



2019 ANNUAL REPORT

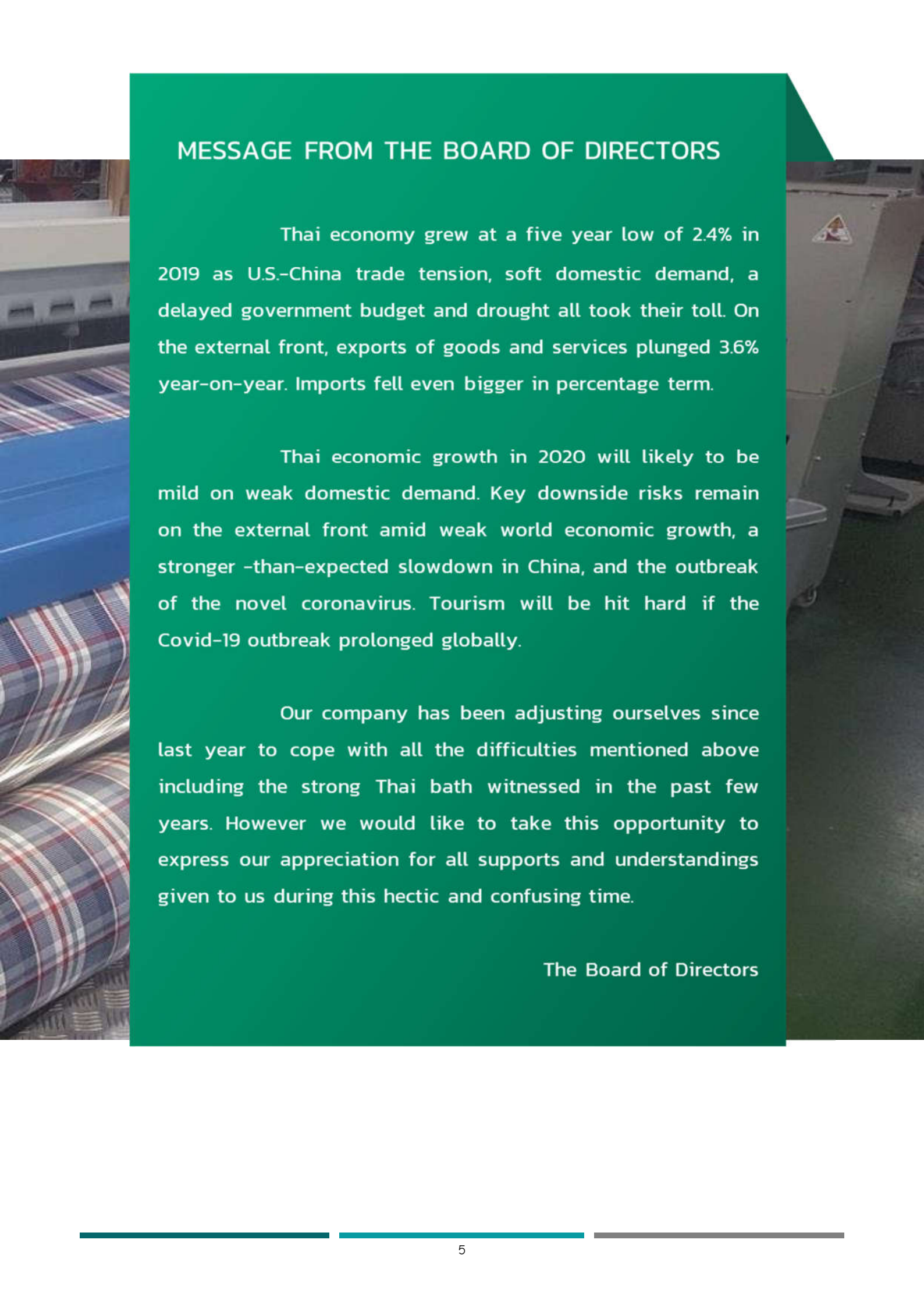
THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED



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MESSAGE FROM THE BOARD OF DIRECTORS

Thai economy grew at a five year low of 2.4% in 2019 as U.S.-China trade tension, soft domestic demand, a delayed government budget and drought all took their toll. On the external front, exports of goods and services plunged 3.6% year-on-year. Imports fell even bigger in percentage term.

Thai economic growth in 2020 will likely to be mild on weak domestic demand. Key downside risks remain on the external front amid weak world economic growth, a stronger -than-expected slowdown in China, and the outbreak of the novel coronavirus. Tourism will be hit hard if the Covid-19 outbreak prolonged globally.

Our company has been adjusting ourselves since last year to cope with all the difficulties mentioned above including the strong Thai bath witnessed in the past few years. However we would like to take this opportunity to express our appreciation for all supports and understandings given to us during this hectic and confusing time.

The Board of Directors



REPORT OF THE AUDIT COMMITTEE

Dear Shareholders,

The Audit Committee, which was appointed by the Board of Directors of Thai Textile Industry Public Company Limited, consists of the following 4 Independent Directors: 1) Dr. Chin Chinsetawong, Chairman of the Audit Committee; 2) Mr. Preecha Chaipromprasith; 3) Mr. Korn Sereeronjanasiri; and 4) Dr. Kajornwuth Namsirikul as the Audit Committee, Mr. Korn Serirojanasiri, an Audit Committee Director, resigned on 04 June 2019; therefore, there are currently 3 Directors on the Board of Audit Committee. At the Board of Directors Meeting 4/2019 held on 13 November 2019, the Board appointed Mrs. Rattanaorn Piriyaaprinsakul to be the Secretary of the Audit Committee to replace Mr. Narong Piriyaaprinsakul who passed away on 30 August 2019.

In 2019, the Audit Committee had 4 meetings in which the Executive Directors, Accounting Department Representative, Certified Public Accountants, and Internal Audit Committee all attended the meeting each time.

In 2019, the Thai economy was still affected by the world economic issues, which continued from the previous year. The Audit Committee Directors give importance to the management and have held both official and unofficial meetings with the management to provide useful suggestions for managing the Company.

The Audit Committee has performed its duties and responsibilities according to the rules and regulations of the Stock Exchange of Thailand as well as according to responsibilities given by the Board of Directors of the Company. The main responsibilities of the Audit Committee consist of the internal audits, checking good governance, and transparency of the management of the Company. The Audit Committee would like to summarize the following important points:

1. Financial Statement

The Audit Committee checked the quarterly financial statements and the annual financial statement together with the Management, Accounting Department Representative, Certified Public Accountants, and Internal Audit Committee in each meeting, from which the Audit Committee concluded that the Company's Financial Statements were transparent and prepared according to the General Accounting Regulations.

The 4 members of the Audit Committee, Consisted of experienced individuals in accounting and finance, and have been in their positions for the past few years, have created an open discussion environment with useful recommendations for the Board of Directors to follow up

2. Internal Audits

The Audit Committee have set up a system to check the quality and effectiveness of each departments such as, production, marketing, and human resources, to evaluate the overall Company performance.

The Internal Auditor, who is assigned by the Audit Committee Directors, will provide an internal audit report to the Audit Committee Directors every 3 months, for the Audit Committee Directors reference during the quarterly meetings.

3. Business Transactions between Related Individuals and Companies

The Audit Committee reviewed reports of business transactions between individuals and related companies to the Company, prepared by the Accounting Department and the Management, with the Certified Public Accountants at each Audit Committee Meeting.

The Certified Public Accountants found the prices and sales conditions to the related individuals and companies are in the with Company's policy to treat all business transactions equal to the normal practices given to other individuals and companies not related to the Company. The business transactions between related individuals and companies are disclosed according to the rules and regulations of the Stock Exchange of Thailand.

For items considered to be related as per the year 2003 announcement by the Board of Directors of The Stock Exchange of Thailand concerning the disclosure of information and operation of listed companies with related items, for 2019, there were 3 related items, which the Audit Committee Directors had carefully evaluated the disclosed information, with the benefits of minority shareholders and with the regulations set by the Board of Directors of The Stock Exchange of Thailand in mind.

4. Adherence to Rules and Regulations

The Company has an individual responsible for following up the rules and regulations, including laws, of the Stock Exchange of Thailand concerning the operation of the business.

The Audit Committee have checked and found the Company have operated according to the rules and regulations of the Stock Exchange of Thailand accordingly.

5. Certified Public Accountants

The Audit Committee have considered and recommended the appointment of AST Master Company Limited with proposed amount of remuneration for 2020 fiscal year for the Board of Directors and Shareholders to approve.

6. Others

The Audit Committee carried out the responsibilities with the collaboration of the Management and other departments of the Company and gave recommendations when necessary.

It is the Audit Committee's opinion; the Company's Internal Audit is effective and sufficient without causing any adverse effect in the operation of the Company.

The Audit Committee has performed its duties justly, independently and focused on the internal audits, to make sure the operations of the Company are transparent and fair to protect the interests of the Shareholders and all parties of interest.

Mr. Chin Chinsethawong, Ph.D.

Chairman of the Audit Committee



01

Company's Business

- Policy and Business Overview
- Business Nature
- Risk Factors
- Operating Assets
- Legal Disputes
- General Information and Other Key Information

01 POLICY AND BUSINESS OVERVIEW

Thai Textile Industry Public Company Limited (TTI) started business in 1970 as only a weaving factory. Later TTI expanded into other textile related business to include spinning, sizing, yarn dyeing, and garment making, which at present the Company is vertically integrated to produce fabric.

The Subsidiary is only in the yarn spinning business, with sales majority to TTI and only a small portion is sold to general customers.

1.1 Visions, Objectives, Goals, and Strategies

Since the very beginning, the textile industry is a highly competitive industry both locally and internationally in terms of quality, price, and production technologies to reduce cost and raise the quality of the products. TTI's objective is to follow and adapt constantly to the changes in the market to meet the needs of the customers in time. It is necessary for TTI to constantly update the production machinery to increase our competitiveness in cost, products, and quality of our products.

1.2 Key Development and Changes

- 1969
 - | Thai Textile Industry Company Limited was established on 18 November 1969,
 - | With registered capital of 20 Million Baht.
 - |
- 1970
 - | TTI purchased Thai Rung Rueng Weaving Company Limited to start textile business as manufacturer,
 - | selling and buying yarns, greige fabrics, and finished fabrics.
 - |
- 1975
 - | Increased capital by 80 Million Baht to total 100 Million Baht registered capital for business expansion.
 - |
- 1979
 - | Increased capital by 50 Million Baht to total 150 Million Baht registered capital for business expansion.
 - |
- 1987
 - | Increased capital by 50 Million Baht to total 200 Million Baht registered capital for business expansion.
 - | Received approval to be a listed company in the Stock Exchange of Thailand.
 - |
- 1989
 - | Increased capital by 300 Million Baht to total 500 Million Baht.
 - | Withdrawn 150 Million Baht as capital to establish a yarn spinning factory which received custom tax exempt
 - | for imported machinery.
 - |
- 2002
 - | Increased Paid Capital of 15 million shares to be a total of 50 million shares registered capital with par value
 - | of 10 Baht per share for a total of 500 Million Baht registered capital.

1.3 Shareholding Structure of TTI Group

TTI Group Shareholding Structure Table

TTI		TRT		TSI		RTI		TTP	
Shareholding		Shareholding		Shareholding		Shareholding		Shareholding	
TRT	87.31 %	TTI	–	TTI	0.50 %	TTI	–	TTI	–
TSI	6.67 %	TSI	–	TRT	1.09 %	TRT	2.00 %	TRT	–
RTI	8.75 %	RTI	–	RTI	5.25 %	TSI	–	TSI	–
TTP	3.57 %	TTP	–	TTP	1.43 %	TTP	–	RTI	–

TTI	Thai Textile Industry Public Company Limited	Paid Capital	500	Million Baht	50.0	Million shares
TRT	Thai Rung Textile Company Limited (Subsidiary)	Registered Capital	600	„	6.0	„
TSI	Thai Standard Industries Company Limited	„	150	„	1.5	„
RTI	Rama Textile Industry (1988) Company Limited	„	250	„	2.5	„
TTP	Thai Textile Printing Public Company Limited	„	350	„	3.5	„

1.4 Business Relationship with Major Shareholder

Only Thai Winner Textile Industry Company Limited and Cassardi International Company Limited of the Boonnamsap family have business relationship as customers of TTI. Other major shareholders do not have any business relationship with TTI.

