



## 2020 Annual General Meeting Report of Sanko Diecasting (Thailand) Plc.

**Date, Time and Venue**

The meeting was held on the 29<sup>th</sup> April 2020 at 1.30 p.m. at the meeting room of Sanko Diecasting (Thailand) Public Company Limited. Rojana Industrial Park Rayong, 3/14 Moo 2, Nongbua, Bankhai Distric, Rayong 21120

**Attended Directors (50%)**

- |                              |  |
|------------------------------|--|
| 1. Mr. Rattawat Suksaichol   | Acting Chairman of the Board of Directors, Nomination and Remuneration Committee and Chief Executive Officer |
| 2. Mr. Yutthana Taepangthong | Director and Nomination and Remuneration Committee   |
| 3. Mr. Niphan Tungpiruttham  | Independent Director, Audit Committee and Chairman of Nomination and Remuneration Committee                  |
| 4. Mr. Santi Niamnil         | Independent Director and Audit Committee   |

**Directors who did not attend the meeting due to the situation of COVID-19**

- |                                    |  |
|------------------------------------|--|
| 1. Mr. Masami Katsumoto            | Director   |
| 2. Mr. Naohiro Hamada              | Director   |
| 3. Mrs. Poonsri Pattamavorakulchai | Director   |
| 4. Ms. Walaiporn Kanignunta        | Independent Director and Chairman of the Audit Committee |

**Attended Executives**

- |                               |  |
|-------------------------------|--|
| 1. Ms. Prapaphan Chanapal     | Account and Finance Department Manager |
| 2. Mr. Kiattipoom Poomminun   | Sales and Marketing Department Manager |
| 3. Mr. Anant Tungsunthornthum | Engineering Director                   |
| 4. Ms. Sakultrip Homanee      | Company Secretary and Minutes Taker    |

**Other Attended Parties**

- |                            |               |
|----------------------------|---------------|
| 1. Ms. Chanidapa Praditsin | Legal Advisor |
|----------------------------|---------------|

**Meeting Commence**

The total number of participants in the Annual General Meeting for both attending in person and as proxy is 54 people. This is divided into 9 shareholders attending the meeting in person and 45 people as proxies of the shareholders, amounting to 196,391,744 shares or 64.3090 % of the total shares at 305,387,696 shares. Satisfying the quorum as stated in the Company's regulations. With Mr. Rattawat Suksaichol, Acting Chairman of the Board of Directors to be the Chairman of the Meeting. for the sake of convenience and the flexibility in explaining the details to the meeting.

Before proceeding to the meeting agenda, Mrs. Busakorn Dounjai, the master of ceremony, explained the details of the voting and the counting procedures in the meeting depending on the agendas as displayed in the voting manuals which can be summarized as follows;



For the voting and counting process, the Company had introduced the barcode system in order to facilitate the general meeting which will reduce the time taken in the said procedures. The Company will display the total amount of votes of the shareholders in all agenda that requires a resolution for the shareholders to know the results immediately. The Company would like to explain the voting procedures during the meeting to the shareholders as follows;

1. To vote, use the voting card which has been prepared by the staffs during the registration prior to the meeting. Each shareholder may vote as much as the number of shares that they hold by considering 1 share is equal to 1 vote. As for the proxy to whom the shareholders have already voted in the power of attorney documents whether they agree, disagree or abstain from voting for each agenda of the meeting, the Company will respect the will of the shareholders and the proxy may not vote again in the meeting.
2. Once the explanation by the Directors in each agenda is over, the Chairman will allow the shareholders to voice their opinions. Those who would like to participate must raise their hands and state their names together with the amount of shares owned before giving the opinions. If there are no conflicting opinions to the Directors or the shareholders wish to abstain the votes, then the Chairman will move on to the next agenda by considering the shareholders as unanimously agree or approve of the agenda presented. However, the Company will also display the result of the votes in each of the meeting agenda.
3. If any shareholders disagree with the Directors, or would like to abstain from voting for any agenda, raise the hands when the Chairman finishes asking for opinions in the meeting. In this case, the Chairman will allow the shareholders who disagree or wish to abstain from voting, pass on the voting cards to the staffs only for that specific agenda. The staff will then collect all voting cards and notify the meeting the result of how many agreeing votes, disagreeing votes and abstaining votes.

