Coated Sand Co., Ltd	Manufacture and sale of plastic-coated sand and dry sand	21.25	21.25	72,000	72,000	15,300	15,300	53,704	51,656	6,120	1,530
Yamada Somboon Company Limited	Manufacture and sale of auto parts	20.00	20.00	150,000	150,000	30,807	30,807	503,042	459,265	6,297	11,646
						46,107	**46,107**	**556,746**	**510,921**	**12,417**	**13,176**

	Type of business	Ownership Interest		Paid-up capital		Cost method		Equity method		Dividend income for the years	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
		(%)				*(in thousand Baht)*					
Joint ventures											
Mubea Somboon Automotive Co., Ltd.	Manufacture and sale of auto parts	50.00	50.00	701,000	701,000	350,500	350,500	363,428	341,166	-	-
Somboon Siasun Tech Co., Ltd.	Providing service and consultation in system design including engineering system and automation system integration development	50.00	50.00	30,000	30,000	15,000	15,000	12,816	14,980	-	-
						365,500	**365,500**	**382,244**	**356,146**	**-**	**-**
Total						**411,607**	**411,607**	**938,990**	**867,067**	**12,417**	**13,176**

	Separate financial statements					
	Ownership Interest		Paid-up capital		Cost method	
	2021	2020	2021	2020	2021	2020
	(%)		*(in thousand Baht)*			
Joint ventures						
Mubea Somboon Automotive Co., Ltd.	50.00	50.00	701,000	701,000	350,500	350,500
Somboon Siasun Tech Co., Ltd.	50.00	50.00	30,000	30,000	15,000	15,000
Total			**731,000**	**731,000**	**365,500**	**365,500**

All associates and joint ventures were incorporated and operate in Thailand.

None of the Group's associates and joint ventures are publicly listed and consequently do not have published price quotations.

On 3 April 2020, the Company entered into a joint venture agreement with Shenyang Siasun Robot & Automation Co., Ltd. to establish a joint venture, Somboon Siasun Tech Co., Ltd., and registered with the Ministry of Commerce on 12 June 2020. The main objectives of this joint venture are providing service and consultation in system design including engineering system and automation system integration development. The Company has a shareholding of 50% in this joint venture.

10 Investments in subsidiaries

Investments in subsidiaries as at 31 December, and dividend income for the years then ended were as follows:

				Separate financial statements					
	Type of business	Ownership interest		Paid-up capital		Cost method		Dividend income for the years	
		2021	2020	2021	2020	2021	2020	2021	2020
		(%)				(in thousand Baht)			
Direct Subsidiaries									
Somboon Malleable Iron Industrial Company Limited	Manufacture and sale of auto parts	100	100	500,000	500,000	500,000	875,989	-	99,998
Bangkok Spring Industrial Company Limited	Manufacture and sale of auto parts and rent of real estate	100	100	130,000	130,000	130,000	519,989	-	20,800
International Casting Products Co., Ltd	Manufacture and sale of auto parts	100	100	785,000	785,000	785,000	796,034	235,500	157,000
Somboon Forging Technology Company Limited	Manufacture and sale of auto parts	100	100	1,600,000	350,000	1,600,000	350,000	-	-
Total						**3,792,012**	**2,542,012**	**235,500**	**277,798**

Details of the Company's indirect subsidiary as at 31 December were as follows:

Name of party	Type of business	Ownership Interest	
		2021	2020
		(%)	
Indirect subsidiary			
Nippon Kikai Engineering Co., Ltd.	Manufacture and assembly of machinery, automatic equipment and parts	-	51

All subsidiaries were incorporated and operate in Thailand.

Material Movement	**Consolidated financial statements**	
For the year ended 31 December	2021	2020
	(in thousand Baht)	
Increase capital of Somboon Forging Technology Co., Ltd.	1,250,000	-
Disposal of Investment in Nippon Kikai Engineering Co., Ltd.	69,974	-

Acquisition of additional shares in subsidiary

In December 2021, Somboon Forging Technology Co., Ltd. registered additional ordinary shares of 12,500,000 shares, with a par value of Baht 100 per share. The Company had invested in these additional shares, amounting to Baht 1,250 million. The proportion of ownership remain unchanged. *(note 1).*

Disposal of investment in subsidiary

In December 2021, the Group sold investment in Nippon Kikai Engineering Co., Ltd., an indirect subsidiary, for Baht 69.97 million in cash. The carrying amount of Nippon Kikai Engineering Co., Ltd.'s net assets in the Group financial statement of Baht 105.67 million and written-off goodwill amounting to Baht 26.66 million. The Group recognised a decrease in non-controlling interests of Baht 50.86 million. The Group recognised losses on disposal of investment in the consolidated statement of income amounting to Baht 11.5 million.

11 Investment properties

Investment properties are land not used in its operation of a subsidiary and were revalued by an independent professional valuer in February 2019, at market comparison approach. The appraised value was Baht 102 million. The fair value for investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

12 Property, plant and equipment

	Consolidated financial statements							
	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	Spare parts for machinery	Total
				(in thousand Baht)				
Cost								
At 1 January 2020	597,772	1,756,255	8,764,820	204,393	36,383	139,087	101,216	11,599,926
Additions	-	4,168	51,662	10,779	8,754	311,121	32,501	418,985
Transfers	-	9,559	294,670	1,481	-	(275,241)	(30,469)	-
Disposals	-	(5,293)	(387,724)	(13,791)	(5,488)	-	(1,725)	(414,021)
At 31 December 2020 and 1 January 2021	**597,772**	**1,764,689**	**8,723,428**	**202,862**	**39,649**	**174,967**	**101,523**	**11,604,890**
Additions	-	12,612	59,816	9,131	13,302	209,401	41,217	345,479
Transfers	-	37,420	238,031	5,850	-	(220,914)	(60,387)	-
Disposals	-	(2,234)	(435,998)	(21,995)	(10,121)	(73)	(2,080)	(472,501)
Decrease from disposal of subsidiary	(58,344)	(14,134)	(4,426)	(5,189)	(17,198)	(8,525)	-	(107,816)
At 31 December 2021	**539,428**	**1,798,353**	**8,580,851**	**190,659**	**25,632**	**154,856**	**80,273**	**11,370,052**
Depreciation and impairment losses								
At 1 January 2020	-	1,009,458	6,783,023	174,541	11,462	-	-	7,978,484
Depreciation charge for the year	-	86,449	497,802	11,706	11,420	-	-	607,377
Loss in impairment	-	247	13,164	432	-	-	-	13,843
Disposals		(4,028)	(376,019)	(13,457)	(4,456)	-	-	(397,960)
At 31 December 2020 and 1 January 2021	**-**	**1,092,126**	**6,917,970**	**173,222**	**18,426**	**-**	**-**	**8,201,744**
Depreciation charge for the year	-	78,876	462,843	13,848	10,574	-	-	566,141
Impairment losses	-	-	(6,734)	(265)	-	-	-	(6,999)
Disposals	-	(1,562)	(416,680)	(21,935)	(9,405)	-	-	(449,582)
Decrease from disposal of subsidiary	-	(2,129)	(1,800)	(2,182)	(4,236)	-	-	(10,347)
At 31 December 2021	**-**	**1,167,311**	**6,955,599**	**162,688**	**15,359**	**-**	**-**	**8,300,957**

	Consolidated financial statements							
	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	Spare parts for machinery	Total
	(in thousand Baht)							
Net book value								
At 31 December 2020								
Owned assets	597,772	672,563	1,794,818	29,640	8,974	174,967	101,523	3,380,257
Right-of-use assets	-	-	10,640	-	12,249	-	-	22,889
	597,772	**672,563**	**1,805,458**	**29,640**	**21,223**	**174,967**	**101,523**	**3,403,146**
At 31 December 2021								
Owned assets	539,428	631,042	1,612,378	27,971	632	154,856	80,273	3,046,580
Right-of-use assets	-	-	12,874	-	9,641	-	-	22,515
	539,428	**631,042**	**1,625,252**	**27,971**	**10,273**	**154,856**	**80,273**	**3,069,095**