02 BUSINESS NATURE

2.1 Product and Services

TTI is in the textile industry as a manufacturer, importer and seller of raw cotton fibers, cotton yarns, blended yarns, synthetic yarns, greige fabrics, dyed fabrics, yarn dyed fabrics as per customer's orders, and finished garments to local and international customers under the brand "TTI".

Thai Rung Textile Company Limited (TRT) (Subsidiary) is a yarn spinning factory spinning cotton yarns, blended yarns, and synthetic yarns, selling to TTI, local yarn dyeing factories, and local fabric manufacturers.

2.2 Marketing and Competition

(Units: Million Baht)

			2019		2018		2017	
Product/Services	Produced by	Shareholding %	Revenue	%	Revenue	%	Revenue	%
Garment	Company	–						
Local Sale			38.40	1.26	32.75	0.83	71.99	1.67
Export Sale			96.19	3.15	159.36	4.05	134.69	3.13
Fabric								
Local Sale			432.73	14.18	724.16	18.39	612.08	14.21
Export Sale			841.24	27.57	729.75	18.53	618.66	14.36
Raw Cotton Fiber / Yarn								
Local Sale			148.42	4.86	646.52	16.42	571.56	13.27
Export Sale			239.56	7.85	273.56	6.95	218.04	5.06
Local Services Income			28.65	0.94	63.02	1.60	120.52	2.80
Local Other Income			21.00	0.69	31.66	0.80	679.89	15.78
Total			1,846.19	60.51	2,660.78	67.57	3,027.43	70.26
	Subsidiary	87.31						
Raw Cotton and Yarns			1,145.29	37.54	1,213.78	30.82	1,110.17	25.77
Local Services Income			25.79	0.85	31.33	0.80	44.45	1.03
Other Income			33.98	1.11	32.07	0.81	126.78	2.94
Total			1,205.06	39.49	1,277.18	32.43	1,281.40	29.74
Grand Total			3,051.25	100.00	3,937.96	100.00	4,308.83	100.00

2.3 Product and Services Procurement

Finished products and some raw materials were procured from 3 factories in TTI Group and the Subsidiary, which the location and production capacity are as follow:

Factory	Location	Type of Factory	Production Capacity 2019	
			Quantity	Unit
Factory 1	385 Soi Bangmakekhao, Taiban, Muang, Samutprakarn	Weaving	24,604,259	Yard
Factory 2	275 Soi Bangmakekhao, Taiban, Muang, Samutprakarn	Spinning	3,294,879	Pound
Factory 3	595 Sukhumvit Rd, Bangpoo Mai, Muang, Samutprakarn	Garment	626,258	Unit
Subsidiary	62 Soi Valilai, Bangchalong, Bangplee, Samutprakarn	Spinning	27,513,827	Pound

All finished fabrics and yarns, which is the raw material for fabric production, is sourced from TTI, the subsidiary company, as well as other manufacturers in the country. For raw materials such as raw cotton fibers, TTI import from various countries such as China, America, Australia, Sudan, and Uzbekistan, depending on the quality of the product.

03 RISK FACTORS

The risk factors that will greatly impact the financial and operational status of The Group are not foreseeable in the near future. The risk factors that will impact business operations are as follow:

3.1 Liquidity Risk

Liquidity risk, or funding risk, is the risk that the group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value

3.2 Foreign Currency Risk

As part of the international trading, the Group has significant exposures to market risk from changes in foreign exchange rates. The Group uses forward exchange contracts to mitigate those risks. Forward exchange contracts are accounted for as foreign currency transactions. Gains or losses on derivative financial instrument used for hedging of foreign currency transactions are recognized as income or expense on the same basis as the corresponding hedged position.

As at 31 December 2019, assets and liabilities of the Group which are not hedged as follows

	Currencies	Amount	Equivalent to approximately (In Million Baht)
Trade accounts receivable	U.S. Dollar	2,445,762	73.09
Trade accounts Payable	U.S. Dollar	1,261,842	38.27
	Euro	1,308	0.04
	CHF	6,015	0.19
Accrued expenses	U.S. Dollar	207,434	6.29

3.3 Interest Rate Risk

The Group was exposed to Interest Risk because it held deposits to and loans from financial institutions. However, The Group believes that the future fluctuation on market interest rate would not provided significant effect to its operation and cash; therefore, no financial derivative was adopted to manage such risks.

3.4 Credit Risk

The Group was exposed to credit risks mainly relating to its trade accounts receivable. However, the management has policies to provide adequate allowances for any possible losses that might be incurred in connection with its receivables.

04 OPERATING ASSETS

Operating Assets were valued on 31 December 2019 with the following details as appeared in the Separate Financial Statement and Subsidiary financial Statement.

4.1 Separate Financial Statements

	(Baht)
Land	33,116,953
Land Appraisal	659,203,047
Buildings & structures	61,818,353
Machinery & equipment	388,113,016
Furniture & office equipment	652,689
Asset under installation	30,883,164
Vehicle	4,783,594
TOTAL	1,178,570,816

Remarks As at 31 December 2019, some of assets items have been fully depreciated. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 1,288.9 million (2018: Baht 1,270.9 million). As at 31 December 2019, the Company's machineries with net book value of Baht 156.9 million (2018: Baht 146.8 million), respectively are mortgaged as collateral of credit facilities to financial institution.

The Company have borrowing costs of Baht 0.2 million, arising from financing specifically entered into for the construction of machinery and manufacturing equipment, which were capitalised as part of such assets during the year and are included in acquisition.

4.2 Subsidiary Financial Statements

	(Baht)
Land	185,749,040
Land Appraisal	358,803,160
Buildings & structures	135,765,295
Machinery & equipment	799,807,716
Factory Utility System	160,643,461
Furniture & office equipment	393,671
Asset under installation	22,130,000
Vehicle	1,535,368
TOTAL	1,664,827,711

Remarks On 24 May 2018, the Subsidiary reappraised the land value by an independent agent using the market price, which appraised the land value to increase by 119.11 million baht, making the land value on 31 December 2019 and 2018 to be valued at 544.55 million baht.

As of 31 December 2019, some of assets items have been fully depreciation. The gross carrying amount before deducting accumulated depreciation of those assets amounted to baht 1,187.86 million (2018: baht 1,221.30 million)

As of 31 December 2019, the Subsidiary's machineries with net book value of Baht 530.30 million (2018: Baht 548.30 million), respectively are mortgaged as collateral of credit facilities to financial institution.

The Subsidiary have borrowing cost of Baht 0.20 million (2018: Baht 3.60 million), arising from financing specially entered into for the construction of machinery and manufacturing equipment, wish were capitalised as part of such assets during the year and one included in acquisition.

4.3 Investment Properties–Land

Book value as at 31 December 2019 – Baht

05 LEGAL DISPUTES

None

06 GENERAL INFORMATION AND OTHER KEY INFORMATION

General information	
Company Name Issuing Securities	Thai Textile Industry Public Company Limited
Type of Business	Manufacturer Fabric Weaving, Yarn Spinning, Garment
Paid Capital	50 Million Shares with par value 10 baht per share
Address	385 Soi Bang Make Khao, Sukhumvit Road, Taiban, Muang Samutprakan Samutprakan 10280
Tel	0 2703 8484
Fax	0 2387 0984, 0 2387 1983
Web site	http://www.tti.co.th
E-mail	thaitex@tti.co.th

Reference Person	
Securities Registrar	Thailand Securities Depository Company Limited
Address	93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand
Tel	0 2009 9000
Fax	0 2009 9991
Auditor	Mr. Pradit Rodloytook, CPA No. 218 or Ms. Nongram Laohareedeelok, CPA No. 4334 or Mrs. Pornthip Lerthanongsak, CPA No. 7633 or Ms. Chamaporn Rodloytook, CPA No. 9211
	AST Master Company Limited
Address	790/12 Thonglor Tower Soi Thonglor 18, Sukhumvit 55 Road, Klong Tan, KlongToey, Bangkok 10110
Tel	0 2185 8842-3, 0 2185 0342
Fax	0 2185 0225
Legal Consultant	Jaruttham Attorney and Accounting Firm
Address	281/7 Moo 4, Soi Suksawat, Suksawat Road, Bangpakok Radburana, Bangkok 10140
Tel	0 2389 2298
Fax	0 2389 2298

Legal Entity that TTI hold more than 10 percent of all Shares

Legal Entity Name	Thai Rung Textile Company Limited
Address	62 Soi Vilalai, Bangna Trad Road, Bangchalong, Bangplee, Samutprakan 10540
Tel	0 2337 2325-6
Fax	0 2337 2829
Type of business	Yarn Spinning Factory
Paid capital	6,000,000 shares with par value of 100 baht per share.
Share holding	87.31%



02

Management and Corporate Governance

- Securities and Shareholder
- Management Structure
- Corporate Governance
- Corporate Social Responsibility
- Internal control and Risk Management
- Related Transaction

07 SECURITIES AND SHAREHOLDERS

7.1 Registered and Paid Capital

TTI have Registered Capital of 500 Million Baht, Paid Capital of 500 Million Baht, divided into 50 million shares with par value 10 Baht per share.

7.2 Shareholders

Top 10 Shareholders over 5 Years Period

Rank	Name	31/12/2019	%	31/12/2018	%	31/12/2017	%	31/12/2016	%	31/12/2015	%
1	Mr. Kumjorn Chuenchoochit	12,877,867	25.7	12,877,867	25.7	12,882,467	25.7	12,392,367	24.8	12,276,367	24.5
2	Ms. Supatta Boonnamsap	6,155,280	12.3	6,155,280	12.3	6,165,280	12.3	6,096,085	12.2	6,004,985	12.0
3	Mr. Tawatchai Chaiyapinunt	5,477,120	10.9	5,477,120	10.9	5,477,120	10.9	5,447,120	10.9	5,447,120	10.9
4	Thai Textile International Company Limited	4,128,315	8.3	4,128,315	8.3	4,128,315	8.3	4,128,315	8.3	4,128,315	8.3
5	Mr. Kasem Worarittichai	2,964,945	5.9	2,964,945	5.9	2,964,945	5.9	2,964,945	5.9	2,964,945	5.9
6	Mr. Phaiboon Jaroonsaichanakij	2,574,000	5.1	2,574,000	5.1	2,574,000	5.1	2,574,000	5.1	2,574,000	5.1
7	Great Chan Holding Company Limited	2,000,000	4.0	2,000,000	4.0	2,000,000	4.0	2,000,000	4.0	2,000,000	4.0
8	RPT Resources Company Limited	1,718,100	3.4	1,718,100	3.4	1,718,100	3.4	1,718,100	3.4	1,718,100	3.4
9	TT Resources Company Limited	1,582,305	3.2	1,582,305	3.2	1,582,305	3.2	1,582,305	3.2	1,582,305	3.2
10	Vongs Chang Enterprise Company Limited	1,100,000	2.2	1,100,000	2.2	1,100,000	2.2	1,100,000	2.2	1,100,000	2.2

7.3 Other Securities

None

7.4 Dividend Payment Policy

The Company has the policy to pay dividends to the shareholders on the annual basis based on the financial statement of the Company with the ratio of no less than 40 percent of the net profit after all deductions designated by law. The dividend payment will depend on the cash on hand, future investment plans, and conditions of the law, which the Company will take into consideration, to ensure the payment of dividends will not affect the operation of the Company. The resolution of the Board of Directors will be presented to the shareholders for approval; however, the Board of Directors have the authority to make dividend payments in between shareholder meetings should they see appropriate and does not affect the operation of the Company, which the Board of Directors will have to report to the shareholders at the next meeting.

08 MANAGEMENT STRUCTURE

8.1 Company Directors

Company Board of Directors consists of 10 Directors, divided into 6 Executive Directors and 4 Independent Directors.