When counting the votes, the Company will remove the disagreeing votes or abstaining votes from the total votes. As for the shareholders that have the proxies attended the meeting and have already voted for each agenda whether or not they agree, disagree or abstain from votes, the Company will record the votes made by the shareholders in the Computer for counting up the votes in each agenda.

4. For the agenda involving the election of new Directors to replace the existing Directors who retire by rotation, for the sake of transparency, the Company requires all of the shareholders in the meeting to use the voting cards issued during the registration process, whether or not they agree, disagree or abstain from voting in order to select the Directors individually.
5. Shareholders who do not understand the voting procedures may ask the staffs which will facilitate and explain in details. In this Annual General Meeting, the Company has provided the



video footage of the meeting in digital file, available on the Company's website ([www.sankothai.net](http://www.sankothai.net)) for the shareholders who are interested but could not attend the meeting.

The meeting will be conducted in Thai, so that shareholders can mutually understand. In the case of foreign shareholders and wishes to ask questions in English, notify the registration staffs and the Company will arrange an interpreter to translate the questions further into Thai.

After that, Mr. Rattawat Suksaichol delivered the welcoming speech and proceeded with the meeting as per the following agendas;

**Agenda 1) To consideration and certify the minutes of the General Meeting of Shareholders for the year 2019**

Mr. Rattawat Suksaichol proposed to the meeting to consider and approve of the minutes of the General Meeting of Shareholders for the year 2019 Report which was held on 25 April, 2019 and the Minutes of Meeting has been submitted to The Stock Exchange of Thailand and Ministry of Commerce within 14 days after the General Meeting of Shareholders Date, according to the requirement of the laws and has been posted on the Company's website ([www.sankothai.net](http://www.sankothai.net)). It appeared that no objection or request any modifications of which the copy of the Minutes of Meeting was enclosed (Attachment 1)

**Resolution:** The meeting has considered and approved with the majority votes, the minutes of the General Meeting of Shareholders for the year 2019 Report as presented with the following votes;

Approved	Disapproved	Abstained	Void Ballot	Total Votes	Unit
196,391,744	0	0	0	196,391,744	Votes /Shares
100.0000	0.0000	0.0000	0.0000	100.0000	%

**Agenda 2) To consider and acknowledge the Board of Directors' report proposing to the meeting regarding the result of the Company's operation during the preceding year and suggestions as to future business operation plan**

Mr. Rattawat Suksaichol proposed the Board of Directors' report to the meeting which illustrates the Company's performance in the previous year, as well as proposing future activities. The summaries are as follows;

*Mr. Rattawat Suksaichol:* The Company's performance summary is in the 2019 Annual Report and the shareholders can download it by using the QR Code. Today's important topic is the performance of the previous year. We begin with the graph comparing the 3 years income of 2017, 2018 and 2019, which can be seen that the Company had been growing continuously for the past 3 years. In the year 2019, the total sales were at 605 million Baht (including parts, molds and other income). When compared to the Company's goals in each year, the total sales were quite close to the estimation, for example the estimated goal in 2019 was 600 million Baht and the overall performance was at 605 million Baht.



Next is the total sales divided into 4 industries which are automobile parts, electrical goods parts, motorcycle parts and agricultural machinery parts. When comparing the 2 consecutive years, it is evident that the ratios are closely similar with the majority being the sales of automobile parts at 70%, follows by motorcycle parts, electrical goods parts and agricultural products parts.

As for investments, in the year 2019, the Company invested in new machineries as follows, 3 CNC machines for the total of 11.50 million Baht, 4 Diecasting machines for the total of 15 million Baht and constructed new building for machining at 18.50 million Baht. The total investment was 45 million Baht.

Regarding anti-corruption policy, in 2019, the Company had hosted internal seminar and participated in events regarding anti-corruption policy which was held by Rayong Province Government Office. The Company also established anti-corruption measures, for example, the no-gifts policy both from customers or the general public and had been increasing the anti-corruption activities with each passing year.

