



Sahamitr Pressure Container PLC.



ANNUAL REPORT 2021

(56-1 ONE REPORT)



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## Message from the Chairman

001

**Dear Shareholders,**

From the year 2020 until 2021, entrepreneurs around the world were still facing economic contraction as a result of the Covid-19 pandemic, the US-China Trade War, Global Warming, the polluted air quality of PM 2.5 and the rapid advancement of technology. Since the company is a manufacturer and exporter to more than 100 countries, there were other additional factors that also held significance: the volatility of the Thai baht comparing other major currencies of the world trade market, more than 50% price increase of steel (main raw material for production) from prior year, the issue of container shortage resulting in transportation delays, as well as an increase in freight rates. With both internal and external factors, the business sector, especially exporters, had to adapt to these significant changes. Therefore, the company was vigilant with constant advance adjustments to business plans, and effectively managed finances with caution. Consequently, this made it possible to maintain liquidity with growth potential in any situation.

With the cooperation and adaptability of the Board of Directors, executives, and employees, this proved an important factor in enabling the company to overcome the economic crisis and the Covid-19 pandemic. Above all, the major business strategies of the company were still a crucial factor in the company's performance in 2021 with sales of 4,550 million baht being 15% higher than the previous year, and the net profit of 728 million baht which was 18% higher than the prior year.

Furthermore, the company received an award for Outstanding Environmental, Social, and Governance (ESG100) in 2021 from the Thaipat Institute for the 5th consecutive year. In the 2021 SET Awards Announcement, the company received the award for Excellent Listed Company Performance with market capitalization of 3,000-10,000 Million Baht, and also was nominated for the Best CEO Award. Moreover, the company possessed the 2021 Excellent Award of Corporate Governance in 5 badges which were ranked the highest from the Thai Institute of Directors (IOD) according to the Corporate Governance Survey of Thai Listed Companies (CGR) for the second consecutive year. Those achievements were the results of the company's operations and policies of adhering to sustainable growth while in consideration for the environment, society, and good governance. The company still continues to maintain this high standard.

On behalf of the Board of Directors, I would like to thank the management team, employees and all the stakeholders who always supported the company. The company is committed to prospering business under good corporate governance while upholding shared values of social and environmental responsibility with the shareholders in order for the business to sustainably grow.

A handwritten signature in blue ink, consisting of a horizontal line followed by a series of loops and a final upward-pointing arrow.

Mr. Vinai Vittavasarnvej  
Chairman

# Part 1

## Business Operation and Performances





# 1. Business Operation and Performance

1.1 Structure and business operation of the company group.

1.1.1 Policy and Business Overview

004

## Vision

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“Become One of the World Leading LPG Cylinder Manufacturer  
with Environmental Considerations for Sustainable Growth”

## Mission

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- To deliver quality products to customer satisfaction with variety and flexibility.
- To deliver superior after-sale services with care and steadfastness.
- To manage costs with prudence to maximize competitiveness.
- To encourage continual development of skills, safety, and quality of life of employees.
- To ethically conduct business with responsibility to society and environment.
- Do not accept all forms corruption.

\*Remark : The vision and mission (current edition) was reviewed in the Board of Directors’ Meeting no.7/2021, on 23 December 2021

## 1.1.2 History, Changes and Significant Development

- **1981**

Officially registered as a limited company with a capital of 6.4 million Baht by the “Ekahitanond” family. The business was to manufacture LPG cylinders for domestic and international market with the first head office and factory at Bangmod, Bangkok with the starting capacity of 60,000 cylinders/year.
- **1985**

SMPC LGP cylinders were officially certified with the product standard certification from Thailand Industrial Standards Institute (TISI).
- **1988 - 1990**

SMPC was awarded the “Outstanding Product of the Year - 1988” by Sentangsettakij newspaper, and “Outstanding Production Facility Award of the year - 1990” by the Ministry of Industry.
- **1991-1992**

SMPC was officially listed on the Stock Exchange of Thailand on 3 December 1991, and in 1992 in order to increase the capacity following the market expansion, SMPC has moved the head office and factory to the current location on Bangkhunthien Chaitalay Road, with the land of 28 Rai and over.
- **1994**

Due to the fast expansion of global market, SMPC constructed a new factory in Lamphun province with investment promotion from BOI.
- **1995**

SMPC was fully accredited with ISO 9002 standard, and was the first cylinders manufacturer in Thailand with world class standard.
- **1997**

Due to the Asian economic crisis, the Lamphun factory was shut down.
- **2001**

All machineries in Lamphun factory were moved to the current factory to increase the capacity following market expansion, and to maximize the assets. The capacity was increased to 5 million cylinders per year.
- **2004**

With continuous improvement and development, SMPC was fully accredited with ISO 9001:2000.
- **2009**

SMPC was fully accredited with ISO 9001:2008
- **2010**

SMPC was accredited with TIS 370-2552 (2009) for LPG cylinders for automobile in cylindrical and toroidal shape - the first manufacturer in Thailand.
- **2012**

SMPC launched new product - cylinders for automotive parts.
- **2013**
  - SMPC started construction of Factory 3, to increase the capacity from 5 million to 5.5 million cylinders per year in 2014.
  - SMPC was allowed to resume trading in the SET on 11 November 2013.
  - SMPC received certifications for two new products: 1) 1-lb bottles with certification from Standards of USA (DOT) as refillable bottles replacing the disposable ones, 2) Light Weight Cylinders which SMPC was accredited with European standard (EN) as the first manufacturer in Asia and the third in the world. The Light Weight Cylinders are manufactured from special steel with lighter weight but as durable as normal steel.
- **2014**
  - Capacity was increased to 5.5 million cylinders per year.
  - SMPC invested further in Factory 3, and in expansion of the factory buildings and improving the machineries’ efficiencies in Factory 1 and 2. The construction was finished in 2015.
- **2015**
  - Capacity was increased to 6.2 million cylinders per year.
  - SMPC won the Best Company Performance Awards for publicly listed companies with market capitalization of 3-10 billion Baht in SET Awards 2015.
- **2016**
  - SMPC was awarded with the Outstanding Performance of Environmental, Social and Governance (ESG 100) of the year 2016 by Thaipat Institute.
  - On 22 April 2016, SMPC was certified as a Thai Practice Alliance Member of Private Sector Collective Action against Corruption (CAC)
  - SMPC launched new product – 420 lb. cylinder, the largest cylinder type which is moveable.
  - SMPC was in the process of construction to expand factory to improve machineries’ efficiency and capacity. The capacity is expected to increase by 1 million cylinders per year, from 6.2 million to be 7.2 million cylinders per year in 2017.

## 2017

- As per the research and study together with USA customers, our product, 1.05 lb. Refillable Propane Cylinder, under brand of “Flame King” received the awards as follows
  - Environment Excellence Award of 2016 by California Manufacturers and Technology Association.
  - Outdoor Room Equipment of 2017 and Best in Show Outdoor Room Product of 2017 by Hearth & Home Magazine.
  - Green Arrow Award of 2016 for System and Design Innovation by California Product Stewardship Council.
- Received the “Certificate of ESG100 Company of the Year 2017” from the Thaipat Institute. SMPC was awarded with the outstanding performance in terms of Environmental, Social and Governance (ESG) for the second consecutive year.
- Received The Best Listed Company Performance with market capitalization of 3,000-10,000 Million Baht in the SET Awards 2017. The company also was nominated for the Best CEO Award.
- On 26 December 2017, SMPC was certified by the ISO 14001:2015 by BUREAU VERITAS.
- Improved the factory’s efficiency and increased machinery. Therefore, the capacity was increased by 1 million cylinders per year, from 7.2 million to be 8.2 million cylinders per year at the end of second quarter 2017.

## 2018

- Received the “Certificate of ESG100 Company of the Year 2018” from the Thaipat Institute. SMPC was awarded with the outstanding performance in terms of Environmental, Social and Governance (ESG) for the third consecutive year.
- Improved the factory’s efficiency and increased machinery. Therefore, the capacity was increased by 1.8 million cylinders per year, from 8.2 million to be 10.0 million cylinders per year since the fourth quarter of 2018.
- Purchased 17-1-24 Rai of land which is opposite to the factory. The premise is to increase working space and efficiency for product distribution. The new shop floor management will enhance future production expansion.

## 2019

- On 4 February 2019, SMPC was approved for renewing as the member of Thai Practice Alliance Member of Private Sector Collective Action against Corruption (CAC). The duration of the accreditation is 3 years. (until 3 February 2022)
- On 29 October 2019, the Board of Directors’ meeting no. 5/2019 passed a resolution of the principle for setting up the new oversea subsidiary, as an extension investment of the company. Currently, it is in progress.

## 2020

- SMPC was awarded with the outstanding performance in terms of Environmental, Social and Governance (ESG 100) for the fourth consecutive year from the Thaipat Institute.
- Received the Excellent Award of corporate governance in 5 symbol badge which was ranked the highest from the Thai Institute of Directors (IOD) according to the Corporate Governance Survey of Thai Listed Companies (CGR) for the year 2020.

## 2021

- SMPC has reached its 40th anniversary and is entering its 5th decade. Throughout the years, the company has committed to grow its business through reliable service and world-class quality products, together with customers and stakeholders of the company in the future in a sustainable way.
- Received the award of outstanding performance in Environmental, Social and Governance (ESG 100) of the year 2021 for the fifth consecutive year from Thaipat Institute.
- Received the 2021 Excellent Award of Corporate Governance in 5 symbol badges which were ranked the highest from the Thai Institute of Directors (IOD) according to the Corporate Governance Survey of Thai Listed Companies (CGR) for the second consecutive year.
- Received The Excellent Listed Company Performance with market capitalization of 3,000-10,000 Million Baht in the 2021 SET Award. The company also was nominated for the Best CEO Award.
- On 6 March 2022, SMPC was approved for renewing as the member of Thai Practice Alliance Member of Private Sector Collective Action against Corruption (CAC) for the second consecutive year. The duration of the accreditation is 3 years. (until 5 January 2025)



## Records of Capital Increases and Changes in Shareholders' Equity

Year	Records of Capital Increase/Decrease	Records of paying dividend
1983	<ul style="list-style-type: none"> <li>Raised registered capital by 8.60 million Baht from 6.40 million Baht to 15 million Baht.</li> </ul>	-
1990	<ul style="list-style-type: none"> <li>Raised registered capital by 25 million Baht to 40 million Baht by allocating to the existing shareholders and offering to public.</li> </ul>	-
1993	<ul style="list-style-type: none"> <li>Raised registered capital by 80 million Baht to 120 million Baht by allocating to the existing shareholders.</li> </ul>	-
1994	<ul style="list-style-type: none"> <li>Raised registered capital by 120 million Baht to 240 million Baht by allocating to the existing shareholders.</li> </ul>	-
2008	<ul style="list-style-type: none"> <li>Issued new shares to the creditor bank as per the debt restructuring agreement amounted 26.67 million Baht, increasing the registered capital to 266.67 million Baht.</li> </ul>	-
2010	<ul style="list-style-type: none"> <li>Raised registered capital by 108.09 million Baht to 374.76 million Baht by allocating to the existing shareholders.</li> </ul>	-
2012	<ul style="list-style-type: none"> <li>Raised registered capital by 93.69 million Baht to 468.45 million Baht by allocating to the existing shareholders.</li> </ul>	-
2013	<ul style="list-style-type: none"> <li>The extraordinary general meeting of shareholders no.1/2013 on 13 December 2013 passed a resolution with majority vote for transferring the company's legal reserve of 0.98 million Baht, and premium on share capital of 43.90 million Baht, respectively, to offset the deficit in the interim financial statement as of 30 September 2013 of 44.88 million Baht. After clearing the deficit, the company's remaining premium on share capital was 6.10 million Baht.</li> </ul>	-
2014	-	<ul style="list-style-type: none"> <li>The Board of Directors' meeting no. 4/2014 on 14 August 2014 approved the payout of interim dividend from the 6-month operating period ended on 30 June 2014, to the shareholders at the rate of 0.75 Baht per share (par value of 10 Baht). SMPC paid the total dividend of 35.08 Million Baht on 12 September 2014.</li> </ul>

Year	Records of Capital Increase/Decrease	Records of paying dividend
2015	<ul style="list-style-type: none"> <li>On 31 March 2015, the annual general meeting of shareholders passed the following resolutions:</li> <li>Change the par value of share: from registered share capital 46.84 million shares at the par value of 10 Baht to 468.45 million shares at the par value of 1 Baht.</li> <li>Raise registered capital: from 468.45 million Baht (468.45 million shares at 1 Baht per share) to 536.41 million Baht (536.41 million shares at 1 Baht per share) by issuing new ordinary shares valued 67.96 million Baht (67.96 million shares at 1 Baht per share), to support stock dividend payment of 58.56 million shares, and to support exercising of warrant for 9.40 million shares that had been issued and offered to the Board, Management and employees of the company.</li> <li>Issue warrant (project ESOP): amounted 9.40 million warrants to the Board, Management and employees of the company free of charge with the term of 3 years starting from 15 June 2015.</li> </ul>	<ul style="list-style-type: none"> <li>On 31 March 2015, in the Annual General Meeting of Shareholders passed the resolutions as follows</li> <li>Dividend payout: from the annual profit ended on 31 December 2014 totaled 128.80 million Baht. The dividend was paid on 29 April 2015 in 2 types as follows:</li> <li>Cash dividend at the rate of 0.15 Baht/share totaled 70.26 million Baht.</li> <li>Stock dividend at the rate of 8 existing stock to 1 stock dividend totaled 58.54 million Baht. The fraction shares to be paid in cash at the rate of 0.125 per share.</li> <li>On 7 August 2015, the Board of Directors' meeting no. 4/2015 passed a resolution to pay interim dividend from the company's operating period of 6-month ended on 30 June 2015 at the rate of 0.12 Baht per share totaled 63.23 million Baht. The dividend was paid on 4 September 2015.</li> </ul>
2016	<ul style="list-style-type: none"> <li>On 15 June 2016 was the first day that the Board, Management, and employees of the company were entitled to purchase the ordinary shares which were newly issued according to the ESOP project at the rate of 5.80 Baht/share. The warrants of 2,130,595 units were used which accounts for the increase of 2,130,595 ordinary shares. The company received the payment of share and the increase of premium on share capital of 2.13 million Baht and 12.23 million Baht, respectively. The company registered the changed capital with the Ministry of Commerce on 23 June 2016.</li> </ul>	<ul style="list-style-type: none"> <li>On 30 March 2016, the annual general meeting of shareholders passed a resolution to pay the dividend from the company's operating period ended 31 December 2015 at the rate of 0.44 Baht/share. The company already paid the interim dividend from the company's operating period during 1 January 2015 to 30 June 2015 at the rate of 0.12 Baht/share on 4 September 2015. On 29 April 2016, the company paid the remaining dividend from the operating period during July 1 2015 to 31 December 2015 at the rate of 0.32 Baht/share, totaled 168.61 million baht.</li> <li>The Board of Directors' meeting no. 4/2016 held on 10 August 2016 approved to pay interim dividend from the company's operating period of 6 month ended 30 June 2016 to the shareholders at the rate of 0.30 Baht/share, with the amount of 529,127,108 shares, totaled 158.72 million Baht. The total dividend was paid on 9 September 2016.</li> </ul>
2017	<ul style="list-style-type: none"> <li>15 June 2017 was the second year that the Board, Management, and employees of the company were entitled to purchase the ordinary shares which were newly issued according to the ESOP project at the rate of 5.80 Baht/share. The warrants of 2,860,335 units were used which accounts for the increase of 2,860,335 ordinary shares. The company registered the changed capital with the Ministry of Commerce on 20 June 2017.</li> </ul>	<ul style="list-style-type: none"> <li>On 30 March 2017, the annual general meeting of shareholders passed a resolution to pay the dividend from the company's operating period ended 31 December 2016 at the rate of 0.64 Baht/share. The company already paid the interim dividend from the company's operating period during 1 January 2016 to 30 June 2016 at the rate of 0.30 Baht/share. The total dividend was 159 Million baht. On 9 September 2016, the company paid the remaining dividend from the operating period during 1 July 2016 to 31 December 2016 at the rate of 0.34 Baht/share, totaled 179.90 million baht. The dividend was paid on 28 April 2017.</li> <li>The Board of Directors' meeting no. 3/2017 held on 10 August 2017 approved to pay interim dividend from the company's operating period of 6 month ended 30 June 2017 to the shareholders at the rate of 0.25 Baht/share, with the amount of 531,987,443 shares, totaled 132.99 Million Baht. The total dividend was paid on 8 September 2017.</li> </ul>

Year	Records of Capital Increase/Decrease	Records of paying dividend
2018	<ul style="list-style-type: none"> <li>15 June 2018 was the third year (last year) that the Board, Management, and employees of the company were entitled to purchase the ordinary shares which were newly issued according to the ESOP project at the rate of 5.80 Baht/share. The warrants of 3,518,890 units were used which accounts for the increase of 3,518,890 ordinary shares. The company registered the changed capital with the Ministry of Commerce on 18 June 2018.</li> </ul>	<ul style="list-style-type: none"> <li>On 28 March 2018, the annual general meeting of shareholders passed a resolution to pay the dividend from the company's operating period ended 31 December 2017 at the rate of 0.60 Baht/share. The company already paid the interim dividend from the company's operating period during 1 January 2017 to 30 June 2017 at the rate of 0.25 Baht/share. On 8 September 2017, the company paid the remaining dividend from the operating period during 1 July 2017 to 31 December 2017 at the rate of 0.35 Baht/share, totaled 186.19 million baht. The dividend was paid on 27 April 2018.</li> <li>The Board of Directors' meeting no. 4/2017 held on 10 August 2018 approved to pay interim dividend from the company's operating period of 6 month ended 30 June 2018 to the shareholders at the rate of 0.30 Baht/share, with the amount of 535,506,333 shares, totaled 160.64 Million Baht. The total dividend was paid on 7 September 2018.</li> </ul>
2019	<ul style="list-style-type: none"> <li>On 29 March 2019, the annual general meeting of shareholders passed a resolution to decrease 898,972 Baht of the registered capital, from 536,405,305 Baht to 535,506,333 Baht by selling out the unsold registered 898,972 shares at 1 Baht per share.</li> </ul>	<ul style="list-style-type: none"> <li>On 29 March 2019, the annual general meeting of shareholders passed a resolution to pay the dividend to shareholders from the company's operating period ended 31 December 2018 at the rate of 0.63 Baht/share. The company already paid the interim dividend from the company's operating period during 1 January 2018 to 30 June 2018 at the rate of 0.30 Baht/share on 7 September 2018. On 26 April 2019, the company paid the remaining dividend from the operating period during July 1 2018 to 31 December 2018 at the rate of 0.33 Baht/share, totaled 176.72 million baht.</li> <li>The Board of Directors' meeting no. 4/2019 held on 8 August 2019 approved to pay interim dividend from the company's operating period of 6 month ended 30 June 2019 to the shareholders at the rate of 0.24 Baht/share, with the amount of 535,506,333 shares, totaled 128.52 million Baht. The total dividend was paid on 6 September 2019.</li> </ul>

Year	Records of Capital Increase/Decrease	Records of paying dividend
2020	-	<ul style="list-style-type: none"> <li>On 31 March 2020, the annual general meeting of shareholders passed a resolution to pay the dividend to shareholders from the company's operating period ended 31 December 2019 at the rate of 0.42 Baht/share. The company already paid the interim dividend from the company's operating period of 6 month ended on 30 June 2019 at the rate of 0.24 Baht/share on 6 September 2019 with the amount of 535,506,333 shares, totaled 128.52 million baht. On 30 April 2020, the company paid the remaining dividend from the operating period during July 1 2019 to 31 December 2019 at the rate of 0.18 Baht/share, totaled 96.39 million baht.</li> <li>The Board of Directors' meeting no. 4/2020 held on 10 August 2020 approved to pay interim dividend from the company's operating period of 6 month ended 30 June 2020 to the shareholders at the rate of 0.37 Baht/share, with the amount of 535,506,333 shares, totaled 198.13 million Baht. The total dividend was paid on 9 September 2020.</li> </ul>
2021	-	<ul style="list-style-type: none"> <li>On 31 March 2021, the annual general meeting of shareholders passed a resolution to pay the dividend to shareholders from the company's operating period ended 31 December 2020 at the rate of 0.80 Baht/share. The company already paid the interim dividend from the company's operating period of 6 month ended on 30 June 2020 at the rate of 0.37 Baht/share on 6 September 2020 with the amount of 535,506,333 shares, totaled 198.14 million baht. On 30 April 2021, the company paid the remaining dividend from the operating period during 1 July 2020 to 31 December 2020 at the rate of 0.43 Baht/share, totaled 230.27 million baht.</li> <li>The Board of Directors' meeting no. 5/2021 held on 10 August 2021 approved to pay interim dividend from the company's operating period of 6 month ended 30 June 2021 to the shareholders at the rate of 0.35 Baht/share, with the amount of 535,506,333 shares, totaled 187.43 million Baht. The total dividend was paid on 9 September 2021.</li> </ul>

1.1.3 Has the company utilized the raising funds in accordance with the objectives specified in the statement of sales of securities or not.

- The company has not raised fund for the past 3 years-
  - (1) Spend money from selling the equity or debt instrument with disclosure of the monetary value by each purpose.
    - None-
  - (2) Specifies the law of the country that enforce the applicable law of debt instruments.
    - None-

1.1.4 Obligations made by the company in the list form of information, sale of securities and / or conditions of the office's license (if any) and / or SET's listing conditions (if any), including compliance with such obligations or conditions in subsequent years.

-None-

SAHAMITR PRESSURE CONTAINER PLC.



## 1.1.5 General Information

Company Name	Sahamitr Pressure Container Public Company Limited
Symbol in Stock Exchange of Thailand	SMPC
Company registration Number	0-10-7-537-00160-9
Nature of Business	Manufacturing LPG cylinders and other pressure vessels
Website	<a href="http://www.smpcplc.com">http://www.smpcplc.com</a>
Head Office and Factory Address	92 Soi Thientalay7 (4th Intersection), Bangkhunthien Chaitalay Road, Samaedam, Bangkhunthien, Bangkok 10150
Registered Capital	535,506,333 Baht with 535,506,333 Ordinary Shares
Issued and Paid-up Capital	535,506,333 Baht (2020: 535,506,333 Baht)
Par Value	1 Baht/share
Preferred Share	None
Accounting Period	1 January – 31 December
Other company in which the company holds shares with proportion of 10% or greater	None
<b>Contact</b>	
<b>Head Office</b>	
Telephone	(02) 895-4139-54
Fax	(02) 416-5534
E-mail	<a href="mailto:info@smpcplc.com">info@smpcplc.com</a>
<b>Investor Relations</b>	
Miss Kanya Vipnurut	Assistant Managing Director (Office), and Company Secretary
Telephone	(02) 895-4139-54
E-mail	<a href="mailto:ir@smpcplc.com">ir@smpcplc.com</a>

## 1.2 Business Operations

The business of Sahamitr Pressure Container Public Company Limited is manufacturing pressure vessels under our customers' trademarks and "SMPC" trademark for the domestic and global markets. The company also provides relating services of reconditioning and quality inspection of the cylinders in accordance with each country's specified standards.

### 1.2.1 Revenue Structure

SMPC product line is pressure vessels of various sizes in the range of 0.45-300 kg. (0.9-1000 liters). The revenue structure can be segmented by geographic as follows:

Market	Year 2019		Year 2020		Year 2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Domestic Market	309.42	10	97.28	2	306.86	7
International Market	2,946.54	90	3,876.10	98	4,243.49	93
<b>Total</b>	<b>3,255.96</b>	<b>100</b>	<b>3,973.38</b>	<b>100</b>	<b>4,550.35</b>	<b>100</b>

In 2021, there was 1 customer whose its sales proportion was greater than 10% of total sales revenue of products and services.

### 1.2.2 Product Information

#### (1) The products, services, and innovation development

The company focuses on research and development of the product, and the production process development, in order to enhance the quality and add value to the company's products, as well as apply new technologies. As a result, the company is able to deliver the best products to satisfy customers' need. Our products and services can be categorized into 4 main groups, as follows:

1. LPG Cylinders for household use. SMPC cylinders containing liquefied petroleum gas for cooking, are manufactured from high quality hot rolled steel sheet, which is strong and durable. Their thickness and specification are different according to each country's requirement.

(A) The products categorized by type of production, are as follows

- 1.1 Two-Piece Cylinders with sizes in the range of 0.45-16 kg. (0.9-36 liters of water capacity)  
The two-piece cylinder consists of top and bottom ends. Each end is manufactured from a single steel piece, and then welded together with a single circumferential seam.
- 1.2 Three-Piece Cylinders with sizes in the range of 18-300 kg. (43-1000 liters of water capacity)  
The three-piece cylinder consists (assembles) of top and bottom ends, similar to the two-piece one. The middle section is a cylindrical shell manufactured from steel sheet rolled into a tube and welded with a single longitudinal seam. The three-piece cylinders can be customized to the required capacity.

(B) The product categorized by usage, are as follows

- 1.1 LPG Cylinders for household and commercial (0.5-450 liters of water capacity)
- 1.2 LPG Cylinders for industrial (0.5-1000 liters of water capacity)
  - 1.2.1 LPG Cylinders for forklifts
  - 1.2.2 LPG Cylinders as flat laying.
  - 1.2.3 LPG Cylinders mounting with wheels for moving conveniently.

## 2. Automotive LPG Cylinders (Automotive LPG Cylinders and RV Tanks for OEM and Conversion Applications).

They are manufactured from the high quality of hot rolled steel sheet, with modern production process, is accredited by Thai Industrial Standard, (TIS 370), and international standard. At present, the company is able to produce all sizes of cylinder from 25 to 133 liters. It can be further separated into:

### 2.1 Auto Tanks

2.1.1 Cylindrical shape, can be two-piece and three-piece, similar to LPG cylinders for cooking, with sizes in the range of 25-133 liters. They are equipped with either separated valves or multi-valve.

2.1.2 Toroidal shape, with sizes in the range of 33-72 liters. There are two types:

- With internal flange for connecting the components.  
The cylinder consists of top and bottom domes with more than one circumferential weld seam. The flange for connecting the components is on the inner radius of the tank.
- With external flange for connecting the components  
The cylinder consists of top and bottom domes with more than one circumferential weld seam. The flange for connecting the components is on the outer radius of the tank.

2.2 RV Tanks is the LPG Cylinder to be installed in the recreational vehicles.

## 3. Other Pressure Vessels, which are mainly for the industrial and niche market customers, with sizes in the range of 7-133 liters, such as follows

3.1 Vessels as automotive parts

3.2 Methyl Bromide cylinders

3.3 Refrigerant cylinders,

3.4 Chlorine cylinders

3.5 Ammonia cylinders

3.6 Lubricant cylinders, etc.

## 4. Reconditioning and Quality Inspection Services.

The company also provides inspection services for the LPG cylinders every 5 years in compliance with the law, and reconditioning services of the damaged cylinders such as coating, handles, footrings. The main customers are the oil traders under section 7 of the Fuel Trade Act, B.E. 2543. The company also provides inspection services customized by the specification of customers. For Thailand, the company's low pressure vessels are designed and certified in according to Thai Industrial Standard (TIS).

## Industrial Standard Certification

SMPC as the leading manufacturer with excellent quality and the effectiveness of internal operations has been accredited with international standards that are well recognized by global business organizations, including the standards of various countries around the world. These standards can be categorized by continents as follows:

Continents	Standards
International	<ul style="list-style-type: none"><li>• International Standards (ISO)</li></ul>
North America	<ul style="list-style-type: none"><li>• Standards of USA (ASME and DOT)</li><li>• Standards of Canada (TC)</li></ul>
Central and South America	<ul style="list-style-type: none"><li>• Standards of Venezuela (COVENIN)</li><li>• Standards of Peru (NTP)</li><li>• Standards of Jamaica (JS)</li><li>• Standards of Chile (NCH 78)</li></ul>
Asia	<ul style="list-style-type: none"><li>• Standards of Thailand (TIS)</li><li>• Standards of Taiwan (NFA)</li><li>• Standards of Indonesia (SNI)</li><li>• Standards of Philippines (PNS)</li><li>• Standards of Singapore (SS)</li><li>• Standards of Sri Lanka (SLS)</li><li>• Standards of Korea (KGS)</li><li>• Standards of Israel (SI)</li><li>• Standards of United Arab Emirates (UAE ISO)</li></ul>
Australia	<ul style="list-style-type: none"><li>• Standards of Australia (AS)</li></ul>
Europe	<ul style="list-style-type: none"><li>• Standard as per EU Directives (TPED)</li><li>• Standards of United Kingdom (BS)</li><li>• Standards of European Union (EN)</li></ul>
Africa	<ul style="list-style-type: none"><li>• Standards of Kenya (KS ISO)</li><li>• Standards of South Africa (SABS)</li><li>• Standards of Nigeria (NIS)</li><li>• Standards of Cameroon (NC)</li></ul>

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## Board of Investment (BOI)

The company has received support from the Board of Investment for 2 projects, which are improving production efficiency for the use of renewable energy, and automation or robots. As a result, the company will receive the following rights and benefits

1. Exemption of import duty on machinery
2. Exemption from corporate income tax on net profits derived from operation tasks, not exceeding 50% of the investment of improving production efficiency for renewable energy, not more than 100% of the investment in automation or robots, for a period of 3 years starting from the date of earning income, after receiving supporting certificates.

Currently, the project has been installed and completed in 2021. It is also in the process of preparing and submitting documents to apply for using the privileges in 2022.



## (2) Marketing and competition

### A) Key Success Factors

Factors that enable the company to operate the business strongly, continuously for longer than 40 years, are the following strengths:

1. The manufacturing products are up to the customers' specified standards, with good qualities, reasonable prices, and timely delivery.
2. The flexibility in manufacturing that enable the company to produce various types and sizes of product. Since the company's manufacturing process is semi-automatic, the company can serve customers' need with one-stop service. SMPC is able to produce from small to large cylinders, customers do not need to purchase cylinders from various suppliers. Therefore, customers find it convenient for them, which turn the company to be one of their first choice. Furthermore, SMPC has improved the efficiency and increased more machines in order to expand production capacity, hence can accommodate demand which is expected to grow continuously in the future.
3. The company has improved, researched, and developed the manufacturing process, by inventing and implementing new technologies in manufacturing continuously and consistently in order to improve productivity, quality control, effective cost management, energy conservation, and mitigate the risks of industrial labor shortage in the future, and also being environmentally conscious.
4. The company has been continuously monitoring and assessing the customers' satisfactory after sales. By using the customers' opinions and suggestions to improve and develop the products and services consistently in order to satisfy customer needs, the company can maintain the existing customers' trusts and continuously receive their repeated orders

### B) Marketing of essential products and services

Overall marketing policy of the company is to strengthen on delivering good quality product that meet the standards, as well as satisfying the needs of customers. Marketing strategies are as follows

1. Market Penetration by expanding customer base from the company's existing market to gain more market share.
2. Market Development. The company focuses on finding new potential markets in new regions including the developing countries where the government supports the use of liquefied petroleum gas. These countries have significant growth in using liquefied petroleum gas.
3. New Product Development into the market. The company focuses on improving, creating and developing new products for selling to the countries where the company is already offering its product and service. The products are large LPG cylinders, LPG cylinders with mounted wheels, and LPG cylinders for automobile which are getting more popular in the developing countries.

## International Market

For the overseas LPG cylinder market, the purchase order of size of 0.45 kg to 300 kg cylinders are still on demand. Popular sizes in each region vary depending on its usage.

During the year 2020-2021, the global outbreak of Coronavirus disease (Covid-19), resulted in the 2.5% decrease<sup>1</sup> in the overall global consumption of liquefied petroleum gas. This was mainly due to a decrease in consumption of the transportation and industrial sectors. But consumption in the household sector was not greatly affected as more people stayed at home, leading to more self-cooking. Apart from that, there was investment in expanding the liquefied petroleum gas market in new countries, and more new users. As a result, the demand for liquefied petroleum gas has been rising, hence the company's sales in 2021 increased. For the international market, the demand for gas cylinders by consumers continues to increase every year, especially from North America, Africa and Asia.

1 Sources: Statistical review of global LPG 2021

North America, a major customer market, its sales channel are from both direct sales and through agents. During the past year, there is a demand for more gas cylinders, which was derived from the encouragement of the LPG for cooking and traveling domestically. In addition, as a result of the trade war between China and the United States, Thailand had an advantage over China. Moreover, the cost of raw materials and labor in the country of customers has increased considerably, therefore they turn to import instead. Our company's products also have long been accepted for the quality and competitive prices. As a result, the proportion of the company's sales in the United States has been growing.

Africa, one of the company major markets, still has the potential to grow continuously, due to the continuous expansion of gas usage. Governments in many countries rolled out policies to develop infrastructure. Therefore, people in rural areas had more access to liquefied petroleum gas. There were also campaign to support the use of liquefied petroleum gas, which is a clean energy. People had access to more LPG, hence higher demand for LPG cylinders. It is also an opportunity for consumer's need of LPG to grow continuously in the long term. Because of the changes of consumer behavior, the convenience of gas usage, and the safer for health than traditional fuel, there is continuous demand for LPG usage. The other factors affecting the market situation of the target countries are political stability. Since most of the investors are world-class oil and gas trader, therefore any changes in these factors could result in decrease of the customer's orders.

In Asia-Pacific region in 2021, there was a decrease in purchase orders due to the price decrease of hot rolled steel, which is the main raw material for LPG cylinder production, accounting for approximately 50%-60% of the total cost. Besides, transportation costs across all regions increased tremendously. As a result, some customers in the Asia-Pacific region who were price sensitive groups have delayed their orders to wait and see the situation. Apart from that, price of LPG in many countries has increased. LPG shortages in some countries have led to fewer orders for its cylinders. However, because gas cylinder products are essential in daily life. Customers who delayed orders for a period of time would come back to order again, as ever happened during the year 2019-2020.

Furthermore, the company continues to monitor the market situation by attending online seminars to receive information, news and global market situation. In addition, the company has been a member of the World LPG Association (WLPGA), enabling it to follow the news to use in planning strategies in accordance with changing situations, working effectively, maintaining the existing customer base, and expanding the new customer base in each region. The major customers are still customers from the America, Africa, Australia, Asia and Europe.

From the crisis of the Covid-19 outbreak in the past year, the business model has changed. More than 90% of the company's customers are gas and oil traders located around the world. While traveling to visit customers is nearly impossible, the company has adjusted the form of contact, communication, and customer visit by using various technologies in communication to replace and facilitate for the salesperson to effectively conduct virtual meeting with the customers.

### **Domestic Market**

For the LPG cylinder in the country, the sizes such as 4-kg, 7-kg, 8-kg, and 15-kg for two-piece cylinders, and 48-kg for three-piece cylinders, are being used in Thailand. The demand for two-piece 15-kg cylinders is the largest as it is the size normally used in the households.

For the market of other cylinders such as the cylinders for air, ammonia, chlorine, especially cylinders for refrigerant are becoming popular among the customers in the air conditioner and coolant industry. Because of the environmental conservation campaign, the demand of refillable cylinders for refrigerant is higher in Thailand.

Besides, the company provides the customers with the reconditioning service for cylinders under section 7. There is continuous demand of quality control and maintenance services for cylinders.

At present, the major domestic customers are the gas traders under section 7, the automotive LPG installation services, and niche industrial customers. The company sells directly to these customers.

### **C) Competitors**

At present, manufacturers of LPG cylinders are all around the world. The differentiations are about the sizes, capacities of each company, and product standards of each country. From a quantitative comparison of production capacity, it was found that Sahamitr Pressure Container Public Company Limited is one of the world's largest manufacturers and distributors of LPG cylinders (Top 3). Due to the production capacity that is more than other competitors, the company is able to create a significantly superior competitiveness, with lower production cost per unit (Economy of Scale). The company also operates business with efficient supply chain management. Apart from that, the company has received international standards from all over the world, such as ISO, EN and DOT that can be used in many countries.

### **D) Customers and target group**

The target group of the company are the customers that use LPG cylinders as following purposes:

1. Customers who purchase products to contain liquefied petroleum gas and distribute products to end consumers. Generally, they are oil traders of liquefied petroleum gas at the multinational, national and local company.
2. Customers who purchase products and distribute to retailers without containing liquefied petroleum gas. They can be classified into 3 types of sales as follows
  - 2.1 Auction-style sale
  - 2.2 Long-term contracted customers. Such customers would initially set qualifications for recruiting their trade partners or the company that can join their bidding process, by considering the manufacturers' potential and experiences as key factors.
  - 2.3 Discrete customers

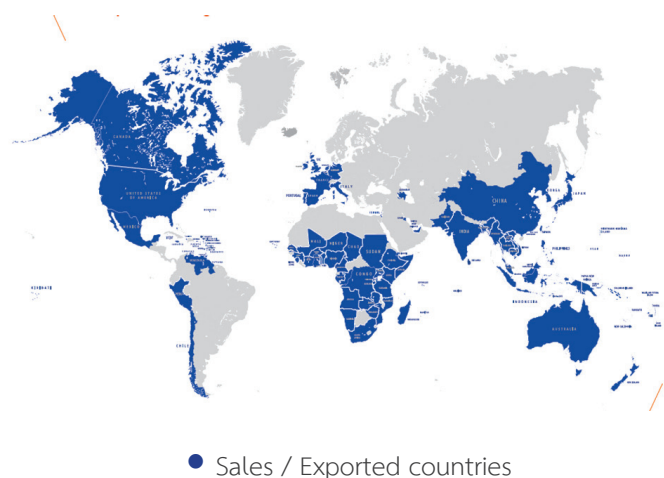
### **E) Channel and distribution**

1. Selling directly to the customer (Direct Sale) in both auction and non-auction.
2. Selling via an agent or a local distributor will help the company reduce the burden of paperwork and ease the co-ordination, distribution plan, and inventory control.

### **F) Countries or Group of countries where the product are distributed**

Diversification is one of the company's risk management strategies. The company's customers are from various continents. If there is a problem in any particular region, the company still can sell to other customers in other regions. In addition, the needs of customers in each region have different season of selling, this allows the company to continuously manage sales and production throughout the year.

Currently SMPC exports products to all continents, more than 100 countries around the world, as per the diagram below



#### (G) Market conditions and competition

The consumption data of World LPG Association (WLPGA) showed that the consumption rate of LPG in all sectors in 2020 was 316 million tons, which was 2.5% decreased comparing to the prior year. The household sector was accounting for 44% of the total consumption of liquid petroleum gas. Although the situation of the Covid-19 virus outbreak was still continuing this year, but the demand for liquefied petroleum gas in the household sector for cooking and heating was not much different from last year. More people stayed at home, making their own meals. As a result, household consumption decreased slightly by only 0.4 percent.

#### Competitions in the Industry

The international market for LPG cylinders is marketing through the channel of Business to Business (B2B). The customers of our company are world-class oil and gas traders such as Total, SHV Energy, Royal Dutch Shell, Exxon Mobil, (They all set up companies in the countries where the potential market of SMPC are), and local LPG traders in each country. There are a lot of manufacturers including major ones with enough manufacturing capacities to export to other countries, and minor ones with just enough capacities for their home countries. The buyers have high bargaining power, making the competitions intense. Therefore, it drives the competitions towards pricing as key. However, the main obstacles to the competitions are the transportation cost, tariff barriers from the importing countries, and also some technical specifications requirement to protect the local manufacturers.

As for the domestic competitions, at present, there are only 3 major manufacturers who can meet the Ministry of Industry's standards for LPG cylinders. SMPC is the largest one with capacity of 10.0 million cylinders/year.

Businesses around the world are affected by the spread of the Covid-19. According to the World LPG Association (WLPGA), it was found out that the liquefied petroleum gas industry is less affected than that of other energy products, due to the fact that the usage of the liquefied petroleum gas is an essential factor in human life. The key driver of global market growth is the Asia Pacific and Africa region which are the Company's main market.

### Threat of New Competitors

As the market of LPG cylinders manufacturing industry are quite competitive, resulting in more difficult for new entrants. There are limitations that the new entrants have to consider, not only the high investment, but also the different requirements of each customer from different countries. LPG cylinders are safety-related products and must be manufactured under the standards required by each country. These standard requirements are taken time for the examination to be certified in each country. SMPC has been in the cylinder industry for a long time, with expertise in production. The company has built and developed own production machines and improved the production process to the highest efficiency. SMPC's staffs also have long experience in the industry. As a result, the company has cost competitive advantage. Moreover, the production of large quantities creates economy of scale. Together with the fact that the customers are the world-class oil companies. They consider on the reputation, experiences, along with the preliminary qualification about the standard, production capacity, operating performance, and financial status, to ensure that the manufacturer is able to produce and deliver products as per requirement.

### Threat of Substitute Product

LPG Cylinders made from composite material, is the innovation created for replacing the steel cylinders. But composite is not 100% biodegradable, and expensive, so it is not very popular. However, the company has studied business processes, research and product development, to seek for the feasibility of the production, business opportunities, which relating to the substitute for LPG cylinders. In 2013, the company was accredited by the European Union (EN Standard) for the production of Light-Weighted Cylinder, which its outstanding features are light weight similar to composite cylinders and as durable as general steel cylinders. In addition, the price is also cheaper than that of composite cylinders, which the company expects to be in high demand in the future. Therefore, in the short term, the company believes that the risks of substitute product will not much affect the company.

Besides, electric stove is widely used in the buildings, while the LPG cylinder has the limitation of only be used in the house and remote area. However, the use of the heat energy from the cooking gas is still more efficient with lower cost and price, and able to quickly reach consumers for the moment.

### Supplier's Bargaining Power

The key raw material for the manufacturing is hot-roll steel, which has many manufacturers, both domestic and international such as China, India, Korea, and Japan. The prices can be benchmarked with Steel Price Index, therefore the company has not had any problem with limited number of suppliers or shortage of raw materials. In addition, for other raw materials, the company has the list of qualified suppliers for comparison of costs, qualities and other conditions. The company considers the new suitable suppliers as well. Therefore SMPC is able to procure raw materials at the fair prices according to the market.

### Industry Trend and Competitive Conditions in the Future

Overall market condition is expected to grow steadily. Because of environmental conservation trends, governments around the world especially in developing countries from Africa and South Asia where energy are used to cause carbon dioxide, and other basic fuel combustion, switch to encourage people to use clean energy such as liquefied petroleum gas. In addition, the company also expects the sales to grow further when the investment on infrastructures and constructions of LPG storage plants and filling plants in those countries are completed.

From statistical and forecasting data of production and consumption of LPG by Argus Media together with the WLPGA, published in the Statistic Review of Global LPG 2021, stated that from 2021 to 2030, both production and consumption of LPG will continue to grow. The growing major producers are from the United States and the Middle East, while the growing consumers are from the Asia-Pacific region and Africa.

#### **Approximate number of competitors, size of the company in comparison with competitors, competitors name, competitive status and potential.**

As the business of producing and distributing liquefied petroleum gas cylinder is derived from the growth of liquefied petroleum gas consumption from various continents around the world, especially in Asia and South Africa. Demand from these developing countries tends to continue to increase in consumption. As a result, there are number of manufacturers and distributors of liquefied petroleum gas cylinders scattered all over the world, including Asia, Africa, Europe and America. The manufacturers are from both selling within the country, and competing in the international market.

As one of the largest companies in the world in terms of production capacity, both domestic and foreign customers believe that the company is able to produce LPG cylinders for them in accordance with the standards, on time, and at a reasonable price.

#### **Business Direction**

From the company's vision: "Become One of the World Leading LPG Cylinder Manufacturer with environmental conservation for sustainable growth" together with the operations and expertise in the LPG cylinder business for longer than 40 year, currently, the company is ranked among the top 3 world LPG cylinders manufacturers, and number one in Asia. The company is able to maintain the creditability and reputations in the LPG cylinders manufacturing industry consistently. The company's top management has set out strategies and develop into business plans, both short-term and long-term, by taking into account the benefits of stakeholders and society as a whole in accordance with good corporate governance, to enhance the business competitive capabilities for the sustainable growth.

#### **Competitive Strategies**

- **Products Strategy**

The company's products must be of good quality in accordance with the customer's specifications, from the qualified manufacturing process with controls and testing in every step by staff with well-versed skills, knowledge and expertise. In addition, the company is able to manufacture products of various sizes to meet the customers' need, with the prices that are fair, reasonable, and in line with market prices. SMPC conducts research and development continuously in order to launch new products that can add value to the business of our customers, hence responding to customer's need and the market need that is more complex. As a result, the customers are satisfied when doing price comparison with similar competitors, hence the company continuously receive repeated purchase order in long-term.

- **Customer Services Strategy to build long-term customer base**

The company has a policy to operate with honesty, providing information that is useful and truthful to every customers. The company also takes into account the business cultures and characteristics of different customers from different regions to ensure all customers' satisfaction and good relationships in both short-term and long-term. The company has organized the sales and marketing teams who have experience with customers in each region to take care of those customers. The company also organizes customer visit/company visit along with the routing plan to regularly visit all customer groups, or invites those customers to visit the company to provide valuable suggestions, and opinions for improvement. The company can also learn and become familiar with the customers. On top of that,

the company also jointly develops business with the customers in order to assist, recommend, as well as deliver the best product. Therefore, the company is able to build and strengthen the creditability, hence good coordination. During the year 2020-2021, due to the Covid-19 epidemic, sales staff were unable to reach customers. Therefore, the company has changed the form of contact and presentation with customers by making a virtual meeting, enabling them to maintain relationships and coordinate with customers. As a result, customers still has ordered the product continuously.

- After-Sales Strategy

One factor that allows the company to maintain the leading manufacturer status is an after-sales service that is good, timely, responsible, and fair for the customers' maximum satisfaction. In addition, the company also conducts the customers' satisfaction survey regularly to correct and improve the work system to be even more effective.

- Diversification Strategy

The company emphasizes on diversifying the customer base to mitigate the risk from seasonality and the world economy fluctuation in case of slow-down of orders from any particular countries or regions, the company would still have orders from other countries or regions to compensate.

- Research and Development Strategy

One of the key strategy to drive the company's sustainable growth that the management has set out in the long-term plan to be in line with the customers' needs and behaviors that are ever changing, is that the company supports the personnel who has knowledge and expertise. The company set up working teams who are knowledgeable, capable and expert to carry out product research and development, both to improve the existing products and to develop new products with better quality and more variety, while also take into account the environmental friendly aspect.

Moreover, the company also implements Supply Chain Management technique that enable work management with good quality, and to help setting out operation policy to improve cost effectiveness and efficiency of overall system as follows:

- Gross Profit Increase Policy

The company has a procurement management policy by procuring quality raw materials through competitive market in sufficient quantities and reducing non-value-added costs to ensure cost competitiveness. There is also an expansion of production capacity for products that can generate higher profit margins to increase sales or profitable products in the markets.

- Inventory Management Policy

The company has a policy to control order quantity and have sufficient raw materials stock for the manufacturing plans, in accordance with the sale plans and market demand, to reduce the expenses in case of raw materials shortage, and also to reduce the cost of carrying inventories, and to mitigate the risk of steel price fluctuation in the future.

- Policy of controlling and improving manufacturing process.

The company's policy is to maintain the standard and to manage manufacturing cost with efficiency by increasing productivity, and reducing the losses from reworking and scrap to the minimum. The company has workforce plans that are effective and sufficient for the requirement. The company also cuts down the inefficient use of energy. In 2021, the company has installed a solar rooftop system to reduce the consumption of electricity and also to help protect the environment. In addition, the company has developed an automated production line system into the production process, starting from welding tanks, resulting in more consistent quality of the welding work. It can reduce the number of workers in production, increase production efficiency, as well as reduce the solid waste.

- Delivery System Policy

The company has put continuous effort on improving the efficiency of the delivery system to deliver products to customers in time with minimum mistake by implementing e-document system in corresponding, following, controlling internal documents between departments, as well as recruiting shipping agent and ship line to make delivery plan with cost efficiency.

- Personnel Development Policy

The company believes that personnel development is the key factor to the organization success in the long-term. The principle of organization personnel development has been planned in accordance with the competencies that are key to the target deliverable, and related to the career path and development, which enables the personnel development plan to be efficient and practically affecting the performance. In addition, the company also recognize the importance of developing the technical skills, and soft skills according to the job level, to improve the employees' knowledge, and capabilities.

- General Administration Policy

The company links up all activities inside the organization, and use digital system to work more in many functions, in order to reduce the losses of both resources and times. Therefore, it can reduce redundant processes and procedures, resulting in greater work efficiency.

- Strategy of sustainability.

To achieve the company's vision, "Become One of the World Leading LPG Cylinder Manufacturer with environmental conservation for sustainable growth", the Board of Directors realizes and has a vision that the company's business practices for creating added value, growing and achieving sustainable success, there needs to be a balance of economic, environmental and social aspects along with human rights considerations. The board also takes into account the stakeholders under ethics, good corporate governance, and sufficiency economy principles by His Majesty King Bhumibol Adulyadej. The King once gave a speech to the Thai people in 1974: to live under the principles of moderation, reasonableness, and immunity on the condition of "knowledge" and "morality". It was integrated with the company's business ethics and operating policies through the most efficient and effective activities. The company has taken sustainability issues into a strategic plan and guidelines for sustainability. This responds to the United Nations Sustainable Development Goals (SDGs) by defining development directions for sustainability in 5 business areas, (5 Megatrends Towards Future Sustainability for SMPC) as per the section 3.1, policies and sustainability management goals.



