

Facts and Rationale
to Support the Shareholders' Consideration

Agenda 1 To consider and acknowledge the Minutes of the 2023 Annual General Meeting of Shareholders

Facts and Rationale

The Company's Secretary prepared the Minutes of the 2023 Annual General Meeting of Shareholders, held on Thursday, 20 April 2023, which were subsequently considered and certified by the Company's Board who viewed that the Minutes was correctly recorded according to the resolutions of the 2023 Annual General Meeting of Shareholders (the "2023 AGM"). The Company had delivered the said Minutes to the Stock Exchange of Thailand within 14 days from the date of the meeting as required by law and had also posted it on the Company's website at www.satpcl.co.th for the shareholders to acknowledge and examine its accuracy within a reasonable period of time. Nobody raised any objection or requested any amendment to the said Minutes. The said Minutes are shown in Enclosure 2. Therefore, it was deemed appropriate to present the Minutes of the 2023 AGM to the 2024 AGM for acknowledgment.

Agenda 2 To consider and acknowledge the Company's operating result for the year 2023

Facts and Rationale

The Company had prepared the report of the Board with respect to the Company's operating result for the year 2023 ended as at 31 December 2023. The Board had considered such report and viewed that such report is correct, complete and sufficient. Therefore, it was deemed appropriate to report the Company's operating result for the year 2023 ended as at 31 December 2023, as detailed in the 2023 Annual Registration Statement/Annual Report (Form 56-1 One Report) in the form of QR Code in Enclosure 3 to the 2024 AGM for acknowledgment.

Agenda 3 To consider and approve the balance sheet and profit and loss statements for the fiscal year ended as at 31 December 2023

Facts and Rationale

The Company had completed preparing the balance sheet and profit and loss statements for the fiscal year ended as at 31 December 2023, as detailed in the 2023 Annual Registration Statement/Annual Report (Form 56-1 One Report) in the form of QR Code in Enclosure 3, which had already been duly audited by the Company's auditor. In addition, the Audit and Corporate Governance Committee and the Board had also considered them and approved that they are correct, complete and sufficient pursuant to the generally accepted accounting standards. Therefore, it was deemed appropriate to propose the 2024 AGM to consider and approve the balance sheet and profit and loss statements for the fiscal year ended as at 31 December 2023.

Agenda 4 To consider and acknowledge the payment of interim dividend

Facts and Rationale

Section 115 of the Public Limited Companies Act B.E. 2535 (1992) (including any amendment thereto) and Article 45 of the Company's Articles of Association allow the board of directors to distribute an interim dividend to shareholders at any time when it sees that the company has a sufficient profit to afford the interim dividend payment. In such event, the board of directors must report the matter to the shareholders at the next general meeting.

The Board deemed that it is appropriate to propose the 2024 AGM for acknowledgement that the Board's meeting No. 8/2023, held on 10 August 2023, resolved to approve the payment of the interim dividend to the shareholders whose names appeared on 24 August 2023 (Record Date) at the rate of Baht 0.38 per share, totaling Baht 161,573,679.72. These dividends are derived from profit of the non-BOI promoted business, whereby the shareholders receiving the dividend payment are subject to 10 percent withholding tax deduction. The Company already paid the said interim dividend to shareholders on 6 September 2023.

Agenda 5 To consider and approve the appropriation of profit in respect of the year 2023 operating results and the dividend payment

Facts and Rationale

According to Section 115 of the Public Limited Companies Act B.E. 2535 (1992) (including any amendment thereto) and Article 44 of the Company's Articles of Association, the company is allowed to pay a dividend from its profit only. According to Section 116 of the Public Limited Companies Act B.E. 2535 (1992) (including any amendment thereto) and Article 43 of the Company's Articles of Association, the company must appropriate to a reserve fund, from the annual net profit at least 5 percent of the annual net profit, less the total accumulated losses brought forward (if any) until reserve fund reaches an amount of not less than 10 percent of its registered capital.

The Company has a policy to pay dividend at a minimum rate of 30 percent of its net profit after tax deduction and legal reserve by taking into account the following conditions: (i) its operating results; (ii) there are no accumulated losses; (iii) there is sufficient cash flow for dividend payment; and (iv) future investment in projects. The dividend payment is also subject to the Company's investment and expenditure plans.