The Board of Directors is divided into 3 sub-Committees, namely the Audit Committee, Nomination Committee, and Remuneration Committee as follow:

1. Mr. Boonnam	Boonnamsap	Chairman
2. Mr. Mongkol	Mungskornkanok	Managing Director
3. Mr. Phaiboon	Jaroonchaikanakij	Executive Director
4. Mr. Tawatchai	Chaiyapinunt	Executive Director, Nomination Committee and Remuneration Committee
5. Mr. Kumjorn	Chuenchoochit	Executive Director
6. Mr. Suchart	Chantanakaracha*	Director and Independent Director
7. Mr. Chin	Chinsettawong, Ph.D.*	Chairman of the Audit Committee, Independent Director, Nomination Committee and Remuneration Committee
8. Mr. Preecha	Chaipromprasith*	Audit Committee Director, Independent Director, Nomination Committee Directors and Remuneration Committee
9. Asst. Prof. Kajornvut	Namsirikul, Ph.D.*	Audit Committee and Independent Director
10. Miss Naruemon	Worarittichai	Executive Director
11. Mrs. Siriwan	Boonnamsap	Director (Resign on June 4, 2019)
12. Prof. Somsak	Chaiyapinunt, Ph.D.	Director (Resign on June 4, 2019)
13. Mr. Pairod	Chuenchoochit	Director (Resign on June 4, 2019)
14. Mr. Kasem	Worarittichai	Director (Resign on June 4, 2019)
15. Mr. Charoen	Laohathai*	Director and Independent Director
16. Mr. Korn	Sereerojanasiri*	Audit Committee and Independent Director
17. Mr. Chuang	Kullawanwichit	Executive Director and Secretary to the Board of Directors (Resign on June 30, 2019)
Mrs. Rattanaorn	Piriyaprinsakul	Company Secretary and Secretary of Audit Committee (Position On November 13, 2019)
Mr. Narong	Piriyaprinsakul	Secretary of Audit Committee, Nomination Committee and Remuneration Committee (Died on August 30, 2019)

* Independent Directors

Remark For number of times of Directors' Meeting, and the attendance of each Director at each meeting, please refer to The attendance of each Director at each meeting and the Directors Remuneration

Audit Committee Directors

On 28 February 2019, the Board of Directors appointed 4 Directors to be on the Audit Committee for the duration of 2 years per term. The 4 Directors consisted of the following:

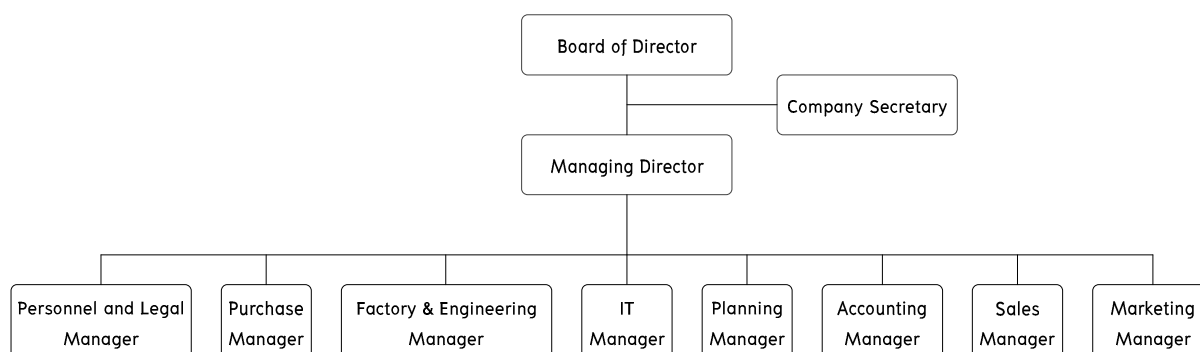
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|----|-----------------------|----------------------|--|
| 1. | Mr. Chin | Chinsettawong, Ph.D. | Chairman of Audit Committee |
| 2. | Mr. Preecha | Chaipromprasith | Audit Committee |
| 3. | Asst. Prof .Kajornvut | Namsirikul, Ph.D. | Audit Committee |
| 4. | Mr. Korn | Sereeronjanasiri | Audit Committee (Resign on June 4, 2019) |

Nomination Committee and Remuneration Committee Directors

On 28 February 2019, the Board of Directors appointed 2 sub-Committees, which were the Nomination Committee and the Remuneration Committee. The term for each Director is 2 years and consisted of 2 Independent Directors and 1 Executive Director. The Directors for both Committees are as follow:

- | | | | |
|----|---------------|----------------------|--|
| 1. | Mr. Chin | Chinsettawong, Ph.D. | Independent Director and Chairman of Audit Committee |
| 2. | Mr. Preecha | Chaipromprasith | Independent Director and Audit Committee |
| 3. | Mr. Tawatchai | Chaiyapinunt | Executive Director |
| 4. | Mr. Narong | Piriyaprinsakul | Secretary of the Committee (Died on August 30, 2019) |

8.2 Management Structure



Managing Director	Mr. Mongkol	Mungkornkanok
Personnel and Legal	Mr. Narong	Piriyaprinsakul (Died on August 30, 2019)
Purchase	Mr. Arun	Charoensangpetch (Resign on November 6, 2019)
Factory & Engineering	–	
Information Technology	Mrs. Anchalee	Tapaopong
Planning	Mr. Surasak	Nampila
Accounting	Miss Naruemon	Worattichai (Position on July 1,2019)
	Mr. Chuang	Kullawanwichit (Resign on June 30, 2019)
Sales	Mr. Nataphol	Jarukittikhun
Marketing	Mr. Therawat	Srivilaiwit

8.3 Company Secretary

Mrs. Rattanaorn Piriyaaprinsakul (Position on November 13, 2019)

Mr. Narong Piriyaaprinsakul (Died on August 30, 2019)

8.4 Directors and Executive officer Remuneration

The attendance of each Director at each meeting and the Directors Remuneration

			Directors Meeting Attendance / Meetings		Directors Remuneration (Baht) (Remuneration and Pension)	
Directors		Position	2019	2018	2019	2018
1. Mr. Boonnam	Boonnamsap	★	4/4	4/4	160,000	160,000
2. Mr. Mongkol	Mungkornkanok	/	4/4	4/4	160,000	160,000
3. Mr. Phaiboon	Jaroonchaikanakij	/	4/4	4/4	135,000	135,000
4. Mr. Tawatchai	Chaiyapinunt	/■▲	4/4	4/4	135,000	135,000
5. Mr. Kumjorn	Chuenchoochit	/	4/4	4/4	135,000	135,000
6. Mr. Suchart	Chantanakaracha	✕✕	4/4	4/4	110,000	110,000
7. Dr. Chin	Chinsetawong, Ph.D.	◆■▲✕	2/4	3/4	170,000	170,000
8. Mr. Preecha	Chaiyaprasith	◆■▲✕	4/4	3/4	170,000	170,000
9. Asst. Prof. Kajornvut	Namsirikul, Ph.D.	●✕	4/4	4/4	170,000	170,000
10. Miss Naruemon	Worattichai	/	4/4	4/4	110,000	110,000
11. Mrs. Siriwan	Boonnamsap (Resign on June 4,2019)	✕	2/4	4/4	75,000	110,000
12. Prof. Somsak	Chaiyapinunt, Ph. D. (Resign on June 4,2019)	✕	2/4	4/4	75,000	110,000
13. Mr. Pairod	Chuenchoochit (Resign on June 4,2019)	✕	2/4	4/4	75,000	110,000
14. Mr. Kasem	Worattichai (Resign on June 4,2019)	✕	2/4	4/4	75,000	110,000
15. Mr. Charoen	Laohathai (Resign on June 4,2019)	✕✕	2/4	4/4	75,000	110,000
16. Mr. Korn	Sereerojanasiri (Resign on June 4,2019)	●✕	2/4	4/4	100,000	110,000
17. Mr. Chuang	Kullawanwichit (Resign on June 4,2019)	/	2/4	4/4	92,500	135,000
			Total		2,022,500	2,260,000

★ = Chairman

● = Audit Committee

✕ = Director

▲ = Remuneration Committee

◆ = Chairman of the Audit Committee

/ = Executive Director

■ = Nomination Committee

✕ = Independent Director

Salary for 14 Executive Officers

16,876,115.38 Baht

Remuneration for Managing director (Mr. Mongkol Mungkornkanok)

2,050,000.00 Baht

Non-financial Remuneration

None

8.5 Meeting Attendance for Subcommittee Directors

Subcommittee Directors		Independent Director status	Meeting Attendance time
Audit committee			
1. Mr. Chin	Chinsettawong, Ph.D. (Chairman of Audit committee)	✓	2/4
2. Mr. Preecha	Chaipromprasith	✓	4/4
3. Mr. Korn	Sereerojanasiri	✓	2/4
4. Asst. Prof. Kajornvut	Namsirikul, Ph.D.	✓	4/4
Nomination Committee			
1. Mr. Chin	Chinsettawong, Ph.D. (Chairman of Nomination committee)	✓	2/2
2. Mr. Preecha	Chaipromprasith	✓	2/2
3. Mr. Tawatchai	Chaiyapinunt	-	2/2
Remuneration Committee			
1. Mr. Chin	Chinsettawong, Ph.D. (Chairman of Remuneration committee)	✓	2/2
2. Mr. Preecha	Chaipromprasith	✓	2/2
3. Mr. Tawatchai	Chaiyapinunt	-	2/2

8.6 Personnel

The Company's personnel for each major department in 2019 was as follow

Month	Spinning	Weaving	Garment	Total
January	99	748	452	1,299
February	99	727	414	1,240
March	97	709	395	1,201
April	97	689	380	1,166
May	96	640	367	1,103
June	88	605	336	1,029
July	64	586	320	970
August	6	573	295	874
September	6	563	293	862
October	6	553	271	830
November	6	548	262	816
December	6	541	257	804

Compensation for 2019 is as follow

1. Spinning Employee Wages	20,240,486.92	Baht	Bonus	0.00	Baht
2. Weaving Employee Wages	173,656,981.81	Baht	Bonus	3,642,852.35	Baht
3. Garment Employee Wages	51,801,535.88	Baht	Bonus	1,561,509.25	Baht

For Personnel Development Program, The Company has regular seminars The Company also sends employees to workshops and seminars outside The Company on a regular basis.

No.	Course Program	Participants	Duration
1	Basic and severe firefighting training	55	6 hours
2	Practice fire evacuation	767	1 hours
3	Operation that produces heat and sparks	200	6 hours
4	5S for employees	350	6 hours
5	Organic Content Standard (OCS) V 2.0	40	6 hours
6	Global Recycle Standard (GRS) V 4.0	8	6 hours

9.1 Corporate Policies

The Company is aware of the importance of Good Corporate Governance and have followed the guidance that The Stock Exchange of Thailand, and The Securities and Exchange Commission of Thailand had set. In addition, a handbook on the business ethics and etiquette was made for the Directors, Managers, and employees to follow as company policy.

The Board of Directors have set The Company policies as follow:

1. Set the business scope and responsibilities to be effective and adhere to the rules and regulations with transparency and traceability.
2. The Board of Directors, Managers, and all employees will perform their duties to the best of their abilities with honesty and trustworthiness for the benefits of all parties, by upholding good corporate governance and following the handbook of business ethics and etiquette.
3. Define areas of responsibility and the authority of involved personnel in each department to ensure the benefits are protected.
4. Will not perform any actions that will violate or restrict the rights of the Shareholders of The Company, and will provide convenience to the Shareholders to exercise their rights other than voting at the Annual Shareholders Meeting.
5. Treat all Shareholders equally. Provide access to The Company information and contact information accordingly.
6. The Board of Directors, Managers, and all employees will uphold the business ethics and etiquette by treating all with benefits equally, as well as, taking care, controlling, and protecting against any decisions or actions that may be in conflict with the benefits.
7. Fully disclose important news and information of The Company in a timely manner accordingly to the rules and regulations.
8. Set policies, strategies, and plans necessary for the operation of The Company and systems to evaluate the effectiveness of the management.
9. Evaluate and set ethics and etiquette guidelines of The Company business for the Board of Directors, management, and all employees to follow, in addition to the rules and regulations of The Company.
10. Set annual internal self evaluation to determine the performance of the Directors.
11. The Board of Directors set communication channels for Shareholders, investors, and governing sectors, as well as disclose information to Shareholders and those with mutual benefits.

The Board of Directors realizes support is needed for the Directors, management, and employees to perform their duties and responsibilities to be in accordance to good corporate governance policies set forth by the Board of Directors, so good corporate governance policy and business ethics and etiquette handbooks were distributed through the following channels:

- Employee Handbook
- Good Corporate Governance Policy Handbook
- Business Ethics and Etiquette Handbook
- Company website (www.tti.co.th)
- Information Board of The Company

In addition, Good Corporate Governance policy and Business Ethics and Etiquette seminars were held during orientation of new employees.