## Business goals

Total sales in 2021 increased because of the higher average selling price. The company adjusted the selling prices to be in line with the worldwide rising of raw material (steel) prices. The sales proportion of the three-piece cylinders (high price) also increased. This year's sales volume was similar to the previous year due to the shortage impact of tonnage causing obstacles to exports. The main customers were still from North America, Africa and Australia, which has a constant demand of gas for consumption.

The company believes that the demand for LPG cylinders, which is the fundamental need, will still continue, mostly from the mention continents.

In order for the company to grow sustainably, the management team has set the business strategies and goals for both short-term and long-term as follows:

### Short term goals (1-3 years)

- The management continues to focus on adjusting the sales strategy to be appropriate and in line with the global economic situation and closely monitor the market demand.
- To ensure customer satisfaction with after-sales service.
- To seek for the markets, and study and analyze customer behavior, needs and pain points in order to design and develop products that create value over competitors, and expected to be marketable, and higher profit in the future. The company will focus on products with high profit margins, and unique product groups that competitors cannot do, both in terms of extension of existing products and new products.
- To enter to new markets in new regions that are expected to be profitable, in order to increase customer base, and penetrate into the developing countries and competing countries. Also to maintain the existing market which resulting in higher sales and profitability.
- To maintain a higher quality and standard than other manufacturer. Build the brand and image of quality to be well known, including on-time delivery to maintain existing customers.
- To manage production costs efficiently by adding measurement to check quality and standards in every step of the production, in order to reduce the waste caused by the production process, hence be able to control production costs, and compete with competitors in expanding the market for new customers.
- To study new production technologies including designing production processes that support product development in order to manage production costs effectively by adding measures to check quality and standards at every stage of production to reduce the loss caused by the production process. It is also to save energy, reduce unnecessary costs and solve the problem of labor shortage in the future including making it able to compete in price with other operators to expand the market for new customers.
- For human resource development, the company realizes that the value of its personnel has an effect on the progress and success in following the direction that management has set goals. Therefore, the company focuses on human resource development in various fields, training of knowledge and expertise according to the job field and the staff level, encouraging the learning activities, and creating a working atmosphere. Also to have a good welfare, a sense of loyalty to the organization, as well as opportunities in career path.
- To conduct business with ethical principles, good corporate governance, and take into account the society and environment, for sustainable growth.
- To study the feasibility of expanding investment in both geographic areas and related products for sustainable growth in order to increase production capacity or expand the production base abroad, reduce transportation problems and tax barriers in some countries.

Long-term goals (>3 years)

- To do R&D, by taking into account the substitute products that may occur in the future. The company gives importance to and supports personnel with knowledge and expertise, to use their knowledge and capabilities in product research and development.
- To improve and develop production process, raw materials, and products to be more environmental friendly.
- To seek opportunities from new businesses which are related to the core business based on the company's potential, expertise and readiness at present. Also to look for other business opportunities by studying the possibility in the future.

### (3) Procurement of Products and Services

#### 3.1 Procurement of Products for Sale

##### (A) Production capacity

Currently, the company has only one production plant with 3 buildings, located in Bang Khun Thian District, Bangkok. Its production was divided into 4 production lines, classified by the type of cylinder production to reduce the time slot of changing tasks and for efficiency in production management. However, all 4 production lines can be completely replaced or swapped if one of the production lines shuts down. The company's production capacity and utilization rate in the past 3 years are as follows

Item	Unit	Year 2019	Year 2020	Year 2021
Manufacturing Capacity	Million cylinders	10.0	10.0	10.0
Utilization Rate	%	56%	73%	70%

##### (B) Manufacturing Policies

As reported in the company overview, the company's pressure vessels can be separated into those manufactured under the customers' trademarks, and those manufactured under "SMPC" trademark. For the vessels manufactured under customers' trademark, which are the majority of company's sales, they are manufactured for the large oil and gas traders, and have different characteristics according to specifications, qualifications, and the designs of each company. This is also applicable to the other vessels for the industrial customers such as Chlorine cylinders and Ammonia cylinders. Therefore, the manufacturing of these vessels is customized by each job order from the customer, without inventory stock.

The cylinders under "SMPC" trademark are mostly the domestic automotive cylinders. The company produces the "SMPC" cylinders according to the sales forecast and the minimum buffer stock, in order to reduce inventory cost and risk from damage or obsolete.

##### (C) Procurement of Raw Materials

The major raw material used in the production are hot rolled steel which can be supplied both domestically and internationally. This year, the proportion of raw materials supplied from domestic and foreign was 35 : 65 percent, depending on customer demand, fluctuation of the Thai Baht and price. Major overseas sources are from China, India, Korea and Japan, etc.

Since the raw materials used in the production of the LPG Cylinder and the Low Pressure Vessel can be procured conveniently. Therefore, the company has no major risk in reliance on raw materials from any particular sources. The company will consider ordering from vendors who provide the best prices with best conditions, and must be in line with the company's production plan. From the experience in the business, there has never been a shortage of raw materials.

### 3.2 Environmental impact resulting from the production process, and operations of the company.

Please refer to the clause “Driving Business for Sustainability” sub-clause 3.5.1

### 3.3 Environmental disputes

-None-

#### (4) Assets used in business operations

Major assets used in operation

Item	Type of assets	Details	Years of service	Type of ownership	Book price As of December 31, 2021 (Million baht)
1	Land and land improvement	Located at 92 Soi Thian Talay 7 (4th Intersection), Bangkhunthien-Chaithale Road, Samaedam, Bangkhunthien Bangkok, divided into 1. The total area of 13-2-32 rai is used for factory building 1, 2 and the current office of the company. 2. The total area of 15-1-57.9 rai is used for the factory building 3. 3. The total area of 17-1-24 rai is at the opposite of the factory. Total of 46-1-13.9 rai for 3 areas.	10 years (only the land improvement)	Owned by SMPC	
2	Land	The land of 6-2-71.5 rai, located at Soi Thian Talay 7 (4th Intersection), Bang Khunthien-Chaithale Road, Samaedam, Bangkhunthien Bangkok . It is next to the land of the company	-	Rent	-
3	Building and building improvement	Consists of 2 office buildings, 3 factory buildings, 2 storage building and a canteen building, with the size of each building as follows 1. Head office building: 3-storey high, size 30 * 30 * 15 m. 2. Small office building: 1 storey high, size 7.5 * 41.7 * 6.1 m. 3. Factory building 1, size 30 * 174 * 10 m. 4. Factory building 2, size 30 * 168 * 9 meters 5. Extension of factory building 2, size 30 * 30 * 19.58 m. 6. Factory building 3, size 24.4 * 216 * 10.8 m. 7. Procurement and service building, size 20 * 66 * 7 m. 8. Storage building, size 30*60*7.2 m. 9. Canteen building, size 12*23*8.3 m.	20-40 years	Owned by the company	
4	Machinery and equipment	The machinery and equipment used in all 4 production lines were mostly built and developed by SMPC. They had been operating for about 1-24 years.	5-20 years	Owned by the company	

### Land lease agreement

The land in item 2 is the land adjacent to the land owned by the company. The company has rented such land from an executive and also one of the company's shareholders. The rented land is for storing raw materials in the production of the company's products, due to insufficient space within the company (For more details about the lease, please see Clause 9 "Internal Control and Connected Transactions", Sub-clause 9.2.1)

### (C) Investment property

As of December 31, 2021, the company has investment properties, which can be summarized as follows:


Item	Type of assets	Details	Area (Rai)	Fair value As of December 31, 2021 (Million baht)
1.	Land	Bangna, Phrakhanong, Bangkok	1-0-20	34.44
2.	Land with a townhouse building	Hua Hin, Prachuapkirikhan Province.	0-0-29	4.80
3.	Land	Maesaruay, Chiangrai Province	3-0-7	1.69
4.	Land and land improvement of the inactive factory (Lamphoon)	290 Moo 3, Lampang-Chiangmai Road, Tasobsao, Maetha, Lamphoon Province.	11-2-87	19.58
<b>Total</b>				<b>60.51</b>

The company has a policy to assess the fair value of real estate on a regular basis. The fair value of investment property is evaluated by an external independent appraiser, who is experienced and qualified as professional in property valuation, and also approved by the Securities and Exchange Commission. The said fair value is calculated by market price comparison of the real estate around the company, the fair value changes are acknowledged in the statement of net profit and loss. In 2021, the company has done the land and asset valuation of 2 locations, Bang Na, and Chiangrai, with profit from the valuation, totaling 0.09 million baht.

### (D) Obligations of assets used in business operations

The property of land, building, some of machinery, real estate for investment, except for land in Chiangrai Province, has been mortgaged for loans to a local bank, total amount of approximately 1,750 million baht. In quarter 3/2021, the company has redeemed the collateral of land and buildings. At present, the company is in the process of redemption of collateral for machinery (2020: 1,750 million baht).

### (E) Company trademark

Pattern	Owner name	Product type	Registration number / Country of registration
SMPC trademark 	Sahamitr Pressure Container Public Company Limited	Gas tank	80482/Thailand

### (5) Tasks not yet delivered

-none-

## 1.3 Shareholding Structure of the Company Group

### 1.3.1 Shareholding Structure of the Company Group

-none-

1.3.2 If the person may have a conflict of interest, holding shares in a subsidiary or associated companies more than 10 percent of the number of shares with voting rights of such company, there must be an explanation of the reasons of holding shares in such companies instead of holding shares of the parent company.

-none-

### 1.3.3 Relationship with the business group of major shareholders

-none-

### 1.3.4 Shareholders

(1) List of major shareholders

(A) Top 10 major shareholders

The list of top 10 major shareholders as of 24 August 2021 (information from last book closing date), including related shareholders under section 258 and shareholders under common control.

Shareholders	Number of Shares	% of Total Shares
1. Mrs. Patama Laowong	130,448,212	24.36
2.Mr. Thamik Ekahitanond	54,347,281	10.15
3.Mrs. Benjawan Tharincharoen	50,094,776	9.35
5. Mr. Jirasak Phromsaka Na Sakolnakorn	37,785,000	7.06
6. Mr. Taidee Visavaveja	27,542,311	5.14
7. Bophit Phattrara-rangrong	23,427,000	4.37
8. Mrs. Ubol Ekahitanond (passed away)	17,395,915	3.25
9. Bangkok Bank (Public Co., Ltd.)	15,200,516	2.84
10. Mr. Samphan Vachirasakulchai	13,513,452	2.52
11. Mr. Thavat Triwankul	9,836,900	1.84
Total of top 10 major shareholders	379,591,363	70.88
Other shareholders	155,914,970	29.12
<b>Grand Total</b>	<b>535,506,333</b>	<b>100.00</b>

The investors can view the updated information about the top 10 major shareholders on the company website before the annual general meeting of shareholders.

(B) The major shareholders with more than 10% shares who have significant influences on the company's management policy or operation are as follows:

1. Mrs. Patama Laowong, current position is Deputy Chairman and Senior Vice President (Office)
2. Mr. Thamik Ekahitanond, current position is Director and Assistant Managing Director (Factory)

(C) Shareholding Structure by Types of Shareholders

Shareholding Structure as of 24 August 2021 (information from last book closing date) is as follows:

Shareholders	Shareholding Structure						Total		
	Individuals			Juristic Persons					
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
Thai	4,986	500,719,629	93.50	31	29,381,742	5.49	5,017	530,101,371	98.99
Foreigner	5	220,062	0.04	10	5,184,900	0.97	15	5,404,962	1.01
<b>Total</b>	<b>4,991</b>	<b>500,939,691</b>	<b>93.54</b>	<b>41</b>	<b>34,566,642</b>	<b>6.46</b>	<b>5,032</b>	<b>535,506,333</b>	<b>100.00</b>

(D) Limitation of foreign shareholders

Foreign shareholders all together can hold no more than 49% of the issued and paid shares. As of 24 August 2021 (information from last book closing date), there were 1.01% of share which owned by foreign shareholders.

(2) If the company conducts business by holding shares in another company (holding company), the company show the shareholder information of the subsidiary that is the main business company.

-none-

(3) Major shareholders' agreement, if any

-none-

## 1.4 Registered Capital and Paid-up Capital

### 1.4.1 Registered Capital

	As of December 2020	As of December 2021	Increase (Decrease)
Registered Capital (Baht)	535,506,333	535,506,333	-
Ordinary Share (share)	535,506,333	535,506,333	-
Par value (Baht/share)	1.00	1.00	-
Paid-up Capital (Baht)	535,506,333	535,506,333	-
Ordinary Share (share)	535,506,333	535,506,333	-
Par Value (Baht/share)	1.00	1.00	-

### 1.4.2 Other types of shares with rights or conditions different from ordinary shares

-none-

### 1.4.3 Shares or convertible securities of the company

-none-

## 1.5 Issuance of other securities

-none-

## 1.6 Dividends

### 1.6.1 Dividend Policy

The company has a dividend payout policy to shareholders at not less than 60% of the net profit. However, the decision will take into account the performance, liquidity, future investment plan, and the overall economic situation.

After the Board of Directors has approved the annual dividend payout, it shall be submitted to the meeting of shareholders for final approval, except for the interim dividend which the Board of Directors has an authority to approve, and then submit to the subsequent meeting of shareholders for acknowledgement.

### 1.6.2 Record of Dividend Payout

The company paid dividend in cash and stock with the following records:

	2019	2020	2021
Net Profit per share	0.70	1.16	1.36
Interim Dividend (Baht/share)	0.24	0.37	0.35
Final Dividend (Baht/share) 2	0.18	0.43	0.47
Total Dividend (Baht/share)	0.42	0.80	0.82
Par Value2	1.00	1.00	1.00
Payout Ratio (%)	60	69	60

Note:

1. The company has been paying dividend since 2014.
2. The dividend of July-December 2021 was according to the resolution of the Board of Directors meeting no. 1/2022 on 14 February 2022, proposing to the 2022 annual general meeting of shareholders for approval.

# 2. Risk Management

## 2.1 Policy and Risk Management Plan

For the organization's sustainable growth, the Board of Directors and management team have practiced an integrated risks management that unite together right from the beginning by joint-planning, developing common strategy, sharing roles and responsibilities, together with working in harmony, and also in accordance with the principle of COSO Enterprise Risk Management, taking into account the possible risk of corruption. The main objective is to effectively manage and control the risk from internal and external to be at an acceptable level. For this, the management team has regularly followed up, closely monitored the risk management, and then reported the results for the Executive Committee's and to convey to the Risk Management Committee and the Board of Directors on an annual basis. As such, the Board of Directors are able to analyze the risks and their possible consequences covering the whole organization. If there is any significant indicator, the Board of Directors are able to assess and monitor the results of risk management, and then adjust the mitigation plans to be up to date in anticipation of the changes, problems, obstacles that may follow in a timely manner.

## 2.2 Risk Factors to the Company's Business Operation

### 2.2.1 The Company's Business Risks

#### The Risks of Business Operation

##### 1. The risk of freight cost increase and a shortage of space of the ships

From the end of the year 2020 until the present, sea freight has been increasing tremendously in all regions of the world, particularly on the routes of Europe, the United States and Africa, which are the company's key customer regions, due to continuous increase in global shipping volumes. The economic expansion of the powerful countries i.e., the United States, China, the European Union and Japan, the implementation of large-scale economic measures and progress in vaccination, brought people the confidence to resume normal activities and spent. In addition, the COVID-19 epidemic has also caused a shortage of workforce. Inefficient port management and the delay shipping caused the insufficient containers to be used in the system, hence, shortage of ship space. As a result, the company was unable to achieve the export target, thus higher cost of remaining inventories. The cost of transportation was much higher. Therefore, the company was at risk of potential losses from such transportation costs.

#### **Company Direction**

To reduce the fluctuation impact of the rising sea freight, the company negotiated with the customers to adjust the shipping rates, and modified the selling strategy to sell by excluding FOB, or propose the shipping costs when the delivery is due. In addition, the company has planned the production line in accordance with the shipping schedule.

The company also increase storage space to maintain the continuity of the production, and get goods ready for delivery when there is enough space on the ship. Besides, the company sourced the container long in advance to be able to deliver products according to customer requirements, had enough time to negotiate to get the best shipping cost.



## 2. Risk from the Coronavirus outbreak-19 (Covid-19)

The Covid-19 that started in early 2020 until now, continues to affect many things, such as the risks of employee health, production and supply chain disruptions, the company's performance and financial, such as customer credit. It also affected stakeholders' confidence in the company's ability to respond effectively to the situation. The management and entrepreneurs had to adapt quickly, and made important decision within a short time.

### Company Direction

In terms of public health, the company has a plan to deal with the epidemic effectively, and has continued to operate strictly according the Department of Disease Control, Ministry of Public Health, such as temperature checking before entering the working area, campaigning for employees to wear masks while in the working area, and giving away the masks to employees every day to reduce the expenses for employees. The company also set up the hand washing and alcohol service points at the entrance and common areas. The company is also leveraging its digital system for online meetings and work from home to reduce congestion in the workplace.

For the infected persons, the company has strict measures to take care of them, according to government guidelines by identifying and detecting at-risk people, cleaning and disinfecting the working area regularly. Besides, the company coordinated with government agencies to arrange for employees to receive vaccination against COVID-19. All employees of the company have been vaccinated as per the standard. As for the impact on production, the company has a total of 4 production lines that are independent from each other, classified by the type of cylinder production. In order to reduce the time to swap positions and the efficiency of production management, all 4 production lines can be produced, replaced or swapped completely, if any of production line shuts down. Therefore, there is mild impact if employees are infected with COVID-19 and be absent from working. In addition, the company has established guidelines for debt collection management and closely monitored debt collection to mitigate potential credit risks.

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## 3. The Risk from Major Customer

In the past, some years the company had a major customer whose sales contributed for more than 10% of total sales. In 2021, the company had one major customer whose sales accounted for more than 10% of total revenue. The customer was from America who purchased more, due to the policy supporting the LPG usage for cooking and domestic traveling, and the consequences of the trade war between China and the United States. Hence, Thailand gained competitive advantage over China in terms of lower import tariffs. Besides, the cost of raw materials and labor in the customer's country has increased considerably, so they turned to import instead. However, the company does not have any customers with sales of more than 30% of total revenue.

### Company Direction

SMPC manages the risks by increasing sales distribution in various regions and penetrating to new market, in order to increase the variety of customers. Normally, customers from different regions have different timing of demand. Therefore the company can manage to have the consistent production plan throughout the year. Besides, SMPC has good relationship with major customers. The company is able to satisfy customer by good quality of products, timely delivery, and fair price, hence receiving continuous purchase orders.

#### 4. Risk of Waste Disposal from the Manufacturing Process and the Environmental Lawsuit in the future

From the manufacturing process, the company produces the waste which may have an impact on environment, if not properly monitored. However, the company always follows the mission to operate the business with sustainable eco-friendly in mind, otherwise it may lead to the risk of environmental case in the future.

##### Company Direction

SMPC sets the division of Occupational Health, Safety, Environment, and Energy. The division is directly responsible for the efficiency of controlling and managing the environment. As well as the system management division is to consolidate the related law, and follow up the operation status. For the industrial waste disposal, which cannot be disposed during the production process by the company, we hires the certified company, specifically running the waste disposal, to manage it. Besides, the company received the certification approval for ISO 14001:2015, the Environmental Management Standard, on 26 December 2017. Ever since, the certification has been approved for renewal, the latest one is until July 2024. (Please see details in “Driving Business for Sustainability”)

#### 5. Substitute Products Risk

At present, the product that can substitute for the steel LPG cylinders is aluminum cylinder, and cylinder manufactured from composite-material or composite cylinder which are lighter than normal steel cylinders.

##### Company Direction

After monitoring the market situation of these 2 types of cylinders, they are not very successful in the market because their thermal energy, durability and service life are shorter than those of the steel ones, and the sales price is also much higher. Therefore, they are mainly used in some countries with labor laws limiting the heavy lifting. In addition, the fact that many countries are active in promoting the use of environmental friendly products, makes the steel an attractive choice as the steel cylinders are repairable and recyclable which help save the energy and natural resources. Therefore, in the short-term, the company is confident that the risk from substitute products to steel cylinders will not truly affect the company. Nevertheless, to expand the customer base and to meet the market demand, in 2013 the company has been accredited with European standard (EN) for the manufacturing of Light-Weight Cylinders which have the prominent properties of almost as light as composite cylinders and as durable as normal steel cylinders, and also with lower price than composite cylinders. The company expects this cylinder to be in market demand in the future. Moreover, the fact that the company has been in the LPG cylinders industry for a long time, means that the company has many business alliances that are the great sources of information on market trend. Therefore, the company would be able to adjust the strategy to meet any future change well in advance

## **6. The Risk from New Competitors in International Market, and the Trade Barriers.**

The company's customers are mainly from the developing countries, which is currently has low consumption rate of cylinders because the countries just started to invest in storage plants and filling plants. The local manufacturers in these countries just entered into the gas cylinder industry. They are not able to produce the cylinders that meet the standard requirements, hence not enough for the gas demand of the countries. Therefore, their governments encourage the imported cylinder. Nevertheless, if the local manufacturers can develop technology in production and increase capacity to serve the demand in their countries, then it may have an impact on the company sales in the future. There are also other external factors on the international trading and economics policy such as the investigation of the United States of America, regarding to the dumping and subsidies policy of cylinders imported from Thailand and China. They may affect the company's sales in the future.

### **Company Direction**

SMPC is always monitoring market situation, and studying the possibility to invest in the countries with high potentiality, and take all kinds of risks into account. On top of that, the company plans to do marketing jointly with the high potential local manufacturer, selling product under SMPC brand. The company also expects the positive impact from the international trading and economics policy. Nevertheless, SMPC will closely monitor the situation, in order to prepare timely measures.

## **7. The Risk from Non-Compliance with the Related Law.**

The company has the risk from not compliance with the related law, which may result in paying a fine or temporarily business shut down.

### **Company Direction**

To prevent from the production and business shut down, each department is assigned to consistently consolidate and follow up with the information and related law. The system management department is the center to consolidate the relevant law from each department to investigate the status for renewing all licenses, and enforce the implementation of the new law.

## **8. The Risk from Vacancy of the Successor in Executive Positions**

The risk of vacancies in senior positions, may have an impact on the effective operation. The company performance may not be achieved as per the target. The development and business growth could be disrupted.

### **Company Direction**

SMPC realizes the impact from the issue, therefore the structure of delegation authority is well prepared. The company is arranging decentralization to top and middle management, and studying the succession plan as directions to implement. The nomination committee has assigned the management to consider the proper direction. (Please refer to the clause "Corporate governance structure and important information about the board of directors, sub-committees, executives, employees, etc." sub-clause 7.6.6 "Succession Plan")

## 9. The Risk of Cyber Threats

The risk of cyber threats is very important and affects the company's operations, especially the key systems such as network, financial, accounting, internal management and human resources. The said systems contain personal information that the company possesses. If there is any problem with the company's information technology system, or access to personal information, it inevitably affect the operations and reputation of the company.

### Company Direction

The company has planned, and increased the investment to develop working systems to support new technology and protection against cyber threats, i.e., improving the computer network, and server to enable the system to work successively. The company also set up the strict security control measures, which are the computer security system (Firewall), the access authority to the particular information, and network of backup center to support any emergencies, to ensure the business continuity.

## 10. The Risk from Natural Disasters

The company may be at risk of natural disasters which can cause the production interruption and company damaged. Furthermore, the company may be affected by natural disasters, such as the logistic routes have been cut off and lead to delivery delaying. The company realizes the importance of this matter, so that the risk assessment was made and included it as part of the company's risk registration. Also implementing a plan to mitigate risks that may occur for both short-term and long-term periods.

### Company Direction

Although the company has never been affected or damaged by natural disasters such as floods, but always has prepared a preventive plan. The preventive plans include news updating, protective equipment maintenance and inspection to be in used condition, as well as providing adequate equipment for the situation that is expected to occur. Including the assessment of the natural disasters' side affected from the government plans intimately. Also purchasing suitable insurance plans to alleviate the burden of damage that may occur.

## 11. The Risk from Corruption

The company realizes that corruption is a major obstacle to the development of the country and business operations. Therefore, the company has always been conducting the business with honesty, transparency, and compliance with good corporate governance principles. It is set to be part of the company's mission not to accept any form of corruption. The anti-corruption is also set as company policy for the employees and executives as directions to follow.

### Company Direction

The company has been a member of the Private Sector Collective Action Against Corruption (CAC) since April 22, 2016, by setting the anti-corruption and its procedures in accordance with the company policies. The Audit Committee and the Board of Directors always monitor the anti-corruption performance, providing channels for whistleblowing with preventive measures for the complainants. The company prepared a manual for the implementation of the Anti-Corruption Policy for directors, executives, employees, as well as the related partners to be informed through the company's intranet channel. Assessment of the risks of fraud and preventive control measures was rigorously and continuously conducted. The company has been renewing the membership of the Thai Private Sector Collective Action Coalition Against Corruption (CAC), most recently in December 2021, it was approved to renew for another three years until January. 2025.

## **Production Risk**

### **1. Raw Material Shortages and Price Fluctuation Risk**

Hot rolled steel is the main raw material in manufacturing LPG cylinders, and accounts for about 50-60% of the total cost. As there are many suppliers worldwide, so there is no problem of shortage.

The steel price fluctuation directly impacts sales price, cost, and profit of the company. Normally for the industry, the sales price is determined based on the global steel price index which varied according to the economy and oil price. Therefore, the company has the risk of not being able to reach the sales and profit targets as planned estimate. In addition, the company product is made to the customers' specification which has the lead time of 2 months from production until delivery to the destination country. This sometimes results in difference between the cost of raw material and determined sales price. Therefore, the company must have good manufacturing plan, sales plan, and inventory management to mitigate the impact from the raw material price fluctuation which is the nature of the industry.

### **Company Direction**

For the long-term contracted sales, normally it will allow the company to adjust the sales price to be in line with the present steel price (Formula price). Therefore, the impact of steel price changes will not be high. For purchasing on spot, the company purchases the steel at the same price as when submit the quotation in order to reduce the impact of the price fluctuation. For the large order, which takes several months in delivery, the company normally makes contract with the steel manufacturer in advance in order to reduce the price fluctuation of raw materials. Apart from that, for the efficiency of production and sales management, if the steel price decreases, the company would order steel of particular size that is routinely used for inventory stock. The appropriate purchase order is determined from the sales forecast plus the estimation of the customers' demand based on their past orders and the current economic situation. In addition, the company also closely monitors any changes of the raw material price by relying on the long experience in the industry to forecast the steel price situation before placing order. Before any purchase, the company will benchmark price among several steel suppliers with similar potentials to ensure raw materials with desired quality at the best prices and conditions. These managements also help mitigate the risk of late delivery to the customers, enhance competitiveness, and reduce the holding cost and reordering cost.

For the risk management on the fluctuation of raw material price, which maybe the factor that company is not able to achieve the target of sales and profit, the management team is regularly monitoring the steel price trend in the monthly meetings to be able to revise the sales strategy, and raw material purchase in a timely manner, or mitigate any impact.

### **2. The Risk of Labor Force Shortages**

The manufacturing process of SMPC is the Semi-Automatic which is one of the strengths of the company, i.e. flexibility of the production allowing the company to produce cylinders in various types and sizes. The Semi-Automatic needs workers in many steps of production process. Delivery process also needs workers to convey, pack, and load cylinders into the container. Therefore, the number of workforce and their efficiency and expertise are the factors that have an impact on our business.

## Company Direction

SMPC is hiring the outside contractor to manage the labor supply for the company, in order to assure the availability, promptness of labor force. This outsourcing is convenient and reduce the burden of recruiting the daily worker. The outsourcing is under the supervision of SMPC, starting from the quality of work to the welfare of the workers. The company treated the workers well and in compliance with the law. The company have the reasonable package and compensation according to the competency and skills of the employee. The wage levels and benefits are competitive, and attractive. The company set up the Benefit and Welfare Committee to represent the employees to contact with the company for any suggestion and good environment in workplace. The company aims to support the good quality of life of employees and be able to keep the skilled and experienced labors. Nevertheless, in order to control product quality in long term, and mitigate the risk of labor intensive, the company has developed the production technology, by changing some machines to be more automatic.

## Financial Risks

### 1. Exchange Rate Fluctuation Risk

The company is mainly an exporter (sales from the export contributes more than 90% of total sales revenue) with the income in foreign currencies from trading transactions; mostly in USD, Euro and GBP. Therefore, the exchange rate fluctuation will impact the company's revenue and profit.

## Company Direction

Most of the company's income is in USD, and the company also imports main raw materials: hot rolled steel, and other raw materials from abroad in USD. In 2021, the company has imported raw materials amounting to 65% of the total demand for raw materials and equipment. Therefore, the company has mitigated the risk with natural hedge by using sales revenue in USD to pay for raw materials in the same currency, in order to reduce impact from the exchange rate. As for the sales revenue in other currencies, Euro and GBP, which contributes a few, the company is closely monitoring the exchange rate, and also considering other related factors, so that the company can make financial plan and also use the financial tools such as forward contract to efficiently mitigate the risk. There is also report on the situation and trend of the exchange rate in the Executive Directors' meeting every month.

### 2. Trade Credit Risk

The company has the risk of late payment, or bad debt that could result in the loss of benefits.

## Company Direction

In general, the company has financial policy on selling by requesting the L/C, in fully or partly advance payment before delivery. The company has procedures in considering the appropriate credit limit with clear authority level. Usually, the credit term ranges from 30-90 days depending on the financial status and the duration the company trades with the customers.

In addition, the company also reviews the credit policy and credit limit of all customers together with credit risk assessment regularly, by reviewing financial statement of customers in order to assess the reliability of financial status. The extra assessment will be implemented if there is any special circumstances, such as Covid-19 outbreak. However, most of the company's customers are world-class oil and gas traders with strong financial position. Therefore, in all history, the company has never had any credit problem with customers.

#### 2.2.1 Risks affecting rights or investment of security holders

-none-

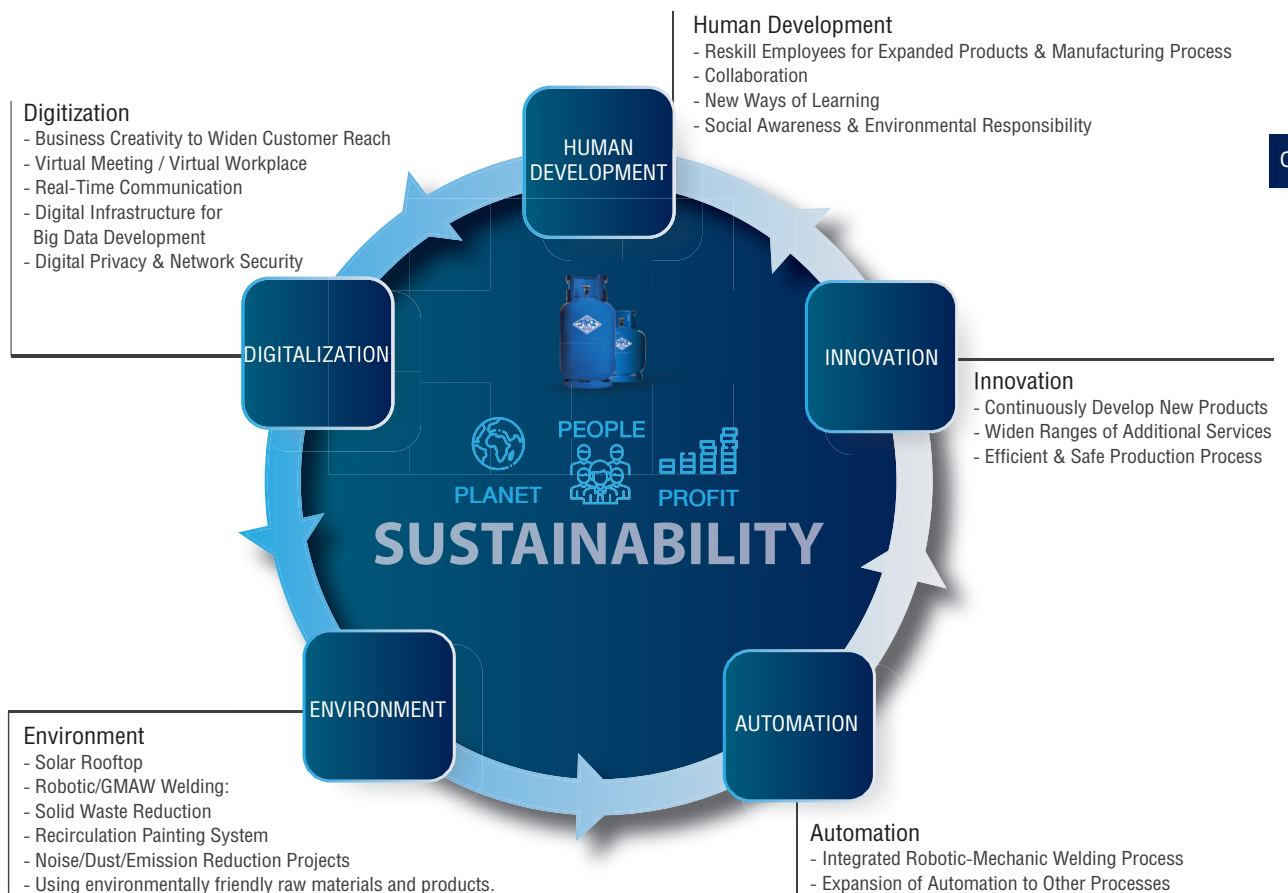
#### 2.2.3 Risks for investing in foreign securities

-none-

# 3. Driving business for sustainability

## 3.1 Policies and Sustainability Management Goals

From the vision of the company “Become One of the World leading LPG Cylinder Manufacturer with environment considerations for sustainable growth”, the Board of Directors realizes and has a vision to enhance value, grow and achieve sustainable success, the company must operate the business together with considerations of economic, environment, social, human rights, stakeholders, under the principles of ethics, and good corporate governance. By adopting Sufficiency Economy which was the philosophy that His Majesty the Late King Bhumibol Adulyadej had taught Thai people since 1974, which was living with moderation, reasonableness, and self-immunity, with the conditions of ‘knowledge’ and ‘morality’, and integrate it with the business code of conduct, and company’s operational policies through the activities that had been organized with maximum effectiveness and efficiency. The company has taken the important sustainability issues into a strategic and direction for sustainability plan, which responds to the United Nations Sustainable Development Goals (SDGs). The development guidelines for business sustainability in 5 areas have been established (5 Megatrends Towards Future Sustainability for SMPC) as follows:



### 3.1.1 Human Development

Human resources are the heart and the goals for the development of the company's organization. The company emphasizes on taking care of employees and developing both broad and deep working skills, expanding capability, and potential of employee. Good leader is the one who not only good at business ability, but also has a good conscience, and corporate governance for the organization and society. The company has developed personnel through internal and external training, and created corporate culture for learning and nice working atmosphere. There are exchanges of opinions, and joint projects between departments to create teamwork. Employees in each department have the chances to exchange experiences with each other, which resulting not only the development of work processes, production process, and new products and services, but also the bonding and mutual growth feelings with the company. Furthermore, the company instills and makes the employees realize the importance of society, community, and environmental responsibilities through various activities. The company also takes care of employees to have a good quality of life, providing them with fair compensation and welfare. Employees have occupational health and safety at work. Moreover, for the human resource management of the company, human rights are considered as an important principle, whether it is a matter of rights, liberties, or equality, including the fair protection.



### 3.1.2 Digitization of working processes

The company has developed a process to work into digital systems in order to support a new normal work and life. Especially with the Covid-19 virus epidemic, the company has adjusted working tasks for employees to be able to work from home and modified the meeting format by using online conference to keep distances among employees. Because of Covid-19, sales staffs cannot travel to see customers, the company has changed the form of contact and presentation with customers by making a virtual meeting, enabling them to maintain relationships and coordinate with customers, hence, customers still can make purchases continuously. The company has more policies in place to implement digital systems in its supply chain management to increase work efficiency. This makes it faster to respond to the needs of customers. The e-document system has been used, as a preparation to be developed into an e-workflow system later. Besides, SMPC is well aware of the importance of the information system security. So the company has set up a structure system to protect data to be safe on the network and carried out the handling of personal information, by verifying readiness and complying with the Personal Data Protection Act, in order to protect the right and liberty of all employees and stakeholders.





### 3.1.3 Environmental Management

SMPC has been continuously doing business with concern for the environment. The company has adopted the ISO 14001: 2015, environmental management system to be used in the organization In order for the employees to be well aware of the environment. The company has brought digital systems to work to reduce the natural resource usage. Besides, developing production processes to reduce waste generation and reduce pollution, including using a wet scrubber system in the production process can prevent the fumes and dust generated by the production process not to be emitted into the air, hence no effect on the environment. The silencers are also used in the production process. The company installed a sound suppressor and soundproof walls to reduce the noise generated by factory operations. Growing trees around the fence is to create a green area and also a sound proof. The company treats and reuses 100% of the water used in its production processes. SMPC also takes into account the climate change that the world is facing, thus the company determined to operate its business with environmental responsibility, by planning and establishing a policy to reduce greenhouse gas emissions. In 2021, the company installed a solar power system on the roof of the factory (Solar Rooftop), to reduce electricity consumption and help sustain the environment.



### 3.1.4. Automation

The company has kept up with new technologies, and developed the production process continuously. The company has used robotic arms and automated production line systems into the production process for welding, hence more consistent of the quality of the welding work, reduction of the number of labor in production, and less solid waste. The company also plans to expand automation system in other processes, i.e., production plant and office station.



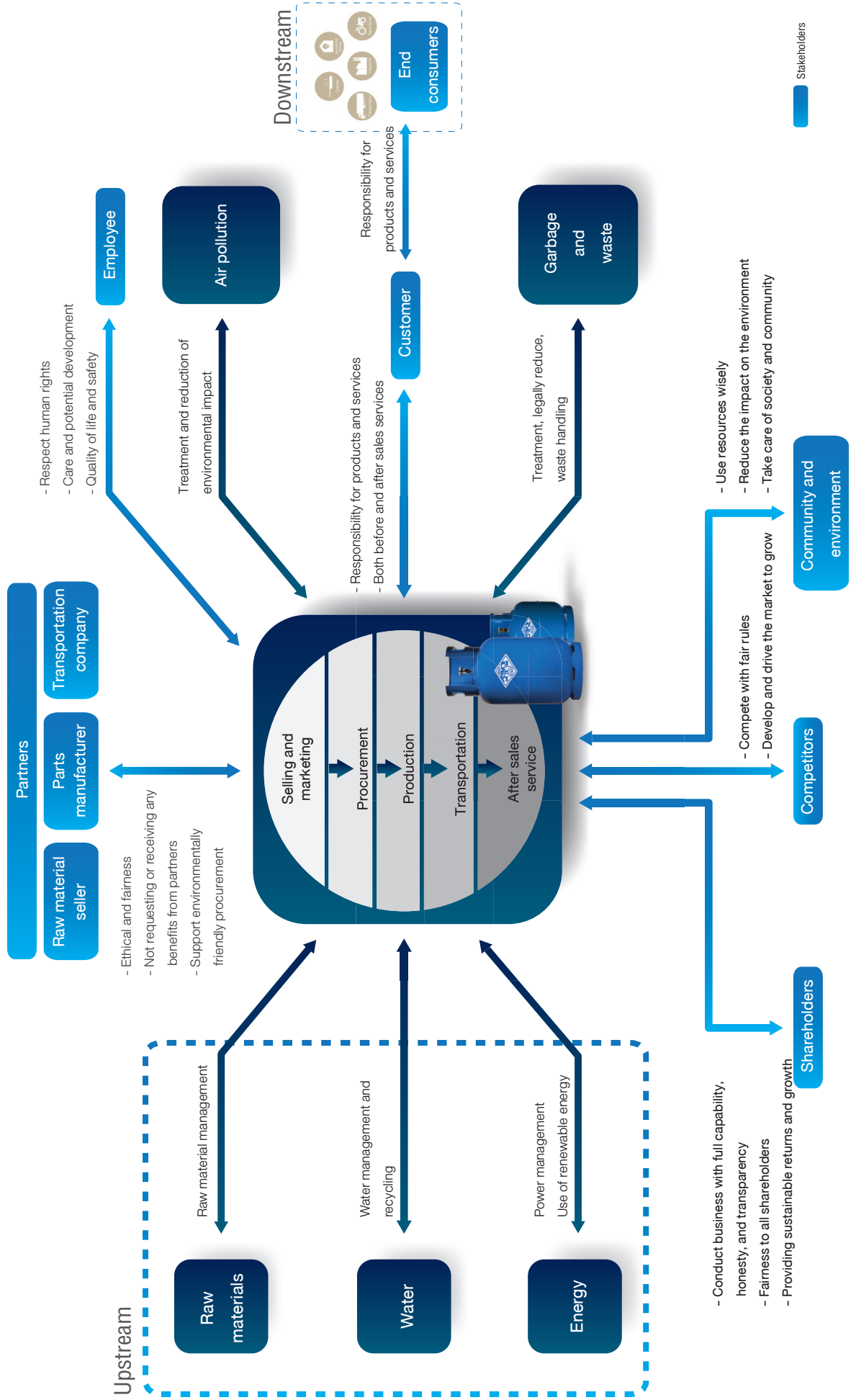
### 3.1.5. Innovation

For the company to have sustainability, one of the factors is to innovate and create new innovations in products, services and production process, to be able to reach and meet the needs of customers. In creating company innovation, the company takes into account the needs of customers, by bringing customer opinions and problems to develop products and services. For example, applying RFID to be used with LPG cylinders, this enables customers to record and utilize the information in various ways, including the circulating the cylinder, inventory management, traceability, etc. Apart from using the innovations for products and services, the company also uses innovations in its production processes. There is research and development to improve the production process, adopting technology to stabilize production, making the best use of resources effectively and safely.



### 3.2 Managing stakeholder impacts in the business value chain

#### 3.2.1 Business value chain



### 3.2.2 Stakeholder Analysis in the Business Value Chain

The Board of Directors emphasizes on the importance of all stakeholders, and has set out guidelines on stakeholder engagement equally and fairly in the business code of conduct. The guidelines were distributed to all employees since start working with the company. The company also takes care of stakeholders' rights according to related laws, and shall not perform any activity that would violate the stakeholders' rights. These codes can be summarized as follows:

Stakeholders	Needs/Expectations	Directions	Channels for Participation and Contact
Shareholders	<ul style="list-style-type: none"> <li>- Good and sustainable performance</li> <li>- Good Corporate Governance</li> <li>- Risk control planning</li> <li>- Information disclosure and transparency</li> <li>- Equitable treatment of stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>- Aim to create maximum benefits for shareholders with efficient planning and operation.</li> <li>- Conduct business in accordance with good governance principles, and good corporate governance</li> <li>- Policy and plan for risk management.</li> <li>- The necessary information is disclosed to the public.</li> <li>- Treat investors and all stakeholders equally.</li> </ul>	<ul style="list-style-type: none"> <li>- Annual General Meeting of Shareholders</li> <li>- Quarterly analyst meeting</li> <li>- The meeting between listed companies and investors</li> <li>- Annual Report</li> <li>- Investor Relation Contact Tel. 02- 895-4139-54 Email: ir@smpcplc.com Website: www.smpcplc.com</li> </ul>
Partners	<ul style="list-style-type: none"> <li>- Transparency and fairness</li> <li>- A clear procurement regulation.</li> <li>- The company complies with the contract or agreed terms</li> <li>- Growing business together.</li> </ul>	<ul style="list-style-type: none"> <li>- Conduct business in accordance with anti-corruption policy, no receiving any benefits from business partners and treating them equally.</li> <li>- Provide them with information of the procurement process</li> <li>- Strictly abide by the agreed contracts.</li> <li>- Share knowledge and jointly develop products with partners</li> <li>- Support environmental friendly procurement</li> </ul>	<ul style="list-style-type: none"> <li>- Visits and audits</li> <li>- Contact Purchasing Department Tel. 02-895-4139-54</li> <li>- Complaints about corruption through Email: cs@smpcplc.com</li> </ul>
Competitors	<ul style="list-style-type: none"> <li>- Fair trade</li> <li>- Do not damage reputation or accuse</li> <li>- Cooperate to develop and drive the market to grow</li> </ul>	<ul style="list-style-type: none"> <li>- Compete in a framework of fair rules and do not seek confidential information by unjust means</li> <li>- Do not damage the reputation of competitors by defamation or any act without truth and fairness</li> <li>- Develop and drive the industry to grow continuously</li> </ul>	<ul style="list-style-type: none"> <li>Tel. 02-895-4139-54</li> <li>- Complaints about corruption through Email: cs@smpcplc.com</li> </ul>

Stakeholders	Needs/Expectations	Directions	Channels for Participation and Contact
Customers	<ul style="list-style-type: none"> <li>- The product is safe. The quality meets the required standards.</li> <li>- Delivery on time</li> <li>- Fair price, able to compete</li> <li>- Quickly support and solve problems for customers.</li> <li>- Conduct business efficiently with international standard. Does not affect the community, society and environment</li> </ul>	<ul style="list-style-type: none"> <li>- Accredited to the standards of each country. Product quality control is conducted at each stage of production, as well as being audited by external auditors as required by customers</li> <li>- Develop production and work processes in order to be able to produce products quickly according to the customers' need.</li> <li>- Cost management to reduce production costs to the lowest under the policy of good quality products continuously</li> <li>- Before and after sales with engineers and experts to give advice to customers. There are systems and mechanisms in place to respond and act quickly to solve problems and complaints of customers, as well as to take care of and prevent repeating the same problems.</li> <li>- Accredited by international standards of ISO 9001 and ISO 14001. Operate with responsibility towards communities, society and the environment.</li> </ul>	<ul style="list-style-type: none"> <li>- Visits and audits</li> <li>- Customer visit and online meetings</li> <li>- Customer Satisfaction Survey</li> <li>- Contact via salesperson</li> <li>- Contact sales and marketing Tel: 02-895-4139-54 Email: <a href="mailto:marketing@smpcplc.com">marketing@smpcplc.com</a> Website: <a href="http://www.smpcplc.com">www.smpcplc.com</a></li> </ul>

Stakeholders	Needs/Expectations	Directions	Channels for Participation and Contact
Employees*	<ul style="list-style-type: none"> <li>- Reasonable compensation and benefits.</li> <li>- Knowledge development, and work skills are strong with good progress in work.</li> <li>- Good working environment and safety at work</li> <li>- Work life balance.</li> <li>- Employee treatment with humanity principles.</li> </ul>	<ul style="list-style-type: none"> <li>- Fair remuneration and welfare, along with paying bonuses according to the company's performance each year.</li> <li>- Support, develop, and increase the knowledge, abilities and skills of employees to have a good, consistent and secured career path.</li> <li>- Take care of the working environment to be safe for life, health and property of employees.</li> <li>- Create an organizational culture in which employees are aware of the quality of work and results more than the amount of time it takes to work with supporting equipment to work. To have suitable working environment so that employees can work hard during work hours and have private time after work.</li> <li>- Respect for human rights without discrimination, race, religion, gender, social or political opinion.</li> </ul>	<ul style="list-style-type: none"> <li>- Internal communication system</li> <li>- Working satisfaction survey</li> <li>- Comment or complaint through various channels by contacting HR, executives or directors or informing via comment box or Email: cs@smpcplc.com</li> </ul>
Community and environment	<ul style="list-style-type: none"> <li>- Support the community to have a good quality of life, free from environmental problems</li> <li>- Create jobs, support, provide assistance and cooperate with people in the community</li> <li>- Conduct business with social and environmental responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>- Develop production processes to reduce the waste and various pollution</li> <li>- To employ, support, help, and cooperate with people in the community</li> <li>- The company has continued to create benefits for communities, society and the environment, both self-operating and cooperating with government and community</li> </ul>	<ul style="list-style-type: none"> <li>- Community service activities</li> <li>- Contact HR or the Environmental Impact Complaint Center Tel: 02-895-4139 Email: em@smpcplc.com</li> </ul>

Note: \*Employees mean permanent staffs, daily staffs, temporary staffs, and contractual staffs.

### 3.2.3 Sustainability Key Assessment

The company has taken into account issues related to business operations, including issues regarding to the expectations of all stakeholders throughout the business value chain, which is based on the principles of the Global Reporting Initiative (GRI) Standards. It will reflect factors influencing business operations in the areas of environmental, social and corporate governance. There are three steps of sustainability assessment as follows:

#### 1. Identifying Key Points

The company takes into account important sustainability issues related to business operations, by analyzing key issues both internal and external factors. SMPC determines the scope of sustainability development in accordance with the business strategy, taking into account the sustainability context, needs and expectations of all stakeholders throughout the value chain covering both inside and outside the organization.