	Separate financial statements							
	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	Spare parts for machinery	Total
	(in thousand Baht)							
Cost								
At 1 January 2020	91,781	534,437	3,206,870	90,355	13,543	41,074	13,375	3,991,435
Additions	-	-	8,786	5,776	2,590	218,663	5,433	241,248
Transfers	-	2,412	189,874	959	-	(191,790)	(1,455)	-
Disposals	-	(2,206)	(13,354)	(162)	(1,739)	-	-	(17,461)
At 31 December 2020 and 1 January 2021	**91,781**	**534,643**	**3,392,176**	**96,928**	**14,394**	**67,947**	**17,353**	**4,215,222**
Additions	-	-	7,302	5,937	5,514	97,451	3,214	119,418
Transfers	-	15,583	165,952	4,288	-	(165,256)	(20,567)	-
Disposals	(52,790)	(79,141)	(140,934)	(19,018)	(3,439)	-	-	(295,322)
Decrease from business restructuring *(note 1)*	(25,279)	(397,703)	(3,375,764)	(18,295)	(2,053)	-	-	(3,819,094)
At 31 December 2021	**13,712**	**73,382**	**48,732**	**69,840**	**14,416**	**142**	**-**	**220,224**
Depreciation								
At 1 January 2020	-	286,862	2,602,835	73,606	7,985	-	-	2,971,288
Depreciation charge for the year	-	26,405	156,575	6,266	4,256	-	-	193,502
Disposals	-	(1,038)	(13,339)	(162)	(1,739)	-	-	(16,278)
At 31 December 2020 and 1 January 2021	**-**	**312,229**	**2,746,071**	**79,710**	**10,502**	**-**	**-**	**3,148,512**
Depreciation charge for the year	-	26,856	162,832	8,397	3,545	-	-	201,630
Disposals	-	(76,765)	(139,049)	(18,996)	(3,282)	-	-	(238,092)
Decrease from business restructuring *(note 1)*	-	(206,014)	(2,730,790)	(16,453)	(1,917)	-	-	(2,955,174)
At 31 December 2021	**-**	**56,306**	**39,064**	**52,658**	**8,848**	**-**	**-**	**156,876**

	Separate financial statements							
	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	Spare parts for machinery	Total
	(in thousand Baht)							
Net book value								
At 31 December 2020								
Owned assets	91,781	222,414	640,763	17,218	24	67,947	17,353	1,057,500
Right-of-use assets	-	-	5,342	-	3,868	-	-	9,210
	91,781	**222,414**	**646,105**	**17,218**	**3,892**	**67,947**	**17,353**	**1,066,710**
At 31 December 2021								
Owned assets	13,712	17,076	7,172	17,182	16	142	-	55,300
Right-of-use assets	-	-	2,496	-	5,552	-	-	8,048
	13,712	**17,076**	**9,668**	**17,182**	**5,568**	**142**	**-**	**63,348**

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2021 amounting to Baht 3,276 million *(2020: Baht 4,618 million).*

As at 31 December 2021, land of the Company valued at Baht 2.3 million comprises land for which the legal ownership has yet to be transferred which is in accordance with the agreements to purchase and to sell the land.

As at 31 December 2021, the Group have redeem whole land with structures thereon mortgaged as collateral for credit facilities with commercial banks *(2020: the Group have mortgaged their land with structures thereon as collateral for credit facilities with commercial banks).*

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The Group leased a machinery for 2 year and the Group and the Company leased vehicles for 2 - 4 years and paid fixed lease payment that are based on usage over the lease term.

In 2021, total cash outflow for leases of the Group and the Company were Baht 19.74 million and Baht 7.45 million, respectively *(2020 Baht 15 million and Baht 7 million, respectively).*

13 Intangible assets

	Consolidated financial statements		
	Software licences	Software under installation	Total
	(in thousand Baht)		
Cost			
At 1 January 2020	141,112	4,700	145,812
Additions	7,440	1,344	8,784
Transfer	4,700	(4,700)	-
At 31 December 2020 and 1 January 2021	**153,252**	**1,344**	**154,596**
Additions	2,043	1,754	3,797
Transfer	(9,378)	-	(9,378)
Decrease from disposal of subsidiary	(4,595)	(1,878)	(6,473)
At 31 December 2021	**141,322**	**1,220**	**142,542**
Amortisation			
At 1 January 2021	116,452	-	116,452
Amortisation charge for the year	12,474	-	12,474
At 31 December 2020 and 1 January 2021	**128,926**	**-**	**128,926**
Amortisation charge for the year	4,724	-	4,724
Transfer	(9,378)	-	(9,378)
Decrease from disposal of subsidiary	(2,485)	-	(2,485)
At 31 December 2021	**121,787**	**-**	**121,787**
Net book value			
At 31 December 2020	**24,326**	**1,344**	**25,670**
At 31 December 2021	**19,535**	**1,220**	**20,755**

	Separate financial statements		
	Software licences	Software under installation	Total
	(in thousand Baht)		
Cost			
At 1 January 2020	64,908	4,700	69,608
Additions	888	-	888
Transfer	4,700	(4,700)	-
At 31 December 2020 and 1 January 2021	**70,496**	**-**	**70,496**
Addition	3,135	1,220	4,355
Transfer	(8,351)	-	(8,351)
Decrease from business restructuring *(note 1)*	(5,099)	-	(5,099)
At 31 December 2021	**60,181**	**1,220**	**61,401**
Amortisation			
At 1 January 2020	55,853	-	55,853
Amortisation charge for the year	4,919	-	4,919
At 31 December 2020 and 1 January 2021	**60,772**	**-**	**60,772**
Amortisation charge for the year	2,302	-	2,302
Transfer	(8,351)	-	(8,351)
Decrease from business restructuring *(note 1)*	(1,330)	-	(1,330)
At 31 December 2021	**53,393**	**-**	**53,393**
Net book value			
At 31 December 2020	**9,724**	**-**	**9,724**
At 31 December 2021	**6,788**	**1,220**	**8,008**

14 Interest-bearing liabilities

	Consolidated financial statements					
	2021			2020		
	Secured	Unsecured	**Total**	Secured	Unsecured	**Total**
	(in thousand Baht)					
Short-term loans from financial institutions	-	-	-	12,210	-	12,210
Long-term loans from financial institutions	-	-	-	117,369	-	117,369
Lease liabilities	-	30,955	30,955	-	25,628	25,628
Total interest-bearing liabilities	**-**	**30,955**	**30,955**	**129,579**	**25,628**	**155,207**

	Separate financial statements					
	2021			2020		
	Secured	Unsecured	**Total**	Secured	Unsecured	**Total**
	(in thousand Baht)					
Long-term loans from financial institutions	-	-	-	91,643	-	91,643
Lease liabilities	-	8,275	8,275	-	9,418	9,418
Total interest-bearing liabilities	**-**	**8,275**	**8,275**	**91,643**	**9,418**	**101,061**

As at 31 December 2020, the Group and the Company had outstanding long-term loans with financial institutions with the interest at fixed rates of 4.75% per annum and at floating rates (BIBOR rate, plus 1.25% per annum, MLR rate per annum and MLR rate minus 1.0% per annum). The Group and the Company paid long-term loans within 2021 in full.