9.2 Sub Board of Directors

(1) Board of Directors Structure

From the Board of Directors of 10 people, a Sub Board of Directors was set up as follow:

- A. Executive Directors consisted of the following 6:
 1. Mr. Boonnam Boonnamsap
 2. Mr. Mongkol Mungkornkanok
 3. Mr. Phai boon Jaroonsaichanakij
 4. Mr. Tawatchai Chaiyapinunt
 5. Mr. Kumjorn Chuenchoochit
 6. Miss Naruemon Worarittichai
- B. Audit Committee consists of 3 people. (Details on Page 24)
- C. Nomination Committee consists of 3 people. (Details on Page 24)
- D. Remuneration Committee consists of 3 people and Management Structure (Details on Page 24)

Duties and Responsibilities of each Committee Directors are as follow:

- **Board of Directors** duties and responsibilities consisted of managing according to the purpose, regulations, and resolution of the Shareholders meeting, including
 1. Approval of vision, strategy, goal, and risks.
 2. Observing the management operation according to The Company Policy.
 3. Control and manage risks.
 4. Set written policies and business ethic and etiquette for The Company to operate under.
 5. Evaluate possible issues of conflict thoroughly.
 6. Set policies on risk management for The Company and Subsidiary.
- **Executive Directors** duties and responsibilities consisted of the following:
 1. Authority to order, plan, and operate The Company business according to the policies set by the Board of Directors.
 2. Set strategies for The Company under the purpose and policies of The Company.
 3. Propose investment plans to the Board of Directors and or at the Shareholders Meeting for consideration.
 4. Approve appointments of advisers necessary for the operation of The Company under the budget given.
 5. Authorized to determine the benefits to the employees according to traditions and rules and regulations.
 6. Authorized to approve purchase, hiring, rent, and lease any assets, including investing and settlement of payments necessary for the operation of The Company, within the budget, according to the details of the Authorization Chart set up by the Board of Directors.
 7. Authorized to approve make loan agreement, and overdrawn funds from banks, corporations, and or financial institutions for the benefit of the operation of The Company.
 8. Authorized to approve purchase of assets, or payment of assets from the operation of The Company, according to the contract and or agreement with business partner, as per the details of the Authorization Chart set up by the Board of Directors.

- **Audit Committee** duties and responsibilities consisted of the following:
 1. Review that The Company discloses correct and adequate financial statement information.
 2. Review appropriate Internal Control and Internal Audit procedures, evaluate internal audit department Independence, as well as, approval to appoint, transfer, and or cease employment of Internal Audit heads or other departments that are responsible for the Internal Audits.
 3. Review that The Company is operating under the rules and regulations set forth by the Stock Exchange of Thailand and laws governing business operation.
 4. Review, select, and or recommend individuals who are independent to audit The Company's financial statement and recommend remuneration for the individuals. In addition, attend Audit Committee meeting without involvement of the management team at least 1 time a year.
 5. Review related transactions and or conflict of interest transactions to be in line with the rules and regulations set forth by The Stock Exchange of Thailand, so those transactions are appropriate with highest benefit for The Company.
 6. Write the Audit Committee Report, signed by the Audit Committee Chairman, which is to be disclosed in the Annual Report of The Company.
 7. Perform duties assigned by the Board of Directors, with agreement from the Audit Committee.

- **Nomination Committee** has the duty and responsibility to set criteria and qualification for individuals to be on the Board of Directors and Management Team, by proposing the individual to be on the Management Team to the Board of Directors for consideration, and the individual to be on the Board of Directors to the Shareholders Meeting for consideration.

- **Remuneration Committee** has the duty and responsibility to evaluate the amount and form to pay the Directors and Management Team and propose to the Board of Directors for consideration. The Management Team remuneration will be approved by the Board of Directors, while Directors remuneration will be approved by the Shareholders Meeting.

(2) Audit Committee Directors

Qualified Audit Committee to review The Company's Financial Statement is Assistant Professor Kajornvut Namsirikul, Ph.D.

9.3 Nomination and Appointment of Directors and Management

In the Nomination for a Director, all Directors have the right to suggest a qualified individual to the Shareholders Meeting for approval, unless the Director position was vacant before the term is up, then the Board of Directors have the right to appoint an individual to replace the vacant position. The Shareholders still have the right to recommend qualified individuals for consideration at the Shareholders Meeting as well.

(1) Board of Directors

A. Election

As per The Company's rules under Directors, Section 4, Point 16, the Shareholders Meeting will determine the number of Directors on the Board of Directors, to be no less than 5 people and no more than 17 people. The elected persons should not prohibit according to the rules and regulations of The Company, and should be trustworthy to manage a Public Company according to the rules and regulations set by The Securities and Exchange Commission. More than half of the total Directors must have residence in the Kingdom of Thailand. The number of Independent Directors and Audit Committee must be according to the rules and regulations of the Stock Exchange of Thailand.

B. Directors Qualification

1. Must be a mature ordinary person.
2. Must not be bankrupt, or incapable of management
3. Never convicted by the highest court for corruption.
4. Never unemployed from government agency or corporation due to corruption.
5. Not a person lacking trust to manage a Public Company according to the rule and regulation set by The Securities and Exchange and exchange commission.

C. Directors Election Method

As per The Company's rules under Directors, Section 4, Point 18, the Shareholders Meeting will determine the Directors with the following methods:

1. One Shareholder has 1 vote per 1 share.
2. The Shareholder must give their suffrage to 1 candidate or many candidates to be Directors, but cannot distribute their suffrage to several candidates.
3. The candidate with the highest votes will be selected according to the number of Directors needed for that term. If case there is a tie in a number of votes for the candidates, the Chairman of the Board will have one vote to determine the candidate for the Board.

D. Directorship Terms

1. Normal Term Expiration

As per The Company's rules under Directors, Section 4, Point 20, at the Annual Shareholders Meeting, one third of the Director's term will expire. If the number of Directors cannot be evenly separated into one thirds, then the number of Directors, whose terms will expire, will be as close as possible to one thirds.

In the first and second year after The Company registration, the Directors whose terms expired will be determined by a draw on who will be replaced. For the following years after, the Directors with the longest term will be selected for replacement.

The Directors whose term expired can be selected to return to the Board.

2. Extraordinary Term Expiration

As per The Company's rules under Director, Section 4, Point 21, other than the normal term expiration, the Directors term may expire upon:

- 1) Death
- 2) Resignation
- 3) Lack of Qualification according to Point 17.
- 4) Resolution of the Shareholders Meeting in accordance to Point 25.
- 5) By court's ruling.

The Company did not set consecutive number of terms. The Shareholders reserve the right to appoint an individual to the Director position.

(2) Audit Committee

A. Structure and Appointment

There must be a minimum of 3 Directors in the Audit Committee, comprising of a Chairman and a set of Committee Members. All must be The Company's Director and must be qualified according to SEC rules and regulations as follow:

1. Appointed by the Board of Directors or at the Shareholders Meeting.
2. Be an Independent Director
3. Must not be The Company Directors empowered to make business decisions for parent company, subsidiary, affiliates, partnership, other subsidiary of the parents company, or any juristic person with conflict of interest.
4. Responsible to the duties according to rule and regulations set by The Stock of Exchange of Thailand and The Company's policy.
5. Must possess knowledge and experience sufficient to perform audit functions with one member being an expert of financial reviewing.

In case there are changes in the rules and regulations of SEC and SET, the qualifications will be changes.

B. Term of Appointment

The Audit Committee tenor is 2 years, counting from the date of appoint by the Board of Directors.

1. Normal Term Expiration

Once the term expire, the Board of Directors or at the Shareholders Meeting, will appoint a new committee members within 2 months of expiration of the previous committee. The previous committee members could be re-appointed.

2. Extraordinary Term Expiration

Other than normal term expiration mentioned above, the Audit Committee will expire when

- 1) No longer a Board Director.

- 2) Resignation
- 3) Death
- 4) Removed from Committee by the Board of Directors.
- 5) Lack of qualification according to the SEC and SET rules and regulations.

If the position became vacant due to reasons under Extraordinary Terms Expiration, with more than 2 months until normal term expiration, The Company Board of Directors or the Shareholders Meeting will appoint an individual with qualifications to fill the vacant position at the next meeting. However, the replacement can only hold the position up until the expiration of that term.

The Audit Committee members can re-appointed to consecutive terms without any limitations depending on the Board of Directors decision

(3) Executive Committee

A. Structure and Appointment

The Board of Directors will appoint 7 members to the Executive Committee, which comprise of Chief Executive Officer to be the Chairman of the Executive Committee and 5 other committee members. The appointments will be based on knowledge and experience necessary to manage The Company business.

B. Terms of Appointment

1. Normal Term Expiration

Executive Committee Members term will expire once they are no longer on the Board of Directors.

2. Extraordinary Term Expiration

The Extraordinary Term Expiration includes:

- 1) Resignation
- 2) Death
- 3) Removed by the Board of Directors
- 4) Lack of qualification according to the SEC and SET rules and regulations.

If the position became vacant due to reasons under Extraordinary Terms Expiration, with more than 2 months until normal term expiration, The Company Board of Directors will appoint an individual with qualifications to fill the vacant position at the next meeting. However, the replacement can only hold the position up until the expiration of that term.

(4) Independent Directors

The Company will have 4 Independent Directors (no less than 1 / 3 of all Directors) with the following qualifications and selection as follow:

A. Independent Directors Qualifications

1. Hold no more than 1 share with voting rights of The Company, the Subsidiary Company, or a major shareholder or authorized to manage The Company. This includes the shares held by individuals related to the Independent Director.

2. Must not be a Director that participated in the management, employees, advisor with regular monthly salary, or authorized to manage The Company, the Subsidiary, major shareholder, or of those with the authority to manage The Company.
3. Not a blood relative or binding by law such as father, mother, married partner, brother, sister, and children, including in-laws of children of the Directors, major shareholders authorized to manage The Company, and individuals proposed to be a Director or with authority to manage The Company or The Subsidiary Company.
4. Must not have a business relationship with The Company, The Subsidiary Company, a major shareholder, or those authorized to manage The Company in a way that could prevent the judgment to be made independently, including never or not that shareholder with significance, or authority to influence those with business relationships with The Company, The Subsidiary Company, the major shareholder of The Company, and those with authority to control The Company.

The business relationship under this point include normal business transactions to rent or loan property, assets or services, give or receive financial assistance, guarantee, or monetary guarantee, and other similar transactions which will cause The Company or The Guarantor additional debt of 3% of the asset of The Company, or THB 20 million onwards, depending on which one is less. The calculation of the debt will be according to the rules and regulations of the related business transactions of SEC.
5. Must not be an auditor of The Company, The Subsidiary Company, the major shareholders or those with authority to manage The Company, and must not be a managing partner or shareholder of the auditing company, which audits The Company, The Subsidiary Company, the major shareholders or those with authority to manage the approve transactions.
6. Must not be an advisor or financial advisor with remuneration of over THB 2 million annually from The Company, The Subsidiary Company, major shareholders or those with authority to manage The Company, and not a shareholder with significance to control the expertise.
7. Must not be a Director appointed to represent the Directors of The Company, major shareholders of The Company, or relatives to the major shareholders of The Company.
8. Must not be in the similar business with The Company, and The Subsidiary Company, or be a partner or Executive director, the employees, with regular salary, or have shares over 1 % in a company with similar business as The Company and The Subsidiary Company.
9. No other characteristics that will hinder independent opinion concerning the management of The Company.

After installation of the Independent Directors with compliance to the rules and regulations above, the Board of Directors will allow the Independent Directors to make a collective decision on how to manage The Company and The Subsidiary Company.

B. Nomination for Independent Directors

The Nomination Committee will select and propose the individuals with enough experience and knowledge of the industry of The Company, that meet the criteria above, to the Board of Directors, who will evaluate and propose to the Shareholders Meeting for approval

(5) Appointment of Managing Directors

The Board of Directors will appoint the Managing Directors.

(6) Appointment of Management term

The Nomination Committee has the authority to propose individuals that are an employee of The Company in the management position, with the approval of the Board of Directors.

9.4 Control and Management of The Subsidiary

The Company has control mechanisms to control and be responsible for The Subsidiary Company for the benefit of The Company as follow:

- (1) The Company has sent individuals to be the representative of The Company as Directors, and Management of The Subsidiary Company as per ratio of shares held. The Board of Directors Meeting will determine the individual to be sent as the representative of The Company.
- (2) The Company policy is to appoint the same auditors for The Company and The Subsidiary Company to control the disclosure of financial information, Company performance, related Transactions between The Subsidiary and related persons to be correct and same as The Company.