#### 2. Prioritization

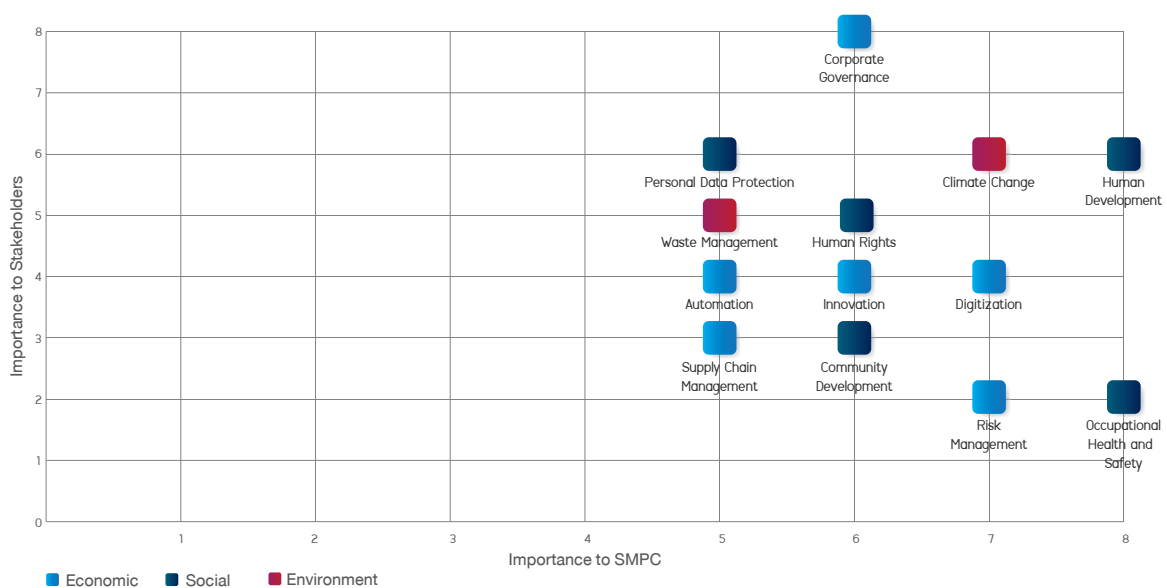
The company has included the important issues mentioned in step 1 to set prioritization, by taking into account the opportunities and severity of impacts of each issue on the values of economic, social and environmental.

#### 3. Verification of issues

Propose the prioritized issues to management for reviewing key corporate sustainability issues. The company verifies the accuracy and completeness of significant issues, to cover all aspects of economy, society and environment.

#### Assessment Results of the Sustainability Issues

The company reviewed its assessments on key sustainability issues, prioritizing the issues by considering information from stakeholders, internal and external factors affecting stakeholders and the company. Each issue is important for sustainability in different dimensions of economy, environment and society. In 2021, the company identified the key issues as follows:



From the results of the 2021 key issues ranking, there are 9 issues of importance to sustainability, which are crucial to stakeholders and important to the company: Corporate Governance, Human Resource Development, Climate Change, Personal Data Protection, Human Rights, Digitization, Waste Management, Innovation, and Automation.

The company has taken the mentioned 9 key sustainability issues, which includes economic, social and environmental, human rights, stakeholders under ethics and good corporate governance to prepare a strategic plan and directions for sustainability. This responds to the United Nations Sustainable Development Goals (SDGs) by defining development guidelines for the sustainability of businesses in 5 areas (5 Megatrends Towards Future Sustainability for SMPC) as stated in 3.1 Polies and Sustainability Management Goals

### 3.3 Sustainability Management in the Environment Aspect.

#### 3.3.1 Environmental policies and practices

The policies are as follows:

- To ensure that all functions relating to the operations/manufacturing are environmental friendly.
- To prevent accidents and to control waste discharge to be below the acceptable level, or in line with the related laws.
- To be responsible and uphold the protection of environment and also the local culture and tradition where the company operate.
- To promptly and effectively respond to any incident impacting the environment and community from the company's operations by providing full cooperation to the government officers and related organizations.
- To not perform any activity that would harm the overall natural resources and environment.

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#### 3.3.2 Environmental Performances

##### 3.3.2.1 SMPC received accreditation from ISO14001:2015

The company realized that conducting business with environmental friendly is one of that sustainable factor. In order to meet international standards, and be globally recognized, SMPC has the policy to encourage employees to efficiently utilize resources such as electric, water, oil, and appropriately control the amount of their usage. In 2017, the company received accreditation from ISO 14001:2015 i.e., management system standards of the environment. Parts of the operations related to the efficient use of resources are summarized as follows

1. Quality of water. 100% of the disinfection water from the wastewater reclamation in the production process, is reused in the factory and watering trees, hence can reduce the amount of water usage. From 2020, the company has extended its water handling capacity in order to contain more water that will be recycled.
2. Waste Disposal. The company has the suitable waste emplacement, segregation, classification, and contaminated waste depot. When the waste is up to the right amount, it is transported to the waste trader whose company meet required standard. Besides, SMPC initiated the Recycle Bank project in July 2012, as part of the company's 5 S activities. Ever since, the company has operated the project consistently, by encouraging all employees to take part in this project.
3. Electrical Energy. SMPC has invested in energy-related projects in order to reduce electricity consumption, such as changing the electric light bulbs to be energy-saving light bulbs, and consistently maintaining machinery and equipment, as well as using renewal energy from the solar cells. In 2020, the company has installed solar power systems on the factory roof, which was completed in 2021.

4. Air Quality. The company controls the rate of exhaust fumes accordance with standards specified by law. For example, SMPC decreases the dust internally before releasing the air out to the community around the factory, by having the outsource company to bring the vacuum cleaner to daily vacuum in the plant. The wet scrubber system is used in the production process. So that the fumes and dust generated by the production process are not emitted into the air, hence on effect to the environment. The related departments regularly monitor the quality of air, also have audit and maintenance plan for the machinery and equipment.
5. Level of noise. SMPC consistently monitors level of noise according to the required law to ensure of no noise pollution to the community. Wind noise reduction devices (Silencers) is used in the production process. The company also installed soundproof walls to reduce the noise caused by the factory operation. Planting trees around the factory fence is used as a soundproof wall. The company also have noise protection, such as ear plug, and ear muff for the employees who work in the environment at risk of noise pollution. The employees also are encouraged to wear personal protection equipment (PPE). The company organizes to have the hearing test on top of the annual medical checkup, for the employees who work in the loudly noise area.
6. Lighting. The company manages to have the illumination measurement in the working area, so that employees get to work with enough lighting, good working environment. This also to prevent accident while working.
7. Heat. SMPC arranges the heat measurement in the working area, and immediately correct it, if the hot environment is found to be in improper operation.
8. Greenhouse gas reduction. The company is well aware of the climate change and global warming. In 2020, the company has installed solar power systems on the roof of the factory. The system was completed in 2021. It is a source of electrical energy that does not generate greenhouse gases, reducing the amount of greenhouse gas emissions. The company has changed its business operation to be an online format, such as conference meeting, and marketing activities through digital systems. This makes it possible to reduce the carbon dioxide from travelling. In 2021, SMPC has set up policies and plans for operations, by collecting data, calculating and producing a report on the amount of greenhouse gas emissions. It is expected to be completed in 2022.

#### 3.3.2.2. Development of Production Process

The company continuously develop production process, inventory management, and logistics, which are not only to efficiently utilize resources, but also reduce cost of the company, and conserve environment. In 2021, the company improved and developed the machine which can work more efficiently and modishly. It also reduced the waste, saved more energy, and reduced releasing the pollution to the environment, as follows

1. Executed the barcode system for the working process, in order to reduce time and error from the operation. The system allows us to trace back, collect data for analysis.
2. Improved efficiency of the machine, thus reduced maintenance cost, and labor force.
3. Developed production process, by using Robot for spud welding, hence reducing labor force, increasing production capacity, reducing waste, resulting in less production cost.



4. Used Wet Scrubber in the production process, thus no smoke and dust leaking into the air, as pollution to the environment.
5. Currently installing a solar power system on the roof of the factory (Solar Rooftop), which not only to reduce the electricity cost, but also to preserve the environment sustainably.
6. Used the wind noise reduction equipment (Silencers) in the production process, and installed the soundproof walls to reduce noise pollution.
7. Expanded space of the laboratory room, and added more X-ray room in order to speed up the inspection of quality control, and increase the flexibility to inspect the quality of product in various sizes from 0.5 kg. to 300 kg.
8. Expanded a large cylinder production line with a size of 190 kg or more to meet the needs of foreign customers. The company is currently increasing the production capacity of large cylinders by adding paint sprayers and paint dryers.
9. Expanding storage and delivery area in order to be able to keep products in a systematic way, accommodating more containers, hence supporting the digital system management. It is expected to be completed in 2022.

#### Environmental training to employees

The company has the policy to raise awareness and spread the concept of efficiently resources utilization and environmental conversation to all employees via training, company's notice board, and posters. The company also organizes activities to inspire all employees to properly use resources and conserve environment. Apart from that, SMPC provided the staffs with the external training in order to gain additional knowledge and the environmental management as follows

1. ISO 14001 training to new staffs. PR team of the ISO14001 project already made the project into the training course as an annual review.
2. Campaign to separate waste for the general waste, recyclable waste and hazardous waste, which the company has been implementing continuously.
3. Publicize energy conservation both inside and outside of the organization, such as business partners or people in the community, by making brochures, contact manuals and regulations.
4. The company provides the complaint center, which is for submitting the complaint regarding to the environment impact. The center can be reached at 02-895-4139 or 24 hours via email address: em@smpcplc.com.
5. For the quarterly meeting of the Board of Directors, there will be an agenda to consider, follow up and take action in case of whistleblowing on a regular basis.

In 2021, SMPC received 1 environmental complaint from a house adjacent to the factory area about the noise at night. The company hastened to solve the aforementioned problem and has already responded to the complainant.

## 3.4 Sustainability Management in the Social Aspect

### 3.4.1 Social Policies and Practices

According to the announcement of the Capital Market Supervisory Board Divided, the policy can be classified into following principles

#### 3.4.1.1 Community and Social Responsibilities.

- The policies are as follows:
- To continuously foster awareness of responsibilities towards communities and society on the company and employees at all levels.
- To regularly organize or support activities to develop society, communities, and environment to improve the quality of life of the community where the company operates, whether by our own or jointly with the government and communities.
- To not cooperate or support any parties who conduct illegal business or pose a threat to the society and national security.
- To strictly conduct and control to ensure compliance with laws.
- To not perform any act that would damage the reputation of the country.
- The company has regularly organized activities to support society and communities. Please see the company's efforts in the development of communities and society in the clause 3.4.2.8 "CSR after Process".

#### 3.4.1.2 Fair Trade Business

The company's policy on fair trade business for all parties is as follows:

- The company shall treat all business partners and creditors with equality and fairness on the basis of mutual benefit for both parties.
- The company shall strictly abide by the contracts and agreed conditions with the business partners and creditors. In the event of non-compliance, the company shall promptly discuss with the business partners and creditors in advance to jointly seek for means to remedy and prevent the problems and possible losses. For repayment of principal, interest and collateral care under the relevant contract, if SPMC is unable to comply with any of the conditions, the company will promptly notify the business partners and creditors immediately.
- The company shall provide financial information that is accurate, complete, and truthful.
- The company shall not demand, accept, or provide any illicit benefits from/to the business partners or creditors, and shall also make every effort to prevent bribery from happening and causing damage to the company.
- The company shall compete for trade under a fair framework.
- The company shall not destroy or defame competitors' reputation, or perform any activity that is untrue and unfair.
- The company shall not seek competitors' confidential information through dishonest or illegal means.
- The company shall support the policy on Anti-Corruption in all forms.
- The company's employees shall not violate any intellectual properties or copyrights by any means such as copying, duplicating, modifying, distributing any materials including computer software. Any intellectual properties or copyrights violation is cause for disciplinary actions and punishable by laws.

In addition, the company shall avoid any activity that may cause conflict of interests except those that are for company's best interest, and the company has disclosed such transactions with possible conflict of interests in their entirety in the section 9.2 "Connected Transactions".

### 3.4.1.3 Anti Corruption

#### Anti Corruption Policy

The company does not tolerate any and all corruption including all business and all transactions in all types and all related agencies. At the same time, the company has established the anti corruption practices in accordance with this policy. The company shall regularly review the practices to ensure compliance with any change of the business laws, and to uphold the company's reputation. All Directors, Management, and Staffs shall comply with this policy.

The company received the 2nd renewal of the certification of Private Sector Collective Action against Corruption (CAC) for the next 3 years (until January, 2025)

#### Definitions in Anti-Corruption Policy

Corruption means any wrongful or unlawful exploitation to benefit oneself, one's ally, and/or others by offering, promising, requesting, demanding, giving or taking bribe, inducing an illegal action, directly or indirectly, falsifying evidences, taking company's property for personal use, acting with conflict of interest.

A political contribution is a contribution, financial or in-kind, to support a political cause. Financial contributions can include loans, donations. In-kind contributions can include gifts of property or services, advertising promoting or endorsing a political party, purchasing of tickets to fundraising events, allowing leave to staffs to join a political campaigning as company representative.

A government official means a person holding a political position, state official, or local official holding a permanent position or receiving salary. It also means worker in government agencies or in state enterprises, local management, deputy local administrator, local administrative assistant, member of the local councils of local government organizations, official under the local law, or other official as stated by law. It also includes director, sub-committee, employee of government agencies or state enterprises, and those person or groups of persons who are designated by law to exercise authorities or have been assigned to exercise administrative authorities established in the government system, state enterprises or other state affairs.

Facilitation costs are small expenses informally paid to government officials. They are given only to ensure that government officials will proceed the tasks or to encourage quicker action. The process does not require any judgement of government officials. It is an act in accordance with the duties of that state official. It is by right that a legal entity should have under the law, such as applying for a license, requesting a certificate, and receiving public services, etc.

Bribery means any form of action that is an offer, a promise, a grant, an acceptance of a claim that produces any form of benefit. It includes gifts, services, cash, or other forms that may be given directly or through another person or for another person in a manner that incentivizes any action, an action against a government official or an officer of an international organization that is against the law or against the duty of responsibility.

Hiring government officials refers to a person who is or used to be a government official or politician or adviser to a government agency, come to work for the company and may use the relationships or inside information to benefit the company or create a conflict of interest in the duties of government agencies or business regulators with the company. As a result of such action, the aim is to create an unfair business advantage, or determine policies to be beneficial to the company that former government officials have worked for.

Conflict of Interest means any situation, action or activity in which an employee's personal interests conflict with the interests of the company, whether directly or indirectly. The interests of those involved, whether related by blood or in any other way that affects decision-making, or performing duties in a position for which that person is responsible, or the benefits that a person receives, by using their position to benefit from an individual or a group of people. This affects the public interest of the company. The situation may cause the person to be impartial in making transparent decisions.

Local cultures and norms, or business practices mean festival or special days in each locality where there may be gift giving, and also including the occasions for congratulations, gratitude, welcomes, condolences, or giving any supports as socially accepted.

Staff means permanent staff, daily staff, temporary staff, and contractual staff.

#### Guidelines for compliance with Anti-Corruption Policy

1. The company's Directors, Management and Staff shall not tolerate nor support any forms of corruption, whether directly or indirectly.
2. The company sets up the guidelines for the activities which are prone to corruption for all Directors, Management and Staffs to comply as follows:
  - 2.1 Political Contributions
    - Shall be transparent, legal, and not to be used for corruption.
    - Shall prepare documents identifying the recipients, the objectives of the contributions, the details of campaigns and expenditures, and attach supporting documents to be submitted for the Board of Directors' approval.
    - The company respects the staffs' right to personally participate in or support any political campaigns. It shall be outside the working hours, and shall not exploit the company's name and properties for such activities.
  - 2.2 All line supervisors at every level is forbidden from ordering or influencing, by any means, the staffs and subordinates to participate in any political campaigns, and shall refrain from voicing political opinions which may cause ideological conflict in the workspace or inside working hours.
  - 2.3 Charity Donations
    - The company provides charity donations for the objectives of improving society, economics, cultures, and educations. The donations shall be transparent, legal, and not to be used for corruption.
    - To apply for donations, the applicant shall prepare documents identifying the recipients, the donations amount, the objectives of the donations, and attach supporting documents to be submitted for approval as per level of authority.
    - The applicant shall acquire the receipts for the donations to ensure that the donations were rightfully made in full, and shall submit the complete receipts to the accounting department for verification as per specified in the list of documents for donations.
  - 2.4 Sponsorship
    - The company provides sponsorship for the objectives of publicity, and strengthening business relationship. The sponsorship shall be transparent, legal, and not to be used for corruption.
    - To apply for sponsorship, the applicant shall prepare documents identifying the recipients, the sponsorship amount, the business objectives, and attach supporting documents to be submitted for approval as per level of authority.

- The applicant shall acquire the receipts for the sponsorship to ensure that the sponsorship were rightfully made in full, and that it was used in accordance with the objectives, and shall submit the complete receipts to the accounting department for verification as per specified in the list of documents for sponsorship.

#### 2.5 Giving and Receiving Gifts, and Business Receptions

- The Directors, Management, and Staffs shall not request, demand, or giving property or other benefits from and to any persons with business relationship with the company, except for local cultures and norms, or business practices.
- The gifts value should not exceed the value specified in the company's authority. The gifts shall not be money or with monetary value, shall not be illegal, and shall not lead to corruption.
- In the event that any staff is not able to decline gifts with value exceeding the limit, the staff shall prepare the gift receiving form, inform the line supervisor, and deliver the gift together with the form to the human resource department for appropriate processing.
- The company provides reception for the business objectives, and strengthening good relationship between the company and the business related parties.

2.6 To claim the reception expense, the staff shall prepare documents identifying the recipients, the expense amount, the business objectives, and attach supporting documents to be submitted for approval as per level of authority. The submitter shall also submit the receipts of the expense to the accounting department for verification as per claim procedures.

#### 2.7 Facilitation Payment and Bribery

- The company does not give nor receive facilitation payment or bribery in the business process, whether directly, or through company representatives, advisors, agents, contractual partners, business partners, or intermediaries under the company's direct control, which may lead to corruption.
- The staff shall avoid any activities which may lead to, or imply that the company giving or receiving the facilitation payment or bribery.
- If the staff has been asked to make payment in the name of the company, the staff should request for a receipt with the details and reasons for the payment. If the staff has any doubts, concerns, or questions about such payment, the staff should report to the line supervisors.

#### 2.8 Procurement

- Shall clearly specify the purpose of the procurement for the line supervisor's review as appropriate, and the approval must be as per company's level of authority.
- Have the price comparisons between the suppliers/services providers that are transparent and fair to all parties.
- The company has no policy to demand nor receive, offer or give any monetary or other benefits from/to suppliers/services providers in order to accept materials/services that are not qualified as per order or agreement. In case that any staff becomes aware of such event, the staff shall report to the supervisor and the purchasing section immediately to find solution together.

## 2.9 Conflicts of Interest

Directors, executives and employees avoid making transactions related to themselves, which may cause conflicts of interest with the company. The performance of duties and holding positions must not conflict with the interests of the company. Decisions regarding the company's business operations must be according to the company's best interests.

Actions and decisions of directors, executives and employees at all levels must be free from the influence of personal desires or of persons related to that directors, executives and employees, whether by their families or others. The price must be fair and reasonable as if making a transaction with the external party. If any employee have to make decision or approve an item that may have a conflict of interest, then one must report it to supervisor or participant in the approval process and withdraw from participation in that item.

All directors, executives and employees should disclose their own business transactions or partner with family, relatives, dependents or through others, that may cause conflicts of interest in business with the company or affiliated companies.

Directors, executives, employees must immediately report to the company of their interests and/or of related persons which is a stakeholder related to the management of the company. They must declare the holding of securities of the company, either directly or indirectly. In addition, they are obliged to comply with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission regarding disclosure of connected transactions.

Directors, executives and employees must not seek benefits for themselves or others by the company's confidential information or affiliated companies, such as work plans, income, financial reports, meeting resolutions, business forecasts, results from research, bidding for personal benefits, etc., which may or may not damage the company. They must strictly comply with the company's policy of internal information usage.

## 2.10 Employment of government officials

Employing government officials to hold a position of director, executive, employee, or consultant of the company, must pass due diligence, selection and control processes, to ensure that the employment of government officials is not in return for obtaining any benefit to the company and affect the honesty of the duties which has a risk of corruption.

The company must disclose information about the employment of government officials to the public for transparency and accountability.

Government officials who hold the position of director, executive, employee, or consultant of the company must not disclose the confidential information of the government agencies that they are affiliated with or were previously affiliated with. Anyhow, the company will not assign tasks to such government officials to deal with the former government agency to which that government official was previously affiliated with or affiliated with.

3. Shall provide for measures to report the financial position with transparency and accuracy, and also establishes an appropriate and effective internal control system to prevent any improper activity.
  - All accounting records shall have details that are appropriate and accurate, and shall identify payment, purchase and sales, asset management, clear transaction purpose. There shall be no falsification of the records and related documents to conceal the real transactions.
  - There shall be verification process to validate the accounting records or the data in the information system by more than one department to establish check and balance, and to prevent any improper activity.
4. There shall be process for personnel recruitment, promotion, training, performance appraisal that reflect the company's commitment on anti-corruption measures.
  - There shall be criminal record check and some appraisal with psychological tests and/or reference check to preliminarily ensure that the candidates considered by the company are of good character and possess positive attitudes.
  - Thoroughly support and promote the knowledge sharing on the anti-corruption to the Directors, Management and Staff to encourage honesty and responsibility in performing duties by showing company's commitment that corruption is wrong and unacceptable and building the concept into corporate culture.
  - The performance appraisal shall be appropriate and fair in accordance with the company's policy on quality.
  - No demotion, penalty, nor other adverse consequences for any staff that refuses bribe and corruption, even if such refusal causes the company to lose business opportunity.

5. The company shall communicate the policy and guidelines on anti corruption to the Directors, Management, staffs, company representatives, advisors, agents, contractual partners, business partners for implementation as follows:

#### Internal Communication

- For the staff to acknowledge the policy and guidelines on anti-corruption and to pass training sessions. To post sign, to distribute and to file in the E-Document system.
- For the Directors, Management and Staffs to sign and accept the implementation of the anti-corruption policy into practices.

#### External Communication

- Prepare anti-corruption policy documents as attachments in the contracts between the company and company representatives, advisors, agents, contractual partners, business partners.
  - To publish on the company's website, both in Thai and English.
6. Anyone committing corruption is in violation of company code of conduct and shall be considered for disciplinary punishment according to the company's regulations, or employment determination. In addition, a legal punishment may be applicable, if such violation is illegal.
  7. The company shall provide for safe and accessible channel of communication for the employees and related personnel to request advices on implementing the anti corruption policy, and to inform on any suspicious activities or lodge any complaints with confidence that the informant shall be suitably protected, and shall also appoint person to investigate every reported case as follows:

#### Requesting for Advices

Anyone who has question or require advices on implementing the anti corruption policy can do as follows:

1. Consult with "Human Resources Department Manager"
  - by telephone 02-895-4139
  - by post to the company address  
Soi Thientalay7 (4th Intersection), Bangkhunthien Chaitalay Road, Samaedam, Bangkhunthien, Bangkok 10150
  - Drop a letter in the comment box.
2. The requester can choose to remain anonymous. However, by providing the name, advices can be sent to the requestor directly and promptly.

#### Informing of Misconduct or Lodging of Complaints

In the event that anyone has information related to corruption, illegal activities or misconduct, or come across flaws in the internal control system of the company that represents the risk or causing damage to business, they can inform the company directly to the Chairman of the Board, the Chairman of the Audit Committee, Independent Directors, and/or Audit Committee in one of the following channels

1. by post to the company address  
92 Soi Thientalay7 (4th Intersection), Bangkhunthien Chaitalay Road, Samaedam, Bangkhunthien, Bangkok 10150



2. by email to the Company Secretary at Email: [cs@smpcplc.com](mailto:cs@smpcplc.com)  
The informing letters or complaints shall be polite, and should include
  - First name -surname of the alleged person
  - Facts of the offense, evidences, related details, with evidences attached (if any)
  - First name-surname of complainant

**The company has established measures to protect the informants or complaint lodgers as follows:**

1. The company shall treat all information about the informants or complaint lodgers as confidential, and only disclose as necessary by considering the safety of and preventing any damages to the informants or complaint lodgers (in case that the informants or complaint lodgers do not provide their name, they must provide the facts or evidences that are clear enough to identify the alleged corruption or offense).
2. The informants or complaints lodgers may request for protection as necessary and appropriate.
3. The affected parties shall be compensated for their damages under the fair and appropriate process.

**Nevertheless, the company does not accept the complaints on the following cases:**

1. The case that the inquiry panel has already accepted, or has already issued the final decision, and that there is no new and material evidence.
2. The case that the alleged person employment with the company has been terminated for more than five years.
3. The case that does not provide evidences or the wrongful behavior in clear enough details to allow for investigation.

**Handling of the Informed Offense or Complaints**

The Company Secretary shall be responsible for collecting all the submitted documents from such channels to summarize the recommendations and all topics to present to the Board of Directors for consideration and action. The company has standard in setting up an inquiry panel to ensure fairness in the inquiry and in penalizing the offender. However, in case that there are sufficient evidences that the complaints lodgers has done so in bad faith, there may be repercussion for each case as follows:

1. In case of staffs, they shall be considered for disciplinary punishment according to the company's regulations.
2. In case of external parties and causing the company damages, the company may proceed with legal action against the complaint lodgers.

**Confidentiality**

The company shall treat all the information provided by the informants or complaint lodgers as confidential, and shall not disclose anything to unauthorized parties, except in case of necessity in investigation, inquiry, legal action, as witness, in testimony, or any cooperation with the courts or authorized government agencies.

#### 3.4.1.4 Responsibilities towards Employees

The company conducts the business in accordance with the laws, supports and promotes the fundamental human rights without discrimination based on race, religion, gender, society, or political opinion, by defining in the business code of conduct as follows:

- To provide fair remuneration according to the knowledge, competencies, responsibilities, and performances of individual employee.
- To evenly and regularly support, develop, and enhance knowledge, competencies, and skills of the employees for the progress and stability in their career path.
- To support employees to take part in setting directions and solving problems for the company.
- To provide good working environment, which is safe for life, health and properties of the employees.
- To ensure that the employees' appointment, transfer, and also reward and punishment shall be considered in good faith based on the knowledge, competencies, suitability, righteousness, fairness, and equality.
- To strictly comply with the laws and regulations relating to labor laws, and employee welfare.
- To establish an appropriate human resources management system. To avoid causing any unfairness and unrighteousness that will affect the progress and stability in the employees' career.
- To treat the employees on the basis of human rights, and also respect their personal rights and duties.

#### 3.4.1.5 Responsibilities towards Customer

The company operates business on the principles of quality and to meet customers' satisfactory as follows:

- To disclose the information about the products and services that is complete, correct, fair, and up to date to the customers in order for the customers to have adequate information to make decision without covering up or misrepresenting the facts.
- To provide warranty on the products and services with appropriate terms.
- To deliver products with quality as per or higher than customers' expectation in their entirety, accurately and timely with fair conditions.
- To not deliver products or services that are substandard to the customers.
- To establish system and measures to respond to and remedy the customers' complaints promptly and to prevent the same problems from reoccurring.
- To continuously search for and develop means to reduce the manufacturing cost while maintaining the quality of the products and services as per the standards.
- To continuously search for means to improve the quality of the products to benefit the customers.
- In the event of not being able to fulfill the agreement with the customers, to immediately notify the customers in advance to jointly seek for means to remedy and prevent the problems and possible losses.
- To safeguard the customer confidential information, and to not abuse it for own or related parties' benefit.

#### 3.4.1.6. Policies and Directions of Information Technology Security.

Information technology and communication is one the factors that enhances the work efficiency of the company. Therefore, it is the duty of employee to effectively utilize them. Employees are responsible for and maintain their obtained information technology systems, not to be broken by an unauthorized access. Besides, the employees must not disclose important business information to unrelated person. In addition, the employees must use the information technology of the company with ethics, not to have a negative impact on others, nor against the statute. The management of IT department has set the authority of access to use information systems, network operating systems and applications. If there is a requisition to change the information in the information system, it must be approved by the authorized person.

On 28 May 2019, two Acts which directly relating to digital, were issued, 2019 Cyber Security Act, and 2019 Personal Data Protection Act. The company has installed and tested systems to prevent, cope with and mitigate the risks from cyber threats both within and outside the country. The company has applied the Personal Data Protection Act to be used in the organization, to protect the rights and liberty of employees and all stakeholders.

#### 3.4.1.7 Policies and Directions for Law

The company operates business based on strictly compliance with the relevant laws. Therefore, it is the duty of all employees to comply with the laws, regulations and requirements, with integrity, honest and carefulness. Each department will monitor and ensure that the staff in the department will not abuse or neglect to comply with the law.

#### 3.4.1.8 Key Issues to the Company's CSR Principles

The company assesses and identifies social responsibility issues that have a short-term impact on business operations, issues that are significant to the sustainability of the business. To set up the direction in accordance with the business strategies and business plans of operating business with social responsibility, and to earn solid support from all stakeholders, the company has studied the nature of business, and contexts such as concerns and interests of the business stakeholders, and then consider all the issues to be in line with the business goals that have been defined which shall create a balance between business and society.

For 40 years the company has been a leading gas cylinder manufacturer and aims to sustain its future. As the company adheres to the principles that are the heart and are important to the sustainability of the business as follows:

**Key point that is the core and has significant implication for the sustainability of the company:**

**Good quality of products with fair price.**

which means the products that are manufactured in accordance with each country's specified standards, and that the consumers can be confident that every LPG cylinder that is manufactured by the company and is being used has passed through all the tests at every manufacturing step. The company has

strived to improve the manufacturing process, the quality control of raw material, and the quality control of the products to strictly adhere and support all the requirements in each standard that the company's business partners recognize.

The company is aware of this material aspect, and therefore strives to maintain the quality product manufacturing under the global recognized standards. Concurrently, to prevent the risk of the product safety concerns in the future, the company has also continuously improved the manufacturing process and the product quality to support the consumers' demand for higher quality products following new standards that are regularly established and revised by the standard-setting bodies. The company has improved the testing process, and has increased the strictness of the manufacturing-line tests by setting the acceptance level more stringent than that required in the standards for the two internal pressure testing processes as follows:

1. Hydrostatic Test at the pressure 2 times design pressure (or about 4 times working pressure). The cylinder must not leak or deform according to the criteria in the standard. This test is performed after the cylinder has passed the heat treatment process.
2. Air Leak Test, after the coating and fitting of the valve, by pressuring up inside the cylinder with air to the required pressure according to the standard which shall not be lower than working pressure. Then the cylinder is put underwater for the period of time specified in the standard. For the cylinder to pass the test there must not be any leaking air bubble which indicate leakage at the weld seam or valve fitting.

### 3.4.2 Performance on Social

#### 3.4.2.1 Employees Development and Care Recruitment/Termination

The company shall recruit persons of legal age and with suitable qualifications. The company gives equal opportunities to all genders, ages, races, religions, education, including people with disabilities and other disadvantaged groups. The company shall regularly verify that it is not getting involved with any human rights violation such as abusing forced labor or exploiting child labor, as well as treat employees and job candidates with transparent and fair in all recruiting processes.

For the employee termination, the company must carry out in accordance with the established procedures correctly, treat employees fairly, and strictly follow the labor law and related requirements with respect and human right consideration.

#### Employee development

The company focuses on the development of employees' potential, by providing them with annual training and sponsoring for the external training, in order to encourage employees to develop their knowledge, and competencies, and drive employees to grow in their jobs, hence leading to sustainable development.

## Employee Remuneration

The company is fully aware that the remuneration rate must be suitable with the knowledge and competency of the employee, also in line with the market rate, in order to be fair and attractive for retaining employee in long term. For Production Department, the company pays the minimum wage, required by labor law, plus the additional payment according to the number of pieces of tasks exceeding the minimum requirement by the company. Besides, the company consistently reviews the employee earnings in order to be competitive with the market, and pays bonus according to the company performance.

## Employees' Welfares

The welfares that the company has provided, in addition to those required by laws, to enhance quality of life for the employee can be categorized as follows:

1. Welfare to help with the employees' cost of living such as providing employee canteen selling foods at special price, attendance bonuses, shift allowances, living expenses, mileage allowances, employee transport vehicles, life insurances, uniforms.
2. Welfare to help with the employees' saving plan  
The company has established provident fund for the employees' long-term benefits, and to promote saving, and motivate the employees to stay with company. The employees' contribution will be deducted from the salaries or wages at the chosen rate, and the company will match the contribution at the same rate. When the employment ends, the employees will collect the contribution plus the benefit in accordance with the defined criteria. In addition, the company also has a loan program for employees who are also the member of the provident fund.
3. Welfare in the form of cash for the employees' family events such as wedding, childbirth, death of immediate family, and scholarship for the employees' children who study well.
4. Welfare for the future stability of the employees and family such as pension for post-retirement, funeral support.
5. Welfare for the employees' quality of life, working environment, and safety such as
  - SMPC emphasizes on work life balance as well. Therefore the company has built the organization culture that the employee prioritizes the result and quality of the outcome much more than the time they spend. Also the company supports the equipment and the proper working environment. As a result, the employee can fully work during the office hour, and have their own free time after work.
  - To provide employees with health insurance, to reduce the burden of medical expenses when they are sick.
  - To provide personal protective equipment suitable for the working environment.
  - To provide for consistent security in the workplace, 24-hr security guards, closed-circuit cameras, alarm system inside the buildings, fire extinguishers, fire exits.
  - To arrange trainings on basic firefighting, fire drill and basic first-aid for the employees every year.

- To set up the company infirmary with nurses, and medical supplies and medicine as necessary, and also prepare an ambulance on stand-by 24-hr in case of emergency.
- To arrange annual medical checkup for general employees, and additional checkup according to the occupational risk factors to monitor for any impact to the employees' health related to work such as hearing test, visual test, toxicology test such as lead and Xylene in the body, and to arrange for consultation to advice on the healthcare.

### **Fairness for the Employees**

The company will set up a specific inquiry panel in the event of violation of company's regulation or fraud. The employee who is accused of wrongdoing or corruption shall be entitled to defend and prove themselves. The inquiry result shall be recorded and reported to the management for the fair process of punishment consideration, and to avoid unfair dismissal.

In 2021 and throughout the company's history, there has never been any incident of unfair treatment of the employees and there has never been any legal case on this issue.

### **Occupational Health, Safety and Working Environment**

The company established the Health & Safety Board of the Committees on 14 November 1988. The Board of Committee consists of the professionals from various departments of SMPC, and representatives from the contractor company whose roles are observers, totally of 17 persons. The term of committee is 2 years. The roles and responsibilities are as follows

1. To review the policy and procedure of the safety both on duty and out of duty in order to prevent and reduce accidents, hazards, injuries, illness, disrupted incidents from working, or unsafety working, and propose to the employer. The target of 2021 was to reduce the Lost Time Accident to be zero.
2. To report and make recommendations or corrective actions to the employer about the safety at work and safety standards. This is to ensure the safety in workplace of employees, contractors, or visitors who come for working or using services at the premises.
3. To support and promote activities of safety in workplace.
4. To review the rules and instructions in 3), including the safety standards in workplace and propose to the employer.
5. To inspect the safety actions in workplace and investigate the statistical data of the accidents at least once a month, and report to the employee quarterly.
6. To consider safety training courses in workplace, and the safety training courses regarding to the rules and responsibilities of workers, supervisors, management, employer, and all employees, and propose to the employer.
7. To set up the reporting system of the hazardous workplace, to be responsibilities of all employees to follow.
8. To follow up the issues, proposed to the employee.
9. To annually report the performance, as well as specify the problems, threats, and recommendations of the committees, to the employer.
10. To evaluate the safety performance of working in premises.
11. To operate other safety jobs as assigned by the employer.

Health & Safety Board of the Committees has monthly meeting. The agendas are to investigate the factory for locating the risk area, correct and prevent the hazards, and encourage the board to propose opinions on the additional program for employee safety.

2019-2021 Statistical data of injuries and deaths of employees

Occupational Accidents	2019			2020			2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
1 Accident without lost time	12	-	12	15	-	15	33	-	33
2 Accidents with lost time	51	-	51	59	2	61	46	-	46
3 Disabilities	-	-	-	1	-	1	-	-	-
4 Deaths	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>63</b>	<b>-</b>	<b>63</b>	<b>75</b>	<b>2</b>	<b>77</b>	<b>79</b>	<b>-</b>	<b>79</b>

In 2021, the accidents with lost time has decreased from 2020 by 25%. However, SMPC will roll out the campaign to reduce the accidents, educating the new and existing employees. SMPC will do more inspections on strictly wearing the safety equipment while working. The company will quarterly report the result of the accident and the correction plan to the management, in order to achieve the accident with lost time at the rate of zero as per the target.

### Employee satisfaction

The company has an annual employee satisfaction survey. The surveyed topics are about the goals, feeling of being part of the organization, and opportunities of employee's career, remuneration, welfare, and a safe working environment. The company then analyzes the results of the assessment for improvement and better development of employee care in a timely manner. As a result, the employees will be able to work happily, increase work efficiency, reduce the turnover rate or relocation of the company. Company conducts the survey at least once a year at the end of every year.

For the year 2021, there are 415 people who participated in the survey from a total of 447 employees, or 93% of all employees. From the 2021 employee satisfaction survey, the overall average score was 64%, which was lower than that of prior year, because in 2021 the company has adjusted the criteria of the survey. Moreover, the impact of COVID-19 outbreak caused the company to suspend some activities and training that required the gathering, to reduce the risk of pandemic. Therefore the opportunities to build relationships and meeting to exchange ideas between employees and executives directly decreased. However, the results of the assessment show that most employees understand the vision and perspective in the same direction as the organization. However, employees are proud to be a part of driving the organization, and ready to grow with the organization. Most employees are satisfied with taking care of the company. In addition, the company continues to use the opinions of employees to continuously improve human resource management.

Details of employees who participated in the survey, classified by organizational structure as follows:

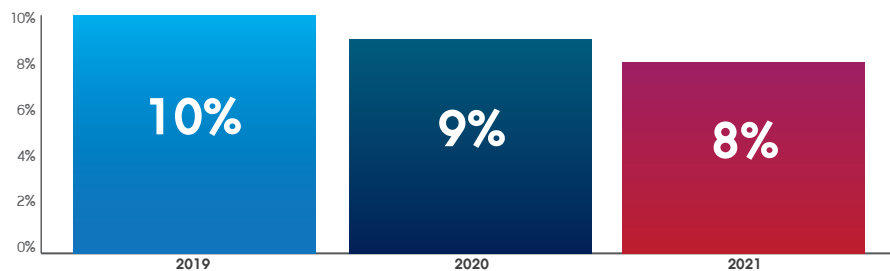
Ü	Number of employees completed the survey (person)	Accounted for % (of the participated employees)
2021	415	93
2020	389	88

#### Employee Satisfaction Survey



#### Turnover Rate

For the past three years, the company has an average employee turnover rate of 9% of the total number of employees. The turnover rate tends to decrease every year, which is a voluntary resignation. All employees who voluntarily resign will be interviewed about the reasons for their resignation. So that the company will collect it as a comment for further development and improvement of the quality of life of employees.



#### 3.4.2.2 Anti-Corruption

##### Actions related to the Anti-Corruption

The company still emphasizes on managing business in compliance with corporate governance and supporting anti-corruption. The company shall not give nor take any and all bribe, and has a clear and transparent review of all processes to ensure that the company has effective risk protection on anti-corruption within the company. The company has established a concrete anti-corruption policy and distribute to all staffs, business partners or stakeholders of the company including all business and all transactions in all countries and all related organizations to be all aware that the company does not tolerate any and all corruption. The company has prepared and distributed case studies including advices and guidelines for the staffs in case they notice any corruption. In addition, the company also regularly reviews the anti-corruption policy every year to be in line with the ever-changing business environments. Regarding compliance with this policy, the company specifies that the Directors, Management and Staffs must all comply. (Please see details of the Anti-Corruption Policy in Section 3.4.1.3)



### **Controlling to Prevent and Follow up the Risks from Corruption**

In 2021, from the result of internal audit and anti-corruption system review, there was no incident or any indication of corruption. All the receptions, donations, and gifts giving, were executed according to normal business practices, and there were no employee receiving or demanding any benefits from the company's business partners. The procurements were in accordance with the company's regulations. SMPC still executed the anti-corruption policy by reviewing it to the existing staffs to ensure the corruption comprehension, and educating the policy to the new staffs via the orientation.

On 23 December 2021, the Board of Directors' meeting no. 7/2021, has reviewed and passed a resolution to use the policies and directions of anti-corruption, 1st edition on 10 August 2021.

#### **3.4.2.3 Human rights**

SMPC is well aware of taking good care of employees, customers, business partners, communities, the environment and stakeholders. Therefore the company always ensure that there will be no human right impact on those stakeholders from the production process and business operations of the company.

Due to the diversity of employees from race, gender, age, political opinion, religion and disability, the company encourages the Board of Directors, executives, employees and stakeholders to treat each other with respect, on the basis of human dignity, not to affect the rights and liberties of others, which is against the provisions of the law.

Employees who have been affected by violations of human rights, can submit a complaint by contacting the personnel department, the executives or the directors as follows:

1. by post to the company address  
92 Soi Thientalay7 (4th Intersection), Bangkhunthien Chaitalay Road,  
Samaedam, Bangkhunthien, Bangkok 10150
2. by email : [cs@smpcplc.com](mailto:cs@smpcplc.com)

Year 2021, the company has not received any complaints from employees, customers, business partners, community and related persons in terms of human rights violations. The company continues to focus on developing communication channels to cover all groups of stakeholders.

#### 3.4.2.4 Non-violation of Intellectual Properties or Copyrights

Referring to the policy on non-violation of intellectual properties or copyrights by any means such as copying, duplicating, modifying, distributing any materials including computer software, the company has specified that the Management has the responsibility to consistently monitor to prevent any violation of intellectual properties by using systematic processes such as preparing annual budget plan for licensed products subscription, preventing personnel outside of System Management department from installing computer software by themselves and also having regular computers check-up plans. In addition, these measures also include forbidding distribution of company's confidential information, data from the ideas and technical knowledge related to the business which are company's intellectual properties, whether they are registered under the intellectual properties laws or not.

Besides, SMPC staffs must protect all kinds of company's trade secrets, secret formula, or commercial secrets. All confidential information must not be revealed to the outsiders.

#### 3.4.2.5 Selecting Business Partners

SMPC emphasizes and retains relationship with business traders as business alliances, by holding on to mutual benefits. For sourcing each product and service, the company seeks from many suppliers in order to gain more bargaining power, reduces cost per unit from economy of scale, resulting in increasing more opportunity for business traders. The company has standards to seek for qualified and suitable business partners who can supply the required product and service with no impact on environment. The criterion that the company applies for seeking business partners are as follows:

1. The production capability per year, and the credible financial status, high potential to grow with the company in long term.
2. Number of employees
3. Name of key customers and after sales service.
4. Accredited by international standards.

In order to control product quality, and evaluate performance of business partners, production department shall evaluate quality of product and service of business partners every 6 months - 1 year.

#### 3.4.2.6 Customer Confidentiality

Customer Confidentiality

The company recognizes the importance of personal data. In order to comply with the Personal Data Protection Act (PDPA), B.E. 2562, the company has developed a guideline to inform, collect, disclose, use or transfer of personal information as well as data security. The content covers various details as required by law. The company has uploaded the personal data protection policies including a requisition form for personal information on the company website.

### Customer Satisfaction Survey

SMPC annually conducts the customer satisfaction survey in order to evaluate the company performance in 3 areas, Product & Quality, Service, and Delivery. The survey result will be used to continuously improve and develop all processes, in order to reach maximum of customer satisfaction.

The findings of the survey results show that overall customer satisfaction points in 2021 was at 86%. Nevertheless, the survey evaluation and customer advice will still be applied continuously for developing and improving the product and service, hence receiving maximum customer satisfaction and loyalty.

#### 3.4.2.7 Innovation and Innovation Promotion through CSR

##### Research and Development

One of the strategies for the company's growth is to launch High Value-Added Product which is expected to be in demand, to enhance the consumers' quality of life, and also reduce or eliminate the environmental impact. In general, there are only few manufacturers of such products, or it would require special skills and expertise in manufacturing process. These products, in addition to generating sales for the company, are also supporting sustainable growth of the company. The products that the company researched and developed are as follows:

1. RFID / Barcode / QR Code Cylinder Tracking for customers in particular countries that need technology for tracking the LPG cylinder, and inventory management. SMPC has developed production process by increasing the RFID installations, Barcode, and QR Code in the cylinder to satisfy customer. As a result, the company has continuously gained trust and satisfaction from customer.
2. Apart from the 190 kg. LPG cylinder, which was developed in 2019, SMPC jointly with customer from Korea, researched and developed 200 kg., 250 kg., and 300 kg. LPG cylinders which were large for industries. These large cylinders will be more convenient for the customers/consumers, because they replace many small cylinders in the factory, reduce storage area, and save maintenance cost of the gas equipment such as valves, hoses/pipes.
3. The 40 lb., and 100 lb. of LPG cylinders with wheels are the products that serve convenience for customers to move them around.
4. LPG Cylinder installed in recreational vehicles (RV tanks). RVs are popular abroad for residential purposes, and used for travelling. RV Tank will be installed as fuel for RVs, which the company has developed the products to expand the new customer base to meet the needs of these customer groups.

#### 3.4.2.8 CSR after Process

Every year the company has supported or joined many CSR activities for remote communities or communities in need. 2021 was the year of the Covid-19 epidemic, the company was unable to travel or engage in community activities as much as the prior year. However, when government reduce lock-down measures, the company has organized activities with the community. In summary, company activities and CSR activities are as follows:

# 2021 Company Activities and Corporate Social Responsibilities

## 1. Internal Activities

### 1.1 40th Anniversary Celebration of the Company in 2021

Employees of the company participated in making merit, offering Sangkhathan and food to the monks on 15-17 February, 2021 to be auspicious for the company and employees.



### 1.2 The company organizes a 40-Year SMPC Mascot Design Contest.

The 40-Year SMPC Mascot Design Competition Activity, which is part of the 40th Anniversary Celebration of Sahamitr Pressure Container Public Company Limited in March 2021, aims to create a unique mascot of the company, including to promote and provide opportunities for employees to participate in presenting knowledge, talent and creativity for the mascot design. Khun Pattama Laowong, Seniro Vice President (Office) presented the award and congratulated the winner of the design contest according to the committee's judgement on April 5, 2021.



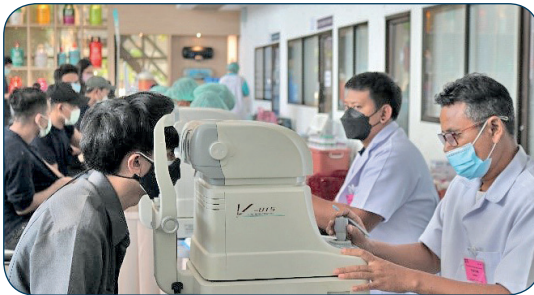
### 1.3 2021 Scholarship Program Offered to Children of SMPC Employees

SMPC rolled out the program to support and give educational opportunity to employees' children, also to keep morale among employees. This is the first milestone for people and country development. The scholarships were given to the qualified children by the selection criterion, on 27 April 2021. Due to the situation of COVID-19, the company organized scholarship award ceremony online.



#### 1.4 2021 Annual Medical Checkup

For the health and wellbeing of the company staffs, SMPC organized medical checkups for all the executives and employees by the medical team from Bangpakok 8 Hospital on 10 March, and 17 November 2021



#### 1.5 2021 Company's Annual Ceremony

To strengthen good relationship and moral of employees for the company, SMPC organized lunch feast, lucky draw, and giving gift. The company also presented certificates of the 2021 excellent staff awards to the employees on 30 November, 2021.



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### 2. External Activities

#### 2.1 2021 Annual General Meeting of Shareholders

On 31 March, 2021, the meeting was an online via electronic media (E-AGM) for shareholders to participate in decision-making on important matters, sharing useful suggestions in order to improve and develop for the benefit of the company in the future.



## 2.2 Sahamitr Pressure Container Public Company Limited Taking Part with Thai Society for Fighting Against COVID-19.

SMPC is taking part with Thai society to jointly fight against COVID-19. The company has donated medical supplies, face mask, spray alcohol, rice, beverages and boxed meals to medical personnels, hospitals, government agencies and communities, with details as follows:

- On 21 May 2021, Mr. Yuen Riyatanon, Engineering Consultant donated 300 sacks of rice to Bang Khun Thian District to help those who were quarantined and those affected by the COVID-19 epidemic.
- On 26 May 2021, Mr. Jeerawut Laowong, Assistant Managing Director (Factory) presented 200 boxes of food and snacks to medical personnel at Phramongkutklao Hospital.
- 25 – 27 May 2021, Mr. Suwit Mongkolvanichaya, Human Resources Manager handed out masks, spray alcohol, and beverages to the communities around the company and government agencies.
- On 27 May 2021, Ms. Kanya Wipanurat, Assistant Managing Director donated high flow oxygen generator, face mask, spray alcohol, and beverages to Bang Khun Thian Field Hospital (Geriatric Hospital)

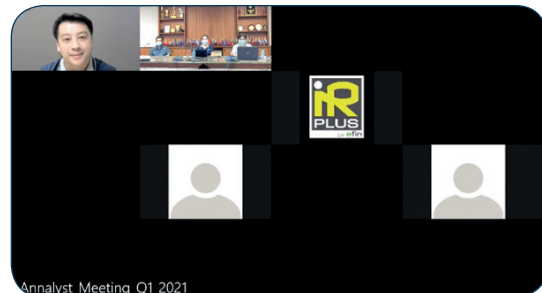
The company determined to help and support government agencies, hospitals, medical personnel, communities and all sectors to pass through this situation together.



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## 2.3 Analyst Meeting

Analyst participated the SMPC Analyst Meeting via Zoom Meeting. The meeting were held quarterly on 16 February, 17 May, 11 August, and 11 November 2021 in order to update on company's performances and directions.



