

***TPCORP***



ENVISIONING AHEAD,  
INNOVATING FORWARD

2020 ANNUAL REPORT

# TPCORP

## ผลิตภัณฑ์ของเรา



ผลิตภัณฑ์กลุ่มอุตสาหกรรมยานยนต์  
Products For Automotive



ผลิตภัณฑ์กลุ่มอุตสาหกรรมอื่น  
Products For Industrial



ผลิตภัณฑ์เพื่อสุขภาพอนามัย  
Products For Healthcare



ผลิตภัณฑ์เพื่อใช้ในครัวเรือน  
Products For Home Textile

## แบรนด์ภายใต้ TPCORP

Technology Brand

Product Brand

Wellap

TOPEC®

Welcare

BABY CASTLE

Wellap แบนด์ด้านเทคโนโลยีและการวิจัย พัฒนาผ้าชนิดไม่ทอ ซึ่งเป็นวัตถุดิบสำคัญ ที่ใช้ผลิตสินค้าเพื่อสุขภาพภายใต้แบรนด์ TPCORP

TOPEC แบนด์ผลิตภัณฑ์ผ้า Non-Woven ที่ใช้ตกแต่งภายในรถยนต์แบรนด์ระดับโลก เลือกใช้ ด้วยมาตรฐานการผลิตในระดับสากล

Welcare แบนด์ผลิตภัณฑ์เพื่อสุขภาพ เช่น หน้ากากอนามัย ชุดเครื่องนอน ชีพพอร์ด พวงกดเตียง และแผ่นประคบสมุนไพร ที่ได้รับการยอมรับในด้านคุณภาพและมาตรฐานการผลิตจากผู้บริโภคและบริษัทชั้นนำทั่วโลก

Baby Castle แบนด์ผลิตภัณฑ์สำหรับเด็ก และอุปกรณ์เสริมสร้างพัฒนาการสำหรับเด็กเล็ก ใช้วัสดุในการผลิตคุณภาพสูงและเทคโนโลยี Wellap ซึ่งเป็นจุดแข็งที่สำคัญของผลิตภัณฑ์ Baby Castle

## History

2519

ก่อตั้ง บริษัท ไทยเพาเวอร์เนค จำกัด

พัฒนาวัตถุดิบสำหรับชุดชั้นในที่มีคุณภาพทดแทนการนำเข้า เช่น ผ้าเพาเวอร์เนค ตะขอเสื้อชั้นใน โดยเป็นบริษัทแห่งแรกในประเทศไทยที่ผลิตและจัดจำหน่ายผ้าสแปนเด็กซ์

2527

เปลี่ยนชื่อเป็น บริษัท เท็กซ์ไทล์เพรสทิจ จำกัด

ซึ่งเป็นผู้ผลิตวัตถุดิบสำหรับชุดชั้นในสตรีที่ครบวงจรแห่งแรกในประเทศไทย

2537

จดทะเบียนแปรรูปภาพเป็น บริษัทมหาชน

2552

พัฒนาแบรนด์ Welcare

ซึ่งจัดทำผลิตภัณฑ์เพื่อสุขภาพ

2561

เปิดตัวแบรนด์ Wellap และ Baby Castle

## Certificates



## Contents

Report of the Directors	.....2
Report of the Audit Committee	.....4
Report of the Nomination Committee	.....7
Report of the Remuneration Committee	.....8
Report of the Corporate Governance and Risk Management Committee	.....9
Anti-Corruption Policy	.....12
Policy and Business Overview	.....13
Nature of Business	.....18
Risk Management Policy	.....20
Risk Factors	.....21
General Information and Other Important Information	.....30
Shareholders	.....32
Dividend Policy	.....33
Management Structure	.....34
Corporate Governance	.....61
Corporate Social Responsibility	.....118
Internal Control and Risk Management	.....119
Connected Transactions	.....121
Summary of Financial Information	.....127
Management Discussion and Analysis	.....130
The Board of Directors' Responsibility Report towards Financial Statements	.....141
Auditor's Report and Financial Statements	.....142

Investors may access further information details per the Annual Registration Statement (Form 56-1) displayed by the company at [www.sec.or.th](http://www.sec.or.th) or at the company website [www.tpcorp.co.th](http://www.tpcorp.co.th)

## **Report of the Directors**

In 2020, the Thai economy encountered many problems and obstacles, the coronavirus pandemic, government protests and ongoing economic problems such as the trade conflict, the appreciation of the Baht and economic structure of the country which has been affecting the business operations of various organizations. Although the government has tried to introduce measures in hopes of supporting the country's economy. Fiscal Policy Office estimates that the Thai economy in 2020 will drop 6.5 percent annually, with a growth rate in private consumption and private investment declined 0.9 percent per year and 8.9 percent per year, respectively, while the value of merchandise exports dropped 6.6 percent per year.

In terms of performance of the company, Textile Prestige Public Company Limited and Subsidiaries (the Group), the total operating income for last year shown in the consolidated financial statements was 762.91 million Baht, a decrease of 78.00 million Baht from the previous year. This is a decrease of 9.28 percent and the net loss for 2020 is 20.57 million Baht, while the previous year, the net profit for the year was 74.80 million Baht, decreased 95.37 million Baht, a decrease of 127.50 percent This was mainly due to a decrease in sales revenue of 79.4 million Baht and unrealized losses from financial asset revaluation of 104.30 million Baht, despite a gross profit in 2020 at 171.16 million Baht, an increase of 43.44 million Baht from the previous year.

The group's operating income of 762.91 million Baht came from the Industrial Product group. 579.88 million Baht, accounted for 76.01 percent and from the Hygiene and Household products group amounted to 183.03 million Baht, accounting for 23.99 percent. With the coronavirus outbreak (Covid-19), the Group has accelerated the restructuring and model of the customer groups to be sold to the "Business to End Customers". This resulted in an increase in the gross profit of the group of companies.

In terms of governance, the Board of Directors is proud of the performance of the management and all employees, under the guidance and supervision of the Corporate Governance and Risk Management Committee, that can bring the Company into the Thailand Sustainability Investment 2020 (THSI 2020) list in 2020. In addition, the company has also received higher quality assessment scores from the past year which the investors can find more details in the report of the Corporate Governance and Risk Management Committee. The Board of Directors believes that the results of these assessments are the proof that the company is aiming to create sustainable growth. Moreover, the company still commits to the Thai Private Sector Collective Action against Corruption (CAC) to create good standards for the society.

For the coming year 2021, the Board of Directors acknowledges and approves the management to seek and develop more new business models, in accordance with the current economic, social and technological developments. This includes conducting business in a balanced manner, in line with the principles of good governance of the Company and the global society. However, the Board of Directors also foresees the risk that the Company may not be able to achieve its goals. Therefore, risk management is set to be a focus and requiring the management to monitor changes in economic conditions and the ecosystem of society and technology on a regular basis, which the Board of Directors believes that it will reduce such risks and support the Company to operate the business to achieve its goals.



The Board of Directors is still determined to supervise the company to operate its business by considering the balance between creating the best return to shareholders under various circumstances as all stakeholders has always supported and selected to direct the company under the management body for sustainable growth.

The Board of Directors expresses gratitude to the shareholders and stakeholders in all sectors who have always supported and trusted the Board of Directors, executives and employees in conducting various transactions together. The shareholders can be confident that the Board of Directors will continue to perform their duties as they have been trusted in order for the Company to grow sustainably.

## **Report of the Audit Committee**

**To: The shareholders,**

The Audit Committee of Textile Prestige Public Company Limited consisted of 3 independent directors who are competent, experienced and qualified pursuant to the requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Chairman of the Audit Committee is Mr. Padoong Techasarintr and the Audit Committee Members are Mr. Krisada Visavateeranon and Mr. Utid Tamwatin. The secretary of the Audit Committee is the manager of the Internal Audit Office.

The Audit Committee has performed duties as per assigned by the Company's Board of Directors and pursuant to the Audit Committee Charter which were consistent with the best practices of the SEC. During 2019, the Audit Committee held 12 meetings. The 3 Audit Committee members attended the meeting every time.

The Audit Committee has attended the meetings to discuss and exchange opinions with the management and also attended the meeting with the external auditor without participation of the management to discuss about duties, The Audit Committee adhered to the corporate governance principles and adequacy of the internal control system and has reported the operating results to the Board of Directors every quarter. Material information can be summarized as follows:

- **Review of Financial Reports**

Considered and reviewed the financial statements of the Company and its subsidiaries including the quarterly and annual consolidated financial statements of the year 2020 which have already been reviewed and audited by the external auditor to ensure that notes to financial statements of the Company and its subsidiaries have been adequately, completely and reliably disclosed. The Audit Committee also attended 1 meeting with the external auditor without participation of the management to discuss about independency on performing duties and acknowledge recommendations on internal control system relevant to accounting and finance. In this regard, the external auditor clarified that no material issue on accounting and finance has been found, cooperation for operations has been well received, and also confirmed about independency. The Audit Committee was of the opinion that such financial statements were prepared pursuant to the generally accepted accounting principles and their essence was correctly pursuant to the financial reporting standards, and material accounting policies and information were completely and adequately disclosed and on timely matter which was beneficial to the shareholders and the financial statement users.

- **Review of Internal Control System**

Reviewed and assessed adequacy of internal control system which covering anti-corruption policy, by considering from the information on operations, internal audit report and assessment on internal control system pursuant to the assessment form of the Office of the SEC. The result revealed that they were adequately and suitably for business operations and no defect which could materially affect the Company has been found. Internal control system of the information technology system which has high risk and played more important roles at present were also suggested to be audited. The Audit Committee also supervised the Internal Audit Office on transparency, potential to perform duties as per the specified work plan; assessed appropriateness and performance of the manager of Internal Audit Office; reviewed the Audit Committee Charter and Internal Audit

Office Charter to make them conform to the laws and regulations of the SEC as well as reviewed and approved the annual audit plan. The Audit Committee was of the opinion that the Company's internal control system was suitable, adequately with business conditions, and independently.

- **Review of Connected Transactions or Transactions which may have Conflict of Interest**

Reviewed the connected transactions or the transactions which may have conflict of interest during the year 2020 and it was deemed that they were undertaken pursuant to the business conditions and general trading terms as per approved in principle by the Board of Directors. Operations and information have been disclosed pursuant to the notifications of the Office of the SEC and the SET.

- **Review of Risk Management**

Considered work plan and risk management guidelines of the Company to ensure appropriateness of risk management process. Supervised risk management to include all rounded changing factors, both internally and externally and prepared risk management plan to prevent and/or minimize potential impact to business operations in acceptable level (risk appetite). Regarding coronavirus (COVID-19) pandemic situations, the Company has monitored situations and assessed potential risks from time to time, including set up practices which were strictly complied with the measures specified by the government entities. Business operation strategies have been adjusted pursuant to the fast changing conditions and additional business opportunities from this crisis have been sought for. The Audit Committee deemed that the Company's risk management system was suitable with the business operation conditions, and risks have been constantly reviewed to catch up with the changing situations.

- **Corporate governance**

The Board of Directors and the management have strong intention to manage business by adhering to corporate governance principles, compliance with the laws, rules, regulations and ethics of the Company and supervised the operations to make sure that they would not cause any negative impact to the society and environment, as well as supported the organization on recognition of importance of risk management to strengthen confident to the shareholders and the stakeholders. In this regard, the Corporate Governance and Risk Management Committee has been appointed to oversee and enhance corporate governance and sustainability for efficient operations. In addition, the anti-corruption measures have been strengthened by participating as a member of the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC).

- **Consideration on Appointment of the External Auditor**

Considered on selection and appointment of the external auditor for the year 2021 based on performance results, independence, and qualifications as per specified by the Office of SEC. As a result, the Audit Committee was of the opinion that the current external auditor has delivered satisfactory works and auditing fee proposed was suitable. Therefore, it was deemed appropriated to propose the Board of Directors to request for approval from the shareholders' meeting to appoint Mr. Prasitporn Kesama, certified public accountant no. 9910, or Mr. Satis Kiatgungwalgri, certified public accountant no. 9760, or Mr. Anusorn Kiatgungwalgri, certified public accountant no. 2109, or Mrs. Kwunjai Kiatgungwalgri, certified public accountant no. 5875 of ASV & Associates Limited as the external auditor for the year 2021 and specified that either one of them can express opinion and sign in the Company's financial statements.

The Audit Committee applied knowledge and capability to independently perform duties and supervised the preparation of the financial statements pursuant to the accounting standards with adequate information disclosure. The Audit Committee also encouraged for compliance with good corporate governance principles with effective internal control system suitable with business operations; managed risks in acceptable level (risk appetite); complied with laws and regulations relevant to business operations, and conducted self-assessment on performance every year. Results on assessment of structure of the Audit Committee and duties performed were in satisfactorily criteria.

Dated February 18, 2021

On behalf of the Audit Committee

*Mr. Padoong Techasarintr*

.....

Mr. Padoong Techasarintr

Chairman of the Audit Committee



### **Report of the Nomination Committee**

In 2020, the Nomination Committee consists of

- |                  |                 |                                       |
|------------------|-----------------|---------------------------------------|
| 1. Mr. Boonsithi | Chokwatana      | Chairman of the Nomination Committee. |
| 2. Mr. Manu      | Leelanuwatana   | Member of the Nomination Committee.   |
| 3. Mr. Suchai    | Narongkananukul | Member of the Nomination Committee.   |

The Nomination Committee held 1 meeting as follow;

February. In the meeting, the committee has considered all agendas including the acknowledgement of the result of granting the shareholders to nominate directors to be elected in the Annual General Meeting of Shareholders in advance. The company had provided the opportunity to the shareholders during December 1 to December 30 of every year. In 2020, there was not a nominating of any director submitted.

Therefore, the Nomination Committee proceeded on considering the qualified candidates to replace the directors who retired by rotation in the Annual General Meeting of Shareholders (AGM) no. 45 The AGM was held on August 4, 2020. There were 3 retiring directors consisted of Mr. Somnuek Thungpukdee, Ms. Sirikul Dhanasarnslip and Mr. Padoong Techasarintr. The 3 retiring directors were nominated to be directors for another term. In addition, reviewed of the Nomination Committee's charter that has been implemented. The Board of Directors has opinion that the existing Nomination Committee's Charter is still appropriate. And it was approved by the Board of Directors Meeting No. 3/2563 on May 11, 2020.

August, Selected the directors in place of those who resigned and were considered at the Board of Directors Meeting No. 3/2019 on 8 August 2019 to appoint Mr. Utid Tamawatin as an independent director and the audit committee by counting the terms from the director whom he has replaced.

The Nomination Committee had performed its Authority of as assigned by the Board of Directors in compliance with the Charter of the Nomination Committee. The Nomination Committee is responsible for the selection of qualified candidates, taking into account the knowledge, skills, experience and expertise from various professions. The Nomination Committee also consider their leaderships, visions, ethics, transparency, and must not be prohibited by laws and regulations of the company and not being sexual prejudice for their nominations. The Nomination Committee has performed its Authority of as assigned discreetly and reasonably.

.....  
*Mr Boonsithi Chokwatana*

(Mr. Boonsithi Chokwatana)

Chairman of the Nomination Committee

### **Report of the Remuneration Committee**

Textile Prestige Public Company Limited has appointed the Remuneration Committee, according to Good Corporate Governance Principles, to support the operation of The Board of Directors for determining the limits and criteria for the allocation of directors' remuneration. The Remuneration Committee consists of 3 members as follows:

- |                |                 |   |
|----------------|-----------------|---|
| 1. Ms. Sirikul | Dhanasarnsilp   | Chairman of the Remuneration Committee. |
| 2. Mr. Suchai  | Narongkananukul | Member of the Remuneration Committee.   |
| 3. Mr. Padoong | Techasarintr    | Member of the Remuneration Committee.   |

In 2020, The Remuneration Committee held 2 meetings. The committee had performed its duties as assigned by the Board of Directors in compliance with the Charter of the Remuneration Committee to set a compensation limit and criteria of remuneration for directors. The Remuneration should be appropriate to effectively motivate and maintain personnels who has the knowledge and talented to stay with the company. In addition, reviewed of the Remuneration Committee's charter that has been implemented. The Board of Directors has opinion that the existing Remuneration Committee's Charter is still appropriate. And it was approved by the Board of Directors Meeting No. 3/2563 on May 11, 2020.

The Remuneration Committee has set the remuneration limits for directors by comparing with other companies in the same industry, growth and operating results of the company. The limit was approved by the Annual General Meeting of Shareholders in the past year. The amount of compensation actually allocated to directors in the Board and in the sub committees will be determined by the authority, responsibility and performance within the limit approved by the shareholders.

Remuneration of Directors and sub committee have already been disclosed in the annual report. The Remuneration Committee considers that it is appropriate and it complies with the duties, responsibilities and the policy of the company.

.....*Ms.Sirikul Dhanasarnsilp*.....

(Ms. Sirikul Dhanasarnsilp)

Chairman of the Remuneration Committee

## **Report of the Corporate Governance and Risk Management Committee**

The Board of Directors has appointed the Corporate Governance and Risk Management Committee (the Committee) which consisted of the independent directors and the executive directors and the Chairman of the Committee is the independent director. The Board has assigned duties and responsibilities of the Committee as per specified in the Corporate Governance and Risk Management Committee Charter which conform to best practices of the Securities and Exchange Commission. Main emphasis is to perform the works in compliance with the corporate governance principles, supervise on efficient risk management system, and oversee to ensure that the Company has operated businesses with transparency, honesty and impartially for sustainability of the organization and for maximum interests of the shareholders including all stakeholders.

During 2020, the Corporate Governance and Risk Management Committee held 2 meetings where all of committee members attended and details on meeting attendance are as follows:

Name		Position	Number of Meeting Held	Number of Attendance
Mr. Padoong	Techasarintr	Chairman	2	2
Mr. Krisada	Visavateeranon	Director	2	2
Dr. Utid	Tamwatin *	Director	1	1
Mr. Suchai	Narongkananukul	Director	2	2
Mr. Arnut	Rattanapathimakorn	Director	2	2

\*Dr. Utid Tamwatin has been appointed as a member of the Corporate Governance and Risk Management Committee since August 10, 2020

The Committee has divided the operations into 2 main parts: corporate governance and risk management, so the Corporate Governance Sub-committee and Risk Management Sub-committee have been appointed to support the operations of the Committee. Material works performed could be summarized as follows:

### **On Corporate Governance:**

1. Considered to respond to the 2020 sustainability assessment questionnaires arranged by the Stock Exchange of Thailand for the first year, including considered the policies currently implemented by the Company.
2. Considered, reviewed, and approved the corporate governance principles to be used as guidelines for business operations of the Company's directors and personnel.  
Supported and encouraged the Company's directors, executives, and employees on compliance with the corporate governance principles and the anti-corruption policy as well as considered about the stakeholders in all aspects so that the Company's economic growth could be balanced with the social and environmental development. Consequently, the assessment results of the Company's performance of various programs were in satisfactory levels, which include:

- The Company obtained “Very Good” rating from the 2020 Corporate Governance Report of Thai Listed Companies (CGR) arranged by the Thai Institute of Directors (IOD).
  - The Company received “Excellent” rating for the quality of its 2020 Annual General Meeting of the Shareholders from the Thai Investors Association.
  - Result from responding the 2020 sustainability assessment questionnaires arranged by the Stock Exchange of Thailand, the Company has been put in the Thailand Sustainability Investment (THSI) list for the year 2020.
3. Received 2020 CSR-DIW Continuous Awards and certificates, whereas Factory No. 5 and Factory No. 2 received this award for 6 and 3 consecutive years, respectively, while Factory No. 1 received CSR-DIW Award for the first year.

#### **On Risk Management:**

1. Considered and approved the 2021 risk management plan and goals by arranging the risk management system to be adequate and suitable with the Company’s current circumstances.
2. Followed up risk management results in various aspects. This is the continual operation in order to keep risks in acceptable level (risk appetite), as follows:
  - 2.1 Enterprise risk management
    - Risk management for COVID-19 Situation  
It was risk management in most critical condition, hence primarily objective was to oversee and ensure continuity of business operations.
    - Enterprise risk management to support business targets in 2020.  
Specified risk management target, analysis, and managed target-risks. Consequently, it was found that the Company could reduce a large number of risks with material risk level.
    - Followed up progress on additional risk management measures and followed up continuity of risk management.
  - 2.2 With regards to coronavirus (COVID-19) pandemic situation, the Company accelerated operations on risk prevention and reduction and took care of all-round stakeholders, particularly the employees. The Company has measure to take care its employees to ensure their sanitation and good welfares. Face masks had been provided and disinfectants had been sprayed to kill COVID-19 virus in the operating areas and communities surrounding the Company.
  - 2.3 Risk management at business process level
    - Risk management on development of E-Commerce  
Risk management has focused on building the rigorous system and internal operation process. When the system and process became more efficiency, the ability to handle the risks could increase accordingly.
3. Considered, reviewed, and approve the risk management policy including promoted and supported the arrangement of internal trainings and enterprise-wide risk management, to raise awareness on risk management and other aspects.



In addition, the Committee also considered and reviewed the Corporate Governance and Risk Management Committee Charter and proposed to the Board of Directors for review and approval on December 22, 2020, including evaluated performance of the whole committee, and planned the meetings in advance every year.

.....*Mr. Padoong Techasarintr*.....

Mr. Padoong Techasarintr

Chairman of Corporate Governance and Risk Management Committee

### **Anti-Corruption Policy**

The Board of Directors of Textile Prestige Public company Limited has approved the resolution to sign a Declaration of Intent of Collective Action Coalition Against Corruption enacted by Thai Private Sector on February 27, 2014. In order to be in compliance with the company's Corporate Governance as well as corroborate its aims and Corporate Social Responsibility as a whole, the company follows the policy relevant to laws countering corruption by prohibiting the company directors, executives and employees from accepting or supporting every type of corruption both in direct and indirect manner, which is written for exercising it as follows;

1. The company will not be a party to pay bribes. In case of contributions to charity, to political parties as well as offering gifts in a business manner, this must be transparent, explainable and audited.
2. Supporting enhancement of awareness and value for anti-corruption among the company directors, executives and employees to perform Authority of in accordance with relevant laws, notifications and regulations by preparing such manual for guidelines.
3. The company directors, executives and employees must not act as an intermediary in demanding and accepting gifts or benefits from government sectors or private sector, which induces to violate the laws. Moreover, it is illegal to use positions and/or Authority of to use the company's data to seek benefits for oneself or others.
4. Setting the system to report financial status transparently and accurately, providing an efficient and effective internal control system, and controlling check-and-balance system to be appropriate in order to prevent conducting any fraud or taking part in any fraud and corruption.
5. Monitoring and reviewing the anti-corruption policy, guidelines and regulations consistently for operation in order to adjust with business changes, laws and regulations.
6. Opening channel for reporting any suspected activity and ensuring that such reporters receive protection.

This anti-corruption policy is approved by the Board of Directors' Meeting No. 1/2558 and effective since February 24, 2015.

.....*Mr. Manu Leelanuwatana*.....

(Mr. Manu Leelanuwatana)

Chairman

## **Policy and Business Overview**

### **1. Vision Mission Value**

The Board of Directors have considered and reviewed the vision and missions of the company in the past year to comply with the company's operations and goal in the future as follows:

#### **Vision**

To be the leader in textile manufacturing and distributing by producing high quality products with social and environmental responsibilities.

#### **Mission**

1. Aim to produce and distribute high quality products in order to achieve highest customer satisfaction
2. Do business by considering social and environmental impact and build good relationship with the community
3. Provide reasonable benefits to shareholders, and treat them fairly and equitable Treatment of Shareholders
4. Maintain Good Corporate Governance practices in the organization for sustainable business growth
5. Encourage and Improve employee's capability to build up their career stability and encourage their involvement in company's development.
6. Adhere to and promote transparent business and Anti-corruption all forms.

#### **Value**

- T = Team Work
- P = Positive Thinking
- C = Creative
- O = Organized
- R = Responsibility
- P = Professional

### **2. COMPANY HISTORICAL BACKGROUND & DEVELOPMENT**

Textile Prestige Public Co., Ltd. was established on July 7<sup>th</sup> 1976, in the name of "Thai Powernet Co., Ltd." initial registered capital one million Baht. Since the manufacturer of raw-material for underwear at that time could not produce the product matching to market demand, compiling with our strong purpose develop underwear raw-material market to be compatible for oversea market, We accordingly established our company in order to serve the niche market at that moment.

At the beginning, the main objective was to manufacture quality raw material to serve Domestic Lingerie market comparable to those that imported. The company started its production with Ground Fabric; the Powernet Fabric, then expanded to Hooks and Eyes, Embroidery, Elastic Tape and Non-Woven Fabric. The company became a manufacturer of variety of product and almost cover all material required to make

intimate apparel. With its production capability, the company diversified its customer base to include Sportswear later on.

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- 1984 - Changed the name of the company from “Thai Powernet Co., Ltd.” to “Textile Prestige Co., Ltd.” being the first company in Thailand which manufactures of an encompassing range of ladies underwear raw-material
- 1987 - Increased registered Capital to 36 million Baht and listed in the Stock Exchange of Thailand.
- 1988 - Increased registered Capital to 72 million Baht.
- 1994 - Transferred its identity to Public Company Limited.
- 1996 - Increased registered Capital to 108 million Baht. To expand capacity and develop of product to meet market need.
- 1997 - Joined the first “Saha Group Export”, later changed to “Saha Group Export & Trade Exhibition”
- 1998 - Introduced the ISO 9002 initiative under the quality assurance firm, “ Bureau Veritas Quality International (BVQI). Subsequently, it was awarded the ISO 9000 certificates by TUV Rhienland and complete all factories.
- 1999 - Received an Environmental - friendly and skin-safety Certificate from Oeko-Tex, Switzerland on June 18, 1999., and continuing to the present.
- 2002 - Joined “Interfilere”, the largest lingerie exhibition in Europe, for the first time. TPCORP continues to join international exhibition, such as in Hong Kong and Shanghai to promote her success and products.
- 2003 - Reduced company’s Par Value from 10 Baht to 1 Baht, thus increase the shares from 10,800,000 shares to 108,000,000 shares to increase liquidity.
- 2005 - Started company’s first “Energy Conservation Together Project” to save operating cost and has continued ever since.
- 2006 - Selected by “Material ConneXion Library” to exhibit the company’s Nano Fresh, Jacquard and Spun Silk in 4 Fashion cities; New York, Milan, Cologne and Bangkok.
- 2007 - Invited by Wacoal - Japan to exhibit the company’s products in Tokyo.
- 2010 - TPCORP and its subsidiaries received ISO 9001:2000 certificate, the present day ISO 9001:2008
- 2011 - Received a “Carbon Footprint” certificate from Thailand Greenhouse Gas Management Organization (Public Organization) that carbon dioxide can be produced by natural occurrences. It was a first and big step toward a social responsibility.
- 2013 - TPCORP and Dynic Corporation entered into an agreement to carry out the establishment of 2 following Joint Venture companies:
- 1. TPCNIC Co., Ltd., the office located in Bangkok and Sriracha to perform manufacturer and distributor of Cabin Filter and
  - 2. PT. DYNIC TEXTILE PRESTIGE, the office located in Indonesia to perform production and distribution of Non-woven fabrics supplied to Automotive Industry. This is one of important steps to AEC proactive strategies and readiness to approaching other ASEAN countries.
- 2014 - The company announced its intention to participate in The Private Sector Collective Action Coalition against Corruption (CAC) and has been studying to improve on all related processes and aim to be
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certified on time.

2015 - On October 12, 2015, the Shareholders passed a special resolution to transfer the underwear-related business of Textile Prestige PLC., and entire business transfer of 3 subsidiaries (T.U.C. Elastic Co., Ltd., Prestige Plus Co., Ltd., Prestige Embroidery Co., Ltd.) and 1 affiliate (Value Added Textile Co., Ltd.) to A Tech Textile Co., Ltd. On closing date 1 February 2016.

2016 - The company sold and transferred its business only that related to the production of the underwear business and entirely sold the business of its 3 subsidiaries (T.U.C. Elastic Co., Ltd., Prestige Plus Co., Ltd., and Prestige Embroidery Co., Ltd.) and an affiliate (Value Added Textile Co., Ltd.) since February 1, 2016. The Subsidiaries and the Affiliate were registered to dissolve the company on 25 February 2016.

- On October 14, 2016, the company was certified and accepted as a member of The Private Sector Collective Action Coalition Against Corruption (CAC)



2017 - The company has opened another non-woven fabric factory in Saha Group Industrial Park –Sriracha. The factory of manufacturing raw materials for industrial and hygiene and household Product. This is an extension of Non Woven Fabric products to related industries by modern machinery and high technology.

2018 - The Company launched the brand “Wellap” and “Baby Castle”, which is a new technology of non-woven material in Thailand with better properties features. Baby Castle was produced with high quality playpens and accessories by using Wellap material.

2019 - The company has collaborated with customers to develop light ceiling tiles to replace the current ceiling tiles and sold to Japan, and the company has also developed sound-absorbing materials for the automotive industry. Both new products are made from “Wellap” created by applying the advantages of “Wellap” and reduce the risk of rising competition in current type of non-woven fabric products.

- The company expands its distribution channels into the electronic commerce (E-Commerce) to support changes in business models and directly reach consumers

- 5<sup>th</sup> August 2019, the company has been recertified to be a member of the Collective Action Coalition.

2020 - TPCORP has temporarily changed its business approach due to the COVID-19 pandemic throughout the world by emphasizing and increasing production of mask and other hygiene products.

- TPCORP donated face masks to medical personnel through various foundations (KAOKONLAKAO foundation for nationwide hospitals, Family News Foundation for 24 hospitals, Workpoint Foundation

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for hospitals in 3 southern border provinces, Chulalongkorn Hospital and 50 embassies located in Bangkok) during the severe shortage.

- TPCORP, the owner of the 'Welcare' brand, received the "Most Valuable Brand" award and "Community Engagement Award". from Lazada during the Mid-Year.
  - TPCORP is now listed as one of Thailand Sustainability Investment (THSI) stocks for the year 2020.
  - Picnic Mattress, Bed Sheet, Pillowcase and Blankets (for hotels and public accommodation) are listed and certified by TIS (Thai Industry Standard S version).
  - TPCORP received the Thai textile quality mark certification "the Smart Fabric เนื้อผ้าอัจฉริยะ" from the Textile Industry Development Institute (THTI).
  - TPCORP is now a manufacturer of Air filters in the automotive industry.
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The company specializes in the manufacture and distribution of raw materials in the market of Technical Textile, which can extend to the Textile industry. TPCORP a variety of products from well-known both at home and abroad. It also shows the potential to produce new innovations to the market regularly. To meet the needs of even more customers. The company continues to strive to develop products and brands. And satisfaction to our customers with quality products. To strengthen and stabilize the organization. This will lead to a sustainable competitive advantage.

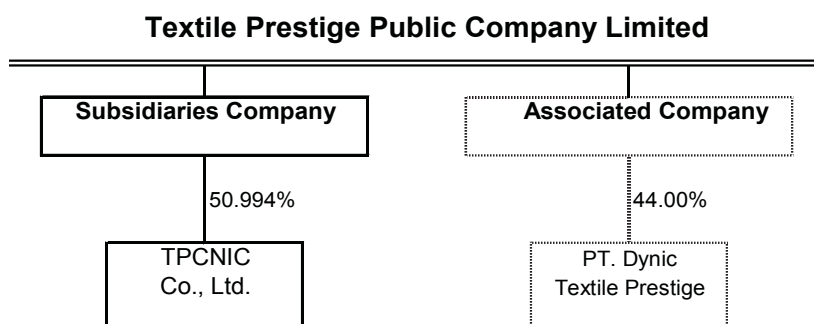
### 3. The shareholding structure of the company group

Business allotment policy for the company group

#### The company

The company Produces and distribution of non-woven fabric products. The procurement of raw materials, information technology, accounting & finance, personnel management. The company has supported marketing and distribution of its subsidiaries company.

The shareholding structure of the company, subsidiaries and associated companies as follows:



#### **TPCNIC CO., LTD.**

- Operating the business of manufacturer and distributor of Cabin Filter
- With its factory located in the Industrial Park, Amphoe Sri Racha, Chonburi Province

## PT. DYNIC TEXTILE PRESTIGE

- Operating the business of manufacturer of Non-woven fabrics for industrial factories and retail customers.
- The Head Office and factory located in Indonesia.

### Cross-shareholding

While the company allows the structure for cross-shareholding, nevertheless, such cross-shareholding is not of the nature conflicting with nor contradicting to the announcement by The Capital Market Supervisory Board no. Thor Chor 28/2008 regarding "the permission request and the permission to offer newly-issued shares" no. 14 (Information as of the record date on 25 November 2020)

Name of Company	Proportion of Shareholding(%)	
	Company's Shareholding in Other company	Other company's Shareholding in the company
<b>1. Shareholdings exceeding 50%</b>		
(a) Other company holding more than 50% of the company's shares; the company must not have cross-shareholding in the other company	-	-
(b) the company holding more than 50% of shares in other companies; the Other company must not have cross-shareholding in the company	-	-
(c) The company holding more than 50% of shares in 2 or more other companies; such other companies must not have cross-shareholding amongst themselves		
1. TPCNIC Co., Ltd.	50.994%	-
The subsidiary company which do not have cross-shareholding amongst themselves.		
<b>2. Shareholding exceeding 25% but not exceeding 50%</b>		
(a) Other company holding more than 25% but not more than 50% of the company's share; the company's cross-shareholding in the other company must not exceed 10%	-	-
(b) The company holding more than 25% but not more than 50% of the company's share; the Other company cross-shareholding in the company must not have exceed 10%		
1. PT. Dynic Textile Prestige	44.00%	-
The associated company which do not have cross-shareholding amongst themselves.		
<b>3. Shareholding not exceeding 25% *</b>		
(a) Other company holding not more than 25% of the company's share; the company's cross-shareholding in the other company must not exceed 25%	-	-
(b) The company holding not more than 25% of other company's shares; the other company's cross-shareholding in the company must not exceed 25%		
1. Saha Pathana Inter-Holding PLC.	0.09%	18.83%
2. I.C.C. International PLC.	0.46%	10.43%
3. Sahapat Properties Co., Ltd.	2.50%	0.00046%

Note \* Data only shown for companies with cross-shareholding.

## Nature of Business

The Company and its subsidiaries have revenue from production and distribution of the following products.

### Revenue Structure of company and its subsidiary company

(Unit: Million Baht)

Products	2020	%	2019	%	2018	%
1. Products for Industrial	579.88	76.01	782.63	93.07	875.51	93.77
2. Products for Hygiene and household	183.03	23.99	58.28	6.93	58.17	6.23
<b>Total</b>	<b>762.91</b>	<b>100.00</b>	<b>840.91</b>	<b>100.00</b>	<b>933.68</b>	<b>100.00</b>

### Geographical areas at the end of 31 December

(Unit: Million Baht)

Consolidated financial statements	2020	%	2019	%	2018	%
Domestic sales	552.33	72.70	564.95	67.33	654.18	70.23
Export sales	207.39	27.30	274.17	32.67	277.35	29.77
<b>Total</b>	<b>759.72</b>	<b>100.00</b>	<b>839.12</b>	<b>100.00</b>	<b>931.53</b>	<b>100.00</b>

### Change From The Previous Year

- TPCORP has temporarily changed its business approach due to the COVID-19 pandemic throughout the world by emphasizing and increasing production of mask and other hygiene products.
- TPCORP donated face masks to medical personnel through various foundations (KAOKONLAKAO foundation for nationwide hospitals, Family News Foundation for 24 hospitals, Workpoint Foundation for hospitals in 3 southern border provinces, Chulalongkorn Hospital and 50 embassies located in Bangkok) during the severe shortage.
- TPCORP, the owner of the 'Welcare' brand, received the "Most Valuable Brand" award and "Community Engagement Award". from Lazada during the Mid-Year.
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- TPCORP is now a manufacturer of Air filters in the automotive industry.



## **Market Situation**

There is an increasing of price competition in the market from both domestic and international competitors. While the global automotive industry is slowing down due to a sluggish economy and external factors.

## **Competition Strategy**

The company focuses on the business of synthetic fibers for the automobile manufacturing business by utilizing its strengths in long-lasting relationships with customers and develop new innovative products by continuously researching and developing with customers including following up the technological changes in the automotive industry in the world market that will occur in the future to develop products to support future market trends and be a technology leader which will be able to maintain the existing customer base and able to increase the number of new customers and expand new products in the future. The company has developed and invented new innovations to home and condominium construction by using types of materials for noise protection Insulation etc.

In addition, the company also adjusted its sales strategy to be proactive sales to increase market share. The company also focuses on expanding the market by utilizing its good relationships with automotive manufacturers.

The company is now growing in online marketing and sales which in the field of online marketing. The company has performed as follows

1. Expanding online distribution channels both of Thailand and abroad.
2. Providing more convenient and faster communication with customers through online media.
3. Cooperating with many agencies, both of government and public to promote products and companies.
4. Connecting online marketing with storefront (Omni Channels Marketing)
5. Presenting trending content in consistent with products and services.
6. Using influencers that meet target customers to create awareness of the company identity among consumers. This will be consistent with the use of advertising channels.

## **Target customers**

The company has a group of customers in the factory industry and the automotive industry both domestically and internationally, which has continuously developed products with customers and constantly expanding products and new innovations. The company will focus on expanding market share according to the growth rate of the global business in the automotive industry both domestically and internationally. By focusing on retaining existing and existing customers using competitors' products which will help increase market share.

Hygiene products group, Medical equipment products group; The company has expanded the hospital channels for the hygienic product and Medical Products.

Household products group; The company expanded the business channels of hotels and accommodation. And Online sales channels both in the domestic and international

## **Risk Management Policy**

Textile Prestige Public Company Limited (“the company”) realizes the importance of managing risks that may affect corporate objectives, thereby implementing enterprise risk management system to reduce possible loss and increase management potentiality by establishing risk management process which covers all aspects and is aligned with good corporate governance and anti-corruption policy. The company sets the risk management policy as follows:

- Setting up a risk management committee which includes representatives from all sections with Authority of include gather risks, assessment and support the risk management framework in order to report to the Executive Board and Corporate Governance and Risk Management Committee (CG&RC).
- Developing an enterprise risk management system and process by setting up enterprise risk management manual which includes process, guidelines and risk management methods and shall be implemented to become culture and normal operations of the organization.
- All executives and staff must be a part of the risk management process and must promoting the recognition and risk prevention throughout the organization so that the risk shall be mitigated into the acceptable risk level.
- Monitoring and evaluating the risk management policy by continued reviewing and developing the process to align with internal and external changing environments.

The Board of Directors, the management and the employees shall strictly affirm to promote effective risk management processes with continued operations.

The Corporate Governance and Risk Management Committee shall constantly verify and review appropriateness of corporate risk management policy at least once a year to ensure that contents in such policy conform to the objective and strategy of the Company’s risk management.

This risk management policy has been reviewed by the Meeting of the Board of Directors No. 6/2017 held on December 26, 2017 and it became effective since December 27, 2017.

.....*Mr. Manu Leelanuwatana*.....

(Mr. Manu Leelanuwatana)

Chairman

## **Risk Factors**

Textile Prestige Public Company Limited realizes that risk management is very crucial for business operations because it is an important tool for managing business, supporting the Company to achieve desired business targets effectively and efficiently and enhancing its competitive advantage. The Company has therefore specified the risk management policy that employees at all levels must take part in in order to drive for success and also created risk management guidelines which conform to international principle of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In addition, the Company has established the Corporate Governance and Risk Management Committee (at the Company's directors level) and the Risk Management Sub-committee (at the management level) to oversee, supervise, and ensure that overall risk management mechanism can suitably and efficiently support the business operations.

### **Risk Management Strategy**

The Company has integrated the enterprise risk management system with the good corporate governance principles by taking into consideration expectation, interest, and roles and responsibilities of each group of the stakeholders within the organization and has classified risk management hierarchy into 3 levels as follows:

**1) Risk Management at Corporate Strategy Level:** This level gives priority to the review of a change in long-term business landscape, corporate strategy, direction of each business and long-term risk management for sustainability of businesses. The Company has appointed the Corporate Strategy Risk Management Working Group to supervise and ensure that risks will be effectively managed. Besides, proper communication and operation channels are specified so that the Board of Directors, the Managing Director, and top management can take part in.

**2) Risk Management at Business Process Level:** This level is about managing risks of supply chain which is the process to create and deliver value to the Company's customers and important business processes which support such value creation and delivery. Risks at business process level will be managed via annual enterprise risk management channel which is held continually, where the Board of Directors, the Managing Director, top management and middle management will consider and determine risk management guidelines together.

**3) Risk Management at Functional Process Level:** This is the fundamental operational risk management that all functional units have to take responsibility in order to enhance the Company's operational excellence. Risk management at this level shall be mainly managed by functional unit heads under supervision and control of the Company's top management via the annual enterprise risk management channel.

Classifying risk management hierarchy enables the Company to consider risks extensively, as it covers short-term and long-term risks, significance and urgency of each risk, related personnel and resources and relevancy of the management in each level and etc., it therefore helps the Company to manage risks effectively.

## **Key Risks for the Company's Business Operations in 2020**

Important risks relating to the Company's business operations in 2020 can be divided into 6 categories as follows:

### **1. Strategic Risk**

#### **1.1 Risk from Fluctuation of Economic and Politic Situations at Macro Level**

This risk derives from uncertainty of global economic situations as a result of trade wars between the United States of America and other countries including and economic fluctuation conditions in many leading countries, which have a tendency to be prolonged and may consequently obstruct the expected growth rate of domestic and global economy. Such trade wars have also led to a change in global supply chain, particularly, in the relocation of production base of Chinese supply chains to Thailand and other Asian countries, making competitive conditions in Thailand and Asian countries tend to be more intensified and impacting revenue generation of the Company. This risk is also caused by a political uncertainty in Thailand. Since the current government is a coalition government and the political unrest is still ongoing, the operations pursuant to the public sectors' policies and budget disbursement may lack continuity and then impact the domestic economic conditions and the Company's revenue raising plan and expected customers' purchasing orders.

The Company has managed this risk by developing new businesses and products in order to diversify its business portfolio. Having diversified business portfolio can enhance the Company's potential to penetrate into and seek more business opportunities from the existing and new markets which still have the growth rate despite the gloomy economic situations, both domestically and abroad. At the same time, the Company also controls or reduces the production costs to make them in appropriated level in order to increase its competitiveness.

Presently, the Company has diversified its businesses to various fields, such as, automobile, healthcare and household businesses, and added the variety of products in each business with multiple brands in order to increase the Company's business opportunity channels and the effectiveness of risk diversification mechanism.

#### **1.2 Risk from Competitive Conditions and Trade Wars towards the Automotive Industry**

Apart from high competition, the stressful condition from trade wars between the United States of America and China since 2019 has caused volatility to the automobile industry which is the main source income of the Company, making growth of this industry lower than expected and increasing price war. The Company's income generation has then been impacted.

Accordingly, cost reduction, improvement of quality and qualifications of the Company's current products on continued basis and the development of new products and innovation which can add value to customers are regarded as important elements for managing this risk coupled with maintaining of long-term business relationship with the customers, joint developing new products with customers or business partners, enhancement of the Company's expertise in automobile field to develop a new business which has potential to be the Company's new S-curve in the future, and generation of higher income from non-automobile businesses.

### **1.3 Risk from New Unexpected Innovation**

Rapid changes of current technology devise new businesses or innovation continually, so there are always new products launched for the consumers to choose. The consumers then tend to change their behaviors all the time. However, the concerned issue is that such new business and innovation may make the Company's business model or products unable to compete anymore.

Therefore, the Company has to unavoidably disrupt itself before getting disrupted in order to be able to invent new products, innovation, or new business strategy to strengthen its competitive potential. Such efforts include: (1) Follow up the change in technology, customers' and consumers' behaviors and their possible impacts, so that the Company can prepare readiness to handle such changes appropriately; (2) Cultivation the value of "Creation of new stuff and do not rely on existing ones" in the organization to promote the operational culture which places importance on thinking, experiment, and learning new knowledge which is the basis of innovation development; and (3) Training personnel to make them understand about the changes in business, innovation, and new emerging ideas in the business world, so that they can be used as basis for development of products and services including new business of the Company.

## **2. Operation Risk**

### **2.1 Risk from Lack of Capable Personnel**

Uncertainty of the present economic situations which have a tendency to be prolonged and labor cost which has a tendency to increase may result in more intense competition to seize for capable personnel in the labor markets, even in the time Thailand has high unemployment rates, especially among the newly graduated students. Employment of personnel with higher capability and productivity can certainly support for competition, reduction of operation costs and expenses for personnel development of the organization, while employment of less experienced and capability personnel may not be able to help the organization to increase competitive edge and may lead to higher risks in competition, particularly during the weakening economic situation. In addition, the rise of international cooperation and trade liberalization nowadays may lead to fierce competition on employment of talent personnel. Hence, the Company may face higher risks from recruitment and retention of talent personnel and such risks may lead to loss or lack of personnel, continuity of business operations and loss of business opportunities, respectively.

Therefore, the Company places importance on preparation of the successor development plan, career path development plan and proactive recruitment plan. Other plans are to employ more automation system and to provide trainings to personnel within the organization by the in-house experienced personnel and external experts to transfer body of knowledge to personnel within the Company from generation to generation which can keep knowledge remaining in the Company without disappearance when any personnel has been poached to work with other company and it can also make personnel within the Company gain knowledge and skills to strengthen productivity and quality operations by themselves, without relying on the recruitment of new personnel.

## **2.2 Risk from Cyber Threats**

Online theft of material information, i.e. business/trade secret, information on finance, and personnel may extensively impact the Company's businesses and image. Hence, the Company has specified policy, criteria and practices on information technology security and placed importance on installation and update of Intrusion Prevention System (IPS), firewall system, and anti-virus software.