For sales projection and future performance, as we all know, this year the economy had been in a stressful and unpredictable situation. The Company must closely monitor the events and especially the financial status due to the effect from COVID-19, resulting in reduced orders from our major customers. The Company keeps up with the news and updates monthly and weekly. In summary, we cannot make a total sales estimation for the year 2020 yet. It still largely depends on the current situation.

No other inquiries from the Shareholders for this agenda.

**Resolution:** This agenda is for notifying the meeting, no votes required.

**Agenda 3) To consider and approve the reviewed interim financial statements as of 31 December 2019**

Ms. Prapaphan Chanapal proposed that the meeting approves the Company's 2019 financial statement (ending date 31<sup>st</sup> December 2019) which was inspected by Ms. Khemanant Chaicheun, certified accounting auditor license no. 8260 from Siam Truth Accounting Co. Ltd, with unqualified opinion as presented in the Annual Report. The summary of the financial statement for the year 2019 is as follows;

**Statement of Comprehensive Income**

In 2019, the Company's total income was at 605 million Baht, a 10% increase from the year 2018 at 550 million Baht. The Company's cost in the year 2019 was at 480 million Baht, a 5.71% increase from the year 2018. The gross profit between 2017 – 2019 was at 16.21%, 17.20% and 19.51% consecutively. From the numbers, we can see that the growth of the Company's gross profit had been increasing continuously for the past 3 years. In 2019, the Company's sales and managing expenses was approximately 86 million Baht or 14% of the total income while in 2018 this was at 13.93% of the total income and also in 2017 at 14.53% of total income, which are not that far apart in each year.

The financial costs of the Company are interests. In 2019, the Company's interests were approximately 6.4 million Baht, a 33% increase from 2018. This is because the Company took a loan from a financial institution in order to invest in machineries and buildings. This resulted in the Company's net profit



before income tax in 2019 at roughly 32.27 million Baht, a 78% increase from the year 2018 at 18.11 million Baht and from they year 2017 at 6.37 million Baht.

Deferred income tax for the year 2019 was roughly 5.9 million Baht and in 2018, the total tax was at 6.29 million Baht. However, the Company was exempted due to the BOI investment certificate, resulting in the Company's net profit margin of approximately 38 million Baht in 2019, in 2018 and 2017 at 11.82 million Baht and 6.29 million Baht respectively. There are also new items that has not yet been categorized into the profit and loss statement. These are from the adjusted employees' benefits which were not present in 2019. However, in 2018, the cost was around 1.46 million Baht but did not affect the profit and loss statement of that year. Therefore, the Company's comprehensive profit in the year 2017 – 2019 were roughly 5.93 million Baht, 10.36 million Baht and 38.19 million Baht respectively. This can be summarized in the tables as follows;

Description	2019	2018	2017
Total Revenue	605,435	550,369	442,418
COSG	(480,793)	(450,787)	(367,319)
SG&A	(85,986)	(76,689)	(64,569)
Finance Cost	(6,388)	(4,781)	(4,154)
Net profit before income tax	32,268	18,112	6,376
Tax Income/(Expenses)	5,925	(6,291)	(88)
<b>Net Profit</b>	<b>38,193</b>	<b>11,821</b>	<b>6,288</b>
Other comprehensive income	-	(1,464)	(353)
<b>Total comprehensive income</b>	<b>38,193</b>	<b>10,357</b>	<b>5,935</b>
Gross Margin (%)	19.51	17.20	16.21
Net Profit (%)	6.31	2.15	1.42

#### Statement of Financial Position

In 2019, the Company's total assets was approximately 436 million Baht, a 387 million Baht increase from 2018. This is due to an increase in investment and the expansion of production capacity.