9.5 Control of Inside Information Usage

The Company has policies set up to prevent the Directors and or the Management to gain benefit from the inside information of The Company as follow:

The Directors must perform their duties in accordance to the laws, purpose, and regulations of The Company, as well as the resolutions of the Shareholders Meeting. Any important information disclosure that will affect The Company's operation must be approved by the Executive Director; however, any information that will affect the investors, must be approved at the Board of Directors Meeting.

The Company Board of Directors will oversee and issue the punishments if a Director or Upper Management used inside information for their own benefits. The Managing Director will evaluate the punishments according to the procedures set at the Board of Directors Meeting if an employee is caught with the crime.

In addition, The Company have a policy that members of the Board of Directors and the Management are prohibited from selling and or buying of shares 1 month before the financial statements and other information that may affect the prices of the shares were released to the public, and also 24 hours after the release of the information.

The Secretary of the Board is appointed to be the person to handle the selling and buying transaction of shares for all Board of Directors, and must report the transactions to the Chairman of the Board every time there is a transaction.

Internal Control Policy

The Board of Directors give importance to adequate internal control system to cover all areas including the control environment, risk management, communication and follow up activities, including company operation to be in accordance with the laws for check and balance to protect and take care of Shareholders investment and The Company's assets.

The Company Board of Directors assigned the Audit Committee to evaluate the internal control system and report back directly to the Board of Directors.

The Audit Committee assigned Mrs. Rattaporn Piriyaoponsakul to be responsible for preparing reports for production, human resources and related transaction between The Company and The Subsidiary Company, and presenting to the Audit Committee Meeting to be used as information for each quarterly meeting.

9.6 Annual Remuneration for Auditors

The resolution at the Annual Shareholders Meeting 1/2019 on Monday, 29 April 2019, appointed Mr. Pradit Rodloytook, Certified Public Accountant No. 218, Mr. Nongram Laahaareedilok, Certified Public Accountant No. 4334, Mrs. Pornthip Lerthanongsak, Certified Public Accountant No. 7633 and Ms. Chamaporn Rodloytook, Certified Public Accountant No. 9211 of AST Masters Company Limited, with either one of them to audit and certify The Company's financial statement. Both individuals can perform their duties with independence without any relations to The Company and The Subsidiary Company. The history of both auditors and their remuneration are as follow:

Auditors History

Mr. Pradit Rodloytook	Auditor	2006–2010 and 2013–2019
Ms. Nongram Laahaareedilok	"	2007–2019
Mrs. Pornthip Lerthanongsak	"	2019
Ms. Chamaporn Rodloytook	"	2019

Auditor Remuneration

Remuneration	2019		2018	
	Company	Subsidiary	Company	Subsidiary
Annual Auditing	430,000	300,000	430,000	300,000
Financial Statement Reviewing (3 Quarters)	250,000	220,000	250,000	220,000
Consolidated Financial Statement Reviewing (3 Quarters)	70,000	–	70,000	–
Consolidated Financial Statement Auditing	50,000	–	50,000	–
Total	800,000	520,000	800,000	520,000

9.7 Other Good Corporate Governance Practice

Other than Following the laws and good governance in The Company operation, The Company also followed the suggestions of the Organization for Economic Co-operation and Development.

The Company also followed the Stock Exchange of Thailand by separating into 5 sections:

- (1) Shareholders rights
- (2) Equal treatment of all Shareholders
- (3) Mutual benefit roles
- (4) Information disclosure and transparency
- (5) Board of Directors responsibilities

Section 1 Shareholders rights

The Board of Director support to have the Shareholders use their rights by providing sufficient information in a timely manner, and encourage the Shareholders to exercise their rights and attend the Shareholders Meeting, without infringing on the rights of the Shareholders.

The Board of Director set up a policy to provide convenience and support to all Shareholders to attend the Shareholders Meeting as follow:

Encouragement Policy for Shareholders to attend the Shareholders Meeting

1. Set the Annual Shareholders Meeting within 4 months after the end of the fiscal year (within 30 April of every year). If there is an urgent need, an Extraordinary Shareholders Meeting could be called upon.
2. Arrange and send invitation letters to the Annual Shareholders Meeting in both Thai and English, which include details and procedures of the meeting, the location, date and time, map indicating the place of the meeting, and important necessary information for the Shareholders to consider for each agenda, including the opinions of the Board of Directors, previous year meeting minute, the annual report, and proxy letter A and B according to the Ministry of Commerce. The invitation letter is to be sent out at least 7 days before the Shareholders Meeting, and advertised in the Thai newspapers for 3 consecutive days, including having the information on The Company website.
3. Provide convenience to all Shareholders equally by providing sufficient staffs to help with registration and check all necessary documents for the meeting. The Company uses the bar code system for registration and vote counting for convenience and efficiency, as well as provides revenue stamps for the proxy letters. The location of the Shareholders Meeting is a hotel in central Bangkok for travel convenience of the Shareholders.
4. The Company will not prohibit any Shareholders to attend the Shareholders Meeting. The Shareholders can attend the Shareholders Meeting at any time while the meeting is still ongoing.
5. Before every Shareholders Meeting, the Chairman will explain the procedures of the meeting, including how to vote, and how the votes will be counted for each agenda. For each vote counting, The Company will count the votes for each agenda and conclude the results clearly at the meeting.
6. The Company will have a person to count the votes at the Shareholders Meeting, and will record the results in the Shareholders Meeting minutes.
7. The Chairman will allocate enough time for the Shareholders Meeting, and proceed with the meeting with transparency by allowing the Shareholders to exercise their rights to ask, give opinions, and vote on important issues of The Company such as the appointing or withdrawing a Director, suggesting an Independent Director, approval of Auditors, dividend payouts, increase or decrease of capital, and changing of rules and regulations.
8. The Chairman, Directors, and Executive Directors, are responsible to attend the Shareholders Meeting to answer questions to the Shareholders.
9. If the Chairman have not declared the Shareholders Meeting closed, the Shareholders have the right to join the Shareholders Meeting and vote on the agenda that is currently being discussed.
10. The Chairman will inform the Shareholders on which Directors have a mutual benefit on the certain agenda, and will ask the Director with mutual benefits to leave the Shareholders Meeting until the agenda is concluded.
11. The Company will disclose the voting results of each agenda from the Shareholders Meeting on The Company website the next day.

12. The Company will send the Shareholders Meeting minutes to the Stock Exchange of Thailand within 14 days after the Shareholders Meeting, and inform the Public Company Registrar within the time indicated by the law (within 1 month after the Shareholders Meeting), as well as on The Company website.

Section 2 Equal Treatment of Shareholders

1. The Company gives importance to the Shareholders by giving the Shareholders the opportunity to add agendas to the Annual Shareholders Meeting, and recommend individuals to be voted on the Board of Directors, at least 3 months before the Annual Shareholders Meeting. The procedures to exercise the rights will be announced on the Stock Exchange of Thailand and on The Company website.
2. The Shareholders can assign a proxy to the Shareholders Meeting, and the proxy will have equal rights as other Shareholders.
3. The Company will present an Independent Director in the proxy letter for any Shareholders who could not find a proxy to still exercise their rights by giving their voting rights to the Independent Director.
4. The Shareholders Meeting will follow the order of the agenda as indicated in the Shareholders Meeting invitation letter, with a policy to not add new agendas without informing the Shareholders beforehand so the Shareholders can have enough time to study the information before deciding on their vote.
5. The Chairman of the Board, Directors, Executive Directors have the responsibility to attend the Shareholders Meeting to answer any questions from the Shareholders, and record the discussion in the Shareholders Meeting minutes for the Shareholders to recheck.
6. Arrange 1 barcode voting ballots for each agenda for each Shareholder to vote for convenience and easy accurate rechecking. The Company will hold the voting ballots for 2 years from the voting date for rechecking if required.
7. Disclose current information of The Company on The Company website, in Thai and in English, for the Shareholders to receive important change information, after presenting to the Stock Exchange of Thailand. Open communication options on The Company website for the Shareholders to ask and receive answers.
8. The Directors and Executive Directors with mutual benefits must report their mutual benefits to the Board of Directors Meeting every time.

Conflict of Interests

The Company makes it a policy to not let the Directors, Management, or employees to use their position for their own benefit. The Board of Directors set the policy to have the individual avoid involvement to avoid conflict of interest with The Company. If the transaction is unavoidable, prices and conditions will be the same as dealing with an outsider, and the Director or employee must not be involved in the approval process, as announced by the Stock Exchange of Thailand. All transactions must strictly follow the rules and regulations set by the Stock Exchange of Thailand and information fully disclosed.

Section 3 Role of Stakeholders

The Company give importance to every party with mutual benefits, including insiders such as Shareholders, employees, and management of The Company, or outsiders such as customers, suppliers, debtors, competitors, government officials, and other

departments that are involved, as well as, the community that The Company is located at, and the environment around The Company as follow:

Shareholders: The Company sees the Shareholders as those with mutual benefits and an important factor to being a Public Company Limited; therefore, have set as an important rule to treat the Shareholders as follow: 1) Shareholders Rights, and 2) Equal Treatment of Shareholders, as mentioned earlier.

Employees: The Company gives importance to every Company employee; therefore, other than following the labor laws, benefits to the employees, human rights, safety, working environment and the environment were taken into consideration.

1. Safety, Working Environment, and Environment of Working Area Policy

The Company consider every employee as an important asset; therefore, safety, working environment, the environment, and work responsibilities are set up as follow:

- 1) Safeness is the responsibility of every employee and they must work together to create a safe working environment for themselves and others.
- 2) The safeness at work is the responsibility of the employees at all level of hierarchy.
- 3) The Company will improve the work environment and working procedures to be safe, and incorporate safety equipments as necessary.
- 4) The Company will follow the rules and regulations, announcements, and or safety standards as announced by the government.
- 5) The Company set the Directors for Safety, Work Environment, and Environment Committee to organize the safety plan.
- 6) The Company have a follow up schedule to evaluate the safety procedures and control for effectiveness.

In 2019, 9 employees out of approximately 804 employees had accidents which required more than 3 days of sick leave.

2. Employee Remuneration and Benefits Policy

- 1) The Company have fair equal hiring of employees, and every employee have the opportunity to promote The Company equally.
- 2) The Company give opportunities to the employees to show their capabilities by providing incentives in daily wages, monthly salary, contract work, monthly and yearly targets, bonuses, and overtime payments.
- 3) The Company evaluates the compensations equally for all employees, based on the companies with similar size, work position, experience, education level, and quality of the employee. Other than the employee's abilities, the compensation will also be based on The Company's performance.
- 4) The Company provides benefits according to the employee needs such as housing, transportation, annual health checkup, work uniform, and monetary support.

3. Provident Fund

The Company has set up a Provident Fund since 2011.

4. Human Resource Development

The Company sees the development of the employees as a means to be competitive and survival; therefore, have set up development programs for the employees in accordance to the Labor Development Law of year 2002. In year 2019, the basic development program was implemented.

5. Employee Complaint Channels

The Company has channels for the employees to voice their complaints through the Personnel and legal. In addition, if the employee would like to file the complaint to The Company Director, without disclosing themselves, they can do so via the complaint box, and only the Director with the key to the complaint box can open the box.

6. Human Rights Compliance

The Company is aware of the Human Rights Compliance and set to have employees of the following 3 nationalities (Myanmar, Laos, and Cambodia) to have equal rights to the Thai nationality in compensations such as wages, overtime payment, holiday wages, overtime payment on holidays, incentives for the month, for the year, and bonus. In addition, the rights for male and female employees are the same for compensations and benefits. There are no use of female employees doing work that are prohibited, and absolutely no child labor.

Customers: The Company aim to produce and sell products to customers according to the ISO 9001:2015 and ISO 14001:2015 standards with product inspection and on time delivery as per the agreement with all customers equally. A team is setup to contact and handle the customer's needs with the following procedures:

1. A system to protect the customer's goods that are under the care of The Company.
2. Keep sufficient assets as per the laws of the government to build confidence to the customer.
3. Will not ask for money, gifts, awards, or any compensation from the customer or any individuals; other than normal ceremonial gifts.
4. Uphold the honesty of business practices.
5. Perform under the standard business practices generally accepted.
6. Work in accordance to the law and official rules, and will not assist, encourage, or support activities or transactions that are against the law.
7. Keep and protect customer's product information, which are proprietary to the customer.