## **2.3 Risk from Natural Disaster, Severe Accident, and Political Circumstance**

Even though the opportunity that force majeure event, such as severe natural disaster (i.e. the great flood), severe accident (i.e. fire) and political unrest, may occur is quite unlikely but if it does occur to the Company, particularly at the manufacturing plants, it may severely delay business operations which could lead to loss of business opportunities and customers. Guidelines for managing such high impact risk are to prepare readiness within the organization, for instance, closely monitor potential natural disaster for advanced preparation; preparation of personnel and system to prevent and mitigate impact from natural disaster and incidents; preparation of Disaster Recovery (DR) Site to prevent interruption of important operation system in case the Company's main computer center has been impacted from such risks, and monitor the supplier management. Other measures are to coordinate with the third party and transfer risks to them to mitigate risk impact for the Company, for instance, purchase insurance policy or request for cooperation from the business partners on provision of production support during the time the Company encounters emergency situation and etc.

## **3. Financial Risk**

### **3.1 Risk from Fluctuation of Exchange Rate**

As nature of the Company's business operations required to import raw materials, equipment or manufacturing machineries from foreign countries and export products to abroad, so the Company has to constantly encounter fluctuation of foreign exchange rate, hence, the Company gives emphasis on monitoring of the change in foreign exchange rates and control of amount of foreign currency held, so that the Company can use it to pay for costs of raw materials, machinery and equipment, without having to convert currency to prevent the loss from exchange rate. In addition, the Company has entered into the foreign exchange forward contracts which make the Company be able to control risks from fluctuation of exchange rate and limit its potential impact in some certain extents.

## **4. Compliance Risk**

### **4.1 Risk from Change in Policies, Laws, Rules and Regulations of the Public Sectors**

Changes in business landscape due to advancement of technology, progress of on-line shopping, aggravated global warming situations and changes of consumers' behaviors make the society place more importance to business operations with good corporate governance, transparency, fair trade, humanity and thoughtfulness to environment. Moreover, the government has a policy to pull Thailand out of the middle income trap by development new and higher value added industries or New S-Curve industries. Consequently, upgrading of quality and standard of products and services in production sectors become more vital. New and various changes which occur simultaneously may make the policies, laws, rules and regulations relevant to the public sectors and the Stock Exchange of Thailand have to be amended, improved

or newly enacted at more frequency rates and they may have more unexpected issues, particularly in the production industries, which are directly related to the Company.

Therefore, the Company has to closely monitor such changes in order to be able to improve its internal operation guidelines to make them consistently with such newly changes, so that they might not have any impact to the Company's reputation and image as well as to prevent the Company from missing the business opportunities which may incur from such changes.

## **5. Environmental, Social and Governance Risks**

### **5.1 Climate Change Risk**

The Company is aware of climate changes as they lead to various forms of natural disasters in greater destructive extent, such as draught, flood, and forest fire, and they caused economic and social effects to global societies and countries continually. It is hard for the Company, as a part of economic and social sector, to avoid such effect. Thus, to help mitigate such risks and create sustainability for the economy and society as a whole, the Company has arranged many relevant activities, such as the reduction of energy and water consumption, the reduce-reuse-recycle of production wastes, as well as cultivating responsibility and conscious mind on environmental preservation to its personnel continually every year.

### **5.2 Occupational Health and Safety Risk**

The Company always places importance on building safety and hygienic working environment so that its personnel can perform the works happily and with safety. For this reason, the Company has specified the occupational health and safety policy, and appointed the occupational health and safety working group to promote and supervise the operations to ensure that they are suitable and in compliance with the relevant laws and regulations. The Company has also strengthened safety awareness and culture to all workers, by means of training arrangement, preparation of the safety-related emergency management plan, appointment of the emergency response working group, preparation of readiness on equipment and drilling etc.

### **5.3 Corruption Risk**

The Company has strong intention on anti-corruption in all various forms. It has then become a member of the Thailand's Private Sector Collective Action against Corruption (CAC) and the re-certification has been approved continually for the 2<sup>nd</sup> term in 2019. In addition, the Company has established the anti-corruption working group to enhance and oversee the operations to ensure that they are suitable and complied with the relevant laws and regulations. Corruption risks have been constantly identified, assessed, managed, and monitored. And trainings to provide knowledge and awareness on corruption have also been arranged every year.

## **6. Emerging Risks**

### **6.1 Risk from New Waves of Coronavirus Disease or Covid-19 Pandemic and New Competitive Landscapes in the Post-Covid situation**

The first wave of coronavirus disease or Covid-19 pandemic has significantly impacted the Company's businesses because it has tremendously reduced demand for consumption goods and services throughout the world and in Thailand. The Company's business which has been impacted the most is an

automotive business, the main revenue source of the Company, because many production plants all over the world had been closed and the international import and export had been restricted to control the spread of virus during Q2 and Q3 of 2020. Nonetheless, as the Company has diversified business portfolio to prevent heavy dependence on any business, the effect on the automotive business could be lessened. The Company's business which has significantly benefited from this pandemic situation is face mask (health mask) business which has expanded its production capacity to support the leap of demand from the government and public sectors. The Company also developed an innovative waterproof fabric face mask which can protect users from both respiratory droplets and small dust particles, to be an option for Thai people during the shortage period of medical face mask.

Such pandemic situation has also made Thai society place more importance on social distancing and online shopping, so the Company has pushed forward on creation of brands and sale of various groups of goods via e-commerce, such as household products (bedding), healthcare products, and face mask (health mask). Consequently, revenue from online channel has considerably increased and helped mitigate negative impact from the automotive business in some certain extent.

The important tasks that the Company performs concurrently in order to make the above operations run effectively and continually are taking good care of its personnel to make them safe from the spread of virus, by providing adequate face masks and alcohol gels to all personnel, cleaning risky points within the workplace, screening all personnel and visitors with infrared thermometers before allowing them to enter into the operation site, sorting out personnel who are classified as risky group and ordering them to work from home, providing information and knowledge to the personnel on how to take care of themselves pursuant to recommendation of the Department of Disease Control, Ministry of Public Health, conducting the meeting with the third party via video conference, and etc.

However, considering the situation in various countries around the world, there are multiple outbreaks of the pandemic and the mutation of the Covid-19 virus can make its spread occur more easily and quickly. The economic concerns may accelerate the process of opening Thai borders and the need to reduce business costs may enable the cross-border movement of foreign labors. As a result, the spread of Covid-19 in Thailand may occur in several waves as well, and it's hard to clearly predict the end of the outbreak. However, the skills and experiences in dealing with the situation as mentioned earlier would help the Company handle the risks more effectively. Moreover, the Company has planned to expand the production capacity of related healthcare products and develop new online systems and sales channels to seize the growing business opportunities.

The analysis of the situation after the end of the Covid-19, especially New Normal, is another focus of the Company. The Company believes that the society will pay more attention to health and hygiene, business sustainability, and e-commerce. That is, stricter standards and regulations for medical and healthcare products, business sustainability, climate change control, and cyber security are expected. If the Company lacks good preparation, it may not be able to establish operating standards that comply with the changing business directions and regulations, resulting in a loss of business opportunities, income, image, or reputation. The Company has therefore set sustainability as the heart of business operations in the future. In 2020, the Company had raised its operation standard and could become one of listed companies that



acquired the 2020 Thailand Sustainability Investment (THSI) for the first time. In addition, the Company is also well prepared to be one of the country's main forces in the manufacture of quality and standardized medical and healthcare products, by developing its products and production to meet the Thai Industrial Standards (TISI) and international standards, especially for medical and healthcare products such as face masks and healthy bedding products. Moreover, the Company has also accelerated the development of sale database, information technology, and operating systems to make online selling more efficient, secured, and complied with the relevant regulations, and to drive the occurrence of digital transformation for the company in the future.

### **6.3 Risk from the Enforcement of Personal Data Protection Laws or Regulations**

The growth of e-commerce or online channels has made personal data protection under the Personal Data Protection Act B.E. 2562 (2019) or PDPA became more importance and urgency. Such act will become effective in 2021 and certain ancillary laws may be released continuously after that in order to create the personal data protection standard in Thailand. Such uncertain standard in the current time has made the business sector lack of clarity in the preparation and investment in system and personnel development, and has brought compliance risks. Non-compliance with the regulations could lead to the damage of reputation, fine, and criminal prosecution. Thus, the Company has appointed the responsible person to study the operating guideline and prepare the relevant document both on business and technical aspects to ensure that personal data will be effectively protected and complied with the legal regulations.

## **Crisis Management on Coronavirus or Covid-19 Pandemic in 2020**

### **1. Immediate Response (Emergency Response) to the Situation**

**1.1 Protection of Employees during the Initial Outbreak.** The Company followed up and notified its personnel of the outbreak information and proper self-protection method, and specified the outbreak preventive and control measures in the operating areas to be applied with the Company's personnel and the visitors, as well as provided face masks to its personnel to protect themselves from the virus.

**1.2 Assessing Situation and Setting up Business Direction during the Initial Outbreak.** The Company raised the pandemic issue in the weekly meeting to discuss and assess the situation since the early outbreak stage. It also adjusted plans on sales, development of new products, procurement of raw material and allocation of resources to make them conform to the increasing demand of face mask and accelerated the sale operation of online channels or e-commerce, so various forms of the Company's face masks can be delivered to the society in need quickly and effectively. The Company also realized about the distress of medical personnel, so it donated medical masks to Toon Bodyslam's Kaokonlakao Foundation, to help further deliver medical face mask to medical personnel in various areas.

## **2. Crisis Management Procedures of the Company**

### **2.1 Roles of the Board of Directors and the Management on Handling with the Crisis**

The Board of Directors and the management has played vital roles on monitoring and assessment of the situation, defining the operation directions, and pushing forward on progress of operations via the sales & products development and risk management meetings on continued basis. As a result, the Company could respond to the changing pandemic situation effectively and rapidly.

### **2.2 Formulation of Business Directions amidst the Crisis**

Even though the Covid-19 pandemic impacted the Company's business, but the Company foresaw more business opportunities and chances to help the society, so it aimed to take good care of all employees to make them overcome the crisis, grow amidst the crisis, and at the same time increase the organization's competitive edge development to move ahead of the competitors when the crisis passes.

Nonetheless, the reason that made Company be able to decide and choose these strategies because the Company has strong business foundation; for instance, high accumulated liquidity and diversified businesses, where one of them is medical and healthcare business (the Company has high quality medical face mask and alternative face masks) which has a very high growth during the crisis. The Company also has e-commerce or online channels, and its growth is very high as well. All of them made the Company able to take care of all employees' health and to seize business opportunities under the crisis.

The Company has assessed and classified severity of pandemic situation into 3 levels (low-medium-high) and specified guidelines for overseeing the employees and business operations appropriately with severity of each level in parallel with constantly monitoring the pandemic situation, so that the Company could operate businesses efficiently and continually under limitation of the situation in each period.

### **2.3 Adjustment of Business Operation under the Crisis**

Based on the abovementioned business directions, the Company has adjusted the business operation under Covid-19 situation to seize business opportunity and to take care of the society, particularly during Q2-Q3 of 2020 where the situations were rather severe, as follows:

#### **Business and Social Aspect**

1) Cooperate with the government sectors on the production of medical face masks, and donate medical face masks to the hospitals and foundations to supports operations of medical and government personnel on fighting against Covid-19.

2) With concern about health of many people who did not have opportunity to access to medical face marks due to restriction of domestic production and distribution control by the government sectors, especially during Q2-Q3 of 2020, the Company has invented a new innovative product under Welcare Brand, which is a waterproof fabric face mask. The product can filter and protect the wearers from liquid and small aerosols from coughing or sneezing and even 2.5 micron fine particulate matter (PM2.5) and its qualification is equivalent to medical face mask as it can filter the particle of 0.30 micron more than 99% and can be washed for 20 times, so that Thai society can have high quality face mask, which is not medical face mask, as a new alternative to protect themselves from the crisis.

### **Manufacturing Aspect**

1) Expand the Company's manufacturing capacity of medical face masks and other types of face masks.

2) Follow up the suppliers' readiness, and adjust raw material procurement and reserve plans to make them conform to the manufacturing plan of high demand products, particularly, medical face masks and other type of face masks.

### **Distribution and Transportation Aspect**

1) Aside from direct delivery of medical face masks to the government, the Company put more emphasis on distribution of various products, i.e. face mask, healthcare, and bedding products, via e-commerce by expanding online distribution channels to cover popular platforms, i.e., Lazada and Shopee, because during the Covid-19 pandemic, the customers have more tendency to stay home and purchase products online.

2) For online distribution channel, the Company primarily used transportation services of online platforms because they have more readiness and efficiency of rapid accessing to a large number of customers than the Company. At the same time, the Company has improved its internal processes to make them conform to the platform operators' transportation system for speedier operations.

### **Preparation of Equipment, Tools, and Resources to Support Continuity of Business Operations**

1) In order to take care of the employees' hygiene, the Company has provided face masks and hand sanitizer gel to all of its personnel, body temperature meters, including equipment and personnel to clean the operating areas and risky points.

2) The Company has prepared and provided information technology equipment and resources, such as computers and related equipment, software or application for online working, IT support team and etc. to support the arrangement of video conference meeting with the third party and to support the employees who have to work from home.

### **2.4 Business Recovery Plan after the Covid-19 situation**

The Company has reviewed and prioritized business directions by taking into consideration New Normal practices. The Company foresaw that after post Covid-19, the global business will place more importance on sustainability, thus the Company has developed operating standards in various aspects and could become one of listed companies that acquired the 2020 Thailand Sustainability Investment (THSI). The Company also anticipated that the society will pay more attention to healthcare and sanitation in daily life. Hence, it has prepared readiness to become one of the country's main forces on manufacturing of quality and standardized medical and healthcare products to respond to such needs including to support national security and the vision of the country to become a medical hub in the future. Because of this, the Company put more emphasis on the development and manufacturing of products in order to meet the Thai Industrial Standard (TISI) and international standards, especially products in medical and healthcare group, i.e., face mask, healthy bedding products, etc.

Covid-19 has also driven e-commerce and digital life to become new normal practices of the world. The Company has then placed more importance on expansion of e-commerce channels via various platforms and on the development of the Company's digital potential to support the future business opportunities.

## **General Information and Other Important Information**

### **1. General Information**

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED or securities of symbol “TPCORP”**

**Issued and paid-up share capital** 108,000,000 ordinary shares of par value Baht 1 each

#### **Head Office Address**

489 Rama 3 Road, Bang Khlo, Bang Kho Laem, Bangkok 10120

Tel. (66 2) 294-0071 Fax. (66 2) 294-2386

#### **Type of Business**

Manufacturing and distribution of non-woven fabric, products made of non-woven fabric such as automotive parts, air filter, face mask, household products and raw materials of Industrial Textile and the outsourcing.

**Company Registration:** 0107537001447 (BOR.MOR.JOR. 391)

**Website:** <http://www.tpcorp.co.th> **E-mail:** [tpc@tpcorp.co.th](mailto:tpc@tpcorp.co.th)

**Investor Relations/ Corporate Secretary Contact:** [investor@tpcorp.co.th](mailto:investor@tpcorp.co.th)

#### **Complaint Channel :**

7. Complaint or report of a Corruption, Fraud, Bribery either directly or indirectly to e-mail: [cac@tpcorp.co.th](mailto:cac@tpcorp.co.th)
8. Complaint or report of illegal act in Corporate Governance, Business Ethics, Code of Conduct to e-mail: [cg@tpcorp.co.th](mailto:cg@tpcorp.co.th)

#### **Share Registrar**

Thailand Securities Depository Co., Ltd.

93 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Din Daeng, Bangkok, 10400, Thailand

Tel. (66 2) 009-9000

SET Contact Center: (66 2) 009-9999

**Website:** <http://www.set.or.th/tsd/th/tsd.html>

**E-mail:** [SETContactCenter@set.or.th](mailto:SETContactCenter@set.or.th)

#### **Certified – Public Auditor (CPA)**

- Mr. Prasitporn Kesama, certified public accountant no. 9910 or
- Mr. Satis Kiatgungwalgri, certified public accountant no. 9760 or
- Mr. Anusorn Kiatgungwalgri, certified public accountant no. 2109 or
- Ms. Kwunjai Kiatgungwalgri, certified public accountant no. 5875

#### **ASV & ASSOCIATES LIMITED**

Locate at 47 Soi 53, Rama 3 Road, Bangpongpan, Yannawa, Bangkok 10120

Tel. (66 2) 294-8504, (66 2) 294-8587 Fax. (66 2) 294-2345

**Legal Advisor**

The Dharmniti Law Office Company Limited

2/4 4<sup>th</sup> floor, Nailert Tower, Wireless road, Lumpinee, Bangkok 10330

Tel. (66 2) 252-1260, (66 2) 655-0711 Fax. (66 2) 252-1104, 252-1108

**Legal Entitles with over 10% Shareholding by the company.**

Company Name/ Head Office Address	Type of Business	Issued Shares	Amount of Shares	% of Holding	Type of Shares
1.TPCNIC Co., Ltd. 489 Rama 3 Rd., Bang Khlo, Bang Kho Laem, Bangkok. Tel. 0-2294-0071 Fax. 0-2294-0150	Manufacturer and distributor of Cabin Filter	500,000	254,970	50.994	Common
2.PT. DYNIC TEXTILE PRESTIGE Kawasan Greenland International Industrial Center (GIIC), Blok CD No.01, Kota Deltamas, Desa Pasir Ranji, Cikarang Pusat, Bekasi, Jawa Barat, Indonesia.	Manufacturer and distributor of Non Woven	128,900	56,716	44.00	Common
3.Thai Staflex Co., Ltd. 12/1 soi 16 yak 2 Thungwatdon, Sathorn, Bangkok. Tel. 0-2285-6493 Fax. 0-2285-6501-2	Fuse	600,000	84,000	14.00	Common

## Shareholders

### 1. Number of registered capital and paid-up capital

The company, TEXTILE PRESTIGE PLC., or securities of symbol “TPCORP”, has registered capital of 108 million Baht and paid-up 108,000,000 Baht, divided into Common Shares: 108,000,000 shares at Par Value of 1 Baht. A shareholder has one share and equal to one vote.

### 2. Shareholders List (as of the record date on 25 November 2020)

Distribution of shareholding by nationality and type	Amount of Shareholder	Amount of Share	%
<b>Juristic Persons</b>			
Thai Nationality	35	74,727,980	69.19
Foreign Nationality	2	4,000	0.01
<b>Total Juristic Persons</b>	<b>37</b>	<b>74,731,980</b>	<b>69.20</b>
<b>Natural Persons</b>			
Thai Nationality	1,179	33,180,180	30.72
Foreign Nationality	5	87,840	0.08
<b>Total Natural Persons</b>	<b>1,184</b>	<b>33,268,020</b>	<b>30.80</b>
<b>Total</b>	<b>1,221</b>	<b>108,000,000</b>	<b>100.00</b>

Distribution of shareholding by proportion held	Amount of Shareholder	Amount of Share	%
Shareholders holding more than 0.5% (540,001 shares onwards)	24	90,761,623	84.04
Shareholders holding not more than 0.5% but not less than one trading unit. (100 shares to 540,000 shares).	1,036	17,234,715	15.96
Shareholders holding less than one trading unit. (1 share to 99 shares).	161	3,662	0.00
<b>Total</b>	<b>1,221</b>	<b>108,000,000</b>	<b>100.00</b>

Top ten major shareholders of the company	Amount of Share	%
1. Saha Pathana Inter-Holding Public Company Limited	20,332,850	18.83
2. Thai Wacoal Public Company Limited	19,598,850	18.15
3. I.C.C. International Public Company Limited	11,261,720	10.43
4. Saha Pathanapibul Public Company Limited	9,390,370	8.69
5. Mr. Boonsithi Chokwatana	8,949,430	8.29
6. I.D.F. Company Limited	5,922,960	5.48

Top ten major shareholders of the company	Amount of Share	%
7. Thai NVDR Company Limited	1,704,300	1.58
8. Universe Beauty Company Limited	1,391,000	1.29
9. Pattaya Manufacturing Company Limited	1,066,540	0.99
10. Thanulux Public Company Limited	1,034,920	0.96

Note : Prior to the General Shareholder's Meeting. Investors may visit the company website at [www.tpcorp.co.th](http://www.tpcorp.co.th) to view the list of the top ten major shareholders of the company.

**3. The issuance of other securities.** The company has only ordinary shares. None of the other Securities.

### Dividend Policy

#### TPCORP

The company has a policy to pay dividends regularly to shareholders at the rate of 0.25 Baht per share (equivalent to 25% of Par). However, this rate principally depends on economic conditions and business performance of the company as well as the resolution of the shareholders' meeting. Dividend payment will comply with clause 55-57 of the Articles of Association of the company. The stated clauses have an essential stipulation that dividends must be paid on the basis of profit only but not from other incomes. In case the company remains in accumulated loss status, it is prohibited to pay dividend. Dividend will be calculated on the amount of shares basis. Each share has an equal dividend. The dividends must be paid within one month after the date of the Shareholders' or Board of Directors' meeting has a resolution.

The board may pay interim dividends to Shareholders if the board regards that the company has a sufficient profit to do so and report to shareholders in the next meeting.

The company has continuously paid dividends every year. Dividend payment is in accordance with the dividend payment policy (and is more than the policy rate). The dividend payment rate for the past 5 years is as follows.

Separate financial statements	2020	2019	2018	2017	2016
Earnings per share attributable to owners of the parent company (Baht)	-0.18	0.67	0.68	1.19	2.71
Rate of Dividend per share (Baht)	**0.60	0.60	0.60	0.70	1.70
Dividend Payout Ratio. (%)	-327.8	89.02	88.63	58.97	62.68

Note \*\* The company will pay Dividend for the year 2020, at the rate of 0.60 Baht per share (Sixty Satang), Total of 64,800,000 Baht (Sixty-four million and eight hundred thousand Baht), which is paid from the retained earnings of 20 percent corporate tax-paid business.

The record date to determine the names of shareholders, who are eligible to receive the dividend is on 11 May 2021. The dividend payment will be made on 25 May 2021.

#### Subsidiary Company

The company has a policy for all subsidiaries to pay dividends according to business performance of each subsidiary.

## Management Structure

### 1. The Board of Directors

In 2020, there are 9 members of the Board of Directors who named in the certificate letter of Ministry of commerce, as follow:-

	Name	Present Position	Date of Appointed
1. Mr. Manu	Leelanuwatana	Chairman	July 7, 1976
2. Mr. Suchai	Narongkananukul	Managing Director	August 10, 1977
3. Mr. Arnut	Rattanapathimakorn	Deputy Managing Director	April 26, 1991
4. Mr. Chanin	Ratanavijai	Director	May 11, 2016
5. Mr. Somnuek	Thungpukdee	Director	November 12, 2018
6. Ms. Sirikul	Dhanasarnsilp	Director	July 7, 1976
7. Mr. Padoong	Techasarintr	Independent Director	April 26, 1999
8. Dr. Utid	Tamwatin	Independent Director	August 8, 2019
9. Assoc. Prof. Krisada	Visavateeranon	Independent Director	April 27, 2009

Whereas Mr. Chanin Ratanavijai acted as Corporate Secretary since May 8, 2008.

The company's independent directors at least one third of all directors and at least three persons.

### Summary of Number of Meeting of Directors, Sub-Committee and Executives during 2020.

Details as follow; Each Director's attendance ratio of at least 75 percent.

List		Attendance						
		The Board of Directors	The Audit Committee	The Nomination Committee	The Remuneration Committee	The Corporate Governance and Risk Management Committee	The Executive Board	The Shareholders' Meeting
1. Mr.Boonsithi	Chokwatana	-	-	1/1	-	-	-	1/2
2. Mr.Manu	Leelanuwatana	7/7	-	1/1	-	-	-	2/2
3. Mr.Suchai	Narongkananukul	7/7	-	1/1	2/2	2/2	12/12	2/2
4. Mr.Arnut	Rattanapathimakorn	7/7	-	-	-	2/2	12/12	2/2
5. Mr.Chanin	Ratanavijai	7/7	-	-	-	-	12/12	2/2
6. Mr.Somnuek	Thungpukdee	7/7	-	-	-	-	12/12	2/2
7. Miss Sirikul	Dhanasarnsilp	7/7	-	-	2/2	-	-	2/2
8. Mr.Padoong*	Techasarintr	7/7	12/12	-	2/2	2/2	-	2/2
9. Dr. Utid*	Tamwatin	7/7	12/12	-	-	1/1	-	2/2
10. Assoc. Prof. Krisada*	Visavateeranon	7/7	12/12	-	-	2/2	-	2/2



List	Attendance						
	The Board of Directors	The Audit Committee	The Nomination Committee	The Remuneration Committee	The Corporate Governance and Risk Management Committee	The Executive Board	The Shareholders' Meeting
11. Ms. Rachanee Luevipasakul	1/1	-	-	-	-	12/12	2/2
12. Miss Darunee Supo	1/1	-	-	-	-	12/12	2/2
13. Mr. Samai Moollakote	1/1	-	-	-	-	12/12	2/2
14. Mr. Koravit Narongkananukul (Appointed 10 August 2020)	1/1		-	-	-	5/5	1/1

Notes \* Independent Director and Audit Committee member, the qualifications required by the relevant regulations.

#### Directors with authority to sign on behalf of the company

Any two out of the six following directors can sign and seal on behalf of the company.

- |                                 |                               |
|---------------------------------|-------------------------------|
| 1. Mr. Manu Leelanuwatana       | 2. Mr. Suchai Narongkananukul |
| 3. Mr. Arnut Rattanapathimakorn | 4. Mr. Somnuek Thungpukdee    |
| 5. Mr. Chanin Ratanavijai       | 6. Miss Sirikul Dhanasarnsilp |

#### Report on the company in shareholding of the Directors and Executives as of 31<sup>st</sup> December

The Board of Directors, Executives together hold does not exceed 25% of the total issued and paid up.

Name	Position	Number of shares 2020	Number of shares 2019	Number of Shares of changes Increase / (Decrease) at 2020	Share-holding in the company (%)
1 Mr. Manu Leelanuwatana Spouses and minor children.	Chairman	- -	- -	- -	- -
2 Mr. Suchai Narongkananukul Spouse and minor children.	Managing Director	106,260 1,900	106,260 1,900	- -	0.10 0.00
3 Mr. Arnut Rattanapathimakorn Spouse and minor children.	Deputy Managing - Director	322,140 24,170	322,140 24,170	- -	0.30 0.02
4 Mr. Chanin Ratanavijai Spouse and minor children.	Director	- -	- -	- -	- -
5 Mr. Somnuek Thungpukdee Spouse and minor children.	Director	150 -	150 -	- -	0.00 -
6 Ms. Sirikul Dhanasarnsilp Spouse and minor children.	Director	498,120 -	498,120 -	- -	0.46 -

	Name	Position	Number of shares 2020	Number of shares 2019	Number of Shares of changes Increase / (Decrease) at 2020	Share- holding in the company (%)
7	Mr. Padoong Techasarintr Spouse and minor children.	ID*, Chairman of the AC	- -	- -	- -	- -
8	Dr. Utid Tamwatin Spouse and minor children.	ID*, AC Member	- -	- -	- -	- -
9	Assoc. Prof. Visavateeranon Krisada Spouse and minor children.	ID*, AC Member	19,500 -	19,500 -	- -	0.02 -
10	Miss Rachanee Luevipasakul Spouse and minor children.	Executive Director	70,930 -	70,930 -	- -	0.07 -
11	Ms. Darunee Supo Spouse and minor children.	Executive Director	- 3,970	- 3,970	- -	- 0.00
12	Mr. Samai Moollakote Spouse and minor children.	Executive Director	300 -	300 -	- -	0.00 -
13	Mr. Koravit Narongkananukul Spouse and minor children.	Executive Director	979,370	979,370	-	0.91
14	Mr. Supachai Taechalaparnarusmie Spouse and minor children.	Internal Audit Manager	161,510	161,510 -	- -	0.15 -
15	Mrs. Sukjai Rachadej Spouse and minor children.	Factory Manager	900	900	-	0.00
16	Mrs. Suwannee Naipongprasit Spouse and minor children.	Factory Manager	- -	- -	- -	- -
		Total	2,189,220	2,189,220	-	2.03

Note \* ID means Independent Director; AC means Audit Committee

**Information of the Board of Directors, Executives, Corporate Secretary, Chief Financial Officer and Accountant and the head of the internal audit.**

1. Name		: Mr. Manu Leelanuwatana	: Age 75 years / Nationality Thai
• Position	: Chairman (Director with authority to sign on behalf of the company) : The Nomination Committee Member		
• Date of appointment	: 7 <sup>th</sup> July 1976		
• Share Holding percentage (%)	: None		
• Shareholding by spouse and underage children	: None		
• Indirect Shareholding	: None		
• Family Relationship between Executives	: None		
• Education	: Bachelor Degree in Mechanical Engineering, Chiba University, Japan		
• Training from Thai Institute of Directors Association (IOD)	: Director Accreditation Program (DAP) 3/2003 : Director Certification Program (DCP) 68/2005		
• Other training	: None		
• Past 5 years experience			
• Related Company and/or Subsidiary	: None		
• Other Listed Companies	: 4 Companies		
Period	Position	Company Name	
2019 - Present	Chairman	Thanulux Plc.	
2016 – Present	Executive Director	Saha Patthana-interholding PCL.	
2004 - Present	Director	I.C.C.International PCL.	
1990 - Present	Chairman	Thai Wacoal PCL.	
1987 - Present	Director	O.C.C PCL.	
2007 – 2019	Director	Saha Patthana-interholding PCL.	
• Other Non-Listed Companies	: 17 Companies		
• Other Companies (Competitive Business related to Company's Business)	: None		
• Any position in other business or other organizations in the previous year which has an impact on the time devoted significant	: None		

**Information of the Board of Directors, Executives, Corporate Secretary, Chief Financial Officer and Accountant and the head of the internal audit (continue)**

2. Name

: Mr. Suchai Narongkananukul

: Age 74 years / Nationality Thai

• Position

: Chairman of the Executive Board

(Director with authority to sign on behalf of the company)

: Managing Director

: The Nomination Committee Member

: The Remuneration Committee Member

: The Corporate Governance and Risk Management Committee Member (CG-RMC)

• Date of appointment

: 10<sup>th</sup> August 1977

• Share Holding percentage (%)

: 106,260 Shares (0.10%)

• Shareholding by spouse and underage children

: 1,900 Shares (0.00%)

• Indirect Shareholding

: None

• Family Relationship between Executives

: Father of Mr. Koravit Narongkananukul

• Education

: Bachelor Degree in Architecture, Tokyo Kogyo University, Japan

• Training from Thai Institute of Directors Association (IOD)

: Director Accreditation Program (DAP) 3/2003

: Director Certification Program (DCP) 68/2005

• Other training

: None

• Past 5 years experience

• Related Company and/or Subsidiary

: 2 Companies

Period	Position	Company Name
2013-Present	Chairman	TPCNIC Co., Ltd.
2014-Present	Director	PT. Dynic Textile Prestige

• Other Listed Companies

: None

• Other Non-Listed Companies

: 4 Companies

• Other Companies (Competitive Business related to Company's Business)

: None

• Any position in other business or other organizations in the previous year which has an impact on the time devoted significant

: None

**Information of the Board of Directors, Executives, Corporate Secretary, Chief Financial Officer and Accountant and the head of the internal audit (continue)**

**3. Name : Mr. Arnut Rattanapathimakorn : Age 64 years / Nationality Thai**

- Position : Deputy Managing Director  
(Director with authority to sign on behalf of the company)  
: Executive Board Member  
: The Corporate Governance and Risk Management Committee Member (CG-RMC)  
: Executive Director Production
- Date of appointment : 26<sup>th</sup> April 1991
- Share Holding percentage(%) : 322,140 Shares (0.30%)
- Shareholding by spouse and underage children : 24,170 Shares (0.02%)
- Indirect Shareholding
- Family Relationship between Executives : None
- Education : Bachelor Degree in Chemical and Textile Engineering, Rajamangala Institute of Technology
- Training from Thai Institute of Directors Association (IOD) : Director Accreditation Program (DAP) 3/2003
- Other training : None

**• Past 5 years experience**

- Related Company and/or Subsidiary : 1 Company

Period	Position	Company Name
2014-Present	Commissioner	PT. Dynic Textile Prestige

- Other Listed Companies : None
- Other Non-Listed Companies : None
- Other Companies (Competitive Business related to Company's Business) : None
- Any position in other business or other organizations in the previous year which has an impact on the time devoted significant : None

**Information of the Board of Directors, Executives, Corporate Secretary, Chief Financial Officer and Accountant and the head of the internal audit (continue)**

4. Name

: Mr. Chanin Ratanavijai

: Age 57 years / Nationality Thai

• Position

: Director (Director with authority to sign on behalf of the company)

: Executive Board member

: Corporate Secretary

: Senior Manager/ Office of CEO

• Date of appointment

: 11<sup>st</sup> May 2016

• Date of appointment to be Corporate Secretary

: 8<sup>th</sup> May 2008

• Share Holding percentage (%)

: None

• Shareholding by spouse and underage children

: None

• Indirect Shareholding

: None

• Family Relationship between Executives

: None

• Education

: Master Degree in Economic, Cleveland State University, USA.

: Bachelor Degree in International Economics, Ramkhamhaeng University

• Training from Thai Institute of Directors Association (IOD)

: Directors Certification Program (DCP) 101/2008

• Training courses related to the company secretary

: Corporate Secretary Development Program from Thai Listed Companies Association (Thailca)

• Other training

: None

• Past 5 years experience

• Related Company and/or Subsidiary

: 1 Company

Period	Position	Company Name
2014-Present	Director	PT. Dynec Textile Prestige

• Other Listed Companies

: None

• Other Non-Listed Companies

: None

• Other Companies (Competitive Business related to Company's Business)

: None

• Any position in other business or other organizations in the previous year which has an impact on the time devoted significant

: None

**Information of the Board of Directors, Executives, Corporate Secretary, Chief Financial Officer and Accountant and the head of the internal audit (continue)**

**5. Name : Mr. Somnuek Thungpukdee : Age 54 years / Nationality Thai**

- Position : Director (Director with authority to sign on behalf of the company)  
: Executive Board Member  
: Acting for Business Manager  
: Factory Manager
- Date of appointment : 12<sup>nd</sup> November 2018
- Share Holding percentage (%) : 150 Shares (0.00%)
- Shareholding by spouse and underage children : None
- Indirect Shareholding : None
- Family Relationship between Executives : None
- Education : Bachelor Degree in Engineering, Khon Kaen University
- Training from Thai Institute of Directors Association (IOD) : None
- Other training : None

**• Past 5 years experience**

- Related Company and/or Subsidiary : 2 Companies

Period	Position	Company Name
2013-Present	Deputy of Managing Director	TPCNIC Co., Ltd.
2018-Present	Vice President Director	PT. Dynic Textile Prestige

- Other Listed Companies : None
- Other Non-Listed Companies : None
- Other Companies (Competitive Business related to Company's Business) : None
- Any position in other business or other organizations in the previous year which has an impact on the time devoted significant : None

**Information of the Board of Directors, Executives, Corporate Secretary, Chief Financial Officer and Accountant and the head of the internal audit (continue)**

6. Name

: Miss Sirikul Dhanasarnsilp

: Age 73 years / Nationality Thai

• Position

: Director (Director with authority to sign on behalf of the company)

: Chairman of the Remuneration Committee

• Date of appointment

: 7<sup>th</sup> July 1976

• Share Holding percentage (%)

: 498,120 Shares (0.46%)

• Shareholding by spouse and underage children

: None

• Indirect Shareholding

: None

• Family Relationship between Executives

: None

• Education

: Master Degree in Commerce and Accountancy, Business Administration,Thammasat University

: Bachelor Degree in Economics, Thammasat University

• Training from Thai Institute of Directors Association (IOD)

: Board and CEO Assessment 2/2003

: Director Accreditation Program (DAP) 3/2003

: Director Certification Program (DCP) 68/2005

• Other training

: Diploma, The Joint State-Private Sector Course (Class 10) from The National Defense College

: Certificate, Capital Market Academy, Class 16, The Stock Exchange of Thailand

• Past 5 years experience

• Related Company and/or Subsidiary

: None

• Other Listed Companies

: 1 Company

Period	Position	Company Name
2004-1 April 2017	Vice Chairman	Thai Wacoal Plc.
2016-Present	Director	Saha Patthana Interholding Plc.

• Other Non-Listed Companies

: 20 Companies

• Other Companies (Competitive Business related to Company's Business)

: None

• Any position in other business or other organizations in the previous year which has an impact on the time devoted significant

: None



**Information of the Board of Directors, Executives, Corporate Secretary, Chief Financial Officer and Accountant and the head of the internal audit (continue)**

7. Name

: Mr. Padoong Techasarintr

: Age 80 years / Nationality Thai

• Position

: Independent Director (ID)

: Chairman of the Audit Committee (AC)

: Chairman of the Corporate Governance and Risk Management Committee Member (CG-RMC)

: The Remuneration Committee Member

• Date of appointment

: 26<sup>th</sup> April 1999

• Share Holding percentage (%)

: None

• Shareholding by spouse and underage children

: None

• Indirect Shareholding

: None

• Family Relationship between Executives

: None

• Education

: Bachelor Degree in Accounting and Commerce, Thammasat University

• Training from Thai Institute of Directors Association (IOD)

: Role of the Chairman Program (RCP) 6/2001

: Director Accreditation Program (DAP) 4/2003

: Director Certification Program (DCP) 55/2005

: Audit Committee Program (ACP) 22/2008

: Monitoring the Internal Audit Function (MIA)3/2008

: Monitoring the system of Internal Control and Risk Management (MIR) 5/2009

• Other training

: None

• Past 5 years experience

• Related Company and/or Subsidiary

: None

• Other Listed Companies

: 3 Companies

Period	Position	Company Name
1993-Present	ID and Chairman of the AC	The Lanna Resources Plc.
2006-Present	ID and Chairman of the AC	Thanulux Plc.
2018-Present	ID and Chairman of the AC	CP ALL Plc.
2003-2020	ID and AC	Kulthorn Kirby Plc.

• Other Non-Listed Companies

: None

• Other Companies (Competitive Business related to Company’s Business)

: None

• Any position in other business or other organizations in the previous year which has an impact on the time devoted significant

: None

**Information of the Board of Directors, Executives, Corporate Secretary, Chief Financial Officer and Accountant and the head of the internal audit (continue)**

8. Name	: Dr. Utid Tamwatin	: Age 71 years / Nationality Thai
• Position	: Independent Director (ID)	
	: The Audit Committee member (AC)	
	: The Corporate Governance and Risk Management Committee Member (CG-RMC)	
• Date of appointment	: 8 <sup>th</sup> August 2019	
• Share Holding percentage (%)	: None	
• Shareholding by spouse and underage children	: None	
• Indirect Shareholding	: None	
• Family Relationship between Executives	: None	
• Education	: Ph.D., Administration and Management College, King Mongkut's Institute of Technology Ladkrabang	
	: LL.M., University of California, Berkeley, USA.	
	: LL.B. (Honor), Thammasat University	
	: Barrister-at-Law	
	: The Joint State-Private Course, Class of 399, Nation Defense College	
	: NIDA-Wharton Executive Leadership Program: Wharton School, University of Pennsylvania, USA.	
• Training from Thai Institute of Directors Association (IOD)	: Director Certification Program (DCP) 3/2000	
• Other training	: Civil Service Executive Development Program: Office of The Civil Service Commission, Program I, Class of XI	
	: Customs International Executive Management Program: Australian Customs Service (CIEMP)	
	: Mini Master of Management, Nation Institute of Development Administration (NIDA)	
	: Economic Value Management (EVM) : State Enterprise Policy Office and Stern Stewart & Co., Ltd.	
	: Programme for Senior Executives in Criminal Justice Administration: Judicial Training Institute, Class 11	
• Past 5 years experience		
• Related Company and/or Subsidiary	: None	
• Other Listed Companies	: None	
• Other Non-Listed Companies	: 4 Companies	
• Other Companies (Competitive Business related to Company's Business)	: None	
• Any position in other business or other organizations in the previous year which has an impact on the time devoted significant	: None	

**Information of the Board of Directors, Executives, Corporate Secretary, Chief Financial Officer and Accountant and the head of the internal audit (continue)**

9. Name		: Assoc. Prof. Krisada Visavateeranon	: Age 70 years / Nationality Thai
• Position		: Independent Director (ID)	
		: The Audit Committee member (AC)	
		: The Corporate Governance and Risk Management Committee Member (CG-RMC)	
• Date of appointment		: 27 <sup>th</sup> April 2009	
• Share Holding percentage (%)		: 19,500 Shares (0.02%)	
• Shareholding by spouse and underage children		: None	
• Indirect Shareholding		: None	
• Family Relationship between Executives		: None	
• Education		: Master Degree in Electrical Engineering, Kyoto University, Japan	
• Training from Thai Institute of Directors Association (IOD)		: Director Certification Program (DCP) 7/2001	
		: Audit Committee Program (ACP) 34/2010	
• Other training		: None	
• Past 5 years experience			
• Related Company and/or Subsidiary		: None	
• Other Listed Companies		: 1 Company	
Period	Position	Company Name	
2010-Present	Chairman of the AC	Thai Stanley Electric Plc.	
• Other Non-Listed Companies		: 1 Company	
• Other Companies (Competitive Business related to Company's Business)		: None	
• Any position in other business or other organizations in the previous year which has an impact on the time devoted significant		: None	

**Information of the Board of Directors, Executives, Corporate Secretary, Chief Financial Officer and Accountant and the head of the internal audit (continue)**

<b>10. Name</b>	<b>: Miss Rachanee Luevipasakul</b>	<b>: Age 64 years / Nationality Thai</b>
• Position	: Executive Board member	
	: Human Resources and Administration Manager <sup>1</sup>	
	: Acting for Business Promotion Manager	
• Date of appointment <sup>1</sup>	: 29 <sup>th</sup> April 2013	
• Share Holding percentage (%)	: 70,930 Shares (0.07%)	
• Shareholding by spouse and underage children	: None	
• Indirect Shareholding	: None	
• Family Relationship between Executives	: None	
• Education	: Bachelor Degree in Business administration, Bangkok University	
• Training from Thai Institute of Directors Association (IOD)	: Director Accreditation Program (DAP) 21/2004	
	: Director Certification Program (DCP) 101/2008	
	: Finance for Non-Finance Directors (FND) 23/2005	
• Other training	: None	
• <b>Past 5 years experience</b>		
• Related Company and/or Subsidiary	: None	
• Other Listed Companies	: None	
• Other Non-Listed Companies	: None	
• Other Companies (Competitive Business related to Company's Business)	: None	
• Any position in other business or other organizations in the previous year which has an impact on the time devoted significant	: None	

Note :

<sup>1</sup> means the date appointed to be an "Executive" as defined by the Notification of the Capital Market Supervisory Board No. Tor Chor. 23/2551

**Information of the Board of Directors, Executives, Corporate Secretary, Chief Financial Officer and Accountant and the head of the internal audit (continue)**

11. Name		: Miss Darunee Supo	: Age 53 years / Nationality Thai		
• Position	: Executive Board member				
	: Accounting and Finance Manager <sup>1</sup> (The person taking the highest responsibility in finance and accounting and also the person supervising accounting)				
• Date of appointment <sup>1</sup>	: 8 <sup>th</sup> May 2014				
• Share Holding percentage (%)	: None				
• Shareholding by spouse and underage children	: 3,970 Shares (0.00%)				
• Indirect Shareholding	: None				
• Family Relationship between Executives	: None				
• Education	: Bachelor Degree in Accounting, University of the Thai Chamber of Commerce				
• Training from Thai Institute of Directors Association (IOD)	: Director Certification Program (DCP) 246/2017				
• Training on continuous knowledge of accounting (Refresh) 6 hours per calendar year					
	Course	Hours of CPD in 2020			
		Accounting	Other	Total	
1.	Update Tax 2020. [Update ภาษีปี 2563]	0	6:30	6:30	
2.	Problems in making accounting transactions at the end of the year - the beginning of the year for bookkeepers. [ปัญหาการบันทึกรายการทางบัญชีในช่วงสิ้นปี-ต้นปี สำหรับผู้ทำบัญชี]	6	0	6	
Total hours		6	6:30	12:30	
• Other training	: None				
• Past 5 years experience					
• Related Company and/or Subsidiary	: None				
• Other Listed Companies	: None				
• Other Companies (Non-Listed Companies)	: None				
• Other Companies (Competitive Business related to Company's Business	: None				
• Any position in other business or other organizations in the previous year which has an impact on the time devoted significant	: None				

Note :

<sup>1</sup> means the date appointed to be an "Executive" as defined by the Notification of the Capital Market Supervisory Board No. Tor Chor. 23/2551

**Information of the Board of Directors, Executives, Corporate Secretary, Chief Financial Officer and Accountant and the head of the internal audit (continue)**

<b>12. Name</b>	<b>: Mr. Samai Moollakote</b>	<b>: Age 64 years / Nationality Thai</b>
• Position	: Executive Board member	
	: IT Manager <sup>1</sup>	
• Date of appointment <sup>1</sup>	: 10 <sup>th</sup> May 2018	
• Share Holding percentage (%)	: 300 Shares (0.00%)	
• Shareholding by spouse and underage children	: None	
• Indirect Shareholding	: None	
• Family Relationship between Executives	: None	
• Education	: Bachelor Degree in Finance and Banking, Ramkhamhaeng University	
• Training from Thai Institute of Directors Association (IOD)	: None	
• Other training	: None	
<b>• Past 5 years experience</b>		
• Related Company and/or Subsidiary	: None	
• Other Listed Companies	: None	
• Other Non-Listed Companies	: None	
• Other Companies (Competitive Business related to Company's Business)	: None	
• Any position in other business or other organizations in the previous year which has an impact on the time devoted significant	: None	

Note :

<sup>1</sup> means the date appointed to be an "Executive" as defined by the Notification of the Capital Market Supervisory Board No. Tor Chor. 23/2551

**Information of the Board of Directors, Executives, Corporate Secretary, Chief Financial Officer and Accountant and the head of the internal audit (continue)**