15 Other payables

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
		(in thousand Baht)			
Related parties	*4*	1,625	1,697	2,349	19,652
Others					
Accrued operating expenses		285,105	164,298	155,282	63,277
Deposits and advances received		38,930	75,140	613	1,028
Payable to Revenue department		26,662	19,677	13,296	8,139
Others		113,455	101,915	19,136	15,940
Total		**465,777**	**362,727**	**190,675**	**108,036**

16 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
As at 31 December	2021	2020	2021	2020
	(in thousand Baht)			
Defined benefit plan	253,228	266,730	58,200	118,059
Other long-term employee benefits	22,967	26,147	1,743	7,295
Total	**276,195**	**292,877**	**59,943**	**125,354**

The Group operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

Present value of the defined benefit obligations		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
		(in thousand Baht)			
At 1 January		292,877	349,991	125,354	130,989
Include in profit or loss:					
Current service cost		18,484	31,368	7,788	15,328
Interest on obligation		4,496	5,403	1,967	1,964
		22,980	36,771	9,755	17,292
Included in other comprehensive income					
Actuarial (gain) losses					
- Financial assumptions		(18,940)	(195)	(6,653)	(169)
- Experience adjustment		13,483	13,106	1,612	5,353
		(5,457)	12,911	(5,041)	5,184
Others					
Benefit paid		(24,118)	(106,796)	(7,863)	(28,111)
Transferred employees from business restructuring business	*1*	-	-	(62,262)	-
Decrease from disposal of subsidiary		(10,087)	-	-	-
		(34,205)	(106,796)	(70,125)	(28,111)
At 31 December		**276,195**	**292,877**	**59,943**	**125,354**

Principal actuarial assumptions	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(%)			
Discount rate	2.30	1.50-1.60	2.30	1.60
Future salary growth	5.00	4.89-5.00	5.00	5.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2021, the weighted-average duration of the defined benefit obligation was 9 - 10 years *(2020: 8 - 10 years).*

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.

Effect to the defined benefit obligation	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	(in thousand Baht)			
At 31 December 2021				
Defined benefit obligation				
Discount rate (0.5% movement)	(12,629)	13,547	(2,370)	1,794
Future salary growth (1% movement)	27,439	(24,194)	5,327	(4,782)
At 31 December 2020				
Defined benefit obligation				
Discount rate (0.5% movement)	(13,931)	14,983	(5,492)	5,875
Future salary growth (1% movement)	30,103	(26,417)	12,059	(10,704)

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.

17 Legal reserves

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

18 Segment information

The Group has two reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- *Segment 1* Pick-up axles and truck trunnion shafts
- *Segment 2* Other auto parts

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

	Consolidated financial statements									
	Pick-up axles and truck trunnion shafts		Other auto parts		Total		Elimination		Net	
For the year ended 31 December	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
					(in million Baht)					
External revenue from sale of goods and rendering of services	2,532	1,766	6,066	4,117	8,598	5,883	-	-	8,598	5,883
Inter-segment revenue from sale of goods and rendering of services	168	119	2,383	1,594	2,551	1,713	(2,551)	(1,713)	-	-
Total	**2,700**	**1,885**	**8,449**	**5,711**	**11,149**	**7,596**	**(2,551)**	**(1,713)**	**8,598**	**5,883**
Profit before income tax	762*	432*	805	275	1,567	707	(453)	(292)	1,114	415
Segment assets	5,912	5,580	8,731	6,746	14,643	12,326	(4,813)	(3,371)	9,830	8,955
Segment liabilities	743	718	2,296	1,953	3,039	2,671	(851)	(806)	2,118	1,865

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

The Group's revenue is recognised at a point in time.

*Profit before income tax included dividend income from subsidiary Baht 235 million *(2020: Baht 278 million).*

Major customer

Revenues from certain customers of the Group represents approximately Baht 6,476 million *(2020: Baht 4,267 million)* of the Group's total revenues.

19 Provident fund

The defined contribution plan comprise provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 15% of their basic salaries and by the Group at rates ranging from 3% to 6% of the employees' basic salaries. In 2021, the contributions of Baht 15.4 million and Baht 7.4 million were paid by the Group and the Company, respectively *(2020: Baht 19.6 million and Baht 8.1 million, respectively)*. The provident fund is registered with the Ministry of Finance as juristic entity and is managed by a licensed Fund Manager.

20 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Consolidated financial statements		**Separate financial statements**	
	2021	2020	2021	2020
	(in thousand Baht)			
Employee benefit expenses	1,213,080	1,074,028	450,811	363,474
Depreciation and amortisation expense	574,354	619,851	203,933	198,420
Raw materials and consumables used	4,209,970	2,877,870	1,318,425	934,913
Changes in inventories of finished goods and work in process	(69,113)	15,276	83,180	(19,442)
(Reversal of) losses inventories devaluation	9,818	953	(5,658)	55
Utilities expense	542,534	411,042	133,535	103,265
Finance costs	5,790	7,752	2,664	3,285
Losses on disposal of investment in subsidiary	11,501	-	-	-
Repair expenses	342,691	268,575	98,425	76,617
Transportation expenses	197,805	79,680	142,928	41,275
Others	659,158	259,602	115,704	156,614
Total expenses	**7,697,588**	**5,614,629**	**2,543,947**	**1,858,476**

21 Income tax expense

Income tax recognised in profit or loss	**Consolidated financial statements**		**Separate financial statements**	
	2021	2020	2021	2020
	(in thousand Baht)			
Current tax expense				
Current year	144,404	38,542	71,420	27,862
Adjustment for prior years	-	498	-	-
	144,404	**39,040**	**71,420**	**27,862**
Deferred tax expense				
Movements in temporary differences	14,356	1,196	13,217	(5,360)
Total income tax expense	**158,760**	**40,236**	**84,637**	**22,502**

	Consolidated financial statements					
	2021			2020		
Income tax	Before tax	Tax expense	Net of tax	Before tax	Tax benefit	Net of tax
	(in thousand Baht)					
Recognised in other comprehensive income						
Financial assets at FVOCI	20,725	(4,144)	16,581	-	-	-
Defined benefit plan actuarial gain (losses)	5,457	(2,412)	3,045	(12,911)	1,811	(11,100)
Total	**26,182**	**(6,556)**	**19,626**	**(12,911)**	**1,811**	**(11,100)**

	Separate financial statements					
	2021			2020		
Income tax	Before tax	Tax expense	Net of tax	Before tax	Tax benefit	Net of tax
	(in thousand Baht)					
Recognised in other comprehensive income						
Defined benefit plan actuarial gain (losses)	5,041	(1,008)	4,033	(5,184)	1,037	(4,147)
Total	**5,041**	**(1,008)**	**4,033**	**(5,184)**	**1,037**	**(4,147)**

	Consolidated financial statements			
	2021		2020	
Reconciliation of effective tax rate	*Rate (%)*	*(in thousand Baht)*	*Rate (%)*	*(in thousand Baht)*
Profit before income tax expense		1,113,973		414,999
Income tax using the Thai corporation tax rate	20	222,795	20	83,000
Income not subject to tax		(40,927)		(8,220)
Expenses that can be additionally deductible for tax purposes		(26,529)		(3,549)
Recognition of previously unrecognised tax losses		(61,378)		(41,993)
Current year losses for which no deferred tax asset was recognised		-		9,679
Expenses not deductible for tax purposes and others		64,799		1,319
Total tax expense	**14**	**158,760**	**10**	**40,236**

	Separate financial statements			
	2021		2020	
Reconciliation of effective tax rate	*Rate (%)*	*(in thousand Baht)*	*Rate (%)*	*(in thousand Baht)*
Profit before income tax expense		761,632		432,407
Income tax using the Thai corporation tax rate	20	152,326	20	86,481
Income not subject to tax		(66,136)		(63,034)
Expenses that can be deductible for tax purposes		(2,315)		(2,426)
Expenses not deductible for tax purposes and others		762		1,481
Total tax expense	**11**	**84,637**	**5**	**22,502**

Deferred tax	**Consolidated financial statements**		**Separate financial statements**	
At 31 December	2021	2020	2021	2020
	(in thousand Baht)			
Deferred tax assets	35,438	58,640	11,988	26,203
Deferred tax liabilities	(4,227)	(246)	(10)	-
Net deferred tax assets	**31,211**	**58,394**	**11,978**	**26,203**