From the Company's operating results for the fiscal year ended as at 31 December 2023, the Company's net profit is equal to Baht 978,575,682. Therefore, the Board, after consideration, deemed that it is appropriate to propose the 2024 AGM to consider and approve the appropriation of profit in respect of the 2023 operating results as a dividend to the Company's shareholders at the rate of Baht 1.60 per share, which has already been partly paid by the Company as the interim dividend at the rate of Baht 0.38 per share on 6 September 2023, with a remaining to pay in the amount of Baht 1.22 per share, totaling Baht 518,736,550.68. These dividends are derived from profit of the non-BOI promoted business, whereby the shareholders receiving the dividend payment are subject to 10 percent withholding tax deduction. The dividend will be paid to the shareholders whose names appear on 7 March 2024 (Record Date) which the Company specifies

the names of shareholders entitled to attend the 2024 AGM and receive the dividend and the Company scheduled the dividend payment date on 8 May 2024. The dividend payout rate is equal to 69.57 percent of the net profit after corporate income tax deductions, which is in line with the Company's dividend policy.

The right to receive the dividend remains uncertain until the 2024 AGM grants its approval. Below is the comparison of the dividend payout rates:

Comparison of the dividend payout rates from 2019 to 2023

Details of Dividend Payment	Year 2023 (Proposed Year)	Year 2022 (Previous Year)	Year 2021	Year 2020	Year 2019
1. Net Profit	Baht 978,575,682	Baht 939,974,447	Baht 952,650,017	Baht 371,201,647.58	Baht 894,639,797
2. Number of Shares	425,193,894 shares	425,193,894 shares	425,193,894 shares	425,193,894 shares	425,193,894 shares
3. Dividend Payout Rate per Share	Baht 1.60: share	Baht 1.50: share	Baht 1.50: share	Baht 0.60: share	Baht 1.35: share
4. Total Amount of Dividend Payout	Baht 680,310,230.40	Baht 637,790,841.00	Baht 637,790,841.00	Baht 255,116,336.40	Baht 574,011,756.90
5. Dividend Payout against Net Profit	69.57 percent	67.85 percent	66.95 percent	68.76 percent	64.16 percent

In addition, the appropriation of the Company's legal reserve had reached the amount as required by law. Therefore, no additional appropriation of the legal reserve is required at this 2024 AGM.

Agenda 6 To consider and approve the appointment of directors in place of those retiring by rotation

Facts and Rationale

According to Article 17 of the Company's Articles of Association, one-third of the directors must vacate their office at each general meeting and those directors who have been in office the longest must vacate the office first. If the number of directors makes it impossible to divide them into three equal parts, the number of directors nearest to one-third shall vacate the office. According to Article 18 of the Company's Articles of Association, the directors who vacate the office may be re-elected to resume their office.

For this year, there are 3 directors who shall retire by rotation:

1. Dr. Suthad Setboonsarng Independent Director
2. Mr. Nontigorn Kanchanachitra Director
3. Mr. Yongkiat Kitaphanich Director

The Company gave an opportunity to shareholders to nominate the names of qualified persons for being considered to be elected as directors in accordance with the nomination process from 28 September 2023 to 31 December 2023 through the website of the Company. However, no shareholder nominated any person to be elected as the director.

The Nomination and Remuneration Committee for Director and Executive and the Board has considered those directors retiring by rotation according to the selection criteria and method by taking into account the structure of the Board determined by the Company and screened the qualifications of directors individually in many aspects, including the director's performance with thoughtfulness and prudence and viewed that: (1) Dr. Suthad Setboonsarng, has served as the Company's independent director for less than 3 terms consecutively, and he can provide opinion independently and in compliance with relevant regulations. In addition, he possesses qualifications according to laws relating to independent director requirements and has suitable qualifications in the aspects of competence, knowledge, capability and experience. His knowledge, experiences and expert expressed in his suggestion to the Board and the Company can contribute and is beneficial to the Company's business operation, the determination of the business strategy and following up with the said business strategy and policy for the sustainable growth and development. And (2) Mr. Nontigorn Kanchanachitra and Mr. Yongkiat Kitaphanich, these 2 directors are retiring directors who have performed their duty and possess qualifications according to relevant regulations and have suitable qualifications in the aspects of competence, knowledge, capability and experience which will be beneficial to the Company's business operation. They have also expressed their opinions and recommendations to the Board and the Company during their directorship. Therefore, it was deemed appropriate to propose the 2024 AGM to consider and approve the appointment of the 3 directors to retain their directorship as the Company's director or independent directors (in the same position) for another term.