## 2.4 Opportunity Day

SMPC Executive Team presented the company's performance for 2020 and the first half of 2021, 9 months cumulative operating results in 2021, and business direction to investors, analysts, and the media in "Opportunity Day", held on 4 March, 10 September, and 16 December 2021 via online meeting by Microsoft Team.



## 2.5 SET Awards 2021 Ceremony

SET and banking journal publisher announced the results and awarding of the 18th SET Awards 2021 on 3 November 2021 to honor the listed companies, security companies, asset management companies, financial advisory companies, and top executives of listed companies that are outstanding from the working devotion under the challenges of impact both the economic and social aspects of the COVID-19 crisis, and strongly adjusting themselves to the dynamic circumstances. Mr. Surasak Erbsirisuk, Chairman of the Executive received the Outstanding CEO Award. SMPC also received the Outstanding Company Performance Award from the SET Awards 2021.



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## 2.6 2021 Annual Fire Drill

To educate employees and create awareness about safety, the company executives together with employees participated the 2021 annual fire drill at the company premise by the fire team from Dao Khanong fire station on 3 December 2021.



# 4. Management Discussion and Analysis: MD&A

## 4.1 Analysis of Financial Status and Operating Results

### 4.1.1 Summary of Operating Results

In the year 2021, the company's sales revenue increased by 576.97 million baht (14.5%) from 3,973.38 million baht to 4,550.35 million baht, which 93% of the total sales were from export sales (see section 4.3.2.6 sales segmented by geography). Most sales remained in two-piece cylinders, which is the size of the LPG cylinder used by household (see section 4.3.2.5, sales by product type). The sales has increased because of higher average selling price in concurrent with an increase worldwide raw material (Steel) price. Moreover, sales proportion of 3-piece cylinders which are more expensive than other products increased. However, sale volume of 2021 were close to that of 2020 affected from lack of shipping space, hence obstacle to export and more ending finished goods. For customers' demands, especially customers in North America, demands are still growing. Finally, the company, as an exporter, benefited from Thai Baht depreciation.

With higher competitive market, the company continues to focus on expanding markets and products with high profit margins. As a result, the company was able to maintain a profit margin nearly the same as prior year. This year's gross margin was 24.0%, last year was at 24.4%. Although during the year, distribution costs such as transportation costs fluctuated and increased significantly, the company has adjusted the selling price by excluding freight (FOB) to reduce the impact of such volatility. Besides, the company managed to exercise income tax exemption from investment incentives by BOI. The construction of machinery that improved production efficiency and saves energy, while administrative expenses and financial costs were similar from the company's policy in managing costs and expenses. As a result, this year's net profit margin was 15.0%, a slightly increase from the previous year of 14.7%.

### 4.1.2 Operating Results

The operating results in 2021 were different from that of 2020 due to following reasons:

#### Revenue from Sales

Total sale revenues increased Baht 576.97 million (14.5%) from Baht 3,973.38 million to Baht 4,550.35 million because of higher selling price in concurrent with an increase of worldwide market price of raw material (Steel). Moreover, sale proportion of 3-piece cylinders which are more expensive than other products increased. It also increased from the steadily increasing demand from customers in North America and the effect of the Thai Baht depreciation.

#### Cost for Sales

Cost of sales increased Baht 452.99 million (15.1%) from Baht 3,003.30 million to Baht 3,456.29 million in concurrent with an increase in total sale revenues. Cost increased due to an increase in raw material price (steel). However, the company already adjusted selling price to be in line with the cost changes.



#### Gross Profit

Gross profit increased Baht 123.98 million (12.8%) from Baht 970.08 million to Baht 1,094.06 million in concurrent with an increase in sale revenues. Gross profit margin of 2021 is at 24.0% which close to 2020 at 24.4%.

#### Other Income

Other income increased Baht 60.46 million (24.7%) from Baht 244.29 million to Baht 304.75 million from revenue from scrap sale increased in concurrent with an increase in steel market price

#### Cost of Distribution

Cost of distribution increased Baht 98.16 million (40.3%) from Baht 243.40 million to Baht 341.56 million because freight expenses to all regions have sharply increased since the end of 2020, net with sale promotion expense decreased.

#### Financial Cost

Financial costs increased Baht 2.48 million (30.2%) from Baht 8.20 million to Baht 10.68 million because liabilities from imported raw materials increased regarding to raw material price increased, while interest rate maintained nearly the same.

#### Income Tax

Income Tax decreased Baht 27.96 million (19.0%) from Baht 147.04 million to Baht 119.08 million while operating income increased because the company granted for an exemption from corporate income tax from Board of Investment (BOI)

#### Profit for the Year

Profit for the year increased Baht 109.07 million (17.6%) from Baht 618.71 million to Baht 727.78 million because of increases in sale revenues, gross profit and other income, net with increases in cost of distribution financial cost and income tax benefit.

### **4.1.3 Financial Status**

#### Assets

As of 31 December 2021, total assets of the company increased by 1,110.80 million baht (34.5%) from 3,220.30 Million Baht to 4,331.10 Million Baht. The changes of assets were as follows:

- Cash and cash equivalents, and net short-term investments increased by 228.76 million baht (39.8%) from 574.75 million baht to 803.50 million baht, due to increased cash reserves for the increased price of raw materials, and company's cash flow, such as paying creditors, payment of wages and other expenses.
- Trade accounts receivable increased by 211.76 million baht (52.5%) from 403.17 million baht to 614.93 million baht due to a large increase in sales at the end of the year.
- Inventories increased by 529.91 Million Baht (57.2%) from 926.46 Million Baht to 1,456.37 Million baht. This was due to the import of raw materials to be in line with the sales plan in Q1 / 2022. The market price of raw materials increased significantly from the previous year, approximately 65%. In addition, the troubled transportation situation since the end of 2020 resulted in an increase in finished goods awaiting for delivery due to insufficient space for ships. However, the company has managed to plan in advance and closely monitor the situation.

- Land, buildings and equipment increased by 90.94 million baht (7.8%) from 1,173.08 million baht to 1,264.02 million baht due to the expansion of the area of factory buildings and finished goods warehouses. The company also built and installed new machines and equipment to improve production efficiency and to save energy.

#### Liabilities

As of 31 December 2021, total liabilities of the company increased from 2020 by 800.69 Million Baht (75.2%) from 1,064.77 Million Baht to 1,865.46 Million Baht. The changes of liabilities were as follows:

- The company has imported more of the main raw materials, hence the Trust Receipt (short term import loan), trade account payable and other payable increased by 817.76 Million Baht (109.8%). In addition, the advance receivable from customers increased by 22.69 million baht (38%) partly from the advance payment of products, which was scheduled to deliver in quarter 1/2022.
- Income tax payable decreased while operating results improved from the previous year. This year, the company was exempted from some income tax under the BOI privileges.
- Accrued expenses such as accrued shipping costs decreased due to the fluctuating shipping cost situation. This caused the company to adjust the selling price to exclude shipping costs.

#### Shareholders' Equity

As of 31 December 2021, the shareholders' equity was 2,465.63 Million Baht, which increased by 310.10 Million Baht (14.4%) from 2,155.53 million baht. The changes of shareholders' equity were as follows:

- Income for the year 2021 was the amount of 727.78 million baht.
- Accumulated profit decreased due to the 2020 dividend payout of the second half of the year (from the company's operating period of 1 July - 31 December 2020) amounted 230.26 Million Baht. Apart from that, there was an interim dividend payout from the company's operating period of 6month ended on 30 June 2021, amounted to 187.42 Million Baht. Altogether total dividend payout for 2021 amounted to 417.68 Million Baht.

#### Cash Flow

The company's cash and cash equivalents decreased from the year 2020 by 28.16 Million Baht (48.8%) from 57.66 Million Baht to 29.50 Million Baht due to:

- Net cash of Baht 122.17 million used in operating activities for raw material reserves to be in line with the sales plan, payment of liabilities and VAT awaiting for refund from imports of raw materials, and finished goods waiting for delivery due to the transportation situation from insufficient space on the ships.
- Net cash of 407.02 Million baht used in investment, mainly for the working capital in short-term investments of 255.60 million baht with better returns than bank deposit. The company also invested 158.14 million baht in construction for factory expansion, finished goods storage, including the construction and installation of new machinery and equipment to improve production efficiency and for energy saving.
- Net cash of 501.04 Million baht from financing activities from short-term loans from banks, an increase of 924.73 million baht from imported raw materials (steel) and cash dividend payments of 418.60 million baht.

#### Liquidity Ratio

At year end of 2021, the company had the current ratio of 1.6 times, which was lower than that of 2020 at 1.9 times. The quick ratio has decreased from 1.0 times in prior year to 0.8 times this year. As the company used more working capital to purchase raw materials (steel) for production, reserving more for customer's purchase order. Steel prices increased dramatically according to the world market prices. In addition, the inventories of finished goods at the end of the period increased due to the space shortage from the aforementioned transportation situation.

#### Profitability Ratio

In 2021, the return on equity increased from 31.0% from prior year to 31.5% this year which was correlated to the sales increase. The company managed to maintain the profitability. This year's gross margin was 24.0%, close to 24.4% of last year. Despite being affected by the transportation situation, causing the delivery to not go as planned, the company adjusted the strategy and effectively planned the delivery management that enabled to control cost and expenses. Moreover, the company received partial income tax exemption from BOI incentives from the construction of machinery that improved production efficiency and saved energy. As a result, net profit margin (to total revenue) increased from 14.7% last year to 15.0% this year. Profitability is a result of the company's strategy which focused on expanding markets and products with high profit margins, and efficient cost management.

#### Efficiency ratio and asset management

In 2021, sales revenue increased by 14.5% from the previous year due to the higher average selling price because the company adjusted the selling price to be in line with the increase of worldwide market price of raw material (steel). Besides, the sales proportion of the 3-piece cylinders (high price) also increased. It also increased due to the continued growing demand from North America customers and the Thai Baht depreciation. The company's return on assets dropped from 26.9% last year to 22.4% this year. This was due to an increase in raw material reserves to support orders scheduled for delivery in 1st quarter of 2022, raw material prices increased according to the world market prices, and more finished goods inventories due to the inadequate shipping in the cargo area, and the increase of trade accounts receivable from the last quarter's sales.

In the policy of granting credit to debtors as discussed in clause 2, "Risk Management", Sub-clause 2.2.1 "Risks to the Company's Business Operation" "Monetary Risks" "2. Trade credit risk". The company has a financial policy in terms of sales, by providing L / C or paying deposit partially in advance or the whole amount before shipping. The company gave credit limit for customers who trade with the company for a certain period of time, by reviewing of all customer credit policies and limits. Normally, the credit term ranges from 30-90 days, depending on the financial status of customers and the time the company trades with them, In addition, the company also reviews the credit risk annually, by considering the financial statements of customers in order to assess their reliability in financial position. Besides, most of customers are global gas and oil traders, from the past to the present, the company has never had a case of trade bad debts. By reviewing the statements of trade accounts receivable, the company has outstanding accounts receivable more than 3 months, accounting for 1.7% of total receivables, which the company has been following regularly.

For the inventories, the company's production policy is to produce by customer order, no inventory of finished goods, hence saving inventory cost. For the main raw materials (steel), the company has a policy to order steel as per the production and delivery plan, to prevent the fluctuation of steel prices that may occur. Due to the volatile transportation situation and the tonnage shortage since the end of 2020, the company has increased its storage of finished goods for delivery. In addition, the company reserved additional raw material (steel) to be in line with the longer delivery time, but still according to the production plan and the purchase orders. The continuous increase in steel prices caused the value of raw materials to increase. However, steel is a durable product that is difficult to deteriorate, hence no risk from obsolete products or deteriorate.

#### Financial Policy Ratio

At the end of 2021, the company's debt to equity ratio increased from 0.5 times last year to 0.8 times this year, and interest-bearing liabilities to earnings before interest, income tax, depreciation and amortization increased from 0.5 times last year to 1.4 times this year. This was due to increased working capital from purchasing raw materials to support received orders, which was scheduled to deliver in first quarter of 2022, as well as the worldwide price increase of raw materials.

In addition, the interest coverage ratio decreased from 102.2 times last year to 86.9 times this year, though there was an increase in operating profit. This was due to the increase of interest expenses from the increase in raw material (steel) prices, causing the debt burden from the purchase of raw materials to increase, while the interest rate was nearly the same.

This year, the company paid a dividend at a rate of not less than 60% of net profit, which was in line with the company's dividend payment policy.

#### 4.1.4. Liabilities obligation and off-balance sheet obligations

At the end of 2021, in addition to the liabilities that the company has recorded in the financial statements, the company has off-balance sheet liabilities, including

- (1) Obligations under domestic bank guarantees for performance bonds, utilities usage and others totaling Baht 155.34 million.
- (2) Obligations under domestic bank to issue letter of credit for inventory importation Baht 720.58 million.
- (3) Obligations under construction agreement, the Company has commitment to pay for the remaining amount of Baht 26.03 million when the construction ready for use.
- (4) Obligations in respect of material purchase agreements, the Company has commitment to pay for the remaining amount of Baht 59.33 million when received goods.

## 4.2 Integral Changes after the Date of the Latest Financial Statements, and Possible Impacts on the Financial Status and Operating Results

At the Board of Directors' Meeting held on 14 February 2022, the Board of Director passed a resolution to propose to the Annual Shareholders' Meeting to approve dividend payment from the profit for the year ended 31 December 2021 of Baht 0.82 per share, of which an interim dividend payment for the six-month period ended 30 June 2021 had been paid of Baht 0.35 per share for 535,506,333 shares, totaling Baht 188 million on 9 September 2021. Therefore, the remaining dividend payment for approval for the period from 1 July 2021 to 31 December 2021 are Baht 0.47 per share, totaling not exceed of Baht 252 million.

## 4.3 Cash flow, liquidity and financial ratios

### 4.3.1 Auditor's report for the past 3 years

2021	The auditor's report was unconditional, without Key Audit Matter.
2020	The auditor's report was unconditional, without Key Audit Matter. There was the financial statements of the year 2019 which were presented comparatively, audited by another auditor within the same office.
2019	The auditor's report was unconditional, without Key Audit Matter.

#### 4.3.2. Summary of financial status, operating results, and significant financial ratios in the past 3 years

##### 4.3.2.1 Financial statement

Financial statement (Thousand Baht)	2019	2020	2021
Cash and cash equivalents	12,683	57,655	29,501
Short-term investment	157,165	517,090	774,003
Trade account receivables	456,560	403,172	614,930
Inventories	633,344	926,455	1,456,368
Refundable value added tax	10,546	11,930	54,414
Advance payment for goods	-	-	13,640
Other current assets	22,800	20,499	20,088
Total current assets	1,293,098	1,936,801	2,962,944
Restricted deposit with banks	36,502	36,694	30,098
Investment property	59,780	60,416	60,506
Property, plant, and equipment	1,070,820	1,173,084	1,264,024
Deferred tax asset	12,252	12,856	13,077
Other non-current assets	432	448	448
Total non-current assets	1,179,786	1,283,498	1,368,153
<b>Total assets</b>	<b>2,472,884</b>	<b>3,220,299</b>	<b>4,331,097</b>
Short-term loans from banks	141,603	371,590	1,308,025
Trade account payables	312,485	372,817	254,145
Portion of liabilities under lease agreements due within 1 year	3,301	1,854	2,252
Advances received from customers	6,360	59,660	82,349
Accrued commission expenses	28,882	37,016	30,198
Accrued transportation expenses	19,279	37,288	24,913
Accrued income tax	38,607	67,624	47,809
Other accrued expenses	29,262	47,596	42,469
Other current liabilities	6,990	8,639	10,735
Total current liabilities	586,769	1,004,084	1,802,895
Finance lease liabilities	-	3,108	2,050
Liabilities under post-employment benefits	54,350	57,576	60,519
Total non-current liabilities	54,350	60,684	62,569
<b>Total liabilities</b>	<b>641,119</b>	<b>1,064,768</b>	<b>1,865,464</b>
Issued and fully paid-up shares	535,506	535,506	535,506
Premium on share capital	55,091	55,091	55,091
Retained earnings - allocated for legal reserve	53,641	53,641	53,641
Retained earnings – not allocated	1,187,527	1,511,293	1,821,395
<b>Total shareholders' equity</b>	<b>1,831,765</b>	<b>2,155,531</b>	<b>2,465,633</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,472,884</b>	<b>3,220,299</b>	<b>4,331,097</b>

#### 4.3.2.2 Statement of Profit and Loss and other Comprehensive Income

Statement of Profit and Loss (Thousand baht)	2019	2020	2021
Revenue from sales and services	3,255,959	3,973,381	4,550,352
Cost of sales and services	(2,588,868)	(3,003,300)	(3,456,296)
<b>Gross profit</b>	<b>667,091</b>	<b>970,081</b>	<b>1,094,056</b>
Other income	175,637	244,285	304,755
Selling and distribution expenses	(179,091)	(243,402)	(341,555)
Administrative expenses	(172,152)	(197,016)	(199,706)
Services cost	(14,054)	-	-
<b>Total expenses</b>	<b>(365,297)</b>	<b>(440,418)</b>	<b>(541,260)</b>
Operating profit	477,431	773,948	857,550
Finance costs	(13,652)	(8,200)	(10,684)
Profit before income tax	463,779	765,748	846,866
Income tax	(88,580)	(147,037)	(119,088)
<b>Profit for the year</b>	<b>375,199</b>	<b>618,711</b>	<b>727,778</b>
Estimated loss by actuarial principles - net of tax	-	(426)	-
<b>Total comprehensive income for the year</b>	<b>375,199</b>	<b>618,285</b>	<b>727,778</b>
<b>Basic earnings per share (baht / share)</b>	<b>0.70</b>	<b>1.16</b>	<b>1.36</b>

#### 4.3.2.3 Cash flow

Cash flow (Thousand Baht)	2019	2020	2021
Cash Flow from (used in) Operating Activities	761,373	618,132	(122,169)
Cash Flow from (used in) Investing Activities	(120,640)	(519,935)	(407,021)
Cash Flow from (used in) Financing Activities	(707,159)	(53,225)	501,036
<b>Cash Flow Increase (Decrease)</b>	<b>(66,426)</b>	<b>44,972</b>	<b>(28,154)</b>
Cash and Cash Equivalents at Beginning of the Year	79,109	12,683	57,655
<b>Cash and Cash Equivalents at YearEnd</b>	<b>12,683</b>	<b>57,655</b>	<b>29,501</b>

#### 4.3.2.4 Financial Ratio

Financial Ratio	2019	2020	2021
<b>LIQUIDITY RATIO</b>			
Liquidity ratio (times)	2.2	1.9	1.6
Quick turnover ratio (times)	1.1	1.0	0.8
Cash flow liquidity ratio (times)	1.0	0.8	-0.1
Accounts receivable turnover ratio (times)	7.3	9.2	8.9
Average collection period (days)	49	39	40
Finished goods turnover ratio (times)	54.1	37.0	22.6
Average finished product sales period (days)	7	10	16
Inventory turnover ratio (times)	3.4	3.9	2.9
Average product sales period (days)	105	93	124
Account payable turnover ratio (times)	11.2	8.8	11.0
Payment period (days)	32	41	33
Cash Cycle (days)	24	8	24
<b>PROFITABILITY RATIO</b>			
Gross margin	20.5%	24.4%	24.0%
Operating profit margin	13.5%	18.2%	17.4%
Ratio of other income to total income	5.1%	5.8%	6.3%
Cash-to-profit ratio	164.2%	80.7%	-14.4%
Net profit margin (Per gross income)	10.9%	14.7%	15.0%
ROE	20.9%	31.0%	31.5%
<b>EFFICIENCY RATIO</b>			
Sales growth	-26.9%	22.0%	14.5%
Return on assets (ROA)	17.9%	26.9%	22.4%
Return on fixed assets	40.6%	60.9%	65.5%
Asset turnover rate (times)	1.3	1.5	1.3
<b>FINANCIAL POLICY RATIO</b>			
Debt to equity ratio (times)	0.4	0.5	0.8
Interest Coverage Ratio (Times)	39.4	102.2	86.9
Interest bearing debt to EBITDA ratio (times)	0.3	0.5	1.4
Coverage of obligation (times)	2.1	1.3	-0.8
Dividend rate	60%	69%	60%

\*Note: 1. Since Q4 / 2018, the production capacity has increased from 8.2 million pcs. /year to 10.0 million pcs. /year, resulting in the average for 2018 at 8.65 million pcs. /year. 2. The company paid dividends since 2014.



#### 4.3.2.5 Sales by Product Type

Sales by Product Type	2019	2020	2021
Two-Piece Cylinders	83%	80%	73%
Three-Piece Cylinders	16%	19%	26%
Others	1%	1%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

#### 4.3.2.6 Sales by Geography

Type	2019		2020		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Domestic market	309.42	10	97.28	2	306.86	7
International market	2,946.54	90	3,876.10	98	4,243.49	93
<b>Total</b>	<b>3,255.96</b>	<b>100</b>	<b>3,973.38</b>	<b>100</b>	<b>4,550.35</b>	<b>100</b>

#### 4.3.2.7 Statement accounts receivable period

(Thousand Baht)	2019	2020	2021
Not yet due	350,352	321,854	399,504
Overdue:			
Less than 3 months	106,208	57,469	204,811
More than 3 months up to 6 months	-	23,840	5,009
More than 6 months up to 12 months	-	9	5,500
More than 12 months	-	-	106
<b>Total</b>	<b>456,560</b>	<b>403,172</b>	<b>614,930</b>

#### 4.3.2.8 Liabilities obligation and off-balance sheet management

Obligation	Total	Payment term		
		When asked	within 1 year	more than 1 year
Short-term loans from banks	1,308,025	-	1,308,025	-
Trade payables and others	254,145	254,145	-	-
Lease liabilities	4,302	-	2,252	2,050
<b>Total</b>	<b>1,566,472</b>	<b>254,145</b>	<b>1,310,277</b>	<b>2,050</b>

## 5. General Information and others

### 5.1 ข้อมูลทั่วไป

(a) **Registrar**

Thailand Securities Depository Co., Ltd.  
93 Ratchadaphisek Road, Dindaeng, Bangkok 10400  
Telephone: (02) 009-9000 Fax: (02) 009-9991

(b) **Debenture Holders' Representative**

None

(c) **Certified Public Accountants**

Miss. Kanyanat	Sriratchatchaval	C.P.A. Registration number 6549 or
Mr. Narin	Churamongkol	C.P.A. Registration number 8593 or
Miss. Amornjit	Baolorphet	C.P.A. Registration number 10853 or
Miss Saranya	Akkaramahapanich	C.P.A. Registration number 9919

Grant Thornton Co., Ltd.  
11th Floor Capital Tower, All Seasons Place  
87/1 Wireless Road, Bangkok 10330  
Telephone: (02) 205-8222 Fax: (02) 654-3339

(d) **Internal Auditors**

Dharmniti Auditing Co., Ltd.  
178 Dharmniti Building, 5th floor, Soi Permsap (Prachacheun 20), Prachachuen Rd,  
Bangsue Bangkok 10800  
Telephone: (02) 596-0500

(e) **Legal Advisors**

1) **CSBC Law Offices**

14th Floor Sathorn Thani Building  
90/37 North Sathorn Road, Silom, Bangrak, Bangkok 10500  
Telephone: (02) 233-6660-3 Fax: (02) 233-6664

2) **Thep Law Office**

11th Floor EXIM Building, Office 1106-1108  
1193 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok 10400  
Telephone: (02) 278-1679-84 Fax: (02) 271-2367

3) **Mr. Veerayut Hangsapruak**

9/54 Soi Therdrachan 5, Therdrachan Road, Sikan, Don Mueang, Bangkok 10210  
Tel. 084-963-0022

4) **Lawers office of Theeraphon and friends**

347 Soi Charansanitwong 40, Bang Yi Khan, Bangplad, Bangkok 10700  
Tel. (02) 883-4507 Fax : (02) 883-5102

(f) **Financial advisor**

Venator Company Limited  
159/11 Soi 7, Sathorn Road, Thungmahamek, Sathorn, Bangkok 10500  
Tel. (02)-679-0275

(g) **Investor Relegations Advisors**

Online Asset Co., Ltd. (IR Plus)  
466 Ratchadaphisek Road, Samsen Nok, Huay Kwang, Bangkok 10310  
Telephone: (02) 541-4011 ext. 612 Fax: (02) 541-4011

**(h) Advisors or Managers under management contracts**

- none -

**5.2 Other important information**

**5.2.1 Other information that may affect the decision of investors**

-None-

**5.2.2 Restrictions on Oversea Shareholders**

-None-

**5.3 Legal disputes**

**5.3.1 Cases that may have a negative impact on assets of the company or its subsidiaries that are higher than 5% of shareholders' equity as of 31 December 2021.**

-None-

**5.3.2 Cases that affect the company's business operations, but cannot assess the impact in numbers.**

-none-

**5.3.3 Cases that do not arise from normal business operations of the company**

-none-

**5.3.4 Cases in which the directors, executives or related persons are a counterpart to the company.**

-none-

**5.4 Secondary market**

-none-

**5.5 Contacted financial institutions (Only in case of issuing debt securities)**

-none-

# Part 2

## Corporate Governance



# 6. Corporate Governance Policy

The Board and Management emphasize on and are following guidelines and controls under the corporate governance consistently. The company has fosters awareness of corporate governance and also business code of conduct on employees at all levels to build the organization with effective management system, to add value and to encourage sustainable growth of the company. The company communicates the corporate governance guidelines to all employees by issuing the employees' handbook from the first day of work for all employees to abide by in treating all of the stakeholders, which are customers, business partners, competitors, shareholders, society, employees and colleagues, with ethics, honesty, responsibilities and transparency. The policy is in line with the new edition of 2017 good corporate governance principles that the SET has distributed as the guidelines for the listed companies. The guidelines are appropriate with the situation and business environments that may have changed. The policy is in 8 sections as follows:

1. To be aware of roles and responsibilities of the Board of Directors for sustainably leading the value of the company.
2. To set the objectives to grow sustainably.
3. To build the effective Board of Directors.
4. To recruit and develop senior executives and people management
5. To support innovation and operate the business with responsibilities.
6. To have the appropriate risk management and internal control.
7. To maintain creditability in terms of finance and information disclosure.
8. To encourage the involvement and communication with shareholders.

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## 6.1 Overview of Policies and Practices of Corporate Governance

### 6.1.1 Policies and Guidelines for the Board of Directors

The Board of Directors is fully aware of the importance of the good corporate governance, and therefore has strived to have a good system and comply with the good corporate governance which would be sustainably beneficial to company's business operations. The system is an indicator of good standard of management which will help the company to be more recognized both domestic and international, and also enhancing transparency and effectiveness of the management, which will build the confidence of the shareholders, investors, and all stakeholders. The company publicized vision, mission, corporate governance, and code of conduct on the internet network, and company's official website, [www.smpcplc.com](http://www.smpcplc.com) for the corporate governance so that the employee, and the stakeholder would be acknowledged and comprehended, thus they can perform accordingly and effectively.

Besides, the Board of Directors annually reviews the decency of the corporate governance policy. The Board reviewed the 2021 policy in the Board of Directors' meeting no 6/2020 on 24 December 2020. The 2022 policy was reviewed by the Corporate Governance Committee in the meeting no 1/2021 on 23 December 2021, and by the Board of Directors in the meeting no. 7/2021 on 23 December 2021. Besides, the Board of Directors has reviewed the corporate governance policy, and agreed that they are still appropriate with the company situation both at present and in the future. They also complies with the good corporate governance of the Securities and Exchange Commission (SEC), and the Stock Exchange of Thailand (SET). There are some policies that are not executed as they are not practical with the company situation. However, the Board is considering to seek for the solutions. The policies that are not executed can be found in topic 6.3.2 "Issues that were not performed according to the Good Corporate Governance of the SET".

The corporate governance policy consists of the following principles:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Roles of Stakeholders
4. Information Disclosure and Transparency
5. Responsibilities of the Board of Directors

#### **The explanation can be summarized follows**

1. Equitable treatment of the shareholders and stakeholders, and fairness to all parties such as customers, creditors, business competitors, shareholders, employees, government, and society.
2. The Board is determined to create value-added to the business in the long-term, to manage business with prudence and carefulness, to be responsible for the execution of duties with adequate capability and efficiency for the best interest of shareholders, to ensure that there is no problem of business conflict of interests, and to be accountable to his own decisions and actions.
3. To operate business with transparency, and auditability, and to emphasize information disclosure that is adequate and timely to all related parties which will build the confidence of the investors, creditors, and all related parties.
4. To operate business with constant risk awareness, appropriate controls and risk management including the risk of corruption and anti-corruption in all forms.
5. To promote operations excellence in the organization by driving all functions for continuous self-development for excellence.
6. The company also establishes the Business Code of Conduct, and makes it the duties and responsibilities of the Board of Directors, executives, and all employees to be aware of, to understand, and to uphold strictly. Please see the attachment 5: Policies and Practices of Corporate Governance, and Business Ethics.

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#### **6.1.2 Anti-Corruption Policy**

Please refer to clause 3.4.1.3 Anti-Corruption or at attachment 5: Policies and Practices of Corporate Governance and Business Ethics or at the company's website under the topic "Corporate Governance"

#### **6.1.3 Policies and Practices for Shareholders and Stakeholders**

##### **The Rights and Equitable Treatment of Shareholders**

The Board of Directors is aware of the vested authority as the representative of the shareholder to manage, make decision, and operate on behalf of shareholders, and therefore set out the policy to perform the duties with honesty and transparency for the best interests of the company, and to fairly treat all shareholders to information that is complete, equitable and truthful. In addition, the Board also establishes guidelines on safekeeping and preventing and the use of insider information, and informed all employees since the signing of employment contracts. The Board attaches great importance to the rights of the shareholders that are to buy/sell or transfer their securities, to share profits of the company, to attend every meeting of the shareholders to exercise their votes to appoint/remove directors, to appoint directors, and matters with impact to the company such as dividend payout, establishing and modification of the company's regulation and memorandum of association, decreasing or increasing capital, approval of special transactions, and shall not act in any way to violate or restrict the shareholders' rights, and to support the shareholders to exercise their basic rights.

## 1. Organizing the Shareholders' Meetings

For shareholders' meetings, the annual general meeting is held once a year within 4 months after the end of fiscal year. The extraordinary meetings of shareholders can also be called in the event of issues affecting shareholders' benefits, any regulations requiring shareholders' approval, or as deemed necessary by the Board of Directors. For each meeting, there must be at least 25 persons attending, or not fewer than half of the total shareholders, and the shareholding is not less than one third of the paid-up capital to meet the quorum. The company has a policy to encourage all shareholders, especially the institutional investors, to attend the shareholders' meetings.

For all meetings, the company will submit the meeting notices both in Thai and English detailing agenda including supporting documents, and the Board's opinions and explanations for each agenda for the shareholders to consider the necessities and impacts of the issues including related documents for each agenda, such as copy of minutes of previous meeting, or the company's annual report, to every shareholders. This is for the shareholders to have the information that is complete, accurate, adequate and timely to make decisions on each agenda. The company will also attach other documents such as the list of documents that the shareholders must present on the meeting day to exercise their rights to attend the meeting and to vote, as well as the company's regulations related to the meeting of shareholders. The company will also attach form B of the proxy together with the meeting notices. The shareholders can download the form A and C of the proxy from SMPC's website. Therefore, shareholders can appoint other persons, or one of the Independent Directors, to attend the meeting and exercise their votes on their behalf. For this, the company will attach the information on the Independent Director that the company proposes as the proxy with the meeting notices for the shareholders' consideration.

In addition, to facilitate the shareholder to freely attend the meeting and to vote, in general the Board will organize the meeting in the afternoon, and there will be no limitation on the meeting duration to allow the shareholders to fully ask their questions. For the venue of the 2021 meeting, due to the situation of the Covid-19 epidemic, the company was concerned about the health and safety of the shareholders. Therefore, the 2021 Annual General Meeting of Shareholders was held in electronic format (E-AGM), under the relevant conditions and criteria according to the Decree on Electronic Meetings B.E. 2564, at 92 Soi Thian Thale 7 Intersection 4, Bang Khun Thian - Chai Thale Road, Samae Dam, Bang Khun Thian, Bangkok.

For the registration of Electronic Annual General Meeting of Shareholders (E-AGM), the company allowed shareholders and proxies who wish to attend the meeting to confirm their identity and register according to the procedures specified in the invitation letter. The company also published "User Manual for Electronic Conferencing System (e-Service Platform)" on the company's website at [www.smpcplc.com/Investor Relations/Shareholders Information/Shareholders' Meeting](http://www.smpcplc.com/Investor Relations/Shareholders Information/Shareholders' Meeting). Shareholders can register during 15 - 31 March 2021, which is a sufficient and appropriate period for shareholders to prepare in advance. After the shareholder has registered to verify their identity, the company will check the correctness of the proof of identity and then notify the shareholders or proxies via email, the result of registration, together with the username and password to log in to the meeting system via (e-Service Platform). Shareholders who do not wish to attend the meeting, can also exercise their rights by appointing an independent director proposed by the company to be the representative of the shareholders attending the meeting as well.

The company will send out the meeting notices with all the documents via Thailand Securities Depository Co., Ltd. (TSD) who is the company's registrar to forward to all shareholders at least 14 days before the meeting date, and post them on the company's website ([www.smpcplc.com](http://www.smpcplc.com)) 30 days before the meeting date. It is also published via news of SET both in Thai and English to inform shareholders and investors. In addition, the company will also publish in Thai newspaper about the notice of the general shareholders' meeting for at least 3 consecutive days, and at least 3 working days before the meeting date.

Before the meetings, the company will post the list of major shareholders on the company's website, and allow the shareholders to send in their questions in advance until the meeting date by directly contacting the Chairman of the Board of Directors, the Independent Directors, or Investor Relations at Email: [ir@smpcplc.com](mailto:ir@smpcplc.com) or via the company's website.

Regarding the protection of the rights of the minor shareholders, to demonstrate the fairness and transparency, the company has posted the criteria on the shareholders' right to propose agenda to the general meeting of shareholders and to nominate candidates for Directorship, both in Thai and in English, on the company's website under the section "Investor Relations" with the sub section of "Shareholders' Information", titled of "Shareholders' Meeting". The minor shareholders can propose agenda to the general meeting of shareholders and to nominate candidates for Directorship during 1 October - 31 December (3 months) of each year, directly through the Company Secretary, and the Investor Relations Department. SPMC has posted rules and practices on the company website, and announced the news on website of the SET since 23 September 2020. During 3rd quarter 2020, for the 2021 AGM, there was no shareholder proposing any agenda or any candidate for the Directorship for the Board's consideration.

## 2. Arrangement on the Date of the Shareholders' Meeting

In 2021, the company held 1 shareholders' meeting which was the 2021 annual general meeting of shareholders on 31 March 2021 between 14:00-16:00. The meeting is in electronic format (E-AGM) only. The company allows shareholders and proxies to log-in to the E-AGM from 13.00 hrs. onwards. The vote counting system will be performed immediately in each agenda and the chairman of the meeting will inform the vote counting results for each agenda.

The shareholders who arrived during an ongoing agenda, can attend the meeting and vote on that particular agenda. For the shareholders that could not attend the meeting, the company encouraged the voting rights of the shareholders who cannot attend the meeting by appointing the proxies to take place or proposing the Independent Directors as other choices of proxies who are Mr. Thanatit Chancharoen, (Independent Director and Chairman of the Audit Committee) or Mrs. Weerawan Boonkwan (Independent Director and Audit Committee). The company provided the shareholders with the free stamp duty. In the 2021 annual general meeting of shareholders, there were shareholders appointing the two Independent Directors as their proxies as follows:

- 37 Shareholders appointed Mr. Thanatit Chancharoen as his/her proxies.
- 12 Shareholders appointed Mrs. Weerawan Boonkwan as his/her proxies.

Before the meeting the Chairman of the Board has explained clearly about the voting rights, voting method and vote counting (E-Voting) for the shareholders to acknowledge. There is a time limit of 2 minutes to press the agree, disagree and abstain votes in each agenda. If any attendee does not press the voting button within the specified period, the system will process that the shareholders vote 'agree' for that agenda. During the meeting, Miss Kanya Vipanurat, Company Secretary, was assigned by the Chairman as the facilitator to run the meeting as per the agenda set in the meeting notice. There was no additional agenda without prior notice to the shareholders.

In the 2021 annual general meeting of shareholders, 100% of the Board of Directors attended the meeting. The committees who attended the meeting are Chairman of the Board, Chairman of the sub-committees, sub-committees, Directors and the Executive Committee, Managing Director, related top management and consultants such as Deputy Managing Director, Assistant Managing Director, Accounting and Finance Director, auditors, and legal advisors who attended to answer the shareholders' questions on the related issues. The Chairman of the meeting allowed sufficient time for each agenda and provided the shareholders with equal opportunities to review and ask the management questions



on the company's business operations and rationales behind the Board's decisions on each proposal for shareholders' approval with transparency. In order to comply with the principles of good corporate governance, the 2021 Annual General Meeting of Shareholders was a meeting via electronic media, the company has hired a reliable and transparent external company. Moreover, the system can be investigated. Therefore, the company did not invite any person to be an observer and checking the vote counting system.

### 3. Minutes of Meeting and Disclosure of Shareholders' Meeting Resolution

After the meeting, the company will post the summary of the voting result for each agenda and the meeting resolution immediately via the SET system, and on the next working day on the company's website. The minutes of meeting both in Thai and English will be posted on the company's website within 14 days after the meeting date. The Company Secretary will collect all the questions, and important opinion, and include them in the minutes of meeting to provide opportunities for the shareholders that could not attend the meeting to be aware of the importation information discussed in the meeting, and also disclose the voting procedures and the voting result of approved, disapproved, and abstained votes for each agenda so the shareholders can verify. In case any shareholder has any questions or suggestions about the minutes of meeting, the shareholder may contact the Company Secretary who will coordinate, explain, and proceed accordingly. The minutes of meeting are kept at the company's headquarter for reference.

### 4. Other Rights apart from Voting Rights

- Right to get return that is full, fair and equitable among every groups of investors.
- Right to access the company's information such as quarterly/annual operating results, minutes of shareholders' meeting, right to request for company visit, etc.
- Right to examine the managing of the directors representing the shareholders such as examining documents disclosed to the public including the annual reports and form 56-1, etc.
- Right of remedy or improvement in case of violation of shareholders' rights.

In 2021, there was no incident where the company lessen the rights of the shareholders in studying the information that must be disclosed in compliance with the regulations. There was no additional nor change of meeting agenda without prior notice to the shareholders. There was also no action that limit or obstruct the shareholders from communicating with each other.

### 5. Other Policy on Equitable Treatment of Shareholders

- The Board and Management shall report any changes of their shareholding to the Company Secretary within 3 days after the Board and Management have reported such changes of their shareholding to the Securities and Exchange Commission in accordance with the section 59 of the Securities and Exchange Act, B.E. 2535, and the Company Secretary shall collect and report the changes of the Board and Management's shareholding in the Board of Directors' meetings quarterly.
- The Board and Management shall report the company transactions with vested interest. So that the company shall have the supporting documents to follow to the regulations related to the connected transactions. The transactions might have caused the conflict of interest, which leading to the benefit transfer. Therefore, the transaction must be reported annually to the company secretary within 31 January of each year, or without delay after any transaction with vested interest. The secretary subsequently shall report to the Board of Directors' Meeting.

- The Board and Management or any department receiving any insider information shall not disclose such information to external parties or unauthorized persons.
- The Board and Management or any department receiving any insider information shall avoid trading the company's share at least 1 month before disclosure of the financial statements, and 24 hours after publicly revealing the financial statement. (unless there is a necessity)
- The Board and Management or any department receiving inside information are prohibited from using inside information directly or indirectly for their own benefit.
- The Management shall disclose the stock trading report and shareholding of the company to the Board of Directors' Meeting.

In 2021, the management has strictly followed the defined roles and policy.

### Roles of Stakeholders

The company attaches great importance to the right of the stakeholders, and has set out the policy on the treatment of all stakeholders clearly in the business code of conduct whether they are internal stakeholders such as employees or management of the company, or external stakeholders such as customers, business partners, competitors, creditors, society, government sectors and related organizations, and also the shareholders by considering the rights of such stakeholders in accordance with the laws or as agreed with the company, as the supports from all the stakeholders shall drive the company to a long-term success.

The details of the policy on the treatment of all stakeholders and the policy on the social and environmental responsibilities can be found in the section 3.2.2 "Stakeholder Analysis in the Business Value Chain"

In 2021, there was 1 complaint reported through the channels provided by the company, which has been solved. Additional details are disclosed in section 3.3.2.2 "Production Development".

### Information Disclosure and Transparency

#### 1. Information Disclosure

The company has disclosed important information that is accurate, complete, transparent, timely and in accordance with the regulations of SET and SEC. The company disclosed such information both in Thai and English in the annual report and the annual information reporting form (56-1) such as implementation of principles of good corporate governance, the Audit Committee's report of corporate governance, report of the Board of Directors' Responsibilities for Financial Statements together with the Auditor's report and financial statements, Roles and Responsibilities of the Board, important information summarizing the operations in the past year together with the management discussion and analysis to accompany the quarterly disclosure of financial statements, the Board's meetings, and the Directors and top management remuneration. The information is disclosed equitably through SET channel so that all parties related to the company will be aware of the event. Apart from that, the SMPC also publishes the information on the company website [www.smpcplc.com](http://www.smpcplc.com).

#### 2. Relationship with the Investors

The Board of Directors is fully aware that the company's information, both financial and non-financial, is critical to the decision making process of the company's investors and stakeholders, and therefore has directed the management to ensure that the disclosed information is complete, accurate, reliable, consistent, timely and equitable to all stakeholders, which the management has always valued and upheld. Regarding the relationship with the investors, the company has set up a specific function since 2013 to communicate with the external parties such as investors, institutional investors, individual investors, analysts, and related government sectors with equality and fairness. The Board of Directors

has appointed the Company Secretary and/or the Director of Accounting and Finance as the head of this function. The company has set up the policy on Investor Relations as follows:

- Perform the duty with dedication, honesty, and professionalism for the benefit of shareholders and stakeholders.
- Disclose the crucial information in full and in fairness to all parties.
- Be accessible to all related parties for information request.
- Keep the company's confidential information and do not abuse insider information for own profit.
- Avoid meeting investors or analysts within 15 days before public announcement of the financial statements.
- Do not trade company's stock at least 1 month before disclose the financial statements, and 24 hours after publicly reveals the financial statement.
- Continue learning to improve the work efficiency.

In 2021, the company's Investor Relations has fully followed this code of conduct. In addition, the Investor Relations has carried out the following activities to communicate the information to all parties. However, due to the Covid-19 pandemic, all activities were organized through virtual meeting.

1. On line participated 3 times via Microsoft Team in the Opportunity Day events organized by SET.
2. Organized Analyst Meeting 4 times.
3. Arranged 8 times of the company visit for analysts, investors/minor shareholders, and press to meet with the company's management via Zoom Application.
4. Answered the questions from investors and shareholders via email, on the website, and on the phone, of which the answers to all are based on the appropriateness under the principles of equality of information.
5. Press conference on the company performance via newspaper, social media, including the interview with the company executives, 13 times.
6. Investor can search information of the company from Annual Report. The company performance both in Thai and English can be found in the company website, [www.smpcplc.com](http://www.smpcplc.com). The financial statement has been posted for 5 years from 2017 until present.

Please see the pictures of the activities and the details of the company visit by the analysts and investors under section 3 "Driving Business for Sustainability", sub-section 3.4.2.8 "CSR After Process"

Regarding the channel to contact the company, the investors can contact the company for information during the office hours (Mon-Fri 08:00-17:00)

**Contact** : Miss Kanya Vipanut (Assistant Managing Director of Office, and Company Secretary)  
**Address** : Sahamitr Pressure Container Public Company Limited 92 Soi Thientalay7  
(4th Intersection), Bangkhunthien Chaitalay Road, Samaedam,  
Bangkhunthien, Bangkok 10150  
**Telephone** : 02-895-4139-54  
**Fax** : 02-895-4003  
**Email** : [ir@smpcplc.com](mailto:ir@smpcplc.com), or via Contact IR link under topic Investor Relations on the company's website <http://www.smpcplc.com>

**Responsibilities of the Board of Directors**

Please see section 7 “. Corporate Governance Structure and important information related to the board, Sub-committees, management, employees and others”

**6.2 Code of Business Conduct**

Please see attachment 5: Policies and Practices of Corporate Governance and business ethics

**6.3 Changes and Developments of Policies, Practices and Corporate Governance in Prior Year**

The company’s management realizes that business operations with transparency, in accordance with the good corporate governance, is the key factor in strengthening the organization to have an efficient system, credible, transparent and fundamental to sustainable growth. It is also able to build confidence in investors. The company therefore continuously develops and instills the awareness in the organization. So that all related parties are aware of and implement on a regular basis.

The company has participated in the corporate governance survey of the Thai Listed Companies to assess the quality of corporate governance of the company since 2014. The company has continually improved and developed the corporate governance based on recommendations received from the assessment agencies. Therefore, the evaluation results have been improving. The company has received an excellent corporate governance performance evaluation with 5 badges for the second year consecutively. The development of corporate governance of the company can be summarized as follows.

Year	Number of the symbol badges	Level
2014	3	Good
2015-2019	4	Very good
2020-2021 (present year)	5	Excellent

**6.3.1 Changes and developments in policies, practices and corporate governance, or the Board of Director Charter in the past year**

Corporate Governance Report of Thai Listed Company 2021 showed that the company received a total score of 95%, which is in the “Excellent” highest level with five symbol badges. (increase from the total score of 90% of previous year)

**6.3.2 The issues that do not comply with the good corporate governance according to the Stock Exchange of Thailand are as follows:**

	Description	Direction
1.	Section 5 “Responsibilities of the Board of Directors”. The board of directors should clearly state the term of independent directors in the corporate governance policy, which should be no more than 9 years without exception.	Not yet considered, in order to provide suitable opportunities for recruiting persons to take the director position.
2.	Section 5 “Responsibilities of the Board of Directors” The board of directors should consist of more than 50% of the independent directors.	To consider taking appropriate action. The Company has established a Board Skill Matrix structure to be in line with the corporate strategic plan.

Item 1 to 8 are the management by the definition of the Stock Exchange of Thailand

## 7. Corporate Governance Structure and important information about the Board of Directors, Sub-Committees, Executives, Employees and others

### 7.1 Corporate Governance Structure

The company has set the organization chart as follows:



## 7.2 Information of the Board of Directors

The structure of the board of directors can be divided by the scope of their authorities as follows:  
The Board of Directors

The Board possesses leadership, vision, and independence in making decisions for the best interests of the company and all shareholders. The Board is involved in determining and approving the company's vision, strategies, goals, business plans, and budgets. The Board also supervises and oversees the performance of management to be in line with the defined business plans and budgets with effectiveness and efficiency. The Board and management are accountable to the shareholders.

The Board of Directors consists of 9 directors as follows:

Name-Surname	Position	Type of Directors	Term of Directorship	Service Years	Positions in other sub-committees					
					Audit Committee	Corporate Governance Committee	Nomination Committee	Remuneration Committee	Risk Management Committee	
1. Mr. Vinal Vittavasarnvej	Chairman	Independent Director	11 April 2012 - Present	9 years		Chairman		Chairman		
2. Mr. Surasak Urpirisuk	Director	Executive Director Authorized Director	4 April 1995 - Present	26 years						
3. Mrs. Patama Laowong	Deputy Chairman (From 22 June 2021)	Director representing major shareholder Executive Director Authorized Director	10 September 1999 - Present	22 years		✓	✓	✓	✓	
4. Mrs. Supha Phromsaka Na Sakolnakom	Director	Director who is related party Authorized Director	27 April 2001 - Present	20 years						
5. Mr. Taidee Visavaveja	Director	Director representing major shareholder	8 April 1997 - Present	24 years						
6. Mr. Thamik Ekahitanond	Director (From 22 June 2021)	Director representing major shareholder Executive Director	22 June 2021 - Present	6 Months						
7. Mr. Thanathit Charoenjan	Director	Independent Director Director expertise in Accounting and Finance	1 August 2019 - Present	2 years	Chairman		Chairman		Chairman	
8. Mrs. Werawan Boonkwan	Director	Independent Director Director expertise in Accounting and Finance	9 August 2013 - Present	8 years	✓	✓		✓		
9. Associate Prof. Dr. Jade Donavanik	Director	Independent Director	31 March 2015 - Present	6 years	✓		✓		✓	
<b>Director who resigned during the year of service</b>										
1. Mrs. Ubol Ekahitanond	Deputy Chairman (Until 21 June 2021)	Director representing major shareholder	27 April 2007 - 21 June 2021	14 years						

\* Note: The proportion of independent and non-executive directors is 44% and 67% of the total number of directors.