The Company's total liabilities in the year 2019 was at 225 million Baht while in 2018 was around 211 million Baht. This was due to an increase in investment. In 2019, the Company's current liabilities was approximately 161 million Baht and was the same with the year 2018. This resulted in the debt to equity ratio in 2019 at 1.06 time and in 2018 at 1.20 times while the earning per share of the Company in 2019 was at 0.12 times and in 2018 at 0.04 times. This can be summarized in the tables as follows;

Description	2019	2018	2017
TOTAL ASSETS	436,896	387,823	347,869
Total Current assets	165,927	158,866	137,245
TOTAL LIABILITIES	225,375	211,815	182,217
Total Current Liabilities	161,042	161,013	151,102
Total shareholders' equity	211,521	176,008	165,651



**Statement of Cash Flow**

In 2019, the net cash flow was at negative 8.25 million Baht, in 2018 at 3.82 million and in 2017 at negative 6.31 million Baht. This was caused by operations, investment for output expansion and sourcing. However, at the end of 2019, the Company’s remaining net cash flow at 10.95 million Baht, in 2018 at 19.91 million Baht and in 2017 at 15.37 million Baht respectively. The Company may require more cash flow for this year with the details in the tables as follows;

Description	2019	2018	2017
Net cash used in operating activities	61,446	38,091	11,599
Net cash provided by (used in) investing activities	(39,091)	(19,948)	(21,946)
Net cash provided by financing activities	(30,560)	(14,322)	4,033
Net decrease in cash and cash equivalents	(8,245)	3,820	(6,313)
Cash and cash equivalents at beginning of the period	19,191	15,371	21,684
Cash and cash equivalents at end of the period	10,947	19,191	15,371

**Ratio Analysis**

The ratio analysis reflects better performance in each year, for example, the returns on assets. In other words, the operational performance of those years in comparison to the total assets. The table shows that in the year 2017, the ratio was 1.81 which moved to 3.08 in 2018 and finally as high as 8.74 times of total assets in 2019. This means that the performance in 2019 had been better. Other financial ratio in the past 3 years can be compared from the following tables;

Description	2019	2018	2017
Return on Assets (ROA)	8.74	3.08	1.81
Return on Equity (ROE)	18.05	6.92	3.87
Operating Profit Margin	10.80	10.72	7.43
Net Profit Margin	6.39	2.16	1.44
Current Ratio (CA)	1.02 Times	0.98 Times	0.91 Times
Debt to Total Asset Ratio	0.51 Times	0.54 Times	0.52 Times
Debt to Equity ratio (DE)	1.06 Times	1.18 Times	1.10 Times
Interest Coverage Ratio	1.51 Times	1.63 Times	0.64 Times
Earnings Per Share	0.13	0.04	0.02

No other inquiries from the Shareholders for this agenda.

**Resolution:** The meeting had considered and approved, with the majority votes, the Company’s financial statement for the year 2019, accounting year end on 31<sup>st</sup> Decemeber 2019, with the following votes;

Approved	Disapproved	Abstained	Void Ballot	Total Votes	Unit
196,391,744	0	0	0	196,391,744	Votes/Shares
100.0000	0.0000	0.0000	0.0000	100.0000	%



Agenda 4) To consider and approve the directors' remuneration and the audit committee's remuneration for the year 2020.

Mr. Rattawat Suksaichol proposed to the meeting to consider and approve the Directors remunerations for the year 2020. And according to the Public Company Act B.E.2535 (1992), the Board of Director considered and fixed remuneration of director based on overall performance of company and all director's liabilities and responsibilities, the Shareholder's meeting should consider and fix increment of the Director's remuneration for year 2020 in order to suit current condition and responsibilities pursuant to rule and regulation of Public Company Limited. With the comparative details between 2020 and 2019 as follows

Position	Meeting Allowance (per time) Baht		Bonus/ Pension and other benefits	
	2020	2019	2020	2019
1The Board of Directors*				
Chairman of the Board	30,000	15,000	N/A	N/A
Directors	10,000	7,500	N/A	N/A
2. The Audit Committee	17,500	15,000	N/A	N/A

The new rate of remuneration is not much adjusted comparing to current rate which fixed since listing in SET. The Board of Director concered the suitability comparing to same type industry which listed in SET, details of remuneration surveyed by SET, expansion of economic and performace of company as well as pervious business's operation result and responsibilities.

No other inquiries from the Shareholders for this agenda.