Profiles of the nominated persons to be the directors and the definition of the Company's "Independent Director" being in accordance with the requirements of the Capital Market Supervisory Board are appeared in Enclosure 4.

Agenda 7 To consider and approve the director's remuneration for the year 2024

Facts and Rationale

The Nomination and Remuneration Committee for Director and Executive conducted the survey on the directors' and sub-committees' remuneration for the year 2024, taking into account the scope of responsibilities and performance of the directors, and comparison data with other companies in the same industry having the similar size and nature of business, including survey results on the directors' remuneration conducted by the Thai Institute of Directors (IOD). Therefore, it was deemed appropriate to propose the 2024 AGM to consider and approve the directors' remuneration for the year 2024 in the amount up to Baht 19 million in total for the entire Board (increase of Baht 1 million from the year 2023), divided into the monthly remuneration and meeting allowance in the amount up to Baht 12 million (equal to the year 2023) and annual bonus in the amount up to Baht 7 million (increase of Baht 1 million from the year 2023.) The increment of the annual bonus is to be consistent with the duty and responsibility of the Board, including the increased number of directors.

The Board and Sub-Committee Remunerations	2024 (Proposed Year)		2023* (Previous Year)	
	Monthly (Baht)	Meeting Allowance/ Meeting (Baht)	Monthly (Baht)	Meeting Allowance/ Meeting (Baht)
1. The Board				
• Chairman	45,000	63,000	45,000	63,000
• Vice Chairman	31,250	43,750	31,250	43,750
• Other Directors (each)	25,000	35,000	25,000	35,000
2. The Executive Board				
• Chairman	-	45,000	-	45,000
• Vice Chairman	-	37,500	-	37,500
• Other Executive Board (each)	-	30,000	-	30,000
Except for directors being the management person are not entitled to monthly remuneration and meeting allowances.				
3. Sub Committee (1) The Audit and Corporate Governance Committee (2) The Nomination and Remuneration Committee for Director and Executive (3) The Risk Management and Sustainability Development Committee				
• Chairman	-	45,000	-	45,000
• Other Directors (each)	-	30,000	-	30,000
Total of monthly and meeting allowance	Up to 12 million		Up to 12 million	
4. Annual Bonus	Up to 7 million		Up to 6 million	
5. Other Benefits	None		None	

***Remark:** The 2023 AGM approved the directors' remuneration for the year 2023 in the amount up to Baht 18 million in total, divided into the monthly remuneration and meeting allowances in the amount up to Baht 12 million and the annual bonus in the amount up to Baht 6 million.

Agenda 8 To consider and approve the appointment of auditors and the remuneration for the year 2024

Facts and Rationale

Section 120 of the Public Limited Companies Act B.E. 2535 (1992) (including any amendment thereto) requires that each annual general meeting of shareholders appoints an auditor and fixes his/her remuneration year to year. An existing auditor is eligible for re-election.

The Audit and Corporate Governance Committee had considered and viewed that the auditors from KPMG Phoomchai Audit Limited possess knowledge and experience in performing audit work and have been performing duties within the scope of work as assigned and properly providing advice and suggestions to the Company. The auditors also have a satisfying performance and qualifications to meet the requirements of the relevant rules, notifications and regulations. Therefore, it was deemed appropriate to appoint the auditors from KPMG Phoomchai Audit Limited to be the Company's auditors for the year 2024. The list of nominated auditors is as follows:

Name of Auditor	Certified Public Accountant No.	Number of year(s) in signing to certify the Company's financial statements
(1) Mr. Songchai Wongpiriyaporn and/or	10996	3 years since 2021
(2) Ms. Marisa Tharathornbunpakul and/or	5752	-
(3) Mr. Jedsada Leelawatanasuk	11225	-

The period in which the 3 above-mentioned auditors perform their duties is in accordance with the criteria and guidelines relating to auditor rotation.