13. Name	: Mr. Koravit Narongkananukul : Age 28 years / Nationality Thai	
• Position	: Executive Board member	
	: Marketing Manager <sup>1</sup>	
• Date of appointment <sup>1</sup>	: 10 August 2020	
• Share Holding percentage (%)	: 979,370 Shares (0.91%)	
• Shareholding by spouse and underage children	: None	
• Indirect Shareholding	: None	
• Family Relationship between Executives	: Son of Mr. Suchai Narongkananukul	
• Education	: PhD Candidate , Technopreneurship and Innovation Management, Chulalongkorn University.	
	: Master's Degree MBA Global Business Administration, Coventry University, UK.	
	: Bachelor's Degree, Faculty of Engineering Department of Civil Engineering Kasetsart University.	
• Training from Thai Institute of Directors Association (IOD)	: None	
• Other training	: None	
• Past 5 years experience		
• Related Company and/or Subsidiary	: None	
• Other Listed Companies	: None	
• Other Non-Listed Companies	: None	
Period	Position	Company Name
Sep.2016 - Oct.2017	Marketing Executive	The Mall Group Co., Ltd.
• Other Companies (Competitive Business related to Company's Business)	: None	
• Any position in other business or other organizations in the previous year which has an impact on the time devoted significant	: None	

Note :

<sup>1</sup> means the date appointed to be an "Executive" as defined by the Notification of the Capital Market Supervisory Board No. Tor Chor. 23/2551

**Information of the Board of Directors, Executives, Corporate Secretary, Chief Financial Officer and Accountant and the head of the internal audit (continue)**

<b>14. Name</b>	<b>: Mr. Supachai Taechalapanarusmie</b>	<b>: Age 64 years / Nationality Thai</b>
• Position	: Internal Audit Manager <sup>1</sup>	(Head of Internal Audit)
• Date of appointment <sup>1</sup>	: 6 <sup>th</sup> June 2016	
• Share Holding percentage (%)	: 161,510 Shares (0.15%)	
• Shareholding by spouse and underage children	: None	
• Indirect Shareholding	: None	
• Family Relationship between Executives	: None	
• Education	: Bachelor Degree in Accounting, University of the Thai Chamber of Commerce	
• Training from Thai Institute of Directors Association (IOD)	: None	
• Other training	: Tax Auditor	
• experience	: Internal audit more than 15 years	
	: Accounting and taxation for more than 35 years	
<b>• Past 5 years experience</b>		
• Related Company and/or Subsidiary	: None	
• Other Listed Companies	: None	
• Other Non-Listed Companies	: None	
• Other Companies (Competitive Business related to Company's Business)	: None	
• Any position in other business or other organizations in the previous year which has an impact on the time devoted significant	: None	

Note :

1 means the date appointed to be an "Executive" as defined by the Notification of the Capital Market Supervisory Board No. Tor Chor. 23/2551



**Information of the Board of Directors, Executives, Corporate Secretary, Chief Financial Officer and Accountant and the head of the internal audit (continue)**

<b>15. Name</b>	<b>: Mrs. Sukjai Rachadej</b>	<b>: Age 53 years / Nationality Thai</b>
• Position	: Factory Manager <sup>1</sup>	
• Date of appointment <sup>1</sup>	: 21 <sup>st</sup> October 2010	
• Share Holding percentage (%)	: 900 Shares (0.00%)	
• Shareholding by spouse and underage children	: None	
• Indirect Shareholding	: None	
• Family Relationship between Executives	: None	
• Education	: Bachelor Degree in Engineering, Khon Kaen University	
• Training from Thai Institute of Directors Association (IOD)	: None	
• Other training	: None	
• Past 5 years experience		
• Related Company and/or Subsidiary	: 1 Company	
Period	Position	Company Name
2016-Present	Director	TPCNIC Co., Ltd.
• Other Listed Companies	: None	
• Other Non-Listed Companies	: None	
• Other Companies (Competitive Business related to Company's Business)	: None	
• Any position in other business or other organizations in the previous year which has an impact on the time devoted significant	: None	

Note :

<sup>1</sup> means the date appointed to be an "Executive" as defined by the Notification of the Capital Market Supervisory Board No. Tor Chor. 23/2551

**Information of the Board of Directors, Executives, Corporate Secretary, Chief Financial Officer and Accountant and the head of the internal audit (continue)**

<b>16. Name</b>	<b>: Mrs. Suwannee Naipongprasit</b>	<b>: Age 52 years / Nationality Thai</b>
• Position	: Factory Manager <sup>1</sup>	
• Date of appointment <sup>1</sup>	: 21 <sup>st</sup> April 2017	
• Share Holding percentage (%)	: None	
• Shareholding by spouse and underage children	: None	
• Indirect Shareholding	: None	
• Family Relationship between Executives	: None	
• Education	: Bachelor Degree in Education , Science - Chemistry Srinakharinwirot University	
• Training from Thai Institute of Directors Association (IOD)	: None	
• Other training	: None	
• Past 5 years experience		
• Related Company and/or Subsidiary	: None	
• Other Listed Companies	: None	
• Other Non-Listed Companies	: None	
• Other Companies (Competitive Business related to Company's Business)	: None	
• Any position in other business or other organizations in the previous year which has an impact on the time devoted significant	: None	

Note :

<sup>1</sup> means the date appointed to be an "Executive" as defined by the Notification of the Capital Market Supervisory Board No. Tor Chor. 23/2551

### Directors of Subsidiary Company and Associated Company

Name of Director		Subsidiary Company	Associated Company
		TPCNIC Co., Ltd.	PT. DYNIC TEXTILE PRESTIGE
1. Mr. Suchai	Narongkananukul	X	/
2. Mr. Arnut	Rattanapathimakorn		&
3. Mr. Chanin	Ratanavijai		/
4. Mr. Somnuek	Thungpukdee	@	\$
5. Mrs. Sukjai	Rachadej	/	
6. Mr. Yoshio	Oishi	\$	/
7. Mr. Noriaki	Sasaki		&
8. Mr. Satoshi	Kokubo		X
9. Mr. Hisao	Yagihashi		/
10. Mr. Hiroshi	Endo	/	
11. Mr. Kazuhito	Yokoyama	//	

Note X = Chairman

// = Managing Director

/ = Director

\$ = Vice Chairman

@ = Deputy of Managing Director

& = Commissioner

### Legal offence record

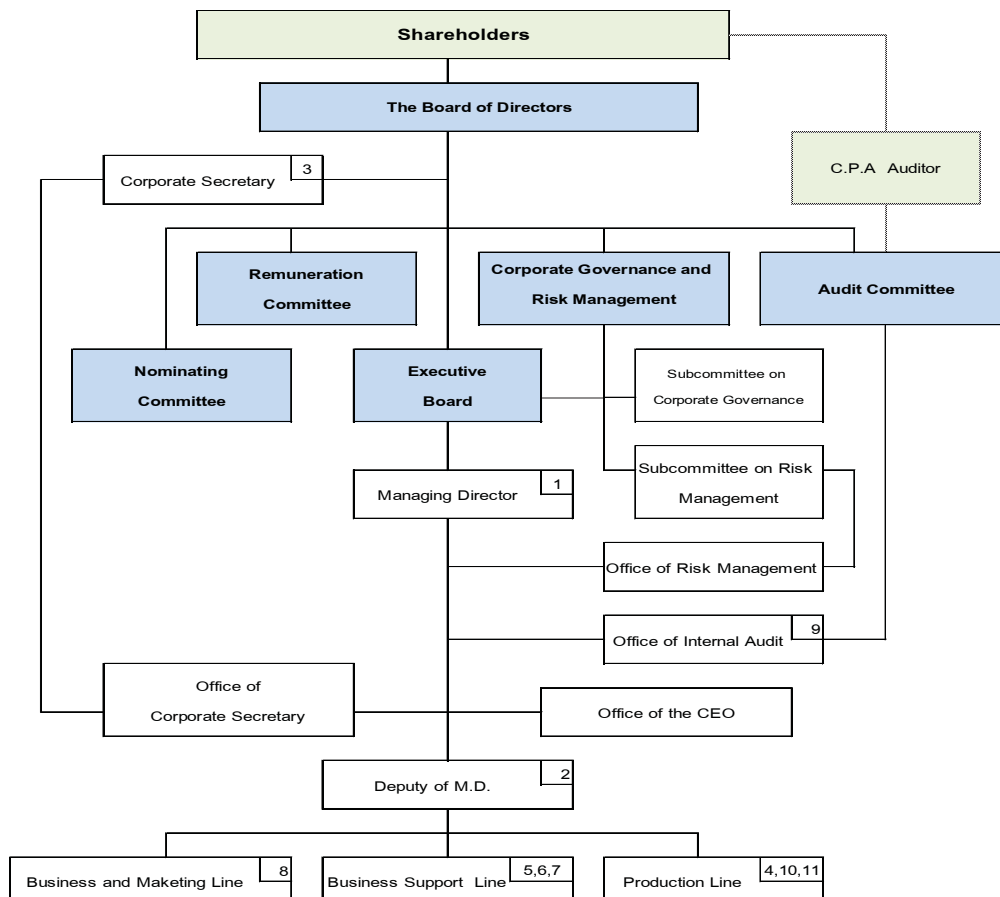
The company hereby warrants that none of its present executives has ever had any legal offence records.

## 2. The Executives

As of December 31, 2020 as the executive as defined by the Securities and Exchange Commission, consists of 11 members as follow;

Name		Position
1. Mr. Suchai	Narongkananukul	Chief Executive Officer and Managing Director
2. Mr. Arnut	Rattanapathimakorn	Deputy of Managing Director and Director of Production
3. Mr. Chanin	Ratanavijai	Executive Director and Senior Manager-office of the CEO and Corporate Secretary
4. Mr. Somnuek	Thungpukdee	Executive Director, Acting for Business Manager and Factory Manager
5. Miss Rachanee	Luevipasakul	Executive Director, Human Resources and Administration Manager and Acting for Business Promotion Manager
6. Miss Darunee	Supo	Executive Director and Accounting and Finance Manager (CFO)
7. Mr. Samai	Moollakote	Executive Director and IT Manager
8. Mr. Koravit	Narongkananukul	Executive Director and Marketing Manager
9. Mr. Supachai	Taechalaparnarusmie	Internal Audit Manager
10. Mrs. Sukjai	Rachadej	Factory Manager
11. Mrs. Suwannee	Naipongprasit	Factory Manager

### Management Structure of company as of December 31, 2020



### 3. The Corporate Secretary

The Board of Directors resolved to appoint Mr. Chanin Ratanavijai, Executive Director, who is qualified, with sound knowledge and experiences since May 8, 2008. He attended a “Corporate Secretary Development Program” from Thai Listed Companies Association.

Corporate Secretary's Authority of must comply with section 89/15 and section 89/16 of the Securities and Exchange Act (no. 4) B.E.2551 to perform with full responsibility, care, and loyalty to gather with, company's objectives, Articles of Association and resolutions of the Board of Directors' meeting & the shareholders' meeting.

The company Secretary is responsibilities as regulated are as follows;

1. To prepare and maintain the following documents:
  - Directors' register
  - Invitation letters to of The Board of Directors' meeting and minutes of The Board of Directors' meetings and Annual reports (Form 56-2)
  - Notice of the shareholders' meeting and minutes of shareholders' meeting.
2. To maintain report of interest reports filed by directors or executives and send copy to the chairman of company and the chairman of Audit Committee for their acknowledgement within 7 working days after receiving such report as stated by section.89/14
3. To carry out other proceedings as prescribed by The Capital Market Supervisory Board.

Together with other Authority of assigned by the Board of Directors, as follows;

- Set up the Board of Directors, Executive Board and the shareholders' meeting.
- To ensure that the company and board members complies with relevant legislation and regulation, Board's/Shareholders' resolutions and the company's good corporate governance policy.
- To monitor and report substantial changes of rules and regulations to the directors/ executives
- To organize the Board of Directors' Self-Assessment

### 4. Remuneration for the Directors and Executives in 2020

Remuneration criteria for the Directors and Executives

The Board of Directors earlier appointed The Remuneration Committee to set the budget and allocation criteria for the directors, based on the comparison with other companies within the same business category, business expansion, the company's growth rate and its performance results, the authority, duty, responsibility scope, and performances by the directors, in term of meeting allowance and yearly remuneration. Such proposal shall be proposed to The Board of Directors' meeting for consideration prior to submitting to the shareholders' meeting for final approval of said remuneration budget.

#### Performance of Directorial Authority of

- Meeting allowance paid to attending directors;
  - Chairman of the Board of Directors 12,000.- Baht per meeting.
  - Director each person of 10,000.- Baht per meeting.
- Annual Remuneration (Gratuity) paid to every director by the Remuneration Committee to consider allocation.

#### Performance of Audit Committee Authority of

- Monthly meeting allowance paid to attending directors;
  - Chairman of the Audit Committee 10,000.- Baht per meeting.
  - Director each person of 8,000.- Baht per meeting.
- Quarterly meeting allowance paid to attending directors;
  - Chairman of the Audit Committee 60,000.- Baht per meeting.
  - Director each person of 30,000.- Baht per meeting.

#### Performance of the Nomination Committee

- Meeting allowance shall be paid to attending directors;
  - Chairman of the Nomination Committee 10,000.- Baht per meeting.
  - Director each person of 8,000.- Baht per meeting.

#### Performance of the Remuneration Committee

- Meeting allowance shall be paid to attending directors;
  - Chairman of the Remuneration Committee 10,000.- Baht per meeting.
  - Director each person of 8,000.- Baht per meeting.

#### Performance of the Corporate Governance and Risk Management Committee

- Meeting allowance shall be paid to attending directors;
  - Chairman of the Corporate Governance and Risk Management 10,000.- Baht per meeting.
  - Director each person of 8,000.- Baht per meeting.

### **4.1 Monetary remuneration**

#### Remuneration of the Board of Director

In 2020 the company paid remuneration to the Board of Directors 9 persons consist of

1. Meeting allowance 7 meetings Total of 644,000.-Baht
2. Annual Remuneration Total of 6,500,000.-Baht

In addition, the remuneration for directors has been approved by the Annual General Meeting of Shareholders and assigned the remuneration committee to allocate according to their responsibilities individually.

#### Remuneration of Sub-Committee

In 2020 the company paid remuneration to Sub-Committee consist of

1. Meeting allowance	Number of persons	Number of times	Amount (Baht)
- The Audit Committee	3 persons	12 meetings	688,000.-
- The Nomination Committee	3 persons	1 meetings	26,000.-
- The Remuneration Committee	3 persons	2 meetings	52,000.-
- The Corporate Governance and Risk Management Committee	4 persons	1 meetings	34,000.-
- The Corporate Governance and Risk Management Committee	5 persons	1 meeting	42,000.-
2. Annual Remuneration – None -			

#### Remuneration of the Executives

In 2020 the company paid remuneration to the Executive consist of Salary, Bonus and Meeting allowance to 11 persons total of 34,796,925.-Baht

Executives' remuneration received from subsidiaries (TPCNIC Co., Ltd.) consists of Salary and Bonus amount 5 persons in total of 3,318,100. -Baht

## **4.2 Other Remuneration**

#### Other Remuneration of the Board of Directors

The company also does not provide other remuneration to directors.

#### Other Remuneration of the Executives

The company has provided the Provident fund. Executives who are members of this fund will need to pay 4 percent of their wages to the fund, and at the same time, the company will pay at the same amount to the fund to support them. When their membership is terminated, they will receive their money back, as well as, the supporting fund from the company and other benefits according to terms and conditions of the fund.

In 2020 the company has contributed the Provident funds for the Executives 5 persons a total of 379,989.- Baht. Other remuneration received from a subsidiary (TPCNIC Co., Ltd.) has contributed the Provident funds for the Executives 1 person, total of 12,405.- Baht.

**Policy and method of compensation including the structure of remuneration for directors and executives**

The Board of Directors assigned the Remuneration Committee to propose the limit of the remuneration of Board of Directors and its criteria to allot to directors and sub-committee members based on experience, duties, scope and roles participation and responsibilities of the each director. That is in line with the company's performance and comparable in the same industry and must be presented to the Board of Directors for consideration and presented to the shareholders' meeting for respectively.

The Remuneration Committee which was authorized by the shareholders will be responsible for allocating remuneration for each director. Directors who are appointed sub-committee members will receive additional compensation in compliance with their duties appropriately under the criteria and not exceeding the approved limit.

The Board of Directors and the Remuneration Committee considered that policy and method of compensation including compensation structure appropriate to the responsibility and can motivate directors and executives to lead the organization and to pursue their goals and in line with the level that is practiced in the same industry.

In the 45<sup>th</sup> Annual General Meeting of Shareholders held on August 4, 2020 the limit of compensation for directors was approved at the not exceeding 12 million Baht per year.

For the management's remuneration, various factors are accounted for they are responsibility, performance of the company, achievement of the assigned policy, the ability to manage and develop the business in line with the company's growth direction. With regard to the determination of appropriate remuneration able to motivate and maintain quality personnel in order to be the main force of the company in driving the organization.

**5 Employee**

In 2020, The company had 533 employees (excluding executives) as of 31 December 2020, and paid employees a total of 170.45 million Baht. The amount included salaries, overtime, meeting allowances, living expenses, bonuses, special allowances, contribution into social security, contribution into provident fund and retirement fund, etc. In addition, the subsidiary paid compensation to employees in the same manner as the company.

TPCNIC Co., Ltd. had 14 employees (excluding executives) as of 31 December 2020, and paid employees a total of 0.91 million Baht.

The Company and its subsidiary don't have labor union.



### Policy on Employee Development

in 2020 affected by the coronavirus (COVID-19) epidemic that needs to be adjusted according to the situation. Policy formulation for human resource development is an important mechanism to increase the competitiveness and increasing the capability to effectively drive business plays a very important role in sustainable growth aspect amid the change and expansion of industry and national economy

The company aims to develop employees to have the necessary knowledge and skills to prepare for future business expansion, as well as to connect with foreign businesses and enhance a more diverse business context in the whole picture, general knowledge that is important and the related to their direct responsibility by using technology in training & seminars such as training via Zoom system or Webinar system, which is used both inside and outside which do not only to attend seminars. The various development methods were used as appropriate such as training, seminars, supervising and mentoring including external and internal curriculum training as follows;

Course	Training course in 2020
1.The knowledge courses for vision, strategy and sustainable management	<ul style="list-style-type: none"><li>- Create readiness to understand: Sustainability Assessment 2020 [สร้างความพร้อม ทำความเข้าใจ: การประเมินความยั่งยืน ปี 2563]</li><li>- Financial management strategies to revive the organization and create growth in the New Normal [กลยุทธ์บริหารการเงินเพื่อพลิกฟื้นองค์กรและสร้างการเติบโตในยุคNew Normal]</li><li>- Sustainable Supply Chain Management (Online - Microsoft team)</li><li>- Business sustainability strategy [กลยุทธ์ด้านความยั่งยืนของธุรกิจ] (Online - Microsoft team)</li><li>- Guidelines for the implementation of the Personal Data Protection [แนวทางการดำเนินการตามกฎหมายคุ้มครองข้อมูลส่วนบุคคล (PDPA)]</li><li>- Corporate Social Responsibility (CSR), CSR-DIW and CG [ความรับผิดชอบต่อสังคมและสิ่งแวดล้อม (CSR), CSR-DIW และCG]</li><li>- Anti-Corruption [การต่อต้านการทุจริตและคอร์รัปชัน]</li></ul>
2.The basic courses For employees in each position and supports the work of the organization	<ul style="list-style-type: none"><li>- IT: HPE Nimble Storage, Zscaler Certified Training</li><li>- Accounting: following Disclosure Form, Update Tax Year 2020, recording problem [ด้านบัญชี: ตามติด Disclosure Form, Update ภาษีปี 2563, ปัญหาการบันทึก]</li><li>- Accounting items at the end of the year - the beginning of the year. For bookkeepers [รายการทางบัญชีในช่วงสิ้นปี-ต้นปี สำหรับผู้ทำบัญชี]</li><li>- Quality assurance: internal quality monitoring [ด้านประกันคุณภาพ: การตรวจติดตามคุณภาพภายใน]</li><li>- Production: On the Job Training in production and maintenance departments [ด้านการผลิต: On the Job Training หน่วยงานผลิต และ หน่วยงานซ่อมบำรุง]</li><li>- Safety in work: the use of machinery and equipment in working properly</li></ul>

Course	Training course in 2020
	<p>Safety (Machine Safety), Driving a forklift safely and correctly  <i>[ด้านความปลอดภัยในการทำงาน: การใช้เครื่องจักรและอุปกรณ์ในการทำงานอย่างปลอดภัย (Machine Safety), การขับรถฟอร์คลิฟอย่างปลอดภัยและถูกวิธี]</i></p> <p>- Using Workplace systems in your organization  <i>[การใช้งานระบบ Workplace ในองค์กร]</i></p>
3.The course is compulsory under the law	<p>- Basic fire prevention and prevention  <i>[การป้องกันและระงับอัคคีภัยเบื้องต้น]</i></p>

## **Corporate Governance**

The Board of Directors approved the good corporate governance policy in writing on February 27, 2014 and has regularly reviewed this policy and practices every year. The company has consistently complied with its principles.

In 2019 The Good Corporate Governance Code (2<sup>nd</sup> Revision version) has been approved by the Board of Directors Meeting No.5/2562 on 24 December 2019. They shall be practicing guidelines and manual for the management thus the resources of the company would be efficiently and effectively utilized in line with the target and could fairly optimize benefits to all stakeholders.

In 2020, the Board of Directors no. 7/2563 on 22 December 2020 had revised the implementation of the principles of good corporate governance for listed companies 2017 (CG Code) by applying to the business context of the company as a whole. As part of the principles of good corporate governance for listed companies for the year 2012 (CG principles), the company has maintained almost all the same practices and add policies and guidelines in accordance with the CG Code by integrating as part of the vision, mission, corporate values, policies and corporate governance manual, business ethics and the code of conduct for company directors, executives and employees as follows;

### **1. Corporate Governance Policies**

The Board of Directors is confident that a proper, transparent and accountable governance system is in place along with checks and balances and an internal control system that is sufficient and appropriate. Alongside these mechanisms are due respect for the rights and equality of shareholders and accountability to all stakeholders. These key factors contribute to the enhancement of the organization's immunity and promotion of a balanced and sustainable growth in the long-term.

In pursuance thereof, the Board of Directors thereby prescribed the following corporate governance policies as a practice guideline for the Company Directors, Executives and all employees.

1. Company Directors, Executives and all employees are fully committed to the application of corporate governance principles, business ethics and Codes of Conduct for Company Directors, Executives and employees to company operations.
2. Company Directors, Executives and all employees must perform their Authority of responsibly, prudently, earnestly and honestly in accordance with the relevant laws, company Articles and Notifications.
3. Actions shall be taken to ensure that the company management structure contains clear prescriptions of powers, Authority of and responsibilities of each Company Committees and Executives.
4. An internal control system shall be installed and risks management shall be managed at suitable levels, including an accounting system and financial statement which are accurate and reliable.

5. Information shall be disclosed in a sufficient, reliable and timely manner to the extent that the legitimate interests of the company are not prejudiced.
6. The ownership rights of shareholders shall be appreciated and respected. Shareholders shall be treated equitably.
7. Undertakings shall have regard to the responsibilities of shareholders, stakeholders, communities, society and the environment.
8. There shall be a determination to strive towards business excellence with commitment to the creation of customer satisfaction by receiving comments and self-assessments in order to enhance management capabilities and continually promote productive creativity.
9. Virtue, ethics and good values shall be instilled. Employees shall be treated fairly with a commitment to develop and enhance the capabilities of personnel.
10. Dishonest conduct, corruption and intellectual property violations shall be suppressed. Laws and human rights shall be respected.
11. Conflict of interests shall be dealt with prudently and reasonably with due regard for the company's interests.

## **Chapter 1: Shareholder Right**

The Board of Directors attaches great importance to the rights of shareholders, without infringing upon or depriving the shareholders of their rights. Both of the shareholders who are major shareholders and minority shareholders, Thai shareholders or foreign shareholders, by the fundamental rights of shareholders including the right to trade and transfer the company's shares, the right to have access to adequate business information, the right to share of the profits of a business, the right to be treated fairly in shares buy back by the company, the right to elect and remove directors, the right to consider on remuneration of directors in all forms, the right to approve the appointment of independent auditor annually, and the right to attend and vote at a shareholder meeting in order to make decision on significant issues that may affect the company such as dividend allocation, amendment to the memorandum and/or articles, reduction or increase of capital, approve the special items, and so on, which are typically defined by state law.

The Board of Directors does not hold shares more than 25% of the issued and paid-up shares. To allow minor shareholders to freely vote on various matters

In addition, the Board of Directors has set a policy to facilitate and promote the attendance of shareholders for supporting the shareholders of the Company. Including institutional of the investors and have exercised their basic rights to attend the meeting and exercise their right to vote at the shareholders' meeting as follows:

## **1) Pre-shareholder Meeting**

- The opportunity for shareholders to send their opinions, questions or propose agenda items in advance of the shareholders' meeting. With clearly defined criteria by the information system of the Stock Exchange of Thailand. Also available on the company's website.
- Opportunity for shareholders to nominate persons to be elected as directors in advance of the shareholders' meeting. With clearly defined criteria by the information system of the Stock Exchange of Thailand. Also available on the company's website.
- Arrangement the meeting invitation and supporting documents to the shareholders at least 21 days (or any other time as required by the law) and announce the newspaper no less than 3 consecutive days for inform the date to appointment of the shareholders meeting according to the law. The meeting invitation and the supporting documents in both Thai and English versions had been published on the Company's website at least 30 days before meeting date.
- Identify important information in the meeting invitation, such as date, time, Place of the meeting. Agenda details. Be supporting documents with the Board of Directors' opinion Rules for vote counting on each agenda to be in accordance with the law. Proxy form as required by law list of independent directors, so that shareholders can choose to appoint a proxy to attend the meeting. Statement on how to appoint a proxy to attend the meeting and the voting in the shareholders meeting. A map of the meeting and place. Including the company's regulations about the meeting of shareholders and voting.

## **2) Action on Shareholders Meeting**

- Fix date, time and place of meeting. Taking into account the convenience of the shareholders. And to provide personnel. And technology is adequate for the number of shareholders.
- Provide the bar code system and arrange for independent auditors to count the votes or check votes and disclose to the meeting also recorded in the minutes.
- The Chairman will explain the rules used in the meeting. Voting procedure to allocate the meeting time appropriately. Include an opportunity for all shareholders to ask. Provide comments and suggestions. Fully the Board of Directors, Audit Committee, sub-committees, relevant executives, and auditors attended the shareholders' meeting to answer the questions in the meeting. Including senior executives, Corporate secretary attend to the meeting.
- In case the shareholders could not attend the meeting by themselves, the Company gives the shareholders the opportunity to appoint a proxy to the independent director or any person as they attend the meeting instead.

In 2020, the Company held the Annual general meeting of shareholders no.45 dated on August 4, 2020, at Moon room, Avani+ Riverside Bangkok Hotel, 257 Charoennakorn Road, Khwaeng Samre, Khet Thon Buri, Bangkok. There were every director of committees, Directors, Executives, Corporate Secretary, Auditor and management executives participating to explain meeting agenda and answer questions from shareholders.

In addition, the company held the Extraordinary Meeting of Shareholders no.1/2563, on 23 December 2020 at Chao Phraya Room, Montien Riverside Hotel, 372 Rama 3 Road, Bang Khlo, Bang Kho Laem, Bangkok. To amend the objectives of the company and support future business operations

Due to the situation of the coronavirus outbreak 2019 (COVID-19), the Company held a meeting in the form of “New Normal” by organizing social exclusion measures. And guidelines for attending the shareholders' meeting under the coronavirus situation 2019 (COVID-19) in accordance with the measures and practices announced by the government sector and inform the attendees in advance



the 45<sup>th</sup> Annual general meeting of shareholders (4 August 2020)





the Extraordinary Meeting of Shareholders no.1/2563 (23 December 2020)



The Company assigned Thailand Securities Depository as registrar to send letter of shareholders meeting and related documents to shareholders for at least 21 days in advance before meeting takes place. The Company also published letter of shareholders meeting and related documents via company's website, [www.gunkul.com](http://www.gunkul.com), for at least 30 days in advance, so shareholders can reach related information regarding shareholders' meeting as convenient and as quick as possible.

For registering and voting, the Company uses barcode system and provides revenue stamp for shareholders to send proxy to company with aim to make it fast and convenient to shareholders. In the meeting, the Company explains voting criteria before meeting starts and gives shareholders opportunity to express their opinions and raise questions in relation to the company and agenda.

### **3) After the Shareholders Meeting**

- Disclosure of the resolutions of the shareholders' meeting and the voting results by the date of the shareholders' meeting. Or slowly by 9.00 am on the next business day from shareholders' meeting. By the information system of the Stock Exchange of Thailand. Also available on the company's website.

- Do the minutes of the meeting shall be prepared with accurate and complete information stating the issues raised by the shareholders and the Board of Directors 'replies to such questions within 14 days from the date of the shareholders' meeting. And submit the minutes of the meeting to the relevant authorities within the time limit. Also disclose the minutes on the Company's website for shareholders and related parties to verification.

## **Chapter 2: Equally Treatment among Shareholders**

The Board has set policies and procedures in various matters. To ensure that all shareholders are treated and protected equally, they are equally protected including the information before the shareholders' meeting, the protection of the rights of minority shareholders Prevention of internal data usage and the prevention of Conflict of Interest, inter-transactions as well as internal controls and internal audits as follows:

### **1) Pre-meeting information and protection of minority shareholders' rights**

- Prepare meeting invitation and meeting documents both in Thai and English by put on the agenda, and opinion of the Board of Directors in the notice of the meeting. And through the information system of the Stock Exchange of Thailand. Also available on the company's website advance at least 30 days before the date of the shareholders' meeting.
- Inform the shareholders of the procedures and rules used in the meeting. Both how to register a proxy and vote.
- Allow the shareholders to send the inquiries. Propose agenda and nominate candidates to be elected as directors in advance of the meeting date. With clearly defined criteria by the information system of the Stock Exchange of Thailand. Also available on the company's website.
- Conduct the shareholders' meeting, according to the agenda set forth in the invitation letter. Without adding unnecessary agenda items advance notice.
- Determine whether the shareholders who are directors or executives disclose information about their interests and related persons. And there is no right to vote on such stake.

### **2) Supervision of the use of inside information**

The Company maintains proper use of inside information in accordance with good corporate governance by setting policies and procedures for the support to directors and executives to use internal information of the company. That is not publicly available for personal gain. Including securities trading as follows:

- The Board of Directors has imposed the Directors and Executives of the Company's reporting obligations and report changes in holding of the Company's securities. Both its spouse and its underage children. To the Office of the Securities and Exchange Commission ("SEC") under Section 59 and penalties under Section 275 of the Securities and Exchange Act BE 1992 (as amended) and submit a copy of this report to the Company Secretary on the same day that, the report is sent to the SEC. Also report to the Good Corporate Governance Committee and the Board of Directors meeting every quarter.



- Set the directors, executives and employees who could access to important internal information that may affect the price change of securities do not act to seek benefits for themselves or others from internal information known before public disclosure and during the 1 month period prior to the disclosure of financial statements, the company prohibits directors, executives and employees use internal information to buy or sell securities, accept or transfer of the Company's securities

### **3) Prevention of Conflict of Interest**

The Board of Directors has a policy to deal with conflicts of interest, the Board shall adopt the following guidelines:

1. Conflicts of interest or connected transactions shall be administered prudently, fairly, and rationally. There shall be a transparent system for approving transactions that takes into account the Company's best interests. Directors with a vested interest in a particular matter shall not have the right to vote on it and shall be required to make a full disclosure in accordance with the rules of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.
2. The Company's interests shall be upheld, subject to legality. No action that would constitute a conflict of interest with the Company shall be taken. In addition, no special benefits or privileges shall be given to any person.
3. Directors and executive officers shall be required to disclose their and related persons' interests in accordance with the prescribed rules.
4. Directors, executive officers, and employees with insider information shall be prohibited from trading Company's securities during the 1-month period prior to public disclosure of the Company's financial statements and 24hours, after the Company's financial statements disclosure.
5. Directors, executive officers, as well as their spouses and underage children, shall have the duty to report their holding of the Company's securities and any changes to their holding to the Board of Directors in the subsequent board meeting.
6. Company information or secrets acquired or acknowledged shall not be disclosed or transmitted to third parties or unrelated persons.
7. Any information disclosure shall be made by authorized employees. Classes of confidentiality may be prescribed in accordance with the significance of the information. Disclosure shall be made within the assigned scope of duties and responsibilities.
8. Directors and senior executive officers shall be required to inform the Chairman about their trading of the Company's securities at least one (1) day before the trading date.

### **4) Connected Transaction**

- If there is a connected transaction, The Company has operated fairly according to the market price and in accordance with the fair and at arms' length and the company shall comply with the law governing securities and exchange, also the regulations, notifications, orders or requirements of the Capital Market Supervisory Board. The Securities Commission and stock exchange. The Stock Exchange of Thailand or any other relevant regulatory authority. Including compliance with the disclosure requirements of the connected transaction of the Company. In accordance with accounting standards prescribed by the Federation of Accounting Professions.

- In the case, that the connected transactions are normal business transactions and normal business support transactions. With general trading conditions, include items to give or receive financial assistance. A listed company or a subsidiary provides financial assistance to a juristic person in which a listed company or a subsidiary is a shareholder. In proportion to their own interest in that, legal entity under the terms of trade in general or better. To comply with the operating framework approved by the Board of Directors.
- In case of connected transaction is other types of transactions are proposed to the Board of Directors for consideration. By compliance with the rules of the relevant regulatory bodies.

## **5) Internal control and Internal audit**

- The Board of Directors, the Audit Committee and the management have a direct responsibility to provide and maintain an internal control system. It also conducts regular reviews of the effectiveness of the internal control system. To ensure reliable information and financial information system.
- The Board of Directors assigned the Audit Committee to review operational independence of the internal audit office; approve, appraise, appoint, transfer, or dismiss the head of internal audit office or any other office responsible for internal audit operations. Supervise to ensure that chief of internal audit office has sufficient education, experiences, and training, adequate to such internal audit operations.
- The Audit Committee, agreed to appoint Mr. Supachai Taechalaparnarumie to be the head of internal audit. The information as work experience, please see under the section "Information of the Board of Directors, Executives, Controlling Persons, Chief Financial Officer, Accountant, Corporate Secretary and the head of the internal audit." Page no. 50
- The Company has appointed an internal audit unit. To be responsible for monitoring the performance of the company. To be effective by reporting the results directly to the Audit Committee.
- The Audit Committee has reviewed the appropriateness and adequacy of the internal control system at least once a year and proposed to the Board for consideration and comments in the Annual Report. And Annual Information Disclosure (Form 56-1)

## **Chapter 3: Roles of Stakeholders**

The company attaches importance and has laid down policies for the treatment of each stakeholder group, both externally and internally including governance official, related department through having responsibility to social, community and environmental.

The company concern on business growth, mutually beneficial which lead to sustainable growth. A Practical is established in manual on good corporate governance. It also includes Corporate Governance Policies, the principles of Corporate Governance, business ethics and Code of Conduct for the Company Directors, Executives and Employees to be confident that all stakeholders will be treated equally and fairly. In case of disadvantage, the company and stakeholder groups shall find the solution that benefit to all party.

The company has never been indicted for relinquishing responsibility in announcing significant information, nor been complained on any violations, namely, labor law, employment, consumers, business competition and

environment. The company has prepared a SUSTAINABILITY REPORT 2020 by analyzing stakeholders for growing together sustainably.

#### **Channels for Stakeholders' Participation**

The Board of Directors gives employees and stakeholders an opportunity to give information or file a complaint on a matter which could constitute a violation of the law, dishonest or wrongful act of an employee, including irregular behavior which could cause a problem or loss to the company. The company also receives complaints on cases where the rights of an employee or stakeholder has been infringed or where they have been treated unfairly.; are able to contact E-mail: [cg@tpcorp.co.th](mailto:cg@tpcorp.co.th) or Telephone: 0-2294-0071 ext. 311, 110 Fax: 0-2294-5627

The company will hear and process all complaints impartially, transparently and fairly. Systematic and just measures for the protection of complainants are provided. Information provided by the complainant is kept confidential in the company.

#### **Measures for the Protection of Complainants**

1. A complainant may choose to remain anonymous if he/she deems that disclosure could lead to insecurity or loss concerns.

2. The company will keep relevant information secret and take into account the safety of the complainant. Measures have been prescribed for the protection of complainants who are employees, including those who cooperate in the investigation of facts. These persons will be protected from unfair treatment as a consequence of the complaint, e.g. disturbances during work, reassignment or termination of employment.

#### **Interpretations**

A supervisor shall be under a duty to take responsibility and give advice to subordinates to ensure knowledge and understanding as well as compliance with the prescribed Code of Conduct. If the Code of Conduct does not provide for any instance, or if there remains a question which renders performance not possible or that a decision cannot be made, the matter shall be consulted with the respectively higher level superior. In the case of a conflict, the decision of the Managing Director, Executive Board and Board of Directors shall be final.

## **Business Ethics**

The company has a policy for the treatment of stakeholders. By writing a manual "The good corporate governance code (the 2<sup>nd</sup> Revision version)" which includes: • CG Policy • CG Principles Code 8 • Business Ethics • Code of Conduct for Company Directors, Executives and Employees, which has been distributed to the Directors Executive and employees in order to be a framework for conducting business ethics, taking into account the balance and fairness for all stakeholders in the code of conduct. Such information has also been published in the company website: [www.tpcorp.co.th](http://www.tpcorp.co.th) as well as developing guidelines for the participation of stakeholders in the sustainable corporate performance. Business ethics are as follows

### **Shareholders**

The Board of Directors performs Authority of responsibly, prudently, earnestly and honestly in order to generate good returns to shareholders on a continual and sustainable basis. In this regard, the following policies and practice guidelines have been prescribed.

1. The ownership rights of shareholders are equitably and fairly respected.
2. Operations are undertaken in accordance with the principles of good corporate governance, which will foster the trust and confidence of shareholders and eventually lead to sustainable growth.
3. The company's businesses are continually advanced to ensure proper returns to shareholders.
4. Significant information which affects or potentially affects shareholders' interests shall be disclosed, whether reports made pursuant to the accounting period or situation reports, pursuant to the relevant laws and notifications. However, no action shall be taken to restrict shareholders' access to company information.
5. A report of the Board of Directors' responsibility for the financial statements in the Annual Report shall be prepared.
6. Minority shareholders shall be given an opportunity to propose matter for inclusion in the meeting agenda and/or to nominate persons for election as Company Directors in the Annual General Meeting of Shareholders.
7. Shareholders are given an opportunity to submit questions relevant to the meeting prior to the shareholders' meeting.
8. Shareholders' meeting notices in both Thai and English are published on the company website [www.tpcorp.co.th](http://www.tpcorp.co.th) at least 30 days prior to the shareholders' meeting day as information for shareholders and to enable the study of information prior to meetings.
9. Shareholders' meeting shall be facilitated. The date, time, venue and procedure must not pose an obstacle to the shareholders' attendance of the meeting. Shareholders who are not able to attend in person must have the opportunity to grant a proxy to other persons to attend the meeting and vote on their behalves.
10. Conflicts of interests must be dealt with prudently, rationally and information must be fully disclosed.

11. The Company's interests and assets shall be safeguarded as a reasonable person would safeguard his/her property. Wrongful interests, whether obtained by direct or indirect means, shall be eliminated.

The company continuously paid dividends and in accordance with the dividend payment policy. In the year 2020, the company has paid the interim dividends 2 times from the retained earnings and the operating results of the year 2019 in the total of 0.60 Baht per share (Sixty satang) as follows;

The 1<sup>st</sup> interim dividend on 21 January 2020, at the rate of 0.16 Baht per share (Sixteen satang), total 17,280,000 Baht (Seventeen million two hundred and eighty thousand Baht only) for the 9-month performance of the year 2019, by paying from the net profit and retained earnings of the BOI which is exempt from corporate income tax.

And to reduce the impact that may occur on shareholders from the postponement of the Annual General Meeting of Shareholders indefinitely due to the epidemic situation of the Coronavirus disease (COVID-19)

The 2<sup>nd</sup> interim dividend on 30 April 2020, at the rate of 0.44 Baht per share (Forty-four satang), total 47,520,000 Baht (Forty-seven million, five hundred and twenty thousand Baht only) paid from the operating results for the date of 1 January 2019 to 31 December 2019 and the retained earnings of the business which pay corporate income tax at the rate of 20 percent.

The 45<sup>th</sup> Annual General Meeting of Shareholders held on August 4, 2020 considered and acknowledged the interim dividend payment and no more the 2019 dividend again as mentioned above.

In 2021, The company will propose to the 46<sup>th</sup> Annual General Meeting of Shareholders' for an approval to pay Dividend for the year 2020, at the rate of 0.60 Baht per share (Sixty Satang), Total of 64,800,000 Baht (Sixty-four million and eight hundred thousand Baht), which is paid from the retained earnings of 20 percent corporate tax-paid business.

The record date to determine the names of shareholders, who are eligible to receive the dividend is on 11 May 2021. The dividend payment will be made on 25 May 2021.

Moreover, the company has made quarterly reports of operational results and disclosed transactions with connected persons under similar terms to third parties via the press release system of the Stock Exchange of Thailand and the company website [www.tpcorp.co.th](http://www.tpcorp.co.th), under the heading "Investor Relations", "Disclosure Business News and the connected transaction"

### **Employees**

The company regards employees as valuable resources and a key factor to the company's success. The following policies and guidelines have been prescribed in this regard.

1. Human dignity and fundamental rights of employees are respected at work. Employee data or confidential information is not disclosed or transmitted to third parties or unrelated persons.
2. Employees are treated in accordance with the provisions of law, regulations and articles governing the company's operations.

3. Employment equality is promoted. There is no discrimination on the grounds of gender, skin colour, race, religion, age, disability or other status that is not directly related to the works.
4. Training and knowledge exchange are sponsored and promoted to encourage learning and skill development throughout, strengthen career security and offer opportunities for advancements pursuant to each person's potential.
5. Employee participation in the determination of the company's direction and development are promoted.
6. Fair compensation is given as suitable for the knowledge, skill, Authority of , responsibilities and performance.
7. Appropriate welfare and benefits are given to employees, e.g. medical expenses, provident fund and a savings cooperative.
8. Channels are provided for employees to communicate suggestions and complaints pertaining to work. These suggestions are considered and remedies will be determined in the interest of all parties and in view of the creation of good working relations.
9. Facilities necessary for work operations are provided and working conditions are maintained with due regard to safety and occupational hygiene as a means of promoting and raising the quality of lives of employees.
10. Employees of all levels are encouraged to participate in social responsibility activities

#### **Compensation and Employee Welfare**

The company has reviewed the compensation and benefits to be allocated to employees annually, to ensure that can compete in the same industry.

In addition, The Company has established the Provident Fund for employees' long-term benefits to promote the money saving for their future as well as to persuade employees to loyalty work for the company. For members of the Provident Fund, they will monthly receive 3-4% of the wage as monthly contribution, and they will also pay the same. Amount deducting from their wages for their accumulated fund. When the employment is terminated, the employees will receive accumulated fund, contribution and the net profit of the fund.

The company set up the welfare committee in the workplace for employees to participate in the administration of welfare as a mediator to help the welfare of employees for the good quality working life as the following details:

- Welfare on the Development of Employees
  - Promotion of education during working hours and after working hours
  - Training constantly on working knowledge, conducted by the company and others, such as Textile Knowledge, Anti-Corruption Policy.
- Welfare on Living-Cost
  - Bonus, shift payment and experiential payment
  - Provision of uniform for both daily and monthly employees
  - Transportation allowance; vehicle, gas and telephone
  - Provision of welfare for accidents, the death of parents and spouse
  - Provision of hygienic canteen with reasonable price

- Allowance when the employee died which paid to the person who has the legal
- Welfare on Saving
  - The Provident Fund
  - A savings cooperative.
- Welfare for Development of Employees'
  - Scholarship for employees' children of the Saha Group
- Welfare to promote stability in the future.
  - Provide a pension to employees the benefits after retirement.
  - Reward and a token of appreciation to employees who work 10, 20 and 30 years.
  - Housing loans with the Bank.
- Health Welfare
  - Clinic & medicine
  - Health examination regarding working risk factors.
  - Gift Baskets for visiting sick employees

### **Work Safety and Occupational Health**

Since the company focused on the significance of work safety and occupational health, the Committee of Safety, Health and Environment at Workplace was appointed to provide a welfare for the safety and good health of employees. The company provides 24-hour security officers, fire alarms, warning alarm, fire extinguisher, fighting and evacuation drills as well as the first aids training. In this regard, the following guidelines have been prescribed.

1. Business undertakings shall comply with laws, regulations and policies on safety, occupational hygiene and working environment with due regard to the safety of life and properties as well as to the impact on the health of employees, trading partners and stakeholders. Regular monitors and safety assessments must be conducted.
2. Occupational safety shall be promoted. Work regulations, procedures and standards are prescribed to ensure working safety consistent with risks. Working environment and safe work procedures are improved. Tools and equipment for safety protection are also provided to employees.
3. Preparations are made for emergency events. An emergency plan has been devised and regular drills and improvements are carried out. This is to prevent and minimize any loss to life or properties of the company, employees, trading partners and related persons.
4. A safe working culture has been built for the entire organization to ensure sustainably safe work operations.

In 2020, the company recorded statistics of accidents from work and revealed in a SUSTAINABILITY REPORT 2020, which had no serious accidents.