Directors' shareholding in the company for the year 2020 and 2021 (as of last book closing date) as listed separately for the director, spouse, minor child, and the shareholders under Section 258 of the Securities and Exchange Act, B.E. 2535 are as follows:

Name	Number of Shares						Increase (Decrease) during the year
	2020 (as of 24 August 2020)			2021 (as of 24 August 2021)			
	Director	Spouse and Child (Sec.258)	Total	Director	Spouse and Child (Sec.258)	Total	
1. Mr. Vinai Vittavasarvej	94,000	-	94,000	150,000	-	150,000	56,000
2. Mr. Surasak Urpirisuk	524,683	-	524,683	524,683	-	524,683	-
3. Mrs. Patama Laowong	104,978,301	25,469,911	130,448,212	104,978,301	25,469,911	130,448,212	-
4. Mrs. Supha Phromsaka Na Sakolnakorn	-	-	-	-	-	-	-
5. Mr. Taidee Visavavej	19,631,953	7,910,358	27,542,311	19,631,953	7,910,358	27,542,311	-
6. Mr.Tharnik Ekahitanond (From 22 June 2021)	54,337,281	-	54,337,281	54,337,281	10,000	54,347,281	10,000
7. Mr. Thanathit Charoenjan	-	-	-	-	-	-	-
8. Mrs. Werawan Boonkwan	-	-	-	-	-	-	-
9. Associate Prof. Dr. Jade Donovanik	-	-	-	-	-	-	-
<b>Director who resigned during the service year</b>							
1. Ubol Ekahitanond (Until 21 June 2021)	17,395,915	-	17,395,915	17,395,915	-	17,395,915	-

#### Composition of the Board of Directors

- The Board of Directors defines the number of directors that is appropriate for the company's business size with at least 5 and no more than 12 directors in accordance with the principle of good corporate governance. The Board of Directors consists of personnel with various qualifications such as skills, experience, and expertise that are useful to the company.
- The Board of Directors includes independent directors with the proportion of at least one third of the total existing directors, and not fewer than three independent directors.
- The Board of Directors establishes the position of the Company Secretary whose duty is to advise the Board of Directors on the laws, rules, and regulations that the Board must be aware of and comply with, organize the Boards' activities, and also coordinate to ensure the compliance with the resolutions of the Board of Directors and shareholders.
- The composition of the Board of Directors is in line with the Board Skill Matrix as disclosed in Attachment 5. Policies and Practices of Corporate Governance and Business Ethics.

### **Qualifications of the Board of Directors**

1. Being qualified, and not being under any of the prohibitions under the Public Limited Companies Act, B.E.2535 or other pertinent laws, and also the regulations of the SET, SEC, and the company.
2. Possessing qualifications, knowledge, competencies, and experiences beneficial to the company's business.
3. Possessing leadership, vision, and independence in making decisions for the best interests of the company and shareholders.
4. Being responsible to serve as the Board, and being able to commit to the duty of the Board of Directors, and also assuming accountability to shareholders and duty of care to protect the benefit of the company.
5. Performing the duties with honesty, ethics, adherence to laws, and also good corporate governance and business ethics.

### **Roles and Responsibilities of the Chairman of the Board of Directors**

1. To call for Board meetings and oversee the distribution of the notice of the meeting and related documents to ensure the Board has adequate and timely information.
2. To chair meetings of the Board
3. To promote the enhancement of the good corporate governance standards of the Board.
4. To chair meetings of shareholders according to the agendas.
5. To ensure the effective communication between the Board and shareholders.
6. To perform duties required by laws as the specific duties of the Chairman of the Boards.

### **Roles and Responsibilities of the Board of Directors**

1. To review and approve key business matters, such as vision and mission, strategy, financial targets, risks, anti-corruption measures, including business plans, and budgets on an annual basis by considering the best interests of all stakeholders, and to monitor and follow up the performance of the management to be in line with the approved policies and plans with effectiveness and efficiency.
2. To ensure compliance with regulations and laws relevant to the company business, and also the resolution of the company's shareholders meeting for the best interests of the company, including that the transactions with possible conflict of interests shall be for the best interests of the company and shareholders, and that the Director with a vested interest shall not take part in the decision, and to disclose the complete information for all transactions in the Annual Registration Statement (Form 56-1), and the annual report.
3. To delegate authority to the management to approve the transactions or the payment for all expenditures approved in the business plans in accordance with the regulations and list of authorities. The Board of Directors shall review and approve the expenditures over the management authority. The Boards also approve in principle of any actions relating to the company's interests as proposed by the management.
4. To ensure the company has risk management and internal control system that are appropriate, adequate, and reliable, including process on receiving complaints and responding in case of fraud reporting.
5. To report one's own or related person's vested interest, which is relevant to the company's management, can be investigated. This is to ensure the transparent management.
6. To set up the policy of the information disclosure, so that the confidential information will not be released. The information that may affect the share price, must be safe.
7. To put in place the financial and accounting reporting system, and to ensure that the information disclosed to public and investors are correct, transparent, adequate for making decision, and in compliance with the pertinent laws.
8. To ensure the compliance with the company's policies on corporate governance policy and business code of conduct, and to review those policies on an annual basis.



9. To appoint and set the roles and responsibilities for the sub-committees of audit, corporate governance, risk management, remuneration, and nomination committee, etc., for an efficient operation and the best interests of shareholders
10. To ensure appropriate channels to communicate with the shareholders and stakeholders.
11. To arrange the clear implementation for anyone who shall inform any suspicious or vested interest directly to the company or via website channel, by indicating the channel through the directors, audit committees, or the assigned persons by the committees. Also to arrange an investigation according to the company's process, and report findings to the board.
12. To appoint the Company Secretary to take care of the activities on behalf of the company or the Board.

Except the following conducts where the Board of Directors must seek the approval from the shareholders' meeting before proceeding:

1. Issues required by laws to be approved by the shareholders' meeting.
2. Connected transactions with value exceeding the limit requiring the approval from the shareholder's meeting according to the SET regulations or notifications.
3. Purchase and sale of importance asset with value exceeding the limit requiring the approval from the shareholder's meeting according to the SET regulations or notifications.

#### Approval Authority of the Board of Directors

The Board of directors has the authority to approve the issues in accordance with the law, rules of the company, resolutions in the shareholders' meeting, including with setting and reviewing visions, missions, strategies, master plan of the operation, risk management policy, budget plan, annual business plan, setting up the required target for the work performance, monitoring and evaluating the operating result as per the plan, capital expenditure, connected transaction, subsidiary establishment, merger, business separation, joint venture, if any.

#### Segregation of Duties between the Board and Management

The Chairman of the Board is not the same person as the Managing Director to separate the duties of making policies and overseeing from the management of operations. The duties can be summarized as follows:

The Board of Directors	Management
<ul style="list-style-type: none"> <li>• Overseeing and ensuring that the business has long-term continuity and sustainable growth.</li> <li>• Approving the company's policies, major investment projects, and critical transactions.</li> <li>• Monitoring and following up the performance of the management to be in line with the approved policies with effectiveness and efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>• Managing the company's business and determining the business strategies according to the authority delegated by the Board.</li> <li>• Having authority to approve the general operating expenditures, and also investment, trade agreement, and other matters within the authority limit approved by the Board.</li> <li>• Reporting the operations to the Board.</li> </ul>

### **Authorized Directors according to the Company Affidavit**

Authorized Directors of the company are Mrs. Supha Phromsaka Na Sakolnakorn, Mr. Surasak Urpsirisuk, and Mrs. Patama Laowong, with any two of the three sign jointly with the company's seal affixed.

### **Nomination of the Board of Directors**

The Company's Directors shall be selected and nominated by the nomination committee to propose to the Board of Directors for reviewing before proposing for approval by the shareholders' meeting in the annual general meeting of shareholders, which is held around March-April of each year, with these following practices:

1. A shareholder shall have one vote for each shareholding.
2. At the election of Directors, the shareholders may vote for each individual director per each voting round, or for several directors per round as agreed in the shareholders' meeting. However, for each voting round, the shareholders must vote with the total vote as per 1. The vote cannot be split among the candidates.
3. The voting for the Directors shall use the majority voting. In the event of a tie, the Chairman of the meeting shall have the casting vote.
4. At every annual general meeting, one third of the existing Directors shall retire from office. If the number of directors is not divisible by 3, then the nearest number to the one third shall retire. The directors who vacate office under this section may be re-elected.

To comply with the good corporate governance, and to ensure effectiveness of the Board of Directors for the best interests of shareholders and stakeholders, the Board of Directors has defined the policy on the positions of the Directors and top management clearly in the company's Business Code of Conduct as follows:

- All directors hold the board position not more than 5 listed companies simultaneously. There is no any exceptional cases.
- The independent directors' consecutive term of services is not more than 9 years from the date of their first appointment, unless there is a reasonable reason.
- The Managing Director shall hold the position for a single listed company to ensure the commitment to business management.
- All the Directors shall not operate business, be a partner, or be a director in other juristic persons with the same business operations, and as competition with the company.

As of 31 December 2021, all of the Board of Directors have strictly complied with the code. No any director held the board position of more than 5 listed companies. Independent directors' term of service was 0.5-7 years which were not more than 9 years. SMPC disclosed the directors' directorship and years of service in the section 7, Corporate Governance Structure and Important Information about the Board of Directors, Sub-Committees, Executives, Employees and others, and in sub-section 7.2 Information of the Board of Directors. The company also revealed the Directors' directorship with other companies in the attachment 1 "Summary Profile of the Board of Directors and Management".

### **Board of Directors' Meeting**

To comply with the good corporate governance, and to allow the Board of Directors to supervise, control, and oversee the management operation in a continuing and timely manner, during the 2021 term (April 2021 - March 2022), the Board has called for a total of 7 meetings as follows:

Meetings	Number of meeting times
To review and approve the quarterly and annual financial statements	4
To follow up the management mid-year operations	1
To review and approve vision, mission, strategic plans, budgets, and the company's risks management and internal control system including anti-corruption.	1
To appoint new directors to replace the resigned directors	1
<b>Total</b>	<b>7</b>

### Company's Policy on the Board of Directors' Meetings

1. For all meetings, at least two third of the total number of directors must attend to meet the quorum. For passing the resolution, plurality vote is taken. If the votes are equal, the chairman of the meeting shall vote as the final decision.
2. Any director with a vested interest in any agenda item, must abstain from voting, and leave the conference room during the consideration of that matter.
3. When reaching to pass a resolution, at least two third of the total number of the attending directors must be present and have the rights to vote.
4. Each directors shall attend at least 75% of the total number of the Board of Directors' meetings held in each year.
5. Set the meeting of the Board of Directors at least 6 times per year. There will be 6 times of regular agenda meeting per year, which the directors will be informed at the beginning of the year so that they are able to schedule the meeting plan for joining. There might be additional meetings for the special agenda during the year, which the directors will be informed at least one month in advance.
6. Set the meeting of the Board of Directors, who are not the executives, without the management at least once per year.
7. Generally, the Chairman of the Board and the Managing Direct jointly consider the important issues for the meeting, and set a clear agenda in advance, including regular agenda item for operations performance review. Each individual director is also entitled to propose agenda items that are in the company interests. The secretary of each committee group shall announce the meeting dates and the regular agendas at least 1 year in advance.
8. The meeting invitation with agenda and supporting documents must be delivered at least 7 days prior to the meeting date to allow the Board adequate time for preparation.
9. During each meeting, appropriate time shall be allocated for each agenda to allow comprehensive discussion by the Directors. The meetings usually last 1-2 hours and minutes are recorded, and written within 7 days after the meeting. The past minutes that have been approved by the Board are securely kept by the Company Secretary, ready for inspection by the Board and related parties.

### 7.3 Information of the Sub-Committees

In 2021, the sub-committees have been working on important matters in each area and presenting their opinions to the Board of Directors. The company's sub-committees consist of Audit Committee, Remuneration Committee, Nomination Committee, Corporate Governance Committee, and Risk Management Committee.

### 7.3.1 The Audit Committee

The Audit Committee (AC) was established with the approval of the Board of Directors to be an independent organization to support and act on behalf of the Board of Directors to review financial information offered to shareholders and stakeholders. The committee is also to review the internal control system established by the management and the Board of Directors, internal audit processes, and communication with the auditors of the company

The Audit Committee are as follows:

Surname	Position	
1. Mr. Thanathit Charoenjan	Chairman of the Audit Committee	Accounting and Finance Expert
2. Mrs. Werawan Boonkwan	Audit Committee	Accounting and Finance Expert
3. Associate Prof. Dr. Jade Donavanik	Audit Committee	Law expert

With Miss Thanaporn Urpsirisuk, Accounting Manager as the secretary to the Audit Committee

### Compositions and Qualifications of the Audit Committee

The Audit Committee is appointed by the company's Board of Directors with the composition and qualifications in accordance with the criteria specified in the SEC notifications as follows:

1. The audit committee shall consist of at least 3 members, and shall be appointed by the Board of Directors or shareholders.
2. Every member of the audit committee must be an independent director. The qualifications of the independent director shall be in compliance with SEC regulations.
3. Must not be the Director who is assigned by the Board of Directors to make decision on the operations of the company, or related companies, or juristic persons with possible conflict.
4. Must not be the Directors of the associated and related companies.
5. Having duties as specified by the SET.
6. At least one committee member must have adequate knowledge and experience in accounting and finance to perform duty of reviewing the creditability of the financial statements. The company shall disclose in the Form 56-1 one report that the Audit Committee members who meet the mentioned qualifications, the particular Audit Committee members shall include such qualifications in the representation letters and curriculum vitae of the Audit Committee member to be submitted to the SET.

### Scope of Duties of the Audit Committee

1. To review the company's financial reporting process to ensure accuracy and adequacy.
2. To review the Internal Control system, the Internal Audit system, the Risk Management, and the Anti-Corruption measures to ensure their appropriateness and effectiveness. To consider the independence of the internal audit function, and to provide recommendations on the appointment, transfer, and dismissal of the head of the internal audit team or any other unit responsible for internal audit.
3. To review the company performances to ensure compliance with the securities and exchange law, the SET regulations, and other laws relevant to the company business.
4. To consider, select, propose the appointment and dismissal of an independent person to perform the duties of the company's external auditor, and also to recommend the remuneration of the auditor, and to meet with the auditor, without the presence of the management, at least once a year.
5. To consider connected transactions or those with possible conflict of interest to ensure compliance with all pertinent laws, and the SET regulations, and to ensure their rationality and optimal benefits for the company.

6. To prepare the audit committee's report and to disclose it in the company's annual report. The report must be signed by the Chairman of the Audit Committee, and consist of at least the following information:
  - (1) an opinion on the accuracy, completeness, and creditability of the company's financial reports,
  - (2) an opinion on the adequacy of the company's internal control system and anti corruption measures,
  - (3) an opinion on the compliance with the laws on securities and exchange, the regulations of SET, or the laws relating to the company's business,
  - (4) an opinion on the suitability of the auditor,
  - (5) an opinion on the transactions with possible conflict of interests,
  - (6) the number of the Audit Committee meetings, and the attendance of the meetings by each Audit Committee member,
  - (7) any opinions or overview observations that the Audit Committee received during the performance of duties in accordance with the charter,
  - (8) other transactions which the Audit Committee deemed should be known to the shareholders and general investors, according to the scope of duties and responsibilities assigned by the company's Board of Directors
7. To perform any other actions as delegated by the Board of Directors and approved by the Audit Committee.

If there is any change in duties of the Audit Committee, the company shall notify the resolution of changes, a list of names, and scope of work of the audit committee that have changed in the form prescribed by the SET and submit to the SET within 3 business days from the date the Board of Directors or the shareholders' meeting resolves to make such changes, in accordance with the SET's regulations through to electronic media.

#### **Nomination, Appointment and Term of Services of the Audit Committee**

1. The term of services of Audit Committee is according to the term of board of director.
2. Audit Committee may be re-appointed to resume the position if the company's board of directors consider it appropriate.
3. In addition to the vacation of the position according to item 2, the Audit Committee will be dismissed as following reasons
  - Pass away
  - Resign
  - The Board of Directors has a resolution to vacate from the position.
4. Board of Directors has authority to appoint additional Audit Committee members, for achieving the objectives of the operation work, or to replace the Audit Committee who vacate from the position according to item 1 or 3. The person appointed Audit Committee under clause 3 can be in the position for the remaining term of the Audit Committee which he or she replaces of only.

#### **Audit Committee's Meeting**

The Audit Committee holds meeting regularly once every quarter, total of 4 meetings per year, (or more if there is a necessity) with the accounting department, the internal auditors, and the external auditors. To be transparent and auditable, every meeting shall be held without the presence of the Executive Directors, but with their acknowledgement. In addition, the Board of Directors includes the reporting of the Audit Committee in the Board of Directors' meeting agenda held quarterly. (Please see attachment 6, Report of the Audit Committee)

Please see the summary of the meeting of the Board of Directors and Sub-committees in "Summary of the meeting of the Board of Directors and sub-committees" in section 8. Performance report in corporate governance, sub-section 8.1.2 Remuneration of Directors and Executives.

### 7.3.2 Remuneration Committee

Remuneration Committee was appointed by the approval of the Board of Directors. The committee is working as an important tool or mechanism to help ease the burden of the board of directors, and shareholders to consider remuneration for the Board of Directors, Sub-committee, Executive Director, and Senior Management, with fair and reasonable methods. It is also in accordance with the principles of good corporate governance in order to build confidence among shareholders and stakeholders.

#### Remuneration Committees are as follows:

Name - Surname	Position	
1. Mr. Vinai Vittavasgarnevej	Chairman of the Remuneration Committee	Independent Director
2. Mrs. Veerawan Boonkwan	Remuneration Committee	Independent Director
3. Mrs. Pattama Laowong	Remuneration Committee	Executive Director

#### Composition and Qualification of the Remuneration Committee

Remuneration Committee appointed by the Board of Directors, consists of experts who have knowledge and ability. The committee consists of at least 3 directors with a proportion of more than 50% of the independent directors. In the meeting, the remuneration committee is to select one independent director as the chairman.

#### Roles and responsibilities of the remuneration committee

1. To review and propose criteria of the remuneration to be in accordance with the roles and responsibilities of the directors by relating with the compensation and performance of the company, and comparing to other companies in the same or similar industry, in order to motivate and retain the director who is talented with good quality and potentiality. Board of Directors will consider and give comment, before proposing to the Annual General Meeting of Shareholders for an approval.
2. To yearly evaluate and adjust the remuneration package to be suitable for the top executive. The package should be correlated with the performance, by using the target, and criteria that relating to the short and long term strategic and operating plan, then proposing to the Board of Director for an approval.

#### Nomination, Appointment and Term of Services of the Remuneration Committee

1. The term of services of Remuneration Committee is according to the term of board of director.
2. Remuneration Committee may be re-appointed to resume the position if the company's board of directors consider it appropriate.
3. In addition to the vacation of the position according to item 2, the remuneration committee will be dismissed as following reasons
  - Pass away
  - Resign
  - The Board of Directors has a resolution to vacate from the position.
4. Board of Directors has authority to appoint additional remuneration committee members, for achieving the objectives of the operation work, or to replace the remuneration committee who vacate from the position according to item 1 or 3. The person appointed as the remuneration committee under clause 3 can be in the position for the remaining term of the remuneration committee which he or she replaces of only.

### Meeting of the Remuneration Committee

In 2021, there were two meetings of the Remuneration Committee on 22 June 2021 and 23 December 2021, assessing the preliminary remuneration of the Board of Directors and senior management through appropriate processes, by comparing with other companies in the market with similar business types and sizes, the 2020 Directors' Remuneration Survey conducted by the Thai Institute of Directors, including the company's performance as a basis for determining the remuneration. It was found that the director's remuneration rate was comparable with the market rate and other companies with similar business types and sizes. The Executive Committee of the company determines the compensation of the employees and the executives of the Company. (Please refer to Attachment 7, Report of the Sub-Committee, sub-section 7.1 Report of the Remuneration Committee)

### 7.3.3 Nomination Committee

The committee was appointed by the approval of the Board of Directors, in accordance with the good corporate governance. This is to alleviate the burden of the Board of Directors in selecting qualified persons to serve as directors and senior executives. The nomination committee is to help develop knowledge and ability of the directors to respond to the needs of the business. Transparency of director selection will ensure the shareholders that the person who will take the position has the qualifications and the potential to manage for the best interests of the company.

#### The Nomination Committees are as follows

Name - Surname	Position	
1. Mr. Thanathit Charoenjan	Chairman of the Nomination Committee	Independent Director
2. Associate Prof. Dr. Jade Donovanik	Nomination Committee	Independent Director
3. Mrs. Pattama Laowong	Nomination Committee	Executive Director

#### Composition and Qualification of the Nomination Committee

Nomination Committee appointed by the Board of Directors, consists of experts who have knowledge and ability. The committee consists of at least 3 directors with a proportion of more than 50% of the independent directors. In the meeting, the nomination committee is to select one independent director who is senior with knowledge and high experience as the chairman.

#### Roles and responsibilities of the nomination committee

1. Review the structure and composition of the Board of directors, including the number of directors at the parity with appropriate mix of sizes, type of industries, complexity of business, and directors' qualification, skill, experiences, expertise relating to the core business or industry of the company. Board Skill Matrix is to be in place, so that the committee nomination will be in accordance with the business direction of the company.
2. Review qualification of candidates for independent director positions. The independence must be at least according to the requirement of Securities and Exchange Commission.
3. Review the principles and procedures of recruiting the qualified candidates for director and executive management positions. Also to screen and recruit candidates in accordance with the assigned nomination process, giving recommendation to Board of Directors, then propose to the Annual General Meeting of Shareholders.
4. Create a training development plan, relating to the directors' duties, business knowledge of SMPC for the directors and senior management continuously, in order to strengthen the potential of the board and the executives of the company.

5. Establish Succession Plan of the director and top executive positions as a preparation for the high qualified candidates to replace the vacancies, in case the directors or top executives cannot perform duty, retire, or leave the company. The succession plan is to enhance the continuity of the company’s business operations.

**Nomination, Appointment and Term of Services of the Nomination Committee**

1. The term of services of Nomination Committee is according to the term of board of director.
2. Nomination Committee may be re-appointed to resume the position if the company’s board of directors consider it appropriate.
3. In addition to the vacation of the position according to item 2, the nomination committee will be dismissed as following reasons
  - Pass away
  - Resign
  - The Board of Directors has a resolution to vacate from the position.
4. Board of Directors has authority to appoint additional nomination committee members, for achieving the objectives of the operation work, or to replace the nomination committee who vacate from the position according to item 1 or 3. The person appointed as the nomination committee under clause 3 can be in the position for the remaining term of the nomination committee which he or she replaces of only.

**The Nomination Committee Meeting**

In 2021, there were 2 Nomination Committee meetings held on 22 June 2021 and 23 December 2021, reviewing the rules and practices in granting shareholders’ right to propose matters to be included in the agenda, nominating persons to be elected as the company’s directors to replace the resigned directors, nominating persons to be elected in replacing those who are due to retire by rotation at the Annual General Meeting of Shareholders for the year 2022, by assessing the qualifications of the directors that are in line with company’s operational strategy, and reviewing the suitability of the Board Skill Matrix, etc. (please see Attachment 7, Report of the Sub-Committee, Sub-section 7.2 Report of the Nomination Committee)

**7.3.4 Corporate Governance Committee** was established with the approval of the Board of Directors, to support the Board of Directors in compiling and directing the corporate governance policies, and set guidelines for various aspects of the company appropriately, transparently, in accordance with the principles of good corporate governance. Together with the business ethics in mind, the committee is able to build confidence among shareholders, investors, stakeholders, and all related parties, hence establish value for the company to grow sustainably.

**The Corporate Governance Committees are as follows**

Name – Surname	Position	
1. Mr. Vinai Vittavasgarnvej	Chairman of the Corporate Governance Committee	Independent Director
2. Mrs. Weerawan Boonkwan	Corporate Governance Committee	Independent Director
3. Mrs. Pattama Laowong	Corporate Governance Committee	Executive Director



## Composition and Qualification of the Corporate Governance Committee

Corporate Governance Committee appointed by the Board of Directors, consists of experts who have knowledge and ability. The committee consists of at least 3 directors with a proportion of more than 50% of the independent directors. In the meeting, the Corporate Governance Committee is to select one independent director to be the chairman.

## Roles and Responsibilities of Corporate Governance Committees

1. Review the corporate governance policy, business ethics and code of conduct, in reference to the good corporate governance, and present to the Board of Directors for consideration and approval.
2. Review the directions, oversee, and ensure that the company operates in full compliance with the established policy and regulation. Also there will be continuity in development.
3. Give recommendation and consultancy to the related working team, in order to continuously develop and lift up the good corporate governance.
4. Review and appoint candidate as for a new hire or a replacement, in relating to the appropriate corporate governance, as well as determine the roles and responsibilities to achieve the objectives.

## Nomination, Appointment and Term of Services of the Corporate Governance Committee

1. The term of services of Corporate Governance Committee is according to the term of board of director.
2. Corporate Governance Committee may be re-appointed to resume the position if the company's board of directors consider it appropriate.
3. In addition to the vacation of the position according to item 2, the Corporate Governance committee will be dismissed as following reasons
  - Pass away
  - Resign
  - The Board of Directors has a resolution to vacate from the position.
4. Board of Directors has authority to appoint additional Corporate Governance committee members, for achieving the objectives of the operation work, or to replace the Corporate Governance committee who vacate from the position according to item 1 or 3. The person appointed as the Corporate Governance committee under clause 3 can be in the position for the remaining term of the Corporate Governance committee which he or she replaces of only.

## The Corporate Governance Meeting

In 2021, the Corporate Governance Committee meeting was held on 23 December 2021 to acknowledge the results of the corporate governance assessment for the year 2021, and recommendations for improvement and development. The meeting was also to review the vision, mission, corporate governance principles, and the company's business ethics for further approval by the Board of Directors meeting. (Please refer to Attachment 7, Report of the Sub-Committee, Sub-section 7.3 Report of the Corporate Governance Committee)

### 7.3.5 Risk Management Committee

The Risk Management Committee was established with the approval of the Board of Directors. Because they recognize the importance of developing a risk management system, which is one of the important tools of management. The Risk Management Committee supports and acts on behalf of the Board of Directors, which relies on the principles of good corporate governance, vision, mission and goals of the company. The committee is to ensure that the management is in line with an international risk management framework (COSO Enterprise Risk Management Framework : COSO ERM). The committee is to promote and support risk management throughout the organization so that it will be part of the company's culture.

This is also for the stakeholders to reasonably believe that strategic operations are geared towards the effective and efficient achievement of the company’s objectives and goals.

**The Risk Management Committee are as follows**

Name – Surname	Position	
1. Mr. Thanathit Charoenjan	Chairman of the Risk Management Committee	Independent Director
2. Associate Professor Dr. Jade Donovanik	Risk Management Committee	Independent Director
3. Mrs. Pattama Laowong	Risk Management Committee	Executive Director

**Composition and Qualification of the Risk Management Committee**

Risk Management Committee appointed by the Board of Directors, consists of experts who have knowledge and ability. The committee consists of at least 3 directors with a proportion of more than 50% of the independent directors. In the meeting, the Risk Management Committee is to select one independent director as the chairman.

**Roles and Responsibilities of Risk Management Committee**

1. Review risk management policy and framework to be presented to the Board of Directors for consideration and approval.
2. Review the Risk Management report, give opinion on the possible risk, form the controlling procedure or mitigation plan, and develop risk management system, in order to implement efficiently and consistently, and to ensure that the company follows the proper risk management.
3. Cooperate with the investigation committee relating to the potential risks. Also Internal audit is to ensure that the company implements the appropriate internal control against the risk, and apply the risk management system appropriately, resulting in following up throughout the company.
4. Report the status of key risks, as well as the risk management implementation to the Board of Directors on a regular basis.
5. Advise and provide the risk management department with the development of risk management system and proper directions to correct information.
6. Appoint new hiring or replacing the vacancy positions relating to the risk management, and define roles and responsibilities to achieve the objectives.
7. Executives, internal auditor, auditor, any units or working group relating to the risk management, must report or present the information, and related documents to the risk management committees in order to support them to achieve the assigned tasks.

**Nomination, Appointment and Term of Services of the Risk Management Committee**

1. The term of services of Risk Management Committee is according to the term of board of director.
2. Risk Management Committee may be re-appointed to resume the position if the company’s board of directors consider it appropriate.
3. In addition to the vacation of the position according to item 2, the Risk Management Committee will be dismissed as following reasons
  - Pass away
  - Resign
  - The Board of Directors has a resolution to vacate from the position.

4. Board of Directors has authority to appoint additional Risk Management Committee members, for achieving the objectives of the operation work, or to replace the Risk Management Committee who vacate from the position according to item 1 or 3. The person appointed as Risk Management Committee under clause 3 can be in the position for the remaining term of the Risk Management Committee which he or she replaces of only.

#### The Risk Management Committee Meeting

In 2021, there were 2 Risk Management Committee Meetings, held on 22 December 2021 and 23 December 2021 to review the risk assessment and the company business risk. (Please refer to Attachment 7, Report of the Sub-Committee, Sub-section 7.4 Report of the Risk Management Committee)

#### 7.4 The Executive Committee and the Management

The Executive Committee shall be nominated by Nomination Committee and approved by the Board of Directors. The committee selects from the persons with knowledge, competencies, experiences, and qualifications appropriate for managing company business. Most are the management who have been working for the company for a long time, having high business skills and expertise, therefore the term of services has not been determined.

The Executive Committee consists of Directors and management, and has the duty to oversee and manage the company's activities for the best interests of the company, by getting involved in determining the company's vision, mission, strategies, targets, business plans, and budgets. The Executive Committee also oversees the performance of management to be in line with the defined business plans and budgets with effectiveness and efficiency to maximize the economic value of the company and wealth of the shareholders.

The Executive Committee consists of 5 directors as follows:

Name	Position
1. Mr. Surasak Urpsirisuk	Chairman of the Executive Board and Managing Director
2. Mrs. Pattama Laowong	Senior Vice President (Office)
3. Mrs. Supha Phromsaka Na Sakolnakorn	Authorized Director
4. Mr. Taidee Visavaveja	Director
5. Mr. Thamik Ekahitanond (From 22 June 2021)	Assistant Managing Director (Factory)
Director who resigned during the service year	
1. Mrs. Ubol Ekahitanond (Until 21 June 2021)	Chairman of the Executive Board

As of 31 December 2021, the company's management according to the definitions in the notification of the Securities and Exchange Commission (SEC) consists of 6 members as follows:

Name	Position
1. Mr. Surasak Urpsirisuk	Managing Director
2. Mrs. Patama Laowong	Senior Vice President (Office)
3. Mr. Thamik Ekahitanond	Assistant Managing Director (Factory)
4. Mr. Jerawut Laowong	Assistant Managing Director (Factory)
5. Mr. Jirasak Phromsaka Na Sakolnakorn	Assistant Managing Director (Factory)
6. Miss Kanya Vipaturut	Assistant Managing Director (Office), and Company Secretary

The shareholding of the Executive Committee and Management for the year 2020 and 2021 (as of last book closing date) as listed separately for the executive management, spouse, minor child, and shareholders under Section 258 of the Securities and Exchange Act, B.E. 2535 are as follows:

Name	Number of Shares						Net Increase (decrease) during year
	2020 (as of 24 August 2020)			2021 (as of 24 August 2021)			
	Management	Spouse and Child (Sec.258)	Total	Management	Spouse and Child (Sec.258)	Total	
1. Mr. Surasak Urpsirisuk	524,683	-	524,683	524,683	-	524,683	-
2. Mrs. Patama Laowong	104,978,301	25,469,911	130,448,212	104,978,301	25,469,911	130,448,212	-
3. Mrs. Supha Phromsaka Na Sakolnakorn	-	-	-	-	-	-	-
4. Mr. Taidee Visavaveja	19,631,953	7,910,358	27,542,311	19,631,953	7,910,358	27,542,311	-
5. Mr. Thamik Ekahitanond (From 22 June 2021)	54,337,281	-	54,337,281	54,337,281	10,000	54,347,281	10,000
6. Mr. Jerawut Laowong	188,000	-	188,000	188,000	-	188,000	-
7. Mr. Jirasak Phromsaka Na Sakolnakorn	37,785,000	-	37,785,000	37,785,000	-	37,785,000	-
8. Ms. Kanya Vipaturut	188,000	-	188,000	188,000	-	188,000	-
Director who resigned during the service year							
1. Mrs. Ubol Ekahitanond	17,395,915	-	17,395,915	17,395,915	-	17,395,915	-

#### Scope of Duties and Authorities of the Managing Director

The company's Managing Director has the authority to conduct the business on behalf of the Board of Directors as follows:

- To manage the company's business in accordance with the objectives, regulations, or the meeting resolutions of the Board of Directors, with the authorities in accordance with the company's list of authorities, and to have the power to control the company's officers and employees, and to report the operations to the Board of Directors, or Executive Committee.

2. To hire, recruit, appoint, impose disciplinary punishment on officers and employees, and terminate employment of officers and employees, including promotion or salary adjustment, except for the officers and employers that the Board or regulations required the Board to hire, recruit, appoint, impose disciplinary punishment, or terminate employment in compliance with the labor laws or other pertinent laws.
3. To attend the annual budgets allocation review with the Executive Committee, and to propose for the Board of Director's approval, and also to control the expenditures according to each function's budget.
4. To review the company performances regularly to manage all the risk factors, either internal or external.
5. To review the company's gains and losses, and to propose interim or annual dividend payment for the approval of the Board of Directors.
6. For transactions involving external parties, the Managing Director and Authorized Directors have the authority to act and commit on behalf of company within the authority specified in 1. Approval of the transaction beyond the authority set by the Board of Directors shall be proposed to the Board of Directors' meeting for review and approved in accordance with company's regulations, or the pertinent laws. In the event that the Authorized Directors are in disagreement, having a vested interest, or having a conflict of interests with the company, the transactions can only proceed after the approval from the Board of Directors meeting with the attendance of the Independent Directors. For this, the Managing Director and the Authorized Director may assign any person as a representative for the particular activity.
7. To perform any activities in support of the operations with compliance to the company's regulations, the Board of Directors' policies, and anti-corruption policies and measures, and to assign duties to all levels of the company's officers and employees.

The company's Executive Committee and management are completely qualified with the section 68 under the Public Limited Companies Act, B.E.2535, and not being under any of the prohibitions according to the notifications of the Securities and Exchange Commission (SEC). In addition, there is no criminal record.

#### Nomination of the Board of Directors and the Senior Executives

The Board of Directors has appointed a Nomination Committee to recruiting persons to replace directors and senior executives, when it comes to the completion of the term of services, resignation or other cases. This is to comply with good corporate governance of the Stock Exchange of Thailand, and in accordance with the regulations and the memorandum of the company

#### 7.5 Staff

As of 31 December 2021, company staffs (exclude the contractors) were grouped by function as follows:

	2019	2020	2021
Office (persons)	76	77	79
Factory (persons)	361	376	371
Total (persons)	437	453	450
Total Remuneration (Million Baht)	310.77	379.84	365.32

## Changes of number of staffs for the past 3 years

There were no significant changes of number of staffs for the past 3 years

## Remuneration of staffs

The company has a policy to set employee remuneration in accordance with the performance of the company in both short and long term. The company increases the employee's salary according to an evaluation of individual performance once a year. The increasing rate corresponds to the performance that meets the goals according to the company's business plan of the prior year. It also motivates staffs to achieve strategic plans in the future. The remuneration of staffs are currently in the appropriate level, and can be comparable with the market rate as follows.

1. Short term benefits are salaries, wages, overtime pay, bonuses, and other fringe benefits such as health insurance plan, annual medical check-up, maternity allowance, marriage allowance, and compensation for death.
2. Long term benefits are provident fund, and post-employment benefits, etc.

## Provident Fund

At present, there are 400 employees of the company participating in the registered provident fund ("the Fund") out of a total of 450 eligible employees, representing 88.89% of the total employees.

Provident Fund of the Fund Management Company by Tisco Asset Management Company Limited, discloses information in accordance with the Investment Governance Code (I Code). It is a responsible fund manager, taking into account environmental, social and governance "ESG", and also follows good investment governance practices. It discloses the criteria for selecting fund managers to members. This will lead to investment management with the best interests of the company's provident fund members in the long term.

## Employment

The company employs people with disabilities in accordance with the Act of the Ministry of Labor, at the rate of 1 per 100 full-time employees. If the fraction of 100 exceeds 50 people, one more disabled person must be hired. The hiring of disabled people of the company in 2021 was strictly complied as per the Act.

As of December 31, 2021, the company employs staffs and persons with disabilities (excluding contractors) as follows:

Details	2021 Number of employees (persons)		
	Male	Female	Total
Number of disabled employees according to the Act.	-	-	5
Number of employees			
Full time employees	350	95	445
Disabled employees	5	-	5
<b>Total</b>	<b>370</b>	<b>88</b>	<b>450</b>
Employment Status of Disabled Employees	According to the Act.		

## Employee development and Training

Apart from normal benefits, SMPC usually enhances potential of employees and rolls out policy of human development. The company invites external lecturers to train our staffs in the company and also arranges external seminar for our staffs which relating to their field of work.

In 2021, the staffs attended the training course on average at 1.43 hours per person, per year with the training cost of 0.16 million bath. The training cost has dropped from 2020 due to the COVID-19 epidemic situation. Last year, more employees were able to attend online training, which saves more costs than that of onsite training.

Details	2019	2020	2021
Training cost (Million Baht)	0.59	1.78	0.16
Average Number of Hours (Hrs.)	2.39	2.42	1.43

## Labor disputes over the past 3 years

-none-

Please see the Code of Business Conduct for Employees in Section 3. “Driving Business for Sustainability”, sub-section 3.2.2 “Stakeholders of the Business” and 3.4.1.4 Responsibilities to Employees.

## 7.6 Other Important Information

### 7.6.1 The Company Secretary

The Company Secretary is as follow:

Name-Surname	Position	Term of Services of Company Secretary Position
Miss Kanya Vipanurut	Assistant Managing Director (Office), Financial Director, and Company Secretary	11 December 2014 - Present

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### The qualifications of the Company Secretary are set as follows:

1. Having knowledge and understanding of the business, who understands the roles and duties of the Company Secretary.
2. Having knowledge and understanding of the laws, rules and regulations of SEC and SET.
3. Performing the duties in accordance with the laws, and company’s rules and regulations with responsibility, carefulness, honesty, diligence, and supporting company’s operations to reach the objectives under the principles of good corporate governance, and business code of conduct.
4. Keeping the company’s confidential information, and not abusing company’s insider information for their own or external parties’ interest
5. Having pleasant personality and ability to coordinate with other parties, both inside and outside of the company.
6. Having experience in the position of the Company Secretary of a listed company for at least 3 year.

### Scope of Duties of the Company Secretary

The company secretary must perform duties as stipulated in Section 89/15 and Section 89/16 of the Securities and SET Act (No. 4) B.E. 2551, which was effective from August 31, 2008 with responsibility, caution, and honesty. The secretary must also comply with the law, objectives, company's rules, resolutions of the directors, as well as the resolutions of the shareholders' meeting as follows:

1. To provide basic advices regarding to the laws, corporate governance practices, rules and regulations of the company that the Board must know, and to monitor to ensure correct and consistent compliance, including reporting any significant change on the laws to the Board.
2. To organize the shareholders and the Board's meetings in accordance with the laws, the company's regulations, and best practices.
3. To prepare the minutes of the shareholders' meetings, and of the Board of Directors' meetings, including following up to ensure compliance with the resolutions of the shareholders' meetings, and of the Board of Directors' meetings.
4. To prepare and to keep the following company's documents:
  - (a) Register of Directors
  - (b) Notices calling the Board's meetings, minutes of the Board's meeting, and the annual reports
  - (c) Notices calling the shareholders' meetings, and minutes of the shareholders' meetings
5. To keep the reports of vested interests reported by directors or executives, and submit a copy of the report under Section 89/14 to the Chairman of the Board. The Chairman of the Board must acknowledge within 7 business days from the date the company receives the report.
6. To contact and coordinate with the departments within the company to comply with the resolutions of the Board of Directors and the shareholders' meeting.
7. To liaise with regulators such as the Stock Exchange of Thailand and oversee the disclosure of information and reporting information in the areas related to the regulator, to be correct and complete as required by law.
8. To provide the newly appointed director with the orientation and recommendation.
9. To organize the Board of Directors' activities.
10. To perform other duties as specified by the notifications of the Capital Market Supervisory Board.

In the event that the Company Secretary vacate the position or is incapable of performing the duty, the Board shall appoint a new Company Secretary within ninety days from the date on which the Company Secretary has vacated the position or has been incapable of performing the duty, and the Board is authorized to assign any director to perform the duty as a substitute during such period.

In addition, the company emphasizes on supporting and enhancing the knowledge of the personnel involving with the operations under good corporate governance. In 2021, the Company Secretary has completed the training courses organized by various institutes as reported in the section 7.6.7 "Development of Directors and Executives".

#### 7.6.2 Investor Relation Supervisor and Contact Information

Please refer to Part 1 "Business Operations and Performances", section 1 "Structure and Operation of the Company Group", sub-section 1.1.5 "General Information".

#### 7.6.3 Remuneration of Auditors and Other Service Fee

##### 1. Audit Fee

The company paid the audit fee (excluding other audit expenditures) to Auditing office of the auditors, persons, or companies related to the auditors and auditing office of the auditors, for the past fiscal year in the amount of 1,335,000 Baht.



## 2 Non-Audit Fee

The company did not pay any non-audit fee to auditing office of the auditors, persons, or companies related to the auditors and auditing office of the auditors, for the past fiscal year.

### 7.6.4 Orientation for New Directors

The orientation for new Directors is organized and managed by the Company Secretary by presenting the documents and information that are beneficial to the duties of the new Directors, such as director's handbook, the company's corporate governance and business code of conduct, company charter, capital structure, shareholders structure, authority, duty and laws which are related to rules and responsibilities of directors of listed company, best practices, related rules and regulations, annual reports, form 56-1, including the past financial statements. So that the directors will understand the overall picture of the performance and the company's business. Secretary also proposes the training courses for the directors that are essential to the duties and the corporate governance. In addition, there is also presentation of important information relating to the company's business to enhance the knowledge and understanding about the business and company's operations of the first time Directors.

During 2021, there was one new director, starting from 22 June 2021, namely Mr. Thamik Ekahitanond, who has completed the orientation as new director.

### 7.6.5. Succession Plan

The Board of the Directors realizes that vacancies in senior positions, i.e., Chairman of Executive Committee, Managing Director, Senior Vice President, and other top management, are ones of the risks that company have to be well prepared, because it will disrupt the continuity of the operations. To ensure the smooth transition and internal operation, in the Board of Directors' Meeting, the Directors annually review the succession plan, by having preparation in place, such as the structure of delegation authority, decentralization to middle and top management, and necessary training courses in order to prepare and develop the potential of the successors.

The management is currently working on a succession plan to propose to the Nomination Committee for consideration. The plan will be in accordance with the direction of business operation of the company to present to the Board of Directors for further approval.

### 7.6.6. Anti-Corruption

The company has disclosed the anti-corruption policies, monitoring and assessment, and reporting of fraud (Whistle Blowing) under the clause 3. "Driving Business for Sustainability", sub-clause 3.4.2.2 "Anti-Corruption".

### 7.6.7. Development of Directors and Executives

The company requires that all newly appointed Directors shall complete at least one IOD training course and are also regularly trained by related organizations to develop their potential by assigning the Company Secretary to notify about the available training courses. In addition to the training with external organizations, the company also organizes management development project every year to enable all management to continuously develop and improve their work efficiency, and also to be able to implement the knowledge appropriately and beneficially for the company. The top management will select the training topics to suit the company's situation each year.

In 2021, all the Board of Directors and executives have attended the courses to develop and review the knowledge which are beneficial to the performance of the Board and executives as follows:

Name	Position	Courses in 2021
1. Mr. Vinai Vittavasarnvej	- Chairman of the Board - Chairman of the Remuneration Committee - Chairman of the Corporate Governance Committee	-
2. Mr. Surasak Urpsirisuk	- Chairman of the Executive Board - Managing Director	-
3. Mrs. Patama Laowong (From 22 June 2021)	- Deputy Chairman - Remuneration Committee - Corporate Governance Committee - Nomination Committee - Risk Management Committee - Senior Vice President (Office)	- Outlook, Directions, and Issues of M&A, and Strategies for Successfully Implementing M&A.
4. Mrs. Supha Phromsaka Na Sakolnakorn	- Director	-
5. Mr. Taidee Visavaveja	- Director	-
6. Mr. Thamik Ekahitanond (From 22 June 2021)	- Director - Assistant Managing Director (Factory)	- Director Accreditation Program (DAP)
7. Mr. Thanathit Charoenjan	- Director - Chairman of the Audit Committee - Chairman of Nomination Committee - Chairman of Risk Management Committee	-
8. Mrs. Werawan Boonkwan	- Director - Audit Committee - Remuneration Committee - Corporate Governance Committee	- Life Insurance Agent License by the OIC - Non-life Insurance Agent License by the OIC - Certified Financial Planner Module 1-Module 5 - Anti-Money Laundering and Anti-Terrorism Financing Laws and the Proliferation of Weapons of Mass Destruction (for life insurance business) - Associate Financial Planner Thailand (AFPT), Thai Financial Planners Association
9. Associate Prof. Dr. Jade Donovanik	- Director - Audit Committee - Nomination Committee - Risk Management Committee	-

Name	Position	Courses in 2021
10. Mr. Jerawut Laowong	- Assistant Managing Director (Factory)	- International Arbitration - Outlook, Directions, and Issues of M&A, and Strategies for Successfully Implementing M&A.
11. Mr. Jirasak Phromsaka Na Sakolnakorn	- Assistant Managing Director (Factory)	-
12. Miss Kanya Vipaturut	- Assistant Managing Director (Office) - Accounting & Financial Director Company Secretary	- TLCA CFO “Economic update for CFO” - TLCA CFO CPD “COVID 19 Implications for Financial Reporting and audit” - TLCA CFO CPD “How to manage the Company’s Finance & Accounting and Communicate with Stakeholders during COVID-19 Crisis” - TLCA CFO CPD “How finance leaders are adapting within the new normal” - Workforce Management during the COVID-19 Epidemic - Outlook, Directions, and Issues of M&A, and Strategies for Successfully Implementing M&A
<b>Director who resigned during the service year.</b>		
1. Mrs. Ubol Ekahitanond (Until 21 June 2021)	- Deputy Chairman - Chairman of the Executive Board	-

Please see the past training records of the Directors and management in attachment 1 “Details of Directors, Executives, Controllers, Persons Assigned to the Highest Responsibility in Accounting and Finance”

# 8. Report of Key Performances of Corporate Governance

## 8.1 Summary of the Performances of the Board of Directors for the Past Year

### 8.1.1 Self-assessment of the Board of Directors, Sub-Committee and the CEO

SMPC conducts self-assessment for the Board of Directors once a year. The process starts from the company secretary reviewing the self-assessment form of the Board and Sub-committee to ensure that it is still applicable with the existing situation and in line with the roles and responsibilities of the directors. The directors agreed to use the self-assessment prepared by SET. Then it is proposed to the Board of directors' meeting for their consideration. Later SMPC distributes the forms to all directors for company secretary collects the assessment form, summarizes the evaluation results and any opinions, and proposes in the next Board of Directors' meeting.

In the Board of Directors' meeting no. 7/2021, on 23 December 2021, SMPC conducted the performance evaluation of the team, sub-committee, and the CEO. On 14 February 2022, the assessment result, recommendations from directors, and assessment analysis for improving and developing the effective and efficient performance, were all reported in the Board of Directors' meeting no. 1/2022.

The company sets the scoring rubrics as follows

Scores	Level
4	Excellent operation
3	Good operation
2	Standard operation
1	Slightly operation
0	No operation

### The evaluation of the committee performance

- 8.1.1.1 The performance evaluation of the individual committee are considered by
1. The organization and qualification of the committee.
  2. The Board of Directors' meeting.
  3. Roles and responsibilities of the committee.

8.1.1.2 The performance evaluation of the committees as team are considered by

1. The organization and qualification of the committees.
2. The Board of Directors' meeting.
3. Roles and responsibilities of the committees
4. Others such as the relation between committees and management, and the self-development of the committees.

8.1.1.3 The performance evaluation of the sub-committee. The company has 5 sub-committee which are audit, remuneration, nomination, corporate governance, and risk management committee. The evaluations are considered by

1. The organization and qualification of the committees.
2. The Board of Directors' meeting.
3. Roles and responsibilities of the committees.

8.1.1.4 The evaluation of the CEO performance are jointly evaluated by the Board of Directors (except the Chairman) with the followings

1. Leadership.
2. Strategy set.
3. Execution of the strategies.
4. Planning and financial performance.
5. Relation with the committees
6. Relation with the external parties.
7. Management and relation with employees
8. Succession plan
9. Knowledge of product and service
10. Personal character.

Summary of Self-Assessment of the Board of Directors, Sub-Committee and the CEO are as follows:

Types of Assessment	Average Score by Group (Full score of 4)	Level	Average Score by Individual (Full score of 4)	Level
1. The Board of Directors	3.61	Good	3.46	Good
2. The Audit Committee	4.00	Excellent	3.69	Good
3. The Remuneration Committee	4.00	Excellent	4.00	Excellent
4. The Nomination Committee	3.86	Good	3.72	Good
5. The Corporate Governance Committee	3.98	Good	4.00	Excellent
6. The Risk Management Committee	3.89	Good	3.72	Good
7. The CEO	-	-	3.57	Good

### (1) The Independent Directors

The list of Independent Directors consisting of 4 directors, is as follows:

Name	Position	
Mr. Vinai Vittavasgarnvej	Chairman Chairman of the Remuneration Committee Chairman of the Corporate Governance Committee	
Mr. Thanathit Charoenjan	Director Chairman of the Audit Committee Chairman of the Nomination Committee Chairman of the Risk Management Committee	Accounting and Finance Expert
Mrs. Werawan Boonkwan	Director Audit Committee Remuneration Committee Corporate Governance Committee	Accounting and Finance Expert
Associate Prof. Dr. Jade Donavanik	Director Audit Committee Nomination Committee Risk Management Committee	Law expert

### Definition of Independent Directors

The Independent Directors are part of the Board of Directors which must consist of Independent Directors with the proportion of at least one third of the total existing Directors, and not fewer than 3. The good corporate governance also requires that the proportion of the Independent Directors must be more than half of the total Directors in the following cases:

- a) The Chairman of the Board and the Managing Director is the same person.
- b) The Chairman of the Board is not an Independent Director.
- c) The Chairman of the Board and the Managing Director are immediate family members.
- d) The Chairman of the Board is part of the Executive Committee, or management team, or assigned with the management responsibility.