In the case that the said auditors cannot perform their duty, KPMG Phoomchai Audit Limited shall provide its alternative auditor to audit and provide an opinion on the Company's financial statements in place of such auditors.

The remuneration for the year 2024 amounts to Baht 510,000, which increases from the year 2023 due to the increase of the subsidiary. The auditors do not receive any non-audit fee from the Company. None of the above auditors provides other services to the Company or has any relationship and/or conflict of interest with the Company/ its subsidiaries/ executives/ major shareholders or any related person of such persons.

With respect to the 5 subsidiaries, which are (1) Bangkok Spring Industrial Company Limited, (2) Somboon Malleable Iron Industrial Company Limited, (3) International Casting Products Company Limited, (4) Somboon Forging Technology Company Limited, and (5) Somboon Advance Agriculture Company Limited, the remuneration for these 5 companies are collectively Baht 3,430,000, which includes the audit work relating to the BOI promoted business of Somboon Forging Technology Company Limited. The auditors do not receive any non-audit fee from the Company's subsidiaries. Mr. Songchai Wongpiriyaporn (Certified Public Accountant No. 10996) and/or Ms. Marisa Tharathornbunpakul (Certified Public Accountant No. 5752) and/or Mr. Jedsada Leelawatanasuk (Certified Public Accountant No. 11225) of KPMG Phoomchai Audit Limited, being the auditors from the same audit firm as the Company, will be appointed as auditors for the year 2024. In the case that the said auditors cannot perform their duty, KPMG Phoomchai Audit Limited shall provide its alternative auditor to audit and provide an opinion on the financial statements of the Company's subsidiaries in place of such auditors. None of the above auditors provides other services to the Company's subsidiaries or has any relationship and/or conflict of interest with the Company/ its subsidiaries/ executives/ major shareholders or any related person of such persons.

Auditor's Remuneration	2024 (Proposed year)	2023 (Previous year)
<u>Auditing Fee for Somboon Advance Technology Public Company Limited</u>	Baht 510,000	Baht 480,000
<u>Auditing Fee for 5 Subsidiaries</u> including an audit work relating to BOI promoted business:	Baht 3,430,000	Baht 3,125,000
1) Bangkok Spring Industrial Company Limited: Baht 170,000		
2) Somboon Malleable Iron Industrial Company Limited: Baht 900,000		
3) International Casting Products Company Limited: Baht 720,000		
4) Somboon Forging Technology Company Limited: Baht 1,340,000		
5) Somboon Advance Agriculture Company Limited: Baht 300,000		
Other Non-Audit Fees	None	None

Remark : Exclusive of transportation fees, copying costs and other expenses relating to audit work.

The Board had considered and agreed with the Audit and Corporate Governance Committee to propose the 2024 AGM to consider and approve the appointment of Mr. Songchai Wongpiriyaporn (Certified Public Accountant No. 10996) and/or Ms. Marisa Tharathornbunpakul (Certified Public Accountant No. 5752) and/or Mr. Jedsada Leelawatanasuk (Certified Public Accountant No. 11225) of KPMG Phoomchai Audit Limited to be the Company's auditors for the year 2024. Anyone of them shall be the auditor who audits and provide the opinion on the Company's financial statements and in the case that the said auditors cannot perform their duty, KPMG Phoomchai Audit Limited shall provide its alternative auditor to audit and provide an opinion on the Company's financial statements in place of such auditors. The fix remuneration for the year 2024 is amounting to Baht 510,000 for the Company and Baht 3,430,000 for 5 subsidiaries.

Agenda 9 Other business (if any)

This agenda is for the shareholders to ask question and/or for the Board to answer and/or clarify matter to the shareholders (if any). No other business will be proposed for consideration and approval and no resolution will be passed under this agenda.