### Channel for Employees' Communication

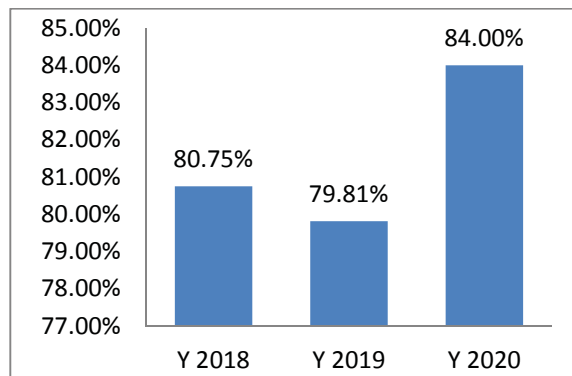
The company has provided a channel of communication for employees to make suggestions and identify problems between the employees and their superiors. And operated by a mechanism that does not affect employees who report such abuse. Which has been preserved as a company secret, are able to contact Executive Directors through directly the Subcommittee of good governance via E-mail: cg@tpcorp.co.th or Telephone: 0-2294-0071 Ext. 311, 110 or Fax no. 0-2294-5627

### Customers

The company realizes that customer satisfaction and confidence are key factors which contribute to the company's sustainable success. The following policies and guidelines have been prescribed in this regard:

1. The company operates the businesses of manufacturing, product distribution and services which are safe for consumers and environmentally friendly.
2. Businesses are operated with commitment to develop goods and services, introduce new innovations and add value to goods and services in order to continually meet the demands of customers along with the disclosure of necessary information for decision-making without concealment or distortion of facts.
3. Businesses are operated in earnest, honest and fair values and no action is taken that would violate the rights of customers. The confidentiality of customer trade secrets are maintained and not exploited for wrongful personal gains or for the gains of others.
4. The company does not demand, receive or consent to the direct or indirect receipt of properties or other dishonest benefits from customers.
5. The company adheres to trade agreements. In the case where adherence is not possible, the customer would be notified in advance in order to jointly find a remedy and prevent loss.
6. The company provides communication channels to enable customers to file complaints to the company. Channel for customer complaints, inquiries and suggestions about the quality of products and services conveniently, Complaints are processed with care and dealt with fairly. can contact Managing Director through directly the Subcommittee of good governance via E-mail: cg@tpcorp.co.th or Telephone: 0-2294-0071 Ext. 311, 110 or Fax no. 0-2294-5627

### Results of customer satisfaction surveys regarding products and services from 2018-2020





### **Trading Partners**

The company realized the significance of impartial and fair treatment with business partners. On the basis of fair business return, the business partner will not disgrace the company's reputation nor commit any violations by prescribing the following policies and guidelines.

1. The company has a system for screening trading partnership the value chain who operate businesses in compliance with the law, safety and occupational hygiene standards, and friendliness to the environment. Trading partners are treated on the basis of fair competition, equality and mutual respect.
2. The confidentiality of secrets or communications of trading partners are maintained and not exploited for wrongful gains of oneself or of others.
3. Relationships and good understandings are fostered. Knowledge is exchanged. Developments and value adding to goods and services are jointly undertaken to promote mutual growth.
4. The company adheres to trade agreements and makes proper representations of data. In the event that an agreement cannot be complied with, the company will expeditiously engage in early negotiations with trading partners in order to reach a mutual remedy and loss prevention solution.
5. The company does not demand, receive or consent to the receipt of properties or any other benefits outside trade agreements.

### **Criteria for Selecting Trade Partners**

The company has a fair and transparent standard for selection, assessment and examination adhere to the business stability and reliability of the business partners. Including able to meet the needs of the company as well creating company's Approve Vendor List. Upon passing the criteria, they will be selected as a business partner with a potential to work with the company. The partner assessment form is used for assessing their potential in terms of the availability of services, production capacity, as well as their history of social responsibility and corporate governance concerns to ensure that they are not affecting society and the environment as a whole.

### **Measures to reduce the risks from trading partnership**

It is an important part of the business operation of the company, once the partner has been selected. The company has an audit process by establishing a review plan to audit suppliers every year (Supplier Audit) or to visit the area or self-assessment (Supplier Process Audit Check Sheet) to evaluate the performance and to ensure that the work can be managed in a level that does not affect the business, society and the environment as a whole, then formulating of remedial plans including evaluation after the corrective action according to the plan.

Suppliers whose performance does not meet the required standards must develop a corrective action plan to improve standards taking into account the quality, quantity, safety in production and delivery. Including compliance with the company's requirements.

### **Creditors**

The company is committed to undertaking business operations in a principled and disciplined manner in order to build the trust of creditors by prescribing the following policies and guidelines.

1. All creditor groups shall be treated equitably and fairly.
2. Contracts and terms will be strictly adhered to.
3. Operations will be administered to ensure the confidence of creditors in the company's financial standing and credit rating.
4. Financial standings shall be accurately and timely disclosed.
5. In the event of an inability to comply with a particular term, the creditor will be forthwith notified in advance in order to enable a joint solution for remedy and loss prevention.

The company applies Direct Credit, transferring system of Bank to facilitate all creditors. The company has only business creditor, and never been complained of default during the previous year.

### **Competitors**

The company operates businesses in accordance with the provisions of law. In this regard, the following policies and guidelines have been prescribed.

1. The company shall conduct its businesses within the rules of fair competition with due regard to business ethics and trade competition laws of various countries in which the company operates.
  2. The company will not damage the reputation of its trade competitors.
- In 2020, there was no any dispute about competitors.

**Labor** The company oversees that the operations of all branches do not employ illegal labor.

### **Non-violation of Human Rights**

The company has conducted the business with strictly respect to law and human rights and the employees that receive the honor and respect the rights of individuals equally not discrimination, whole the separation of color, race region, sex, social practices as the main base area of human rights. In this regard, the following policies and guidelines have been prescribed.

1. There shall be no activities or support of activities which violate human rights.
2. Employees are provided with knowledge and understanding of human rights which are applied to work operations.
3. There are no limitations to independence or differences in ideology, gender, race, religion, politics or other matters. The expression of opinions which could cause conflicts or divisions should be avoided.
4. Channels shall be provided for employees or persons who believe that their personal rights have been violated or that they have been treated unfairly to file a complaint with the company. Such complaints shall be given attention and processed fairly. Can contact Executive Directors through directly the Subcommittee of good governance via E-mail: cg@tpcorp.co.th or Telephone: 0-2294-0071 Ext. 311, 110 or Fax no. 0-2294-5627

Employees are entitled by law to defend themselves from any accusations of malpractice or cheating, and no employee has been terminated. Throughout the period of business operation, the company has never treated employees impartially, nor been complained on this issues.

### **State Sector**

The company undertakes businesses in compliance with the rules and regulations enacted by the State. In this regard, the following policies and guidelines have been prescribed.

1. Knowledge and understanding of the laws governing operations are acquired and no activities are undertaken which would be inconsistent with the law.
2. Proper action shall be taken when conducting transactions with an official or agency of the State.
3. Good relations are fostered between the company and the State sector within suitable bounds.
4. Relevant laws and business traditions are observed in each country or locality.

### **Community and Society**

The company operates businesses with due regard for the Authority of and responsibilities owed to the nation, community and society as well as local traditions in order to maintain a desirable society and participation. In this regard, the following policies and guidelines have been prescribed.

1. A business which could lead to a deterioration of society shall not be undertaken and the rights of others in the community and society shall not be violated.
2. Consciousness of responsibilities towards the community and society as a whole shall be instilled continuously for the benefit of the company and all levels of employees.
3. Measures shall be provided for the prevention and remedy of impact on the community and society as a consequence of the company's operations.
4. The preservation of local culture and traditions shall be promoted.
5. Cooperation shall be entered into with various agencies for the development of communities.
6. Public benefit activities shall be sponsored.
7. Incomes shall be generated and the community economy shall be promoted through employment of community members and use of community products.
8. Good relations shall be fostered between the company and the community and society on the basis of propriety, transparency and fairness.

The company has events or participated in activities. Associated with the development and ongoing community.

### **Environment**

The company realized the significance of responsible for environment and concerns on impacts of business operation towards natural resources and environment. Thus, it has been stipulated as one of company's vision and missions. In this regard, the following policies and guidelines have been prescribed.

1. Businesses shall be undertaken in accordance with laws, regulations and policies on the environment with due regard for the impact on natural resources and the environment and regular revisions and assessments of performance results shall be undertaken.
2. An organizational culture and consciousness of employees at all levels shall be promoted to encourage cooperation and responsibility for the efficient and sustainable management of the environment and utilization of resources.
3. Knowledge promotion and environmental training shall be extended to employees. The company has published a knowledge environment for employees via the intranet. Information Board as well as employee training, knowledge of the environment continues.
4. Environmental management system shall be promoted, from the economical use of resources to the sustainable treatment and rehabilitation, replacement, monitoring and prevention of impact on natural resources.
5. There is a system for selection of trade partners in the value chain who undertake businesses in an environmentally friendly manner.
6. Environmentally friendly technology is developed and published.

Conducting the video conference at the head office with the branch companies as a mean to reduce global warming, risks and transportation fee.

In addition, the company has been conducting CSR in process continuously. Factory 5 has been certified by the Corporate Social Responsibility Continuous Program of Department of Industrial Works (CSR-DIW Continuous) for the 5<sup>th</sup> year (from 2015 to present).

The Factory 2 was certified by the Corporate Social Responsibility Continuous Program of Department of Industrial works (CSR-DIW Continuous) for the 2<sup>nd</sup> year (from 2018 to present). Both Factory 5 and Factory 2 also receive Green Industry Level 3 certification (having an environmental management system equivalent to ISO 14001) from the Department of Industrial Works.

Also, Factory 1 was certified by the CSR Beginner which is considered a project that promotes social responsibility for industrial entrepreneurs and sustainable development as well.

In addition, the Company has continued CSR in process activities. TPCORP received a certificate of the CSR-DIW Continuous Award in 2020, Factory 5 and Factory 2 has been certified by the Corporate Social Responsibility Continuous Program of Department of Industrial Works (CSR-DIW Continuous) for the 6<sup>th</sup> year and the 3<sup>rd</sup> year respectively. Factory 1 has been certified by the CSR-DIW award for the first year, and all 3 factories were also certified Green Industry level 3 (having an environmental management system equivalent to ISO 14001) from participating in the CSR DIW program, the project that promotes the Social responsibility of industrial entrepreneurs and sustainable development which organized by the Department of Industrial Works



#### **Encouraged to use resources efficiently.**

The company had Committee on Energy Conservation with representatives from all departments in the company to foster creativity and encourage employees to monitor the use of resources more efficiently and cost effectively. Provide a control energy system that does not waste energy and awareness for employees and organizations involved in all aspects of the energy savings continuously in electricity savings by using LED lights, oil saving by car pool, and water saving by turn off the water while brushing teeth. Reuse paper etc. Encourage saving behavior both the workplace and in the household.

#### **Policy of Non-infringement of Intellectual Property**

The company operates business based on business ethics conducts and integrity principle, the company adheres not to engage in intellectual property infringement, by creating our business innovation on our own. The Board of Directors pursues a policy of non-infringement of intellectual property by prescribing the following guidelines.

1. Business undertakings shall be consistent with laws, regulations and contractual obligations governing intellectual property rights.
2. Intellectual property works of the company shall be maintained. Such intellectual properties shall not be used or allowed to be used by others without authorization.

3. The intellectual property rights of others shall be respected. The works of others shall not be infringed or applied to personal use except where a license has been obtained or a fee paid to the owner of the work.
4. Intellectual property of creative works produced by employees shall vest in the company. Upon termination of employment, such intellectual property works must be returned to the company regardless of the form which it is stored.

#### **Policy and Guideline on Anti-Corruption and Anti-Bribery Practices in Business Operation**

The Board of Directors of Textile Prestige Public Company Limited has approved the resolution to sign a Declaration of Intent of Collective Action Coalition Against Corruption enacted by Thai Private Sector on February 27, 2014. In order to be in compliance with the company's Corporate Governance as well as corroborate its aims and Corporate Social Responsibility as a whole, the company follows the policy relevant to laws countering corruption by prohibiting the company directors, executives and employees from accepting or supporting every type of corruption both in direct and indirect manner, which is written for exercising it as follows;

1. The company will not be a party to pay bribes. In case of contributions to charity, to political parties as well as offering gifts in a business manner, this must be transparent, explainable and audited.
2. Supporting enhancement of awareness and value for anti-corruption among the company directors, executives and employees to perform Authority of in accordance with relevant laws, notifications and regulations by preparing such manual for guidelines.
3. The company directors, executives and employees must not act as an intermediary in demanding and accepting gifts or benefits from government sectors or private sector, which induces to violate the laws. Moreover, it is illegal to use positions and/or Authority of to use the company's data to seek benefits for oneself or others.
4. Setting the system to report financial status transparently and accurately, providing an efficient and effective internal control system, and controlling check-and-balance system to be appropriate in order to prevent conducting any fraud or taking part in any fraud and corruption.
5. Monitoring and reviewing the anti-corruption policy, guidelines and regulations consistently for operation in order to adjust with business changes, laws and regulations.
6. Opening channel for reporting any suspected activity and ensuring that such reporters receive protection.

Throughout the period, the company conducts business with integrity, fairness, and the complaint does not appear to be the case or business bribery of the company. The company was certified and accepted as a member of The Private Sector Collective Action Coalition Against Corruption (CAC) since October 14, 2016, the company was certified as a member of the Private Sector Collective Action Coalition Against Corruption from the Collective Action Coalition and has re-certified as a member (Re-Certification) on 5 August 2019, by accepting the announcement on 18 October 2019

Although this policy was established for the company, the company has been monitoring and evaluating the implementation of the policy. Communicated this policy to all subsidiaries and other companies under its supervision to build credibility and good image for the group as a whole. The company has provided training to employees on anti-corruption issues both Sriracha office and Bangkok Office on November 5-6, 2020 respectively.

### **Policy and Principles of giving or receiving gifts or other benefits**

The company allows the Executives and employees to give or receiving gifts on special traditional occasions, which have no influence on the decision-making in business operation. In other words, giving or receiving gifts has been done with transparency. In this regard, the following guidelines have been prescribed.

1. No receipts or grants of gifts, tokens or receptions which may influence a decision shall be made. If there is a necessity to receive or grant a gift, token or reception in accordance with tradition to a value in excess of normal circumstances, a report shall be filed with the respective supervisors.
2. In the case of an assignment or authorization by a supervisor to assist in an external agency, monies, objects or gifts may be received in accordance with the generally applicable rules or standards prescribed by such an agency, e.g. gifts, tokens or lucky draws.
3. In the case where an agent, contractual party, partner or any other person wishes to grant a gift, token or reception to the company, prior authorization must be obtained from the company.
4. Expenses pertaining to these matters shall be maintained within a reasonable budget.

The Board recognizes the importance of all stakeholders. Last year, the company has not been commented by any regulator concerning non-disclosure of a significant event. The company also has not violated any law concerning labor, employment, consumer, competition and environment.



### **Whistle-blowing and Complainant**

Any stakeholder or Employee, who attempts to act on behalf of the company or was involved in bribery or corruption, either directly or indirectly, shall be deemed to have committed a fraudulent offense against the rules, regulations, and company policies. Failure to follow the Code of Conduct of set out for Directors, Management and Employees may be reported to the company to act upon the complaint allowing for the accused to be treated fairly in practice.



1. The channels of complaint, practices are as follows:  
 Direct verbal complaints or complaints in writing.  
 - Internal Audit Manager, Tel: 0-2294-0071 Ext. 210  
 - HR Manager, Tel: 0-2294-0071 Ext. 110  
 - Company Secretary, Tel: 0-2294-0071 Ext. 220  
 - Accounting Manager, Tel: 0-2294-0071 Ext. 130
2. Complaint via the company website at [www.tpcorp.co.th](http://www.tpcorp.co.th) or E-mail Address: [cac@tpcorp.co.th](mailto:cac@tpcorp.co.th), that will be sent to above complaint recipient.
3. Complaint box: The complaint box will be opened daily by unit manager and the documents will be sent to the Chairman of the Subcommittee on Good Governance.
4. Mail to Textile Prestige Public company Limited No. 489 Rama 3 Rd., Bang Khlo, Bang Kho Leam Bangkok 10120.

The company will hear and process all complaints impartially, transparently and fairly. Systematic and just measures for the protection of complainants are provided. Information provided by the complainant is kept confidential in the company.

#### **Informant protection**

The company will keep relevant information secret and take into account the safety of the complainant by concealing their names, addresses, or any kinds of information which can identify the complainant. The information shall be confidential limited to only those with the responsibility to investigate the complaint or who shall be deemed to comply with measures to protect the complainant as defined in the Code of directors, management and employees.

#### **Investigation Audit**

1. The complaint officer will investigate and gather facts or assign designated individuals or entities acting on behalf of the trustees.
2. Those investigators or receiving complaints can invite employees to give information or to send any documents relating to the investigation.
3. Where a decision is made on the evidence of a complaint, the recipient of the complaint shall report to senior management in order for them to report to the Committee on Good Governance and Risk Management, The Audit Committee and The Board of Directors operates refer the matter to the managing Director for further action.

If the complaint to be true, there will be disciplinary action or laws. HR Department punished according to the regulations of the company or refers the matter for further proceedings.

In the case of complaints, causing damage to anyone, it is proposed to mitigate the damage to the victim's rights and in order to be fair.

For urgent cases the receiving of complaints, reporting directly to the Managing Director to carry out urgent. Then report to senior management to report to the Committee of corporate governance and risk management or audit committee and then informed the Board of Directors.



## **Chapter 4. Disclosure of Information and Transparency**

The Board of Directors recognizes the quality of information, accurate, sufficient, expeditious, nondiscriminatory and fair information disclosure which are easy accessible to all stakeholders and party in order to engender the confidential.

### **4.1 Corporate Governance**

The company arranges the Good Corporate Governance Policies, Good Corporate Governance Code, Business Ethics and Code of Conduct for Company Directors, Executives and Employees, in writing and provide to all directors, executives and staff including public relation billboard, Form 56-1, annual report and company website.

### **4.2 Importance information regarding financial and non-financial**

The Board of Directors has carried out the disclosure of the company's significant data, including financial data and non-financial data as required under the Regulations of the Stock Exchange of Thailand and the SEC. Such disclosures were accurate, complete, timely and transparent, having been reviewed under the prescribed procedures. The information was published in both Thai and English via channels of the Stock Exchange of Thailand ([www.set.or.th](http://www.set.or.th)) and the company website.

- The information shown in the report (Form 56-1), and the company annual report was transparently and completely disclosed in every aspect, according to the criteria of Disclosure of the Stock Exchange of Thailand and the Securities (SET) and Exchange Commission Thailand (SEC). In order to provide shareholders information in making the investment decision, the information has regularly been updated and has disclosed an annual report within 120 days after the fiscal year. In 2020, the company has published an annual report on the SET on 31 March 2020.

- In the previous year, the company has not been charged on any violation of SET or SEC Criteria of Disclosure.

- Regarding the Financial Statement Yearly and quarter, the auditors have audited them with approval from the Audit Committee and the Board of Directors. Subsequently, the company has launched to the public via the website of the Stock Exchange of Thailand. By The SEC will receive the same information that investors can use as information in considering investment decisions.

The company auditors are knowledgeable, skillful, independent, and approved by the SET and SEC. Besides, the auditors do not have business relationship with company, parent company, subsidiaries, Executives, major shareholders, relation with any of them. Thus, the auditors have the independent rights in auditing and commenting on the company's financial statement.

The company sent financial statement to SET and SEC on time and not ordered to correct.

### **4.3 Report on the Board of Directors' Responsibilities with respect to the Financial Statements**

The Board of Directors appreciates the significance of preparing an accurate and complete financial statement in accordance with accounting standards. The disclosure of such data have been reviewed by independent auditors and approved by the Audit Committee and Board of Directors before publication to the shareholders. Also, in order to secure confidence, the Board of Directors have prepared

a report on the responsibilities of the Board of Directors to the financial statements, published in the Annual Report and Form 56-1 together with the Auditor's Report.

#### **4.4 Connected Transaction (related party transactions) and /or Acquisition or Disposition of Assets**

All Transaction should be approved by the Audit Committee and the Board of Directors so as to avoid any conflicts of interest. It should be carefully prepared for the best interest of the company and shareholders. The approved report was presented to the SET in both Thai and English languages, and disseminated in the company's website, annual report and Form 56-1, according to the regulations of SET.

In 2020, The Board of Directors has approved the connected transaction which set by regulations of SET and SEC. The transaction does not exceed the approved limit. Details appear in the topic "Connected Transaction" page no. 121

#### **4.5 Conflict of Interest**

The Board of Directors and the Executives has to present the report of stock transaction, company's shareholding, their stake holding included the dependents i.e. spouse and minors related to the company's operation. In case of any changes, they have to report to the Board of Directors. The criteria of disclosure are as follow:

- Report on the first office holding as the Director or Executive
- Report on any changes of stake holding data
- Report at the end of year
- In case of termination and reappointment as the Directors in a consecutive way, the Directors shall not present new report if there is no change of stake holding.
- The Directors and Executives should present report of stake holding to the Secretary within 1 month after being elected/ appointed and incase changes within 3 months. After that, the Corporate Secretary will send the copy of report, within 7 days, to the Chairman of Board Directors and Chairman of Audit Committee.

#### **4.6 Management and tax operations of the company**

Textile Prestige Public Company Limited realizes the importance on tax practices in order to make tax preparation and management of the Group of Companies appropriate and sustainable and to enhance utmost benefits of the stakeholders by complying with the relevant laws and regulations of the country including implementation of transparent and trustworthy tax policy, hence tax policy has been specified as follows:

##### **1. Guidelines on tax planning and practices**

- Tax planning must be correctly undertaken so that taxes shall be completely paid pursuant to criteria, methods and conditions specified by the laws. Tax incentives must be effectively applied for tax saving purposes.

- ## 2. Tax Advisor

#### 4.7 Policy on Corporate Social Responsibility

## 4.8 Investor Relations

● Mr. Chanin Ratanavijai                      Director and Corporate Secretary  
Telephone : 0-2294-0071 ext.220              Fax: 0-2294-2386  
E-mail : investor@tpcorp.co.th              Website: www.tpcorp.co.th

85

Apart from financial report or other information technologies to the Stock Exchange of Thailand (SET) and Securities Exchange of Commission (SEC) via designated channels completely, precisely and timely, the company has revealed more information on several issues accordingly;

1. The disclosure of structure of shareholding, including name of the first ten major shareholders as closing date in the annual report and company website
2. The disclosure of the Directors, Independent Directors and Sub-Committee, including their backgrounds, roles, Authority of and responsibilities, numbers of meeting attendance, and training issues, which also disseminated in the company website.
3. The disclosure of characters of company's operation and management, analysis on industrial situation and competitive potential, analysis of performance, and financial status of the company.
4. The disclosure of risk factors in operating, types of risks, causes and effects, as well as guidelines to prevent or decrease risks.
5. The disclosure of policy on distribution of dividend.
6. The disclosure of internal control and risk management
7. The disclosure of company's quarterly financial statement reported in Thai and English on the company's website, which is able to download.
8. The disclosure of annual report and notice of the shareholder's meeting in Thai and English on the company website, which is able to download.

#### **Chapter 5; Responsibility of the Board of Directors**

The Board of Directors appreciates the importance of good governance. Continual undertakings are implemented to ensure that Company Directors, Executives and employees are aware and comply with standards under the framework of the Code of Conduct and conduct oneself honestly, cautiously and prudently for the greatest benefit of the company and all related parties. Responsibility of the Board of Directors are follow; -

1. The Board of Directors has prescribed a structure for the Board of Directors comprising of persons having a diverse range of knowledge, competencies and experiences, without limitation to gender, and having the qualifications required by law. At least one Company Director is a Non-Executive Director who has experience in the Company's business undertaking. There are also Independent Directors as required under the Notification of the Office of the Securities and Exchange Commission.
2. The Board of Directors has provided a definition for an Independent Director which meets the minimum requirements of the Office of the Securities and Exchange Commission.
3. The Board of Directors has appointed Committees to screen key matters prior to submission to the Board of Directors.
4. The Board of Directors has issued a charter for each Company Committee by prescribing the tenure and scope of powers and duties to clearly demarcate the roles, duties and responsibilities of each Company Committee and the management.

5. The Board of Directors has a policy which requires Company Directors and Executives holding directorial positions in other companies to make a disclosure to the Company Chairman and Chairman of the Audit Committee.
6. The Board of Directors has provided for a Company Secretary to perform duties prescribed by law and as entrusted. The qualifications of a Company Secretary should be a person possessing knowledge of law or accounting, or who has completed training relating to the performance of company secretarial duties. Continual training and knowledge development are also continually provided.
7. The Board of Directors has prescribed policies for governance, business ethics and codes of conduct for Company Directors, Executives and employees to ensure a harmonized approach.
8. The Board of Directors has prescribed a Company vision and mission so that the Company Directors, Executives and employees would strive towards the same goal.
9. The Board of Directors has a policy of continually promoting and sponsoring the development of knowledge amongst Company Directors, Executives and employees.
10. The Board of Directors prescribes an annual meeting schedule in advance every year. The determination of agenda takes into account the fair interests of shareholders and all stakeholders. All Company Directors enjoy independence in the expression of opinions. A Company Director having an interest in an agenda shall not have the right to vote in such agenda.
11. The Board of Directors prescribes a duty for Company Directors to attend all Board Meetings unless there is a necessary cause.
12. The Board of Directors has a policy of encouraging senior Executives to attend Board Meetings.
13. The Board of Directors provides Non-Executive Directors with opportunities to meet among themselves in the absence of the management when necessary. The Managing Director shall be notified of the meeting outcome.
14. The Board of Directors has a policy of promoting the Company Directors' access to essential additional information from the Managing Director, Company Secretary or other assigned Executives within the scope of the set policies. In the event of necessity, the Board of Directors may obtain independent opinions from advisors or external professionals on the Company's expenses.
15. The Board of Directors has implemented measures pertaining to conflicts of interest which are prudent, rational and in compliance with the rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.
16. The Board of Directors prohibits Company Directors and Executives from trading in Company shares in the 1-month period prior to the public disclosure of financial statements.
17. The Board of Directors has directed Company Directors and Executives as well as their spouses and children who have not attained legal age to have the duty to disclose shares holdings and changes in holdings of the Company shares to the Office of the Securities and Exchange Commission, and to submit a copy to the Company Secretary for reporting to the Board of Directors in the subsequent Board Meeting.

18. The Board of Directors has directed Company Directors and Executives to disclose personal interests and interests of connected persons in accordance with the prescribed rules.
19. The Board of Directors has established an internal audit unit as an internal agency accountable to the Audit Committee.
20. The Board of Directors requires an annual assessment of the Board of Directors' performance.
21. The Board of Directors prepares a report on the responsibilities of the Board of Directors pertaining to the financial statements submitted in the Annual Report.
22. The Board of Directors oversees and determines the payment of appropriate remuneration to each committee member pursuant to the powers, duties and responsibilities and draws comparison to the operation levels in the same business sector.
23. The Board of Directors has prescribed a succession plan for employees in various positions in view of their advancement to higher positions.
24. The Board of Directors provides an orientation for first term Company Directors.
25. The Board of Directors has established an internal control system and risk management system.
26. The Board of Directors has provided for the monitoring and assessment of corporate governance.

As a consequence, the following "Code of Conduct for Company Directors Executives and Employees" has been prescribed.

<b>Conduct for Company Directors Executives and Employees</b>
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- **Company Directors and Executives**

1. Authority of shall be performed responsibly, prudently, honestly and in good faith in compliance with the law, Company Articles and relevant notifications.
2. Authority of shall be performed to the utmost of ability in order to generate the greatest returns to the company. This includes attendance at all meetings, except where there is an unavoidable necessity.
3. Authority of shall be performed impartially. In a Board Meeting, Company Directors and Executives shall not vote on matters which they have interests.
4. Conflicts of interests shall be administered prudently and reasonably, in adherence to the company's interests, to ensure transparent management of operations.
5. The acquisition or disposal of assets of the company, Company Directors and Executives, including their Spouse and children who have not attained legal age, shall comply with the relevant rules and a disclosure shall be made to the Board Meeting in the subsequent meeting.
6. Company Directors and Executives are prohibited from buying or selling company shares in the 1-month period prior to the public disclosure of financial statements.

7. Company Directors and Executives must disclose personal interests and those of related persons in accordance with the prescribed rules.
8. There shall be regular appraisals of the Board of Directors' performance every year.

- **Employees**

1. Employees must support and cooperate in the company's activities on a regular basis. Assigned tasks must be performed to the best of ability in order to ensure good results and advancement of the company and employees.
2. Employees must comply with the relevant law, policies, terms of employment, regulations and notifications.
3. Persons contacting the company must be treated courteously, hospitably and provided with an excellent service in order to preserve the company's image and reputation.
4. Trade secrets must be kept and the company's inside information must not be disclosed to third parties.
5. Loans shall not be obtained from customers, persons connected to customers or business counterparts of the company, except for loans obtained from a bank or financial institution.
6. Lawful orders of supervisors shall be complied.
7. There shall be a commitment to teamwork, mutual assistance, harmony and mutual respect for the benefit of the company and employees.
8. Co-workers must be treated generously and with good human relations. No groundless allegations shall be made against others. Credit shall not be claimed for the works of others.
9. Authority of shall be performed with determination, in earnest and honesty, and the roles and responsibilities in the company shall not be abused for the purpose of acquiring wrongful benefits for oneself or for others.
10. Authority of shall be performed responsibly, cautiously and without neglect in such a manner which could cause a loss to works or properties of the company.
11. Employees should conduct themselves as good citizens who comply with the Constitution and relevant laws. Political rights shall be exercised appropriately. Employees shall also avoid any involvement in an activity which is unlawful or inconsistent with public order or the good morals of the people.

### **5.1 Roles, Authority of and Responsibilities of the Board of Directors**

The Board of Directors has been elected by the shareholders as their representatives in implementing company's policies. They collaborated with the Executive in formulating vision, missions, strategies, operational plan, annual budget, good governance, and supervision so as to support and direct the performance of the Executives and employees.

In 2020, the Board of Directors has legally operated the company in compliance with the laws and regulation. Therefore, there is no infringement on the official regulations found.

### 5.1.1 Leadership and Vision

The Board of Directors is comprised of persons with knowledge, competence, skills and experience in the company's principal business. The vision, mission, strategies and goals as well as working plans and annual budget are determined in order to enhance operational efficiency for the greatest benefits of the business and achievement of the company's business goals. In this regard, the Board of Directors undertakes the Authority of monitoring the management of the executive according to the various working plans, as well as the determination and delineation of roles, functions and responsibilities between the Board of Directors, executive officers, employees and relevant persons.

In addition, the Audit Committee has been entrusted with the function of supervising the operations of the internal audit section so as to ensure sufficiency for the business and to ensure suitable risk management in order to achieve the highest safeguard of interests. The principles of good corporate governance are applied as management tools for adding value to the business and the shareholders.

In regard to the company's vision and missions, the Board of Directors has supervised the company's performance by considering the quarterly report of operation, company's turnover, and security holding of the Directors and Executives.

### 5.1.2 Good Corporate Governance

The Board recognizes the importance of good corporate governance the review updates to suit the situation and to comply with the requirements of the Stock Exchange of Thailand and The Securities and Exchange Commission, Thailand. The company Proceeded in good corporate governance as follows,

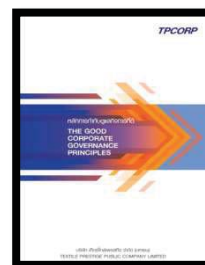
The Board of Directors' Meeting No. 7/2545 on November 11, 2002 to approved the good corporate governance policy. In accordance with the guidelines of the SET include

1. Corporate governance policy
2. Business ethics
3. Ethics of employees



The Board of Directors' Meeting No. 1/2557 on February 27, 2014 to approved the Good Corporate Governance Principles (the 1<sup>st</sup> Revision version). In accordance with OECD Principles of Corporate Governance 2004 and ASEAN CG Scorecard

1. Corporate governance policy
2. The Principles of Corporate Governance are divided into 5 categories
3. Business ethics
4. Code of Conduct for Company Directors, Executives and Employees





The Board of Directors' Meeting No. 5/ 2562 on December 24, 2019 to approved the Good Corporate Governance Code (the 2<sup>nd</sup> Revision version)

1. Good Corporate Governance Policy
2. 8 Good Corporate Governance Principles
3. Business Ethics
4. Code of Conduct for Directors, Executive Officers, and Employees



Annually, the company reviews the suitability for apply to the business context of the company and publishes the latest good corporate governance principles on the company website. [www.tpcorp.co.th](http://www.tpcorp.co.th) published already on the website of the company at [www.tpcorp.co.th](http://www.tpcorp.co.th)

### 5.1.3 Conflict of Interests

The Board of Directors has clear guidelines for managing the avoidance of conflict of interests prudently and reasonably, and in order to confer the greatest benefits for the company and the shareholders. Transactions which might entail conflicts of interests have been notified by the company and the resolutions disclosed specifying the value of the transaction, the contractual party and reasons of necessity for entering into such a transaction in accordance with the rules of the SET. The interested Directors have left the meeting room and did not vote on such agenda so as to ensure independence in decisions and information were disclosed immediately in the Interest of transparency. Connected transactions would be considered by the Board of Directors' meeting on the suitability of the transaction and the Audit Committee would give its approval for the disclosure of information in Form 56-1 and the Annual Report.

In 2020, the Board of Directors approved the related transactions which perform strictly to prescribed rules. Company Directors and Executives are required to report their own interest and related persons. Such interest shall connect to the company operation in accordance with the following principals;

1. Directors and Executives shall report their personal and related persons' interests in the report form within 1 (one) month as from the effective date of the law, or as from the date of election/appointment.
2. If there is a change in information on interests, the amended interest report shall be submitted to the Corporate Secretary within 3 (three) month as from the date of the change.
3. The Corporate Secretary shall submit a copy of the report to the Chairman of the Board Committee and Chairman of the Audit Committee within 7 (seven) days as from the date of receipt of interest report.

In 2020, All Directors and Executives have already filed such reports, including any amendments thereto.

#### **5.1.4 Promotion of Social Responsibility, Environment, and Human Rights**

The company has realized on the importance of social responsibility and environment in parallel with the business operation. Therefore, the company focuses on fostering quality of life in surrounding communities, human rights awareness, and fair employment in the sustainable ways. The details were in the SUSTAINABILITY REPORT 2020.

#### **5.1.5 Internal Control and Audit**

##### **Internal Control**

The Board of Directors attaches importance to and has installed a control system for operations, financial reporting and compliance with rules, regulations and policies. The internal audit units were entrusted with the Authority of and responsibilities of carrying out audits on compliance with the installed internal control systems for subsequent reporting to the Audit Committee and the Board of Directors. Such audit units are independent in the exercise of their functions. The Board of Directors would conduct an annual review of the suitability and sufficiency of internal control systems in all 5 items, i.e. Internal Control, Risk Assessment, Control Activities, information & communication and Monitoring Activities.

In Board of Directors' meeting no. 1/2564, held on 23 February 2021, which was also attended by the Audit Committee, the sufficiency appraisal form of the company's internal control system was considered. The meeting was of the opinion that the company had sufficient and effective internal control systems as per the Audit Committee report in Form 56-1 and the Annual Report.

##### **The Internal Audit**

The Board of Directors has assigned the Audit Committee to inspect the sufficiency, appropriateness, and effectiveness of the internal control system. The results of the internal audit should be reported to the Board of Directors and shareholders. Moreover, the Internal Audit Unit, separated as one unit of the company, should reports directly to the Audit Committee They are responsible for the assessment of sufficiency and effectiveness of the internal audit using standard auditing measures in proposing improvement for the added value of the organization, and simultaneously supporting the good corporate governance.

In 2020, the Audit Committee has effectively performed their responsibilities as assigned. Thanks to the qualified personnel in the Internal Audit Unit, the mission has been completely accomplished. The evaluation of internal control system revealed that there were some issues to be improved as well as recommendations for corporate operation, which were presented to the Board of Directors in the quarterly meeting.

#### **5.1.6 Risk Management**

The company has set up The Corporate Governance and Risk Management Committee, to manage probable company risks in a systematic and efficient manner. Provide the risk management manual as a guideline for risk management across the enterprise according to the vision and missions of the company. The company has set up a Risk Management Sub-Committee to follow and update risk-factors internally and externally to observe and pinpoint any probable risk which may impact the business,

to prevent and mitigate any loss that may arise. The Risk Management Working Groups are divided to monitor and cover risks that may arise from each department for the entire company and subsidiaries. The Corporate Governance and Risk Management Committee will be reporting directly to the Board of Directors.

#### **5.1.7 Appointment of the Audit Committee, the Nomination Committee, the Corporate Governance and Risk Management Committee.**

The Audit Committee must consist of not less than 3 members, they must be the directors and independent directors which a qualified audit by The Securities and Exchange Commission and appointed by the Board of Directors or the Shareholders' Meeting. The term of position of one year.

The Nomination Committee and the Corporate Governance and Risk Management Committee must not less than 3 members. The Board of Directors shall appoint from Director and / or other persons whose status as employees of the companies and / or individuals from the external that in the position must have a knowledgeable and experienced enough to act properly. The term of position of one year.

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

- The Board of Directors has determined that meetings shall be held at least once every quarter. A schedule of Board of Directors' meeting is prepared one year in advance wherein the agenda are clearly stated. The Corporate Secretary would submit such schedule in the December meeting of each year together with the submission of documents at least 7 days prior to the meeting date so as to give the Board of Directors sufficient time to consider and examine the data prior to attending the meeting, except in the event of urgency for the protection of the company's interests where notice may be given less than 7 days.

The Chairman of the Board of Directors would compile the opinions and conclusions obtained from the meeting. Interested Directors in each agendum would abstain from voting or abstain from giving an opinion or be absent from the meeting on such agendum, as the case may be. In a meeting of the Board of Directors, if there is a query or a need to obtain additional information from relevant persons, the Managing Director would invite a high level executive to give an explanation.

The Corporate Secretary would record the meeting and archive the minutes of past meetings that had been endorsed by the meeting and verified by signatures of the Chairman of the Board of Directors. In additional, company directors can express opinion or amend on the minutes of the meeting.

Minutes of Board of Directors' meetings and committee meetings are made in writing. Such documents are archived in original document format at the company Head Office for convenience of reference by the Directors and relevant persons.

- The Board of Directors has scheduled a meeting of the Board of Directors in advance by meeting at least 3 months per meeting. And may call additional meetings as necessary which the number of meetings is Appropriateness and adequacy for the duties of the Board of Directors and the nature of business if the Directors would like to have more information, they could make a request to Corporate Secretary, with the possibility of other meetings in the event of an emergency.

In 2020, the company has held the Board of Directors Meeting 7 meetings

- The audit committee and internal audit have to a meeting with the CPA Auditor of the company without management in attendance at least once a year regularly and the report shall be informed the executives for information and take action. (In 2020, since 6 October 2020)

#### 5.1.9 Self-Assessment of the Board of Directors

Every year, all directors must assess work performance of each director. Each director must assess his or her own performance by referring to the SET performance assessment form. The director will then notify the results to the board of director.

With a scoring system of 100%;

More than 90% = very good,

More than 70% = good,

More than 50% = fair

Less than or equal 50% = poor

In the Board of directors meeting No.1/2564 on February 23, 2021, all directors assessed work performance of the board of director and Sub-committee in year 2020 and acknowledgement. The summary of this assessment was presented to the Board as follows;

- 1) Self-Assessment to evaluate entire of the Board of Directors which has topics as the structure and qualification of the directors, the roles and responsibilities, the meeting, the duty and acting, the relationships with the management and the skill development of the director and the executive. The overall summary of assessment findings showed an average of 85.26 %, regarded as Good.
- 2) Self-Assessment to evaluate sub-committees which has topics as the structure and qualification of the sub-committees, the meeting, the roles responsibilities and duty. The overall summary of assessment findings showed as follows;
 

- The Nomination Committee	had the average score	76.67 %	rated	Good
- The Remuneration Committee	had the average score	84.00 %	rated	Good
- The Audit Committee	had the average score	100.00 %	rated	Very good
- The Corporate Governance and Risk Management Committee	had the average score	92.71 %	rated	Very good
- The Executive Board	had the average score	82.76 %	rated	Good
- 3) Self-Assessment to evaluate individual of the Audit Committee which has topics as the structure and qualification of the AC, the roles and responsibilities, the meeting, the duty and acting, etc. The summary of individual assessment findings showed of 100 %, regarded as Very good.

#### 5.1.10 Development of Directors and Executives

The Board of Directors and executive officers have appreciated their roles, Authority of and responsibilities to the company. Thus, the company has attached importance to the development of all personnel throughout the organization, consistent with the leadership and vision of the Directors and executives, in order to enhance knowledge, competencies, skills and potentials. The Board of Directors and executives are encouraged to attend seminars and training in courses that are beneficial to the performance of functions as are held internally or externally, including work visits abroad.

#### Orientation of New Director

The company has arranged for the orientation of new Director in order to inform them of the company's policies and relevant information, such as the company's principal business, operating results, organizational structure, shareholders, including relevant rules. Also, for the benefit of the discharge of functions by new Director, the company has prepared a handbook for Director.

#### Current Directors and Management Executives

Continuing education is provided to these directors through sponsorship of relevant training courses offered by IOD. 8 Directors from total of 9 Directors, or 88.88% underwent such courses, and participation in more such courses are in the works, both concerning directors' Authority of and company business in general. All executives are continually trained in relevant laws and regulations that are helpful to their performance in the management role.

Courses of Training / Seminar in 2020	Directors and Executives who attended	
1. Update Tax 2020. [Update ภาษีปี 2563]	Ms.Darunee	Supo
2. Problems in making accounting transactions at the end of the year - the beginning of the year for bookkeepers. [ปัญหาการบันทึกการทางบัญชีในช่วงสิ้นปี-ต้นปี สำหรับผู้ทำบัญชี]	Ms.Darunee	Supo

#### Relevant Parties in Corporate Governance

The Corporate Secretary an officer engaged in investor relations, as well as those doing relevant jobs, regularly attend assorted training courses and seminars on relevant and current topics, and topics that are helpful to their performance organized by SEC, SET, Listed Companies Association, and IOD.

Courses of Training / Seminar in 2020	Participants	
1. สัมมนาออนไลน์ หัวข้อ “การแต่งตั้ง เปลี่ยนแปลง และพ้นจากตำแหน่ง กรรมการ กรรมการอิสระ และกรรมการตรวจสอบ” เมื่อวันที่ 23 พ.ย. 2563 ผ่านระบบ Zoom Meeting จัดโดย สมาคมบริษัทจดทะเบียนไทย	1.Ms. Amornrath	Piriyatanachoti
	2.Ms. Amilada	Sae-phu
2. อบรมหลักสูตรอบรมออนไลน์ เรื่อง “นโยบายการลดก๊าซเรือนกระจก: โอกาส ความท้าทาย และวิธีการประเมิน” สำหรับ บริษัทจดทะเบียน อบรมระหว่างเดือนต.ค.2563-8 พ.ย.2563	1. Ms. Sukjai	Rachadej
	2. Ms. Suwannee	Naipongprasit
	3. Mr. Montana	Nilaram

Courses of Training / Seminar in 2020	Participants	
จัดโดยสำนักงานก.ล.ด.	4. Mr. Watcharapong Phetpan	
	5. Mr. Teerathorn Prasobsuk	
	6. Mr. Anek Kogsoon	
	7. Mr. Vikrom Katakulpaisarn	
	8. Mr. Viwat Tantiverakul	
	9. Ms. Amporn Mananum	
	10. Ms. Amornrath Piriyanachoti	
	11. Ms. Amilada Sae-phu	
3. อบรมออนไลน์ หลักสูตร Smart Disclosure Program (SDP) ครั้งที่ 3/2563 เมื่อวันที่ 20 ตุลาคม 2563 จัดโดย คณะกรรมการกำกับหลักทรัพย์และตลาดหลักทรัพย์ ร่วมกับ ตลาดหลักทรัพย์แห่งประเทศไทย	1. Ms. Amornrath Piriyanachoti	
	2. Ms. Amilada Sae-phu	
4. สัมมนาออนไลน์ “CAC Open House 71 Checklist 4.0” เมื่อวันที่ 7 ส.ค. 2563 จัดโดยสมาคมส่งเสริมกรรมการบริษัทไทย (IOD)	1. Mr. Pawasak Kotpatum	
	2. Mr. Tawatchai Thangvoravijitawon	
	3. Ms. Amornrath Piriyanachoti	

#### 5.1.11 Succession Plan

##### Policy on Succession Plan of Highest Management and Top Management Positions

The Board of Directors realizes the importance on selection of appropriated and qualified persons to hold the highest management and top management positions in order to keep business operations running continually and leading the organization to achieve the planned targets. Hence, the Company has specified the policy on succession plan of the highest management and top management as follows:

- The Company shall arrange to have the succession plan in place in case the highest management and top management of the Company cannot perform duties, by assigning the executive in lower level or closest level to be in charge of such position until the Company can recruit and select the person who is fully qualified pursuant to the law, capable with vision and experiences suitable with the Company's business to fill in such position.
- Highest management position: This position will be considered by the Nomination Committee, then it will be further proposed for the Board of Directors' consideration and approval.
- Top management position: This position will be jointly considered by the management and Human Resources Department, then it will be approved by the Managing Director.

The company has implemented a succession planning by setting up a preparation processes for management and staff as detailed below:

1. Study and pinpoint all key executive positions as well as the critical positions of the organization.

2. Prepare the Job Competency and Characteristics Descriptions of key positions According to the competency set.
3. Analyze and compare candidates to suit each position based on
  - Performance
  - Potential
4. Set up each successor's development plan (IDP – Individual Development Plans) for each individual replacement required by the organization.
5. Develop successor in the framework and guidelines.
6. Continue monitoring, evaluating and modifying the capability of employees' development and improvement methods as planned.

The company is aware of the availability of management skilled and knowledgeable employees to sustain and enhance the company's strength and competitiveness.

## 2. Sub - Committee

The Board of Directors has appointed 5 sub-committees which has the appropriate expertise, responsible. The company has the operations and scrutinize carefully. The 5 sub-committees which comprise of the Audit Committee, the Remuneration Committee, the Nomination Committee, the Corporate Governance and Risk Management Committee and The Executive Directors.

The Board of Directors defines the authority and responsibilities of each committee in the charter. To operate in accordance with the policies and objectives of the company. the Committees, each set has 1 person who chairman carry on the operations in accordance with the policies of the Board of Directors.

### 2.1 The Structure of the Board of Directors

The company's regulations clause 18, the Board of Directors is comprised of at least 5 directors, and the greater part is currently living in the Kingdom of Thailand. List of the Board of Directors refer to "Management Structure" page no. 34

In 2020, there are 9 directors consisting of:-

	Person(s)			(%)
	Male	Female	Total	
Executive Director	4	-	4	44.44
Non-Executive Director	1	1	2	22.22
Independent Director	3	-	3	33.33
Total	8	1	9	100.00

In 2020, the company has formulated the structure of the Board of Directors. As a result, the proportion of the Executives Director, Non-Executive Director, and Independent Directors was more appropriated in monitoring the good corporate governance rigorously, and The Board of Directors has the meeting 7 times annually.