**Resolution:** The meeting had considered and approved the Directors remunerations for the year 2020 as proposed with the following 2/3 of total votes,

Approved	Disapproved	Abstained	Void Ballot	Total Votes	Unit
196,391,744	0	0	0	196,391,744	Votes /Shares
100.0000	0.0000	0.0000	0.0000	100.0000	%

Agenda 5) To consider and approve the dividend paid for the year 2019.

Mr. Rattawat Suksaichol presented the report summary of the Company's performance as explained in Agenda 2) and Agenda 3) to the Shareholders. The Company has a policy to pay dividends to shareholders at a rate of no less than 30 percent of net profit after tax and all reserves. As of 31<sup>st</sup> December 2019, the accumulated profit is 36,985,837 Baht. Therefore, it should be appropriate for the Meeting to approve dividend paid for year 2019 at the rate of 0.05 Baht per 1 share and The company has the net profit at the amount of 38,192,667 Baht which will divided as follows: profit incurred by BOI transactions at the amount of 7,073,659 Baht or equivalent to 18.52% of total net profit and profit incurred by Non-BOI transactions at the amount of 31,119,008 Baht or equivalent to 81.48% of total net profit. Such dividend will be paid to entitled



shareholder on 28<sup>th</sup> May 2020 equivalent to 39.98 % of total net profit follow the policy of the company. For the year 2018, pay at the rate of 0.03 Baht per 1 share equivalent to 75.90 % of total net profit

No other inquiries from the Shareholders for this agenda.

**Resolution:** The meeting had considered and agreed with the majority vote to authorize the dividends payout for the year 2019 with the following votes;

Approved	Disapproved	Abstained	Void Ballot	Total Votes	Unit
196,391,744	0	0	0	196,391,744	votes /Shares
100.0000	0.0000	0.0000	0.0000	100.0000	%

**Agenda 6) To consider and approve the appointment of auditors and the audit configuration of 2020.**

Mr. Rattawat Suksaichol proposed that the meeting considers selecting the account auditors for the year 2020 by choosing from the prepared list of accounting companies from the Securities and Exchange Commission, Thailand. From the evaluation process, the Board of Directors proposed 4 people for the audit positions. Namely; Dr. Sirada Jarutaknont registration number 6995 /or Mr. Bunjong Tichayaprasat, registration number 7147 /or Ms. Khaymanundt Chaichuen registration number 8260 /or Mr. Kraisit Silapamongkonkul registration number 9429 of Siam Truth Audit Co., Ltd, to be the auditors for Sanko Diecasting (Thailand) Plc. For the year 2020 which Siam Truth Audit Co., Ltd. has audited and provided comment on the Company's financial statement on year ended 2020 that continues as 2<sup>nd</sup> year of service.

Configured auditing of 1,500,000 Baht (One million five hundred Baht).The Board of Directors would propose to the Shareholders' Meeting for the year 2020 for approval. These auditors were qualified in accordance with the regulations of the Public Company Act, the SET and the SEC, which defined that the auditor must have no shares, no any other services than auditor, no relationship or transaction with the Company, its subsidiaries, Directors, major shareholders or the connected person, so they should be independent to audit, sign and comment on the financial statements of the Company.

**Comparison of remuneration of auditor as of year ended 2020 and year ended 2019**

Description	As of year ended 2020 (Baht) (New rate)	As of year ended 2019 (Baht) (Previous rate)
	Company	Company
Annual audit fee As of 31 December 2020	810,000.00	810,000.00
Quarter audit fee As of 31 March 2020	230,000.00	230,000.00
Quarter audit fee As of 30 June 2020	230,000.00	230,000.00
Quarter audit fee As of 30 September 2020	230,000.00	230,000.00
Audit fee for BOI	n.a.	n.a.





Description	As of year ended 2020 (Baht) (New rate)	As of year ended 2019 (Baht) (Previous rate)
	Company	Company
Admission fee		200,000.00
Other expenses	On actual basis	On actual basis
<b>Total</b>	<b>1,500,000.00</b>	<b>1,700,000.00</b>

\*Increase 0% which is pursuant to volume of work and updated Accounting Standard

No other inquiries from the Shareholders for this agenda.