	Consolidated financial statements				
		(Charged) / Credited to:			
	At 1 January 2021	Profit or loss	Other comprehensive income	Decrease from disposal of subsidiary	**At 31 December 2021**
			(in thousand Baht)		
Deferred tax assets					
Trade accounts receivable	766	56	-	(822)	-
Inventories	12,263	(77)	-	(3,678)	8,508
Employee benefit obligations	44,211	(12,852)	(2,412)	(2,017)	26,930
Property, plant and equipment	1,400	(1,400)	-	-	-
Deferred tax liability					
Property, plant and equipment	(246)	-	-	246	-
Financial assets at FVOCI	-	-	(4,144)	-	(4,144)
Financial assets at FVTPL	-	(83)			
			-	-	(83)
Total	**58,394**	**(14,356)**	**(6,556)**	**(6,271)**	**31,211**

	Consolidated financial statements			
		(Charged) / Credited to:		
	At 1 January 2020	Profit or loss	Other comprehensive income	**At 31 December 2020**
		(in thousand Baht)		
Deferred tax assets				
Trade accounts receivable	728	38	-	766
Inventories	11,661	602	-	12,263
Employee benefit obligations	45,636	(3,236)	1,811	44,211
Property, plant and equipment	-	1,400	-	1,400
Deferred tax liability				
Property, plant and equipment	(246)	-	-	(246)
Total	**57,779**	**(1,196)**	**1,811**	**58,394**

		Separate financial statements (Charged) / Credited to:		
	At 1 January 2021	Profit or loss	Other comprehensive income	**At 31 December 2021**
		(in thousand Baht)		
Deferred tax assets				
Inventories	1,132	(1,132)	-	-
Employee benefit obligations	25,071	(12,075)	(1,008)	11,988
Deferred tax liability				
Financial assets at FVTPL	-	(10)	-	(10)
Total	**26,203**	**(13,217)**	**(1,008)**	**11,978**

		Separate financial statements (Charged) / Credited to:		
	At 1 January 2020	Profit or loss	Other comprehensive income	**At 31 December 2020**
		(in thousand Baht)		
Deferred tax assets				
Inventories	813	319	-	1,132
Employee benefit obligations	18,993	5,041	1,037	25,071
Total	**19,806**	**5,360**	**1,037**	**26,203**

Unrecognised deferred tax assets	**Consolidated financial statements**		**Separate financial statements**	
	2021	2020	2021	2020
		(in thousand Baht)		
Tax losses	72,418	131,710	-	-
Total	**72,418**	**131,710**	**-**	**-**

The tax losses expire during 2022 to 2025. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that there will be sufficient future taxable profit against which subsidiaries can utilise the benefits therefrom.

22 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to The privileges granted significantly include:

(a) exemption from payment of import duty on machinery approved by the Board;

(b) exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations, to the extent that the amount of tax exemptions do not exceed investment capital exclusive of land and working capital;

(c) a 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of five years, commencing from the expiry date in (b) above.

As promoted companies, the Group must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

	Consolidated financial statements					
	2021			2020		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	(in thousand Baht)					
Export sales	192,609	357,985	550,594	23,226	237,083	260,309
Local sales	1,181,948	9,416,245	10,598,193	1,196,916	6,138,392	7,335,308
Eliminate	(13,210)	(2,537,397)	(2,550,607)	-	(1,713,058)	(1,713,058)
Total	**1,361,347**	**7,236,833**	**8,598,180**	**1,220,142**	**4,662,417**	**5,882,559**

	Separate financial statements					
	2021			2020		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	(in thousand Baht)					
Export sales	192,609	336,923	529,532	23,226	221,522	244,748
Local sales	111,502	2,059,048	2,170,550	356,423	1,283,507	1,639,930
Total	**304,111**	**2,395,972**	**2,700,082**	**379,649**	**1,505,029**	**1,884,678**

23 Earnings per share

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht / thousand shares)			
Profit attributable to ordinary shareholders for the year ended 31 December				
Profit attributable to ordinary shareholders of the Company (basic)	**952,650**	**371,202**	**676,995**	**409,905**
Number of ordinary shares outstanding	**425,194**	**425,194**	**425,194**	**425,194**
Earnings per share (basic) *(in Baht)*	**2.24**	**0.87**	**1.59**	**0.96**

24 Dividends

The shareholders/ Board of Director of the Company have approved dividends as follows

	Approval date	Payment schedule	Dividend rate per share *(Baht)*	Amount *(in million Baht)*
2021				
Interim dividend 2021	11 August 2021	September 2021	0.40	170
Interim dividend 2020	22 April 2021	May 2021	0.48	204
				374
2020				
Interim dividend 2020	6 August 2020	September 2020	0.12	51
Interim dividend 2019	6 April 2020	April 2020	1.00	425
				476

2021 interim dividends, totalling to Baht 170 million, were paid from the first six-months operation for the year 2021 at Baht 0.40 per share in amounting to Baht 170 million which are derived from the promoted business in amounting to Baht 21 million, at Baht 0.0507 per share, from the net profit of corporate income tax at a rate of 10% in amounting to Baht 44 million, at Baht 0.1033 per share and from the net profit of corporate income tax at a rate of 20% in amounting to Baht 105 million, at Baht 0.2460 per share.

2020 annual dividends, totalling to Baht 204 million, were paid from the operation for the year 2020 at the rate of Baht 0.48 per share. The dividends for the year 2020 were paid from the net profit of corporate income tax at a rate of 10% at Baht 0.0588 per share in amounting to Baht 25 million and from the net profit of corporate income tax at a rate of 20% at Baht 0.4212 per share in amounting to Baht 179 million.

2020 interim dividends, totalling to Baht 51 million, were paid from the first six-months operation for the year 2020 in amounting to Baht 51 million, at Baht 0.12 per share which is derived from the non-promoted business.

The second 2019 interim dividends, totalling to Baht 425 million, were paid from the operation for the year 2019 in amounting to Baht 350 million, at Baht 0.82 per share and the retained earnings in amounting to Baht 75 million, at Baht 0.18 per share.

25 Financial instruments

(a) Carrying amounts and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost.

	Consolidated financial statement						
	Carrying amount			Fair value			
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Total	Level 1	Level 2	Level 3	Total
	(in thousand Baht)						
At 31 December 2021							
Financial assets							
Other financial assets:							
Investment in mutual funds	896,228	-	896,228	-	896,228	-	896,228
Other long-term investments	-	92,483	92,483	-	-	92,483	92,483
Total financial assets	**896,228**	**92,483**	**988,711**	**-**	**896,228**	**92,483**	**988,711**
At 31 December 2020							
Financial asset							
Other financial asset:							
Other long-term investments	-	26,651	26,651	-	-	26,651	26,651
Total financial asset	**-**	**26,651**	**26,651**	**-**	**-**	**26,651**	**26,651**

	Separate financial statement						
	Carrying amount			Fair value			
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Total	Level 1	Level 2	Level 3	Total
	(in thousand Baht)						
At 31 December 2021							
Financial assets							
Other financial assets:							
Investment in mutual funds	130,255	-	130,255	-	130,255	-	130,255
Other long-term investments	-	45,108	45,108	-	-	45,108	45,108
Total financial assets	**130,255**	**45,108**	**175,363**	**-**	**130,255**	**45,108**	**175,363**

Financial instruments measured at fair value

Type	**Valuation technique**
Investments in marketable unit trusts classified as financial assets measured at FVTPL	The net asset value as of the reporting date.
Investments in non-marketable equity securities	Adjusted net asset value as of the reporting date.

Since the majority of financial assets and liabilities of the Group were short-term, interest rates of loans and borrowings are approximate to market rate. The fair value of financial assets and liabilities is taken to approximate the carrying value as determined in the statement of financial position.

(b) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(b.1.1) Trade accounts receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 18.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of three months.