- The structure of the Board of Directors comprised of Independent Directors constituting one-third of the Board of Directors' composition with consistent of the regulation of Capital Market Supervisory Board.
- The chairman is not the same person as the managing director.
- There were 3 directors with extensive experiences relating to the company's business operations, but did not serve as the Management, namely; Mr. Manu Leelanuwatana, Miss Sirikul Dhanasarnsilp and Assoc. Prof. Krisada Visavatheeranon
- However, the Directors and Executives have never been employed nor being a partner of the external audit firm during two years previous.

**Authority of the Board of Directors: -**

1. Appoint, remove, and assign authority to advisors to The Board of Directors, the Managing Director, and various committees, to carry out the assigned Authority of.
2. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
3. Approve loan transaction to be used as the company's working capital, for such portion exceeding the authority of The Executive Board.
4. Approve or cancel credit facility, for such portion exceeding the authority of The Executive Board.
5. Approve loan extension to companies having business connection with the company, either as the shareholder or the company engaging in business transaction, or other companies, for such portion exceeding the authority of The Executive Board.
6. Approve the entering into guarantee for credit facility, for companies having business connection with the company, either as the shareholder or the company engaging in business transaction, or other companies, for such portion exceeding the authority of The Executive Board.
7. Approve the set-up, merger, or dissolution of subsidiary company.
8. Approve the investment for the purchase or sales of common shares, and/or other securities, for such portion exceeding the authority of The Executive Board.
9. Approve the procurement and investment transactions of fixed asset, for such portion exceeding the authority of The Executive Board.
10. Approve the adjustment, disposal, and write-off for fixed assets, and/or intangible assets no longer in use, or being subject to damage, loss, destruction, deterioration, out-of-date, or no longer function able, for such accounting value exceeding the authority of The Executive Board.



11. Approve the settlement of conflicts by reconciliation or by the resolution through arbitration, petition, lawsuit, and/or court proceedings on the company's behalf, for such case not considered as normal business practice, and/or such case considered as normal business practice, for such portion exceeding the authority of The Executive Board.
12. Approve the entering into such transaction not considered as normal business practice, for such portion exceeding the authority of The Executive Board.
13. Propose the capital increase or capital decrease, or the change in par value, change or amendment to memorandum of association, articles of association, and/or objectives of the company to the shareholders for consideration.
14. Approved the Executive Board to define the Operational Manual, other procedures as deemed appropriate.
15. Authorize The Executive Board members, management members, managers or other persons, to act on their behalf.
16. Authorize to summon management members or employees concerned to provide explanation or opinion, to join the meeting, and to submit those documents deemed necessary.
17. Appoint and remove Company Secretary.
18. The authority scope for The Board of Directors pertaining to the acquisition and disposal of assets and connected transactions, shall comply with the Notification of the Capital Market Supervisory Board.

**Duties and Responsibilities of the Board of Directors: -**

1. Set the direction, goal, and business policy for the company.
2. Approve the annual business plan and annual budget, as well as supervising the operations by the management to well comply with the laws, policies, and plans in an efficient and effective manner.
3. Promote the establishment of corporate governance policy, business ethics, and business morality in writing, to serve as guidelines for the directors, the management, and the employees, in carrying out their business practices, while regularly following up to ensure their strict adherence and compliance accordingly.
4. Set up adequate internal control systems, so as to ensure that all transactions receive proper approval from the authorized persons, and that proper accounting review and bookkeeping practice are carried out, while proper checking systems are in place to safeguard against unauthorized exploitation of company assets.
5. Ensure that careful consideration is given to the issue of conflict of interests, and that clear practice guidelines are in place to safeguard the interests of the shareholders and the company. Also ensure that the persons having interests at stake do not take part in adopting the decision, and that all concerned parties strictly follow the procedures and regulations to disclose relevant information in a proper manner.
6. Grant approval to financial statements already audited and verified by the certified public accountant, and earlier approved by The Audit Committee.

7. Being accountable to all shareholders on an equal basis, while ensuring that information are disclosed to the shareholders and investors in an accurate, reliable, and transparent manner.
8. Acknowledge the corporate management report prepared by The Executive Board.
9. Set the date, time, and place for the annual shareholders' general meeting, and convene said meeting accordingly. Also set the rate for dividend payments (if any), and provide comments relating to the meeting agenda to the shareholders. In that regard, the company may suspend shares transfer registration for the period of 21 days leading up to the meeting, whereby the company is required to post such announcement to the shareholders at the company's head office and its subsidiaries for the period of no less than 14 days prior to such suspension. Otherwise, the company may set the date to finalize the shareholders' list (Record Date) no longer than 2 months prior to the meeting, to entitle the shareholders to attend the meeting, and to be eligible for dividend payments.
10. Prepare The Board of Directors' responsibility report toward financial statements compilation, and disclose said report in the company's annual report (form 56-2) and the annual registration statement (form 56-1).
11. Supervise the compilation of the documents required to be submitted to concerned regulating agencies, to ensure that all information contained therein are true and accurate in accordance with the information appearing in the accounting books, the registration book, and other official documents of the company. Endorse the Charter of the Board of Directors and/or other committees.
12. Grant approval to the charter for The Board of Directors, and/or other committees.
13. Engage in those acts lying beyond The Executive Board's authority, or as deemed necessary by The Board of Directors.

## **2.2 The Audit Committee**

For Good Corporate Governance regulated by SET, to increase investor confidence in administration of public company, B.O.D. appointed an Audit Committee the members are non-executive directors and one\*\* of them possess well understandings and experience in Accounting and finance

The audit committee comprised of at least 3 independent directors matched with the Securities and Exchange Commission regulation, and one of them possess well understandings and experience in Accounting and finance. The audit committee is nominated by BOD. And have authority and duty according to charter of audit committee and clearly right to promote the performance in order to get rid of beneficial conflict problem. Also to audit the financial statement to be proposed to the shareholders, and communicate with the certified public auditor (CPA) of the company. Each member has 1 year term. In 2020, the Audit Committee held 12 meetings.

Name		Position
1. Mr.Padoong	Techasarintr *	Chairman
2. Dr. Utid	Tamwatin	Director
3. Assoc. Prof. Krisada	Visavateeranon	Director

Note \* Audit Committee are possess well understandings and experience in Accounting and finance.

**Authority of the Audit Committee :-**

1. Coordinate to facilitate common understanding regarding company operations among the certified public accountant, The Board of Directors, and the internal control office.
2. Authorized to summon the management and company staff to provide comments and clarification, to take part in meetings, and to submit documents deemed necessary, while being allowed to gain access to all levels of information.
3. Authorized to carry out investigation on concerned persons relating to such matters lying within the authority and duty scope of The Audit Committee.
4. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.

**Duties and Responsibilities of the Audit Committee :-**

1. Review the company's financial statements to ensure that they are accurate and adequate by reviewing the company's major accounting policies, and supervising information disclosure in such manner complying with Thai Financial Reporting Standards.
2. Review the company's internal control system to ensure that it is suitable and review fraud and corruption prevention and internal audit system to ensure that they are effective.
3. Review operational independence of the internal audit office; approve, appraise, appoint, transfer, or dismiss the head of internal audit office or any other office responsible for internal audit operations. Supervise to ensure that chief of internal audit office has sufficient education, experiences, and training, adequate to such internal audit operations.
4. Grant approval to the Internal Audit Charter.
5. Grant approval and monitor the progress made in relation to the internal audit plan.
6. Review to ensure that the company duly follows the laws on securities and stock exchange, the regulations of The Stock Exchange of Thailand, and the laws concerning the company's business operations.
7. Review, select, nominate and/or dismiss independent persons to serve as the company auditor, and propose related remuneration. Also take part in joint meeting with the company auditor, in the absence of the management for at least once a year.
8. Review connected transactions or transactions with possible conflict of interests, to ensure that they follow the laws, the regulations of the Stock Exchange of Thailand, and the notification of the Capital Market Supervisory Board and that they are justified and are of maximum benefits to the company.

9. Prepare the report by the Audit Committee and disclose it in the company's annual report. Said report requires the signature of the Audit Committee Chairman, and needs to contain at least the following information:
- a. Opinion regarding the accuracy, complete coverage and reliability of the company's financial statements
  - b. Opinion regarding the adequacy of the company's internal control, fraud and corruption and the risk management system
  - c. Opinion regarding the practices in compliance with the law on securities and stock exchange, the regulations of the Stock Exchange of Thailand, or other laws concerning the company's businesses operations
  - d. Opinion regarding the suitability of the company auditor and the chief of internal audit office.
  - e. Opinion regarding the transaction with possible conflict of interests
  - f. The number of the Audit Committee's meetings, and the attendance record of each member
  - g. Overall opinion or comment provided by the Audit Committee out of its practices in accordance with the Charter
  - h. Other items deemed to benefit the shareholders and general investors, in accordance with the authority and duty scope assigned by the Board of Directors.
10. During the course of its duty, should The Audit Committee come across or have any doubt relating to below transactions that they may significantly affect the company's financial position or performances, they are then required to report the matter to The Board of Directors, in order for necessary remedial actions to taken within the timeframe decided upon by The Audit Committee:
- a. Transaction incurring conflict of interests.
  - b. Significant fraud and corruption, irregularity or deficiency within the internal control system.
  - c. Breach of laws concerning securities and stock exchange, the regulations of The Stock Exchange of Thailand, and other laws concerning the company's businesses operations.
- In the case where The Board of Directors or the management fail to rectify the items within the timeframe assigned by The Audit Committee, and member of The Audit Committee may report said problems to The Securities and Exchange Commission or Stock Exchange of Thailand.
11. Encourage and follow-up to ensure that the company has effective risk management system.
12. Supervise to ensure that the company has adequate channel to take care of complaints or tips relating to suspicious or improper items contained in the financial statements or fraud and corruption. At the same time, ensure that the company has protective confidential measurement for whistleblower, transparency and independence investigation process, and appropriate follow up.
13. Supervise to ensure that the company implements adequate management system in accordance with the good corporate governance practice.

14. Review, revise and amend the Audit Committee Charter for further submission to The Board of Directors for approval.
15. Implement self-appraisal review at least once a year.
16. Engage in other acts as assigned by The Board of Directors and deemed justified by The Audit Committee in accordance with company regulations and the law.

In carrying out its above duties, The Audit Committee is directly responsible to The Board of Directors, who in turn is responsible to the shareholders and general investors.

### **2.3 The Remuneration Committee**

Remuneration Committee comprises of at least 3 Directors appointed by the Board of Directors and/or others in order to consider determine the criteria for payment of remunerations of the Board of Directors and proposed to the Board of Directors and Shareholders. Each member has 1 year term. In 2020, The Remuneration Committee has the meeting 2 times.

	Name	Position
1. Ms. Sirikul	Dhanasarnsilp	Chairman
2. Mr. Padoong	Techasarintr	Director
3. Mr. Suchai	Narongkananukul	Director

#### **Authority of the Remuneration Committee :-**

1. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
2. Authorized to summon the management and company staff to provide comments and clarification, to take part in meetings, and to submit documents deemed as necessary.

#### **Duties and Responsibilities of the Remuneration Committee :-**

1. Review the remuneration policy and criteria for the company directors and if deemed necessary, propose the suggestion or revision to existing criteria, in order to make them more suitable.
2. Review the remuneration budget earmarked for the company directors, by taking into account the practices by other companies in the same business category, the business growth and the company's performances, the remuneration budget approved by the shareholders' meeting, and the actual remuneration amount for the previous year, for further presentation to The Board of Directors for consideration, and for final approval by the shareholders' meeting.
3. Review the remuneration budget for the company directors, the Audit Committee members, the Nomination Committee members, the Remuneration Committee members and the Corporate Governance and Risk Management Committee members by taking into account their duty and responsibility scope and related performances, based an the remuneration budget approved by the shareholders' meeting.

4. Review the remuneration budget for the Nomination Committee members, the Remuneration Committee members and the Corporate Governance and Risk Management Committee members (who do not serve as company directors), by taking into account their duty and responsibility scope, and related performances.
5. Review and revise the charter for The Remuneration Committee, and present to The Board of Directors for approval.
6. Engage in other acts as assigned by The Board of Directors.

#### **2.4 The Nomination Committee**

Nomination Committee comprises of at least 3 Directors appointed by the Board of Directors and/or others. They must be knowledgeable and experienced to consider and nominate qualified persons to Board of Directors and Shareholders in the Shareholders meeting. In case that a directorship is vacant, Nomination Committee may select and appoint a candidate to replace. Each member has 1 year term. In 2020, The Nomination Committee has the meeting 1 times.

	Name	Position
1. Mr. Boonsithi	Chokwatana	Chairman
2. Mr. Manu	Leelanuwatana	Director
3. Mr. Suchai	Narongkananukul	Director

#### **Authority of the Nomination Committee :-**

1. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
2. Authorized to summon the management and company staff to provide comments and clarification, to take part in meetings, and to submit documents deemed as necessary.

#### **Duties and Responsibilities of the Nomination Committee:-**

1. Set the criteria and method in selecting the persons to be nominated as directors and top management.
2. Review the background and relevant information of the persons to be nominated as directors and top management, by considering their knowledge, experiences, and expertise from various professions, so as to secure qualified persons according to the selection criteria, company regulations, and related laws.
3. Select and evaluate the candidates qualified to be nominated as company directors, for The Board of Directors to consider and approve. However, in the case of the director retiring upon term completion, such nomination needs to be submitted to the shareholders' meeting for approval.
4. Prepare comment and suggestion to serve as references for The Board of Directors' consideration.

5. Review and revise the charter for The Nomination Committee, to be proposed to The Board of Directors for consideration and approval.
6. Engage in other acts as assigned by The Board of Directors.

## **2.5 The Corporate Governance and Risk Management Committee**

The Corporate Governance and Risk Management Committee of at least 3 directors who appointed from Board of Directors and/or others persons both as employees or employees of the company and / or any third party with knowledge. Sufficient experience to serve the good governance and risk management. Each member has 1 year term. In 2020, The Corporate Governance and Risk Management Committee has the meeting 2 times.

Name		Position
1. Mr.Padoong	Techasarintr	Chairman
2. Assoc. Prof. Krisada	Visavateeranon	Director
3. Dr. Utid *	Tamwatin	Director
4. Mr. Suchai	Narongkananukul	Director
5. Mr. Arnut	Rattanapathimakorn	Director

Note \* Dr. Utid Tamwatin has been appointed on August 10, 2020

### **Authority of the Corporate Governance and Risk management Committee :-**

1. To have the authority to call for any related Management or Employees of the company for an explanation, giving their opinion, meeting attendance or document submission as deemed necessary.
2. To consult with experts or consultants with the company (if any) or hire the external consultant or experts at the expense of the company if necessary.
3. To have the authority to appoint the sub-committee in order to implement in good governance and risk management across the organization.

### **Duties and Responsibilities of the Corporate Governance and Risk management Committee:-**

#### **Good Governance**

1. Review and update the Good Corporate Governance, Good Principles of Good Corporate Governance, Code of Ethics, and Code of Conducts for Executives and Employees, Anti-corruption Policy and Procedure in order to be in line with the changes in related business, regulations, announcement, rules, and laws.
2. Set the operational guidelines in accordance with the Principles of Good Governance, Anti-corruption, and to monitor, supervise, and assess the operation.
3. Promote and support the Board of Directors, Executives, and Employees to comply with the Principles of Good Governance and Anti-corruption.

### **Risk Management**

- 1 clearly and continuously determine the policy and targets, plan, assess the risk, and provide the risk management system of the company in order to deal with any significant risk and report to the Board of Director.
- 2 Promote and encourage cooperation in risk management at all levels in the organization.
- 3 Monitor, supervise, and assess the performance in order to have appropriate and effective risk management by paying attention to all possible warning signs and irregularities.
- 4 Continuously develop effective risk management throughout the organization.

Also includes reviewing the Charters of Good Governance and Risk Management Committee and proposing to the Board of Directors for approval and to perform any operation as assigned by the Board of Directors.

### **2.6 The Executive Board**

The Executive Directors comprised of at least 5 directors who appointed from Board of Directors and/or others who are knowledgeable and experienced in order to perform their management roles under Board of Directors' policy concerning with shareholders benefit. Each member has 1 year term.

In 2020, The Executive Board has the meeting 12 times.

Name		Position
1. Mr. Suchai	Narongkananukul	Chairman
2. Mr. Arnut	Rattanapathimakorn	Director
3. Ms. Rachanee	Luevipasakul	Director
4. Mr. Chanin	Ratanavijai	Director
5. Mr. Somnuek	Thungpukdee	Director
6. Ms. Darunee	Supo	Director
7. Mr. Samai	Moollakote	Director
8. Mr. Koravit *	Narongkananukul	Director

Note \* Mr. Koravit Narongkananukul has been appointed on August 10, 2020

### **Authority of the Executive Board :-**

1. Appoint, remove, transfer, and evaluate the performances, as well as deciding on the remuneration and benefits to be granted to the employees at all levels.
2. Appoint and remove any committee assigned to carry out duties for the benefits of the company.
3. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
4. Issue the rules and announcement pertaining to company operations, and assign the authority to executive directors and/or staff members acting in the management position, to sign their names approving the disbursement of company assets.



5. Approve loan transaction to be used as the company's working capital, not to exceed an amount specified in the charter and short term under annual budget.
6. Approve or cancel credit facility, with credit amount not to exceed an amount specified in the charter.
7. Approve loan extension to companies having business connection with the company, either as the shareholder or the company engaging in business transaction, or other companies, with such loan extension for each company not to exceed an amount specified in the charter.
8. Approve the entering into guarantee for credit facility, for companies having business connection with the company, either as shareholders or companies engaging in business transaction, or other companies, with such loan guarantee for each company not to exceed an amount specified in the charter.
9. Approve investments and sales of investments in capital instruments and/or debt instruments, each transaction not exceeding an amount specified in the charter.
10. Approve procurements and investments in fixed assets, each transaction not exceeding an amount specified in the charter.
11. Approve the modification, demolition and writing off of fixed assets and intangible assets which are decommissioned, out of order, lost, damaged, deteriorated or outdated and no longer usable, the total book value of such transactions not exceeding an amount specified in the Charter.
12. Approve the adjustment of price and destruction of raw materials and/or outstanding stocks that have deteriorated or become outdated, which could have an effect in reducing the book value as actually occurred.
13. Approve a settlement, dispute settlement by arbitration, filing of complaint, lawsuit and/or to participate in any legal proceedings on behalf of the company pertaining to matters which are not within the normal trade of the company, each case involving a disputed amount not exceeding an amount specified in the charter, and/or which are within the normal trade in relation to a disputed amount that does not exceed an amount specified in the charter for each case.
14. Approve transactions not part of the normal business, each transaction not exceeding an amount specified in the charter.
15. Assign management members, managers or other persons, to act on their behalf.
16. Authorize to summon management members or employees concerned to provide explanation or opinions, to join the meetings, and to submit those documents deemed necessary.
17. Issue work guidelines deemed necessary and appropriate.
18. The authority scope for The Executive Board pertaining to the acquisition or disposal of assets and connected transactions, shall comply with the Notification of the Capital Market Supervisory Board.

**Duties and Responsibilities of the Executive Board: -**

1. To propose the goals, policies and annual budget to the Board of Directors.
2. To take responsibility for the management of the company in accordance with the direction, goals and business policies of the company.
3. To take charge in enhancing the competitiveness of the company and to promote continual innovations.
4. To supervise the operations of the company in accordance with the laws, objects, Articles of the company, resolutions of the meeting of shareholders, resolutions of the Board of Directors, as well as relevant rules and regulations.
5. Executive Committee members may divide the Executive Committee's works and responsibilities amongst themselves, in which case reports on the activities within each member's supervision must be submitted to the meeting of the Executive Committee for acknowledgement.
6. To supervise the preparation of financial statements, which shall be submitted to the auditor for audit and/or review prior to submission to the Audit Committee and Board of Directors respectively.
7. To consider matters submitted to the Board of Directors for approval or endorsement.
8. To revise and amend the Charter of the Executive Committee and to submit such revision or amendment to the Board of Directors for approval.
9. To carry out any other acts as assigned by the Board of Directors.

**2.7 Duty and Responsibility of the Managing Director:-**

1. To manage the company and administer the operations in compliance with policies, laws, objectives, Articles of the company, resolutions of the meeting of shareholders, resolutions of the Board of Directors, resolutions of the Executive Committee, as well as relevant regulations and procedures.
2. To issue orders and carry out any act as necessary and appropriate in order to satisfactorily carry out the functions under article 1, and in the case of an important matter, a report shall be made and/or notice shall be given to the Board of Directors and/or the Executive Committee.
3. To command, allocate, appoint, relieve, transfer, promote, enforce disciplines, evaluate as well as to determine the company personnel's remuneration and welfare benefits of employees. All said power must not be inconsistent with the power of Executive Committee.
4. To issue regulations on the company's operations, such regulations not being inconsistent with or contrary to the policies, articles of the company, regulations orders and resolutions of the Board of Directors and/or Executive Committee.
5. To grant and/or delegate powers to other persons to perform specific tasks on behalf of the Managing Director.
6. To promote and develop adherence to good conduct, legal compliance, ethics and culture in the company's business operations while observing good governance principles.

7. The above powers of the Managing Director shall not be exercised in the event of the Managing Director's having a potential personal interest in or a conflict of interests of any character with the company.
8. In the event that the above powers may not be thoroughly clarified or causing any doubt (uncertain) in exercising, the matter must be submitted for the Board of Directors' consideration.
9. To carry out any other acts as assigned by the Board of Directors and/or Executive Committee.

### **3. The Selection of the directors and executive members**

#### **3.1 Criteria for the selection of independent directors and the recruitment process.**

The company has The Nomination Committee which is responsible for the selection of qualified candidates, taking into account the knowledge, skills, experience and expertise from various professions. The Nomination Committee also consider their leaderships, visions, ethics, transparency, and must not be prohibited by laws and regulations of the company and nominate competent candidate(s) who are eligible by law and regulations, set out by the Stock Exchange of Thailand and the Securities and Exchange Commission and not being sexual prejudice for their nominations to the Board of Directors for approval, unless In the case of independent directors retired by rotation to propose to the AGM for approval individually.

#### **3.2 Determination of Independent Directors'**

Independent Director means a person who is qualified and independent of management and the major shareholders

The company has given the definition of each "independent director" of the company equal to the announcement of the Capital Market Supervisory Board No. Tor Chor. 4/2552 as follows:

- (1) holding shares not exceeding one percent of the total number of shares with voting rights of the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director;
- (2) neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of appointment as an independent director. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the company;
- (3) not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the company or its subsidiary company;
- (4) neither having nor used to have a business relationship with the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, in

the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of appointment as an independent director.

The term 'business relationship' under the first paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the company or his counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the company or twenty million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions *mutatis mutandis*. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences;

- (5) neither being nor used to be an auditor of the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of appointment as an independent director;
- (6) neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of appointment as an independent director;
- (7) not being a director appointed as representative of directors of the company, major shareholder or shareholder who is related to major shareholder;
- (8) not undertaking any business in the same nature and in competition to the business of the company or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the company or its subsidiary company;
- (9) not having any other characteristics which cause the inability to express independent opinions with regard to the company's business operations.

After being appointed as independent director with the qualifications under (1) to (9), the independent director may be assigned by the board of directors to take part in the business decision of

the company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, provided that such decision shall be in the form of collective decision.

### 3.3 The term of office of Directors and Independent Director

The Board of Directors was elected in the shareholders' meeting. According to the company's regulations, the Directors can hold office for 3-year term as specified in the Public Limited Companies Act. The Directors who retire upon expiration of their office holding term can be re-appointed. The information of office holding, date-month-year, of the Directors and Independent Directors has been clearly disclosed in section "Information on the Board of Directors, Executives and Corporate Secretary"

- The Board of Directors does not specify the term of office holding for the Directors because the Board of Directors and shareholders are confident in the Directors' qualifications as the experts equipped with knowledge, business capabilities, determination, and high commitment.

- Like the Directors, the Board of Directors does not specify the term of office holding for the Independent Directors since both positions are appointed by the approval of the shareholders' meeting.

- The Board of Directors gathers information from the letter of proxy and annual report as well as the office holding term in considering for the appointment of the Independent Directors.

### 3.4 Determining the number of listed companies for the Directors

The Board of Directors does not determine the number of companies; each director will be elected as directors. The Committee has devoted time to perform Authority of for the company effectively. By attending meetings regularly and benefits to companies throughout the company, ensuring that no impact on the performance in any way. so, does not limit the number of listed companies for the Directors to hold office.

The company discloses the names and details of office of each director in other companies in both 56-1 and in the annual report. In present, the company does not directors held any directorship in other listed companies, 5 companies.

Number of Listed Company	Name of Director
4	Mr. Manu Leelanuwatana
3	Mr.Padoong Techasarintr *
1	Assoc. Prof. Krisada Visavateeranon *
1	Miss Sirikul Dhanasarnsilp

Note: \* Independent directors who are independent directors in other listed companies

### **3.5 Merger or Segregation of Positions**

The company prescribes that the Chairman of the Board of Directors shall not be an Executive Director, Managing Director and shall not have any relationship with the entire management. There is a clear separation in the functions with respect to supervisory policies and the management of routine functions. The company has prepared a Charter of the Board of Directors which clearly prescribes and delineates the powers of all committees and the Managing Director.

**The Chairman of the Board of Directors** is the leader and controller of Board of Directors' meeting in order to ensure independence. All Directors are able to freely and fully express their opinions or make suggestions. The management of the executives is supported through the power and responsibilities granted to the Managing Director without interfering.

Although the Chairman of the Board of Directors is not an Independent Director, the company remains confident that the discharge of Authority has always been undertaken with an understanding of good corporate governance principles. Decisions on significant matters were approved by each relevant committee were balanced and reviewed as well as strictly complied with.

#### **Authority, duty, and responsibility scope of the Chairman**

1. Take responsibility as the leader of The Board of Directors in monitoring and supervising the operations of The Board of Directors and various committees.
2. Preside at The Board of Directors' meeting. In case of tie, the Chairman adds an additional vote as a casting vote.
3. Summon The Board of Directors' meeting or may assign another person to act on own behalf.
4. Preside at the shareholders' meeting and control the meeting to be in accordance with the company's regulations regarding the meeting. Conduct the meeting according to the agenda specified in the invitation to the meeting, unless the meeting resolves to change the order of the agenda by votes of not less than two-thirds of the shareholders present at the meeting.
5. Engage in other acts as assigned by The Board of Directors.

### **3.6 The recruitment of Directors and senior management.**

The Nomination Committee will select persons having suitable qualifications by consider their qualifications and expertise in various professions, while also taking into account other qualities such as leadership, vision, morality and ethics, accompanies by transparent, accountable career records. They shall also be required not to possess any forbidden aspect specified by laws and Articles of association. The suitable persons will be nominated as company directors for reconsideration by the Board of Directors prior to submitting to the meeting of shareholders for election by the majority vote of eligible shareholders attending the meeting.

In the case where the retirement took place prior to term completion with the remaining term being not less than two months, the Board of Directors shall then be authorized to select the persons from the candidates proposed by the Nomination Committee, for further appointment as company directors, by the majority votes not less than three-fourth of the existing number of Directors. In such case, the newly-appointed directors shall hold office for the remaining term of their predecessors.

### **Director Election Process**

According to the Articles of Association Chapter 4, the directors must be elected by the shareholders' meeting according to the regulations and methodologies as follows:

- 1) A shareholder has one share and equal to one vote.
- 2) Each shareholder must apply all the vote according to Item (1), to elect only one or more to be directors but shall not be divided of the vote to any others or how much.
- 3) The person who granted the subordinate maximum votes has been elected to be the director as the amount of directors that the shareholders' meeting must elect. In case of the person who granted the subordinate votes, being a tie over than the amount of directors that the shareholders' meeting must elect, the chairman shall exercise his casting vote.

### **Minority shareholders' rights**

The company provided the opportunity for minority shareholder to nominate candidates to be appointed company directors, prior to the holding of shareholders' meeting, according to the criteria set forth by the company. Shareholder can find detail document at the company's website ([www.tpcorp.co.th](http://www.tpcorp.co.th)) The Nomination Committee will select those who meet the criteria. To be included in the agenda on election of directors, proposed to the Board of Directors for consideration and approval. Before proposing to the annual general meeting of shareholders for consideration and approval individually.

### **3.7 The Executives Selection Process**

1. The management carries out the duty of selecting persons with suitable qualifications as executive by considering the following criteria
  - Being an employee or employee of the company
  - Have knowledge, ability, skills, professional experience, various specific qualifications corresponding to the position and is most beneficial to the company
  - Experience in business and effective team management
  - High leadership
  - morality and ethics in management
2. The appointment of other executives not also being members of the Executive Committee shall be carried out jointly by the executive in the relevant line of operation and the Personnel Department submitting nominations for appointment by the Managing Director.

#### **4. Corporate Governance's the operations of its subsidiaries and associates companies**

##### Policy on Supervision of the Subsidiary and the Associated Company

The Board of Directors puts emphasis on supervision of the subsidiary and the associated company that the Company has invested in with the intention of protection of the Company's interests of such investments. Therefore, the Company has specified policy on supervision of the subsidiary and the associated company as follows:

1. Appointment of personnel to be the director of the subsidiary and/or the associated company. The Board of Directors has assigned the Executive Committee to consider the director or the executive in the Group of Companies who is knowledgeable, capable and has expertise in such relevant businesses to represent the Company as a joint venture pursuant to shareholder proportion or joint venture agreement.
2. The appointed person who shall be the Company's representative shall perform duties for the best interests of the subsidiary or the associated company that he/she holds office.
3. The Company's appointed person is required to supervise the subsidiary on compliance with and disclosure of material information in the same criteria complied by the Company, such as connected transaction, asset acquisition or disposition transactions and etc.
4. Supervise on keeping of information and accounting records of the subsidiary and the associated company, so that the Company can inspect and use for preparation of the consolidated financial statement on time.
5. Monitor financial positions and performance of the subsidiary and the associated company constantly.
6. Supervise to ensure that the subsidiary has appropriated and adequate internal control system.

#### **5. Controlling the use of inside information**

- The company set up a specific obligation in written to prevent company Directors, executives and employees who acquire inside information are prohibited from trading in company shares in the 1-month period prior to public disclosure of financial statements, to use inside information for their own benefits. The obligation stated that they must submit their shareholding reports when any changes of status occur to the secretary of the company in order that it will be reported to the Board of Directors. Violators are subject to disciplinary action, ranging from warnings to cut wages. Suspension without pay. Until termination and legal proceedings.

- Determine and inform the company directors, executives. When first appointed to the new position A previous report in securities holding company. And for changes in securities holding company informed to the Securities and Exchange Commission under section 59 Securities and Exchange Act of 2535 within 3 working days from the date of the transaction. With a copy to the company secretary. Save



the changes and to prepare a summary of the securities of the directors and executive officers individually. To report to the Board of Directors for the next meeting was also informed penalties if they are violated or failed to comply with such requirements.

- Set the Board meeting schedule for the year and distributed to directors in advance. To know how long should refrain from trading securities.

## 6. Remuneration of company Auditor in 2020

### 6.1 Audit Fee

Name of Auditor who signed financial statement	Company Payer	Audit Fee (Baht)
Mr. Prasitporn Kesama From ASV & Associates Limited.	1. Textile Prestige Plc.	900,000.-
	2. TPCNIC Co., Ltd.	170,000.-
Total		1,070,000.-

### 6.2 Remuneration for other services (Non-Audit Fee)

Provider	Company Payer	Type of Work Other services	Fee (Baht)
ASV & Associates Limited.	1 Textile Prestige Plc.	BOI promoted business	5,250.-
	2 TPCNIC Co., Ltd.	The Financial Statements (English Version)	3,000.-
Total Non-Audit Fee			8,250.-

## 7. Apply good corporate governance.

According to the latest release of the “Corporate Governance Code for Listed Companies 2017” by the Securities and Exchange Commission, it was intended to replace the former corporate governance guidelines and practice.

In 2020, the Board of Directors no. 7, on 22 December 2020 reviewed the implementation of the CG Code by applying to the business context of the company. The part that is taken from CG principles for listed companies 2012 (CG principles), the company has maintained almost all of the current practices and adding CG Code policies and new practices by integrating them as part of the vision, mission, values, policies and manuals for corporate governance, Business ethics and Code of conduct for directors, executives and employees as shown under the heading "Corporate Governance". The company remains committed to sustainable development in accordance with the CG Code.

In the innovation, the company has a separate Research and Development team working closely with marketing team and an in-house seminar was set up to open up and initiate innovative idea for middle management. It aimed to build their awareness and promote for ideas for innovation in the organization.

## **8. Compliance with good corporate governance principles in other matters**

The Board of Directors has adopted corporate governance policies which comply with the principles of good corporate governance for listed companies, according to the Stock Exchange of Thailand. The company has published its corporate governance policies on the company website. [www.tpcorp.co.th](http://www.tpcorp.co.th) and has revised every year including training for new employees (orientation) and annual training On the responsibility of business to society and environment (CSR) and CSR-DIW and CG in the year 2020, training on 3 October 2020

In 2020, The company has been awarded as the listed company which abided by the Good Corporate Governance Principles and regulations of shareholder's meeting.

- Corporate Governance Report of Thai Listed Companies 2020. Award granted by the Thai Institute of Directors Association under the support of the SEC and SET, with total rating score of 89%, classified as "Very Good" four Star level. 
- Assessment of arrangement quality of the Annual General Shareholders' Meeting 2020 by the Thai Investors Association with total score of 100 from Thai Investors Association.

Throughout 2020, the company performed in accordance with its policy on good corporate governance, except for the following issues.

- Chairman of the Board of Directors is not an Independent Director, the company remains confident that his performance has always been undertaken with an understanding of good corporate governance principles. Important Decisions were approved by each relevant committee creating balance and was reviewed as well were strictly complied.
- The Board of Directors neither determines the number of companies for each director to be assume his directorship nor a length of time for any independent director because each director has effectively devoted time to perform his Authority of for the company by attending meetings regularly providing benefits to the company. Therefore, the company is confident that it does not impact each director's performance in any way.
- The company did not evaluate directors individually, since the evaluation in the form of The Board of Directors can reflect the performance as a whole, which each director can improve deficient parts of the topic very well.
- The Chairman of the Nomination Committee and the Chairman of the Remuneration Committee are not independent directors, all of them are directors with knowledge and experience who

served the positions for a long period of time. They have performed their duties with responsibility and honesty, while never voted when they have conflict of interests.

- The Company has a cross-shareholding structure. The cross-shareholding structure was part of the Company before listing on The Stock Exchange of Thailand. There are no contradictions to section 14 according to the notification of the Capital Market Supervisory Board Thor Jor 28/2008 regarding the approval of newly issued shares.

## **Corporate Social Responsibility**

### **Corporate Social Responsibility Policy**

One of Textile Prestige Public company Limited's management policies is to pursue international standard to bring about sustainability development. The company intends to manufacture quality and safe products to comply with her responsibility toward society and environment. Manufacturing processes are carried out in a minimal impact to the environment. Furthermore, the company intends to comply with business ethics and transparency. The company is concerning stakeholders' benefit by strictly complying with laws and regulations. The company is supporting business partners who commit to society, against corruption, respect to human right and are transparently operating their businesses.

The company has a report of the Corporate Social Responsibility was

"SUSTAINABILITY REPORT 2020" or Download from QR Code



## **Internal Control and Risk Management**

### **1. The opinion of the Board of Directors regarding the internal control system of the company**

The Board of Directors Meeting No. 1/2564 on February 23, 2021, all 3 members of the audit committee attended. The Board of Directors has assessed the adequacy of the internal control system of the company in the year 2020 according to the evaluation form for the adequacy of the internal control system and has agreed in common that the company has a sufficient internal control system suitable for the current operating conditions are as follows:

**Internal Control** The company has a suitable organization structure which is divided according to job function and responsibility. Board of Directors has carefully set Policy and viable Target which is clear and measurable for the company's management and personnel to implement. Remuneration for management and staff has also been set at the reasonable rate and in line with the company's target and performance.

The company is operating under Charters for Board of Directors, Audit Committee, Nomination Committee, Corporate Governance and Risk Management Committee, Executive Director Committee and Scope of Authority of and Responsibilities of the Managing Director. The company also has a written Operating Manual with guidelines to Good Practices which prohibit the management and personnel to perform any activity that may step into a conflict of interests. There are written policies and procedures against corruption as operating guidelines to prevent corruption. In addition, the company stressed on loyalty and ethics including fairness in business operation and dealing with customers and trade partners.

The company has an audit committee, who is independent and has qualifications as specified by the Capital Market Supervisory Board, which can review the operation of the company and give opinions independently to the company and shareholders

**Risk Assessment** The company has set up The Corporate Governance and Risk Management Committee, to manage probable company risks in a systematic and efficient manner. Provide the risk management manual as a guideline for risk management across the enterprise according to the vision and missions of the company. The company has set up Risk Management Sub-Committee to follow and update risk-factors internally and externally to observe and pinpoint any probable risk which may impact the business, to prevent and mitigate any loss that may arise. The Risk Management Working Groups are divided to monitor and cover risks that may arise from each department for the entire company and subsidiaries. The Corporate Governance and Risk Management Committee will be reporting directly to the Board of Directors.

**Control Activities** The company had clearly prescribed level of authorized power, and distribute duty and responsibility of each section. With regard to the transactions carried out with connected parties, the company duly followed The Notification of The Capital Market Supervisory Board, together with the regulated process of approval and regularly report to the Audit Committee.

**Information & Communication** The company stressed to the importance of Information and communication system in order to report précised data for directors, executives, the shareholders, or other related persons to be decided. The company exercises SAP Software system in order to manage the company's information for the most efficiency in working which will result the management for update information and right decision. There are also safety measures within the information system to prevent risk which might be occurred. All documents and accounting files are classified and cataloged in accordance with the general accepted accounting principles. Furthermore, the company has a Disaster and Recovery Site (DR Site) in order to support the business to be able to operate continuously.

Prior to the meeting of the Board of Directors and shareholders, we delivers notice along with data which are sufficient for decision making in advance and within the period prescribed by law.

**Monitoring Activities** The company set performance targets and conducts comparison with actual performance. In the event of a discrepancy between target and actual, the company would affect remedial measure or modify operation plans to be in time and suitable situation. In addition, the regular inspection of performance pursuant to the internal control system is conducted by the internal audit section. The result of these inspections are reported directly to the Audit Committee, in case a significant defect has been detected, the Audit Committee must informed Executive Board and directly report to the Board of Directors for remedial instruction to be given within a reasonable time.

From the appraisal of the company's internal control system in 5 items mentioned above, the Board of Directors has opinion that the company got suitable and sufficient internal control system. Nevertheless, the Board of Directors is well aware that any internal control system could not guaranteed against all losses occurring from significant errors. Such a system is merely capable of preventing or guaranteeing against losses at reasonable level

## **2. Opinion of the Audit Committee**

The Audit Committee has the same opinion with the Board of Directors that an internal control system that is appropriate and sufficient for the company's business operations. (please refer to the "Report of the Audit Committee" on page no. 4)

## **3. Head of internal audit of the company**

The Audit Committee has approved Mr. Supachai Taechalapanarusmie to be the manager of the Internal Audit Office which has the appropriate educational background, training experience sufficient to perform the duties of the head of the internal audit of the company

In this regard, the consideration of the independence of the internal audit department. As well as to approve the assessment, appointment, transfer, termination of the chief of the internal audit department or any other department responsible for the internal audit as well as ensuring that the position of head of the internal audit department has the appropriate educational background, training experience sufficient for the performance of duties. It has been specified in the charter of the audit committee. The audit committee has performed their duties correctly. Details about the chief of internal audit on page no. 50

### Connected Transactions

The financial statements included transactions with related companies. The relationship may be by shareholding or the companies may have the same group of shareholders or directors' assets liability revenues and some expenses of company showed account relationship. On the 31 December, 2020 the significant transactions with the connected companies were as following consolidated the notes to the financial statements notes No. 5, 8 and 12 have done a fair market price and in accordance with normal trade or as agreed in the case where there was no reference market price.

Shareholders and / or investors can view the connected transactions during the past 3 years from the company's website at [www.tpcorp.co.th](http://www.tpcorp.co.th) under the heading "Investor Relations", "Disclosure Business News and the connected transaction"

#### **Connected Transaction in 2020 as follow;**

1. The Board of Directors at the meeting No.4/2562 held on 11 November 2019, approved transactions with the connected parties for the year 2020 as follow:

- 1.1 Transaction date: From 1 January 2020 - 31 December 2020

- 1.2 Connected parties and relationship: 15 companies.

No.	Name of connected parties	Relationship*
1	TPCNIC Co., Ltd.	Subsidiary Company
2	Thai Wacoal Plc.	The major shareholders
3	Saha Pathana Inter Holding Plc.	The major shareholders
4	I. C. C. International Plc.	The major shareholders
5	A Tech Textiles Co., Ltd.	The common major shareholders : SPI, WACOAL
6	G Tech Material Co., Ltd.	The common major shareholders : SPI, WACOAL
7	Eastern Thai Consulting 1992 Co., Ltd.	The common major shareholders : SPI
8	Pitakkij Co., Ltd.	The common major shareholders : SPI
9	Thai Secom Security Co., Ltd.	The common major shareholders : SPI, ICC
10	Thai Samsung Life Insurance Plc.	The major shareholder (indirect) : SPI, ICC
11	MBTS Broking Service Co., Ltd.	The common major shareholders : SPI
12	Kai IT Service Co., Ltd.	The common major shareholders : ICC
13	Pitakkij Security Co., Ltd.	The major shareholder (indirect) : SPI
14	Thai Naxis Co., Ltd.	The common major shareholders : WACOAL
15	Racha Uchino Co., Ltd.	The common major shareholders : SPI, ICC

\* Noted SPI = Saha Pathana Inter Holding Plc.

WACOAL = Thai Wacoal Plc.

ICC = I.C.C. International Plc.

### 1.3 The General characteristics of transaction:

Company	Types of connected transactions	Example	Total amount	Actual amount
15 companies as above	<u>Category 2</u> Supporting normal business transaction without general trading conditions	- Business consultancy fee - Utilities	<u>Revenue item</u> Total not over of 35 million Baht	<u>Revenue item</u> 2.33 million Baht
	<u>Category 3</u> Transaction regarding rental or lease of immovable property not exceeds 3 years.	- Immovable property rental fee.	<u>Expense item</u> Total not over of 30 million Baht	<u>Expense item</u> 8.37 million Baht
	<u>Category 4</u> Transaction relating to assets or service	- Movable property rental fee - Administration Services		

### 1.4 Pricing and Compensation policies:

- Business consultancy fee: Fee depends on the difficult and scope of service.
- Immovable property rental fee: Set by cost plus reasonable profit.
- Assets or Service: Set by cost plus reasonable profit.

Transaction volume: Above transactions are the transactions between Textile Prestige Public Company Limited and the connected parties, which considered to be transactions prescribed in the notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and other acts of Listed companies concerning the connected transactions, 2003 (B.E2546) and amendment.

Category 2 Supporting normal business transaction without general trading conditions.

Category 3 Transaction regarding rental or lease of immovable property not exceeds 3 years.

Category 4 Transaction related to assets or service.

as of the category 2, 3 and 4 states that having transaction volume larger than 1 million Baht but less than 20 million Baht, or otherwise more than 0.03% but less than 3% of net tangible assets (NTA), whichever may be greater.

Since 0.03% of the company's NTA as of 30 September 2019, stand at 0.67 million Baht, as compared to 3% of such amount for 66.77 million Baht, therefore, such transaction volume be approved by the company's Board of Directors, while at the same time being required to be duly disclosed the information to the SET, without having to seek approval from the shareholders' meeting for this matter.

### 1.5 Funding source: From the company's working capital which is adequate and does not affect the company's operations.



- 1.6 Transaction rationale: To support the business which the company invests and are the company's Supply Chain.
- 1.7 Those directors with possible conflict of interest did not attend nor casted votes.
- 1.8 Opinions of the Board of Directors: Agree to approve such transaction intended to support normal business transaction without general trading conditions, transaction regarding rental or lease of immovable property, transaction relating to assets or service to the related company in the year 2020 in revenue an amount not exceed 35 million Baht and expense item an amount not exceed 30 million Baht.

Transaction with connected parties according to above details, as they were considered to be normal business transactions, representing reasonable prices and other conditions concerned. Furthermore, such transactions should contribute to the company's further benefits, as well as help strengthen the company's business potential further, thereby promoting mutual business developments for the parties concerned.

- 1.9 Opinions by The Audit Committee and/or Director significantly different from those by The Board of Directors: - None –

2. The Meeting of the Board of Directors No. 1/2563, held on 26 February 2020, has approved to increase the budget of connected transaction to hire Pitakkij Co., Ltd. to renovate the building located at 489 on Rama 3 Road and company's land around the building from the budget of 23.1 million Baht to 28.2 million Baht, increase by 5.1 million Baht (VAT included). The details are as follow;

- 2.1 Transaction date: 27 February 2020 onward.

Project start date on 9 August 2019 – 31 May 2020 (10 Months)

- 2.2 Connected party and relationship

The employer: Textile Prestige Plc. ("TPCORP")

The employee: Pitakkij Co., Ltd.

The relationship: There is one common major shareholder, Saha Pathana Inter Holding Plc.

Saha Pathana Inter Holding Plc. ("SPI")	Holding TPCORP	Holding Pitakkij Co., Ltd
	12.03%	33.52%

The General characteristics of transaction: The Company has hired Pitakkij Co. Ltd., to renovate the building at 489 Rama 3 Road, Bang Khlo Subdistrict, Bang Kho Laem District, Bangkok and land which will be used as the future headquarter of the company. The building is a 4-storey building with a usable area of approximately 1,600 square meters and an area of approximately 2,250 square meters with the budget of 23.1 million Baht.

After conducting a thorough inspection, the need to strengthen the building in accordance with Bangkok City regulations regarding to Building Control and related laws was found. Furthermore, the improvements to suit the company current and future requirement were also recommended, thus causing to exceed the approved limit. It is, therefore necessary to extend the limit of connected transactions from 23.1 million Baht to 28.2 million Baht (an increase of 5.1 million Baht - including VAT).

limit of connected transactions from 23.1 million Baht to 28.2 million Baht (an increase of 5.1 million Baht - including VAT).