Competitor: Competition is normal. The Company will compete within the rules and regulations of the competition, without resorting to foul play, without seeking inside information of the competitor, and without destroying the reputation.

Suppliers: The Company gives importance to the purchase and payment to the Suppliers according to the law. The Company choose trustworthy suppliers, who are responsible to society and the environment, to ensure that the customers will receive product and services that meet the standards by the following criteria:

1. Must strictly follow the contract made with the supplier. If there is a situation that impacts either party to not be able to comply to the contract, The Company will promptly contact the supplier to work on a solution to solve the problem.
2. Prevent and control any conflict that may occur to disrupt The Company business, and will not seek unlawful advantage from the supplier.
3. Use and support the use of original licensed intellectual products, and encourage the management and employees to use intellectual products effectively.

Debtors: For any projects, the Board of Directors have a financial plan, and will avoid foreign exchange risks, by borrowing mainly from financial institutions, and small amounts from inter-related businesses, and using machinery assets as guarantee. In the past few years, The Company have not faulted on the payments; however, if an unexpected situation occurred and The Company is unable to make the payment on time, The Company is confident that the payment history can be used to negotiate with the financial institutions. In addition, the land of The Company is without legal negative pledge, which should give the financial institutions the confidence to extend the payment period in case of an unexpected situation.

Intellectual Property or Copyrights: The Board of Directors have a policy to follow the laws concerning intellectual property or Copyrights by checking that the work or information does not infringe on the intellectual property or copyrights of others.

Corruption and Bribes: The Board of Directors have a policy for the Directors, management, and employees of all levels to uphold good governance, and go against corruption and bribes by forbidding the employees to ask or receive benefits to do or not do their duties, or cause The Company to lose the rightful benefits. The employees are to avoid unlawful offering or giving benefits to other outsiders to do or not do their duties.

Community and Social Relations: The Company gives importance to the surrounding community by having a community relation on environment and community conservation to prevent and solve any environmental issues, or complaints that may occur from communities nearby The Company. In addition, The Company supports the community by donating money and things for religious events, students events, and elderly events, and providing a location within The Company area for disabled people to sell their products.

Community and Social Development: As The Company give importance to the surrounding community, The Company have impact preventive policies and social development programs in place based on the Corporate Social Responsibility, Department of Industrial Works (CSR-DIW) program. The CSR-DIW program emphasized the importance of being responsible for the surrounding community and has a sustainable development along with the community to enhance competitiveness of the business both locally and internationally.

The Company has supported the following activities and programs to develop the community:

1. Education programs
2. Cultural programs
3. Career programs, especially programs for disabled people
4. Social responsibility programs
5. Religious programs

Environment: The Company business involved yarn spinning, yarn dyeing, yarn sizing, fabric weaving, that uses steam from coal burning, which may cause air pollution, while yarn dyeing and yarn sizing, may cause water pollution to occur. The Company has pollution preventive measures for air and water as follow:

For air pollution from coal burning for steam: the coal is transported in a closed container from the manufacturer to the factory. The coal is then kept in a closed building at The Company to prevent coal dusts to be released in the air outside. For air pollution occurred during coal burning, The Company have installed the Cyclone & Ventury Scrubber system to treat the air before releasing into the atmosphere, which is constantly monitored 24 hours a day. Checking the air released into the atmosphere, the pollution level is normal and does not harm the atmosphere.

For water pollution from yarn dyeing and yarn sizing: the waste water from the processes is approximately 829.80 cubic meters per day; which can be handled by The Company's waste water treatment plant with the capacity of 1,500 cubic meters per day without any issues. The waste water treatment result is connected online to the Department of Industrial Works (COD–ONLINE), which has been installed since 2012, and since then the waste water released have always met the standards set by the Department of Industrial Works.

For solid industrial wastes such as burnt coal, and wastes from water treatment: The Company have hired government approved waste removers to take away the solid industrial wastes for disposal as per the law required.

Business Policy under Environmental Standards: The Company business must be responsible for the environment as follow:

- Follow the laws and international standards to protect the environment.
- Production process development must comply with the environmental standards.
- Instill and encourage the employees to be responsible for the environment.

In 2019, the Company held environmental seminars to educate employees on the Global Recycle Standard (GRS) V4.0, with emphasis on the use of recycled material to reduce and or eliminate dangers that may occur during production.

The Company has a quarterly report checking the environment for dust, water, sound, and air pollution, which for 2019, the reported values are all within the standards.

The Company has set up a Community Relations team to address the community concerning the environment and handle any complaints from the community.

Energy Resource Management: To achieve the highest energy resource efficiency, The Company has set the following policies:

- Set energy resource plan and re–using the water for other processes
- Set a plan to save energy for coal, water, and electricity
- Set a plan to reduce and reuse paper usage
- Set activities to encourage energy resource and environment protection
- Set media relations to encourage energy resource and environment protection

Policy for Complaint and Witness Protection: For good corporate governance, The Board of Directors give the right to every employee and those stakeholder to communicate directly with the Independent Director and or Audit Committee through mail and electronic mail, so the Directors can check the complaints.

To file complaint concerning the financial statements, internal control failures, rights infringement of the Directors and employees, the complaints could be sent via registered mail to the following:

Chairman of the Audit Committee
Mr. Chin Chinsethawong, Ph.D.
Thai Textile Industry Public Company Limited
385 Moo 1, Soi Bang Make Khao, Sukhumvit Road,
TumbonTaiban, Samutprakan, Samutprakan 10280

All complaints will be handled accordingly without disclosing the person filing the complaint. Information collected will be done in secrecy and the person filing the complaint will be protected to prevent any impact from the complaint. In case The Company has to disclose any information, only necessary information will be disclosed, keeping in mind the safety of the person filing the complaint.

In 2019, there were no complaints filed to the Audit Committee.

Channels to contact The Company

	E-mail	Telephone
Managing Director	mongkol@tti.co.th	–
Chairman of Audit Committee	chin@unionpaper.co.th	–
Secretary of The Company	rattaporn@tti.co.th	0 2389 2298 0 2703 8484
Company and Investor Relations	rattaporn@tti.co.th	0 2389 2298 0 2703 8484

Section 4 Information Disclosure and Transparency

The Board of Directors give importance to information disclosure which may or may not have an impact on the stock price of The Company, or to the investor decision making, or to the benefits of the Shareholders, along with people with mutual benefits; therefore, all information is disclosed with transparency according to SEC and SET as follow:

1. Financial information consisting of financial statement 56-1 and annual report 56-2
2. Incidental information such as date of Shareholders Meeting, record date, book closing date, asset bought or sold, inter-related transactions, and changes in major shareholders structure.

Other than reporting to SET, the information is also disclosed at www.tti.co.th in both Thai and English. Any inquiries can be addressed to Investor Relations, telephone number 0 2389 2298 and 0 2703 8484

The Company has preventive policies against the use of inside information by employees of all levels for their own benefits, or for other's benefits. Any employee that discloses inside information such as those that can have an impact on The Company's stock prices, and business secrets, without the consent of the Managing Directors will be punished according to the employee rules and regulations of The Company, and may face legal actions as well.

Section 5 Directors Responsibilities

The Board of Directors of The Company are made up of individuals with knowledge and capability, as well as understanding of the textile industry, to manage The Company effectively. There are 10 members on the Board of Directors of The Company and this quantity is suitable for managing The Company effectively. The Audit Committee, which are Independent Directors, are made up of 3 members.

The Board of Directors determine the vision, mission, target, policy, direction, long term plan, work plan, and the annual financial budget of The Company, while the Executive Directors will implement the plan. The Board of Directors will review and approve the vision and mission of the Company annually.

The Directors will uphold transparency and honesty within the laws and rules and regulations of the Company.

Board of Directors Meeting

The Board of Directors of the Company will set the Board of Directors Meeting in advance and inform the Directors in advance so everyone can attend the meeting. The Ordinary Board of Directors Meeting will occur at least every 3 months, and the Extraordinary Board of Directors Meeting will be called upon when necessary. The agendas of the Board of Directors Meeting will be set beforehand and have an agenda to follow up on the performance on a regular basis. An invitation letter, along with the agenda and other information will be sent to the Directors at least 7 days before the meeting, so the Directors will have time to study the information adequately before the meeting. The Secretary of the Company will be the Secretary of the meeting, and the Secretary of the Audit Committee.

Directors and Executive Directors Remuneration

The Company has clearly set the remuneration to be of similar level as other companies in the textile industry and the remuneration amount has already been approved at the Ordinary Shareholders Meeting.

Directors Self-Evaluation

The Board of Directors will perform a self-evaluation annually by evaluating 1) individuals, 2) entire Board, and 3) sub-committees of the Board of Directors for the Board of Directors to evaluate and consider the problems and difficulties faced during the year, so issues can be rectified and efficiency can be improved. The evaluation of the Board of Directors is based on the suggestion of the SET, and adapted to fit the business of The Company. The evaluation is broken down into 6 subjects:

- 1) Organization and Qualification of the Board of Directors
- 2) Role and Responsibilities of the Board of Directors
- 3) Board of Directors Meeting
- 4) Directors Duties
- 5) Management Relations
- 6) Directors Development and Executive Directors Development

Balance between Directors and Executive Directors

As of December 31, 2019, The Board of Directors had 10 members consisted of:

- 1) 6 Executive Directors

- 2) 4 Independent Directors not in the management

From the amount of Directors above, 4 Directors, out of 10 Directors, are not involved with the management.

Shared or Separate Positions

The Board of Directors separate the Chairman of the Board to be different from the Chairman of the Management, to create a balance between management and business control.

Directors Development

The Company understands the importance of Director's knowledge and development, so the Board of Directors support the development of Directors by offering classes and seminars for the Directors to attend. The Secretary of the Board coordinates with the Directors to inform the available classes and seminars for the Directors to attend.

Currently there are 10 Directors of the Company that have attended either the Director Certification Program (DCP) or the Director Accreditation Program (DAP) held by Thai Institute of Directors.

New Directors Orientation

The Board of Directors assigned the Secretary of the Board to coordinate and set an orientation for all new Directors to help them understand their duty, responsibility, policy and regulations in controlling and managing The Company, knowledge of the business, risk management, as well as visiting each department of The Company to prepare themselves to perform the duties as a Director.

Policy for Directors, Executive Directors, and Upper Management to be Directors in another Company

To coincide with the rules and regulations concerning good governance of businesses as per the recommendations of the Stock Exchange of Thailand, the Board

The Board of Directors allow Executive Directors and Upper Management to of Directors have a policy to limit the Directors to be a Director in other Public Company to no more than 5 companies. Currently, all 10 Directors of the Company are Directors in less than 5 other Public Companies.be Directors in other companies as necessary without impact to their duties and responsibilities to The Company, and their appointment must be approved by the Board of Directors.

Mutual Benefits Report

The Board of Directors have set a policy to disclose mutual benefits between Directors and Executive Directors of The Company for transparency and prevent conflicts of interests as follow:

- 1) The Directors or Executive Directors, including family members that have mutual benefits or hold shares of the Company must prepare a report concerning their mutual benefits to the Company from the first day of holding the position.
- 2) The Board of Directors will review the reports concerning mutual benefits on January 1st of every year, or within 7 days after there are changes.
- 3) The Directors or Executive Directors have the responsibility to report to SEC and SET within 3 days after changes to their shares holding of the Company (Form 59-1 and 59-2)

- 4) The Board of Directors assigned the Secretary of the Board to keep the mutual benefits report.

10 CORPORATE SOCIAL RESPONSIBILITIES – CSR

The Company was established in 1970 with the purpose that the stability of the Company must coincide with social and environmental responsibilities; therefore, the Board of Directors assigned every employee to have social responsibility in their work as follow:

10.1 Overall Policy

The Board of Directors have reviewed and approved the social responsibility policy to be a guideline for the Executive Directors and employees as follow:

(1) Fair Business Practice

The return of The Company must be from fair business practices that does not take advantage of others, as well as of the society and of the environment, and avoid conflicts of interests and copyright laws.

(2) Anti-Corruption

Does not ask for or pay for any benefits other than those agreed upon in the sales contract. If there is a case of corruption, The Company and customer/supplier will investigate and solve the problem as soon as possible.

(3) Human Rights

Avoid actions that will infringe on basic human rights, and listen to opinions of all groups with mutual benefits equally.