Currently, the company has 4 Independent Directors. Among these, 3 are Audit Committee. The Chairman of the Board of the Directors is an Independent Director, and does not meet the criteria set by the Securities and Exchange Commission (SEC). The company therefore is not required to have the Independent Directors more than half of the total Directors. However, to be in line with the referenced principles of good corporate governance, the company has a policy relating to the committee component in the Board Skill Matrix to increase the proportion of the Independent Directors to be half of the total existing Board of Directors.

The Independent Directors composition and qualifications are in accordance with the criteria specified in the SEC notifications as follows:

1. Holding shares not exceeding 1% of the total shares with voting right of the company, affiliates, associates, or persons with possible conflict (including related persons under Section 258 of the securities laws).
2. Not being involved with business management, including not being employees, officers, advisors who receive salary, nor having the control of the company, affiliates, associates, nor being persons with possible conflict. Such benefits and interests as mentioned must have ended for at least 2 years before the appointment.
3. Not in business relationships, having neither benefits nor interests, whether direct or indirect, both on the financial and the management of the company, affiliates, associates, or persons with possible conflict, in a manner causing the lack of independence. Unless the foregoing characteristic has been ended not less than 2 years.
4. Shall not be a person related by blood or legal registration with other directors, major shareholders, controlling person of the company or subsidiaries or persons with possible conflict.

5. Shall not be or have never been an auditor of the company, and not be a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the company. Unless the foregoing characteristic has been ended not less than 2 years.
6. Shall not be nor have ever been a provider of any professional services including legal advisor or financial advisor who receives service fees exceeding 2 million baht per year from the company, and not be a significant shareholder, controlling person or partner of the provider of professional services. Unless the foregoing characteristic has been ended than 2 years.
7. Shall not be a director appointed as representative of the Board of Directors, major shareholder, or shareholder who is related to a major shareholder of the company.
8. Shall not undertake any business in the same nature and in competition with the business of the company or its subsidiary, not be a significant partner in a partnership or director with management authority, employee, staff member or advisor who receives salary or holds shares exceeding 1% of the total voting shares of another company which undertakes business in the same nature and in competition with the business of the company or subsidiary.
9. Shall not have any other characteristic that limits his or her ability to express independent opinions regarding the company's operations.

In the year 2021, all independent directors have no business relationship or provide the company with any professional service. In addition, the company does not have a person appointed as an independent director who has had a business relationship.

#### **(2) Director and Executive Nomination.**

The Nomination Committee selects qualified candidates for the position of directors and senior management.

During the year 2021, the Nomination Committee (excluding stakeholder directors) proposed to appoint a new director, Mr. Thamik Ekahitanond, who is currently a senior executive of the company, Assistant Managing Director (Factory), to replace Mrs. Ubol Ekahitanond who resigned on 21 June 2021.

#### **(3) Number of directors from each group of major shareholders**

Please see clause 7. Corporate Governance Structure, and important information of the board, sub-committees, executives, employees and others in sub-clause 7.2 Information of the Board of directors.

#### **(4) Right of Retail Investors to Appoint Directors**

For the right protection of the minority shareholders, in order to show fairness and transparency in accordance with good corporate governance principles, the company has published on website both in Thai and English the criteria for granting the shareholders to propose matters to be included in the agenda of the general meeting of shareholders, and nominate persons to be elected as directors. It is under the clause "Investor Relations", sub-clause "Shareholder Information" titled "Annual General Shareholders' Meeting", which allows shareholders to propose matters to be included in the agenda of the Annual General Meeting of Shareholders and nominate persons to be elected as directors during October 1 - December 31 of each year (a total of 3 months), directly through the company secretary, and the Investor Relations Department.

For the annual opening period during 1 October 2020 - 31 December 2020 of the 2021 Annual General Meeting of Shareholders, no shareholder proposed agenda or name list of persons to be elected as directors for the Board of Directors to consider.

## 8.1.2. Remuneration of Directors and Executives

### 8.1.2.1. Remuneration of the Board of Directors

The company has clearly and transparently determined the remuneration of the Board by considering the appropriateness and in consistency with the Board's responsibility, and company's performance, which is the rate that were comparable to the other listed companies of similar size, or in the same industrial group as the company, as collected by Thai Listed Companies Association. The Board's annual remuneration was determined and reviewed by the management, and to be in line with the principles of good corporate governance, such remuneration of the Board must be approved by the annual general meeting of shareholders.

The Board's monetary remuneration is comprised of monthly allowance and meeting attendance allowance. On 31 March 2021, the 2021 annual general meeting of shareholders passed a resolution to approve the budget of 6 million baht/year for 9 directors, which was at the same rate as that of the year 2017. Besides the said remuneration, the company has not provided the directors with any other benefit.

Positions	2021	
	Monthly allowance (Baht/person/month)	Meeting allowance (Baht/person/time)
1. Board of Directors		
Chairman	60,000	10,000
Director	10,000	10,000
2. Executive Management		
Chairman	60,000	-
Director	40,000	-
3. Audit Committees		
Chairman	30,000	10,000
Committee	25,000	10,000
4. Nomination Committees		
Chairman/Committee	-	10,000
5. Remuneration Committees		
Chairman/Committees	-	10,000
6. Corporate Governance Committees		
Chairman/Committees	-	10,000
7. Risk Management Committees		
Chairman/Committees	-	10,000

However, if there are more than one meeting of the sub-committees (excluding the Audit Committee), the meeting allowance can be received only 1 committee. The committee and/or executive in sub-committee will not receive meeting allowances. Besides the monthly remuneration and meeting allowances, the board of directors is covered by the insurance of directors' liability.



The meeting attendance of the Board of Directors and the Sub-committees can be summarized as follows:

Name-Surname	Position	Meeting Attendances															
		Board of Director (times)	%	General Meeting of Shareholders (times)	%	Audit Committee (times)	%	Corporate Governance Committee (times)	%	Nomination Committee (times)	%	Remuneration Committee (times)	%	Risk Management Committee (times)	%	Non-Executive Committee (times)	%
<b>Number of Meetings/year</b>		<b>7</b>		<b>1</b>		<b>4</b>		<b>1</b>		<b>2</b>		<b>2</b>		<b>2</b>		<b>1</b>	
1. Mr. Vinai Vittavarnvej	Chairman (Independent Director)	7/7	100	1/1	100	-	1/1	100	-	-	100	2/2	100	-	1/1	100	-
2. Mr. Surasak Urpsirisuk	Director	7/7	100	1/1	100	-	-	-	-	-	-	-	-	-	-	-	-
3. Mrs. Patama Laowong	Deputy Chairman (From 22 June 2021)	7/7	100	1/1	100	-	1/1	100	-	2/2	100	2/2	100	2/2	100	-	-
4. Mrs. Supha Phromsaka Na Sakolnakorn	Director	7/7	100	1/1	100	-	-	-	-	-	-	-	-	-	-	1/1	100
5. Mr. Taidee Visavaveja	Director	7/7	100	1/1	100	-	-	-	-	-	-	-	-	-	-	1/1	100
6. Mr. Thamik Ekahitanond	Director (From 22 June 2021)	4/4	100	1/1	100	-	-	-	-	-	-	-	-	-	-	-	-
7. Mr. Thanathit Charoenjan	Independent Director	7/7	100	1/1	100	4/4	100	-	2/2	100	-	-	2/2	100	1/1	100	-
8. Mrs. Werawan Boonkwan	Independent Director	7/7	100	1/1	100	4/4	100	1/1	100	-	2/2	100	-	-	1/1	100	-
9. Associate Prof. Dr. Jade Donovanik	Independent Director	7/7	100	1/1	100	4/4	100	-	2/2	100	-	-	2/2	100	1/1	100	-
<b>Director who resigned during the service year</b>																	
1. Mrs. Ubol Ekahitanond	Deputy Chairman (Until 21 June 2021)	2/3	67	1/1	100	-	-	-	-	-	-	-	-	-	-	-	-

For all the meetings in year 2021, the company and all of the Board of Directors have followed the company's policy on the meeting strictly. No director attended less than 75% of all meetings. On March 31, 2021, 100% of number of directors attended the Annual General Meeting of Shareholders.

This year 2021, SMPC organized the meeting of all sub-committees, and non-executive directors (Details in the above table). In addition, at the Board of Directors Meeting No. 7/2021 on 23 December 2021, the Board of Directors reviewed the vision, mission, corporate governance, and code of business conduct of the company in order to be suitable for situation and business environment.

### 2022 Board of Directors' Meeting Schedule

The Board of Directors' meeting no. 6 /2021 on 10 November 2021, has scheduled the meetings of the 2022 Board of Directors and all sub-committees, 1 year in advance. This meeting schedule is subject to change as appropriate. The next meeting will be confirmed at the end of each meeting.

Meeting No.	Board of Directors' Meeting	Audit Committee Meeting	Corporate Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting	Risk Management Committee Meeting	Committee Meeting (Non-Executive Board)
1.	14-18 Feb 2022	14-18 Feb 2022	19-23 Dec 2022	20-24 June 2022	20-24 June 2022	20-24 June 2022	19-23 Dec 2022
2.	9-13 May 2022	9-13 May 2022		19-23 Dec 2022	19-23 Dec 2022	19-23 Dec 2022	
3.	25-29 Jul 2022	25-29 Jul 2022					
4.	8-12 Aug 2022	7-11 Nov 2022					
5.	7-11 Nov 2022						
6.	19-23 Dec 2022						

The 2021 term (posted during April 2021-March 2022), the company has paid the directors with total of 5.14 million baht, which was in the budget, approved from the 2021 general meeting of shareholders. The details of remuneration of each director are as follows

Name-Surname	Position	Position Compensation			Meeting Allowance					Total	
		Board of Directors	Management Team	Audit Committee	Board of Directors	Audit Committee	Corporate Governance Committee	Nomination Committee	Remuneration Committee		Risk Management Committee
1. Mr. Vinai Vittavasarnvej	Chairman Chairman of Remuneration and Corporate Governance Committee (Independent Director)	720,000	-	-	70,000	-	10,000	-	10,000	-	810,000
2. Mr. Surasak Urpsirisuk	Chairman of the Board (From 22 June 2021) Director	-	660,000	-	70,000	-	-	-	-	-	730,000
3. Mrs. Patama Laowong	Deputy Chairman (From 22 June 2021) Remuneration Committee Corporate Governance Committee Nomination Committee Risk Management Committee	-	480,000	-	70,000	-	-	-	-	-	550,000

Name-Surname	Position	Position Compensation			Meeting Allowance						Total
		Board of Directors	Management Team	Audit Committee	Board of Directors	Audit Committee	Corporate Governance Committee	Nomination Committee	Remuneration Committee	Risk Management Committee	
4. Mrs. Supha Phromsaka Na Sakolnakorn	Director	-	480,000	-	70,000	-	-	-	-	-	550,000
5. Mr. Taidee Vsavaveja	Director	-	480,000	-	70,000	-	-	-	-	-	550,000
6. Mr. Thamik Ekahitanond	Director (From 22 June 2021)	-	360,000	-	50,000	-	-	-	-	-	410,000
7. Mr. Thanathit Charoenjan	Chairman of Audit, Nomination, and Risk Management Committee (Independent Director)	-	-	360,000	70,000	40,000	-	10,000	-	10,000	490,000
8. Mrs. Weerawan Boonkwan	Audit Committee Remuneration Committee Corporate Governance Committee (Independent Director)	-	-	300,000	70,000	40,000	10,000	-	10,000	-	430,000
9. Associate Professor Dr. Jade Donovanik	Audit Committee Nomination Committee Risk Management Committee (Independent Director)	-	-	300,000	70,000	40,000	-	10,000	-	10,000	430,000
<b>The director who resigned during the service year.</b>											
1. Mrs. Ubol Ekahitanond	Deputy Chairman (Until 21 June 2021)	-	180,000	-	10,000	-	-	-	-	-	190,000
<b>Total</b>		<b>720,000</b>	<b>2,640,000</b>	<b>960,000</b>	<b>620,000</b>	<b>120,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>5,140,000</b>

\* If there are more than one meeting of the sub-committees (excluding the Audit Committee), the meeting allowance can be received at 1 committee.

\*\* The committee and/or executive in sub-committee will not receive meeting allowances.

### 8.1.2.2 Remuneration of the Executive Management

(as defined by SET, amended by SEC's notification no. KorChor 15/2011 titled Determination of Definitions in the Notification Relating to Issuance and Offer for Sale of Securities (no. 3) dated 21 July 2011), consists of 6 persons.

The remuneration of the executive management, including the Managing Director, is in accordance with the principles and policies set out by the Board of Directors, which is specified as short-term benefits such as salaries, and bonuses, relating to the company's performance and individual performance of each executive, and adequately attractive to retain the professional management with qualifications, experiences, and competencies as per company's requirement. Other remuneration are provident fund contribution and social security fund contribution. Long-term benefits are post-employment benefits.

In 2021, the total monetary remuneration of the 6 executive management, both short-term and long-term are as following details:

Management Remuneration	Total Remuneration	
	2020	2021
Number of management (persons)	6	6
Monetary Remuneration (million Baht)		
- Salary and Bonus	52.66	53.97
- Provident Fund Contribution, Social Security Fund Contribution, and Post-Employment Benefit	1.80	1.60
<b>Total (million Baht)</b>	<b>54.46</b>	<b>55.57</b>
Non-monetary Remuneration		
Insurance of directors' liability (Maximum Total Limit/Million Baht)	100.00	100.0

In addition, there is other remuneration (only for the Board of Directors and top management) i.e. company cars and related expenditures, and health insurance)

### 8.1.3 Management for subsidiaries and associated companies

- The company has no associated companies and subsidiaries -

### 8.1.4 To ensure the implementation of the corporate governance policies and practices

#### 8.1.4.1 Prevention of conflicts of interest. The company has the following policies

- (1) Refrain from holding shares of the company's competitor, as this may lead to the action or omission of the tasks that should be performed in accordance with their duties, or affecting on duty. However, if the shares were acquired prior to the employment, before the company entered that business, or acquired through inheritance, the employees must report to their supervisors according to the hierarchy.
- (2) Employees must make decision on business operations of the company, with regard to the best interests of the company.
- (3) Avoid getting financially involved, and/or relationships with external parties, which will result in the company having to lose benefits, causing a conflict of interest, or interrupting work efficiency.

- (4) If any business transaction is considered a connected transaction, the Audit Committee shall check the suitability of the price and the reasonableness of such connected transaction, and the best interest of the company. By using the guidelines for connected transactions under the law on securities and SET, and / or notifications or regulations of the Stock Exchange of Thailand, Securities and Exchange Commission, the company is also to propose to the Board of Directors for approval.

The company has included a review of items that may have conflicts of interest as one of the agenda of Board of Directors' meeting. In the year 2021, there were no conflict of interest items that were not reviewed by the Board of Directors' meeting.

#### **8.1.4.2. Using the inside information for benefits**

The policy of using inside information to comply with the law and in accordance with the good corporate governance are as follows:

- (1) Directors and executives are to report the changes in security holding to the company secretary within 3 business days from the date that directors and executives have reported the changes in their stock holding to the Securities and Exchange Commission in accordance with Section 59 of the Securities and Exchange Act., 1992. The company secretary then collects and reports on changes in securities holding of directors and executives to the Board of Directors on a quarterly basis.
- (2) Directors and executives are to report their conflict of interests to the company secretary annually, or to report immediately if there is any conflict of interests.
- (3) Directors, executives or agencies that have received inside information are prohibited from disclosing inside information to third parties or non-related persons.
- (4) Directors, executives or agencies that have received inside information, are to avoid trading the company's securities, at least 1 month before the disclosure of the financial statements and 24 hours after the financial statements are released to the public (unless there is a necessity).
- (5) It is prohibited for directors, executives or agencies that have received inside information to use inside information for personal benefit, either directly or indirectly.

During the year 2021, the Board of Directors has strictly implemented the above policy. None of the committees use inside information for their own benefits.

#### **8.1.4.3 Anti-corruption and whistleblowing**

The company has disclosed the anti-corruption policy, the follow-up and evaluation, and reporting of whistle blowing in clause 3. "Driving Business for Sustainability", sub-clause 3.4.2.2, "Anti-Corruption".

## **8.2 Report on the Performance of the Audit Committee during the Past Year**

Please refer to attachment 6, the Audit Committee Report, and please refer to the number of times and meeting attendances of individual audit committees in clause 8, key performance report on corporate governance, sub-clause 8.1.2. remuneration of directors and executives.

## **8.3 Report on the Performance of all Sub-Committees during the Past Year.**

Please refer to the report of all sub-committees in attachment 7, and please refer to the number of times and meeting attendances of individual sub-committees in clause 8, key performance of corporate governance, sub-clause 8.1.2 remuneration for directors and executives.

# 9. Internal Control System, and Connected Transaction.

## 9.1 Internal Control

### 9.1.1. Board of Directors' Opinion on Internal Control System

The Audit Committee reports the result of the internal audit and assessment of the internal control system to the Board of Directors quarterly. This is to ensure that the company possesses an internal control system that is appropriate and adequate to oversee the operations in accordance with the targets, objectives, laws and related regulations effectively, and is capable of protecting assets from corruption and damages, and also possesses accurate and credible accounting and reporting. In addition, at the end of each year, the company organizes the adequacy assessment of the internal control system by referring to SEC assessment form, and there may also be additional reviews if there is any event with possible significant impact to the company's business. The internal control system assessment covers the following aspects:

1. Organization and Environments
2. Risk Management
3. Operational Control of Management
4. Information System and Communication
5. Monitoring System

For the Risk Management in the organization level, initially, the Risk Management Committee is responsible for corporate risks, along with setting guidelines to present to the Board of Directors' meeting at the end of the year in the Board of Directors' meetings. In 2021, the Risk Management Committee has reviewed the corporate risk in 2 committee meetings, 22 June, 2021 and 23 December, 2021, then reported in the Board of Directors' meeting no. 7/2021 on 23 December 2021. The committee disclosed risk factors from the annual report and assigned the management to set up guidelines of the control system to prevent and mitigate risks. The committee has reviewed the risk which including the risk from corruption as well. Please see the details of the company's risks and the company's directions in clause 2, "Risk Management".

### 9.1.2 Audit Committee's Opinion that Different from Board of Directors' or Auditor's Observation on Internal Control System

- None -

### 9.1.3 Head of Internal Audit Unit

The Audit Committee is responsible for appointment and dismissal of the head of internal audit unit. The Audit Committee's meeting no. 4/2020 on 10 November 2020 has appointed Dharmniti Auditing Co., Ltd. to perform the 2021 internal audit function of the company. Dharmniti Auditing Co., Ltd. has proposed Miss Somjaree Kaewkomdee – Executive Director, as the person in charge of performing as the company's internal auditor.

The Audit Committee has reviewed the qualifications of Dharmniti Auditing Co., Ltd. and Miss Somjaree Kaewkomdee, and agreed that they were appropriate and adequate to perform such duty effectively, as they had more than 10 years of internal audit experience and had been attending courses on internal audit regularly. In addition, Dharmniti Auditing Co., Ltd. was not the company’s auditor, and therefore was independent in reporting the audit results.

Regarding the planning for audit, the Audit Committee will approve the internal auditor’s annual audit plans where the internal auditors will perform audits on operational and internal control systems of each functions on a rotating basis, in order to report the audit results and to propose ways for correction and prevention to the Audit Committee on a quarterly basis.

**9.1.4 Head of Compliance Unit**

Since the function of the internal audit unit can help overseeing the company’s operations appropriately and adequately in accordance with company’s specified internal control system, the company does not appoint the position of head of compliance unit. Instead, it was assigned to Miss Thanaporn Urpsirisuk, Accounting Manager and Secretary of the Audit Committee to be responsible for coordinating with the internal auditor, and report to the Audit Committee.

The law compliance that are involved to the company’s operation, are taken care by each related department. System Management Department is assigned to consolidate all document and information from each department and arrange them into the database system. There will also be the audit monitoring, following up, and collecting as database completely and timely.

Please see the details of the opinion of the Board of Directors and the Audit committee regarding the adequacy and appropriateness of the company’s internal control system in the attachment 6 “Report of the Audit Committee” and attachment 8 “Report on the Board of Directors’ Responsibilities for Financial Statements”

**9.2 Connected Transactions**

**9.2.1 Connected Transactions between the Company and Connected Person**

- Connected Person : Mrs. Patama Laowong
- Relationship with the Company : Director and shareholder of the company
- Shareholding of the Company : 24.36%
- (as of 24 August 2021)
- Nature and Purpose of Transaction : The company leases the land from the shareholder for the storage of raw materials for manufacturing the company’s products.



#### Details of the Leasing Contract

Leasing Fee	:	1.20 Million Baht / year
Leasing Period	:	1 year, starting 1 October 2020 - 30 September 2021. The lease was renewed for another 1 year with the same rental rate, from October 1, 2021 - September 30, 2022, which the company has already disclosed the information through the SET's channels.
Due Date	:	On the 5th of every month
Leasing Asset	:	Land with area 6-2-17.5 Rai adjacent to the company's factory

#### **9.2.2 Reasons and Necessities for the Connected Transactions**

The objective of leasing the land is for raw material storage, in production process. Due to the fact that SMPC growth has increased tremendously, so the company needs more space for feedstock storage, in order to increase the production capacity in the future. However, feedstock storage in the factory is not sufficient. Therefore, leasing the land adjacent to the company's factory is convenient for feedstock transportation, hence reducing the handling cost. This will allow the company to save costs in the transportation of moving raw materials more than renting other land in the neighborhood. Land rental transaction per year is at total 1.20 million baht.

#### **9.2.3 Policy or Possible Connected Transactions in the Future**

In principle, the company will not enter into a connected transaction with the management, the major shareholders, and/or related parties, except in the event that it is for the company's best interest with the prices and conditions that are similar to that of the external parties. However, that case must be strictly approved by the authorized person of the company. Besides, it must honorably abide by the agreed conditions with transparency and auditability.

Regarding the possible connected transactions in the future, the company has set out the policy in the company charter for the Board of Directors to review for an approval in accordance with the regulations set out by the Stock Exchange of Thailand, and/or Securities and Exchange Commission. The transaction must be according to normal trade. Pricing policy has to be in line with the market force. There must not be the benefit transfer between the company and related person. Also the transaction must be approved by the meeting of the investigation committee.

Excluding with the declare transaction, the company does not have any possible connected transactions in the future.

#### **9.2.4 Price Estimation for Related Transactions**

Determining the value of the land lease was done by comparing the market price from two independent appraisers according to the property valuation report dated 14 July 2017 and 24 July 2017. The independent appraisers are experienced and qualified as professional in property valuation, and also approved by the Securities and Exchange Commission. Independent appraisers used the appraisal method to compare the market price of rental to the market price of land. The landlord then chose the lowest from the two prices and gave the company further discount.

This connected transaction had been reviewed as reasonable price through Audit Committee and the Board of Directors.

# Part 3

## Financial Statements



# 10. Financial Summary

## Independent Auditor's Report

### To the Shareholders of Sahamitr Pressure Container Public Company Limited

#### *Opinion*

I have audited the financial statements of Sahamitr Pressure Container Public Company Limited (the "Company"), which comprise the statement of financial position as at 31 December 2021, the related statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Sahamitr Pressure Container Public Company Limited as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

#### *Basis for Opinion*

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with 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 financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I determine that there are no key audit matters.

#### *Other Information*

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

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

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

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

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

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

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

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

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



**Miss Saranya Akharamahaphanit**  
Certified Public Accountant  
Registration No. 9919

Grant Thornton Limited  
Bangkok  
14 February 2022

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED  
 STATEMENT OF FINANCIAL POSITION  
 ASSETS

	Notes	Thousand Baht	
		31 December 2021	31 December 2020
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	29,501	57,655
Short-term investment	7, 27	774,003	517,090
Trade accounts receivable	8	614,930	403,172
Inventories	9	1,456,368	926,455
Advance payments for goods		13,640	-
Refundable value added tax		54,414	11,930
Other current assets		20,088	20,499
<b>Total Current Assets</b>		<b>2,962,944</b>	<b>1,936,801</b>
<b>NON-CURRENT ASSETS</b>			
Restricted deposits with banks	10	30,098	36,694
Investment property	11, 27	60,506	60,416
Property, plant and equipment	12, 14	1,264,024	1,173,084
Deferred tax assets	21	13,077	12,856
Other non-current assets		448	448
<b>Total Non-Current Assets</b>		<b>1,368,153</b>	<b>1,283,498</b>
<b>TOTAL ASSETS</b>		<b>4,331,097</b>	<b>3,220,299</b>

The accompanying notes form an integral part of these financial statements.

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED  
 STATEMENT OF FINANCIAL POSITION  
 LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	Thousand Baht	
		31 December 2021	31 December 2020
<b>CURRENT LIABILITIES</b>			
Short-term loans from bank	13	1,308,025	371,590
Trade and other payables		254,145	372,817
Current portion of lease liabilities	14	2,252	1,854
Advances received from customers		82,349	59,660
Dividend payable	16	4,353	5,277
Accrued commission expenses		30,198	37,016
Accrued transportation expenses		24,913	37,288
Accrued income tax		47,809	67,624
Other accrued expenses		42,469	47,596
Other current liabilities		6,382	3,362
<b>Total Current Liabilities</b>		<b>1,802,895</b>	<b>1,004,084</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	14	2,050	3,108
Liabilities under post-employment benefits	15	60,519	57,576
<b>Total Non-Current Liabilities</b>		<b>62,569</b>	<b>60,684</b>
<b>TOTAL LIABILITIES</b>		<b>1,865,464</b>	<b>1,064,768</b>

The accompanying notes form an integral part of these financial statements.

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED  
 STATEMENT OF FINANCIAL POSITION  
 LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)

	Note	Thousand Baht	
		31 December 2021	31 December 2020
<b>SHAREHOLDERS' EQUITY</b>			
Share capital-ordinary shares, Baht 1 par value			
Authorized 535,506,333 shares		535,506	535,506
Issued and fully paid-up 535,506,333 shares		535,506	535,506
Premium on share capital		55,091	55,091
Retained earnings			
- Appropriated for legal reserve	17	53,641	53,641
- Unappropriated		1,821,395	1,511,293
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>2,465,633</b>	<b>2,155,531</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>4,331,097</b>	<b>3,220,299</b>

The accompanying notes form an integral part of these financial statements.



SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED  
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 31 DECEMBER

	Notes	Thousand Baht	
		2021	2020
Revenue from sales and services	19, 23	4,550,352	3,973,381
Costs of sales and services	23, 24	(3,456,296)	(3,003,300)
<b>Gross profit</b>		1,094,056	970,081
Other income	20	304,755	244,285
<b>Profit before expense</b>		1,398,811	1,214,366
Selling and distribution expenses	24	(341,555)	(243,402)
Administrative expenses	24	(199,706)	(197,016)
<b>Profit from operating activities</b>		857,550	773,948
Finance costs		(10,684)	(8,200)
<b>Profit before income tax</b>		846,866	765,748
Income tax	21	(119,088)	(147,037)
<b>PROFIT FOR THE YEAR</b>		727,778	618,711
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>			
<b>Items not to be reclassified subsequently to profit or loss</b>			
Actuarial loss - net of tax	15	-	(426)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		727,778	618,285
<b>Basic earnings per share</b>			
Profit (Baht per share)		1.36	1.16
Weighted average number of common shares (share)		535,506,333	535,506,333

The accompanying notes form an integral part of these financial statements.

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED 31 DECEMBER

	Thousand Baht				
	Share Capital Issued and fully paid - up	Premium on share capital	Retained earnings		Total
			Appropriated for legal reserve	Unappropriated	
Notes					
<b>Balance as at 1 January 2020</b>	535,506	55,091	53,641	1,187,527	1,831,765
Dividend payment	-	-	-	(294,519)	(294,519)
<b>Transactions with owners</b>	-	-	-	(294,519)	(294,519)
Profit for the year	-	-	-	618,711	618,711
Other comprehensive income for the year	-	-	-	(426)	(426)
<b>Total comprehensive income for the year</b>	-	-	-	618,285	618,285
<b>Balance as at 31 December 2020</b>	535,506	55,091	53,641	1,511,293	2,155,531
<b>Balance as at 1 January 2021</b>	535,506	55,091	53,641	1,511,293	2,155,531
Dividend payment	-	-	-	(417,676)	(417,676)
<b>Transactions with owners</b>	-	-	-	(417,676)	(417,676)
Profit for the year	-	-	-	727,778	727,778
<b>Total comprehensive income for the year</b>	-	-	-	727,778	727,778
<b>Balance as at 31 December 2021</b>	535,506	55,091	53,641	1,821,395	2,465,633

The accompanying notes form an integral part of these financial statements.

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 31 DECEMBER

	Thousand Baht	
	2021	2020
<b>Cash flows from operating activities:</b>		
Profit before income tax	846,866	765,748
<b>Adjustments to reconcile profit before income tax to net cash</b>		
<b>provided from (used in) operating activities:</b>		
Depreciation	70,688	64,406
Unrealized loss (gain) on exchange rate	6,487	(12,680)
Provision for post-employment benefits	3,678	3,696
Gain on fair value adjustment of investment property	(90)	(636)
Loss on disposal and written off assets	458	1,428
Unrealized loss (gain) on short-term investment	(757)	54
Gain on disposal of short-term investment	(556)	(1,079)
Reversal of accrued expenses	(7,642)	-
Interest expense	10,684	8,200
<b>Cash provided from operations before</b>		
<b>changes in operating assets and liabilities</b>	929,816	829,137
<b>Decrease (increase) in operating assets:</b>		
Trade accounts receivable	(206,744)	49,928
Inventories	(529,913)	(293,111)
Advance payments for goods	(13,640)	-
Refundable value added tax	(42,484)	(1,384)
Other current assets	411	2,301
Other non-current assets	-	(16)
<b>Increase (decrease) in operating liabilities:</b>		
Trade and other payables	(118,690)	59,861
Advances received from customers	22,689	53,794
Accrued commission expenses	(1,430)	8,129
Accrued transportation expenses	(12,375)	18,009
Other accrued expenses	(2,746)	18,357
Other current liabilities	3,020	532
Employee benefit paid	(2,867)	(3,040)
<b>Cash provided from operations</b>	<b>25,047</b>	<b>742,497</b>

The accompanying notes form an integral part of these financial statements.

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED  
STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER

	Thousand Baht	
	2021	2020
<b>Cash provided from operations (continue)</b>	25,047	742,497
Interest paid	(8,093)	(5,847)
Income tax paid	(139,123)	(118,518)
<b>Net cash provided from (used in) operating activities</b>	<u>(122,169)</u>	<u>618,132</u>
<b>Cash flows from investing activities:</b>		
Purchase of short-term investment	(3,155,600)	(2,351,472)
Proceeds from disposal of short-term investment	2,900,000	1,992,572
Decrease (increase) in restricted deposits with bank	6,596	(192)
Proceeds from disposal of assets	125	707
Purchase of property, plant and equipment	(158,142)	(161,550)
<b>Net cash used in investing activities</b>	<u>(407,021)</u>	<u>(519,935)</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term loans from bank	924,728	246,109
Repayment of lease liabilities	(5,092)	(5,932)
Dividend payment	(418,600)	(293,402)
<b>Net cash provided from (used in) financing activities</b>	<u>501,036</u>	<u>(53,225)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(28,154)	44,972
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	57,655	12,683
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>29,501</u>	<u>57,655</u>
<b>Supplemental disclosures for cash flows information</b>		
Non-cash transactions :		
- Purchase of vehicles under lease agreement	4,069	3,295
- Recognition of right-of-use assets	-	3,959

The accompanying notes form an integral part of these financial statements.

## 1. NATURE OF BUSINESS

Sahamitr Pressure Container Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 92, Soi Thientalay 7, 4th intersection, Bangkhunthien - Chaitalay Road, Samaedam, Bangkhunthien, Bangkok.

The Company was incorporated as a limited public company in Thailand, and was listed on the Stock Exchange of Thailand on 3 December 1991.

The Company’s major shareholders during the financial year were Mrs. Patama Laowong (19.60% shareholding) and Mr. Thamik Ekahitanond (10.15% shareholding).

The Company is engaged in the manufacturing of LPG and other pressure cylinders for both domestic and export sales. In addition, the Company also provides services for container repairs and quality testing for each country’s standards.

## 2. BASIS OF FINANCIAL STATEMENTS PREPARATION

### 2.1 Statement of compliance

The accompanying financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) issued by the Federation Accounting Professions and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act. These financial statements are officially prepared in the Thai language. The translation of these financial statements to other languages must be in compliance with the official report in Thai.

The financial statements have been prepared on a historical cost basis, except as otherwise disclosed specifically.

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires management to use certain critical accounting estimates and to exercise judgement in the process of adoption and application the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to financial statements are disclosed in Note 4 to financial statements.

### 2.2 Financial Reporting Standards, interpretations and guidance which effective from 1 January 2021

#### 2.2.1 Thai Accounting Standard 1 “Presentation of financial statements” and Thai Accounting Standard 8 “Accounting policies, Changes in Accounting Estimates and Errors”

There is an amendment to the definition of the term “Materiality” to comply with the Financial Reporting Standards and frameworks. Including the explanation that clarifies the materiality application to Thai Financial Reporting Standard 1. The amendment also makes consequential amendments to other TFRS including TAS 8, TAS 10, TAS 34 and TAS 37.

#### 2.2.2 Thai Financial Reporting Standard 3 “Business combinations”

This standard was amended to provide more consideration as follow;

- Provide an option for the entity to use “Concentration Test” that allows a simplified assessment of purchase whether it is considered as purchase of assets or business combination.
- Amend the definition of the term “Business” to define the business combination to include, at a minimum, an input and a substantive process that are collectively significant contribution to the ability to create outputs. Furthermore, amendment definition of “Outputs” which focus on goods and services provided to the customers and removing the reference to an ability to lower the costs.

#### 2.2.3 Thai Financial Reporting Standard 9 “Financial instruments” and Thai Financial Reporting Standard 7 “Disclosure of Financial instruments”

These standards change specific hedge accounting requirements to relief the uncertainties arising from the impact of interest rate benchmark reform including the effects of changes to contractual cash flow or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate such as Interbank offer rates – IBORs. In addition, the amendment requires the entity to disclose all hedging relationships directly affected by such uncertainty.

#### 2.2.4 Conceptual Framework for Financial Reporting

The conceptual framework definition was amended to define assets and liabilities and criteria for recognizing assets and liabilities in financial statements by adding the conceptual and application consideration as follow:

- Measurement including factors to be considered when selecting a benchmark basis
- Presentation and disclosure including classification of revenue and expenses in other comprehensive income.
- Derecognition assets and liabilities from financial statements.

In addition, this framework describes about responsibilities by function, conservative consideration concept, and uncertainty in the measurement of values in the preparation of financial information. The revision in conceptual framework also affect the revision in others framework including TAS 1, TAS 8, TAS 34, TAS 37, TAS 38, TFRS 2, TFRS 3, TFRS 6, TFRIC 12, TFRIC 19, TFRIC 20, TFRIC 22 and TSIC 32.

#### 2.2.5 Thai Financial Reporting Standard 16 “Leases”

This standard amends of Covid-19 related rent concessions which permits lessees, as a practical expedient, not to assess whether rent concessions that meet specified conditions are lease modification.

However, the Company has initially applied revised TFRS that are effective for annual periods beginning on or after 1 January 2021 and has not early adopted TFRS which are not yet effective. The application has no material impact on the financial statements.

2.3 Financial Reporting Standards and guidance which effective for the accounting period beginning on or after 1 January 2022 are as follows:

Thai Financial Reporting Standard 9, “Financial instruments”, Thai Financial Reporting Standard 7, “Disclosure of Financial instruments”, Thai Financial Reporting Standard 16, “Lease”, Thai Financial Reporting Standard 4, “Insurance Contracts” and accounting guidance, financial instruments and disclosures for insurance business

Interest rate benchmark (IBOR) reform – phase 2 provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flow or hedging relationship arising from the change of interest rate benchmark to alternative benchmark rates. The significant information are as follows:

- Applying a practical expedient on relief measurement when changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), have to comply with 2 conditions are 1) the changes that are necessary as a direct result of the IBOR reform and 2) the new basis for determining contractual cash flows are considered economically equivalent, will not result in an immediate gain or loss in the statement of profit or loss. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS7 requires addition disclosures as follows:

- The nature and extent of risks arising from the IBOR reform including methods that the entity uses in managing for the transition to alternative benchmark rates.
- The quantitative information related to the financial instruments that have yet transitioning to an alternative benchmark rate as at the end of the reporting period, by separate significant benchmark rates under the IBOR reform.
- The changing to an entity’s risk management strategies that the risk arising from financial instruments and transition to alternative benchmark rates.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand and all cash at banks (which do not have restriction of usage) and highly liquid investments maturing within 3 months that are readily convertible to cash on maturity date with insignificant risk of change in value.

#### Related parties

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

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and directing the Company's operations.

#### Inventory

Inventories are valued at the lower of cost or net realizable value, by the following methods:

Finished goods and work in process	-	At cost (average method)
Raw materials and others		At cost (specific and first - in, first - out method)

Net realizable value is the estimated selling price in the ordinary course of the business less the marginal cost to complete (for work in process) and other estimated costs necessary to make the sale.

Cost of purchase consists of purchasing price and other related direct cost, net of discounts and others (if any).

Costs of finished goods and work in process consist of raw materials, direct labour, other direct expenses and overhead which are allocated based on the production process.

The Company sets up allowance for decline value of inventories (if any), based on their current status such as slow-moving and defective.

#### Property, plant and equipment

##### *Recognition and measurement*

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

Cost is measured by the cash or cash equivalent price of obtaining the asset that bring it to the location and condition necessary for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.



Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/expense in profit or loss.

*Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

*Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

	Years
Land improvements	10
Buildings and improvements	20 - 40
Machinery and equipment	3 - 20
Furniture, fixtures and office equipment	3 - 10
Vehicles	5

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

*Impairment*

The carrying amounts of the Company'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.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognized in profit or loss.

**Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property also includes property where the future use has not been determined.

Investment property is measured initially at its cost including related transaction costs. After initial recognition, investment property is carried at its fair value estimated by an independent appraiser, and recognize changes in the fair value in profit or loss.

Subsequent expenditure is capitalised to the asset carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

#### **Right-of-use assets and lease liabilities**

*Leases - where the Company is the lessee*

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

The Company recognises a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Company uses the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed payments including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price, under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period; and
- payments of penalties for early termination of a lease if the Company is reasonably certain to terminate early.

To apply a cost model, the Company measures the ROU asset at cost, less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liability. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the ROU asset reflects that the Company will exercise a purchase option, the Company depreciates the ROU asset from the commencement date to the end of the useful life of the underlying asset. The useful life of the ROU asset is determined on the same basis as those of property, plant and equipment.

The lease liability is re-measured when there is a change in future lease payments arising from the following items:

- a change in an index or a rate used to determine those payments
- a change in the Company's estimate of the amount expected to be payable under a residual value guarantee
- the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured to reflect changes to the lease payments, the Company recognises the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the remeasurement in profit or loss.

#### *Short-term leases and leases of low-value assets*

The Company has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **Revenue**

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and other rebates.

#### *Sale of goods and services rendered*

Revenue from sales of goods is recognized when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for estimated returns, which are estimated based on the historical data.

Freight income is recognized over time. The related costs are recognized in profit or loss when they are incurred.

#### *Interest income*

Interest income is recognized in profit or loss on an accrual basis.

#### **Foreign currencies**

Foreign currency transactions are translated into the functional currency (Thai Baht), using the exchange rate prevailing at the dates of the transactions (spot exchange rate).

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in profit or loss as incurred.

### **Income tax**

The computation of corporate income tax in compliance with the Revenue Code, is based on the taxable profit for the year after adding back expenses that are not deductible in determining taxable profit and the deduction of exempted income, according to the Revenue Code.

#### *Current income tax*

Current income tax is the expected tax payable or claimable on the taxable profit or loss for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of earlier years.

#### *Deferred tax*

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the corresponding amounts used for income tax computation purposes. Deferred tax is measured at the tax rate that is expected to be applied to the temporary differences when they reverse, using tax rate enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting year and reduced to the extent that the related tax benefit will be realized.

### **Employee benefits**

#### *Short-term employment benefits*

Salaries, wages, bonuses and contribution to the social security are recognized as expenses when incurred on the accrual basis.

#### *Post-employment benefits (Defined contribution plans)*

The Company and its employees have jointly established a contributory provident fund plan whereby monthly contributions are made by employees and by the Company. The fund assets are held in a separate trust fund. The Company's contributions are recognized as expenses when incurred.

#### *Post-employment benefits (Defined benefit plans)*

The Company has obligations in respect of the severance payments for employees upon retirement under the Labour Law.

The obligation under the defined benefit plan is determined by actuary, using the projected unit credit method.

#### *Share-based payments*

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

### **Basic earnings per share**

The Company presents basic earnings per share for its ordinary shares. 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.

### **Dividend payment**

Dividend payment is recorded in the financial statements in the period in which they are approved by the Shareholders or Board of Directors of the Company.

### **Segment reporting**

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment information is presented by geography as primary format.

### **Provisions**

A provision is recognized if, as a result of a past event, the Company 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.

### **Financial instruments**

#### *Recognition and derecognition*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

Financial liabilities are derecognised when they are extinguished, discharged, cancelled or expires.

#### *Classification and initial measurement of financial assets*

The Company classified financial assets into the categorized (1) amortised cost (2) fair value through other comprehensive income (FVOCI) or (3) fair value through profit or loss (FVTPL) based on 2 criteria as follow;

- the entity's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset

All revenue and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

At initial recognition, the financial assets (in the case of a financial asset not at FVTPL) are initial recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

The Company does not have any financial assets categorized and measured by FVOCI.

*Subsequent measurement of financial assets*

*Financial assets at amortised cost*

Financial assets are measured at amortised cost if the assets meet the following conditions:

- the Company held such financial assets within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are subsequently measured at amortised cost using the effective interest method and are subjected to impairment which recognized in the profit or loss as separate item.

*Financial assets at fair value through profit or loss (FVTPL)*

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL.

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

*Impairment of financial assets*

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI (if any). The impairment methodology applied depends on whether there has been a significant increase in credit risk.

*Classification and initial measurement of financial liabilities*

The Company classifies the financial instruments issued by the Company as financial liabilities or equity securities by considering contractual obligations.

The Company initial recognized the financial liabilities at fair value and adjusted with transaction costs that are directly attributable to the acquisition of the financial liabilities.

*Subsequent measurement of financial liabilities*

Financial liabilities are subsequently measured at amortised cost using the effective interest method and are expensed in the profit or loss except derivative liabilities are measured at fair value through profit or loss.

**Trade accounts receivable**

A receivable is recognized when the Company has an unconditional right to receive consideration. If revenue has been recognized before the Company has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade accounts receivable are presented at transaction price less impairment for expected credit loss as describe in Note 4 to financial statements which was provided for on the basis of collection experience and future payment ability of the debtors at the end of year.

### **Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1	quoted prices (unadjusted) 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 (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3	inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## **4. Critical accounting estimates, assumption and judgment and capital risk management**

### **4.1 Critical accounting estimates, assumption and judgments**

#### **4.1.1 Revenue**

The Company exercises critical judgments consideration the agreements between two or more parties to assess rights of parties and performance obligations of each party in the part of goods and services that have been promised to the customer. The Company separates revenue from sales LPG and other pressure cylinders by recognized at point in time and the Company also has revenue from services for container repairs and freight income required from customers by recognized at overtime.

#### **4.1.2 Impairment of receivables**

Impairment of trade receivables are measured at an amount equal to lifetime expected credit losses (ECLs). ECLs are estimated using Simplified approach which a provision matrix developing based on the Company's historical credit loss experiences, adjusted with factors that are specific to the debtors together with an assessment of both current and future forecast of general economic conditions at the reporting date.

#### **4.1.3 Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

#### **4.1.4 Allowance for decline in value of inventories**

The Company estimates an allowance for slow-moving and defective inventories to reflect impairment of inventories. The allowance is based on the consideration of inventory turnover and deterioration of each inventory category.

- 4.1.5 Property, plant and equipment and computer software  
Management regularly determines the estimated useful lives and residual values of building, plant and equipment and computer software, and will revise the depreciation and the amortization charge where useful lives and residual values previously estimated have changed or subject to be written down for their technical obsolescence or if asset is no longer in used.
- 4.1.6 Investment property  
The fair value of investment property is determined by an independent valuer using the market approach. The valuation involves certain assumptions and estimates.
- 4.1.7 Impairment of assets  
The company consider asset as impaired when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is “significant” or “prolonged” requires management judgement.
- 4.1.8 Post-employment benefits  
The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, future salary increases, mortality rates and other demographic factors. Actual post-retirement costs may ultimately differ from these estimates.
- 4.1.9 Deferred tax assets  
The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company future taxable income against which the deductible temporary differences can be utilized. In addition, management judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.
- 4.1.10 Leases  
*Determining the lease term*  
The Company exercises judgement in determining whether it is reasonably certain to exercise option to terminate or extend a lease in determining the lease term which considered all relevant facts and circumstances that create an economic incentive to exercise the option to extend the lease or not to exercise the option to terminate the lease.  
  
*Determining of discount rate*  
The discount rate, which was used to calculate the lease liability, is the rate implicit in the leases if it can be readily determined, or the lessee’s incremental borrowing rate if not. The Company used the rate implicit in the lease for hire purchase leases and incremental borrowing rate for other leases. The Company estimated interest rate closely to incremental borrowing rate.



#### 4.2 Capital risk management

The Company's objectives in the management of capital is to safeguard its ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Company may issue new shares or issue new debentures to finance debts or sell assets to reduce debts.

## 5. TRANSACTIONS WITH RELATED PARTIES

The Company has certain accounting transactions with related parties that are related to it through common shareholding and/or directorship. Thus, the financial statements reflect the effects of those transactions on the basis agreed upon between the Company and its related parties, which basis might be different from the basis used for transactions with unrelated parties.

Significant transactions with related parties for the years ended 31 December 2021 and 2020 consist of:

	Thousand Baht	
	2021	2020
<u>Key management personnel compensation</u>		
Short-term employment benefits	85,702	86,941
Post-employment benefits		
- Service cost	495	478
- Finance cost	457	425
- Actuarial gain	-	(906)
<b>Total</b>	<b>86,654</b>	<b>86,938</b>

As at 31 December 2021 and 2020, the Company has the following significant outstanding balances with related parties as follows:

	Thousand Baht	
	2021	2020
Lease liabilities	1,839	2,896
<u>Less</u> Portion due within 1 year	<u>(1,053)</u>	<u>(1,507)</u>
Net	<u>786</u>	<u>1,389</u>
Liabilities under post-employment benefits	<u>20,840</u>	<u>19,888</u>

## 6. CASH AND CASH EQUIVALENTS

	Thousand Baht	
	2021	2020
Cash	165	165
Saving accounts with banks	22,085	28,264
Current accounts with banks	7,251	9,226
Bill of Exchange	-	20,000
Total	<u>29,501</u>	<u>57,655</u>

Bill of Exchange ages not more than 3 months with carry effective interest at the rate 2.00% per annum.

## 7. SHORT-TERM INVESTMENT

Movements in the short-term investment for the years ended 31 December 2021 and 2020 are summarized below.

	Thousand Baht	
	2021	2020
Balance as at 1 January	517,090	157,165
Add Addition	3,155,600	2,351,472
Less Disposals	(2,899,444)	(1,991,493)
Unrealized gain (loss) on short-term investment	757	(54)
Balance as at 31 December	<u>774,003</u>	<u>517,090</u>

The Company has invested in an open-end mutual fund which yields return more than general savings deposits. The investment does not have any restriction for redemption and is classified as financial assets measured at fair value through profit or loss.

### Measurement of fair value

The fair market value is based on the price quoted by the fund manager which is based on the fair value of the underlying investments held by the fund (Level 2).

## 8. TRADE ACCOUNTS RECEIVABLE

As at 31 December 2021 and 2020, the aged trade accounts receivable are as follows:

	Thousand Baht	
	2021	2020
Not yet due	399,504	321,854
Over due		
Less than 3 months	204,811	57,469
More than 3 months, not over 6 months	5,009	23,840
More than 6 months, not over 12 months	5,500	9
More than 12 months	106	-
<b>Total</b>	<b>614,930</b>	<b>403,172</b>

The normal credit term is between 0 - 90 days.

## 9. INVENTORIES

	Thousand Baht	
	2021	2020
Raw materials and others	1,058,895	594,228
Raw materials in transits	94,840	164,999
Work in process	106,402	59,311
Finished goods	196,887	108,573
<b>Total</b>	<b>1,457,024</b>	<b>927,111</b>
Less Allowance for decline in value of inventories	(656)	(656)
<b>Net</b>	<b>1,456,368</b>	<b>926,455</b>

## 10. RESTRICTED DEPOSITS WITH BANKS

As at 31 December 2021 and 2020, the Company's fixed and saving deposits totalling Baht 30.10 million and Baht 36.69 million, respectively, are restricted for usage as they have been pledged as collaterals for loans from bank and letters of guarantee issued by a local banks for performance bonds and utilities usage.