- 2.3 The total value of the consideration and the criteria used to determine value: The total transaction value is 28.2 million Baht (VAT included). The said transaction is a medium-sized connected transaction (1.3% NTA) which is greater than 0.03% % of NTA but less than 3% of NTA. All transactions with Pitakkij Co., Ltd. during the past 6 months is less than 3% of NTA.

Since 0.03% of the company's NTA (as of 30 September 2019) stands at 0.67 million Baht, as compared to 3% of such amount for 67.22 million Baht, therefore, such transaction volume shall be approved by the company's Board of Directors, while at the same time being required to be duly disclosed the information to the SET, without having to seek approval from the shareholders' meeting for this matter.

- 2.4 Funding source: From the company's working capital which is adequate and does not affect the company's operations.

- 2.5 Acquisition and disposition of assets: The transaction value of 28.2 million Baht (VAT included). The highest criteria calculated is 1.06% of total assets.

In addition, when estimating the investment value in the project as follows:

Item	Approved Budget (Million Baht)	Increased (Million Baht)	Total (Million Baht)
1. Renovation of buildings, structures and areas	23.1 (Pitakkij Co.,Ltd.)	5.1 (Pitakkij Co.,Ltd.)	28.2
2. Interior and furniture	11.5 (Unrelated Parties)	3.4 (Unrelated Parties)	14.9
3. Infrastructure, Air Conditioning and Information Systems	11.4 (Unrelated Parties)	- (Unrelated Parties)	11.4
4. Miscellaneous expenses and unexpected items	2.0	-	2.0
<b>Total Budget</b>	<b>48.0</b>	<b>8.5</b>	<b>56.5</b>

When combined the value of the whole project from 48 million Baht to 56.5 million Baht, increased by 8.5 million Baht (VAT included), transactions 2 and 3 are transactions with unrelated parties and under the approval authority of the Board of Directors.

Therefore, when the total value of the entire project is approximately 56.5 million Baht (VAT included), when considered maximum threshold was calculated as the total value of consideration is 2.12% of the total assets. The consolidated financial statements (latest) ended 30 September 2019, the company has total assets of 2,664 million Baht.

When the total transaction is not over 15% of the total sales volume in the past 6 months, it is not an acquisition or disposal of significant assets of listed companies.

- 2.6 Those directors with possible conflict of interest did not attend nor casted votes.

- 2.7 Opinions of the Board of Directors: The Board of Directors approved to increase the budget of Pitakkij Co., Ltd., to improve the building no. 489 on Rama 3 Road and the company's land

around the building from the value of 23.1 million Baht to 28.1 million Baht, increased 5.1 million Baht (VAT included) as proposed for safety and continuity of operations.

- 2.8 Opinions of The Audit Committee and/or Director that is significantly different from the Board of Directors: - None –

#### **Necessities and Sensibility of transactions with those with possible conflict of interest**

Doing business under highly competitive environment would require business alliance or networks, both upstream and downstream, so as to increase liquidity in business operation which will then leads to the sustainable growth and development. Any interested persons are chain value, the company's business alliance, so it is necessary that the company engage in business transaction with them for the benefit to the company itself and its shareholders. This is achieved by setting as the market price or contracted price for the non-reference price.

#### **Procedures or steps in the authorization of transactions**

1. As regards connected transactions which are part of the routine operations between the company and a director, executive or connected person under general commercial terms as would be concluded by reasonable persons under the same circumstances, negotiated at arm's length without the exercise of any influence derived from the status of a director, executive officer or connected person, the management has sought approval from the Board of Directors on an annual basis, in the first Board of Directors' meeting subsequent to the annual general meeting of shareholders. This is to give the new Board of Directors notice of such matter. The management is also required to report all transactions made under those conditions to the Board of Directors every quarter.

2. Non-routine connected transactions. It must be considered and audited by the Audit Committee of the company to ensure that such transactions are reasonable and for the best interest of the company. If the transaction value does not exceed the threshold to require approval of the shareholders' meeting pursuant to the regulations of the Stock Exchange of Thailand, the matter must first be considered by the Executive Committee. If the transaction value is within the Executive Committee authorization limit, approval of the connected transaction will be concluded at this stage. An interested person shall neither attend the meeting nor cast a vote. However, if the transaction value exceeds the authorization limit of the Executive Committee, the Executive Committee will submit its resolution to the Board of Directors. The Board of Directors, in the presence of the Audit Committee, will consider the approval of the said transaction. An interested person shall, again, neither attend the meeting nor cast a vote.

#### **Criteria for Approval**

1. Regard to the benefits to the company and subsidiaries in the Group in the present and future, e.g.
  - returns on investment, such as interests and dividends;
  - business opportunities of the company
2. Securities which should be received by the company in the transaction
  - performance bonds for the transaction;
  - Status of the connected company and capabilities of the management.

#### **Policies and Trends of future transactions**

The Board of Directors duly recognized their responsibilities as the directors of public company in carrying out their Authority of toward the shareholders, employees, and all stakeholders, in accordance with good corporate governance practices. Accordingly, those inter-transactions likely to take place in the future, the Company will take into consideration the maximum benefit of the Company, as it is the arm's length basis, with the disclosure of information duly carried out in accordance with The Notification of the Capital Market Supervisory Board, regarding "Rules on Connected Transactions".

### Summary of Financial Information

#### Textile Prestige Public Company Limited and Subsidiary Companies

#### 1. Information from Financial Statements

(Unit : Baht)

Item	2020	2019	2018
Operating Result - Continuing Operations			
Revenue from sales	759,720,960	839,123,580	931,526,317
Total Revenue from operation	762,907,123	840,912,919	933,675,352
Cost of Sales	591,749,467	713,199,901	758,704,558
Gross Profit	171,157,656	127,713,018	174,970,794
Net Profit (Owners of the parent company)	-19,513,620	74,598,526	80,745,059
<u>Financial Status</u>			
Total Assets	2,616,717,803	2,572,985,446	2,723,265,787
Total Liabilities	258,139,766	290,676,385	318,836,770
Shareholders' Equity	2,358,578,037	2,282,309,061	2,404,429,017

#### 2. Financial Ratio as of December 31

Item		2020	2019	2018
Liquidity Ratio				
Current Ratio	(Times)	7.53	7.51	6.68
Quick Ratio	(Times)	6.41	6.92	5.28
Cash Flows from Operating Activities Ratio	(Times)	0.17	0.54	0.47
Account Receivable Turnover	(Times)	6.50	6.48	6.27
Average Collection Period	(Days)	55	56	57
Inventory Turnover	(Times)	5.62	7.38	8.59
Average Period of Sales	(Days)	64	49	42
Account Payable Turnover	(Times)	9.01	9.64	7.62
Payment Period	(Days)	40	37	47
Profitability Ratio				
Gross Margin	(%)	22.43	15.19	18.74
Rate of Operating Profit	(%)	2.08	-2.01	2.11
Net Profit Ratio	(%)	-2.38	8.14	7.86
Rate of Return on Net Worth	(%)	-0.85	3.26	3.49
Efficiency Ratio				
Return on Total Assets	(%)	-1.58	2.94	3.26
Return on Fixed Assets	(%)	7.03	20.34	20.51
Total Assets Turnover	(Times)	0.32	0.35	0.37
Financial Policy Ratio				
Debt to Equity Ratio	(Times)	0.11	0.13	0.14
Dividend Payment Ratio	(%)	** -333.33	86.96	80.00

Item		2020	2019	2018
Per Share Data				
Book Value per Share	(Baht)	21.69	20.98	21.39
Earnings per Share	(Baht)	-0.18	0.69	0.75

Note:

\* Data for the year 2019 and 2018, recategorized according to the year 2020

\*\* The company will propose to the 46<sup>th</sup> Annual General Meeting of Shareholders' for an approval to pay Dividend for the year 2020, at the rate of 0.60 Baht per share (Sixty Satang), Total of 64,800,000 Baht (Sixty-four million and eight hundred thousand Baht), which is paid from the retained earnings of 20 percent corporate tax-paid business.

The record date to determine the names of shareholders, who are eligible to receive the dividend is on 11 May 2021. The dividend payment will be made on 25 May 2021.

### 3. Summary of financial statements of Textile Prestige Public Company Limited and it subsidiaries.

(Unit : Thousand Baht)

Highlight of financial statement	2020	%	2019	%	2018
STATEMENTS OF COMPREHENSIVE INCOME :					
Total revenues from operation	762,907	92.86	840,913	91.74	933,675
Other income	58,623	7.14	75,744	8.26	94,065
<b>Total</b>	<b>821,530</b>	<b>100.00</b>	<b>916,657</b>	<b>100.00</b>	<b>1,027,740</b>
Cost of sales	591,749	77.57	713,200	84.81	758,705
Operation Expenses	155,291	18.90	144,582	15.77	155,254
<b>Total</b>	<b>749,841</b>	<b>91.27</b>	<b>862,082</b>	<b>94.05</b>	<b>919,700</b>
<b>Operating profit before unrealized items Before income tax</b>	<b>71,689</b>	<b>8.73</b>	<b>54,575</b>	<b>5.95</b>	<b>108,040</b>
<b>Unrealized Transactions</b>					
- Unrealized gain from transfer investment	-	-	30,957	3.38	-
- Unrealized loss from revaluation of financial assets	(104,300)	(12.70)	-	-	-
- Allowance for impairment loss of investments	-	-	(10,009)	(1.09)	(5,441)
- Share of gain from investment in associated company	(11,116)	(1.35)	(2,057)	(0.22)	(18,783)
<b>Total</b>	<b>(115,416)</b>	<b>(14.05)</b>	<b>18,891</b>	<b>(2.06)</b>	<b>(24,224)</b>
EBITDA	26,855	3.27	147,128	16.05	162,843
Depreciation and amortization	67,781	8.25	69,363	7.57	73,285
Profit (Loss) before finance costs and income tax	(40,926)	(4.98)	77,765	8.48	89,558
<b>Net Profit (Loss) (owners of the parent company)</b>	<b>(19,514)</b>	<b>(2.38)</b>	<b>74,598</b>	<b>8.14</b>	<b>80,745</b>
CASH FLOW STATEMENTS :					
NET CASH RECEIVED FROM OPERATING ACTIVITIES	29,016	3.53	93,763	10.23	85,304
NET CASH USED IN INVESTING ACTIVITIES	91,426	11.13	(60,113)	(6.56)	124,332
NET CASH USED IN FINANCING ACTIVITIES	(94,722)	(11.53)	(94,722)	(10.33)	(105,522)
<b>Net increase (decrease) in cash</b>	<b>25,720</b>	<b>3.13</b>	<b>(61,072)</b>	<b>(6.66)</b>	<b>104,114</b>
STATEMENTS OF FINANCIAL POSITION :					
cash and cash equivalents	145,806	5.57	120,086	4.67	181,158
Other current financial assets	758,273	28.98	1,005,026	39.06	617,087
Trade and other current receivables-net	138,986	5.31	129,659	5.04	236,519
Short-term loans to related company	41,923	1.60	-	-	-
Inventories-net	121,518	4.64	88,905	3.46	104,490
<b>TOTAL CURRENT ASSETS</b>	<b>1,206,758</b>	<b>46.12</b>	<b>1,344,073</b>	<b>52.24</b>	<b>1,139,488</b>
Other non-current financial assets-net	629,606	24.06	476,987	18.54	792,708
Investment properties-net	67,688	2.59	67,688	2.63	204,369
Property, plant and equipment-net	620,716	23.72	617,970	24.02	525,199
<b>TOTAL ASSETS</b>	<b>2,616,718</b>	<b>100.00</b>	<b>2,572,985</b>	<b>100.00</b>	<b>2,723,266</b>
Trade and other current payables	126,042	4.82	151,538	5.89	140,034
<b>TOTAL CURRENT LIABILITIES</b>	<b>160,187</b>	<b>6.12</b>	<b>178,931</b>	<b>6.95</b>	<b>170,523</b>
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>97,953</b>	<b>3.74</b>	<b>111,745</b>	<b>4.34</b>	<b>148,314</b>
<b>TOTAL LIABILITIES</b>	<b>258,140</b>	<b>9.87</b>	<b>290,676</b>	<b>11.30</b>	<b>318,837</b>
Registered share capital	108,000		108,000		108,000
Issued and paid-up share capital	108,000	4.13	108,000	4.20	108,000
Premium on ordinary shares	110,400	4.22	110,400	4.29	110,400
Other components of equity	147,832	5.65	39,589	1.54	77,269
Unappropriated Retained earnings	1,799,356	68.76	1,833,915	71.28	1,845,052
<b>EQUITY ATTRIBUTABLE TO PARENT COMPANY</b>	<b>2,342,799</b>	<b>89.53</b>	<b>2,265,474</b>	<b>88.05</b>	<b>2,310,635</b>
Non - controlling interests	15,779	0.60	16,835	0.65	93,794

Note: Data year 2019 and year 2018 were recategorized according to the year 2020.

## **Management Discussion and Analysis**

### **Analysis of operations and financial statements**

#### **Economic Overview**

In 2020, the Thai economy shrank due to the effects of the coronavirus disease (COVID-19) outbreak, affecting both domestic and foreign economies. Causing instability in the world economy. Although the government has various policies to stimulate the economy with various government projects and various investment and encouraging private sector to invest including the support for the use of technology for the convenience and speed of business operations.

During the year 2020, The Company and its Subsidiary (the Group) adjusted its operation plan to suit the situation, focusing on purchasing and controlling costs and expenses including investment in modern machinery for fast production and faster response to customer needs.

#### **Overview of Operations**

In 2020, the Group has been focusing on developing and manufacturing industrial products and hygienic products including household related products.

Out of 762.91 million Baht of revenue was from automotive industry 579.88 million Baht or 76.01% and hygiene and household products 183.03 million Baht or 23.99%

### **1. Analysis of the results for the year 2020 compared with the year 2019**

In 2020, the revenue of the Group was 821.53 million Baht, previously 916.66 million Baht declined by 95.13 million Baht or 10.38% , the main reason is revenue from the sale of products was affected by the coronavirus 2019 pandemic causing the domestic sales and exports to slow down.

In 2020, profit from operations was 71.69 million Baht, the previously was 54.58 million Baht, increased by 17.11 million Baht or 31.35%, due to increased sales of hygiene and household products.

In 2020, the Group has recorded unrealized transactions according to the accounting principles which recorded for the unrealized portion of 115.42 million Baht. The previous year, the unrealized income was 18.89 million Baht, an increase of 134.31 million Baht or 711.01%, was mainly due to the change of new accounting standards which started in 2020.

Therefore, in the year 2020, the Group has recorded unrealized losses according to the accounting standards in the adjusted the fair value, resulting in a net loss for the parent company of 19.51 million Baht, the previous year profit of 74.60 million Baht, an increase of 94.11 million Baht, or 126.15%.

At the end of 2020, total assets of the Group was 2,616.72 million Baht, last year 2,572.99 million Baht, increased by 43.73 million Baht or 1.70% , mainly due to the increase in the value of other non-current financial assets.

Total liabilities at the end of 2020, amounted to 258.14 million Baht, last year 290.68 million Baht, a decrease of 32.54 million Baht, or 11.20% because during the year there was a payment of creditors who purchased fixed assets amounting to 29.92 million Baht.



Shareholders' equity was reported at 2,342.80 million Baht, last year 2,265.47 million Baht, increased by 77.33 million Baht or 3.41%, because the investment value has been adjusted causing other elements of equity increase.

Return on assets was -1.58%, last year 2.94% and return on equity was -0.85%, last year 3.26%. In 2020, the rate of return on assets and return on equity were negative as a result of fair value adjustments, a decrease in investment results in unrealized losses that result in net losses.

The management views that the overall financial performance decreased mainly due to the decrease in sales and unrealized losses from investment revaluation. Overall, the company has a solid financial position. The company has sufficient liquidity for investment, for dividend payment and for business continuity.

(Unit: million Baht)

	2020	2019	Increase (Decrease)%
Total Revenues	821.53	916.66	-10.38%
Net Profits -owners of the parent company	-19.51	74.60	-126.15%
Total Assets	2,616.72	2,572.99	1.70%
Total liabilities	258.14	290.68	-11.19%
Equity attributable to Parent Company	2,342.80	2,265.47	3.41%
Net Profit Ratio -owners of the parent company	-2.38%	8.14%	
Return on Assets	-1.58%	2.94%	
Return on Equity	-0.85%	3.26%	

### Revenues from operation



### Revenue from sales and services

In 2020, the Group total revenues from sales and services was 762.91 million Baht, previously was 840.91 million Baht, decreased by 78 million Baht or 9.28% , it comprises of domestic sales and services 555.52 million Baht, previous year was 566.74 million Baht, decreased by 11.22 million Baht or 1.98%, due to the decrease in sales to industry. Oversea Sales volume was 207.39 million Baht, last year 274.17 million Baht, decreased by 66.78 million Baht or 24.36% , due to the impact of the coronavirus outbreak in 2019 causing orders to decline.

### **Other income**

the Group other income in 2020 equaled 58.62 million Baht, last year 75.74 million Baht, decreased by 17.12 million Baht or 22.60%, due to the decrease in dividend income received.

Other income comprises;

- Dividend income was 45.49 million Baht, the previous year was 49.61 million Baht, decreased by 4.12 million Baht, or 8.30%, as affected by the 2019 coronavirus, dividends have been reduced.

- Other income was 13.14 million Baht, last year was 26.14 million Baht, decreased 13 million Baht or 49.73%, Due to the decrease in interest income, Rental income, Income from property disposal and other income.

### **Cost of Sales**

In 2020, cost of goods sold of the Group was 591.75 million Baht, or 77.57% of revenue from sales and services, compared to the previous year of 713.20 million Baht, or 84.81% of revenue from sales and services, costs decreased by 121.45 million Baht or 17.03%, due to the decrease in production and sales.

### **Operating Expenses**

In 2020, the Group had total operating expenses of 158.09 million Baht, the previous year of 148.88 million Baht, increased by 9.21 million Baht, or 6.19%, due to the increased in selling expenses.

The details included

- Sales expenses equaled to 49.80 million Baht, the previous year was 38.38 million Baht, increased by 11.42 million Baht, or 29.76%, due to the increased cost of sales promotion.
- Administrative expenses was 97.51 million Baht, the previous year was 98.38 million Baht, slightly decreased.
- Directors' remuneration for the year 2020, amount of 7.99 million Baht, the previous year was 7.82 million Baht, slightly increased. The remuneration paid to the directors was within the amount approved by the shareholders.
- Interest expense was 2.80 million Baht, last year was 4.30million Baht, declined by 1.5 million Baht or 34.88%. It was the remaining of current Liability from purchase of fixed assets.

### **Unrealized transactions about investments**

In 2020, the Group had unrealized investment losses of 115.42 million Baht, the previous year had unrealized profit of 18.89 million Baht, loss increased by 134.31 million Baht, equal to 711.01%. Using new accounting standards, resulting in unrealized losses from investment revaluation.

The details included:

In 2020, there was an unrealized loss from financial asset revaluation 104.30 million Baht.

In 2019, there was an unrealized profit from the investment type adjustment of 30.96 million Baht.

In 2019, there was an investment impairment of 10.01 million Baht, in the year 2020 there was no impairment recorded.

In 2020, the share of loss from investments in associates was recognized in the amount of 11.12 million Baht, last year 2.06 million Baht, an increase of 9.06 million Baht or 439.81%, due to associated companies affected by the coronavirus disease 2019. This resulted in lower revenues and increased operating losses.

### **Corporate Income Tax Paid**

In 2020, the deferred income tax amounted to 23.16 million Baht, the previous year paid income tax was 1.34 million Baht, because in 2020 there are more items for deferred tax and there was no corporate income tax.

### **Profit attributable to owners of the parent company**

In 2020, the company has a net loss of 19.51 million Baht, the previous year earned 74.60 million Baht decreased by 94.11 million Baht or 126.15%, mainly due to the unrealized loss from investment in financial securities and the realized loss share of the associated company.

- In 2020 there was a loss per share of 0.18 Baht, the previous year earnings per share was 0.69 Baht, a decrease of 0.87 Baht per share.

- In 2020, the net loss to total income was 2.38%, last year net profit to total income was 8.14%.

- In 2020, the return on equity is -0.85%, the previous year 3.26%.

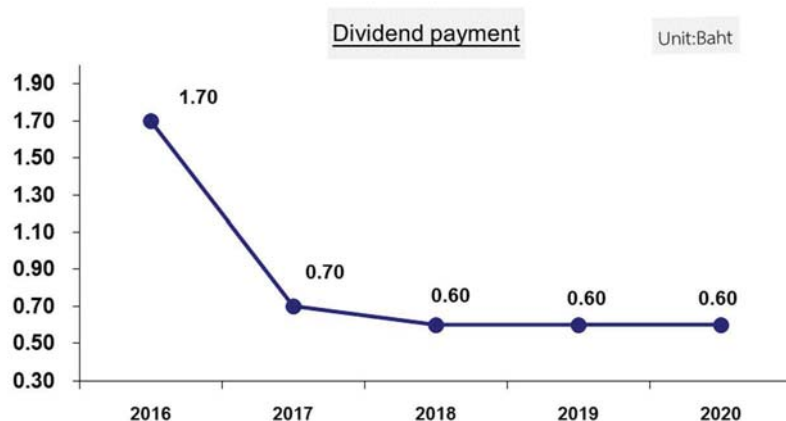
- In 2020, return on assets was -1.58%, last year 2.94%.

- In 2020, the company has operating cash flow of 29.02 million Baht.



### **Return to Shareholders**

The company has a policy to pay dividend to shareholders for not less than 25% of par value depending on its performance and economic conditions. Throughout the past, the company has made consistent dividend payments. In 2020, net loss of the company was 19.51 million Baht, thus loss per share was 0.18 Baht. On 23 February 2021, the Board of Directors' Meeting No.1/2564 of the company passed a resolution to propose in the 46<sup>th</sup> Annual General Meeting of Shareholders for an approval of dividend payment from retained earnings has not been allocated. At the rate of 0.60 Baht per share, totaling 64.80 million Baht, the company plans to pay dividends on 25 May 2021.



## **2. Financial Status**

### **Financial Overview**

By the end of 2020, the Group had total assets of 2,616.72 million Baht whereas the previous year equaled to 2,572.99 million Baht, increased by 43.73 million Baht or 1.70%, due to the increase in cash and cash equivalents and receivables.

the Group had liabilities equaled to 258.14 million Baht, while the previous year equaled to 290.68 million Baht, decreased by 32.54 million Baht or 11.19%, because during the year the company paid back to the property creditor.

The Company's equity attributable to parent company was 2,342.80 million Baht, the previous year was 2,265.47 million Baht, and increased by 77.33 million Baht or 3.41%, During the year, the company paid dividends of 64.80 million Baht. Non-controlling interests amounted to 15.78 million Baht, the previous year was 16.84 million Baht, a decrease of 1.06 million Baht or 6.29% due to the associated company being affected by the coronavirus 2019, resulting in increased operating loss.

Total assets include:

- Net current assets of 1,206.76 million Baht or 46.12%.
- Other non-current financial assets-net, and investment in associated companies of 629.61 million Baht, equal to 24.06%
- Fixed assets-net of 688.40 million Baht equals to 26.31%.
- Other assets-net of 91.95 million Baht, equal to 3.51%.

Total liabilities include:

- Trade and other current payables of 126.04 million Baht, equal to 48.83%.
- Liabilities under lease agreements - repayment due within 1 year in the amount of 33.57 million Baht, equal to 13.00%.
- Provisions for employee benefits amounting to 59.34 million Baht, equal to 22.99%.
- Deferred tax liability amounting to 38.35 million Baht equals to 14.86%.
- Other liabilities of 0.84 million Baht equal to 0.33%.

Equity consists of:

- Equity of the parent company in the amount of 2,342.80 million Baht, equal to 99.33%.
- Non-controlling interests amounting to 15.78 million Baht, equal to 0.67%.

## **ASSETS**

### **Cash and cash equivalents**

At the end of 2020, the Group had cash and cash equivalents of 145.81 million Baht, last year 120.09 million Baht, an increased 25.72 million Baht, or 21.42%. At the end of the year, received a refund from debt instruments maturing 20 million Baht.

### **Other current financial assets**

At the end of 2020, there were investments shown at fair value of 758.27 million Baht, the previous year was 1,005.03 million Baht, a decrease of 246.76 million Baht, equal to 24.55% . These investments were for the management of financial liquidity of the company in order to obtain higher returns. The declining value due to the decrease in the fair price of investments in listed securities in the market.

### **Trade and other receivables**

At the end of 2020, the company's accounts receivable and other receivables were 138.99 million Baht, compared to the previous year at 129.66 million Baht, increased by 9.33 million Baht or 7.20% due to the end of the year there was an increase in income, while the remaining Trade Accounts Receivable are not yet due.

the Group has trade receivables and other current receivables are quality receivables, for the most part, were paid on schedule. Most of the Group's customers are long-term trading customers. In the past, there was no problem in receiving payments.

the Group has appointed a credit committee for its customers based on the quality of each customer that different credit is given. the guidelines for small customers as case by case. Early sales will collect cash on the day of delivery or allow customers to transfer money before delivery. If the customer does not meet the deadline. The company will stop selling until receiving payment. During the 2019 corona pandemic, credit consideration has to be taken to be more vigilant. In the past, the average collection period was 55 days, according to the credit rating of the customer. Customer details are disclosed in Note 7.

### **Inventories**

At the end of 2020, the company's inventories was 121.52 million Baht, compared to 88.91 million Baht, decreased by 32.61 million Baht or 36.68% because of the company's inventory management to manufacture and keep its final goods to meet the needs of customers.

Overall, most of the products are quality products and be produced and sold. Any product that is slow to turnover, an allowance has been made.

### **Other non-current financial assets**

As of the end of 2020, there was a net long-term investment of fair value adjustment of 629.61 million Baht, the previous year was 476.99 million Baht, an increase of 152.62 million Baht, equal to 32.00%, with fair value adjusted to increase value. And for the flexibility of financial management, several parts have been invested.

Included:

- Investments in associates, net of 94.57 million Baht, equal to 15.02%.
- Investments in non-listed companies, net of 447.85 million Baht, equal to 71.13%.
- Investments in listed companies net 86.19 million Baht, equal to 13.69%.
- Net investment in debentures amounting to 1.00 million Baht, equal to 0.16%.

### **Fixed Assets**

#### **The details are as follows:**

The value of property for investment at year end in 2020 and 2019 amounted to 67.69 million Baht, unused assets therefore allowing other companies to rent for a short period of time for additional revenue.

The value of net property, plant and equipment at year end in 2020 amounted to 620.72 million Baht, while the amount for the previous year was 617.97 million Baht, increased by 2.75 million Baht or 0.45%. During the year, more assets were purchased.

### **Total Liabilities**

The company's Total Liabilities at year end in 2020 was 258.14 million Baht, while the amount for the previous year was 290.68 million Baht, decreased by 32.54 million Baht or 11.19% , due to the payment to creditors from the purchase of assets.

Included:

Current liabilities were 160.19 million Baht, comprised of trade accounts payable and other current payables of 126.04 million Baht. Trade accounts payable on purchase of fixed assets within one year of 33.57 million Baht. Other Current liabilities was 0.58 million Baht.

Non-current liabilities were 97.95 million Baht, consisted of Employee benefit expenses of 59.34 million Baht. Deferred income tax liabilities were 38.35 million Baht. Other non-current liabilities were 0.27 million Baht.

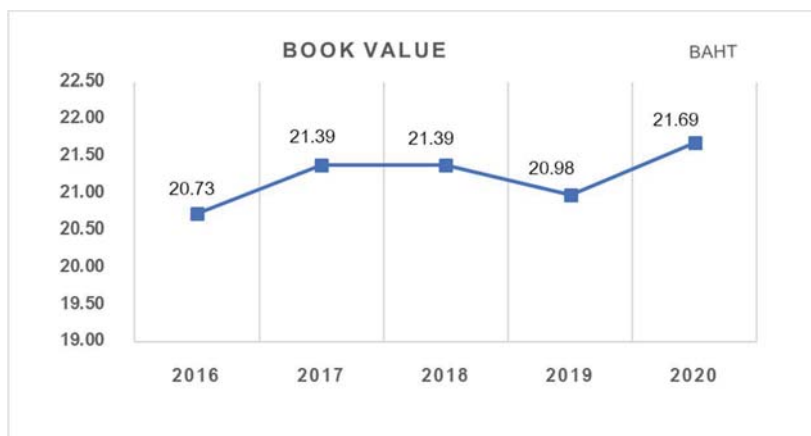
The remaining creditors at the end of 2020 is not yet due.

### **Equity Attributable to Parent Company**

At year end 2020, the equity attributable to parent company totaled 2,342.80 million Baht, while the amount for the previous year equaled to 2,265.47 million Baht, increase of 77.33 million Baht or 3.41%, because during the year, there was dividend payment and other components of shareholders' equity was 147.83 million Baht, in the previous year was 39.59 million Baht, increased 108.24 million Baht or 273.40%. Because the fair value of the investment has been adjusted to increase.

In 2020, the company paid out dividend payment was made at 0.60 Baht per share, total 64.80 million Baht. By paying 2 times, paid on January 21, 2020 and on April 30, 2020.

The Book value at the end of 2020 equaled to 21.69 Baht, when compared to the previous year, 20.98 Baht, increased 0.71 Baht, due to the increase in other components of equity.



### **3. Quality of Assets**

#### **Quality of trade receivables and other current receivables.**

Net trade receivables and other current receivables at the end of 2020 amounted to 138.99 million Baht, consisting of net trade receivables in the amount of 122.02 million Baht or 87.79% . Other current receivables 16.97 million Baht, or 12.21%. The balance of the majority of the aforementioned receivables was not due, and the company will be able to collect payment in full because they have traded with the company for a long time and have excellent payment records. On the other hand, the company was at risk for customers not making payment from prolonged overdue payment, for which the company has allocated an allowance for the whole amount of doubtful debts.

#### **Quality of Inventories**

Net inventories at the end of the year 2020 were 121.52 million Baht, mostly consisting of

The inventory of net finished goods amounted to 43.74 million Baht, or 35.99% . The majority of goods was in good quality, sellable goods and goods produced as per customer orders, and that are not due for delivery.

The inventory for goods in the production process-net amounted to 18.84 million Baht, or 15.50% . The aforementioned products are in the process of production per customer orders and should be delivered and sold as scheduled.

The raw material inventories and supplies-net amounted to 65.67 million Baht, or 54.04% . The majority of raw materials are prepared for use during the production process for customers as per purchase orders, while raw materials remaining from production for customers, the company will manufacture into finished goods for sale at various fairs.

In 2020, the company has reserved for slow-moving goods, at the end of the year there is an allowance for slow-moving goods of 6.73 million Baht, equal to 5.54% due to the impact of the 2019 coronavirus pandemic in 2020. Fairs are reduced.

## **Quality of Investment**

### **Investments in securities**

Other current financial assets, net at the end of the year 2020 presented in the financial statements at a fair value of 758.27 million Baht, which is an investment in ordinary shares and various mutual funds in listed securities. The difference between the change of cost and fair value is recorded as unrealized gain (loss) in the statements of comprehensive income. Income received from the investments was in Dividend received of 30.43 million Baht, its return accounted for 5.15% which was higher than interest rate deposit at banks. (Details in the notes to the financial statements No. 10)

Other non-current financial assets, net at the end of 2020 presented in the financial statements at a fair value price of 535.04 million Baht, which is an investment in ordinary shares in listed securities. The difference between changes in cost and fair value is recorded in other components of shareholders' equity. Return on investment in the year 2020 received dividends 15.06 million Baht. The rate of return is 4.38%, which is considered an investment with higher return than banks' deposit rates.

### **Property, Plant and Equipment**

The lands shown in the financial statement are assets long acquired by the company. Their value was shown in the cost method and the present value of the lands was higher than the financial statement. As for machinery and equipment, their values were shown in the cost value deducted by accumulated depreciation. Most of the machinery and equipment are modern, productive and were regular maintained. Moreover, any unutilized asset would be sold and amortized from the account by the company.

## **4. Liquidity**

### **Cash Flow**

In 2020, the company's net cash flow from operations amounted to 29.02 million Baht, previous year was 93.76 million Baht, decreased by 64.74 million Baht or 69.05%. During the year, the company were used money for investing activities 91.43 million Baht, the previous year, it was spent 60.11 million Baht. Used in financing activities 94.72 million Baht, equal to last year. This is a payment of dividends to shareholders and payables from the purchase of fixed assets under the contract.

Important investment activities, during the year, received money from securities investment of 153.63 million Baht, dividend received 45.47 million Baht, interest income of 3.59 million Baht, purchased fixed assets 70.03 million Baht, loaned 43.94 million Baht to associated companies.

The important financing activity is the dividend paid out to shareholders for the amount of 64.80 million Baht and payment of liabilities from the purchase of fixed assets under the purchase agreement in the amount of 29.92 million Baht.

### **Capital Structure Suitability**

	Unit	2020	2019	2018
Debt to Equity Ratio	Times	0.11	0.13	0.14



Debt to Equity Ratio of the Group was low because the company has a large amount of liquidity. Hence, the Group did not require any loan for its business operations, expansions, various investments and for its dividend payment to shareholders.

#### **Liquidity Adequacy**

	Unit	2020	2019	2018
Liquidity Ratio	Times	7.53	7.51	6.68
Quick Ratio	Times	6.41	6.92	5.28
Operating Cash Flow Ratio	Times	0.17	0.54	0.47
Increased Cash Flow from Operations	million Baht	29.02	93.76	85.30

#### **Cash Cycle**

	Unit	2020	2019	2018
Days Inventory	Days	64	49	42
Average Collection Period	Days	55	56	57
Average Payment Period	Days	40	37	47
Cash Cycle	Days	79	68	52

the Group has been closely and constantly monitoring the situation of sales, marketing and economic conditions with other factors posing potential impact on sales and debt collection.

#### **Sources of Fund**

the Group utilized its capital and retained earnings for operations and investments. The debt of the company is shown in the financial statements mainly are trade payables and other payables, Creditors of fixed asset purchase, Deferred income tax liabilities and provision for employee benefits of the company's financial statement as of 2020, the company had 258.14 million Baht in total liabilities, whereas the equity attributable to parent company depicted at 2,342.80 million Baht.

#### **Factors or events potentially affecting the company's financial position or operations in the future**

##### **Internal factors**

In 2020, PT. DYNIC TEXTILE PRESTIGE, a joint venture situated in Indonesia. There was an increase in operating loss due to the impact of the 2019 coronavirus pandemic, resulting in lower revenues. Its loss derived from interest expenses and exchange loss from its borrowings to purchase fixed assets.

TPCNIC Co. Ltd., a subsidiary of the company. In 2020, the operating results are loss due to the impact of the coronavirus pandemic 2019, the income was reduced.

**External factors**

- The domestic economy has slowed down according to the world economy affected by the Coronavirus 2019 epidemic, the population is still burdened with debt. The people still has high household debt, resulting in consumers being cautious in their spending.
- Increasing competition will cause the company higher expenses to keep up with customers' expectation in speedy response and lower price. Therefore, the company have to keep procure new raw materials to develop new products and increase sales channels.

**Auditor's Remuneration****Audit Fees**

the Group paid auditing fees to the auditor's office at the amounts of 1,070,000 Baht in 2020.

**Fees for Other Services**

the Group paid remuneration for other services such as operational inspections according to the conditions set by the board of the investment promotion to the auditor's office at the amount of 5,250 Baht and The Financial Statements (English Version) for a subsidiary at the amount of 3,000 Baht in 2020

**Expenditures for research, technological development and innovation**

the Group had experimented to produce samples and presented to customers and developed products to meet customers' requirement before actual production for the amount of 3.83 million Baht in 2020 and the previous year was 4.21 million Baht, a decrease of 0.38 million Baht or 9.03% due to the epidemic situation, product development has been slowed.

## **The Board of Directors' Responsibility Report towards Financial Statements**

Board of Directors duly recognized their obligations and responsibilities in their status as the directors of SET listed company, to be responsible for the accuracy and completeness of financial statements. The Financial statements of Textile Prestige Public Company Limited and its subsidiary companies, were prepared in accordance with Thai Accounting Standards ("TAS") and Thai Financial Reporting Standards ("TFRS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") and prepared in accordance with accounting principles generally accepted in Thailand, based on the adoption of appropriate accounting policies on a consistent basis, accompanied by careful consideration and justifiable accounting estimates. Furthermore, adequate significant information was disclosed in the notes to the financial statements, together with necessary clarification and analysis regarding the financial positions and performances by the company and its subsidiaries, so as to contribute to the interests of the shareholders and investors. Moreover, financial statements were duly audited by independent certified public accountants.

The Board of Directors has supported and promoted good governance practice, internal control and risk management in an efficient and effective manner. These practices were intended to ensure that the recording of accounting information was carried out in an accurate, complete, and sufficient manner to reflect the company's actual results of operations, while also safeguarding against any significant fraud.

Board of Directors appointed Audit Committee whose members comprising of independent directors to review the quality of the financial statements, internal control and risk management. The opinions of The Audit Committee were displayed in the Audit Committee's report contained in the annual report, as well as the annual registration statement (form 56-1).

The Board of Directors concluded that the good corporate governance practice, internal control and risk management, were well adequate and sufficient to provide the financial statements of Textile Prestige Public Company Limited and its subsidiaries ending December 31, 2020 with confidence and important context was accurately disclosed.

*Mr. Manu Leelanuwatana*

(Mr. Manu Leelanuwatana)

Chairman

*Mr. Suchai Narongkananukul*

(Mr. Suchai Narongkananukul)

Chairman of the Executive Board,

Managing Director

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS TEXTILE PRESTIGE PUBLIC COMPANY LIMITED**

#### **Opinion**

We have audited the accompanying consolidated financial statements of Textile Prestige Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as of 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Textile Prestige Public Company Limited for the same period.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Textile Prestige Public Company Limited and its subsidiary and of Textile Prestige Public Company Limited as of 31 December 2020, their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

#### **Basis for Opinion**

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

#### **Emphasis of Matter**

We draw attention in note to the financial statements no. 1.6 and 3.1 to the interim consolidated financial statements. Due to the impact of the COVID-19 outbreak, in preparing the financial information for the year ended 31 December 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives Dealing with The Impact of COVID-19 Pandemic issued by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.

## **Key Audit Matter**

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current period. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

### **1. Revenue from sales**

The Group has revenues from operation which comprise of revenue from sales and revenue from hire of works. Revenues from sales are significant to the Group's financial statements and directly impact on the Group's operating results. Moreover, the Group has both domestic and overseas sales transactions under various terms and conditions. We therefore focused on the Group's recognition of revenues from sales, especially the timing of revenue recognition and terms and conditions of sales and goods delivery.

Our audit procedures include assessing and testing the Group's internal controls related to revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls selecting representative samples to test the operation of the designed key controls and reviewing the revenue recognition policy of the Group. On a sampling basis, we checked documents supporting sales and terms and conditions transactions occurring during the year and near the period end, and tested sales cut off. We reviewed credit notes issued by the Group to customers after the end of the reporting period and performed analytical review of the revenue from sales accounts.

### **2. Impairment of investments in associated company, subsidiary company and fair value measurement of non-listed equity securities**

As discussed in notes to the financial statements no. 12 and 13 of the separate financial statements, as of 31 December 2020, the Company had net investments in associated company and in subsidiary company in the totalling Baht 78.64 million and Baht 16.40 million, respectively. As discussed in note to the financial statements, no. 11 of the consolidated financial statements and the separate financial statements as of 31 December 2020, the Company had net non-listed equity securities in the totalling Baht 447.85 million. The Company had recorded the allowances for impairment loss of investments in associated company and subsidiary company in the totalling Baht 85.75 million and Baht 9.09 million respectively and unrealized gain on revaluation of non-listed equity securities in the consolidated financial statements and the separate financial statements in the totalling Baht 139.87 million.

We considered the above issue a key audit matter due to the impairment loss in investments test in accordance with TAS36 Impairment of Assets and fair value measurement of investments in accordance with TFRS9 Financial Instruments from the first time adoption of TFRS9 in 2020 are material to audit and investments are significant value to the financial statements. The consideration of impairment and fair value measurement in investments depend on the Group's management judgements and significant assumption to consider the correct, adequate and appropriate recoverable amount and fair value measurement basis.

Our audit procedures include understanding consideration process and internal control procedures related to the impairment and fair value measurement of investments and assessing the impact of the adjustment entries for the opening balance as of 1 January 2020, reviewing the design and implementation of the internal control procedures, calculating test, examining the supporting documents in relation to the management consideration of impairment indicators for investments, fair value measurement and assessing the appropriateness of the methodology applied by the Group's management in calculating the impairment loss of investments, fair value measurement and the judgements applied in determining recoverable amount and fair value measurement of investments.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the Group's Annual Report, but does not include the financial statements and our auditor's report thereon. We reckoned that we would receive the Annual Report after the date of our report.

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

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

If we have read the Annual Report and if we conclude that there is significant material misstatement of this other information, we are required to report that fact to those charged with governance to correct the misstatement.

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

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

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

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

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

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. we 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

We also provide those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we 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 matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Prasitporn Kesama.



Mr. Prasitporn Kesama

Certified Public Accountant No. 9910

ASV & ASSOCIATES LIMITED

Bangkok

23 February 2021



TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS OF 31 DECEMBER 2020

UNIT : BAHT

		Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
	NOTES	2020	2019	2020	2019
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	145,805,906	120,085,819	129,831,564	106,713,816
Current investments	3.3	-	1,005,026,257	-	995,865,964
Trade and other current receivables - net	3.3, 7	138,985,797	129,659,294	137,612,243	130,012,938
Short-term loans to related company	8	41,923,059	-	41,923,059	-
Inventories - net	9	121,517,938	88,904,656	120,055,421	85,824,443
Other current financial assets	10	758,273,320	-	752,930,474	-
Other current assets		252,310	396,862	250,351	393,042
TOTAL CURRENT ASSETS		1,206,758,330	1,344,072,888	1,182,603,112	1,318,810,203
NON CURRENT ASSETS					
Other non-current financial assets - net	11	535,035,798	-	535,035,798	-
Investments in associated company - net	12	94,570,132	105,686,397	78,637,543	90,006,469
Investments in subsidiary company - net	13	-	-	16,402,220	17,498,591
Other long-term investments					
General investments - net	3.3	-	277,093,455	-	277,093,455
Investments in available-for-sale securities - net	3.3	-	83,207,934	-	83,207,934
Investments in debt securities held to maturity - net	3.3	-	11,000,000	-	11,000,000
Investment properties - net	14	67,687,573	67,687,573	67,687,573	67,687,573
Property, plant and equipment - net	3.3, 15	483,077,232	617,970,046	473,502,275	606,339,239
Right-of-use asset	3.3, 15	137,639,154	-	137,639,154	-
Intangible assets - net	16	2,466,856	2,912,326	2,466,856	2,912,326
Deferred tax assets	29	81,547,923	62,656,752	81,547,923	62,656,752
Other non current assets					
Deposits and guarantees		7,934,805	698,075	7,934,805	698,075
TOTAL NON CURRENT ASSETS		1,409,959,473	1,228,912,558	1,400,854,147	1,219,100,414
TOTAL ASSETS		2,616,717,803	2,572,985,446	2,583,457,259	2,537,910,617

The accompanying notes are an integral part of the financial statements.

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS OF 31 DECEMBER 2020

UNIT : BAHT

		Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
	NOTES	2020	2019	2020	2019
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
CURRENT LIABILITIES					
Trade and other current payables	17	126,042,401	151,538,047	125,798,032	150,743,807
Current portion of lease liabilities	18	33,567,247	-	33,567,247	-
Current portion of other payable - fixed assets	3.3	-	27,130,453	-	27,130,453
Other current liabilities		577,500	262,500	577,500	262,500
<b>TOTAL CURRENT LIABILITIES</b>		<b>160,187,148</b>	<b>178,931,000</b>	<b>159,942,779</b>	<b>178,136,760</b>
NON CURRENT LIABILITIES					
Lease liabilities - net	18	-	-	-	-
Other payable fixed asset - net	3.3	-	33,557,472	-	33,557,472
Retirement benefit obligations	19	59,337,282	62,000,730	58,001,003	60,198,706
Deferred tax liabilities	29	38,349,336	15,780,783	38,349,336	15,780,783
Other non current liabilities		266,000	406,400	266,000	406,400
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>97,952,618</b>	<b>111,745,385</b>	<b>96,616,339</b>	<b>109,943,361</b>
<b>TOTAL LIABILITIES</b>		<b>258,139,766</b>	<b>290,676,385</b>	<b>256,559,118</b>	<b>288,080,121</b>

The accompanying notes are an integral part of the financial statements.

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS OF 31 DECEMBER 2020

		UNIT : BAHT			
		Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
NOTES		2020	2019	2020	2019
<b>SHAREHOLDERS' EQUITY</b>					
Share Capital					
Registered share capital					
108,000,000 ordinary shares of Baht 1 each		108,000,000	108,000,000	108,000,000	108,000,000
Issued and paid-up share capital					
108,000,000 ordinary shares of Baht 1 each		108,000,000	108,000,000	108,000,000	108,000,000
Premium on ordinary shares		110,400,000	110,400,000	110,400,000	110,400,000
Retained earnings					
Appropriated					
Legal reserve	20	10,800,000	10,800,000	10,800,000	10,800,000
General reserve	21, 22	166,410,057	162,770,437	166,410,058	162,770,438
Unappropriated		1,799,356,244	1,833,914,626	1,783,420,265	1,818,235,197
Other components of equity		147,832,296	39,589,339	147,867,818	39,624,861
<b>EQUITY ATTRIBUTABLE TO PARENT COMPANY</b>		<b>2,342,798,597</b>	<b>2,265,474,402</b>	<b>2,326,898,141</b>	<b>2,249,830,496</b>
Non - controlling interests		15,779,440	16,834,659	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>2,358,578,037</b>	<b>2,282,309,061</b>	<b>2,326,898,141</b>	<b>2,249,830,496</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>2,616,717,803</b>	<b>2,572,985,446</b>	<b>2,583,457,259</b>	<b>2,537,910,617</b>

The accompanying notes are an integral part of the financial statements.