(4) Fair Employment Policy

Treat all employees equally and fairly with benefits, safety, and cleanliness of work area, as well as give importance to the development, and knowledge sharing with the employees. Rewards will be given for capabilities, responsibilities, and performance of the employees and employees from 3 neighboring nations (Cambodia, Laos and Myanmar) must be treated equally and fairly.

(5) Consumer Responsibility

Produce, deliver, and service with quality products that meet or exceed the expectations, as well as have a team and system to receive consumer complaints and suggestions concerning the product or services received. The Company will bring all the issues for review and improve upon in an appropriate time.

(6) Environmental Responsibility

Perform according to the rules and regulations, and does not support anyone with mutual benefits to destroy nature and the environment.

(7) Social Community Development

Support developmental community activities.

(8) Social and Environmental Responsibility

Improve production and work process continuously to prevent negative impacts that may occur, in addition to careful use of resources to reduce wastes.

10.2 Work Procedure and Reporting

(1) Reporting Procedures

The Company's resolution in conducting business is to be responsible to the environment, which will help The Company to be in business in the long term. Therefore, The Company based the environmental responsibility program on the Thai Development Institute CSR report, to be the guide as per the announcement by The Capital market supervisory board.

In pinpointing the stakeholders, the Company have evaluated the impact and benefits from producing the products in terms of business, social, and environment to the stakeholders, namely employees, shareholders, customers, suppliers, competitors.

(2) Work Procedure

The Company's practice and strategy with the stakeholders are as follow:

Stakeholders	Practice and Strategy
Employees	Have developmental programs to increase knowledge and capabilities of the employees with concerns of human rights and justice.
Shareholders	Be transparent, just, and treat all shareholders equally.
Customers	Deliver quality products and services, and improve quality of products to meet the expectations of the customers.
Supplier	Follow rules and contract agreement with justice and transparency.
Competitor	Follow fair competition rules without resorting to unfair competition to hurt the competitor.
Creditors	Strictly follow the contract, agreements, and conditions with the creditors.
Community	Have procedures to protect the community around the Company and support community activities.
Environment	Encourage environment and resource conservation.

(Details concerning the responsibility to those mentioned above is in Section 3 Role of Stakeholders on page 38–43)

10.3 Business Practice with Responsibility to the Environment

- (1) The Company is not investigated, and not under investigation by agencies concerning unlawful practices based on 8 important criteria.
- (2) The Company practice is not involved, or accused of being involved in negatively impacting the community, environment, and not following the 8 criteria, especially in the case concerning the public, which might impact the business, reputation, or trustworthiness of The Company.

10.4 Social and Environmental Activities

The Company had the following activities to benefit the community and the environment:

- Collectively donated things to Wat PhraBatnampu, Saraburi
- Collectively donated things to Wat Suankaew Foundation and Baan Bangpakong Foster Home
- Have Big Cleaning Day activity, as well as eradication of mosquitoes and bugs around The Company, dormitories, and canteen.
- Have sporting events to unite employees within The Company and with The Group.
- Fixed the road shared with the community.

10.5 Corruption Prevention

(1) Policy for Corruption Prevention

The Company's policy in conducting business is "Moral and Quality" meaning, good moral will beget good quality, along with good management, and trustworthy work performance without corruption.

(2) Practice

The Board of Directors will cooperate with government agencies and corporations to fight against corruption using the following policies:

- A. Support and build value against corruption, by instilling the Directors, management, and employees to acknowledge and understand anti-corruption using media and seminars.
- B. Have adequate and appropriate internal control system to prevent The Company business to be involved in corruption.
- C. Have an internal audit system to check regularly and report to the Audit Committee and or Executive Directors. The evaluation for anti-corruption is part of the internal audit of The Company.
- D. Use the Collective Action Coalition against Corruption as guideline and adapt as the handbook for the employees to follow, and to be a good corporate governance business practice.

11 INTERNAL CONTROL AND RISK MANAGEMENT

11.1 Resolution of the Board of Directors Concerning Internal Control

The Board of Directors set the policy for internal control based on the rules and regulations the Securities Exchange Commission and the Stock Exchange of Thailand had set. After evaluating information from the management and report from the Audit Committee, the Board of Directors concludes the internal control system is appropriate and adequate according the 5 criteria:

(1) Internal Control

An internal control report is prepared and presented to the Audit Committee every 3 months. The report is compiled from the meetings with the management and concerned officers from various areas to collect information such as internal auditing performance, work performance (human resource management and production), financial performance, and legal performance.

The Company structure clearly indicates the order of command, which is in The Company handbook, and the organization chart in each department. The Personnel department has the duty and responsibility to manage the human resources, which includes search and hiring activities, development activities, retaining employees with knowledge and abilities, communications, work performance evaluation, incentives for industrious workers, and work position handoff.

(2) Risk Management

The main risks The Company faces are raw cotton fiber price and foreign exchange rates. For raw cotton fiber price, the management will be responsible to follow up on the prices and report to the Board of Directors every quarter.

For foreign exchange rate risks, since The Company export fabrics in the quantity similar to the import of raw cotton fibers of The Company and The Subsidiary, the foreign exchange risks is not of much concern as per the following chart for 2019.

Import and Export (TTI + TRT)		
Export	Import	Currency
USD	27,933,604.42	38,217,269.83
EURO	323,231.07	4,319.86
CHF	60,519.06	-
JPY	9,116,440.00	-

TTI is Thai Textile Industry Public Company Limited

TRT is Thai Rung Textile Company Limited

(3) Work Control

Every 3 months, the Audit Committee will meet to evaluate the performance of The Company. Report on the performance will be prepared by the auditors and internal auditors, which will be presented to the Audit Committee at least 7 days before the meeting date. Present at the meeting will be Executive Directors in charge of production and accounting and finance, to verify that the information is correct.

In 2019, business transactions done with major shareholders, Directors, management, or anyone involved with the mentioned earlier, were normal business transactions according to the sales conditions, and there were no mutual benefits gained.

(4) Information Distribution

The Company gives importance to the information and communication system, and supports the continuous development of the system to hold correct and current information, which is necessary for internal control of The Company. The information system and the communication of the information is the main important factor to make the 5 major components work more effectively. The 3 main important factors in using information technology is as follow:

A. Results Processing System

Currently The Company have implemented information systems such as Enterprise Resource Planning (ERP), an accounting system, a machine monitoring system, a finger scan system to record employee work hours, and an image documenting system to keep all documents digitally for the respective departments to use.

Manual record keeping is slow and inaccurate; therefore, monitoring electronics and computers were used to speed up information collection and for accuracy

B. Communication Systems

Communication of information is important for evaluation and fast accurate decision making, and good communication system should be usable across different platforms, and accessible from all distances.

The Company has set up information communication systems within The Company location and across branch locations using high speed air fiber and fiber optic connections. Electronic mails (E-mail) and information distributed through The Company website is protected using firewalls, and anti-virus programs.

C. Information Management

Systematic information management must be planned, set, and managed to be effective to meet the objectives of The Company. The Company manages the information with a server, and have backup plans for emergency cases to retrieve the information, which can only be accessed by individuals with information authorized access.

The information technology comes in all forms for analysis, storage, and transmitted electronically to computers, communication devices, and networks.

The collection of information within The Company is used to analyze, organize, evaluate, and control the work of management and production. E-mails are used to communicate within The Company and outside The Company for efficiency, while servers are used to handle, manage, and store the vast information within The Company.

In addition, the information is used to manage and improve the workflow, as well as, develop programs to help manage The Company resources. Information is a key factor to effectively manage and control The Company.

(5) Follow Up System

The Company will report monthly performance to the Executive Directors, and report every 3 months to Board of Directors meeting. The management and the Audit Committee must report to the Board of Directors and suggest directions to take should the performance did not meet the target.

The Company have a policy that the management must report to the Board of Directors immediately if there is corruption, or suspect there is corruption, and illegal business, which will discredit and affect the financial status of The Company. In 2019, there were not such incidents.

The Company appointed the Internal Auditors to check the performance and report directly to the Audit Committee for consideration, so the Audit Committee can suggest to the Executive Directors and report to the Board of Directors quarterly.

11.2 Audit Committee Opinion On The Internal Control System

In 2019, the Audit Committee have met with the management 4 times, and each time there was a follow up on production, human resources, accounting and finance, as well as any related transactions with mutual benefits, which for this year there were no irregular transactions.

In addition, there were meetings with the auditors without the management team and no irregular transactions were reported. The Audit Committee concluded that the Internal Control System is adequate to manage The Company.

12 RELATED TRANSACTION

12.1 Transactions with related person and companies

(1) The relationship and pricing policies among the Company, subsidiary, related persons and companies are as follows:

	Relationships
<u>Subsidiary</u>	
Thai Rung Textile Co., Ltd.	Shareholding by the Company and directorship
	Relationships
<u>Related companies</u>	
Thai Standard Industries Co., Ltd.	Shareholding by the Company and directorship
Thai Textile Printing Public Co., Ltd.	Shareholding by the Company and directorship
Rama Textile Industry (1988) Co., Ltd.	Shareholding by the Company and directorship
Thai Unique Textile Public Co., Ltd.	Directorship
Pica Inter Co., Ltd.	Directorship
Thai Textile Development and Finishing Co., Ltd.	Directorship
Cassardi International Co., Ltd.	Directorship
Prachin Land Co., Ltd.	Directorship
United Paper Public Co., Ltd.	Directorship and Shareholding
Winner Textile Co., Ltd.	Directorship and Shareholding
Nida Trading (1997) Co., Ltd.	Shareholder of subsidiary
Thai Textile international Co., Ltd.	Directorship
R.P.T. Resources Co., Ltd.	Directorship
T.T. Resources Co., Ltd.	Directorship
R.P.T. holding Co., Ltd.	Directorship
B.M.K. holding Co., Ltd.	Directorship
<u>Related Persons</u>	The Company's and subsidiary's directors and shareholder and closed cousin of shareholder of the subsidiary
<u>Pricing policies for the subsidiary, related persons and companies</u>	
	Pricing Policy
Sales of products and raw materials	Compare to market price
Service income	Compare to market price
Other income	Compare to market price
Rental income	At contract price
Purchase of products	Compare to market price
Service expenses	Compare to market price
Disposal of fixed assets	Compare to market price
Acquisition of fixed assets	Compare to market price
Miscellaneous expenses	Compare to market price
Rental expenses	At contract price
Loan from	Interest charge at rate of 4.00% – 4.35% per annum (2018;rate of 4.25%–4.50% per annum)

(2) Balances of transactions with subsidiary, related persons and companies

Significant balances with subsidiary, related persons and companies as at 31 December 2019 and 2018 are as follows:

		In Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Trade accounts receivable					
	Related companies	19,948,959	40,028,182	1,344,467	7,357,432
Acquisition of assets					
	Related companies	66,195,521	82,975,900	43,505,321	82,975,900
Trade accounts payable					
	Subsidiary	–	–	101,922,547	55,000,522
	Related companies	41,527,916	24,444,674	41,527,916	24,444,674
	Total	41,527,916	24,444,674	143,450,463	79,445,196

The outstanding balance as at 31 December 2019 and the movement of short-term loan from related persons and companies for the year ended 31 December 2019 are as follows:

		In Baht			
		Consolidated financial statements			
		Balance as at	Movement		Balance as at
		1 January 2019	Increase	Decrease	31 December 2019
	Related companies	397,500,000	275,000,000	(98,000,000)	574,500,000
	Related persons	443,700,000	62,300,000	(73,200,000)	432,800,000
	Total	841,200,000	337,300,000	(171,200,000)	1,007,300,000

The outstanding balance as at 31 December 2018 and the movement of short-term loan from related persons and companies for the year ended 31 December 2018 are as follows:

		In Baht			
		Consolidated financial statements			
		Balance as at	Movement		Balance as at
		1 January 2018	Increase	Decrease	31 December 2018
	Related companies	317,000,000	592,500,000	(512,000,000)	397,500,000
	Related persons	774,700,000	229,500,000	(560,500,000)	443,700,000
	Total	1,091,700,000	822,000,000	(1,072,500,000)	841,200,000

(3) Revenues and expenses transactions with subsidiary, related persons and companies