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

(b.1.2) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

	Consolidated financial statements				
		Contractual cash flows			
At 31 December	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total
			(in thousand Baht)		
2021					
Financial liabilities					
Trade accounts payable	1,227,744	1,227,744	-	-	1,227,744
Other payables	465,777	465,777	-	-	465,777
Accounts payable – purchase of assets	104,295	104,295	-	-	104,295
Lease liabilities	30,955	13,644	14,580	5,183	33,407
	1,820,771	**1,803,460**	**14,580**	**5,183**	**1,823,223**
2020					
Financial liabilities					
Trade accounts payable	974,475	974,475	-	-	974,475
Other payables	362,726	362,726	-	-	362,726
Accounts payable – purchase of assets	56,238	56,238	-	-	56,238
Loans from financial institutions	129,580	73,362	50,178	10,279	133,819
Lease liabilities	25,628	15,276	7,554	4,434	27,264
	1,548,647	**1,482,077**	**57,732**	**14,713**	**1,554,522**

	Separate financial statements				
		Contractual cash flows			
At 31 December	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total
			(in thousand Baht)		
2021					
Financial liabilities					
Trade accounts payable	402,627	402,627	-	-	402,627
Other payables	190,675	190,675	-	-	190,675
Accounts payable - purchase of assets	43,736	43,736	-	-	43,736
Lease liabilities	8,275	5,047	1,706	2,010	8,763
	645,313	**642,085**	**1,706**	**2,010**	**645,801**

	Separate financial statements				
		Contractual cash flows			
	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total
			(in thousand Baht)		
2020					
Financial liabilities					
Trade accounts payable	351,191	351,191	-	-	351,191
Other payables	108,036	108,036	-	-	108,036
Accounts payable – purchase of assets	14,351	14,351	-	-	14,351
Loans from financial institutions	91,643	44,682	43,922	4,795	93,399
Lease liabilities	9,418	6,386	3,419	-	9,805
	574,639	**524,646**	**47,341**	**4,795**	**576,782**

(b.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

	Consolidated financial statements		**Separate financial statements**	
	2021	2020	2021	2020
		(in thousand Baht)		
United States Dollars				
Trade accounts receivable	102,640	66,076	102,640	66,076
Trade accounts payable	(2,438)	(2,913)	-	-
Other payables	(75)	(2,624)	(75)	(2,624)
Accounts payable - purchase of assets	-	(11,433)	-	-
Net exposure	**100,127**	**49,106**	102,565	**63,452**
Japanese Yen				
Other receivables	6,052	19	-	-
Trade accounts payable	(3,406)	(21,790)	(342)	(508)
Other payables	(2,695)	(3,019)	-	-
Accounts payable - purchase of assets	(1,466)	(6,476)	(916)	(5,268)
Net exposure	**(1,515)**	**(31,266)**	**(1,258)**	**(5,776)**

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Euro				
Other payable	-	(197)	-	-
Net exposure	**-**	**(197)**	**-**	**-**

(c.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly floating rate. The Group is primarily exposed to interest rate risk from its borrowings (Note 14). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates and uses derivative, principally interest rate swaps, to manage exposure to fluctuations in interest rates on borrowings.

Exposure to interest rate risk at 31 December	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Financial instruments with fixed interest rates				
Financial liabilities	-	7,800	-	-
	-	**7,800**	**-**	**-**
Financial instruments with variable interest rates				
Financial liabilities	-	121,780	-	91,643
	-	**121,780**	**-**	**91,643**

26 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

27 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
Capital commitments				
Machinery and equipment	22	13	-	-
Total	**22**	**13**	**-**	**-**
Other commitments				
Short-term lease commitments	4	11	-	3
Unused letters of credit for goods and supplies	12	21	-	3
Bank guarantees	69	47	16	14
Total	**85**	**79**	**16**	**20**

The Group entered into technical assistance agreements with several foreign companies covering assistance of the production processes, whereby the Group is to pay fees at the rate as specified in the agreements. The agreements are valid for 5 years, expiring in various periods up to 2021, and are renewable for a further 5 years.

28 Events after the reporting period

Joint venture agreement

At the Board of Directors' meeting of the Company held on 27 January 2022, the Board of Directors approved the signing of joint venture agreement with Tron Energy Technology Co., Ltd. which was incorporated under Taiwan law with the purpose of the business to import, develop, manufacture, assemble, distribute and provide automotive, transport and bus service, by focusing on automotive industry, automotive service and transportation system.

Dividends

At the Board of Directors' meeting of the Company held on 22 February 2022, the Board of Directors approved the appropriation of dividends for the year 2021 at the rate of Baht 1.50 per share, totalling Baht 638 million which will be paid from the operation for the year 2021. The interim dividends at the rate of Baht 0.40 per share, in amounting to Baht 170 million were paid in September 2021. Therefore, the remaining dividends of Baht 1.10 per share, in amounting to Baht 468 million will be paid to shareholders in May 2022. The dividends is subject to the approval of the shareholders at the Annual General Meeting.

Attachment 1
Detail of Directors, Executives, Controled Person, the person taking the highest responsibility in finance and accounting and the person supervising accounting

Board of Director

On December 31, 2021

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1. **Mr.Sansern Wongcha-um**
   Independent Director/ Chairman of the Board

2. **Mr. Yongyuth Kitaphanich**
   Director / Vice Chairman

3. **Dr. Panja Senadisai**
   Independent Director /
   Chairman of the Audit and CG Committee /
   Member of the Nomination and Remuneration Committee

4 **Mr. Ajarin Sarasas**
   Independent Director /
   Chairman of the Executive Board /
   Member of the Nomination and Remuneration Committee

5. **Mr.Paitoon Taveebhol**
   Independent Director / Chairman of the Nomination and Remuneration Committee /
   Member of the Audit and CG Committee

6. **Mr. Suthad Setboonsarng**
   Independent Director /
   Member of the Audit and CG Committee

7. **Mr. Prayong Hirunyawanich**
   Independent Director /
   Member of the Executive Board

8. **Mr. Yongkiat Kitaphanich**
   Director / Vice Chairman of the Executive Board

9. **Ms. Napatsorn Kitaphanich**
   Director / President

Executives

On December 31, 2021

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1. **Dr.Cheerawit Sureerattanan**
   Senior Managing Director SBM & ICP

2. **Mr. Patpong Weerasin**
   Vice President - Operation SAT /
   Managing Director - SFT

3. **Mr. Thanthach Ritthinam**
   Vice President - Agriculture Business Group /
   Vice President - BSK

4. **Dr. Anotai Mohjhaw**
   Vice President - Human Resources
   & Administration

5. **Mr. Vacharatorn Kitaphanich**
   Vice President - Commercial &
   Business Development

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 1.Mr.Sansern Wongcha-um • Chairman of the Board • Independent Director (From 24 March 2008 to present)	74	None	• Honorary Doctor of Philosophy in Geosocial Based Sustainable Development, Maejo University • Master of Business Administration (Business Economics), University of Bridgeport, Connecticut, USA • Bachelor of Economics (Money and Public Finance), Thammasat University • Diploma, Thailand National Defence College, Class 37 **Training Program** • Role of the Chairman • Finance for Non-Finance Directors • Director Accreditation Program	2008-Present	Chairman / Independent Director	Somboon Advance Technology Public Company Limited
					Chairman / Independent Director	Bualuang Securities Public Company Limited
				2008 - Apr 2019	Chairman of the Nomination and Remuneration Committee / Independent Director	Deves Insurance Public Company Limited
				2008 - Feb 2017	Chairman of the Audit Committee / Independent Director	The Erawan Group Public Company Limited
				Number of Listed Company (ies) being in a Position of Director 1 Company		
				Number of Non-Listed Company (ies) being in a Position of Director 1 Company		