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

UNIT : BAHT

		Consolidated financial statements		Separate financial statements	
	NOTES	2020	2019	2020	2019
Revenues from operation					
Revenue from sales		759,720,960	839,123,580	755,267,679	834,957,476
Revenue from hire of works		3,186,163	1,789,339	81,021	193,257
Total revenues from operation		762,907,123	840,912,919	755,348,700	835,150,733
Cost of operations					
Cost of sales		(591,749,467)	(713,199,901)	(585,429,704)	(710,104,305)
Total cost of operations		(591,749,467)	(713,199,901)	(585,429,704)	(710,104,305)
GROSS PROFIT		171,157,656	127,713,018	169,918,996	125,046,428
Other incomes					
Consulting services		-	-	600,000	1,116,000
Interest income		4,156,207	5,489,240	3,999,903	5,275,288
Rental income		1,900,800	2,821,340	2,289,600	3,258,740
Dividend income		45,488,434	49,606,776	45,488,434	49,606,776
Gain on disposal of fixed assets		2,872,913	1,017,462	2,872,913	1,017,462
Unrealized gain on reclassification of investments		-	30,956,565	-	30,956,565
Others		4,205,170	16,809,295	4,905,346	16,351,404
PROFIT BEFORE EXPENSES		229,781,180	234,413,696	230,075,192	232,628,663
Selling expenses		(49,798,416)	(38,377,867)	(49,672,606)	(38,059,036)
Administrative expenses		(97,506,890)	(98,384,349)	(95,786,759)	(97,637,482)
Allowance for impairment loss of investments		-	(10,009,152)	(12,465,297)	(13,355,960)
Unrealized loss from revaluation of financial assets		(104,299,510)	-	(104,291,762)	-
Directors' remunerations		(7,986,000)	(7,820,000)	(7,986,000)	(7,820,000)
Share of loss from investments in associated companies	12	(11,116,265)	(2,057,233)	-	-
PROFIT (LOSS) BEFORE FINANCE COSTS AND					
INCOME TAX EXPENSES		(40,925,901)	77,765,095	(40,127,232)	75,756,185
Finance costs		(2,801,321)	(4,299,545)	(2,801,321)	(4,299,545)
PROFIT (LOSS) BEFORE INCOME TAX EXPENSES		(43,727,222)	73,465,550	(42,928,553)	71,456,640
Income tax	29	23,158,383	1,335,769	23,158,383	1,335,769
NET PROFIT (LOSS) FOR THE PERIOD		(20,568,839)	74,801,319	(19,770,170)	72,792,409

The accompanying notes are an integral part of the financial statements.

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020

UNIT : BAHT

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>NET PROFIT (LOSS) FOR THE YEAR</b>	<b>(20,568,839)</b>	<b>74,801,319</b>	<b>(19,770,170)</b>	<b>72,792,409</b>
Other comprehensive income:-				
<b>Other comprehensive income to be reclassified to profit or loss in subsequent period:</b>				
Unrealized loss on revaluation of available-for-sale securities (net of income tax 1,567,638)	-	(6,270,553)	-	(6,270,553)
<b>Other comprehensive income not be reclassified to profit or loss in subsequent period:</b>				
Actuarial gain (net of tax expense 737,672)	-	2,950,766	-	2,950,766
Loss on equity instruments designated at fair value through other comprehensive income (net of income tax 5,157,991)	(20,631,962)	-	(20,631,962)	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR - NET OF TAX</b>	<b>(20,631,962)</b>	<b>(3,319,787)</b>	<b>(20,631,962)</b>	<b>(3,319,787)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(41,200,801)</b>	<b>71,481,532</b>	<b>(40,402,132)</b>	<b>69,472,622</b>
<b>PROFIT (LOSS) ATTRIBUTABLE TO:</b>				
Owners of the parent company	(19,513,620)	74,598,526	(19,770,170)	72,792,409
Non-controlling interests	(1,055,219)	202,793	-	-
	<b>(20,568,839)</b>	<b>74,801,319</b>	<b>(19,770,170)</b>	<b>72,792,409</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :</b>				
Owners of the parent company	(40,145,582)	71,278,739	(40,402,132)	69,472,622
Non-controlling interests	(1,055,219)	202,793	-	-
	<b>(41,200,801)</b>	<b>71,481,532</b>	<b>(40,402,132)</b>	<b>69,472,622</b>
<b>BASIC EARNINGS PER SHARE</b>				
Owners of the parent company (Unit : Baht)	(0.18)	0.69	(0.18)	0.67

The accompanying notes are an integral part of the financial statements.

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020  
CONSOLIDATED FINANCIAL STATEMENTS

Retained Earnings				Other components of equity								UNIT : BAHT		
NOTES	Issued and paid-up share capital	Premium on ordinary shares	Retained Earnings			Unrealized gain(loss) on revaluation of available-for-sale investments		Gain (loss) on equity instruments designated at fair value through other comprehensive income		Actuarial loss	Total other components of shareholders' equity	Total Equity of Parent Company	Non-controlling interest	Total shareholders' equity
			Appropriated -		General	Unappropriate	Investments	Income						
			Legal Reserve											
Balance as of 1 January 2019														
Total comprehensive income for the year														
Reclassification of investments														
Non - controlling interests														
- discontinued subsidiaries														
22	-	-	-	-	74,598,526	(6,270,553)	-	2,950,766	(3,319,787)	71,278,739	202,793	71,481,532		
21, 22	-	-	-	-	-	(34,359,593)	-	-	(34,359,593)	(34,359,593)	-	(34,359,593)		
Dividend payment														
General reserve														
Balance as of 31 December 2019														
Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards														
3	-	-	-	-	35,614,821	(43,854,531)	173,229,487	129,374,956	164,989,777	-	-	164,989,777		
Balance as of 31 December 2019 - as restated														
Gain from capital reduction of investment														
Total comprehensive income for the year														
22	-	-	-	-	(19,513,620)	-	(20,631,962)	-	(20,631,962)	(40,145,582)	(1,055,219)	(41,200,801)		
21, 22	-	-	-	-	(47,520,000)	-	-	-	-	(47,520,000)	-	(47,520,000)		
Dividend payment														
General reserve														
Balance as of 31 December 2020														
Total comprehensive income for the year														
Reclassification of investments														
Non - controlling interests														
- discontinued subsidiaries														
Dividend payment														
General reserve														
Balance as of 31 December 2020														

The accompanying notes are an integral part of the financial statements.

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020  
SEPARATE FINANCIAL STATEMENTS

	Retained Earnings				Other components of equity							UNIT : BAHT	
	NOTES	Issued and paid-up share capital	Premium on ordinary shares	Retained Earnings			Unrealized gain(loss) on revaluation of available -for-sale investments		Gain (loss) on equity instruments designated at fair value through other comprehensive income				Total other components of shareholders' equity
				Appropriated -	General	Unappropriated	Investments	Income	Actuarial loss	Total shareholders' equity			
											Legal Reserve		
<b>Balance as of 1 January 2019</b>													
		108,000,000	-	110,400,000	10,800,000	159,114,566	1,831,178,660	84,484,677	-	(7,180,436)	77,304,241	2,296,797,467	
	Total comprehensive income for the year		-	-	-	-	72,792,409	(6,270,553)	-	2,950,766	(3,319,787)	69,472,622	
	Reclassification of investments		-	-	-	-	-	(34,359,593)	-	-	(34,359,593)	(34,359,593)	
22	Dividend payment		-	-	-	-	(82,080,000)	-	-	-	-	(82,080,000)	
21, 22	General reserve		-	-	-	3,655,872	(3,655,872)	-	-	-	-	-	
<b>Balance as of 31 December 2019</b>													
		108,000,000	-	110,400,000	10,800,000	162,770,438	1,818,235,197	43,854,531	-	(4,229,670)	39,624,861	2,249,830,496	
Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards													
3.3		-	-	-	-	-	35,614,821	(43,854,531)	173,229,487	-	129,374,956	164,989,777	
<b>Balance as of 31 December 2019 - as restated</b>													
		108,000,000	-	110,400,000	10,800,000	162,770,438	1,853,850,018	-	173,229,487	(4,229,670)	168,999,817	2,414,820,273	
	Gain from capital reduction of investment		-	-	-	-	500,037	-	(500,037)	-	(500,037)	-	
	Total comprehensive income for the year		-	-	-	-	(19,770,170)	-	(20,631,962)	-	(20,631,962)	(40,402,132)	
22	Dividend payment		-	-	-	-	(47,520,000)	-	-	-	-	(47,520,000)	
21, 22	General reserve		-	-	-	3,639,620	(3,639,620)	-	-	-	-	-	
<b>Balance as of 31 December 2020</b>													
		108,000,000	-	110,400,000	10,800,000	166,410,058	1,783,420,265	-	152,097,488	(4,229,670)	147,867,818	2,326,898,141	

The accompanying notes are an integral part of the financial statements.

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

UNIT : BAHT

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
NET PROFIT (LOSS) FOR THE YEAR	(20,568,839)	74,801,319	(19,770,170)	72,792,409
Adjustments : -				
Income tax	(23,158,383)	(1,335,769)	(23,158,383)	(1,335,769)
Depreciation and amortization	67,780,503	69,362,657	65,396,249	66,774,273
Allowance for doubtful accounts (reversal)	834,116	1,422,937	834,116	1,422,937
Allowance for slow moving stock	3,554,795	3,173,893	3,248,916	3,173,893
Written - off withholding tax	215,285	-	-	-
Allowance for impairment loss of investments	-	10,009,152	12,465,297	13,355,960
Unrealized loss from revaluation of financial assets	104,299,510	-	104,291,762	-
Unrealized loss from revaluation of current investment	-	8,496,602	-	8,457,532
Unrealized gain on reclassification of investments	-	(30,956,565)	-	(30,956,565)
Gain from disposal of financial assets	(2,594,046)	(19,344,820)	(2,553,745)	(19,333,590)
Gain on disposal of fixed assets	(2,872,913)	(1,097,241)	(2,872,913)	(1,097,241)
Loss from retirement of fixed assets	113,979	79,779	113,979	79,779
(Gain) Loss on exchanges	1,757,955	(214,126)	1,757,955	(214,126)
Dividend income	(45,488,434)	(49,606,776)	(45,488,434)	(49,606,776)
Deferred interest expenses	2,801,321	4,299,545	2,801,321	4,299,545
Interest income	(4,156,207)	(5,489,240)	(3,999,903)	(5,275,288)
Share of loss from investments in associated company	11,116,265	2,057,233	-	-
<b>Cash flows before changes in operating assets and liabilities</b>	<b>93,634,907</b>	<b>65,658,580</b>	<b>93,066,047</b>	<b>62,536,973</b>
Operating assets (increase) decrease				
Trade and other current receivables	(9,185,043)	104,475,577	(7,376,302)	30,258,863
Inventories	(36,168,077)	12,411,654	(37,479,893)	11,937,361
Other current assets	144,552	(162,770)	142,691	(170,660)
Other non current assets	(7,236,730)	(197,975)	(7,236,730)	(197,975)
Operating liabilities increase (decrease)				
Trade and other current payables	(8,106,725)	(84,475,164)	(7,556,855)	(7,364,049)
Other current liabilities	315,000	262,500	315,000	262,500
Retirement benefit obligation	(2,663,448)	3,107,307	(2,197,703)	2,963,398
Other non current liabilities	(140,400)	(3,198,174)	(140,400)	(3,198,174)
<b>CASH PROVIDED FROM OPERATING ACTIVITIES</b>	<b>30,594,036</b>	<b>97,881,535</b>	<b>31,535,855</b>	<b>97,028,237</b>
Interest paid	-	(1,211)	-	(1,211)
Corporate income tax paid	(1,577,875)	(4,117,121)	(1,440,234)	(4,049,529)
<b>NET CASH RECEIVED FROM OPERATING ACTIVITIES</b>	<b>29,016,161</b>	<b>93,763,203</b>	<b>30,095,621</b>	<b>92,977,497</b>

The accompanying notes are an integral part of the financial statements.



TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

CASH FLOW STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

UNIT : BAHT

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Decrease in certificates of deposits and fixed deposit	153,000,000	(4,960,255)	150,000,000	(92,000,000)
Cash received from redemption of financial assets				
measured at fair value through profit or loss - debt securities fund	475,550,000	-	470,900,000	739,850,000
Cash paid for financial assets measured at fair value				
through profit or loss - debt securities fund	(439,050,000)	-	(435,250,000)	(576,800,000)
Cash received from disposal of financial assets				
measured at fair value through profit or loss - listed equity securities	26,552,700	-	26,552,700	103,861,165
Cash paid for financial assets measured at fair value				
through profit or loss - listed equity securities	(83,789,135)	-	(83,789,135)	(171,761,420)
Cash received from distribution - capital of investment in associated company	-	258,189	-	258,189
Cash paid for capital contribution of investment in associated company	-	(31,083,875)	-	(31,083,875)
Cash received from distribution capital of investment in subsidiary companies	-	2,676,416	-	2,676,416
Cash received from distribution-capital of financial assets measured at fair value				
through other comprehensive income - non-listed equity securities	6,125,038	-	6,125,038	-
Cash received from decrease in share capital of financial assets measured				
at fair value through profit or loss - listed equity securities	2,783,908	1,625,690	2,783,908	1,625,690
Cash received from decrease in share capital of financial assets measured				
at fair value through other comprehensive income - listed equity securities	-	2,714,330	-	2,714,330
Cash paid for financial assets measured at fair value through				
other comprehensive income - listed equity securities	(7,541,000)	(2,767,000)	(7,541,000)	(2,767,000)
Cash paid for financial assets measured at fair value through				
other comprehensive income - non-listed equity securities	-	(71,064,000)	-	(71,064,000)
Cash received from held to maturities of financial assets measured at				
amortization cost method - held to maturities securities	20,000,000	-	20,000,000	-
Cash paid for financial assets measured at fair value through				
amortization cost method - held to maturities securities	-	(1,000,000)	-	(1,000,000)
Cash received from disposal of financial assets measured at fair value				
through other comprehensive income - listed equity securities	-	7,750,576	-	7,750,576
Cash received from disposal of financial assets measured at fair value				
through other comprehensive income - non-listed equity securities	-	2,940,000	-	2,940,000
Increase of short-term loans to related party	(43,939,200)	-	(43,939,200)	-
Interest received	3,589,786	6,127,664	3,429,584	4,485,622
Purchase of fixed assets	(70,031,468)	(24,837,343)	(69,703,065)	(24,745,343)
Purchase of intangible assets	(220,060)	(179,880)	(220,060)	(179,880)
Proceeds from disposal of fixed assets	2,929,088	1,104,463	2,929,088	1,104,463
Dividend income from other long-term investments	45,466,269	50,581,775	45,466,269	50,581,776
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>91,425,926</b>	<b>(60,113,250)</b>	<b>87,744,127</b>	<b>(53,553,291)</b>

The accompanying notes are an integral part of the financial statements.

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
CASH FLOW STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020

UNIT : BAHT

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Cash paid for other payable fixed assets	(29,922,000)	(29,922,000)	(29,922,000)	(29,922,000)
Dividend payment	(64,800,000)	(64,800,000)	(64,800,000)	(64,800,000)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(94,722,000)</b>	<b>(94,722,000)</b>	<b>(94,722,000)</b>	<b>(94,722,000)</b>
<b>CASH AND CASH EQUIVALENT INCREASE (DECREASE) - NET</b>	<b>25,720,087</b>	<b>(61,072,047)</b>	<b>23,117,748</b>	<b>(55,297,794)</b>
Cash and cash equivalent - beginning of the year	120,085,819	181,157,866	106,713,816	162,011,610
<b>CASH AND CASH EQUIVALENT AS OF 31 DECEMBER</b>	<b>145,805,906</b>	<b>120,085,819</b>	<b>129,831,564</b>	<b>106,713,816</b>
<b>ADDITIONAL DISCLOSURE ITEMS TO CASH FLOW STATEMENTS :</b>				
Significant non-cash items consist of :				
- Gain on equity instruments designated at fair value through other comprehensive income	(20,631,962)	-	(20,631,962)	-
- Other payable fixed assets	-	60,687,925	-	60,687,925
- Lease liabilities - net	33,567,247	-	33,567,247	-

The accompanying notes are an integral part of the financial statements.

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. GENERAL INFORMATION**

**1.1** Registration Textile Prestige Public Company Limited ("The Company") is a juristic person incorporated in Thailand and listed on the Stock Exchange of Thailand on 22 July 1987.

**1.2** Office locations The registered office and its factory is located at 489 Rama 3 Road, Kwaeng Bang Khlo, Khet Bang Kho Laem, Bangkok, Thailand. The Company has 4 branches located as follows:-

- 600 Moo 11, Sukhapiban 8 Road, Nongkham, Sriracha, Chonburi, Thailand.
- 624/5-8 Moo 11, Sukhapiban 8 Road, Nongkham, Sriracha, Chonburi, Thailand.
- 600/3 Moo 11, Sukhapiban 8 Road, Nongkham, Sriracha, Chonburi, Thailand.
- 600/49 Moo 11, Sukhapiban 8 Road, Nongkham, Sriracha, Chonburi, Thailand.

**1.3** Main activities

- Manufacturing of non - woven fabric products and sanitation and household products.
- Trading of all kinds of goods and hire of works.
- Investing in associated and subsidiary companies.

**1.4** The first two major shareholders ranged by their shareholding as of 31 December 2020 and 2019 are as follows:-

	% of issued and paid-up share capital	
	31 December 2020	31 December 2019
Thai Wacoal Public Company Limited	17.04	18.15
Saha Pathana Inter-Holding Public Company Limited	12.19	12.03

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1.5** On 23 February 2016, the shareholders' extraordinary meeting no. 1/2559 of the subsidiaries (T.U.C. Elastic Co., Ltd., Prestige Plus Co., Ltd. and Prestige Embroidery Co., Ltd.) and the associated company (Value Added Textile Co., Ltd.), had approved the liquidation of the subsidiaries and appointed liquidators. The subsidiaries had registered the liquidations with the Departments of Business Development on 25 February 2016. Value Added Textile Co., Ltd. has completed liquidation process on 8 January 2019. Prestige Plus Co., Ltd. and Prestige Embroidery Co., Ltd. have completed liquidation process on 4 April 2019 and T.U.C. Elastic Co., Ltd. have completed liquidation process on 13 September 2019.

**1.6 Coronavirus disease 2019 Pandemic**

The Coronavirus disease 2019 (COVID - 19) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

**2. BASIS FOR PRESENTATION OF THE FINANCIAL STATEMENTS**

**2.1** The financial statements are prepared in accordance with Thai Accounting Standards ("TAS") and Thai Financial Reporting Standards ("TFRS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") and the presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated

**2.2** 26 December 2019 under the Accounting Act B.E. 2543 and the financial reporting requirements of the Securities and Exchange Commission (SEC).

**2.3** The financial statements have been prepared on the historical cost basis except where otherwise disclosed in the accounting policies.

**2.4** The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**2.5 BASIS OF THE CONSOLIDATION OF FINANCIAL STATEMENTS**

These consolidated financial statements include the financial statements of Textile Prestige Public Company Limited and four subsidiaries ("The Group").

As of 31 December 2020 and 2019, the structure of shareholding in subsidiaries is as follows:-

	Percentage of Shareholding (%)		Incorporated in	Type of businesses
	2020	2019		
TPCNIC Co., Ltd.	50.9940	50.9940	Thailand	Manufacturing and sales of industrial spare parts

- Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- Subsidiaries' financial statements are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- The subsidiaries' financial statements are prepared on the same reporting period as the Company's, using consistent significant accounting policies.
- Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements. Book value of investments and shareholder's equity of its subsidiaries have also been eliminated from the consolidated financial statements.
- Non- controlling interest represents the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated statements of comprehensive income and in the shareholders' equity in the consolidated statements of financial position.

- 2.5** The separate financial statements present investments in subsidiaries and associates presented under the cost method.

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**2.6 Using of accounting estimates**

The preparation of financial statements in conformity with TAS and TFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

**3. NEW ACCOUNTING STANDARDS**

**3.3** During the period, the Group has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal periods beginning on or after 1 January 2020. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

- A set of financial reporting standards of five accounting standards and interpretations, as follows: :-

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TAS 32	Financial Instruments: Presentation
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The impact of the adoption of these standards on the Group's financial statements are as follows.

- Classification and measurement of investments in equity instruments of non-listed companies that the Group is to measure investments in equity instruments of non-listed companies at fair value and classify the investments as financial assets at fair value, through either profit or loss or through other comprehensive income. The Group adopted these transactions which the cumulative effect is recognised as an adjustment to the retained earnings and other components of equity as of 1 January 2020.
- Recognition of credit losses that the Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables. The Group adopted these transactions which the cumulative effect is recognised as an adjustment to the retained earnings as of 1 January 2020.

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

- Recognition of derivatives that the Group is to initially recognise derivative at their fair value on the contract date and subsequently measure them at their fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss. The Group's management has considered that the recognition of credit losses does not have any significant impact on the adjustment of retained earnings as of 1 January 2020.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings and other components of equity as of 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 3.3 to the financial statements.

- TFRS 16 Leases supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Group adopted these financial reporting standards which the Group's management has considered that the recognition does not have any significant impact on the adjustment of retained earnings as of 1 January 2020, because those transactions are the financial leases with similar principles to those used under TAS 17, which effect only the classification and change of caption of the cumulative effect as described in Note 3.3, and the comparative information was not restated.

- Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation"

The Federation of Accounting Professions announced Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation". Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- To measure the fair value of investments in unquoted equity instruments using the fair value as at 1 January 2020.
- To lightly weight information relating to the COVID-19 situation in applying the valuation technique to measure the fair value of financial assets in the form of debt instruments using Level 2 or Level 3 inputs.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

The Company's management is currently evaluating the impacts that may affect the financial statements after the expiration of the relief measures.

**3.2 New Financial Reporting Standards issued and not yet effective**

In addition to financial reporting standards issued and revised as mentioned above the FAP has also issued and revised the other number of financial reporting standards which will become effective for annual financial periods beginning on or after 1 January 2021. The Group does not plan to early adopt these TFRS. The Group's management has assessed the effect of the above financial reporting standards and believes that these standards will not have significant impact on the financial statements for the year in which they are effective.

**3.3 Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards**

As described in Note 3.1 to the financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings and other components of equity as of 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of retained earnings and other components of equity of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:



**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**UNIT : BAHT**

	Consolidated financial statements			
		The impacts of		
		Financial reporting standards related to		
	31 December 2019	financial instruments	TFRS 16	1 January 2020
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Current investments	1,005,026,257	(1,005,026,257)	-	-
Trade and other current receivables	129,659,294	(1,124,867)	-	128,534,427
Other current financial assets	-	1,005,026,257	-	1,005,026,257
<b>Non-current assets</b>				
Other non-current financial assets	-	578,538,845	-	578,538,845
Other long-term investments				
General investments - net	277,093,455	(277,093,455)	-	-
Investments in available-for-sale securities - net	83,207,934	(83,207,934)	-	-
Investments in debt securities held to maturity - net	11,000,000	(11,000,000)	-	-
Property, plant and equipment - net	617,970,046	-	(137,639,154)	480,330,892
Right-of-use asset	-	-	137,639,154	137,639,154
Deferred tax assets	62,656,752	224,973	-	62,881,725
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of lease liabilities	-	-	27,130,453	27,130,453
Current portion of other payable - fixed assets	27,130,453	-	(27,130,453)	-
<b>Non-current liabilities</b>				
Lease liabilities - net	-	-	33,557,472	33,557,472
Other payable fixed asset - net	33,557,472	-	(33,557,472)	-

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**UNIT : BAHT**

	Consolidated financial statements			
	The impacts of			
		Financial reporting standards related to		
	31 December 2019	financial instruments	TFRS 16	1 January 2020
Deferred tax liabilities	15,780,783	41,347,787	-	57,128,570
<b>Shareholders' equity</b>				
Retained earnings - unappropriated	1,833,914,626	35,614,821	-	1,869,529,447
Other components of equity				
- Gain on equity instruments designated at fair value through other comprehensive income	-	173,229,487	-	173,229,487
- Unrealized gain (loss) on revaluation of available -for-sale investments	43,854,531	(43,854,831)	-	-

**UNIT : BAHT**

	Separate financial statements			
	The impacts of			
		Financial reporting standards related to		
	31 December 2019	financial instruments	TFRS 16	1 January 2020
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Current investments	995,865,964	(995,865,964)	-	-
Trade and other current receivables	130,012,938	(1,124,867)	-	128,888,071
Other current financial assets	-	995,865,964	-	995,865,964
<b>Non-current assets</b>				
Other non-current financial assets	-	578,538,845	-	578,538,845
Other long-term investments				
General investments - net	277,093,455	(277,093,455)	-	-
Investments in available-for-sale securities - net	83,207,934	(83,207,934)	-	-

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**UNIT : BAHT**

	Separate financial statements			
	The impacts of			
	Financial reporting standards related to			
	31 December 2019	financial instruments	TFRS 16	1 January 2020
Investments in debt securities held to maturity - net	11,000,000	(11,000,000)	-	-
Property, plant and equipment - net	606,339,239	-	(137,639,154)	468,700,085
Right-of-use asset	-	-	137,639,154	137,639,154
Deferred tax assets	62,656,752	224,974	-	62,881,726
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of lease liabilities	-	-	27,130,453	27,130,453
Current portion of other payable - fixed assets	27,130,453	-	(27,130,453)	-
<b>Non-current liabilities</b>				
Lease liabilities - net	-	-	33,557,472	33,557,472
Other payable fixed asset - net	33,557,472	-	(33,557,472)	-
Deferred tax liabilities	15,780,783	41,347,787	-	57,128,570
<b>Shareholders' equity</b>				
Retained earnings - unappropriated	1,818,235,197	35,614,821	-	1,853,850,018
Other components of equity				
- Gain on equity instruments designated at fair value through other comprehensive income	-	173,229,487	-	173,229,487
- Unrealized gain(loss) on revaluation of available -for-sale investments	43,854,531	(43,854,531)	-	-

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Financial instruments**

Details of the impact on retained earnings and other components of equity as of 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	<b>UNIT : BAHT</b>
	Consolidated and separate financial statements
Impacts on retained earnings and other components of equity due to the adoption of financial reporting standards related to financial instruments as follows.	
Retained earnings - unappropriated	
- Recognition of an allowance for expected credit loss on financial assets	(899,894)
- Impact on equity instruments designated at fair value through other comprehensive income	36,514,715
Other components of equity	
- Gain on equity instruments designated at fair value through other comprehensive income	173,229,487
- Unrealized gain(loss) on revaluation of available -for-sale investments	(43,854,531)
<b>Total</b>	<b>164,989,777</b>

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

The classification and measurement basis, and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

**UNIT : BAHT**

Consolidated financial statements					
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value			Total
		Fair value through profit or loss	through other comprehensive income	Amortised cost	
<b>Financial assets as of 1 January 2020</b>					
Cash and cash equivalents	120,085,819	-	-	120,085,819	120,085,819
Current investments	1,005,026,257	832,026,257	-	173,000,000	1,005,026,257
Trade and other current receivables	129,659,294	-	-	128,534,427	128,534,427
Other long-term investments					
General investments - net	277,093,455	-	277,093,455	-	277,093,455
Investments in available-for-sale securities - net	83,207,934	-	83,207,934	-	83,207,934
Investments in debt securities held to maturity - net	11,000,000	-	-	11,000,000	11,000,000
<b>Total financial assets</b>	<b>1,626,072,759</b>	<b>832,026,257</b>	<b>360,301,389</b>	<b>432,620,246</b>	<b>1,624,947,892</b>

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

UNIT : BAHT

		Separate financial statements			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value			
		Fair value through profit or loss	through other comprehensive income	Amortised cost	Total
Financial assets as of 1 January 2020					
Cash and cash equivalents	106,713,816	-	-	106,713,816	106,713,816
Current investments	995,865,964	825,865,964	-	170,000,000	995,865,964
Trade and other current receivables	130,012,938	-	-	128,888,071	128,888,071
Other long-term investments					
General investments - net	277,093,455	-	277,093,455	-	277,093,455
Investments in available-for-sale securities - net	83,207,934	-	83,207,934	-	83,207,934
Investments in debt securities held to maturity - net	11,000,000	-	-	11,000,000	11,000,000
Total financial assets	1,603,894,107	825,865,964	360,301,389	416,601,887	1,602,769,240

As of 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**4.1 Revenue and expenses recognition**

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, after deducting allowance for returns of goods supplied and discounts excluding value added tax.

Revenue from hire of works is recognised when service is rendered.

Rental income is recognized as revenue according to period specified in the agreement.

Dividend income is recognized when the right to receive the dividend is established.

Other income and other expenses are recognized by accrual basis.

**4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, call deposits and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

**4.3 Inventories**

Inventories are valued at the lower of cost (moving average) or net realizable value.

Cost of inventories are comprised of all costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In case of finished goods and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realizable value is estimated selling price in the ordinary course of business less estimated costs to complete and to make the sale.

The Company provides for an allowance for obsolete and slow moving stocks by referring to inventories aging.

**4.4 Investments in subsidiaries and associate**

- Investment in associate in the consolidated financial statements is accounted for using the equity method.
- Investments in subsidiary and associate in the separate financial statements of the Company are accounted for using the cost method less allowance for impairment loss (if any).

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**4.5 Investments**

Accounting policies adopted before 1 January 2020

- Investments in securities held for trading are stated at fair value. Gains or losses arising from changes in the carrying amounts of the securities are included in the statements of comprehensive income.
- Investments in available-for-sale securities mean investments in listed securities stated at fair value, with the objective for long-term investments. Changes in the carrying amounts of securities are recorded as separate item in the other comprehensive income until the securities are sold, and the changes are then included in the statements of comprehensive income.
- Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised by the effective rate method with the amortised amount presented as an adjustment to interest income.
- Investments in non-marketable equity securities, which the Company classifies as general investments, are stated at cost net of allowance for impairment loss (if any).

Investments in related companies mean those companies in which the Group has holding interest less than 20% and/or the companies which directly or indirectly have some common management, major shareholders or such related persons.

Investments in other companies are those companies in which the Group has holding interest but has no power to govern or participate in any policy.

The fair value of marketable securities is based on the latest bid price of the last working day of the year quoted on the Stock Exchange of Thailand. The fair value of unit trusts is determined from their net asset value.

Weighted average method is used for the computation of cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as of the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.



**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**4.6 Investment properties**

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, (if any).

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs.

Depreciation is charged to the statement of comprehensive income on the straight-line basis over the estimated useful life of each asset. The estimated useful lives of the assets are as follows :-

Land	Not depreciated
Building and structures	20 years

**4.7 Property, plant and equipment**

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

Cost of property, plant and equipment include purchase price and other direct costs relating to the acquisition of such asset item.

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

Depreciation is charged to the statement of comprehensive income on the straight-line basis over the estimated useful life of each asset. The estimated useful lives of the assets are as follows :-

Building and structures	5, 10, 20 years
Machineries	5-10 years
Other fixed assets	3-5 years

The Group does not provide depreciation on land and assets under construction and installation.

Finance cost which related to construction or machinery under installation are recorded as cost of assets.

The Group has reviewed useful lives and residual values at least at each financial year-end. In case that the residual value or estimated useful lives differs from those originally estimated, such changes are considered changes in accounting estimates.

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**4.8 Intangible assets and amortization**

Intangible assets are computer software amortized by using the straight-line method of 5 years (acquired before 2009) and 10 years (acquired since 2009).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life. The amortisation expense is charged to the comprehensive income statements.

**4.9 Impairment of non-financial assets**

At each reporting date, the Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment loss is recognized in the statements of comprehensive income. (An asset's recoverable amount is the higher of fair value less costs to sell and value in use).

**4.10 Leases**

● **Right-of-use assets**

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

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

● **Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

**4.11 Provision**

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

Presentation for a provision in statement of comprehensive income is the net amount which can be reimbursed.

**4.12 Related party transactions**

Related parties and related companies with the Group means the parties or the companies that have the controlling power to the Group, controlled by the Group either directly or indirectly, or under the same control with the Group. Furthermore, the related parties and related companies also mean the associated companies and the parties who have holding interest with voting rights, either directly or indirectly, and have significant influence to the Group, important management, being directors or employees of the Group who have the power to manage and control the Company's operations and subsidiary companies including the family members close to the said persons which could persuade or to act in compliance with the said persons and businesses that the said persons have controlling power or significant influence, either directly or indirectly.

**4.13 Foreign currency transactions**

Foreign currency transactions are translated into Baht at the rates ruling on the occurrence dates. Assets and liabilities in foreign currency outstanding on the statement of financial position date are translated into Baht at the reference exchange rates as determined by the Bank of Thailand on the statement of financial position date, except the transactions of forward exchange contracted with the banks will be recognised at fair value.

Exchange gains or losses are included as incomes or expenses in the statements of comprehensive income.

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**4.14 Employee benefits**

The Group have post-employment benefits both under defined contribution and defined benefit plans. A defined contribution plan is a pension plan under which the company and its subsidiaries pay fixed contributions into a provident fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. However, a defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as employees' age, years of service and compensation.

- **Defined contribution plans**

**Provident fund**

The Group operates a provident fund, being a defined contribution plan, the assets for which are held in a separate trust fund and managed by a fund manager. The provident fund is contributed by payments from employees and by the Group. The Group contributions to the provident fund are charged to the statement of comprehensive income in the years to which they relate.

- **Defined benefit plans**

- **Termination and retirement benefits**

Under the Labor Laws applicable in Thailand and the Group's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age of 55 and 58. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at a maximum rate of 400 days of final salary. And employees who have provided the services to the Group more than 27 years, the special severance pay on termination or retrenchment without cause will be compensated at the rate specified.

- **Other long-term benefits**

The Company also has a policy to provide compensation to retired directors by reference to service years as the Company's director multiplied by a specified rate.

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

The Group provides provision regarding the employee benefits under defined benefits plan by using the actuarial technique. The present value of the defined benefits obligation is determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, length of service and other. The costs associated with providing these benefits are charged to the statements of comprehensive income so as to spread the cost over the employment period during which the entitlement to benefits is earned.

Actuarial gains and losses arising from post-employment benefits are recognised in the statement of other comprehensive income.

**4.15 CORPORATE INCOME TAX**

**Income tax expenses**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

**Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the tax authorities, based on taxable profit determined in accordance with tax legislation.

**Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognizes deferred tax liabilities for all taxable temporary differences while they recognize deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against such deductible temporary differences and tax losses carried forward that can be utilized.

At each reporting date, the Company reviewed and reduced the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The Company recorded deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**4.16 Fundamental earnings per share**

Fundamental earnings per share are calculated by dividing net income by the number of ordinary shares outstanding at the end of the year.

**4.17 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

**4.18 Financial instruments**

Accounting policies adopted from 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

**Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Financial assets at amortised cost**

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

**Financial assets at fair value through profit or loss (FVTPL)**

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

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

Dividends on listed equity investments are recognised as other income in profit or loss.

**Classification and measurement of financial liabilities**

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

The Group may elect to measure financial liabilities at FVTPL if doing so eliminates, or significantly reduces a recognition inconsistency (sometimes referred to as an accounting mismatch).

**Derecognition of financial instruments**

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

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

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Impairment of financial assets**

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

**Trade receivables**

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is based on analysis of debtor aging and the current status of receivables outstanding at the statement of financial position date including the trend to receive from each trade receivable.

**5. RELATED PARTY TRANSACTIONS**

The Company had transactions with its subsidiaries and related parties, given that those companies having the same group of shareholders or mutual directors. Significant inter-company transactions and outstanding balances are summarized below :-

Related companies	Type of business relationship
1. Associated companies	See Note 12
2. Subsidiary company	See Note 1.5, 2.4 and 13
3. Related companies	See Notes 11



**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

The details of related companies, type of businesses, and relationships are as follows :-

Related companies	Type of business	Relationship
1. Thai Wacoal Plc.	Ladies' lingerie manufacturer	Co-directors, Co-shareholders
2. Wacoal Lampoon Co., Ltd.	Ladies' lingerie manufacturer	Co-directors, Co-shareholders
3. Wacoal Kabinburi Co., Ltd.	Ladies' lingerie manufacturer	Co-directors, Co-shareholders
4. Thanulux Plc.	Garment manufacturer	Co-directors, Co-shareholders
5. Pattaya Manufacturing Co., Ltd.	Ladies' lingerie manufacturer	Co-directors, Co-shareholders
6. Pattaya Kabinburi Co., Ltd.	Ladies' lingerie manufacturer	Co-directors, Co-shareholders
7. Wacoal Sriracha Co., Ltd.	Garment manufacturer	Co-directors, Co-shareholders
8. Racha Uchino Co., Ltd.	Household textile	Co-directors, Co-shareholders
9. Pitakkij Security Guard Co., Ltd.	Security system personal	Co-shareholders
10. Pitakkij Co., Ltd.	Services	Co-shareholders
11. Thai Secom Security Guard Co., Ltd.	Security system	Co-shareholders
12. Thai Itokin Co., Ltd.	Garment manufacturer	Co-shareholders
13. Eastern Thai Consulting 1992 Co., Ltd.	Environmental consultation	Co-shareholders
14. MBTS Broking Services Co., Ltd.	Agency	Co-shareholders
15. Best Factory Outlet Co., Ltd	Distributor of consumable goods	Co-shareholders
16. PTK Multi Service Co., Ltd	Security and gardening management	Co-shareholders
17. Sariraporn Co., Ltd	Investment	Co-directors, Co-shareholders
18. Thai Staflex Co., Ltd.	Manufacturing/ distributing paste lining	Co-directors, Co-shareholders
19. SRP Nanasai Co., Ltd.	Designer and decorator	Co-directors, Co-shareholders
20. International Leather Fashion Co., Ltd.	Manufacturing of genuine/synthetic leather	Co-directors, Co-shareholders
21. Saha Seiren Co., Ltd.	Manufacturing/ distributing Auto cushion cover	Co-directors, Co-shareholders
22. I.C.C. International Plc.	Distributor of consumable goods	Co-directors, Co-shareholders
23. Saha Pathana Inter Holding Plc.	Holding company	Co-directors, Co-shareholders
24. Thai Gunze Co., Ltd.	Manufacturing and distributing clothes sheet and garments	Co-directors, Co-shareholders
25. SSDC (Tigertex) Co., Ltd.	Dyeing service	Co-directors, Co-shareholders
26. Erawan Textile Co., Ltd.	Weave cotton and spin thread	Co-directors, Co-shareholders
27. Thai Takaya Co., Ltd. ( In the process of liquidation)	Manufacturing and distributing garments	Co-shareholders
28. A Tech Textile Co., Ltd.	Manufacturing and distributing raw material for ladies' lingerie	Co-shareholders
29. People's Garment Plc.	Garment manufacturer	Co-shareholders
30. Kai I.T. Service Co., Ltd.	Sales, maintenance and rental of computers and computer peripherals	Co-shareholders
31. Champ Ace Co., Ltd.	Sales of garments and provide service for hire of garment production	Co-shareholders
32. Thai Monster Co., Ltd.	Manufacturing and distributing garments	Co-shareholders

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

Related companies	Type of business	Relationship
33. ThaiSport Garment Co., Ltd.	Manufacturing and distributing garments	Co-shareholders
34. Molten (Thailand) Co., Ltd.	Manufacturing and distributing balls	Co-shareholders
35. Morgan De Toi (Thailand) Co.,Ltd.	Distributing apparel	Co-shareholders
36. Thai Samsung Life Insurance Plc.	Insurance	Co-shareholders
37. Thai Naxis Co., Ltd.	Weaving and printing of label	Co-directors, Co-shareholders
38. Saha Asia Pacific Co., Ltd.	Real estate development	Co-shareholders
39. G Tech Material Co., Ltd.	Manufacturing and distributing raw material for ladies' lingerie	Co-shareholders
40. H & B Intertext Co., Ltd	Fabric doll manufacturing	Co-shareholders
41. Sahacogen (Chonburi) Plc.	Generating and distributing electricity	Co-shareholders
42. Wien International Co., Ltd. ( In the process of liquidation)	Direct sales	Co-shareholders
43. Sahapat Properties Co., Ltd.	Investment	Co-shareholders
44. K. Commercial and Construction Co., Ltd.	Construction	Co-shareholders
45. Janome (Thailand) Co., Ltd.	Manufacturing sewing machine	Co-directors, Co-shareholders
46. Treasure Hill Co., Ltd.	Golf course	Co-shareholders
47. Thanara Co., Ltd.	Real estate	Co-shareholders
48. Bangkok Tokyo Socks Co., Ltd.	Sock manufacturer and exporter	Co-directors, Co-shareholders
49. Asahi Kasei Spunbond (Thailand) Co., Ltd.	Manufacturing fiber spunbond non woven	Co-shareholders
50. Waseda Education (Thailand) Co., Ltd.	Language institute	Co-directors, Co-shareholders
51. Thai Asahi Kasei Spandex Co., Ltd.	Manufacturing flexible fiber	Co-directors, Co-shareholders
52. Thai Bunka Fashion Co., Ltd.	Fashion institute	Co-directors, Co-shareholders
53. Thai Sakae Lace Co., Ltd.	Manufacturing lace fabric	Co-directors, Co-shareholders

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

Outstanding balances of assets and liabilities with related companies can be summarized as follows:

	UNIT : BAHT			
	Consolidated financial statements		Separate financial statements	
	As of 31 December		As of 31 December	
	2020	2019	2020	2019
<b>1. Trade receivables</b>				
- Subsidiary company	-	-	344,926	4,063,435
- Associated company	-	3,030,498	-	3,030,498
- Related companies	4,840,499	7,168,769	4,840,499	7,168,769
Total	4,840,499	10,199,267	5,185,425	14,262,702
<b>2. Other current receivable</b>				
- Subsidiary company	-	-	179,226	6,871
<b>3. Accrued income</b>				
- Associated company	433,585	5,729	433,585	5,729
- Related companies	13,698	-	13,698	-
Total	447,283	5,729	447,283	5,729
<b>4. Rental deposit</b>				
- Related companies	-	140,400	-	140,400
<b>5. Prepaid expenses</b>				
- Related companies	77,110	170,782	77,110	170,782
<b>6. Trade payables</b>				
- Subsidiary company	-	-	445,538	-
- Related companies	12,854,067	11,187,395	12,854,067	11,187,395
Total	12,854,067	11,187,395	13,299,605	11,187,395
<b>7. Accrued expenses</b>				
- Related companies	14,601,644	3,867,240	14,601,644	3,867,240
<b>8. Lease liabilities (2019 : Other payable fixed Asset)</b>				
- Related company	33,567,247	60,687,925	33,567,247	60,687,925
<b>9. Short-term loans</b>				
- Associated company	41,923,059	-	41,923,059	-

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Income and expenses with related companies are as follows:-**

			UNIT : BAHT	
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
	2020	2019	2020	2019
<b>1. Sales</b>				
- Subsidiary company	-	-	2,857,100	11,076,818
- Associated company	3,528,107	12,097,587	3,528,107	12,097,587
- Related companies	17,627,449	25,756,125	17,627,449	25,756,125
Total	21,155,556	37,853,712	24,012,656	48,930,530
<b>2. Rental income</b>				
- Subsidiary company	-	-	388,800	437,400
- Related companies	280,800	1,007,340	280,800	1,007,340
Total	280,800	1,007,340	669,600	1,444,740
<b>3. Dividend income</b>				
- Related companies	15,987,646	23,263,632	15,987,646	23,263,632
<b>4. Other income</b>				
- Subsidiary company	-	-	1,801,901	1,386,405
- Associated company	492,154	715,478	492,154	715,478
- Related companies	36,063	2,909,495	36,063	2,909,495
Total	528,217	3,624,973	2,330,118	5,011,378
<b>5. Purchase of goods and raw materials</b>				
- Subsidiary company	-	-	5,754,380	19,156,351
- Related companies	38,247,427	65,994,561	38,247,427	65,994,561
Total	38,247,427	65,994,561	44,001,807	85,150,912
<b>6. Purchase of fixed assets</b>				
- Subsidiary company	-	-	-	7,070
- Related companies	347,538	233,045	347,538	233,045
Total	347,538	233,045	347,538	240,115

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**UNIT : BAHT**

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
	2020	2019	2020	2019
<b>7. Subcontract expenses</b>				
- Subsidiary company	-	-	165,989	516,216
- Related companies	10,164	21,993	10,164	21,993
Total	10,164	21,993	176,153	538,209
<b>8. Other expenses</b>				
- Subsidiary company	-	-	-	6,004
- Related companies	48,725,029	56,121,195	48,725,029	56,121,195
Total	48,725,029	56,121,195	48,725,029	56,127,199
<b>9. Purchase of fixed assets</b>				
- Subsidiary company	-	-	-	4,600
- Related companies	10,532,525	6,329,881	10,532,525	6,329,881
Total	10,532,525	6,329,881	10,532,525	6,334,481
<b>10. Disposal of fixed assets</b>				
- Subsidiary company	-	-	2,665	-

**Management benefit expenses**

Management benefit expenses represent benefits paid to the Company's management such as salaries and related benefits including benefits paid by other means. The Company's management is the persons defined under the Securities and Exchange Act.