## 11. INVESTMENT PROPERTY

As at 31 December 2021 and 2020, the outstanding balances of investment property are as follows:

	Thousand Baht	
	2021	2020
Land	36,130	36,040
Land and construction	24,376	24,376
<b>Total</b>	<b>60,506</b>	<b>60,416</b>

Investment property comprises of land and construction which have not used in the Company's operations, and property where the future usage has not been determined.

During the years ended 31 December 2021 and 2020, movement of the investment property are as follows:

	Thousand Baht	
	2021	2020
Net book value as at 1 January	60,416	59,780
Gain on fair value adjustment for the year	90	636
Net book value as at 31 December	<b>60,506</b>	<b>60,416</b>

### Measurement of fair value

The fair value of investment property is determined by external independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued and have been approved by The Securities and Exchange Commission. An independent valuation is performed at least every three years, or when management determines that there is a material change in the fair value. During the year 2021, fair value of properties was revalued resulting in a gain of Baht 0.09 million. The independent appraisers applied a market approach by comparing the value to market price of other property in the nearby location (Level 2). The Company recognized changes in the fair value of investment property in profit or loss for the year.

As at 31 December 2020, part of investment property amounting to Baht 58.82 million has been mortgaged as collateral for credit facility as discussed in Note 13 to financial statements. During the year 2021, the Company already redeemed all of these guarantees. Therefore, as at 31 December 2021, the Company has no investment property been mortgaged.

12. PROPERTY, PLANT AND EQUIPMENT

	Thousand Baht							Total
	Land and improvement	Building and improvement	Machinery and equipment	Furniture fixtures and office Equipment	Vehicles	Machinery under installation and construction in progress		
<b>Cost</b>								
1 January 2020	319,265	498,320	940,489	40,574	53,889	22,402	1,874,939	
Acquisitions	-	2,586	20,807	1,625	3,641	136,186	164,845	
Disposals / write-off	-	-	(26,904)	(374)	(154)	-	(27,432)	
Transfer in / (out)	8,905	34,109	35,991	57	-	(79,062)	-	
31 December 2020	328,170	535,015	970,383	41,882	57,376	79,526	2,012,352	
Acquisitions	7	205	25,187	3,848	4,075	128,889	162,211	
Disposals / write-off	-	-	(5,785)	-	(561)	-	(6,346)	
Transfer in / (out)	670	20,926	85,394	-	-	(106,990)	-	
31 December 2021	328,847	556,146	1,075,179	45,730	60,890	101,425	2,168,217	
<b>Accumulated depreciation</b>								
1 January 2020	34,596	230,257	448,465	36,467	50,375	-	800,160	
Depreciation for the year	2,954	13,280	43,730	1,441	3,001	-	64,406	
Accumulate depreciation for								
Disposals / write-off	-	-	(24,770)	(374)	(154)	-	(25,298)	
31 December 2020	37,550	243,537	467,425	37,534	53,222	-	839,268	
Depreciation for the year	3,533	14,112	49,146	1,526	2,371	-	70,688	
Accumulate depreciation for								
Disposals / write-off	-	-	(5,202)	-	(561)	-	(5,763)	
31 December 2021	41,083	257,649	511,369	39,060	55,032	-	904,193	

	Thousand Baht						Total
	Land and improvement	Building and improvement	Machinery and equipment	Furniture fixtures and office Equipment	Vehicles	Machinery under installation and construction in progress	
<b>Net book value</b>							
31 December 2020	290,620	291,478	502,958	4,348	4,154	79,526	1,173,084
31 December 2021	287,764	298,497	563,810	6,670	5,858	101,425	1,264,024
<b>Depreciation for the year 2020</b>							
Costs of sales							55,809
Administrative expenses							8,597
<b>Total</b>							<b>64,406</b>
<b>Depreciation for the year 2021</b>							
Costs of sales							62,094
Administrative expenses							8,594
<b>Total</b>							<b>70,688</b>

The Company's land and buildings and a part of machinery have been mortgaged as collateral for credit facilities as discussed in Notes 13, 25 and 26 to financial statements. During the year 2021, the Company already redeemed some parts of the guarantees. Currently, there is only a part of machinery which the Company is on process of redemption.

As at 31 December 2021 and 2020, the cost of fully depreciated assets which remain in use amounted to Baht 327.33 million and Baht 261.07 million, respectively.

### 13. SHORT-TERM LOANS FROM BANK

	Thousand Baht	
	2021	2020
Liabilities under trust receipts	1,308,025	371,590
<b>Total</b>	<b>1,308,025</b>	<b>371,590</b>

As at 31 December 2021, the Company has credit facilities from bank totaling Baht 5,410 million (2020 : Baht 5,181 million). The liabilities under trust receipts bear interest at the rates of 1.00% and 1.50% per annum (2020: 1.00% - 2.40% per annum). These loans are collateralized by the mortgage of the Company's land, buildings thereon and a part of machinery, investment property, restricted deposits with banks, the pledge of the Company's shares belonging to the Company's shareholders and the personal guarantees of certain Company's directors and former director. During the year 2021, the Company has already redeemed some parts of the guarantees. Currently, there is a part of machinery only which the Company is on process of redemption.

### 14. LEASE

Right-of-use assets

The Company recorded right-of-use by asset category into property, plant, and equipment which are summarized as follow:

	Thousand Baht		
	Land	Vehicles	Total
<b>Cost</b>			
As at 1 January 2020	3,959	9,421	13,380
Acquisitions	-	3,295	3,295
As at 31 December 2020	3,959	12,716	16,675
Acquisitions	-	4,069	4,069
As at 31 December 2021	<u>3,959</u>	<u>16,785</u>	<u>20,744</u>
<b>Accumulated depreciation</b>			
As at 1 January 2020	-	6,120	6,120
Depreciation for the year	1,053	2,318	3,371
As at 31 December 2020	1,053	8,438	9,491
Depreciation for the year	1,059	2,669	3,728
As at 31 December 2021	<u>2,112</u>	<u>11,107</u>	<u>13,219</u>

	Thousand Baht		
	Land	Vehicles	Total
<b>Net book value</b>			
As at 31 December 2020	2,906	4,278	7,184
As at 31 December 2021	1,847	5,678	7,525
<b>Depreciation for the year 2020</b>	1,053	2,318	3,371
<b>Depreciation for the year 2021</b>	1,059	2,669	3,728

#### Lease liabilities

As at 31 December 2021 and 2020, the Company has lease agreements for vehicles and land that are being used in the operations with instalment periods of 36 - 48 months. The present value of lease liabilities are as follows:

	Thousand Baht	
	2021	2020
Lease liabilities	4,302	4,962
Less Portion due within 1 year	(2,252)	(1,854)
<b>Net</b>	<b>2,050</b>	<b>3,108</b>

The analysis for maturity of lease liabilities are as follows:

	Thousand Baht	
	2021	2020
Not later than one year	2,553	2,121
Later than 1 year but not later than 5 years	2,257	3,442
<b>Total</b>	<b>4,810</b>	<b>5,563</b>

The Company recognized financial cost which related to leases of Baht 0.36 million (2020: Baht 0.34 million).



15. LIABILITIES UNDER POST-EMPLOYMENT BENEFITS

	Thousand Baht	
	2021	2020
<b>Statement of financial position:</b>		
Post-employment benefits	60,519	57,576
<b>Statements of profit or loss and other comprehensive income:</b>		
<i>Recognized in profit or loss:</i>		
Post-employment benefits	5,810	5,733
<i>Recognized in other comprehensive income:</i>		
Actuarial loss	-	533

The Company has an obligation under the Thai Labour Law to provide retirement benefits to employees based on pensionable remuneration and length of service.

During the years ended 31 December 2021 and 2020, movements in employee benefits obligation are as follows:

	Thousand Baht	
	2021	2020
Balance as at 1 January	57,576	54,350
Recognized in profit or loss:		
- Current service costs	3,678	3,696
- Interest on obligation	2,132	2,037
Actuarial losses	-	533
Benefits paid	(2,867)	(3,040)
Balance as at 31 December	60,519	57,576

*Principal actuarial assumptions are as follows:*

Discount rate	3.48 percent per annum
Future salary increment rate	5.0 percent per annum
Normal retirement age	60 years
Number of employees	414 persons

Amount recognized in other comprehensive income related to employee benefits obligation are as follow:

	Thousand Baht	
	2021	2020
Actuarial (gain) loss from changes in		
- Demographic assumption	-	(656)
- Financial assumptions	-	1,189
<b>Total recognized in other comprehensive income</b>	<b>-</b>	<b>533</b>

#### *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.

	Thousand Baht	
	Effect to the defined benefit obligation	
	2021	2020
Discount rate (1% increment)	(5,873)	(5,779)
Discount rate (1% decrement)	6,801	6,713
Future salary growth (1% increment)	7,683	6,889
Future salary growth (1% decrement)	(6,688)	(6,015)
Employee turnover (1% increment)	(7,559)	(6,800)
Employee turnover (1% decrement)	8,789	7,881

## 16. Dividend payment

At the Board of Directors' Meeting No. 5/2564 held on 10 August 2021, the Board of Director passed a resolution to appropriate an interim dividend payment from the operating profit for the six-month period ended 30 June 2021 of Baht 0.35 per share for 535,506,333 common shares, totally not exceeding Baht 187.42 million. The Company paid such dividend on 9 September 2021.

At the 2021 Annual General Meeting of Shareholders held on 31 March 2021, the shareholders passed a resolution to pay a dividend from operating income for the year ended 31 December 2020 of Baht 0.80 per share, of which an interim dividend payment for the six-month period ended 30 June 2020 had been paid of Baht 0.37 per share for 535,506,333 common shares, totalling Baht 198.13 million on 9 September 2020. Therefore, the remaining dividend payment for the period from 1 July 2020 to 31 December 2020 of Baht 0.43 per share totalling to Baht 230.26 million had been paid on 30 April 2021.

At the Board of Directors' Meeting No. 4/2020 held on 10 August 2020, the Board of Director passed the resolution to appropriate an interim dividend payment on 9 September 2020 from the operating profit for the six-month period ended 30 June 2020 of Baht 0.37 per share for 535,506,333 common shares, totally Baht 198.13 million.

At the 2020 Annual General Meeting of Shareholders held on 31 March 2020, the shareholders passed a resolution to pay a dividend from operating income for the year ended 31 December 2019 of Baht 0.42 per share. On 6 September 2019, the Company paid interim dividend for the six-month period ended 30 June 2019 of Baht 0.24 per share for 535,506,333 common shares, totalling Baht 128.52 million. On 30 April 2020, the Company paid the remaining dividend for the period from 1 July 2019 to 31 December 2019 of Baht 0.18 per share amounting to Baht 96.39 million.

As at 31 December 2021, the Company has an accrual for dividends payable amounting to Baht 4.35 million (2020 : Baht 5.28 million) which is presented as Dividend payable in the statement of financial position.

#### **17. LEGAL RESERVE**

Under the provision of the Public Company Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net profit, after deduction of the deficit brought forward (if any), as reserve fund until the reserve reaches not less than 10% of the registered share capital. This reserve is not available for dividend distribution.

#### **18. PROVIDENT FUND**

The Company and employee have established a contributory Provident Fund. This Provident Fund has already been registered under the Provident Fund Act, B.E. 2530. Under the Fund plan, employee has to contribute to the fund at the specific rate and will be entitled to receive the fund when employee is no longer member in accordance with regulation of the fund. The Company's contribution to the Fund for the year 2021, amounted to Baht 7.60 million (2020: Baht 3.43 million).

## 19. Revenue

The Company has revenue from sales both domestic and export which consist of LPG and other pressure cylinders. In addition, the Company also provides services for container repairs and freight income required from customers.

The Company disclosed the revenue disaggregated by primary geographical areas and classified by pattern of revenue recognition for the years ended 31 December 2021 and 2020 are as follows:

	Thousand Baht							
	Sale of goods		Freight income		Others		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Asia	230,093	968,915	5,686	33,143	1,252	16,927	237,031	1,018,985
Africa	1,179,011	1,174,415	121,536	55,836	-	-	1,300,547	1,230,251
America	2,008,080	1,036,292	57,049	7,712	-	-	2,065,129	1,044,004
Others	915,598	666,731	32,047	13,410	-	-	947,645	680,141
<b>Total</b>	<b>4,332,782</b>	<b>3,846,353</b>	<b>216,318</b>	<b>110,101</b>	<b>1,252</b>	<b>16,927</b>	<b>4,550,352</b>	<b>3,973,381</b>

Revenue classified by revenue recognition

- At point in time	4,332,782	3,846,353	-	-	1,252	16,927	4,334,034	3,863,280
- Overtime	-	-	216,318	110,101	-	-	216,318	110,101
<b>Total</b>	<b>4,332,782</b>	<b>3,846,353</b>	<b>216,318</b>	<b>110,101</b>	<b>1,252</b>	<b>16,927</b>	<b>4,550,352</b>	<b>3,973,381</b>

## 20. OTHER INCOME

Other income for the years ended 31 December 2021 and 2020 are as follows:

	Thousand Baht	
	2021	2020
Revenue from scrap sales	276,170	170,410
Gain on exchange rate	4,322	62,789
Revenue from product quality test	5,943	3,123
Gain on fair value adjustment of investment property	90	636
Revenue from reversal of accrued expenses	7,642	-
Revenue from indemnification	3,100	-
Others	7,488	7,327
<b>Total</b>	<b>304,755</b>	<b>244,285</b>

## 21. INCOME TAX

### *Deferred tax*

Deferred tax assets and liabilities are consisted of:

	Thousand Baht	
	2021	2020
Deferred tax assets	14,796	14,198
Deferred tax liabilities	(1,719)	(1,342)
Deferred tax	<u>13,077</u>	<u>12,856</u>

The movements in deferred tax assets / liabilities for the years ended 31 December 2021 and 2020 are as follows:

	Thousand Baht			
	1 January 2021	Recognised as income/ (expense)		31 December 2021
		Statement of profit or loss	Shareholder's equity	
<b>Deferred tax assets</b>				
From adjustment the fair value of investment property	2,104	(18)	-	2,086
From lease liabilities	579	27	-	606
From provision for employee benefits obligation	11,515	589	-	12,104
<b>Total</b>	<u>14,198</u>	<u>598</u>	<u>-</u>	<u>14,796</u>
<b>Deferred tax liabilities</b>				
From property, plant and equipment	(761)	(589)	-	(1,350)
From right-of-use assets	(581)	212	-	(369)
<b>Total</b>	<u>(1,342)</u>	<u>(377)</u>	<u>-</u>	<u>(1,719)</u>
<b>Deferred tax - net</b>	<u>12,856</u>	<u>221</u>	<u>-</u>	<u>13,077</u>

	Thousand Baht			31 December 2020
	1 January 2020	Recognised as income/ (expense)		
		Statement of profit or loss	Shareholder's equity	
<b>Deferred tax assets</b>				
From adjustment the fair value of investment property	2,231	(127)	-	2,104
From lease liabilities	-	579	-	579
From provision for employee benefits obligation	10,870	538	107	11,515
<b>Total</b>	<b>13,101</b>	<b>990</b>	<b>107</b>	<b>14,198</b>
<b>Deferred tax liabilities</b>				
From property, plant and equipment	(849)	88	-	(761)
From right-of-use assets	-	(581)	-	(581)
<b>Total</b>	<b>(849)</b>	<b>(493)</b>	<b>-</b>	<b>(1,342)</b>
<b>Deferred tax - net</b>	<b>12,252</b>	<b>497</b>	<b>107</b>	<b>12,856</b>

Income tax expense for the years ended 31 December 2021 and 2020 are as follows:

	Thousand Baht	
	2021	2020
<b>Current tax expense</b>		
Current year	119,309	147,534
<b>Deferred tax expense</b>		
Movements in temporary differences	(221)	(497)
<b>Total income tax expense</b>	<b>119,088</b>	<b>147,037</b>
<b>Income tax recognized in other comprehensive income</b>		
Actuarial loss	-	(107)

	2021		2020	
	Rate (Percentage)	Thousand Baht	Rate (Percentage)	Thousand Baht
Profit before income tax		<u>846,866</u>		<u>765,748</u>
Income tax at tax rate	20	169,373	20	153,150
Income tax expense from non-deductible expense for tax purpose		692		326
Income tax benefit from additional deduction of expenses for tax purpose		(2,906)		(6,384)
Adjustment for tax in prior years		<u>(37)</u>		<u>(55)</u>
Income tax expense		167,122		147,037
Utilized right of corporate income tax exemption from BOI		<u>(48,034)</u>		<u>-</u>
Net		<u>119,088</u>		<u>147,037</u>
Effective tax rate	14.06		19.20	

## 22. PROMOTIONAL PRIVILEGES

The Company has been granted for promotional privileges certificate (No. 63-0026-1-04-1-0) by the Office of Board of Investment in the manufacturer steel products, including steel parts on 10 January 2020 subjected to certain terms and conditions.

The privileges include

1. An exemption from corporate income tax for the period of 3 years from the first date of promoted operations commence generating revenues which corporate income tax exemption is not exceeded 50% and 100% of the investment for production efficiency improvement exclude land and working capital investment.
2. An Exemption from import duty on imported machinery which must be imported within 10 January 2023. At present, those machineries are under construction.

During the year 2021, the Company utilized right of corporate income tax exemption (privilege no. 1) Baht 48.03 million as described in note 21 to financial statements.

## 23. SEGMENT REPORTING

Significant segment reporting for the years ended 31 December 2021 and 2020 are as follows:

	Thousand Baht					
	For the years ended 31 December					
	2021			2020		
	Domestic	Export	Total	Domestic	Export	Total
Revenue from sales and services	306,484	4,243,868	4,550,352	97,285	3,876,096	3,973,381
Costs of sales and services	(211,842)	(3,244,454)	(3,456,296)	(59,265)	(2,944,035)	(3,003,300)
Gross profit	94,642	999,414	1,094,056	38,020	932,061	970,081

Segment reporting is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The Company reported its operations by domestic and export. Segment performance is measured based on gross profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Gross profit for domestic and export sales derived from the deduction of related costs of sales, which are calculated by the weighted average standard cost of each product.

### Major Customer

For the year ended 31 December 2021, the Company has revenue from major private customer amount of Baht 990 million (2020: Baht 457 million).

## 24. EXPENSES BY NATURE

Significant expenses by nature for the years ended 31 December 2021 and 2020 are as follows:

	Thousand Baht	
	2021	2020
Raw materials and consumable supplies used	2,887,348	2,381,467
Salaries, wages and other employee benefits	372,361	379,840
Transportation expenses	280,851	170,451
Depreciation	70,688	64,406
Changes in finished goods and work in process	135,406	63,329
Commission	33,045	41,284



## 25. COMMITMENTS

As at 31 December 2021, the Company has the following commitments:

- 25.1 An obligation under a domestic bank guarantee amounting to Baht 224.98 million for the issuance of letters of guarantee to the Customs Department to exempt the Company from paying anti-dumping duties for materials imported for manufacturing and re-export within one-year.
- 25.2 Obligations under domestic bank guarantees for performance bonds, utilities usage and others totalling Baht 155.34 million.
- 25.3 Obligations under domestic bank to issue letter of credit for inventory importation Baht 720.58 million.
- 25.4 Obligations under construction agreement, the Company has commitment to pay for the remaining amount of Baht 26.03 million when the construction ready for use.
- 25.5 Obligations in respect of material purchase agreements, the Company has commitment to pay for the remaining amount of Baht 59.33 million when received goods.

For the issuance of letters of guarantee in 25.1, 25.2 and 25.3, the Company has restricted deposits with banks, and mortgaged a part of machinery as an entire guarantee as mentioned in Notes 10 and 12 to financial statements. Currently, there is only a part of machinery which the Company is on process of redemption.

## 26. FINANCIAL RISK MANAGEMENT

The carrying amounts and classification of financial assets and financial liabilities as at 31 December 2021 are as follows:

	Thousand Baht		
	Carrying amounts	Fair value through profit or loss	Amortized cost - net
<b>Financial assets</b>			
Cash and cash equivalents	29,501	-	29,501
Short-term investment	774,003	774,003	-
Trade accounts receivable	614,930	-	614,930
Restricted deposits with banks	30,098	-	30,098
<b>Total</b>	<b>1,448,532</b>	<b>774,003</b>	<b>674,529</b>

	Thousand Baht		
	Carrying amounts	Fair value through profit or loss	Amortized cost - net
<b>Financial liabilities</b>			
Short-term loans from bank	1,308,025	-	1,308,025
Trade accounts payable	254,145	-	254,145
Lease liabilities	4,302	-	4,302
<b>Total</b>	<b>1,566,472</b>	<b>-</b>	<b>1,566,472</b>

### **Financial risk management policies**

The important financial risks of the Company comprise of credit risk, liquidity risk, market risk including credit risk, exchange rate risk and interest rate risk. The Company does not have any policy to trade financial assets for speculative purposes or commercial use. The Company has significant financial risk management policies as follow.

#### **26.1 Credit Risk**

The Company's credit risk is related with trade account receivable in which the Company provides credit term to customer on normal trade transactions. The Company manages its exposure to credit risk by closely monitoring of accounts receivable collection and focuses on each overdue accounts. Moreover, the Company has no significant concentrations of credit risk. The Company, therefore, does not expect to incur material financial losses from credit risk. The maximum financial losses to credit risk is limited to the carrying amounts of trade receivables as presented in the statement of financial position.

#### **26.2 Liquidity Risk**

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in 30-day projection. The data used for analyzing these cash flows is consistent with that used in the contractual maturity analysis.

In addition, the Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its existing cash resources and trade receivables (Note 8 to financial statements) significantly exceed the current cash outflow requirements. Cash flows from trade receivables are all contractually due within three months.

As of 31 December 2021 and 2020, the Company's financial assets and liabilities classified by the maturity dates subsequent from the statement of financial position date are as follows:

	Thousand Baht			
	2021			
	At call	Within 1 year	Over 1 year	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	29,501	-	-	29,501
Short-term investment	774,003	-	-	774,003
Trade accounts receivable	-	614,930	-	614,930
Restricted deposits with banks	-	-	30,098	30,098
Short-term loans from bank	-	1,308,025	-	1,308,025
Trade and other payables	-	254,145	-	254,145
Lease liabilities	-	2,252	2,050	4,302

	Thousand Baht			
	2020			
	At call	Within 1 year	Over 1 year	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	37,655	20,000	-	57,655
Short-term investment	517,090	-	-	517,090
Trade accounts receivable	-	403,172	-	403,172
Restricted deposits with banks	-	-	36,694	36,694
Short-term loans from bank	-	371,590	-	371,590
Trade and other payables	-	372,817	-	372,817
Lease liabilities	-	1,854	3,108	4,962

### 26.3 Market risk

#### Foreign currency risk

Since most of business transactions of the Company are from overseas, hence the Company is subjected to foreign currency risk relevant to purchases and sales transactions dominated in foreign currencies. The Company manages this risk by entering into forward contracts as appropriated. Forward contracts are made to manage exposure from foreign currencies fluctuation on specific transactions.

As at 31 December 2021 and 2020, the Company has foreign currency risk exposure relating to sales and purchases denominated in foreign currencies as follows:

	2021		
	Foreign currencies (Thousand Unit)	Exchange rate (Closing rate)	Baht equivalent (Thousand Baht)
<u>Cash and cash equivalent in foreign currency</u>			
USD	301	33.2469	10,011
EUR	2	37.5083	90
<u>Trade accounts receivable in foreign currencies</u>			
USD	12,172	33.2469	404,669
EUR	1,225	37.5083	45,949
GBP	117	44.6476	5,209
<u>Trade accounts payable in foreign currencies</u>			
USD	22	33.5929	735
EUR	220	38.2813	8,420
<u>Short-term loans from bank in foreign currency</u>			
USD	34,505	33.5929	1,159,132
<u>Accrued commission expenses in foreign currencies</u>			
USD	806	33.5929	27,083
EUR	81	38.2813	3,115
<u>Other accrued expenses in foreign currencies</u>			
USD	126	33.5929	4,230

	2020		
	Foreign currencies (Thousand Unit)	Exchange rate (Closing rate)	Baht equivalent (Thousand Baht)
<u>Cash and cash equivalent in foreign currency</u>			
USD	81	29.8674	2,422
<u>Trade accounts receivable in foreign currencies</u>			
USD	10,435	29.8674	311,673
EUR	1,976	36.4949	72,118
GBP	129	40.2035	5,199
<u>Trade accounts payable in foreign currencies</u>			
USD	5,367	30.2068	162,116
EUR	1	36.4949	36
<u>Short-term loans from bank in foreign currency</u>			
USD	12,302	30.2068	371,590
<u>Accrued commission expenses in foreign currencies</u>			
USD	797	30.2068	24,085
EUR	347	36.4949	12,666

As at 31 December 2021, the Company has credit limit of forward contracts for collection of payment from trade accounts receivable and repayment of accounts payable amount of Baht 340 million. During the year 2021, the Company had already redeemed some parts of the guarantees of such credit limit. Currently, there is only a part of machinery which the Company is on process of redemption.

For which the derivatives contract does not fall into the hedge accounting, derivatives contract are accounted for at fair value through profit or loss and are presented as current assets or liabilities once their maturity is within 12 months subsequent to the accounting period. However, the Company does not have outstanding of derivative contract as at 31 December 2021 since the Company currently uses natural hedges for sales and purchases dominated in foreign currencies.

#### **Interest rate risk**

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The interest rate risk is the future movements in market interest rates. The Company's exposure to interest rate risk relates primarily to its deposits with banks and loans from bank.

Major financial assets and liabilities of the Company bear floating interest rates or fixed interest rates which are close to the market rate. However, the Company has not entered into interest rate swap agreements.

All financial assets and liabilities of the Company, matured within 1 year, classified by type of interest rates are summarized in the table below.

	Thousand Baht				
	2021				
	Floating rate	Fixed rate	No interest	Total	Interest rate
<u>Financial assets/ liabilities</u>					
Cash and cash equivalents	22,085	-	7,416	29,501	0.05% - 0.13%
Short-term investment	-	-	774,003	774,003	-
Trade accounts receivable	-	-	614,930	614,930	-
Restricted deposits with banks	-	30,098	-	30,098	0.10% - 0.65%
Short-term loans from bank	1,308,025	-	-	1,308,025	1.00% and 1.50%
Trade and other current payables	-	-	254,145	254,145	-
Lease liabilities	-	4,302	-	4,302	3.48% - 8.72%

	Thousand Baht				
	2020				
	Floating rate	Fixed rate	No interest	Total	Interest rate
<u>Financial assets/ liabilities</u>					
Cash and cash equivalents	28,264	20,000	9,391	57,655	0.05% - 2.00%
Short-term investment	-	-	517,090	517,090	-
Trade accounts receivable	-	-	403,172	403,172	-
Restricted deposits with banks	-	36,694	-	36,694	0.10% - 0.75%
Short-term loans from bank	371,590	-	-	371,590	1.00% - 2.40%
Trade and other current payables	-	-	372,817	372,817	-
Lease liabilities	-	4,962	-	4,962	3.48% - 7.30%

## 27. FAIR VALUE HIERARCHY

The fair value of financial assets and liabilities approximate to the carrying value in the financial statements.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments.

- Cash and cash equivalents, restricted deposits with banks and accounts receivable - the carrying values approximate their fair values due to the relatively short-term maturity of these financial instruments.
- Loans from bank, trade accounts payable and lease liabilities the carrying amounts of these financial liabilities approximate their fair values due to the relatively short-term maturity.

As at 31 December 2021 and 2020, the Company has the financial assets measured at fair value in the statement of financial position which are grouped into levels of a fair value hierarchy as follows:

(Unit: Thousand Baht)

	2021			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Short-term investment	-	774,003	-	774,003
Investment property	-	60,506	-	60,506

(Unit: Thousand Baht)

	2020			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Short-term investment	-	517,090	-	517,090
Investment property	-	60,416	-	60,416

During the year, there was no transfer within the fair value hierarchy.

## 28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Company's liabilities arising from financing activities can be classified as follows:

	Thousand Baht		
	Lease liabilities	Short-term loans	Total
<b>1 January 2020</b>	3,301	141,603	144,904
Repayment	(5,932)	(1,605,915)	(1,611,847)
Proceeds	-	1,852,024	1,852,024
<b>Non-cash:</b>			
Exchange rate	-	(16,122)	(16,122)
Increase	7,593	-	7,593
<b>31 December 2020</b>	4,962	371,590	376,552
Repayment	(5,092)	(2,110,322)	(2,115,414)
Proceeds	-	3,035,050	3,035,050
<b>Non-cash:</b>			
Exchange rate	-	11,707	11,707
Increase	4,432	-	4,432
<b>31 December 2021</b>	<u>4,302</u>	<u>1,308,025</u>	<u>1,312,327</u>

## 29. EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors' Meeting held on 14 February 2022, the Board of Director passed a resolution to propose to the Annual Shareholders' Meeting to approve dividend payment from the profit for the year ended 31 December 2021 of Baht 0.82 per share, of which an interim dividend payment for the six-month period ended 30 June 2021 had been paid of Baht 0.35 per share for 535,506,333 shares, totaling Baht 188 million on 9 September 2021. Therefore, the remaining dividend payment for approval for the period from 1 July 2021 to 31 December 2021 are Baht 0.47 per share, totaling not exceed of Baht 252 million.

## 30. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized by the Board of Directors on 14 February 2022.



# Attachment



# Profile of Board of Directors, Management Team, the designated authorized persons in accounting and finance.



**Mr. Vinai Vittavasarnvej**

**71 years**

Chairman  
Chairman of Remuneration Committee  
Chairman of Corporate Governance Committee  
(Independent Director)

**Education**

- Master of Public Administration, Thammasat University
- Bachelor of Accounting, Thammasat University

**Training**

- DCP by IOD
- Clean Business by IOD, Class of 77, 2006
- ACP by IOD, Class of 40, 2012
- Senior Executive Program by Capital Market Academy (CMA), Class of 9
- Class of 2004, Thailand National Defence College (TNDC)

**Percentages of Shareholding (%)**

0.03

**Family Relationships with Management**

-None-

**Professional Background (Past 5 years)**

- (2019-Present): Chairman of Remuneration Committee, and Corporate Governance Committee, Sahamitr Pressure Container Plc.
- (2019-Present): Independent Director and Audit Committee, Charoen Pokphand Foods Public Company Ltd.,
- (2015-Present): Independent Director, Deputy Chairman, and Chairman of Audit Committee, Srisawad Corporation Public Company Ltd.
- (2012-Present): Chairman and Independent Director, Sahamitr Pressure Container PLC.
- (2012-Present): Independent Director and Chairman of Audit Committee, Ekarat Engineering Public Company Ltd.,
- (2016-2019): Independent Director and Audit Committee, Syn Mun Kong Insurance Public Company Limited.

**Director Positions in other companies besides Sahamitr Pressure Container PLC (at present)**

- 3 Listed Companies
  1. Independent Director and Audit Committee, Charoen Pokphand Foods Public Company Ltd.
  2. Independent Director, Deputy Chairman and Chairman of Audit Committee, Srisawad Corporation Public Company Limited
  3. Independent Director and Chairman of Audit Committee, Ekarat Engineering Public Company Limited
- Non-Listed Company
  - None-



**Mr. Surasak Urpsirisuk**

**69 years**

Chairman of the Executive Board  
Managing Director  
(Authorized Director to sign for and bind the company)

**Education**

- Bachelor of Engineering, King Mongkut's Institute of Technology Ladkrabang

**Training**

- DCP and DAP by IOD
- Accounting for Non-Accountant

**Percentages of Shareholding (%)**

0.10

**Family Relationships with Management**

-None-

**Professional Background (Past 5 years)**

- (2021-Present): Chairman of the Executive Board, Sahamitr Pressure Container PLC.
- (2013-Present): Director and Managing Director, Sahamitr Pressure Container Public Company Limited

**Director Positions in other companies besides Sahamitr Pressure Container PLC (at present)**

- Listed Companies
  - None-
- Non-Listed Companies
  - None-



## Mrs. Patama Laowong

### 54 years

Deputy Chairman  
Remuneration Committee  
Corporate Governance Committee  
Nomination Committee  
Risk Management Committee  
Senior Vice President (Office)  
(Authorized Director to sign for and bind the company)

### Education

- MBA (Finance) ,University of Wisconsin, USA
- Bachelor of Accounting, Chulalongkorn University

### Training

- DAP and DCP by IOD
- CFO by Federation of Accounting Professions
- SDP by the SET
- Anti-Corruption by IOD
- CMA by Capital Market Academy

### Percentages of Shareholding (%)

24.36

### Family Relationships with Management

Daughter of Mrs. Ubol,  
Niece of Mrs. Supha and  
Elder sister of Mr. Thamik

### Professional Background (Past 5 years)

(2021-Present): Deputy Chairman,  
Sahamitr Pressure Container PLC,  
(2019- Present): Remuneration Committee,  
Corporate Governance Committee,  
Nomination Committee, and  
Risk Management Committee,  
Sahamitr Pressure Container PLC.  
(2009-Present) : Director and Senior Vice President (Office),  
Sahamitr Pressure Container Public Company Limited

### Director Positions in other companies besides Sahamitr Pressure Container PLC (at present)

- Listed Companies  
-None-
- Non-Listed Companies  
- None-



## Mrs. Supha Phromsaka Na Sakolnakorn

### 82 years

Director  
(Authorized Director to sign for and bind the company)

### Education

- Higher Vocational Diploma- Accounting, United Kingdom

### Training

- DAP by IOD
- Accounting for Non-Accountant

### Percentages of Shareholding (%)

-None-

### Family Relationships with Management

Aunt of Mrs. Patama and Mr. Thamik

### Professional Background (Past 5 years)

(2013-Present): Director  
Sahamitr Pressure Container Public Company Limited

### Director Positions in other companies besides Sahamitr Pressure Container PLC (at present)

- Listed Companies  
-None-
- Non-Listed Companies  
-None-



Mr. Taidee Visavaveja

**82 years**

Director

**Education**

- Bachelor of Engineering-Mining Engineering, Chulalongkorn University

**Training**

- DCP and DAP by IOD
- Accounting for Non-Accountant

**Percentages of Shareholding (%)**

5.14

**Family Relationships with Management**

-None-

**Professional Background (Past 5 years)**

(1992-Present) : Director, Sahamitr Pressure Container PLC,

**Director Positions in other companies besides Sahamitr Pressure Container PLC (at present)**

- Listed Companies
- None-
- Non-Listed Companies
- None-



Mr. Thamik Ekahitanond

**52 years**

Director,  
Assistant Managing Director (Factory)

**Education**

- Bachelor of Communications, Bangkok University

**Training**

- EDP by Thai Listed Companies Association
- DAP by IOD

**Percentages of Shareholding (%)**

10.15

**Family Relationships with Management**

Son of Mrs Ubol, nephew of Mrs. Supa, and younger brother of Mrs. Patama

**Professional Background (Past 5 years)**

(2021-Present) : Director, Sahamitr Pressure Container PLC.  
(2010-Present) : Assistant Managing Director (Factory), Sahamitr Pressure Container Public Company Ltd.

**Director Positions in other companies besides Sahamitr Pressure Container PLC (at present)**

- Listed Companies
- None-
- Non-Listed Companies
- None-



**Mr. Thanathit Charoenjan**

**54 years**

Chairman of Audit Committee  
(with Accounting & Financial Expertise),  
Chairman of Nomination Committee,  
Chairman of Risk Management Committee  
(Independent Director)

**Education**

- MBA, Sloan School of Management, Massachusetts Institute of Technology (MIT), Cambridge, USA.
- Master of Science (Computer), Engineering, Chulalongkorn University
- Bachelor of Accountancy, Thammasat University

**Training**

- DCP and DAP by IOD

**Percentages of Shareholding (%)**

-None-

**Family Relationships with Management**

-None-

**Professional Background (Past 5 years)**

- (2019-Present): Chairman of Nomination Committee and Risk management Committee, Sahamitr Pressure Container PLC.
- (2019-Present): Independent Director and Chairman of Audit Committee, Sahamitr Pressure Container PLC.
- (2019-Present): Independent Director and Chairman of Audit Committee, Globlex Securities Co.,Ltd.
- (2019-Present): Chief Transformation Officer, General Electronic Commerce Services Co.,Ltd.
- (2010-Present): Founder and CEO, Rizberry Co.,Ltd.
- (1998-Present): Founder, Greenfood Global Co.,Ltd.
- (1992-Present): Partner AST Master Co.,Ltd.
- (2015-2019) : Chief Retail and Commercial Group Officer, TCC Group, Asset World Corporation Plc.
- (2014-2015) : Chief Corporate Officer, TCC Group, Asset World Corporation Plc.

**Director Positions in other companies besides Sahamitr Pressure Container PLC (at present)**

- Listed Companies
- None-
- 1 Non-Listed Company
  1. Independent Director and Chairman of Audit Committee, Globlex Securities Co., Ltd.



**Mrs. Werawan Boonkwan**

**52 years**

Audit Committee  
(with Accounting & Financial Expertise)  
Remuneration Committee  
Corporate Governance Committee  
(Independent Director)

**Education**

- MBA (Finance & International Business), University of Wisconsin, USA
- Bachelor of Accounting, Chulalongkorn University

**Training**

- DCP and DAP by IOD
- IC License by SET -Life Insurance Agent License by OIC
- Non-life Insurance Agent License by OIC
- Certified Financial Planner Module 1-Module 5
- The Law of Anti-Money Laundering (for Life Insurance Business)
- Associate Financial Planner Thailand, by Thai Financial Planners Association

**Percentages of Shareholding (%)**

-None-

**Family Relationships with Management**

-None-

**Professional Background (Past 5 years)**

- (2019-Present) : Remuneration Committee and Corporate Governance Committee, Sahamitr Pressure Container PLC.
- (2019-Present) : Financial Consultant, BBL Asset Management Co., Ltd.,
- (2019-Present) : Financial Consultant, Bangkok Insurance Public Company Ltd.,
- (2019-Present) : Financial Consultant, Bangkok Life Assurance Public Company Ltd.,
- (2013-Present) : Independent Director and Audit Committee, Sahamitr Pressure Container Public Company Limited
- (2013-Present) : Director and Financial Manager, BBB & V Company Limited
- (2006-Present) : Independent Director and Audit Committee, Chukai Public Company Limited

**Director Positions in other companies besides Sahamitr Pressure Container PLC (at present)**

- 1 Listed Companies
  1. Independent Director and Audit Committee, Chukai Public Company Limited
- 1 Non-Listed Companies
  1. Director and Financial Manager, BBB & V Company Limited



## Associate Professor Dr. Jade Donovanik

### 49 years

Audit Committee  
Nomination Committee,  
Risk Management Committee  
(Independent Director)

### Education

- Doctor of the Science of Law (JSD)  
Stanford University, USA

### Training

- DAP by IOD

### Percentages of Shareholding (%)

-None-

### Family Relationships with Management

-None-

### Professional Background (Past 5 years)

(2019-Present) : Nomination Committee and  
Risk Management Committee,  
Sahamitr Pressure Container PLC.  
(2017-Present) : President of Law Faculty,  
College of Asian Scholars.  
(2015-Present) : Independent Director and Audit Committee,  
Sahamitr Pressure Container PLC.  
(2014-Present) : Counselor, Rouse and Co. Law Office.  
(2014-Present) : Director, Esneuva Company Ltd.  
(2014-Present) : Director, Research X Company Ltd.  
(2008-Present) : Director, Jeerada Company Ltd.  
(2007-Present) : Counselor, Kamthorn Surachet&Somsak Law Officet  
(2002-Present) : Intellectual Property Consultant,  
Department of Agriculture,  
Ministry of Agriculture  
(2002-Present) : President,  
Law Office Management Co., Ltd.  
(2000-Present) : Lecturer at Mahidol University International College,  
Thammasat University,  
Chulalongkorn University, Krirk University, Siam University,  
College of Asian Scholars, etc.  
(2014-2017) : Adjunct professor, Department of Law,  
Faculty of Social Science, Kasetsart University

### Director Positions in other companies besides Sahamitr Pressure Container PLC (at present)

- Listed Companies

-None-

- 4 Non-Listed Companies

1. Director, Esneuva Company Ltd,
2. Director, Research X Company Ltd.
3. Director, Jeerada Company Ltd.
4. President, Law Office Management Co., Ltd.



## Mr. Jerawut Laowong

### 45 years

Assistant Managing Director (Factory)

### Education

- Master of Arts, Energy and Mineral Resources  
The University of Texas at Austin, USA
- Bachelor of Engineering,  
Petroleum Engineering- Chulalongkorn University

### Training

- EDP by Thai Listed Companies Association

### Percentages of Shareholding (%)

0.04

### Family Relationships with Management

Brother of Mrs. Patama's spouse

### Professional Background (Past 5 years)

(2010-Present) : Assistant Managing Director (Factory),  
Sahamitr Pressure Container Public Company Ltd.

### Director Positions in other companies besides Sahamitr Pressure Container PLC (at present)

- Listed Companies

-None-

- Non-Listed Companies

-None-



## Mr. Jirasak Phromsaka Na Sakolnakorn

### 55 years

Assistant Managing Director (Factory)

### Education

- Bachelor of Marketing Science, University of Wisconsin-La Crosse, USA

### Training

- EDP by Thai Listed Companies Association

### Percentages of Shareholding (%)

7.06

### Family Relationships with Management

Son of Mrs. Supha and  
Nephew of Mrs. Ubol

### Professional Background (Past 5 years)

(2013-Present) : Assistant Managing Director (Factory),  
Sahamitr Pressure Container Public Company Ltd.

### Director Positions in other companies besides Sahamitr Pressure Container PLC (at present)

- Listed Companies  
-None-
- Non-Listed Companies  
-None-



## Miss Kanya Vipanut

### 52 years

Assistant Managing Director (Office)  
Accounting & Financial Director  
Company Secretary

### Education

- Master of Accounting, Thammasat University
- Bachelor of Accounting, Thammasat University
- The Certified Public Accountant, Thailand.

### Training

- Anti-Corruption by IOD
- CFO by Federation of Accounting professions
- SDP by the SET
- MMP by Chulalongkorn Business School
- Transfer Pricing
- Related party Transaction and impairment
- Capital structure and Funding strategy
- Updated on taxes and foreign investment issues

### Percentages of Shareholding (%)

0.04

### Family Relationships with Management

-None-

### Professional Background (Past 5 years)

(December 2021-Present) : Assistant Managing Director (Office)  
(December 2014-Present) : Accounting & Financial Director and  
Company Secretary,  
Sahamitr Pressure Container PLC.

### Director Positions in other companies besides Sahamitr Pressure Container PLC (at present)

- Listed Companies  
-None-
- Non-Listed Companies  
-None-

# Director who resigned during the service year.



## Mrs. Ubol Ekahitanond

(Resigned on 22 June 2021)

### 80 years

Deputy Chairman  
Chairman of the Executive Board

### Education

- Bachelor of Arts-Madison Vocational and Technical School, Wisconsin, USA

### Training

- Accounting for Non-Account

### Percentages of Shareholding(%)

3.25

### Family Relationships with Management

Sister in law of Mrs. Supha  
Mother of Mrs. Patama and Mr. Thamik

### Professional Background (Past 5 years)

(2012-2021) : Deputy Chairman and Chairman  
of the Executive Board,  
Sahamitr Pressure Container PLC.

### Director Positions in other companies besides Sahamitr Pressure Container PLC (at present)

- Listed Companies  
-None-
- Non-Listed Companies  
-None-



# Board of Directors

นายวินัย วิกิวิจารณ์



Mr. Vinai Vittavasgarnvej



Mr. Surasak Urpsirisuk



Mrs. Patama Laowong



Mrs. Supha Phromsaka Na Sakolnakorn



Mr. Taidee Visavaveja



Mr. Thamik Ekahitanond

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Mr. Thanathit Charoenjan



Mrs. Werawan Boonkwan



Associate Professor Dr. Jade Donavanik

# Management Team



Mr. Surasak Urpsirisuk



Mrs. Patama Laowong



Mrs. Supha Phromsaka Na Sakolnakorn



Mr. Taidee Visavaveja



Mr. Thamik Ekahitanond



Mr. Jerawut Laowong



Mr. Jirasak Phromsaka Na Sakolnakorn



Miss Kanya Vipanut

Attachment 2

# Details of Sub-Committee

-None-

# Details of Internal Auditor Sahamitr Pressure Container PLC.

## Miss Samjaree Kaewkhomdee

Certified Professional Internal Audit of Thailand (CPIAT)

Age: 38

### Education/Training

#### Education

- Bachelor in Humanities and Social Sciences,  
Accounting Major, Burapha University (Bachelor of Accounting)

#### Training

- Internal Auditor Course, Class 1-2
- Risk Assessment Course
- 2013 COSO Course, in Theory and Practice
- The Project of Maintaining and Improving the Quality of Internal Audit for the Organization.
- Self-Assessment on Anti-Corruption Measures
- Guidelines for Fraud Investigation
- International Standards for the Professional Practice of Internal Auditing.
- Training and Preparation Course for CIA Exam Part II, Federation of Accounting Professions.
- Internal Audit Training Program as Preparation to be Internationally Licensed Internal Auditor (Pre CIA), Chulalongkorn University
- 2018 Asian Confederation of Institutes of Internal Auditors Conference (Malaysia)

### Work Experiences in the Past 5 Years

Period	Position	Name of Organization / Company / Type of Business
2006 - 2008	• Internal Auditor	• Internal Audit Department /
2009 - 2010	• Senior Internal Auditor	Dharmniti Auditing Co., Ltd. /
2011 - 3/6/2016	• Assistant Manager	Providing audit and internal audit services
Jun 2016 - Present	• Executive Director and Internal Audit Manager	• Dharmniti Internal Audit Co., Ltd. / Providing Internal Audit Services

## Mr. Santipab Homob

Certified Professional Internal Audit of Thailand (CPIAT)

Age: 27

### Education/Training

#### Education

- Bachelor degree, Rajamangala University of Technology Lanna Payap Chiang Mai Campus (Cost Accounting)

#### Training

- Fact Finding Writing of internal audit results
- Enterprise Risk Management Consultant
- Quality Assurance Review (QAR)
- Self-Assessment on Anti-Corruption Measures Under the Thai Practice Alliance Member of Private Sector Collective Action Against Corruption.
- International Standard for the Professional Practice of Internal Auditing (IPPF) Section 1000
- International Standard for the Professional Practice of Internal Auditing (IPPF) Section 2000.
- The arts of communication, giving assignment, coaching, and controlling for supervisor.
- Writing an internal audit report.
- Certified Professional Internal Audit of Thailand (CPIAT 63) of the Institute of Internal Auditors, Thailand.

#### Work Experiences in the Past 5 Years

Period	Position	Name of Organization / Company / Type of Business
Jun 2016 - Mar 2018	• Assistant Auditor	• ANS Audit Co., Ltd. / auditing services and business consultant.
Apr. 2018 – Oct. 2018	• Assistant Auditor	• RSM International Co., Ltd. / auditing services and business consultant.
Oct. 2018 – Jul. 2021 Jul 2021 – Present	• Internal Auditor • Senior Internal Auditor	• Dharmniti Internal Audit Co., Ltd. / Internal Audit Services

#### Attachment 4

# Assets Used in Business Operation and Details of Property Valuation.

Please refer to section 1 Structure and Operation of the Company Group, sub-section (4) “Assets Used in Business Operation”.



# Policies and Practices of Corporate Governance and Business Ethics

Sahamitr Pressure Container Public Company Limited

Attachment 5.1

Corporate Vision and Mission.  
Corporate Governance and Codes of Conduct.

## Vision

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“To be the World Leading LPG Cylinder Manufacturer with Environmental Considerations for Sustainable Growth”

## Mission

- To deliver quality products to customer satisfaction with variety and flexibility.
- To deliver superior after-sale services with care and steadfastness.
- To manage costs with prudence to maximize competitiveness.
- To encourage continual development of skills, safety, and quality of life of employee.
- To ethically conduct business with responsibility to society and environment.
- Do not accept all forms corruption.

10th Edition (Approved by Board of Directors' Meeting No. 7/2021, 23 December 2021)

## Corporate Governance

The Board of Directors of the company is well aware of the importance of good corporate governance. It has operated continuously in promoting the company's corporate governance system that will sustainably benefit the business of the company. It establishes good corporate management standards and practices those are well recognized by both domestic and international communities, as well as enhancing transparency and efficiency of management. This will build confidence to shareholders, investors and all stakeholders including adherence to the public interest and responsibility to society and the nation.

1. Treat all shareholders and stakeholders equally and fairly to all parties, including customers, creditors, competitors, shareholders, employees, government and society as a whole.
2. Board of Directors is committed to add long term value to the business, manage with prudence and caution, responsible for duties with competence and adequate performance in order to maximize the benefits to the shareholders, prevent conflict of interest, and responsible for their own actions and decisions.
3. Transparent operation that can be checked with emphasis on disclosure of accurate, timely and adequate information to all parties concerned. This will build the confidence of investors, creditors and all related parties.
4. Operating business with regard to risks that may occur regularly with appropriate control and risk management measures, including risk of fraud and all forms of anti-corruption.
5. Promoting excellence in corporate practice by urging all units to develop their own operation excellence continuously.
6. Mandate Code of Conduct as duties and responsibilities of directors, management and all employees to acknowledge, understand and comply strictly.