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 2. Mr. Yongyuth Kitaphanich • Vice Chairman • Authorized Director • Director (From 21 July 2004 to present)	70	0.01	• Mini MBA, Thammasat University • Bachelor of Commerce and Accountancy, Chulalongkorn University • Diploma, National Defense Course for the Joint State-Private Sector (Class 9) Thailand National Defense College **Training Program** • Director Certifcation Program • Role of the Chairman	2004 - Present	Director / Vice Chairman	Somboon Advance Technology Public Company Limited
				2014 - Present	Director	International Casting Products Company Limited
				2012 - Present	Director	Somboon Forging Technology Company Limited
				2004 - Present	Director	Somboon Holding Company Limited
				1994 - Present	Director	Somboon Malleable Iron Industrial Company Limited
					Director	Bangkok Spring Industrial Company Limited
				2004 - 2017	Member of the Executive Board	Somboon Advance Technology Public Company Limited
				Number of Listed Company (ies) being in a Position of Director 1 Company		
				Number of Non-Listed Company (ies) being in a Position of Director 5 Companies		

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 3. Dr. Panja Senadisai • Chairman of the Audit and CG Committee • Member of the Nomination and Remuneration Committee • Independent Director (From 21 July 2004 to present)	73	None	• Doctor of Philosophy in Industrial Business Administration, King Mongkut's Institute of Technology Ladkrabang • Master's Degree in Business Administration Suffolk University, Massachusetts, USA **Training Program** • Directors Certification Program (DCP) 20/2002 • Audit Committee Program (ACP) Year 2004 • Role of the Compensation Committee Program #2/2007 • Leader Program #8, Capital Market Academy • Public Director Certification Program #2, Public Director Institute • Top Executive Program in Commerce and Trade (TEPCOT) #4 • Corporate Governance for Capital Market Intermediaries (CGI) #15/2016 • Risk Management Program for Corporate Leaders (RCL) #12/2018	2020 - Present	Director	Sukhumvit 62 Medical Company Limited
				2016 - Present	Member of the Enterprise Risk Policy Committee	KCE Electronics Public Company Limited
				2007 - Present	Member of the Nomination and Remuneration Committee	Somboon Advance Technology Public Company Limited
				2006 - Present	Chairman of the Audit and CG Committee	Somboon Advance Technology Public Company Limited
					Director	PAC (Siam) Company Litmited
				2005 - Present	Director/ Chairman of the Audit Committee	Pylon Public Company Limited
				2004 - Present	Independent Director	Somboon Advance Technology Public Company Limited
				2002 - Present	Director/ Member of the Audit Committee/ Chairman of the Remuneration Committee	Trinity Watthana Public Company Limited
				1983 - Present	Director	KCE Electronics Public Company Limited
				Number of Listed Company (ies) being in a Position of Director 4 Companies		
				Number of Non-Listed Company (ies) being in a Position of Director 2 Companies		

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 4. Mr. Ajarin Sarasas • Chairman of the Executive Board • Member of the Nomination and Remuneration Committee • Independent Director (From 16 December 2009 to present)	78	None	• Honorary Doctor of Business Administration Industrial Management, Kensington University (USA) • Diploma, National Defence Course for the Joint State-Private Sector (Class 1) Thailand National Defence College • Certificate/ License for Professional Practice: Senior Professional Industrial Engineer **Training Program** • Director Certification Program	Present	Independent Advisor in Total Quality Management (TQM)	
					Honorary President	Thai Autoparts Manufacturers Association (TAPMA)
					Honorary Chairman	Automotive Industry Club
					Advisor to Director	The Thai Automotive Industry Association
					Advisor	Group of Cobra International Company Limited
					Chairman of the Executive Board	Somboon Advance Technology Public Company Limited
				2009 - Present	Independent Director/ Member of the Nomination and Remuneration Committee	Somboon Advance Technology Public Company Limited
				2009 - Apr 2018	Member of Audit and CG Committee	KCE Electronics Public Company Limited
				Number of Listed Company (ies) being in a Position of Director 1 Company		
				Number of Non-Listed Company (ies) being in a Position of Director 5 Companies		

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 5. Mr.Paitoon Taveebhol • Chairman of the Nomination and Remuneration Committee • Member of the Audit and CG Committee • Independent Director (From 24 April 2008 to present)	71	None	• M.B.A., Kasetsart University • B.A. (Accounting), Ramkhamhaeng University • Certificate in Auditing, Thammasat University **Training Program** • Director Accreditation Program • Director Certification Program • Audit Committee Program • Role of the Chairman • Chartered Director Program • Advanced Audit Committee	2016 - Present	Chairman of the Nomination and Remuneration / Member of the CGR Committee and SD / Member of the Enterprise Risk Policy Committee	KCE Electronics Public Company Limited
				2012 - Present	Independent Director / Chairman of the Audit Committee	KCE Electronics Public Company Limited
				2014 - Present	Chairman of the Board	ZEN Corporation Group Company Limited
				2012 - Present	Independent Director/ Member of the Audit Committee	Easy Buy Public Company Limited
				2008 - Present	Independent Director / Chairman of the Nomination and Remuneration Committee / Member of the Audit and CG Committee	Somboon Advance Technology Public Company Limited
				2002 - Present	Independent Director / Chairman of the Audit Committee / Chairman of the Risk Policy Committee	Central Pattana Public Company Limited
				Number of Listed Company (ies) being in a Position of Director 4 Companies		
				Number of Non-Listed Company (ies) being in a Position of Director 1 Company		

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 6. Mr. Suthad Setboonsarng • Member of the Audit and CG Committee • Independent Director (From 20 April 2018 to present)	71	None	• Ph.D. in Economics, University of Hawaii, U.S.A. • M.A. in Agricultural Economics, University of Hawaii, U.S.A. • B.A. in Economics, Thammasat University **Training Program** • Director Certification Program # 194/2014 • Boards that Make a Difference # 8/2018	2018 - Present	Independent Director/ Member of the Audit and CG Committee	Somboon Advance Technology Public Company Limited
				2014 - Present	Independent Director/ Member of the Audit Committee	Banpu Public Company Limited
				2013 - Present	Chairman	NawaChiOne Foundation
				2013 - Present	Chairman, Board of Trustees	International Rice Research Institute (IRRI) Los Banos, the Philippines
				2015 - 2020	Member of the Board / Chairman of the Audit Committee / Member of Risk Oversight Committee	Bank of Thailand
				Number of Listed Company (ies) being in a Position of Director 2 Companies		
				Number of Non-Listed Company (ies) being in a Position of Director 2 Companies		

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 7. Mr. Prayong Hirunyawanich • Member of the Executive Board • Independent Director (From 23 April 2020 to present)	70	None	• MBA New York University • Bachelor of Mechanical Engineering, Chulalongkorn University **Training Program** • Director Accreditation Program	2019 - Present	Independent Director	Somboon Advance Technology Public Company Limited
				2017 - Present	Member of the Executive Board	Somboon Advance Technology Public Company Limited
				2012 - Present	Executive Committee	Anti-Corruption Organizations of Thailand
				2012 - 2021	Independent Director	Zafco FTZ Co., Dubai
				2017 - 2018	Director	Somboon Advance Technology Public Company Limited
				Number of Listed Company (ies) being in a Position of Director 1 Company		
				Number of Non-Listed Company (ies) being in a Position of Director - None -		

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 8. Mr. Yongkiat Kitaphanich • Vice Chairman of the Executive Board • Authorized Director • Director (From 21 August 2004 to present)	59	0.12	• M.B.A., National Institute of Development Administration • Master of Industrial Engineering, Waseda University (Japan) • Bachelor of Mechanical Engineering, King Mongkut's Institute Technology Ladkrabang **Training Program** • Director Accreditation Program • Finance for Non-Finance Directors • Director Certification Program	2020 - Present	Director	Mubea Somboon Automotive Company Limited
				2017 - Present	Vice Chairman of the Executive Board	Somboon Advance Technology Public Company Limited
				2017 - Present	Honorary Chairman	Auto Parts Industry Club of the Federation of Thai Industries
				2017 - Present	Honorary President	Thai Auto Parts Manufacturers Association
				2012 - Present	Director	Somboon Forging Technology Company Limited
				2007 - Present	Director	Somboom Malleable Iron Industrial Company Limited / Somboom Malleable Iron Industrial Company Limited / International Casting Products Company Limited
				2004 - Present	Director	Somboon Holding Company Limited
				2017 - 2018	Director	Mubea Somboon Automotive Company Limited
				2012 - 2017	President	Somboon Advance Technology Public Company Limited
				Number of Listed Company (ies) being in a Position of Director 1 Company		
				Number of Non-Listed Company (ies) being in a Position of Director 7 Companies		