**Resolution:** The meeting had considered and agreed with the majority to approve of the auditors and set the auditing fees of the year 2020 as proposed with the following votes;

Approved	Disapproved	Abstained	Void Ballot	Total Votes	Unit
196,391,744	0	0	0	196,391,744	Votes/Shares
100.0000	0.0000	0.0000	0.0000	100.0000	%

**Agenda 7) To consider and approve the appointment of new directors as a replacement for the retired directors.**

Mr. Rattawat Suksaichol proposed to the meeting to consider and approve the appointment of new directors as a replacement for the retired directors. To this, the Company had allowed the shareholders to nominate the names of individuals to be the Company's Directors in advance during the 15<sup>th</sup> November – 31<sup>st</sup> December 2019. The Company had announced to the shareholders through the SET and through the SANKO's website which, when the duration is over, no shareholders had proposed any individuals to the Company. The Board of Directors had considered the qualifications, education, experiences and the proficiency from many professions including the performance of the Directors in the past years and deemed appropriate for the Directors who had retired by rotation to be back as the Company's Directors for another term. The Directors who retired by rotation and had been appointed back into the position for another term are as follows;

1. Mr. Naohiro Hamada
2. Mr. Rattawat Suksaichol
3. Ms. Valaiporn Kanignunta

No other inquiries from the Shareholders for this agenda.

**Resolution:** The meeting has considered and approved with the majority votes, the appointment of the 3 directors to the Board of Directors for another term with the following votes;

1. Mr. Naohiro Hamada

Approved	Disapproved	Abstained	Void Ballot	Total Votes	Unit
192,725,744	0	0	0	192,725,744	Votes/Shares
100.0000	0.0000	0.0000	0.0000	100.0000	%



## 2. Mr. Rattawat Suksaichol

Approved	Disapproved	Abstained	Void Ballot	Total Votes	Unit
196,391,744	0	0	0	196,391,744	Votes/Shares
100.0000	0.0000	0.0000	0.0000	100.0000	%

## 3. Ms. Valaiporn Kanignuntha

Approved	Disapproved	Abstained	Void Ballot	Total Votes	Unit
196,391,644	100	0	0	196,391,744	Votes/Shares
99.9999	0.0001	0.0000	0.0000	100.0000	%

**Agenda 8) To consider and approve the amendment of number of director in Board of Director from 8 persons to 9 persons and appointment of new director**

Mr. Rattawat Suksaichol proposed to the meeting to consider and approve the amendment of number of director in Board of Director from 8 persons to 9 persons and appointment of new director for convenience of company's business operations, therefore it is appropriate to the amendment of number of director in Board of Director from 8 persons to 9 persons and nominated Mr. Adul Chotinisakorn as a director. After having considered the qualifications as per the Section 68 of the Public Limited Company Act B.E 2535 and the related announcement by the Securities and Exchange Commission, the Board of Directors had considered that Mr. Adul Chotinisakorn be the professional experts from various fields to take up the positions which will be beneficial to the company for advising and giving opinions on many issues. The person must have a strong leadership, visions, morals and ethics with a clean, transparent work profiles and can make an independent decision.

In this regard, if the shareholder considers and approve this agenda, the company shall further proceed registration of appointment of new director to the Department of Business Development, Ministry of Commerce

The details attached on Enclosure no. 3

No other inquiries from the Shareholders for this agenda.


**Resolution:** The meeting had considered and agreed with the majority to approve of the amendment of number of director in Board of Director from 8 persons to 9 persons and appointment of new director as proposed with the following votes;


Approved	Disapproved	Abstained	Void Ballot	Total Votes	Unit
196,391,744	0	0	0	196,391,744	Votes/Shares
100.0000	0.0000	0.0000	0.0000	100.0000	%




With no further question from the shareholders, the meeting was adjourned. Mr. Rattawat Suksaichol thanked all shareholders for attending the meeting.

Meeting adjourned at 2.28 p.m.

signed  Chairman of the Meeting  
(Mr. Rattawat Suksaichol)

signed  Company Secretary  
(Miss Sakutip Homanee)

signed  Acting Chairman of the Board of Directors  
(Mr. Rattawat Suksaichol)