## Codes of Conduct

In order to adhere to the principles of corporate governance, the company set roles and responsibilities of directors, management and employees of the company as follows:

### 1. Basic Principles

1. Conduct business based on efficiency, effectiveness, transparency, adherence to stakeholders and generate reasonable return to investors as well as making progress and growth steadily and continuously.
2. Develop management excellence to increase competitiveness.
3. Comply with legal and regulations, standards and best practices in the business operation and financial information disclosure.
4. Be responsible to society and nation as a whole including environment and support sustainable development.
5. Support all forms of anti-corruption measures.
6. Not violate anyone's intellectual property such as trademark, copyright, patent or any other intellectual property by copying, duplicating, modifying, distributing and otherwise infringing the intellectual property of any workings, including computer software. It also does not publish company confidentialities, information from ideas, knowledge and techniques related to business, which is considered as the company's intellectual property whether or not it is registered under the Intellectual Property Act.

### 2. Code of Conduct to Group of Stakeholder

#### 2.1 Responsibility to the Shareholders

- Perform duties with honesty and transparency by taking into account the interests of the company as a whole as well as any action with fairness to all shareholders.
- Manage the company towards prosperity and generate stable returns for shareholders.
- Perform duties with competence and management skills with full capacity.
- Protect the company's assets from misuse, damage or lost.
- Prepare financial report and report the results of operations of the company adequately, correctly and timely to the Board of Directors and shareholders of the company.
- Report the status of the company regularly in accordance with the facts to the shareholders.
- Report future prospects of the company both positively and negatively with rationale to the shareholders.
- Not seek benefits for individuals while performing duty.
- Do not reveal secret that they will bring damage to the company and do not share confidential information of the company for the benefit of individuals or another party without permission from the company.
- Do not take any action in a manner that would cause a conflict of interest with the company.

#### 2.2 Responsibility to Employees

- Provide fair compensation according to competency, responsibility and the performance of each individual employee.
- Develop, enhance knowledge and skills of staffs to enhance career progression and security in the profession thoroughly and regularly.
- Encourage employees to engage in working direction and to resolve problems of the company.
- Ensure work environment that is safe for life, health and property of employees.

- Appointments and staff transfers, including reward and punishment must act in good faith and on the basis of knowledge, appropriate skills, justice and equality.
- Compliance with laws and regulations relating to labor law and welfare of employees.
- Provide appropriate personnel management system, avoid any actions that would cause unfairness and inaccuracy. This will affect stability and progress in the career of employees.
- Treat employees with respect to human rights as well as citizen rights and responsibilities.

### 2.3 Responsibility to Customers

- All operations focuses on quality and customer satisfaction.
- Disclose information about products and services correctly, fairly and in a timely manner to the customers to provide adequate information for decision making without concealing or distorting facts.
- Provide warranty and service provisions where appropriate.
- Deliver quality products that meet or exceed the expectations of customers accurately and timely under fair conditions.
- Not deliver inferior quality goods and services to the customers.
- Establish systems and mechanisms to respond and to resolve customer complaints quickly as well as to prevent recurrence of the same problem.
- Develop and identify opportunities to reduce production costs to a minimum continuously by maintaining the quality of products and services that meet the standard.
- Seek to improve the quality of product that will benefit customers continuously.
- Immediately notify the customer in advance when the Company cannot fulfill agreed commitment to jointly find solution and prevent problems or any damage that may occur.
- Maintain client confidentiality and not seek to use confidential information for their own interests or those involved wrongly.

### 2.4 Responsibility to Partner and Creditors

- Treat suppliers and creditors equitably and fairly based on fair compensation to both parties.
- Follow agreement or agreements with suppliers and creditors strictly. If cannot do it Immediately, it should resume negotiation with suppliers and creditors in advance in order to jointly derive solution and prevent problems as well as damages that may occur.
- Provide financial information accurately, completely and timely of creditors regularly.
- Do not demand, obtain, or provide any benefit that is dishonest to dealers or creditors as well as perform every possible way to prevent the problem of bribery that causes the damage to the company.

### 2.5 Responsibility to the Trading Rival

- Compete in trading with fair rules.
- Do not discredit competitors or do anything without truth and without injustice.
- Not seek information that is confidential of competitors by dishonest, illegal means.

### 2.6 Responsibility to the Company

- Perform duties as assigned with competency, integrity, loyalty to the progress and stability of the company and the employees themselves.
- Perform duties with patience and selfless for the benefit of the company including develop company for excellence in the forefront of the industry.
- Share knowledge and experience in working with coworkers by considering the benefit of the company as priority.

- Work together to solve problems with full capacity and capability for the Company's benefit as well as respect the rights of other employees and management.
- Supervisors to give respectable treatment to their employees while employees do not commit any act that does not respect supervisors.
- All employees shall adhere to self-discipline and abide by rules of the company and tradition whether they state it in writing or not.
- Help create and maintain atmosphere of unity and solidarity among employees.
- Take care of properties and company's assets efficiently as one of their own to maximize benefits, saving and maintenance to avoid damage, lost property. Do not use company's properties for the benefit of individuals. Properties mean tangible and intangible assets, such as chattels, real estate, technology, academic papers and patent rights, copyright, confidential information including information that is not disclosed to public, including business plan, financial projections, and human resources information.
- Do not disclose confidential information of the company to a third party in any case, as this may lead to damage and loss of credibility of the company.
- Do not rely on position to seek illegitimate interests.
- Pay attention and take steps to maintain a safe and healthy environment to work.
- Do not make accusation against the company, management and colleagues without truth and injustice.
- Avoid any acts with conflicts of interests with the company or damage to the image and reputation of the company.
- Inform management or related units, if find any clue about corruption, wrongdoing or illegal acts that may arise within the company.

## 2.7 Responsibility to Society, Country, and Environment

- Perform duties related to work/production with cooperation from all sectors and friendly environmental consideration.
- Create awareness of responsibility to community and society as a whole to take place on the company and all levels of employees continuously.
- Support activities or events for the society, community and environment consistently in local community to improve quality of life, and cooperate with state and community.
- Responsibility and commitment to the environment conservation as well as the tradition of local community.
- Prevent any accident and emissions control to levels below the acceptable standard.
- Respond quickly and effectively to events that affect the environment and the community due to operation of the company by cooperating fully with the government authorities and related agencies.
- Do not carry out any act which may have adverse impact on natural resources and the environment as a whole.
- Do not cooperate or support any person doing business illegally or a threat to society and national security.
- Observe and control to ensure compliance with the laws strictly.
- Do not commit any action that would harm the country's reputation.

### 3. Code of Conduct for Investor Relations

- 3.1 Professionally perform duties fully with integrity by strictly adhering to the benefits of shareholders and stakeholders.
- 3.2 Disclose necessary information fully and fairly to all parties.
- 3.3 Allow an opportunity for all relevant parties to access and inquire the information.
- 3.4 Keep confidentiality and do not use any inside information for personal benefits.
- 3.5 Avoid conduct any meeting with investors or analysts for 15 calendar days before the announcement date of the financial statement.
- 3.6 Trading securities of the company are prohibited at least 1 month before the announcement date of the financial statement and until 24 hours after it is publicly announced.
- 3.7 Regular improving of knowledge to enhance work performance.

### 4. Policy in Securities Trading, Insider Information and Report on Vested Interest of Directors

- 4.1 Directors and management must report any change in shareholdings to the Company Secretary within three business days from the date the directors and management have reported the change in their shareholdings to the Office of the Securities and Exchange Commission according to Section 59 of the Securities Exchange Act B.E.2535, and the Company Secretary is responsible for collecting and reporting changes in shareholding of directors and executives to the Board of Directors' Meeting on a quarterly basis.
- 4.2 Directors and the management must report their stakes to the Company Secretary on an annual basis or report without delay when the stakes happened.
- 4.3 Directors and management or any party that receive inside information are prohibited to disclose to third parties or the personnel who are not involved.
- 4.4 Directors and management or any party that receive inside information should avoid trading securities of the company at least 1 month before the announcement date of the financial statement and until 24 hours after it is publicly announced (unless necessary).
- 4.5 Directors and management or any party that receive inside information are prohibited from using inside information for personal benefits either directly or indirectly.

### 5. Conflict of Interests' Policy and Connected Transactions

- 5.1 Avoid the shareholding in companies that in competing business with the company (SMPC), as this may cause an action or omission of responsibility or affect the duties. In the case of acquiring shares before becoming an employee or before the company enter into business or acquired by inheritance, must report to the appropriate superiors.
- 5.2 Employees need to take action in regards to the implementation of the company's business by taking into account the best interests of the company.
- 5.3 Avoid being involved financially and/or in relationship with other third parties, which, as a result, the company loses benefits or conflict of interests arises or hamper the work.
- 5.4 If any business transaction is a connected transaction, the Audit Committee shall review the appropriateness and reasonableness of the price of the transaction to maximize the company benefits, with regards to the Security and Exchange Commission's guidelines and Code of Conduct, and/or notices from the Stock Exchange of Thailand, the Securities and Exchange Commission or legislation on this issue, before proposing to the Board of Directors for an approval.

### 6. Anti-Corruption Policy

Please refer to the documents "Anti-Corruption Policy", which was approved by the Board of Directors on 10 August 2021.

## 7. Policy on the Skill Matrix of the Board of Directors. (Board Skill Matrix)

Please refer to the documents “Board Skill Matrix”, which was approved by the Board of Directors on 23 December 2021.

## 8. Policy Holding a Position of Director of the Board of Directors

- 8.1 All directors must serve in a director position for no more than 5 listed companies without any exception.
- 8.2 Independent directors must not serve in a director position more than 9 consecutive years from the date of first appointment, unless with appropriate reasons.
- 8.3 Managing Director should serve in a managing directorial position of only one publicly listed company in order to have sufficient time management.
- 8.4 All directors must not either engage in the partnership or being a director involvement in the business of the same nature practice, and in the competition with the company.

## 9. Policy Related to the Board of Director’s Meeting

- 9.1 In every meeting, at least two third of all directors should attend the meeting. It will constitute a quorum by the Board of Directors as the majority. If the votes are equal, the chairman of the meeting shall add one vote to be a casting vote.
- 9.2 A director who has conflict of interest in any matter has no right to vote on such matter and leaves the meeting during that agenda consideration.
- 9.3 At the time of passing a resolution, at least two-third of the total members of the Board must be in attendance and are entitled to vote.
- 9.4 All directors are required to attend not less than 75 percent of all company board meetings that held during the year.
- 9.5 The Board meetings are held more than six times per year. Six of that are regular agenda, the regular agenda is scheduled for 1 year in advance in order that will be notified before the beginning of next year in order that all attendances can manage to attend the meeting. Whereas, the special agenda will be set during the year, and will be notified at least 1 month prior to the meeting.
- 9.6 Non-executive directors should be able to meet among themselves without the management team at least once a year

## 10. Operation Monitoring and Review

- 10.1 Code of Conduct as defined are duties and responsibilities of directors, management and all employees to acknowledge, understand and comply strictly. If there is any action that violates the principles of corporate governance or business ethics, the disciplinary regulations of the employees of the company and/or applicable law are applied.
- 10.2 Requiring every year, the Board shall review and approve vision and mission of the organization, corporate governance and the company’s code of conduct to appropriately suitable with the situation and business environment which may change and announce to acknowledge as the standard practice.



(Mr. Vinai Vittavasarnvej)  
Chairman



(Mr. Surasak Urpsirisuk)  
Managing Director

# SMPC Board Skill Matrix

Name of Directors	Independent Director	Independent Director Who is Female (Bonus)	Director Who is Female (**) (SEC)	Non-Executive Director	Educations and Experiences							In Accordance with the Strategic Plan	
					In Accordance with the Policies								Economics/ International Business
					Accounting/ Finance/Audit	Industry	Engineering	Information Technology	Management and Business Administration	Strategic Planning	Laws		
<b>CG checklist</b>	> 50%	≥ 1 person	≥ 30 %	> 66%	At Least 1 AC with a Degree in Accounting								
Number of Directors Suitable for the Business	5	1	3	6	1	3	1	1	1	1	1	1	
1. Mr. Vinai Vittavasarnvej	✓			✓	✓					✓			
2. Mr. Surasak Urpsirisuk			✓			✓	✓			✓			
3. Mrs. Patama Laowong						✓				✓			
4. Mrs. Supha Phromsaka Na Sakolnakorn			✓	✓		✓				✓			
5. Mr. Taidee Visavaveja				✓		✓	✓			✓			
6. Mr. Tharnik Ekahitanond				✓						✓			
7. Mr. Thanathit Charoenjan	✓			✓					✓	✓		✓	
8. Mrs. Weerawan Boonkwan	✓	✓	✓	✓						✓			
9. Associate Professor Dr. Jade Donavanik	✓			✓						✓	✓		
<b>Total (persons)</b>	4	1	3	6	5	5	2	1	9	9	1	1	
<b>Number of Additional Directors to be Nominated</b>	1	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	

Remark :

\* Reviewed by the Nomination Committee on December 23, 2021 and approved by the Board of Directors on December 23, 2021

\*\* Reference to the announcement of SEC. SorPor. (Wor) 29/2564 regarding to : Invitation to the listed companies on the Stock Exchange of Thailand to enhance the efficiency of the Board of Directors, by offering opportunity to women, dated August 5, 2021

# Anti-Corruption Policy

## 1st Revised Edition

(Approved by the Board of Directors' Meeting on August 10, 2021)

### Anti-Corruption Policy

The company does not tolerate any and all corruption including all business and all transactions in all types and all related agencies. At the same time, the company has established the anti-corruption practices in accordance with this policy. The company shall regularly review the practices to ensure compliance with any change of the business laws, and to uphold the company's reputation. All Directors, Management, and Staffs shall comply with this policy.

### Definitions in Anti-Corruption Policy

Corruption means any wrongful or unlawful exploitation to benefit oneself, one's ally, and/or others by offering, promising, requesting, demanding, giving or taking bribe, inducing an illegal action, directly or indirectly, falsifying evidences, taking company's property for personal use, acting with conflict of interest.

A political contribution is a contribution, financial or in-kind, to support a political cause. Financial contributions can include loans, donations. In-kind contributions can include gifts of property or services, advertising promoting or endorsing a political party, purchasing of tickets to fundraising events, allowing leave to staffs to join a political campaigning as company representative.

A government official means a person holding a political position, state official, or local official holding a permanent position or receiving salary. It also means worker in government agencies or in state enterprises, local management, deputy local administrator, local administrative assistant, member of the local councils of local government organizations, official under the local law, or other official as stated by law. It also includes director, sub-committee, employee of government agencies or state enterprises, and those person or groups of persons who are designated by law to exercise authorities or have been assigned to exercise administrative authorities established in the government system, state enterprises or other state affairs.

Facilitation costs are small expenses informally paid to government officials. They are given only to ensure that government officials will proceed the tasks or to encourage quicker action. The process does not require any judgement of government officials. It is an act in accordance with the duties of that state official. It is by right that a legal entity should have under the law, such as applying for a license, requesting a certificate, and receiving public services, etc.

Bribery means any form of action that is an offer, a promise, a grant, an acceptance of a claim that produces any form of benefit. It includes gifts, services, cash, or other forms that may be given directly or through another person or for another person in a manner that incentivizes any action, an action against a government official or an officer of an international organization that is against the law or against the duty of responsibility.

Hiring government officials refers to a person who is or used to be a government official or politician or adviser to a government agency, come to work for the company and may use the relationships or inside information to benefit the company or create a conflict of interest in the duties of government agencies or business regulators with the company. As a result of such action, the aim is to create an unfair business advantage, or determine policies to be beneficial to the company that former government officials have worked for.

Conflict of Interest means any situation, action or activity in which an employee's personal interests conflict with the interests of the company, whether directly or indirectly. The interests of those involved, whether related by blood or in any other way that affects decision-making, or performing duties in a position for which that person is responsible, or the benefits that a person receives, by using their position to benefit from an individual or a group of people. This affects the public interest of the company. The situation may cause the person to be impartial in making transparent decisions.

### **Guidelines for compliance with Anti-Corruption Policy**

1. The company's Directors, Management and Staff shall not tolerate nor support any forms of corruption, whether directly or indirectly.
2. The company sets up the guidelines for the activities which are prone to corruption for all Directors, Management and Staffs to comply as follows:
  - 2.1 Political Contributions shall be transparent, legal, and not to be convinced for inappropriate act or used for corruption. It must be approved by the Board of Directors.
  - 2.2 Charity Donation is for the objectives of improving society, economics, cultures, and educations. The donations shall be transparent, legal, and not to be used for corruption. It must comply with the company's charitable donation regulations.
  - 2.3 Sponsorship is provided for the objectives of publicity, and strengthening business relationship. The sponsorship shall be transparent, legal, and not to be used for corruption. It must comply with the company's financial support regulations.
  - 2.4 The Directors, Management, and Staffs shall not request, demand, or giving property or other benefits from and to any persons with business relationship with the company, except for local cultures and norms, or business practices. The gifts value should not exceed the value specified in the company's authority. It must be accordance with the regulations of giving or receiving gifts and business entertainment.
  - 2.5 The company does not give nor receive facilitation payment or bribery in the business process, whether directly, or through company representatives, advisors, agents, contractual partners, business partners, or intermediaries under the company's direct control.
  - 2.6 Procurement must be transparent, honest, and comply with the laws, government regulations, and the company's procurement regulations.
  - 2.7 Directors, executives and employees avoid making transactions related to themselves, which may cause conflict of interest with the company. The performance of duties and holding positions must not conflict with the interests of the company. Decisions regarding the company's business operations must be according to the company's best interests. Actions and decisions of directors, executives and employees at all levels must be transparent and comply with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission regarding disclosure of connected transactions.
  - 2.8 Employment of government officials must pass due diligence, selection and control processes, to ensure that the employment of government officials is not in return for obtaining any benefit to the company. The company must disclose information about the employment of government officials to the public for transparency and verification.



### 3. Implementing Anti-Corruption Policy into Practice

- 3.1 Communicate anti-corruption policies and practices to directors, executives, employees, persons acting on behalf of companies, consultants, brokers, contractual partners, business partners to implement them through the specified channel.
- 3.2 Provide a transparent and accurate financial reporting process, as well as establish an appropriate and effective internal control system to prevent improper operation.
- 3.3 Set up a process for recruitment, promotion, training, and performance appraisal reflecting the company's commitment to anti-corruption measures.
- 3.4 No demotion, penalty, nor other adverse consequences for any staff that refuses the corruption, even if such refusal causes the company to lose business opportunity.
- 3.5 Anyone committing corruption is in violation of company code of conduct and shall be considered for disciplinary punishment according to the company's regulations, or employment determination. In addition, a legal punishment may be applicable, if such violation is illegal.
- 3.6 The company shall provide for safe and accessible channel of communication for the employees and related personnel to request advices on implementing the anti-corruption policy, and to inform on any suspicious activities or lodge any complaints with confidence that the informant shall be suitably protected, and shall also appoint person to investigate every reported cases.

### 4. Informing of Misconduct or Lodging of Complaints

If anyone has information related to corruption, illegal activities or misconduct, or come across flaws in the internal control system of the company that represents the risk or causing damage to business, they can inform the company directly to the Chairman of the Board, the Chairman of the Audit Committee, Independent Directors, and/or Audit Committee in one of the following channels

- by post to the company address  
92 Soi Thientalay7 (4th Intersection), Bangkhunthien Chaitalay Road, Samaedam, Bangkhunthien, Bangkok 10150
- by email to the Company Secretary at Email: [cs@smpcplc.com](mailto:cs@smpcplc.com)  
The informing letters or complaints shall be polite, and should include all details.

The company shall treat all information about the informants or complaint lodgers as confidential, and do not disclose anything to those who are not involved, except in the process of investigation, prosecution, testifying, giving testimony or providing any cooperation to the court or the authorized government agency.

# Audit Committee Charter

(3rd Revision)

This Charter has been approved by the Board of Directors Meeting No. 4/2020 on August 10, 2020. The previous audit committee charter (11 February 2016) is cancelled.

## Objectives

The Audit Committee (AC) was established with the approval of the Board of Directors to be an independent organization to support and act on behalf of the Board of Directors to review financial information offered to shareholders and stakeholders. The committee is also to review the internal control system established by the management and the Board of Directors, internal audit processes, and communication with the auditors of the company.

## Compositions and Qualifications

The Audit Committee is appointed by the company's Board of Directors with the composition and qualifications in accordance with the criteria specified in the SEC notifications as follows:

1. The audit committee shall consist of at least 3 members, and shall be appointed by the Board of Directors or shareholders.
2. Every member of the audit committee must be an independent director. The qualifications of the independent director shall be in compliance with SEC regulations.
3. Must not be the Director who is assigned by the Board of Directors to make decision on the operations of the company, or related companies, or juristic persons with possible conflict.
4. Must not be the Directors of the associated and related companies.
5. Having duties as specified by the SET.
6. At least one committee member must have adequate knowledge and experience in accounting and finance to perform duty of reviewing the creditability of the financial statements. The company shall disclose in the Form 56-1 and the annual report that the Audit Committee members who meet the mentioned qualifications, the particular Audit Committee members shall include such qualifications in the representation letters and curriculum vitae of the Audit Committee member to be submitted to the SET.

## Term of Services

1. The term of services of Audit Committee is according to the term of board of director.
2. Audit Committee may be re-appointed to resume the position if the company's board of directors consider it appropriate.
3. In addition to the vacation of the position according to item 2, the Audit Committee will be dismissed as following reasons
  - Pass away
  - Resign
  - The Board of Directors has a resolution to vacate from the position.
4. Board of Directors has authority to appoint additional Audit Committee members, for achieving the objectives of the operation work, or to replace the Audit Committee who vacate from the position according to item 1 or 3. The person appointed Audit Committee under clause 3 can be in the position for the remaining term of the Audit Committee which he or she replaces of only.

## Scope of Duties

1. To review the company's financial reporting process to ensure accuracy and adequacy.
2. To review the Internal Control system, the Internal Audit system, the Risk Management, and the Anti-Corruption measures to ensure their appropriateness and effectiveness. To consider the independence of the internal audit function, and to provide recommendations on the appointment, transfer, and dismissal of the head of the internal audit team or any other unit responsible for internal audit.
3. To review the company performances to ensure compliance with the securities and exchange law, the SET regulations, and other laws relevant to the company business.
4. To consider, select, propose the appointment and dismissal of an independent person to perform the duties of the company's external auditor, and also to recommend the remuneration of the auditor, and to meet with the auditor, without the presence of the management, at least once a year.
5. To consider connected transactions or those with possible conflict of interest to ensure compliance with all pertinent laws, and the SET regulations, and to ensure their rationality and optimal benefits for the company.
6. To prepare the audit committee's report and to disclose it in the company's annual report. The report must be signed by the Chairman of the Audit Committee, and consist of at least the following information:
  - (a) an opinion on the accuracy, completeness, and creditability of the company's financial reports,
  - (b) an opinion on the adequacy of the company's internal control system and anti-corruption measures,
  - (c) an opinion on the compliance with the laws on securities and exchange, the regulations of SET, or the laws relating to the company's business,
  - (d) an opinion on the suitability of the auditor,
  - (e) an opinion on the transactions with possible conflict of interests,
  - (f) the number of the Audit Committee meetings, and the attendance of the meetings by each Audit Committee member,
  - (g) any opinions or overview observations that the Audit Committee received during the performance of duties in accordance with the charter,
  - (h) other transactions which the Audit Committee deemed should be known to the shareholders and general investors, according to the scope of duties and responsibilities assigned by the company's Board of Directors
7. To perform any other actions as delegated by the Board of Directors and approved by the Audit Committee.

If there is any change in duties of the Audit Committee, the company shall notify the resolution of changes, a list of names, and scope of work of the audit committee that have changed in the form prescribed by the SET and submit to the SET within 3 business days from the date the Board of Directors or the shareholders' meeting resolves to make such changes, in accordance with the SET's regulations through to electronic media.

## Other Requirements

1. A regular review and amendment of the Audit Committee Charter is required once a year in order to be up-to-date and in line with the organization's environment, and in accordance with the relevant laws.
2. The Audit Committee must have a meeting at least four times a year or more when necessary. The audit committee may invite management or related persons to attend meeting to provide them with relevant information.

3. If found or in doubt that the following transactions or actions may have an impact on the company's financial status and performance, the Audit Committee shall report to the Board of Directors for rectification within the time the Audit Committee deems appropriate.
  - (a) Transactions that lead to conflicts of interest
  - (b) Corruption or unusual or vital defect in the internal control system.
  - (c) Violation of the law of securities and SET, or laws related to the company's business.If the company's board of directors or management fails to rectify within the specified time, any member of the Audit Committee may report such transaction or action to the SEC or the SET.
4. If audit committee members vacate from the positions before the end of their term, the company shall immediately notify the SET of the reason for the termination. The company is to forward to the SET according to the SET's regulations through electronic media which the committee of the SEC and / or the SET will announce in the future.
5. The Board of Directors approves the audit committee's remuneration.



Mr. Vinai Vittavasgarnvej  
Chairman



Mr. Thanathit Charoenjan  
Chairman of the Audit Committee

# Remuneration Committee Charter

(Approved by the Board of Directors' Meeting No. 1/2020 held on February 21, 2020)

## Objectives

Remuneration Committee was appointed by the approval of the Board of Directors. The committee is working as an important tool or mechanism to help ease the burden of the board of directors, and shareholders to consider remuneration for the Board of Directors, Sub-committee, Executive Director, and Senior Management, with fair and reasonable methods. It is also in accordance with the principles of good corporate governance in order to build confidence among shareholders and stakeholders.

## Compositions and Qualifications

Remuneration Committee appointed by the Board of Directors, consists of experts who have knowledge and ability. The committee consists of at least 3 directors with a proportion of more than 50% of the independent directors. In the meeting, the remuneration committee is to select one independent director as the chairman.

## Term of Services

1. The term of services of Remuneration Committee is according to the term of board of director.
2. Remuneration Committee may be re-appointed to resume the position if the company's board of directors consider it appropriate.
3. In addition to the vacation of the position according to item 2, the remuneration committee will be dismissed as following reasons
  - Pass away
  - Resign
  - The Board of Directors has a resolution to vacate from the position.
4. Board of Directors has authority to appoint additional remuneration committee members, for achieving the objectives of the operation work, or to replace the remuneration committee who vacate from the position according to item 1 or 3. The person appointed as the remuneration committee under clause 3 can be in the position for the remaining term of the remuneration committee which he or she replaces of only.

## Scope of Duties

1. To review and propose criteria of the remuneration to be in accordance with the roles and responsibilities of the directors by relating with the compensation and performance of the company, and comparing to other companies in the same or similar industry, in order to motivate and retain the director who is talented with good quality and potentiality. Board of Directors will consider and give comment, before proposing to the Annual General Meeting of Shareholders for an approval.
2. To yearly evaluate and adjust the remuneration package to be suitable for the top executive. The package should be correlated with the performance, by using the target, and criteria that relating to the short and long term strategic and operating plan, then proposing to the Board of Director for an approval.

## Other Requirements

1. A regular review and amendment of the Remuneration Committee Charter is required once a year in order to be in line with the organization's environment, consistent with the company's strategic plan, aiming to achieve the organization's objectives and goals effectively and efficiently.
2. The Remuneration Committee must have a meeting at least two times a year or more when necessary. The remuneration committee may invite management or related persons to attend meeting to provide them with relevant information.
3. The Board of Directors approves the compensation of the Remuneration Committee



Mr. Vinai Vittavasgarnvej  
Chairman



Mr. Vinai Vittavasgarnvej  
Chairman of the Remuneration Committee

# Nomination Committee Charter

(Approved by the Board of Directors' Meeting No. 1/2020 held on February 21, 2020)

## Objectives

The committee was appointed by the approval of the Board of Directors, in accordance with the good corporate governance. This is to alleviate the burden of the Board of Directors in selecting qualified persons to serve as directors and senior executives. The nomination committee is to help develop knowledge and ability of the directors to respond to the needs of the business. Transparency of director selection will ensure the shareholders that the person who will take the position has the qualifications and the potential to manage for the best interests of the company.

## Compositions and Qualifications

Nomination Committee appointed by the Board of Directors, consists of experts who have knowledge and ability. The committee consists of at least 3 directors with a proportion of more than 50% of the independent directors. In the meeting, the nomination committee is to select one independent director who is senior with knowledge and high experience as the chairman.

## Term of Services

1. The term of services of Nomination Committee is according to the term of board of director.
2. Nomination Committee may be re-appointed to resume the position if the company's board of directors consider it appropriate.
3. In addition to the vacation of the position according to item 2, the nomination committee will be dismissed as following reasons
  - Pass away
  - Resign
  - The Board of Directors has a resolution to vacate from the position.
4. Board of Directors has authority to appoint additional nomination committee members, for achieving the objectives of the operation work, or to replace the nomination committee who vacate from the position according to item 1 or 3. The person appointed as the nomination committee under clause 3 can be in the position for the remaining term of the nomination committee which he or she replaces of only.

## Scope of Duties

1. Review the structure and composition of the Board of directors, including the number of directors at the parity with appropriate mix of sizes, type of industries, complexity of business, and directors' qualification, skill, experiences, expertise relating to the core business or industry of the company. Board Skill Matrix is to be in place, so that the committee nomination will be in accordance with the business direction of the company.
2. Review qualification of candidates for independent director positions. The independence must be at least according to the requirement of Securities and Exchange Commission.
3. Review the principles and procedures of recruiting the qualified candidates for director and executive management positions. Also to screen and recruit candidates in accordance with the assigned nomination process, giving recommendation to Board of Directors, then propose to the Annual General Meeting of Shareholders.

4. Create a training development plan, relating to the directors' duties, business knowledge of SMPC for the directors and senior management continuously, in order to strengthen the potential of the board and the executives of the company.
5. Establish Succession Plan of the director and top executive positions as a preparation for the high qualified candidates to replace the vacancies, in case the directors or top executives cannot perform duty, retire, or leave the company. The succession plan is to enhance the continuity of the company's business operations.

#### Other Requirements

1. A regular review and amendment of the Nomination Committee Charter is required once a year in order to be in line with the organization's environment, consistent with the company's strategic plan, aiming to achieve the organization's objectives and goals effectively and efficiently.
2. The Nomination Committee must have a meeting at least two times a year or more when necessary. The nomination committee may invite management or related persons to attend meeting to provide them with relevant information.
3. The Board of Directors approves the nomination committee's compensation.



Mr. Vinai Vittavasgarnvej  
Chairman



Mr. Thanathit Charoenjan  
Chairman of the Audit Committee



# Corporate Governance Committee Charter

(Approved by the Board of Directors' Meeting No. 1/2020 held on February 21, 2020)

## Objectives

Corporate Governance Committee was established with the approval of the Board of Directors, to support the Board of Directors in compiling and directing the corporate governance policies, and set guidelines for various aspects of the company appropriately, transparently, in accordance with the principles of good corporate governance. Together with the business ethics in mind, the committee is able to build confidence among shareholders, investors, stakeholders, and all related parties, hence establish value for the company to grow sustainably.

## Compositions and Qualifications

Corporate Governance Committee appointed by the Board of Directors, consists of experts who have knowledge and ability. The committee consists of at least 3 directors with a proportion of more than 50% of the independent directors. In the meeting, the Corporate Governance Committee is to select one independent director to be the chairman.

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## Term of Services

1. The term of services of Corporate Governance Committee is according to the term of board of director.
2. Corporate Governance Committee may be re-appointed to resume the position if the company's board of directors consider it appropriate.
3. In addition to the vacation of the position according to item 2, the Corporate Governance committee will be dismissed as following reasons
  - Pass away
  - Resign
  - The Board of Directors has a resolution to vacate from the position.
4. Board of Directors has authority to appoint additional Corporate Governance committee members, for achieving the objectives of the operation work, or to replace the Corporate Governance committee who vacate from the position according to item 1 or 3. The person appointed as the Corporate Governance committee under clause 3 can be in the position for the remaining term of the Corporate Governance committee which he or she replaces of only.

## Scope of Duties

1. Review the corporate governance policy, business ethics and code of conduct, in reference to the good corporate governance, and present to the Board of Directors for consideration and approval.
2. Review the directions, oversee, and ensure that the company operates in full compliance with the established policy and regulation. Also there will be continuity in development.
3. Give recommendation and consultancy to the related working team, in order to continuously develop and lift up the good corporate governance.
4. Review and appoint candidate as for a new hire or a replacement, in relating to the appropriate corporate governance, as well as determine the roles and responsibilities to achieve the objectives.

## Other Requirements

1. A regular review and amendment of the Corporate Governance Committee Charter is required once a year in order to be in line with the organization's environment, consistent with the company's strategic plan, aiming to achieve the organization's objectives and goals effectively and efficiently.
2. The Corporate Governance Committee must have a meeting at least two times a year or more when necessary. The corporate governance committee may invite management or related persons to attend meeting to provide them with relevant information.
3. The Board of Directors approves the corporate governance committee's compensation.



Mr. Vinai Vittavasgarnevej  
Chairman



Mr. Vinai Vittavasgarnevej  
Chairman of the Remuneration Committee

# Risk Management Committee Charter

(Approved by the Board of Directors' Meeting No. 1/2020 held on February 21, 2020)

## Objectives

The Risk Management Committee was established with the approval of the Board of Directors. Because they recognize the importance of developing a risk management system, which is one of the important tools of management. The Risk Management Committee supports and acts on behalf of the Board of Directors, which relies on the principles of good corporate governance, vision, mission and goals of the company. The committee is to ensure that the management is in line with an international risk management framework (COSO Enterprise Risk Management Framework: COSO ERM). The committee is to promote and support risk management throughout the organization so that it will be part of the company's culture. This is also for the stakeholders to reasonably believe that strategic operations are geared towards the effective and efficient achievement of the company's objectives and goals.

## Compositions and Qualifications

Risk Management Committee appointed by the Board of Directors, consists of experts who have knowledge and ability. The committee consists of at least 3 directors with a proportion of more than 50% of the independent directors. In the meeting, the Risk Management Committee is to select one independent director as the chairman.

## Term of Services

1. The term of services of Risk Management Committee is according to the term of board of director.
2. Risk Management Committee may be re-appointed to resume the position if the company's board of directors consider it appropriate.
3. In addition to the vacation of the position according to item 2, the Risk Management Committee will be dismissed as following reasons
  - Pass away
  - Resign
  - The Board of Directors has a resolution to vacate from the position.
4. Board of Directors has authority to appoint additional Risk Management Committee members, for achieving the objectives of the operation work, or to replace the Risk Management Committee who vacate from the position according to item 1 or 3. The person appointed as Risk Management Committee under clause 3 can be in the position for the remaining term of the Risk Management Committee which he or she replaces of only.

## Scope of Duties

1. Review risk management policy and framework to be presented to the Board of Directors for consideration and approval.
2. Review the Risk Management report, give opinion on the possible risk, form the controlling procedure or mitigation plan, and develop risk management system, in order to implement efficiently and consistently, and to ensure that the company follows the proper risk management.
3. Cooperate with the investigation committee relating to the potential risks. Also Internal audit is to ensure that the company implements the appropriate internal control against the risk, and apply the risk management system appropriately, resulting in following up throughout the company.
4. Report the status of key risks, as well as the risk management implementation to the Board of Directors on a regular basis.
5. Advise and provide the risk management department with the development of risk management system and proper directions to correct information.
6. Appoint new hiring or replacing the vacancy positions relating to the risk management, and define roles and responsibilities to achieve the objectives.
7. Executives, internal auditor, auditor, any units or working group relating to the risk management, must report or present the information, and related documents to the risk management committees in order to support them to achieve the assigned tasks.

## Other Requirements

1. A regular review and amendment of the Risk Management Committee Charter is required once a year in order to be in line with the organization's environment, consistent with the company's strategic plan, aiming to achieve the organization's objectives and goals effectively and efficiently.
2. The Risk Management Committee must have a meeting at least two times a year or more when necessary. The Risk Management Committee may invite management or related persons to attend meeting to provide them with relevant information.
3. The Board of Directors approves the risk management committee's compensation.



Mr. Vinai Vittavasgarnvej  
Chairman



Mr. Thanathit Charoenjan  
Chairman of the Audit Committee

## Attachment 6

# Report of the Audit Committee

To the Shareholders of Sahamitr Pressure Container Public Company Limited

The Audit Committee was established by the Board of Directors' resolution on 14 December 1999. All committee members are independent directors who are neither company officers nor employees. The three committee members are as follows:

Name	Position	Meeting Attendance
Mr. Thanathit Charoenjan	Chairman of the Audit Committee (Accounting and Finance Expertise)	4/4
Mrs. Werawan Boonkwan	Audit Committee (Accounting and Finance Expert)	4/4
Associate Prof. Dr. Jade Donovanik	Audit Committee (Law Expert)	4/4

### The Audit Committee has the following scope of duties and responsibilities:

1. To review the company's financial reporting process to ensure accuracy and adequacy.
2. To review systems of the internal control, the internal audit, the risk management, and the anti-corruption measures to ensure their appropriateness and effectiveness. To consider the independence of the internal audit function, and to provide recommendations on the appointment, transfer, and dismissal of the head of the internal audit team or any other unit responsible for internal audit.
3. To review the company performances to ensure compliance with the securities and exchange law, the SET regulations, and other laws relevant to the company business.
4. To consider, select, propose the appointment and dismissal of an independent person to perform the duties of the company's external auditor, and also to recommend the remuneration of the auditor, and to meet with the auditor, without the presence of the management, at least once a year.
5. To consider connected transactions or those with possible conflict of interest to ensure compliance with all pertinent laws, and the SET regulations, and to ensure their rationality and optimal benefits for the company.
6. To prepare the audit committee's report and to disclose it in the company's annual report. The report must be signed by the Chairman of the Audit Committee.
7. To perform any other actions as delegated by the Board of Directors and approved by the Audit Committee.

During the term of service 2021 (April 2021 – March 2022) the Audit Committee held four quarterly meetings. The agenda were mainly considerations of the above defined topics. They can be summarized as follows:

## Review of Financial Reports

The Audit Committee reviewed the company's quarterly and annual financial statements for the year 2021 (which were reviewed and audited by the certified auditor) and met with the company's external auditor every quarter to consider the audit report, observations and recommendations including the new accounting standard to be effective in the future. These meetings with the external auditor were held without the presence of the management. The Audit Committee and the auditor agreed that the 2021 financial statements are accurate in all material respects in accordance with Thai Financial Reporting Standards, and that the information in the financial statements has been disclosed adequately and timely.

## Internal Control System, Anti-Corruption, and Risk Management

The Audit Committee reviewed the audit reports on the internal control system every quarter. This was managed by Dharmniti Auditing Co., Ltd. who performed as the internal auditor for the company (Outsource Internal Audit Function). The Audit Committee provided recommendations and followed up the correction of the major audit findings to ensure an adequate internal control and to instill the corporate governance. It revealed that mainly the company had an adequate and effective internal control system that can respond to internal and external changes. Most of the deficiencies were common to the business, and had been corrected, prevented, and followed up by the responsible executives appropriately. Besides, the Audit Committee gave recommendation and approved the 2022 internal audit plan. The plan was still emphasized on compliance with established internal control system and company's risk management. The plan would allow company to manage business related risk effectively and in line with the work plan and risk management policy which comprising strategic risk, financial risk, management risk, compliance risk, good governance, and anti-corruption. The internal auditor also conducted the assessment of the adequacy of the internal control system in accordance with the Securities and Exchange Commission regulation. For 2021, the assessment revealed that the company attached significance to the internal control system. Overall the company practices in each section were in line with the assessment form of the adequacy of the internal control system.

After SMPC was approved to extend the member status of the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). The Audit Committee have been monitoring the regulations and directions of the anti-corruption by regularly reviewing the company's report. It is revealed that SMPC complies with the regulations and the policies.

Moreover, in December 2021, the company's accreditation has been renewed for the second time. The certification will be valid for 3 years, until January 2025.

## Review of the Compliance with Laws Related to the Business

The Audit Committee reviewed the company compliance with laws and other regulations according to the securities and exchange law, the SET regulations, and other laws relevant to the business, and found that the company operations were in compliance with the relevant laws, rules, and policies.

## Select, and Propose for Appointment and Dismissal of the External Auditor, and the Annual Audit Fee

Regarding the recommendation to the Shareholders for the appointment of the external auditor for 2021, the Audit Committee has reviewed the performance of the external auditor for the last year and found it satisfactory, and has also confirmed the auditor qualifications to be appropriate. Therefore the Audit Committee will recommend Grant Thornton Co., Ltd., to continue to be the external auditor with the following auditors:

- |                  |                     |                                  |
|------------------|---------------------|----------------------------------|
| 1. Mr. Somckid   | Tiatragul           | C.P.A Registration No. 2785 or   |
| 2. Miss Kanyanat | Sriratchatchaval    | C.P.A. Registration No. 6549 or  |
| 3. Mr. Amornjit  | Baolorpetch         | C.P.A. Registration No. 10853 or |
| 4. Miss Saranya  | Akramahaphanich     | C.P.A. Registration No. 9919 or  |
| 5. Ms. Luxsamee  | Deetrakulwattanapol | C.P.A. Registration No. 9056, or |
| 6. Ms. Kesanee   | Srathongphool       | C.P.A. Registration No. 9262     |

The audit fee for the fiscal year 2022 is amounting at 1,380,000 Baht per year. The Audit Committee will recommend them to the Board of Directors, and thereafter seek approval at the 2022 Annual General Meeting of Shareholders.

### Review of Connected Transactions or Transactions with Possible Conflict of Interest.

The Audit Committee reviewed the connected transactions between the company and connected person, including transactions with possible conflict of interest. All of which has been disclosed fully in all material respects in the annual financial statements.

The Audit Committee has concluded that the company has prepared the financial statements in accordance with generally accepted accounting standards and with reliability, the company also has the risk management system and internal control system that are appropriate and adequate to maintain the company operations with corporate governance and anti-corruption.



(Mr. Thanathit Charoenjan)  
Chairman of the Audit Committee

14 February 2022

# Report of the Sub-Committee

## Attachment 7.1

## Report of the Remuneration Committee

To the Shareholders of Sahamitr Pressure Container Public Company Limited

The Remuneration Committee was established by the company's Board of Directors. The remuneration committee consists of 3 directors, mainly independent directors. The chairman is also the independent director. They are as follows

Name	Position	Meeting Attendance
Mr. Vinai Vittavasgarvej	Chairman of the Remuneration Committee (Independent Director)	2/2
Mrs. Werawan Boonkwan	Remuneration Committee (Independent Director)	2/2
Mrs. Pattama Laowong	Remuneration Committee	2/2

The Remuneration Committee has performed its duties independently, prudently, fairly and reasonably. The committee screen, help and give advice to the Board with regard to the compensation for the board, sub-committee, executive director, senior management of the company, with fair rules and reasonable under the scope of duties and responsibilities specified in the Remuneration Committee Charter. The committee also takes into account the performance of the company, competitive environment, the approved budget, and compliance with the principles of good corporate governance. The Remuneration of the Board of Directors, and senior executives, as detailed in this 2021 Annual Report, the Remuneration Committee believes that it is suitable for the assigned duties and responsibilities, which is in accordance with the policy, the company's remuneration criteria, by taking into account the company performance, economic environment, and business competition.

For the year 2021, the Remuneration Committee has held two meetings, which can be summarized as follows:

- Reviewed the remuneration for directors and senior executives for the year 2021 and 2022.
- Reviewed the rate of bonus payment from the operating results for the 6 months ended June 30, 2021 and for the year ended 31 December 2021.
- Reviewed the Remuneration Committee Charter.



Mr. Vinai Vittavasgarvej  
Chairman of the Remuneration Committee



# Report of the Nomination Committee

To the Shareholders of Sahamitr Pressure Container Public Company Limited

The Nomination Committee was established by the company's Board of Directors. The nomination committee consists of 3 directors, mainly independent directors. The chairman is also the independent director. They are as follows

Name	Position	Meeting Attendance
Mr. Thanathit Charoenjan	Chairman of the Nomination Committee (Independent Director)	2/2
Associate Professor Dr. Jade Donovanik	Nomination Committee (Independent Director)	2/2
Mrs. Pattama Laowong	Nomination Committee	2/2

The Nomination Committee is responsible for selecting qualified candidates for the position of directors and senior management, with transparency. The committee also develops the knowledge and abilities of the directors to respond to the business requirement, and to ensure the shareholders that the persons who will take the position, are qualified and able to be in charge for the best interest of the company, as stated in the Nomination Committee Charter

For the year 2021, the Nomination Committee has held 2 meetings, which can be summarized as follows:

- Reviewed and proposed the person to replace the director who resigned.
- Reviewed and proposed the persons to be appointed as Deputy Chairman, Chairman of the executive board, replacing the ones who resigned.
- Reviewed the suitability of the Board Skill Matrix
- Reviewed and proposed the persons to replace the directors who are due to retire by rotation in the Annual General Meeting of Shareholders for the year 2022.
- Reviewed the Nomination Committee Charter



Mr. Thanathit Charoenjan  
Chairman of the Nomination Committee

## Attachment 7.3

# Report of the Corporate Governance Committee

To the Shareholders of Sahamitr Pressure Container Public Company Limited

The Corporate Governance Committee was established by the company's Board of Directors. The corporate governance committee consists of 3 directors, mainly independent directors. The chairman is also the independent director. They are as follows

Name	Position	Meeting Attendance
Mr. Vinai Vittavasgarvej	Chairman of the Corporate Governance Committee (Independent Director)	1/1
Mrs. Weerawan Boonkwan	Corporate Governance Committee (Independent Director)	1/1
Mrs. Pattama Laowong	Corporate Governance Committee	1/1

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The Corporate Governance Committee supports the Board of Directors in compiling and setting corporate governance policies, and set guidelines for the various practices of the company appropriately, transparently, in accordance with the principles of good corporate governance, and business ethics, in order to build confidence among shareholders, investors, stakeholders and all related parties to create value for the company and to be able to grow sustainably, as stated in the Corporate Governance Committee Charter. On 26 October 2021, the company received five "Excellent" symbol batches of the corporate governance assessment awards for the 2 consecutive year, which is the highest level from the Thai Institute of Directors Association, which assessed 716 Thai listed companies by the 2021 Thai Listed Companies Corporate Governance Survey. This award clearly reflects the company's continued efforts, which are aimed at enhancing good corporate governance and continuing sustainable development.

For the year 2021, the Corporate Governance Committee has held 1 meeting, which can be summarized as follows:

- Acknowledged the results of the corporate governance assessment for the year 2021 and reviewed recommendations for improvement and development of corporate governance.
- Reviewed the vision, mission, and principles of corporate governance, and the company's business ethics
- Reviewed the Corporate Governance Committee Charter



Mr. Vinai Vittavasgarvej  
Chairman of the Corporate Governance Committee

# Report of the Risk Management Committee

To the Shareholders of Sahamitr Pressure Container Public Company Limited

The Risk Management Committee was established by the company's Board of Directors. The risk management committee consists of 3 directors, mainly independent directors. The chairman is also the independent director. They are as follows

Name	Position	Meeting Attendance
Mr. Thanathit Charoenjan	Chairman of the Risk Management Committee (Independent Director)	2/2
Associate Professor Dr. Jade Donovanik	Risk Management Committee (Independent Director)	2/2
Mrs. Pattama Laowong	Risk Management Committee	2/2

The Risk Management Committee supports and acts on behalf of the Board of Directors, which relies on the principles of good corporate governance, vision, mission and goals of the company. The committee is to ensure that the management is in line with an international risk management framework (COSO Enterprise Risk Management Framework: COSO ERM). The committee is to promote and support risk management throughout the organization so that it will be instilled as part of the company's culture, as stated in the risk management committee charter. This is also for the stakeholders to reasonably believe that strategic operations are geared towards the company's objectives and goals, does not cause any hindrance to business operations and will play a vital role in ensuring that the company will be able to achieve the goals set.

For the year 2021, the Risk Management Committee has held 2 meetings, which can be summarized as follows:

- Reviewed the risk assessment guidelines.
- Reviewed the company's business risk register.
- Reviewed the Risk Management Committee Charter.



Mr. Thanathit Charoenjan  
Chairman of the Risk Management Committee

# Report of Board of Directors' Responsibilities to the Financial Statements

The Board of Directors is responsible for separate financial statement of Sahamitr Pressure Container Public Company Limited, including financial information presented in this annual report. The financial statements have been prepared in accordance with generally accepted accounting principles, with appropriate accounting policies applied on a consistent basis. Where judgment and estimates were required, these were made with careful and reasonable consideration, and adequate disclosures have been made in the notes to the financial statements. These financial statements have been audited by independent certified auditors who have given their unqualified opinions.

The Board of Directors supports the practice of good corporate governance, risk management system and appropriate and efficient internal controls to ensure that the Company's financial information is accurate and complete, thus promoting our efficient, transparent and reliable business operation.

In this regard, the Board of Directors have appointed an Audit Committee comprising of independent directors to be responsible for reviewing quality of financial reports and internal controls. All comments of the Audit Committee on these issues have included in the Report of the Audit Committee, which is presented in this annual report.

The Board of Directors is of the opinion that the Company's overall internal control system is adequate and appropriate and can reasonable assure the creditability of the separate financial statements of the Company for the year ended December 31, 2021.



Mr. Vinai Vittavasgarnvej  
Chairman



Mr. Surasak Urpsirisuk  
Managing Director



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