Management benefit expenses for the years ended 31 December 2020 and 2019 are as follows :-

**UNIT : BAHT**

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short - term employee benefits	51,434,419	49,925,093	48,103,914	45,982,820
Post - employment benefits	753,212	1,710,332	715,058	1,562,935
Total	52,187,631	51,635,425	48,818,972	47,545,755

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

Pricing policies of related party transactions are as follows:-

Transactions	Pricing policies
Sale of goods	Agreed-upon price by referring to market price
Hire of work income	Agreed-upon price
Rental income	Agreed-upon price/ Contract price
Purchase of goods raw materials and rendering of service	Agreed-upon price/ market price
Selling and administrative expenses	Agreed-upon price/ Contract price
Interest income	Rate 3.50 per cent per annum
Purchase of marketable equity securities	Market price
Purchase of investment	Agreed-upon price
Purchase/Disposal of fixed and other assets	Agreed-upon price

**6. CASH AND CASH EQUIVALENTS**

**UNIT : BAHT**

	Consolidated financial statements		Separate financial statements	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Cash on hand	466,649	229,285	459,163	206,685
Call deposits	15,339,257	10,856,534	11,372,401	6,507,131
Highly liquid short-term investments	130,000,000	109,000,000	118,000,000	100,000,000
<b>Total</b>	<b>145,805,906</b>	<b>120,085,819</b>	<b>129,831,564</b>	<b>106,713,816</b>

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

7. TRADE AND OTHER CURRENT RECEIVABLES - NET

	UNIT : BAHT			
	Consolidated financial statements		Separate financial statements	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>Trade receivables</b>				
Current	87,614,639	82,774,290	86,722,308	84,062,270
Overdue within 3 months	35,619,614	29,973,581	35,362,864	29,829,439
Over 3 to 6 months	200,625	-	200,625	-
Total	123,434,878	112,747,871	122,285,797	113,891,709
<u>Less</u> allowance for expected credit losses	(1,417,505)	-	(1,417,505)	-
Trade receivables - net	122,017,373	112,747,871	120,868,292	113,891,709
<b>Other current receivables</b>				
Prepaid expenses	3,019,735	1,081,732	3,003,200	1,064,783
Receivable from related companies	-	-	179,226	6,871
Revenue Department receivable	12,366,919	11,966,565	11,989,105	11,264,656
Others	3,546,186	5,286,063	3,536,836	5,207,856
Total	18,932,840	18,334,360	18,708,367	17,544,166
<u>Less</u> allowance for expected credit losses (2019 : allowance for doubtful accounts)	(1,964,416)	(1,422,937)	(1,964,416)	(1,422,937)
Other current receivables - net	16,968,424	16,911,423	16,743,951	16,121,229
<b>Total trade and other current receivables - net</b>	<b>138,985,797</b>	<b>129,659,294</b>	<b>137,612,243</b>	<b>130,012,938</b>

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

8. SHORT - TERM LOANS TO RELATED COMPANY

	UNIT : BAHT	
	Consolidated and separate financial statements	
	31 December 2020	31 December 2019
<b>PT. DYNIC TEXTILE PRESTIGE</b>		
Beginning balance	-	-
<u>Add</u> increase during the year	43,939,200	34,000,120
Decrease from exchange rate adjustment	(2,016,141)	(2,841,427)
<u>Less</u> transferred to pay increased share capital (Note 12)	-	(31,083,875)
<u>Less</u> decrease during the year	-	(74,818)
<b>Total short - term loans</b>	<b>41,923,059</b>	<b>-</b>
Interest rate (per annum)	3.50%	-

9. INVENTORIES - NET

	UNIT : BAHT			
	Consolidated financial statements		Separate financial statements	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Finished goods	43,736,521	35,639,593	43,305,767	33,208,706
Work in process	18,835,444	11,390,327	18,835,444	11,390,327
Raw materials	47,907,712	33,263,305	46,624,018	32,657,541
Supplies and spare parts	10,755,033	9,243,960	10,701,085	9,200,398
Goods in transit	7,011,916	2,541,364	7,011,916	2,541,364
<b>Total</b>	<b>128,246,626</b>	<b>92,078,549</b>	<b>126,478,230</b>	<b>88,998,336</b>
<u>Less</u> allowance for slow - moving stock	(6,728,688)	(3,173,893)	(6,422,809)	(3,173,893)
<b>Net</b>	<b>121,517,938</b>	<b>88,904,656</b>	<b>120,055,421</b>	<b>85,824,443</b>



**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**10. OTHER CURRENT FINANCIAL ASSETS**

	UNIT : BAHT			
	Consolidated financial statements	Separate financial statements	Dividend for the year ended	Interest rates per annum
	31 December 2020	31 December 2020	31 December 2020	31 December 2020
1. Investments in debt and equity instruments measured at fair value through profit or loss				
- Investments in Open-ended Fund- Money market	130,981,248	125,669,717	-	
- Investments in Open-ended Fund- Debt securities	137,646,782	137,646,782	-	
- Investments in listed-equity securities	590,776,559	590,776,559	30,430,966	
<u>Add</u> allowance for revaluation of the investments - Open-ended Fund- Money market and Debt securities	1,656,135	1,624,820	-	
<u>Less</u> allowance for revaluation of the investments - listed-equity securities	(112,787,404)	(112,787,404)	-	
Net	748,273,320	742,930,474	30,430,966	
2. Financial assets measured at amortisation costs - held-to-maturity debt securities due within 1 year (Note 11)	10,000,000	10,000,000		4.50%
<b>Total</b>	<b>758,273,320</b>	<b>752,930,474</b>		

**Level of fair value and valuation techniques**

The fair value measurement of investments in Open-end Fund has been categorised as a Level 2, the fair value determined from their net asset value (NAV) at the measurement date of investment.

The fair value measurement of investment in listed - equity securities has been categorized as a Level 1.

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

11. OTHER NON - CURRENT FINANCIAL ASSETS - NET

UNIT : BAHT

	Consolidated and separate financial statements	
	Investment as of	Dividend for the year ended
	31 December 2020	31 December 2020
<b>Investments in debt and equity instruments measured at fair value through other comprehensive income</b>		
<b>Non-listed equity investments</b>		
Related companies	307,399,694	13,930,513
Other companies	583,475	15,606
Total	307,983,169	13,946,119
<u>Add</u> unrealized gain on revaluation of investment	139,865,533	
<b>Net</b>	<b>447,848,702</b>	
<b>Listed equity investments</b>		
Related companies	28,389,768	1,111,349
Other companies	7,541,000	
<u>Add</u> unrealized gain on revaluation of investment	50,256,328	
<b>Net</b>	<b>86,187,096</b>	<b>1,111,349</b>
<b>Financial assets measured at amortisation costs - debt securities held to maturity - net :</b>		
Debentures	21,000,000	
<u>Less</u> current portion of debentures with redemption within one year (Note 10)	(10,000,000)	
<u>Less</u> *allowance for expected credit loss	(10,000,000)	
Net (Redemption within 3 years)	1,000,000	
Fair value - ending balance	11,066,885	
<b>Other non-current financial assets - net</b>	<b>535,035,798</b>	<b>15,057,468</b>

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Level of fair value and valuation techniques**

The fair value measurement of non-listed equity investments has been categorized as a Level 3 the fair value is determined by dividend discount model and book value approach by the Group's management.

The fair value measurement of investments in listed equity investments has been categorized as a Level 1.

The fair value measurement of investments in debt securities has been categorized as a Level 2, the fair value is determined by using the yield curve as announced by the Thai Bond Market Association at the measurement date of investment.

\* As of 31 December 2020 and 31 December 2019, the Company has provided allowance for diminution in value of investment in debt security of Inter Far East Energy Corporation Public Company Limited "IFEC" in full due to IFEC has made defaults of bill of exchanges from many creditors from January 2017. The management has considered that this event could affect the ability of IFEC to repay its debt security to the Company which will be due on 5 November 2017. During 2017, IFEC could not arrange any shareholders' meeting and therefore could not proceed with the debt restructuring plan to debenture holders except the Extraordinary General Meeting of Shareholders No.1/2018 on 25 December 2018 to appoint 7 new directors to replace previous directors. IFEC has registered with the directors' change at the Ministry of Commerce on 8 March 2019, as well as 3 Audit Committees to perform duties effectively as from 29 March 2019 onwards. As of the date of this report, the Company has not received repayment of principal and accrued interest. On 22 April 2019, the Company and 8 other creditors filed a lawsuit against the Civil Court. The Court fixed the hearing on 21 May 2019, the court passed the judgment that the defendant has to pay the principal and accrued interest at the rate of 7.50 percent annum from the date of the lawsuit until the payment is completed. As of the date of this report, the Company has not received repayment of principal and accrued interest.

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**12. INVESTMENTS IN ASSOCIATED COMPANY - NET**

<b>UNIT : BAHT</b>							
Associated companies	Country of incorporation	Percentage of holding		Equity method		Cost method	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019	30 December 2020	31 December 2019
PT. Dynic Textile Prestige	Indonesia	44.00	44.00	94,570,132	105,686,397	164,387,414	164,387,414
Total				<u>94,570,132</u>	<u>105,686,397</u>	164,387,414	164,387,414
<u>Less</u> allowance for impairment loss						(85,749,871)	(74,380,945)
<b>Net</b>						<u><b>78,637,543</b></u>	<u><b>90,006,469</b></u>

Details of the associated companies are as follows :-

<b>UNIT : BAHT</b>					
Associated companies	Type of business	Paid-up capital		Share of gain (loss) from investments for years ended	
		31 December 2020	31 December 2019	2020	2019
PT. Dynic Textile Prestige	Manufacturing and distributing Non-woven fabric	USD 12,890,000	USD 12,890,000	(11,116,265)	(2,057,233)
Total				<u>(11,116,265)</u>	<u>(2,057,233)</u>

**Summary of financial information of associated companies**

As of 31 December 2020 and 2019, investment in associated company, PT. Dynic Textile Prestige, stated at equity method which was based on financial information and audited by a foreign component auditor.

On 13 September 2019, PT. Dynic Textile Prestige, has registered an increase of the share capital from USD 10 million (comprised of 100,000 ordinary shares of USD 100 each) to USD 12.89 million (comprised of 128,900 ordinary shares of USD 100 each) by issuing new ordinary shares of USD 2.89 million (comprised of 28,900 ordinary shares of USD 100 each). The Company contributed share capital according to current shareholding percentage at USD 1.27 million. On 15 August 2019, the Company settled partial payment with other assets due to the Company such as short term loan of Baht 31.08 million (IDR 15,362 million).

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

		UNIT : BAHT	
		PT. Dynic Textile Prestige	
		As of	
		31 December 2020	31 December 2019
Current assets		93,154,746	77,834,297
Non current assets		257,138,357	278,502,605
Current liabilities		129,199,576	58,185,475
Non current liabilities		42,389,634	93,612,189
Total revenues		41,636,181	73,310,877
Net loss for the year		(25,260,860)	(4,675,154)

13. INVESTMENTS IN SUBSIDIARY COMPANY - NET

UNIT : BAHT								
					Separate financial statements			
Subsidiary company	Paid-up capital (Unit: Thousand Baht)		Percentage of shareholding (%)		Cost method		Dividend for year ended	
	2020	2019	2020	2019	31 December 2020	31 December 2019	2020	2019
TPCNIC Co., Ltd.	50,000	50,000	50.99	50.99	25,497,000	25,497,000	-	-
<u>Less</u> allowance for impairment loss					(9,094,780)	(7,998,409)		
Net					16,402,220	17,498,591		

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

14. INVESTMENT PROPERTIES - NET

UNIT : BAHT

	Consolidated and separate financial statements		
	Land	Building and structures	Total
<b>Cost</b>			
1 January 2019	184,900,354	58,327,379	243,227,733
Increase	-	-	-
Transferred to property, plant and equipment (Note 15)	(117,212,784)	(56,227,379)	(173,440,163)
31 December 2019	67,687,570	2,100,000	69,787,570
Increase	-	-	-
31 December 2020	67,687,570	2,100,000	69,787,570
<b>Accumulated depreciation</b>			
1 January 2019	-	38,858,582	38,858,582
Depreciation for the year	-	279,555	279,555
Accumulated depreciation - transferred to property, plant and equipment (Note 15)	-	(37,038,140)	(37,038,140)
31 December 2019	-	2,099,997	2,099,997
Depreciation for the year	-	-	-
31 December 2020	-	2,099,997	2,099,997
<b>Net book value</b>			
31 December 2020	67,687,570	3	67,687,573
31 December 2019	67,687,570	3	67,687,573
Appraised value (million Baht)	*192.50	**21	213.50

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

The Group has appraised the value of the investment properties by two appraisers approved by the SEC as follow :-

\* The appraised value was referred by an independent appraiser, report dated 28 November 2016.

\*\* The appraised value was determined by an independent appraiser, report dated 16 March 2017.

**Level of fair value and valuation techniques**

The fair value measurement of land has been categorized as a Level 2, the fair value is based on the market approach to the valuation technique used.

The fair value measurement of building has been categorized as a Level 2, the fair value is based on the cost approach to the valuation technique used

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**15. PROPERTY, PLANT AND EQUIPMENT - NET**

	Consolidated financial statements								UNIT : BAHT	
	Land	Land development	Building	Furniture and fixtures	Office equipment	Machineries	Vehicles	Equipment		Assets under construction and installation
Cost										
1 January 2019	153,708,925	4,242,349	202,454,311	51,038,148	77,141,978	1,036,860,367	38,560,144	118,643,213	30,000	1,682,679,435
Acquisition	-	-	-	23,400	632,795	2,109,529	496,732	3,205,202	18,369,685	24,837,343
Disposal/written - off	-	-	-	-	(346,363)	(795,805)	(7,781,388)	(1,453,734)	-	(10,377,290)
Transferred in/(out) *	117,212,784	-	56,577,379	497,375	-	4,554,462	-	2,143,648	(7,545,485)	173,440,163
31 December 2019	270,921,709	4,242,349	259,031,690	51,558,923	77,428,410	1,042,728,553	31,275,488	122,538,329	10,854,200	1,870,579,651
Transferred out to right-of-use asset (Note 3.3)	(137,639,154)	-	-	-	-	-	-	-	-	(137,639,154)
1 January 2020	133,282,555	4,242,349	259,031,690	51,558,923	77,428,410	1,042,728,553	31,275,488	122,538,329	10,854,200	1,732,940,497
Acquisition	-	-	4,507,245	91,680	1,813,286	1,785,720	1,396,231	1,700,866	58,736,440	70,031,468
Disposal/written - off	-	(308,920)	(3,528,694)	(12,997,853)	(7,061,248)	(159,679,788)	-	(2,376,820)	-	(185,953,323)
Transferred in/(out)	-	42,950	20,451,318	12,026,982	9,600,696	13,839,650	-	9,217,093	(65,178,689)	-
31 December 2020	133,282,555	3,976,379	280,461,559	50,679,732	81,781,144	898,674,135	32,671,719	131,079,468	4,411,951	1,617,018,642
Accumulated depreciation										
1 January 2019	-	4,242,319	87,732,473	47,584,294	65,857,334	836,283,332	27,548,001	88,232,519	-	1,157,480,272
Depreciation for the year	-	-	8,267,712	911,529	4,186,826	43,652,757	3,510,286	7,844,195	-	68,373,305
Depreciation on disposal	-	-	-	-	(341,201)	(716,928)	(7,776,448)	(1,447,535)	-	(10,282,112)
Depreciation transferred in/(out) *	-	-	37,038,140	-	-	-	-	-	-	37,038,140
31 December 2019	-	4,242,319	133,038,325	48,495,823	69,702,959	879,219,161	23,281,839	94,629,179	-	1,252,609,605
Depreciation for the year	-	3,183	8,816,833	1,822,137	3,837,143	40,477,081	3,625,252	8,533,344	-	67,114,973
Depreciation on disposal	-	(308,918)	(3,528,687)	(12,932,405)	(6,978,977)	(159,679,389)	-	(2,354,792)	-	(185,783,168)
31 December 2020	-	3,936,584	138,326,471	37,385,555	66,561,125	760,016,853	26,907,091	100,807,731	-	1,133,941,410
Net book value										
31 December 2020	133,282,555	39,795	142,135,088	13,294,177	15,220,019	138,657,282	5,764,628	30,271,737	4,411,951	483,077,232
31 December 2019	270,921,709	30	125,993,365	3,063,100	7,725,451	163,509,392	7,993,649	27,909,150	10,854,200	617,970,046



**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Separate financial statements								UNIT : BAHT	
	Land	Land development	Building	Furniture and fixtures	Office equipment	Machineries	Vehicles	Equipment		Assets under construction and installation
Cost										
1 January 2019	153,708,925	4,242,349	202,454,311	51,038,148	76,865,538	1,013,110,820	37,346,162	118,421,475	30,000	1,657,217,728
Acquisition	-	-	-	23,400	632,795	2,017,529	496,732	3,205,202	18,369,685	24,745,343
Disposal/written - off	-	-	-	-	(307,939)	(783,805)	(7,781,388)	(1,442,980)	-	(10,316,112)
Transferred in/(out)	117,212,784	-	56,577,379	497,375	-	4,554,462	-	2,143,648	(7,545,485)	173,440,163
31 December 2019	270,921,709	4,242,349	259,031,690	51,558,923	77,190,394	1,018,899,006	30,061,506	122,327,345	10,854,200	1,845,087,122
Transferred out to right-of-use asset (Note 3.3)	(137,639,154)	-	-	-	-	-	-	-	-	(137,639,154)
1 January 2020	133,282,555	4,242,349	259,031,690	51,558,923	77,190,394	1,018,899,006	30,061,506	122,327,345	10,854,200	1,707,447,968
Acquisition	-	-	4,507,245	91,680	1,809,464	1,759,720	1,396,231	1,676,887	58,461,838	69,703,065
Disposal/written - off	-	(308,920)	(3,528,694)	(12,997,853)	(7,061,248)	(159,679,788)	-	(2,376,820)	-	(185,953,323)
Transferred in/(out) *	-	42,950	20,451,318	12,026,982	9,600,696	13,596,048	-	9,186,093	(64,904,087)	-
31 December 2020	133,282,555	3,976,379	280,461,559	50,679,732	81,539,306	874,574,986	31,457,737	130,813,505	4,411,951	1,591,197,710
Accumulated depreciation										
1 January 2019	-	4,242,319	87,732,473	47,584,294	65,618,623	826,560,869	26,335,825	88,079,529	-	1,146,153,932
Depreciation for the year	-	-	8,267,712	911,529	4,160,092	41,120,358	3,509,763	7,815,467	-	65,784,921
Depreciation transferred in/(out) *	-	-	-	-	(306,418)	(709,462)	(7,776,448)	(1,436,782)	-	(10,229,110)
Depreciation on disposal	-	-	37,038,140	-	-	-	-	-	-	37,038,140
31 December 2019	-	4,242,319	133,038,325	48,495,823	69,472,297	866,971,765	22,069,140	94,458,214	-	1,238,747,883
Depreciation for the year	-	3,183	8,816,833	1,822,137	3,829,680	38,119,304	3,624,728	8,514,854	-	64,730,719
Depreciation on disposal	-	(308,918)	(3,528,687)	(12,932,405)	(6,978,977)	(159,679,389)	-	(2,354,791)	-	(185,783,167)
31 December 2020	-	3,936,564	138,326,471	37,385,555	66,323,000	745,411,680	25,693,868	100,618,277	-	1,117,695,435
Net book value										
31 December 2020	133,282,555	39,795	142,135,088	13,294,177	15,216,306	129,163,306	5,763,869	30,195,228	4,411,951	473,502,275
31 December 2019	270,921,709	30	125,993,365	3,063,100	7,718,097	151,927,241	7,992,366	27,869,131	10,854,200	606,339,239

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

\* Transactions were transferred from investment properties to property, plant and equipment for the year 2020 as follows.:-

	<b>UNIT : BAHT</b>
	Consolidated and separate financial statements
Net book value - beginning of the year	-
Transferred in from investment properties – at cost (Note 14)	173,440,163
Transferred in from investment properties – accumulated depreciation (Note 14)	(37,038,140)
Net book value - ending of the year	136,402,023

**16. INTANGIBLE ASSETS - NET**

As of 31 December 2020 and 2019, computer software consist of :-

	<b>UNIT : BAHT</b>	
	Consolidated and separate financial statements	
	2020	2019
<b>Cost</b>		
1 January	23,239,247	23,059,367
Acquisition	220,060	179,880
Disposal/written - off	-	-
31 December	23,459,307	23,239,247
<b>Accumulated amortization</b>		
1 January	20,326,921	19,617,124
Amortization expenses for the year	665,530	709,797
Disposal/written - off	-	-
31 December	20,992,451	20,326,921
<b>Net book value - 31 December</b>	<b>2,466,856</b>	<b>2,912,326</b>

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

17. TRADE AND OTHER CURRENT PAYABLES

	UNIT : BAHT			
	Consolidated financial statements		Separate financial statements	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>Trade payables</b>				
Related companies (Note 5)	12,854,067	11,187,395	13,299,605	11,187,395
Others	65,983,892	41,374,796	65,939,747	41,249,522
Total trade payables	78,837,959	52,562,191	79,239,352	52,436,917
<b>Other current payables</b>				
Investment payable	-	52,735,500	-	52,735,500
Accrued bonus	9,634,368	10,417,979	9,230,184	9,952,209
Accrued royalties	1,982,407	4,958,926	1,982,406	4,958,926
Accrued dividend	621,302	18,205,907	621,302	18,205,907
Others	34,966,365	12,657,544	34,724,788	12,454,348
Total other current payables	47,204,442	98,975,856	46,558,680	98,306,890
<b>Total trade and other current payables</b>	<b>126,042,401</b>	<b>151,538,047</b>	<b>125,798,032</b>	<b>150,743,807</b>

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**18. LEASE LIABILITIES - NET**

	<b>UNIT : BAHT</b>
	Consolidated and separate financial statements
Lease liabilities	34,634,715
<u>Less</u> deferred interest expense	<u>(1,067,468)</u>
Net	33,567,247
<u>Less</u> current portion	<u>(33,567,247)</u>
<b>Net</b>	<b>-</b>

On 23 June 2017, the Company has entered in to purchase and sale of land agreement with a related company, with a contract value of Baht 149.61 million. In July 2017, the Company paid first installment of Baht 29.92 million. The remaining repayment is repayable by the annual installment of Baht 29.92 million within 4 years from July 2017 onwards. The transfer of ownership to the Company will be made once the payments are completed. Currently, the Company possesses and uses the land.

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**19. RETIREMENT BENEFIT OBLIGATION**

Movements of retirement benefit obligation for the years ended 31 December 2020 and 2019 are as follows:-

	Consolidated financial		Separate financial	
	statements		statements	
	2020	2019	2020	2019
Retirement benefit obligation				
- beginning balance - 1 January	62,000,730	62,581,880	60,198,706	60,923,765
Employee benefit expenses for the period	7,335,339	6,836,804	7,229,495	6,692,895
Profit from reversal of retirement benefit obligation (presented in the statements of comprehensive income)	(571,589)	-	-	-
Employee benefit paid during the period	(9,427,198)	(3,729,497)	(9,427,198)	(3,729,497)
Actuarial gain (presented in the statements of other comprehensive income)	-	(3,688,457)	-	(3,688,457)
Retirement benefit obligation				
- ending balance - 31 December	59,337,282	62,000,730	58,001,003	60,198,706

Employee benefit expenses were recognized in statements of comprehensive income for the years ended 31 December 2020 and 2019 are as follows:-

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current service costs	6,641,875	6,168,840	6,549,403	6,039,431
Interest costs	693,464	667,964	680,092	653,464
Total	7,335,339	6,836,804	7,229,495	6,692,895

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

The principle of actuarial assumption used to calculate the defined benefit obligations are as follows:-

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	1.39 % – 1.42%	1.39 % – 1.42%	1.42%	1.42%
Disability rate	5.00% (TMO 2017)	5.00% (TMO 2017)	5.00% (TMO 2017)	5.00% (TMO 2017)
Salary increase rate	0% - 3.00%	0% - 3.00%	0% - 3.00%	0% - 3.00%
Turnover rate	Age-related scale	Age-related scale	Age-related scale	Age-related scale

The sensitivity analysis for significant assumptions used in actuarial valuation can be analyzed as follow :-

	Change in assumptions	Effect to retirement benefit obligation increase (decrease)			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Discount rate	Increase 1 %	(2,449,079)	(2,491,870)	(2,427,516)	(2,465,325)
Discount rate	Decrease 1 %	2,692,881	2,735,349	2,669,529	2,706,949
Salary increase rate	Increase 1 %	3,183,044	2,611,862	3,147,153	2,584,459
Salary increase rate	Decrease 1 %	(2,732,266)	(2,355,466)	(2,706,515)	(2,329,336)

**20. LEGAL RESERVE**

The legal reserve is set aside under the Public Companies Act B.E. 2535 which requires a public company to set aside as a legal reserve at least 5 per cent of its net income after accumulated deficit brought forward (if any) until the reserve reaches 10 per cent of the authorized capital. This reserve is not available for dividend distribution.

**21. GENERAL RESERVE**

The Company has appropriated part of its net profit for general reserve with no specific objective.

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**22. DIVIDEND PAYMENT, DIRECTORS' REMUNERATION AND GENERAL RESERVE**

On 4 August 2020, the Ordinary General Shareholders' Meeting resolved as follows:-

- Authorized to pay directors' remuneration at the maximum of Baht 12.00 million
- Authorized to set aside as general reserve amounting to Baht 3.64 million

On 7 April 2020, the Board of Director Meeting No. 2/2020 resolved as follows:-

- Authorized to pay interim dividend at Baht 0.44 per share for 108 million shares, totaling Baht 47.52 million, from the result of its operation for the year 2019 and the retained earnings. The Company has already paid such dividend to shareholders on 30 April 2020.

On 24 December 2019, the Board of Director Meeting No. 5/2019 resolved as follows:-

- Authorized to pay interim dividend at Baht 0.16 per share for 108 million shares, totaling Baht 17.28 million, from the net profit and retained earnings of the BOI - promoted business. Such dividend will be paid on 21 January 2020.

On 23 April 2019, the Ordinary General Shareholders' Meeting resolved as follows:-

- Authorized to pay dividend at Baht 0.60 per share for 108 million shares, totaling Baht 64.80 million, being Baht 0.15 per share from the BOI-promoted business and Baht 0.45 per share from operations subjected to corporate income tax at the rate of 20 percent. Such dividend will be paid on 17 May 2019.
- Authorized to pay directors' remuneration at the maximum of Baht 12.00 million.
- Authorized to set aside as general reserve amounting to Baht 3.66 million.

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**23. PROVIDENT FUND**

The Group have set up a provident fund for their employees under the Provident Fund Act B.E. 2530 (1987), for the staff's welfare as well as security upon their resignation or retirement as defined by the Company's regulations, which is contributed by its employees and by the Company at the rate of 3 - 4% of salary. The Group has also appointed a finance company to act as the fund manager.

The Group's contributions to the employee provident fund were recorded as expenses in the statements of comprehensive income for the years ended 31 December 2020 and 2019 as follows :-

Companies	UNIT : BAHT			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Textile Prestige Plc.	2,134,518	2,050,228	2,134,518	2,050,228
TPCNIC Co., Ltd.	26,166	44,147	-	-
<b>Total</b>	<b>2,160,684</b>	<b>2,094,375</b>	<b>2,134,518</b>	<b>2,050,228</b>

**24. DERIVATIVES IN FOREIGN CURRENCY TRANSACTIONS**

The Company has entered into selling and buying forward exchange contracts with local commercial bank for hedging against risk in exchange rate fluctuation which may affect to Baht receivable or Baht payable which can be summarized as follows:-

**24.1 Selling forward exchange contracts**

Currencies	UNIT : THOUSAND					
	Separate financial statements					
	31 December 2020			31 December 2019		
	Foreign currency	Converted to Baht	Estimated exchange rate (Baht)	Foreign currency	Converted to Baht	Estimated exchange rate (Baht)
USD	729.05	21,981.41	29.81 - 30.40	638.15	19,297.23	30.12 - 30.35
JPY	9,180.00	2,645.68	0.2882	-	-	-

As of 31 December 2020 and 2019, the Company has entered into selling forward exchange contracts which deliveries are to be made during January to June 2021 and January to February 2020, respectively.



**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**UNIT : THOUSAND**

Consolidated financial statements						
Currencies	31 December 2020			31 December 2019		
	Foreign currency	Converted to Baht	Estimated exchange rate (Baht)	Foreign currency	Converted to Baht	Estimated exchange rate (Baht)
USD	729.05	21,981.41	29.81 - 30.40	638.15	19,297.23	30.12 - 30.35
JPY	9,180.00	2,645.68	0.2882	5,591.20	1,537.55	0.2746 - 0.2750

As of 31 December 2020 and 2019, the Company has entered into selling forward exchange contracts which deliveries are to be made during January to June 2021 and January to February 2020, respectively.

**24.2 Buying forward exchange contracts**

**UNIT : THOUSAND**

Separate financial statements						
Currencies	31 December 2020			31 December 2019		
	Foreign currency	Converted to Baht	Estimated exchange rate (Baht)	Foreign currency	Converted to Baht	Estimated exchange rate (Baht)
USD	378.59	11,389.77	29.88 - 30.23	249.08	7,522.30	30.16 - 30.23
EUR	22.86	837.25	36.63	22.04	741.21	33.63

Consolidated financial statements						
Currencies	31 December 2020			31 December 2019		
	Foreign currency	Converted to Baht	Estimated exchange rate (Baht)	Foreign currency	Converted to Baht	Estimated exchange rate (Baht)
USD	378.59	11,389.77	29.88 - 30.23	249.08	7,522.30	30.16 - 30.23
EUR	22.86	837.25	36.63	22.04	741.21	33.63

As of 31 December 2020 and 2019, the Company has entered into buying forward exchange contracts which deliveries are to be made during January to February 2021 and January to February 2020, respectively.

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**24.3 Uncovered assets and liabilities**

The Group has outstanding assets and liabilities denominated in foreign currencies not covered by any hedging against exchange risks as follows:-

**UNIT : THOUSAND**

Currencies	Consolidated financial statements				Separate financial statements			
	2020		2019		2020		2019	
	Foreign currency	Converted to Baht	Foreign currency	Converted to Baht	Foreign currency	Converted to Baht	Foreign currency	Converted to Baht
<b>Assets</b>								
USD	1,422.56	42,356.65	0.19	5.75	1,422.56	42,356.65	0.19	5.75
IDR	3,994	7.90	3,994	8.03	3,994	7.90	3,994	8.03
CNY	2.10	9.47	0.04	0.17	2.10	9.47	0.04	0.17
JPY	94.20	26.93	4.00	1.09	94.20	26.93	4.00	1.09
MYR	3.18	23.17	3.18	22.79	3.18	23.17	3.18	22.79
VND	10,500	13.57	10,500	13.59	10,500	13.57	10,500	13.59
<b>Total assets</b>		<b>42,437.69</b>		<b>51.42</b>		<b>42,437.69</b>		<b>51.42</b>
<b>Liabilities</b>								
USD	25.98	784.74	0.09	2.64	25.98	784.74	0.09	2.64
<b>Total liabilities</b>		<b>784.74</b>		<b>2.64</b>		<b>784.74</b>		<b>2.64</b>

**25. COMMITMENTS AND CONTINGENT LIABILITIES**

**25.1** As of 31 December 2020 and 2019, the Group has commitments and contingent liabilities as follows:-

**UNIT : BAHT**

Particulars	Consolidated financial statements		Separate financial statements	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Bank guarantees	8,911,900	9,142,900	8,911,900	9,142,900
Letter of credit	892,644	-	892,644	-

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

- 25.2** The Company has entered into licence agreements for technical assistance from a foreign company regarding production and sales of certain products. The company agreed to share the profit to the counterparty at the rate of 25 per cent of selling price less related manufacturing costs and technical expenses of such products. For another group of products, the company is required to pay technical support expenses at the rates of 1 and 2 per cent of sales prices.
- 25.3** As of 31 December 2020 and 2019, the Company has total outstanding guarantees amounting to Baht 152 million and Baht 153 million, respectively for its a subsidiary and a associated company for ordinary course of businesses, to related companies for the amount not exceeding Baht 550 million.
- 25.4** As of 31 December 2020 and 2019, the Company has commitment relating to fixed assets construction and renovation and installation agreements of Baht 7.77 million and Baht 20.58 million, respectively.

**26. PROMOTIONAL PRIVILEGES**

The Company and the three subsidiary companies have been granted promotional certificates under Investment Promotion Act, B.E. 2520 which promotional privileges of existing BOI certificates as of 31 December 2020 can be summarized belows:-

Company	Promotional certificate No.	Effective dates	Promotional businesses	Privileges granted	
				Exemption periods of corporate income tax	Maximum of exempted corporate income tax (Million Baht)
Textile Prestige Plc.	1021(1)/2553*	8 Jan 2010	Manufacturing sanitary face masks	8 years	Unlimited
	1598(2)/2553	1 Jul 2010	Textiles and related parts	7 years	136.70
	2667(2)/2555	1 Mar 2013	Textiles and related parts	7 years	189.87
	63-0554-1-00-1-0	3 Jul 2020	Manufacturing sanitary face masks, disposable hair cap	4 years	10.06

\* The certificate was approved to cancel the project from the Board of Investment on 28 October 2020 due to the expiration of the project.

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Other privileges and benefits granted are as below:-**

- 26.1** Exemption of income tax for dividend income from promoted businesses throughout the promoted periods of every promotional certificate.
- 26.2** The companies are entitled to offset losses from operation incurred during the exemption periods against profits derived after the expiration promoted periods for another 5 years. The carried losses can be utilized by offsetting against profits derived in one or several years for all promoted certificates.
- 26.3** As a promoted industry, the Group must strictly comply with certain terms and conditions stipulated in the promotional certificates.

**27. EXPENSES CLASSIFIED BY NATURE OF EXPENSES**

Significant expenses by nature are as follows:-

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December			
Particulars	2020	2019	2020	2019
Decrease (Increase) in finished goods and work in process	(15,542,045)	6,222,468	(17,542,178)	7,240,812
Net purchase of finished goods	68,111,260	109,132,405	73,365,649	120,774,888
Raw materials and supplies used	299,014,446	347,123,627	295,551,229	341,877,659
Salaries and wages and other employee benefits	217,370,019	217,643,775	213,127,247	209,670,359
Depreciation and amortization expenses	67,780,503	69,362,657	65,396,249	66,774,273
Other expenses	214,606,100	118,306,337	225,733,932	120,638,792

**28. OPERATING SEGMENT INFORMATION**

Operating segment information 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 Group's business operation involves 2 principal segments: (1) Products for industries and (2) Products for sanitation and household with geographical segments of both local and export sales.

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

Revenue and gross profit of operating segments of the Group for the years ended 31 December 2020 and 2019 are as follows :-

	UNIT : BAHT		
	For the year ended 31 December 2020		
	Products for industries	Products for sanitation and household	Consolidated financial statements
<b>Revenues from operation</b>			
Revenue from sales	576,696,514	183,024,446	759,720,960
Revenue from hire of works	3,184,481	1,682	3,186,163
<b>Gross profit by segment</b>	<b>96,920,010</b>	<b>74,237,646</b>	<b>171,157,656</b>
Interest income			4,156,207
Rental income			1,900,800
Dividend income			45,488,434
Gain on disposal of fixed assets			2,872,913
Other incomes			4,205,170
Selling expenses			(49,798,416)
Administrative expenses			(97,506,890)
Unrealized loss from revaluation of financial assets			(104,299,510)
Directors' remuneration			(7,986,000)
Share of gain from investment in associated company			(11,116,265)
Finance costs			(2,801,321)
<b>Loss before income tax expenses</b>			<b>(43,727,222)</b>
Income tax			23,158,383
<b>Net loss for the period</b>			<b>(20,568,839)</b>
<b>Additional information :-</b>			
Depreciation and amortization expenses			67,780,503

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**UNIT : BAHT**

	For the year ended 31 December 2019		
	Products for industries	Products for sanitation and household	Consolidated financial statements
<b>Revenues from operation</b>			
Revenue from sales	780,842,383	58,281,197	839,123,580
Revenue from hire of works	1,789,339	-	1,789,339
<b>Gross profit (loss) by segment</b>	<b>147,244,595</b>	<b>(19,531,577)</b>	<b>127,713,018</b>
Consulting services			-
Interest income			5,489,240
Rental income			2,821,340
Dividend income			49,606,776
Gain on disposal of fixed assets			1,017,462
Unrealized gain from transfer investments			30,956,565
Other incomes			16,809,295
Selling expenses			(38,377,867)
Administrative expenses			(98,384,349)
Allowance for impairment loss of investments			(10,009,152)
Directors' remuneration			(7,820,000)
Share of loss from investment in associated companies			(2,057,233)
Finance costs			(4,299,545)
<b>Profit before income tax expenses</b>			<b>73,465,550</b>
Income tax			1,335,769
<b>Net profit for the year</b>			<b>74,801,319</b>
<b>Additional information :-</b>			
Depreciation and amortization expenses			69,362,657

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

As of 31 December 2020 and 2019, segment assets and liabilities of the Group are as follows :-

**UNIT : BAHT**

As of 31 December 2020					
	Products for industries	Products for sanitation and household	Total segments	Unallocated assets/liabilities	Consolidated financial statements
Segment assets	567,868,760	76,061,982	643,930,742	1,972,787,061	2,616,717,803
Segment liabilities	68,459,289	4,198,833	72,658,122	185,481,644	258,139,766

**UNIT : BAHT**

As of 31 December 2019					
	Products for industries	Products for sanitation and household	Total segments	Unallocated assets/liabilities	Consolidated financial statements
Segment assets	583,386,992	41,630,854	625,017,846	1,947,967,600	2,572,985,446
Segment liabilities	49,167,459	7,803,834	56,971,293	233,705,092	290,676,385

Geographical operating segment information of 2 principal segments of both local and export sales for the years ended 31 December 2020 and 2019 are as follows:-

**Geographical areas**

**UNIT : BAHT**

Consolidated financial statements	For the years ended 31 December	
	2020	2019
Domestic sales	552,334,556	564,953,458
Export sales		
- ASIA	203,927,658	269,883,954
- AMERICA	-	499,978
- AFRICA	3,458,746	3,786,190

**Information of major customers**

The Company has two major customers from segment of products for industries and products for sanitation and household for the years ended 31 December 2020 and 2019 in the amount of Baht 176.42 million and Baht 250.06 million, respectively.

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**29. INCOME TAX**

Income tax for the years ended 31 December 2020 and 2019 comprised:-

	<b>UNIT : BAHT</b>	
	Consolidated and separate financial statements	
	2020	2019
<b>Current income tax:</b>		
Corporate income tax for the year	-	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	23,158,383	1,335,769
<b>Income tax expenses reported in- the statements of comprehensive income</b>	<b>23,158,383</b>	<b>1,335,769</b>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2020 and 2019 are as follows:-

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accounting profit (loss) before corporate income tax	(43,727,222)	73,465,550	(42,928,553)	71,456,640
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before corporate income tax multiplied by applicable tax rate	(8,745,444)	14,693,110	(8,585,710)	14,291,328
Effects of:				
Promotional privileges (Note 26)	(2,926,865)	(3,513,444)	(2,926,865)	(3,513,444)
Non-deductible expenses	4,277,576	3,452,515	4,264,681	3,465,112
Effect from un-recording of deferred tax assets	486,217	(320,722)	-	-
Exemption of income	(14,093,512)	(14,901,328)	(14,025,049)	(14,832,865)
Effect of adjustment of income tax	(1,885,440)	(745,900)	(1,885,440)	(745,900)
Effect of elimination entry on the consolidated financial statements	(270,915)	-	-	-
Total	(14,412,939)	(16,028,879)	(14,572,673)	(15,627,097)
<b>(Income) expenses tax reported in the statements of comprehensive income</b>	<b>(23,158,383)</b>	<b>(1,335,769)</b>	<b>(23,158,383)</b>	<b>(1,335,769)</b>



**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

The components of deferred tax assets and deferred tax liabilities are as follows:-

<b>UNIT : THOUSAND BAHT</b>		
	Consolidated and separate financial statements	
	As of	
	31 December 2020	31 December 2019
<b>Deferred tax assets:</b>		
- Allowance for slow - moving stock	1,284,562	634,779
- Allowance for doubtful accrued interest	392,883	284,587
- Allowance for expected credit losses of trade receivables	283,501	-
- Allowance for impairment loss of investment in associated company and subsidiary company	18,968,930	23,778,814
- Allowance for expected credit loss of debenture (2019 : allowance for impairment loss)	2,000,000	2,000,000
- Unrealized loss on revaluation of financial assets measured at fair value through profit or loss - listed equity securities	22,557,481	-
- Retirement benefit obligations	11,600,200	12,039,741
- Tax loss carried forward	24,460,366	23,918,831
<b>Total deferred tax assets</b>	<b>81,547,923</b>	<b>62,656,752</b>
<b>Deferred tax liabilities:</b>		
- Unrealized gain on revaluation of financial assets measured at fair value through profit or loss - debt securities fund	324,964	4,817,149
- Unrealized gain on revaluation of financial assets measured at fair value through other comprehensive income – non-listed equity securities	27,973,106	-
- Unrealized gain on revaluation of financial assets measured at fair value through other comprehensive income - listed equity securities	10,051,266	10,963,634
<b>Total deferred tax liabilities</b>	<b>38,349,336</b>	<b>15,780,783</b>

Corporate income taxes of the Group for the years ended 31 December 2020 and 2019 have been calculated on the net accounting profit adjusted with other revenues and some expenses which are exempted from income tax or being adjusted with disallowable expenses.

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

The income tax computations are as follows:-

- For the BOI promoted businesses, the corporate income tax was calculated according to the promoted privileges granted (Note 26).
- For non-BOI promoted businesses or promoted privileges granted had expiration, the Group calculated corporate income tax at the rate of 20 per cent of taxable profit.

**30. FINANCIAL INSTRUMENTS**

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

**30.1 Accounting policies and procedure**

See Note 4.

**30.2 Credit risk**

Credit risk refers to the risk that accounts receivable will default on its contractual obligations resulting in a financial loss to the Company.

As at the statements of financial position date there was no other significant credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

**30.3 Interest rate risk**

Interest rate risk arises from the potential of a change in interest rates to have an effect on the operation of the Group in the current reporting year and in future years. The Group is confident that the risk can be managed because the Group has maintained plans and monitor the market situation closely.

**30.4 Risk from currency exchange**

The Group's risk from the fluctuation of foreign exchange rates, due to some debtors and creditors arisen from the trading in foreign currencies. The Group will make the forward exchange contract, in case the Baht currency is highly fluctuated and it is considered appropriate (Note 24).

**30.5 Fair values of financial instruments**

The Group uses the market approach to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. However, if part of financial assets and financial liabilities are short-term or bearing interest rate closely to market rate, the Company's management believes that the fair value of those financial assets and financial liabilities does not materially differ from their carrying value.

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

The following methods and assumptions were used by the Group in estimating fair value of financial instruments as disclosed herein:

- Investments in mutual funds have been categorized as a Level 2, the fair value is determined from their net asset value (NAV) at the measurement date of investment.
- Investments in listed equity securities have been categorized as a Level 1, the fair value is based on quoted market price.
- Investment in non-listed equity securities have been categorized as a Level 3, the fair value is determined from dividend discount model, discounted cash flows and book value approach by the Group's management.
- Investments in debt securities have been categorized as a Level 2, the fair value is determined by using the yield curve as announced by the Thai Bond Market Association at the measurement date of investment.
- Investment property
  - The fair value measurement of land has been categorized as a Level 2, the fair value is based on the comparison approach to the valuation technique used.
  - The fair value measurement of building has been categorized as a Level 2, the fair value is based on the cost approach to the valuation technique used.

**31. CAPITAL MANAGEMENT**

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the businesses. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total equity, excluding non-controlling interests and also monitors the level of dividends paid to ordinary shareholders.

**32. RECLASSIFICATION**

The Company's financial statements for year ended 31 December 2019 have been reclassified to conform to the current year's classification, without any effect to the previously reported net profit or shareholder's equity.

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**33. EVEN AFTER THE REPORT PERIOD**

On 23 February 2021, the Board of Directors meeting No.1/2021 passed a resolution to propose the dividend payment from retained earnings at Baht 0.60 per share for 108 million shares, totaling Baht 64.80 million to the 2021 Annual General Meeting of the shareholders for approval. This dividend payment is subject to the approval of the Annual General Meeting of the shareholders.

**34. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved by Board of Directors of the Company on 23 February 2021.

งาน Thailand Baby & Kids Best Buy ครั้งที่ 36  
 อิมแพ็ค เมืองทองธานี ชาเลนเจอร์ฮอลล์ 3  
 วันที่ 30 ม.ค. - 2 ก.พ. 63



Welcare ร่วมกับ ก้าว ร่วมเป็นอีกพลังเล็กๆในการส่งมอบหน้ากากอนามัย



Welcare และ มูลนิธิครอบครัวข่าว  
ร่วมมอบหน้ากากผ้ากันน้ำพร้อมชั้นกรองคุณภาพสูงและหน้ากาก N95



Welcare และ มูลนิธิครอบครัวข่าว ร่วมมอบหน้ากากผ้ากันน้ำ





Welcare และ มูลนิธิเวิร์คพอยท์  
ร่วมมอบหน้ากากผ้ากันน้ำพร้อมชั้นกรองคุณภาพสูงและหน้ากาก N95



Welcare และ หลักสูตรธุรกิจเทคโนโลยีและการจัดการนวัตกรรมจุฬาลงกรณ์มหาวิทยาลัย  
ร่วมมอบหน้ากากผ้ากันน้ำพร้อมชั้นกรองคุณภาพสูง  
ให้กับโรงพยาบาลจุฬาลงกรณ์



Welcare บริษัทแผ่นกรองอากาศเวลแคร์ รุ่น FT 2200  
เพื่อช่วยเหลือบุคลากรทางการแพทย์



งาน Thailand Baby & Kids Best Buy ครั้งที่ 37  
อิมแพ็ค เมืองทองธานี ชาเลนเจอร์ฮอลล์ 3  
วันที่ 30 ก.ค. - 2 ส.ค. 63

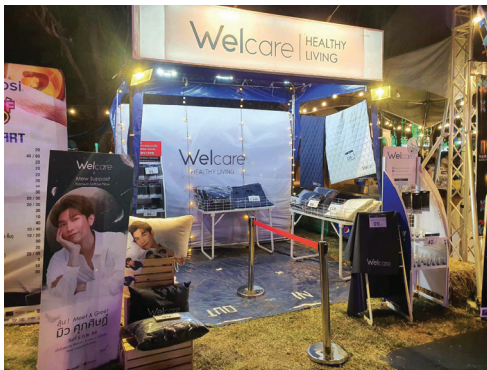




จัดบูธ Emporium ชั้น 4 The Living Zone  
วันที่ 3 - 16 กันยายน 2563



งาน Pepsi Presents Big Mountain Music Festival 11  
วันที่ 12-13 ธันวาคม 2563



## รางวัลแห่งความภาคภูมิใจ







***TPCORP***



***TPCORP***

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