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 9. Ms. Napatsorn Kitaphanich • President • Authorized Director • Director (From 21 July 2004 to present)	57	1.68%	• M.B.A., Sasin Graduate Institute of Business Administration of Chulalongkorn University • Bachelor of Business Administration in Finance and Management (BBA), Simon Fraser University (Canada) **Training Program** • Director Accreditation Program • Strategic IQ - Executive Education Harvard Business School • Executive Course, Capital Market Academy (Class 25) • Director Refreshment Program	2020 - Present	Director	Somboon Siasun Tech Company Limited
				2018 - Present	President	Somboon Advance Technology Public Company Limited
				2014 - Present	Director	Somboom Malleable Iron Industrial Company Limited
				2012 - Present	Director	Somboon Forging Technology Company Limited
				2007 - Present	Director	International Casting Products Company Limited
					Director	Bangkok Spring Industrial Company Limited
				2004 - Present	Director	Somboon Advance Technology Public Company Limited
				2018 - 2020	Director	Mubea Somboon Automotive Company Limited
				2014 - 2017	Vice President - President Office	Somboon Advance Technology Public Company Limited
				Number of Listed Company (ies) being in a Position of Director 1 Company		
				Number of Non-Listed Company (ies) being in a Position of Director 5 Companies		

Executives

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 1. Dr.Cheerawit Sureerattanan • Senior Managing Director SBM & ICP	56	None	• Doctor of Philosophy in Industrial Business Administration(Ph.D.) King Mongkut's Institute of Technology Ladkrabang • Master of Business Administration(M.B.A.), Khon Kaen University • Master of Mechanical Engineering(M.E.) - Course work, Kasetsart University • Bachelor of Mechanical Engineering(M.E.), Rajamangala Instititute of Technology **Training Program** • Director Certification Program (DCP192/2014) • Director Refreshment Program(DRP2/2021)	2021	Senior Managing Director	Somboon Malleable Iron Industrial Company Limited
					Senior Managing Director	International Casting Products Company Limited
				2019 - 2020	Managing Director	Somboon Malleable Iron Industrial Company Limited
					Managing Director	International Casting Products Company Limited
				2014 - 2018	Vice President - Sales & Marketing	Somboon Advance Technology Public Company Limited

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 2. Mr. Patpong Weerasin • Vice President - Operation SAT • Managing Director - SFT	53	0.0005%	• Master of science (Logistic Management), King Mongkut's University of Technology Thonburi • B.B.A Industrial Management, Rajamangala Institute of Technology **Training Program** • DCP 202/2015 : Director Certification Program • ACEP 15/2015: Anti- Corruption for Executive Program • DRP2/2021 : Leading Your Business through Uncertainties • DRP3/2021: Lessons Learnt form Financial Cases: How Board should React • Leadership Development Program (LDP6) (2018)	2015 - Present	Managing Director	Somboon Forging Technology Company Limited
					Vice President - Operations	Somboon Advance Technology Public Company Limited

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 3. Mr. Thanthach Ritthinam • Vice President - Agriculture Business Group • Vice President - BSK	47	0.01%	• M.B.A. - General Management (English Program), Ramkhamhaeng University • Master of Science - Computer and Engineering Management (English Program), Assumption University • Certficate of Chemical Engineering, University of Manchester Institute of Science and Technology (UK) • Bachelor of Science in Industrial Chem. (Petrochemical) (1st Class Honor), King Mongkut's Institute of Technology North Bangkok **Training Program** • Director Certification Program (DCP) Class#281 - Thai Institute of Directors (IOD) (2019) • Executive Development Program (EDP) Class #16 Thai Listed Companies Association (TLCA) (2016)	2021 - Present	Vice President - Agriculture Business Group	Somboon Advance Technology Public Company Limited
				2021 - Present	Vice President	Bangkok Spring Industrial Company Limited
				2019 - 2021	Vice President - President Office	Somboon Advance Technology Public Company Limited
				2021	Director	Mubea Somboon Automotive Company Limited
				2019 - 2021	Managing Director	Mubea Somboon Automotive Company Limited
				2016 - Present	Director	Thai Auto Paets Manufacturers Association
				2016 - 2018	Vice President - Corporate Strategy & Business Development	Somboon Advance Technology Public Company

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 4. Dr. Anotai Mohjhaw • Vice President - Human Resources & Administration	49	None	• PhD in Human Resources Developmant (International Program), Burapha University • Master of Science in Engineering Management, Western, Michigan University (USA) • Bachelor of Mechanical Engineering, Chulalongkorn University	2019 - Present	Vice President - Human Resources & Administration	Somboon Advance Technology Public Company Limited
				2017 - 2018	Vice President - Human Resources	Somboon Advance Technology Public Company Limited
				2015 - 2017	General Manager - Human Resources Division	Bangkok Komatsu Sales Company Limited

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
 5. Mr. Vacharatorn Kitaphanich • Vice President - Commercial & Business Development	40	None	• Master of Science in Engineering: University of Liverpool (UK) • Bachelor of Industrial Engineering: University of Sirinthorn International Institute of Technology (SIIT) Thammasat University **Training Program** • Director Certification Program (DCP) 288/2020 • Financial Statements for Directors (FSD) 44/2021	2021 - Present	Vice President - Commercial & Business Development	Somboon Advance Technology Public Company
				2021 - Present	Director	Somboon Siasun Tech Company Limited
				2017 - Present	Director	Somboon Holding Company Limited
				2019 - 2020	Head of Commercial & Business Development	Somboon Advance Technology Public Company
				2019 - 2020	Director	Nippon Kikai Engineering Company Limited
				2018	Assistant General Manager - Sales	Somboon Advance Technology Public Company
				2017	Manager Engineering	Somboon Malleable Iron Industrial Company Limited

The person taking the highest responsibility in finance and accounting, and the person supervising accounting

Name-Surname / Position	Age (Year)	% Share held	Education	Work experience in the last 5 years		
				Period	Position	Company / Organization
Mrs. Porntip Sangsuk • Head of Accounting Costing & Budgeting	46	None	• Bachelor of Administer in Auditing : Rajamangala University of Technology Krungthep **Training Program** • Merger & Acquisition (M&A) and Tax planning • Risk Accounting and Risk Management for Accountants • Update Data Analytics 5.0 for Accounting • Audit Core Training • Direction of M&A, and strategies for making M&A successful • Cloud Accounting The Future of Work Life for Accounting • Successful due diligence during the COVID-19 pandemic: Tax, Legal and Financial considerations • Interesting Accounting and Tax Seminar for 2021	2020 – current	Head of Accounting Costing & Budgeting	Somboon Advance Technology PCL.
				2015 – 2020	Assistant General Manager - Accounting	Somboon Advance Technology PCL.

Attachment 2
Details of the directors of subsidiaries

Name			Subsidiaries				Associates				Joint Ventures		Indirect Subsi-diary
	SAT	SBH	SBM	BSK	ICP	SFT	TSC	YSC	NSA	SSMC	MSA	SST	NKE
1. Mr. Sansern Wongcha-um	X,III												
2. Mr. Yongyuth Kitaphanich	I, V	X, I	X	X	I	X							
3. Dr. Panja Senadisai	II												
4. Mr. Ajarin Sarasas	III												
5. Mr. Paitoon Taveebhol	II												
6. Dr. Suthad Setboonsarng	II												
7. Mr. Prayong Hirunyawanich	III												
8. Mr. Yongkiat Kitaphanich	I	I	I	I	X	I	I	I	I	I	X		
9. Ms. Napatsorn Kitaphanich	I , P		I	I	I	I						I	
10. Mrs. Kasamon Kittiampon			I	I	I	I							
11. Dr. Cheerawit Sureerattanan			I , O										X
10. Mr. Patpong Weerasin	O					I , O							
12. Mr. Thanthach Ritthinam	O										I		
13. Dr. Anotai Mohjhaw	O												
14. Mr. Vacharatorn Kitaphanich	O	I										I	

Remarks : Bangkok Spring Industrial Co., Ltd. ("BSK") sell its shares in Nippon Kikai Engineering Co., Ltd. (“NKE”) on December 16, 2021

Position symbol of Director and Executive

X	Chairman	II	Independent director / Audit committee
O	Executive	III	Indendent director
V	Vice chairman	P	President
I	Director		

Symbol of Companies, Subsidiaries, Associates, Joint Ventures and Indirect Subsidiaries

SAT	Somboon Advance Technology Public Co., Ltd.	TSC	Tsuchiyoshi Somboon Coated Sand Co., Ltd.
SBH	Somboon Holding Co., Ltd.	YSC	Yamada Somboon Co., Ltd.
SBM	Somboon Malleable Iron Industrial Co., Ltd.	NSA	Nisshinbo Somboon Automotive Co., Ltd.
BSK	Bangkok Spring Industrial Co., Ltd.	SSMC	Somboon Somic Manufacturing Co. Ltd.
ICP	International Casting Products Co., Ltd	MSA	Mubea Somboon Automotive Co., Ltd.
NKE	Nippon Kikai Engineering Co., Ltd.	SST	Somboon Siasun Tech Co., Ltd.

Attachment 3

Details of the Heads of the Internal Audit and Compliance

1. Head of Internal Audit

The Company has appointed Mr. Wasumeth Kullachote as the Assistant General Manager – Internal Audit, effective from July 1st, 2021. He has qualifications and past work experience in evaluating the adequacy and effectiveness of internal control system, financial reporting, accounting, and regulatory requirements in compliance with applicable laws and related regulations as well as the company's business operations. Thus, the company assures that he could fully utilize his ability to complete all assigned responsibilities with the following duties:

1. To implement and manage the internal audit function as Head of Internal Audit in accordance with the Internal Audit Charter approved by the Audit Committee

2. To be the Secretary to the Audit Committee to assist the Audit Committee in performing work pertaining to summoning of meeting, preparation of agendas, delivery of supporting documents for the meeting and keeping of the minutes

Mr. Wasumeth Kullachote
Education

MBA (Finance), Western Michigan University, MI USA
Bachelor of Accounting, Thammasat University

Recent work experiences

2021 - Present
AGM - Internal Audit, Somboon Advance Technology, PCL.

2018 - 2020
VP - Internal Audit, Allianz Ayudhya Assurance, PCL.

2017 - 2018
Senior Manager - Internal Audit, Mitrpol Group

2015 - 2017
VP - Internal Audit, VP - Compliance, Thai Insurance, PCL.

Qualifications
Certified Internal Auditor, USA, TaxAuditor

2. Head of Compliance

The Company has appointed Mr. Wasumeth Kullachote as the Assistant General Manager – Compliance, effective from July 1st, 2021. He has work experience in proposing necessary policies and supervising the company to comply with laws and regulatory requirements as well as creating knowledge, understanding, communication and raising awareness. The company assures that he could fully utilize his ability to complete all assigned responsibilities with the following duties:

1. To develop the polices and promote compliance objectives and awareness to all relevant parties as well as ensure that the company's policies and activities are complied with laws and regulations

2. To be a centric party in creating compliance knowledge, understanding, communication and raising awareness

3. To monitor, gather new laws and regulation requirements and communicate the requirements to all related parties timely

4. To review and monitor the company's activities to ensure that such activities are regularly operated in compliance with laws and regulations

Mr. Wasumeth Kullachote
Education

MBA (Finance), Western Michigan University, MI USA
Bachelor of Accounting, Thammasat University

Recent work experiences

2021 - Present
AGM - Internal Audit, Somboon Advance Technology, PCL.

2018 - 2020
VP - Internal Audit, Allianz Ayudhya Assurance, PCL.

2017 - 2018
Senior Manager - Internal Audit, Mitrpol Group

2015 - 2017
VP - Internal Audit, VP - Compliance, Thai Insurance, PCL.

Attachment 4

Details of asset appraisal

-None-

Attachment 5

Corporate Governance Policy and Code of Conduct

The Board of Directors has established a "Corporate Governance Policy" to promote corporate governance principles and focuses on conducting business with transparency, morality, ethics and integrity on the basis of "Code of Conduct" and apply it as a good practice of directors, executives and employees of Somboon Group at all levels and all stakeholders which will lead to be a truly sustainable organization.

The Board of Directors requires regular monitoring of compliance with corporate governance policies and practices. The Company has also publicized all employees' corporate governance policies and practices through both internal information systems (Intranet) and has been shown to the public through the company's website, https://www.satpcl.co.th under the theme Corporate Governance by followed links.

https://www.satpcl.co.th/storage/content/cg/cg-policy/20200124-sat-cg-policy2019-th.pdf

https://www.satpcl.co.th/storage/content/cg/corporate-documents/code-of-conduct/20220121-sat-code-conduct-2022-th.pdf

Attachment 6

Audit and Governance Committee Report

Detailed as specified in Section 8.2 Report on the performance of the Audit Committee over the past year is shown on page 101 -102

Attchment 7

Audit of the environmental inventory for organizational carbon footprint assessment 2021

Excellence Center of Eco-Energy (ECEE)
Chemical Engineering, Faculty of Engineering, Thammasat University,
Rangsit Campus, Klong Nueng, Klong Luang, Pathumthaini 12120.
Tel: 02-564-3001-9 Ext. 3230 E-mail: ecee.ee.tu@gmail.com

No. ecee.006/2022

10 March 2022

Subject Audit of the environmental inventory for organizational carbon footprint assessment 2021

To Board of Directors, Somboon Advance Technology Public Company Limited

With reference that Somboon Advance Technology Public Company Limited hired Thammasat University Research and Consultancy Institute as the manager of "Consulting Project for Organizational Carbon Footprint;" and that hired Thammasat University Research and Consultancy Institute assigned Excellence Center of Eco- Energy, Chemical Engineering, Faculty of Engineering, Thammasat University, to be responsible for this project in accordance with the contract no. 252/2021. In this regard, internal audit of the environmental inventory was required for part of the project for organizational carbon footprint assessment 2021 to enhance the reliability of data used in annual report.

Now, the implementation was completed. Thus, Excellence Center of Eco- Energy, Chemical Engineering, Faculty of Engineering, Thammasat University, would like to notify of the internal audit result for the environmental inventory Scope 1: Direct greenhouse gas emissions and Scope 2: Indirect greenhouse gas emissions by energy consumption for organizational carbon footprint assessment of Somboon Advance Technology Public Company Limit, Fiscal Year 2021, in accordance with the guidelines on greenhouse gas emissions report preparation for registered companies (The Office of SEC and TGO, 2021), **no evidence was found** to contain materially inaccurate information.

Please be informed accordingly.

(Assoc. Prof. Dr. Phairat Usubharatana)
Project Manager
Excellence Center of Eco-Energy
Chemical Engineering, Faculty of Engineering,
Thammasat University

Excellence Center of Eco-Energy (ECEE), TU
Tel: 02-5643001-9 ext. 3230 E-mail: ecee.ee.tu@gmail.com
Coordinator: Nicha Sukhodomchot 094-298-6151