Revenues and expenses transactions with subsidiary, related persons and companies for the years ended 31 December 2019 and 2018 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Sales of products and raw materials				
Subsidiary	–	–	20,560,834	14,929,377
Related companies	447,195,060	1,127,702,830	136,741,886	756,807,401
Total	447,195,060	1,127,702,830	157,302,720	771,736,778
Services income				
Related companies	13,042,942	23,929,249	10,740,015	22,236,299
Disposal of fixed assets				
Subsidiary	–	–	22,731,500	–
Related companies	2,058,500	–	2,058,500	–
Related persons	19,000,000	–	19,000,000	–
Total	21,058,500	–	43,790,000	–
Other income				
Subsidiary	–	–	2,912,169	513,756
Related companies	795,660	1,415,886	795,660	1,415,886
Total	795,660	1,415,886	3,707,829	1,929,642
Rental income				
Related companies	1,710,000	1,980,000	1,710,000	1,980,000
Dividends income				
Subsidiary	–	–	–	52,387,760
Related companies	1,093,750	2,187,500	1,093,750	2,187,500
Total	1,093,750	2,187,500	1,093,750	54,575,260
Purchase of products				
Subsidiary	–	–	479,509,669	593,972,926
Related companies	169,012,483	767,598,586	169,012,483	767,598,586
Total	169,012,483	767,598,586	64,852,2152	1,361,571,512
Service expenses				
Subsidiary	–	–	753,091	630,831
Related companies	174,102,688	195,298,131	174,102,688	195,298,131
Total	174,102,688	195,298,131	174,855,779	195,928,962
Miscellaneous expenses				
Subsidiary	–	–	19,080	228,122
Related companies	597,993	2,278,612	488,466	2,097,543
Total	597,993	2,278,612	507,546	2,325,665

Rental expenses

Related companies	1,440,000	1,440,000	1,440,000	1,440,000
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Interest

Related companies	21,147,925	11,951,075	–	–
Related persons	18,171,624	24,771,678	–	–
Total	39,319,549	36,722,753	–	–

Directors and management's remuneration

The Group had employee benefit expenses of its directors and management for the years ended 31 December 2019 and 2018

As follows;

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Directors and management's benefits				
Short-term employee benefits	25,485,206	30,036,879	19,455,632	22,940,939
Post-employment benefits	1,391,100	669,895	1,391,100	669,895
Total	26,876,306	30,706,774	20,846,732	23,610,834

12.2 TRADE AND OTHER RECEIVABLES

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Trade accounts receivable-related companies	19,948,959	40,028,182	1,344,467	7,357,432

Aging of trade accounts receivable as at 31 December 2019 and 2018 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Trade accounts receivable – related companies				
Within credit terms	19,216,793	37,631,669	612,301	4,960,919
Overdue: Less than 3 months	732,166	2,396,513	732,166	2,396,513
Total trade accounts receivable – related companies	19,948,959	40,028,182	1,344,467	7,357,432

12.3 OTHER LONG TERM INVESTMENTS

Consolidated and Separate financial statements as at 31 December 2019 and 2018

Invested company (Type of business)	Paid-up Capital (Thousand Baht)	Proportion Share holding (%)	At cost	In Baht	
				Dividends income	
				2019	2018
Investment in related companies					
Thai Standard Industries Co., Ltd. (Type of business : Weaving)	150,000	6.67	12,500,000	-	-
Thai Textile Printing Public Co., Ltd (Type of business :Printing and dyeing)	350,000	3.57	12,500,000	-	-
Rama Textile Industry (1988) Co., Ltd. (Type of business:Yarn dyeing and selling)	250,000	8.75	23,750,000	1,093,750	2,187,500
Total			48,750,000	1,093,750	2,187,500

12.4 TRADE AND OTHER PAYABLES

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Trade accounts payable – related companies	41,527,916	24,444,674	143,450,463	79,445,196

03

Financial Status and Operational Results

- Financial Statement Highlights
- Managing Directors Analysis

13 FINANCIAL STATEMENT HIGHLIGHTS

Financial Statement

In Million Baht		Consolidated Financial Statement			Separate Financial Statement		
		2019	2018	2017	2019	2018	2017
Financial Status							
Current Assets	(Million Baht)	1,964.5	1,643.2	1,653.7	1,318.5	982.1	959.8
Total Assets	(Million Baht)	4,887.9	5,655.0	4,772.8	3,128.2	3,763.2	3,042.3
Current Liabilities	(Million Baht)	1,985.9	2,346.5	2,278.0	830.6	1,102.1	1,033.7
Total Liabilities	(Million Baht)	2,317.1	2,815.1	2,646.5	1,038.9	1,379.6	1,166.7
Shareholder's Equity	(Million Baht)	2,570.8	2,839.9	2,126.4	2,089.3	2,383.6	1,875.6
Operation Report							
Sales and Services	(Million Baht)	2,996.3	3,874.2	3,502.2	1,845.7	2,644.0	2,355.2
Total Revenues	(Million Baht)	3,051.3	3,938.0	4,308.8	1,870.3	2,728.6	3,063.6
Gross Profit (Loss)	(Million Baht)	122.7	104.3	183.5	52.1	25.1	73.7
Net Profit (Loss)	(Million Baht)	(255.5)	(109.6)	524.8	(278.1)	(80.6)	445.4
Financial Ratio							
Net Profit (Loss) Per Share	(Baht)	(5.11)	(2.19)	10.50	(5.56)	(1.61)	8.91
Current Ratio		0.99	0.70	0.73	1.59	0.89	0.93
Net Profit (Loss) / Equity	(%)	(9.96)	(4.65)	30.08	(12.43)	(3.78)	27.72
Return on Assets	(%)	(4.85)	(2.10)	11.72	(8.07)	(2.37)	16.21
Debt to Equity Ratio		0.90	0.99	1.24	0.50	0.58	0.62
Dividend per Share	(Baht)	0.00	0.00	0.50	0.00	0.50	0.50
Book Value per Share	(Baht)	48.57	54.01	40.26	41.79	47.67	37.51

14 MANAGING DIRECTORS ANALYSIS

Managing Directors Analysis and Explanation

14.1 Overview

In 2019, the major events concerning the world economy such as the trade war between United States of American and China which continued from 2018, the uncertainty of United Kingdom's exit from the European Union, and the uprising in Hong Kong concerning the extradition law of Hong Kong citizens to China are all a negative factor to the world textile economy, resulting in upstream price fluctuation and downstream supply demands.

Combined with the unusually strong Thai Baht exchange rate, the pressure to compete with foreign competitors was greater than ever. This prompted the Company to adjust the company operations with employee downsizing, and selling of some assets to reduce the operation expenses and debt. The decision taken by the Company had taken the advantages and disadvantages into consideration and is confident that the reorganization will help the Company be ready to compete with the ever challenging economy for the benefit of everyone involved with the Company.

14.2 Segment Information

Major revenue for The Company are from fabrics yarn and garment, which were sold locally and exported while the revenue for The Subsidiary are from raw cotton fibers and yarns, The details are as below chart.

(Units: Million Baht)

Product / service	2019		2018		2017	
	Income	%	Income	%	Income	%
Company						
Garment						
Local Sale	38.40	1.26	32.75	0.83	71.99	1.67
Export Sale	96.19	3.15	159.36	4.05	134.69	3.13
Fabric						
Local Sale	432.73	14.18	724.16	18.39	612.08	14.21
Export Sale	841.24	27.57	729.75	18.53	618.66	14.36
Raw Cotton and Yarns						
Local Sale	148.42	4.86	646.52	16.42	571.56	13.27
Export Sale	239.56	7.85	273.56	6.95	218.04	5.06
Local Services Income	28.65	0.94	63.02	1.60	120.52	2.80
Local Other Income	21.00	0.69	31.66	0.80	679.89	15.78
Total	1,846.19	60.51	2,660.78	67.57	3,027.43	70.26
Subsidiary						
Raw Cotton and Yarns	1,145.29	37.54	1,213.78	30.82	1,110.17	25.77
Local Services Income	25.79	0.85	31.33	0.80	44.45	1.03
Other Income	33.98	1.11	32.07	0.81	126.78	2.94
Total	1,205.06	39.49	1,277.18	32.43	1,281.40	29.74
Grand Total	3,051.25	100.00	3,937.96	100.00	4,308.83	100.00

Compared to Estimate or Previously Disclosed.

The Company policy is to run every machine at it's full capacity, causing the quantity produced each month to be similar; for example, for weaving The Company can weave approximately 2.05 million yards per month, for yarn spinning The Company can spin approximately 549,146 pounds per month, and for garments The Company can cut and sew approximately 52,188 pieces per month. The Subsidiary can spin approximately 2.29 million pounds per month.

Cause and Action in case the Auditor expressed opinion with conditions, no opinion, and or important notice.

No conditions.

14.3 Performance and Profitability

In the past 5 years, the Company's Performance and Profitability is as per chart below

		Consolidated Financial Statement					Separate Financial Statement				
		2019	2018	2017	2016	2015	2019	2018	2017	2016	2015
Financial Status											
Current Assets	(Million Baht)	1,964.5	1,643.2	1,653.7	1,679.2	1,919.1	1,318.5	982.1	959.8	1,084.2	1,187.4
Total Assets	(Million Baht)	4,887.9	5,655.0	4,772.8	3,915.5	4,218.5	3,128.2	3,763.2	3,042.3	2,625.9	2,755.6
Current Liabilities	(Million Baht)	1,985.9	2,346.5	2,278.0	2,167.7	2,352.9	830.6	1,102.1	1,033.7	1,094.1	1,140.6
Total Liabilities	(Million Baht)	2,317.1	2,815.1	2,646.5	2,299.5	2,558.6	1,038.9	1,379.6	1,166.7	1,170.7	1,217.2
Shareholder's Equity	(Million Baht)	2,570.8	2,839.9	2,126.4	1,616.0	1,659.9	2,089.3	2,383.6	1,875.6	1,455.2	1,538.4
Operation Report											
Sales and Services	(Million Baht)	2,996.3	3,874.2	3,502.2	3,773.4	3,946.0	1,845.7	2,644.0	2,355.2	2,579.6	2,800.5
Total Revenues	(Million Baht)	3,051.3	3,938.0	4,308.8	3,824.8	3,992.0	1,870.3	2,728.6	3,063.6	2,598.0	2,830.3
Gross Profit (Loss)	(Million Baht)	122.7	104.3	183.5	253.5	334.8	52.1	25.1	73.7	151.4	258.8
Net Profit (Loss)	(Million Baht)	(255.5)	(109.6)	524.8	(24.1)	6.7	(278.1)	(80.6)	445.4	(58.2)	6.9
Financial Ratio											
Net Profit (Loss) Per Share	(Baht)	(5.11)	(2.19)	10.50	(0.48)	0.13	(5.56)	(1.61)	8.91	(1.16)	0.14
Current Ratio		0.99	0.70	0.73	0.77	0.82	1.59	0.89	0.93	0.99	1.04
Net Profit (Loss) / Equity	(%)	(9.96)	(4.65)	30.08	(1.57)	0.42	(12.43)	(3.78)	27.72	(3.89)	0.44
Return on Assets	(%)	(4.85)	(2.10)	11.72	(0.59)	0.16	(8.07)	(2.37)	16.21	(2.16)	0.25
Debt to Equity Ratio		0.90	0.99	1.24	1.42	1.54	0.50	0.58	0.62	0.80	0.79
Dividend per Share	(Baht)	0.00	0.00	0.50	0.50	1.00	0.00	0.50	0.50	0.50	1.00
Book Value per Share	(Baht)	48.57	54.01	40.26	30.26	31.25	41.79	47.67	37.51	29.10	30.77

Total Revenues

In the year 2019 and 2018, the Group had total revenues amounted to Baht 3,051 million and Baht 3,938 million, respectively, decreased by Baht 887 million or 23%. Sales and services income amounted to Baht 2,996 million, decreasing from the same period of the last year by Baht 878 million or 23%. The main reason for that decrease was the reduction in production capacity of the related company, whose product was sold to the Group.

Cost of Sales and Services

In the year 2019 and 2018, the Group had cost of sales and services amounted to Baht 2,874 million and Baht 3,770 million, respectively, decreased by Baht 896 million or 24%. The main reason for that decrease was the decreasing in sales and services income as clarified above.

Selling and Administrative Expenses

Selling and administrative expenses increased by Baht 201 million or 89% , due to Loss on change in fair value of investment properties.

Finance costs

Finance costs decreased by Baht 2 million or 2% . The main reason for the decrease was from the decreasing in interest rate.

Net Profit (Loss)

In the year 2019, the group had Baht 253 million loss for the year, compared to Baht 106 million loss in the year 2018. Loss attributable to the parent is Baht 256 million in 2019, compared to Baht 110 million in loss in 2018. The main reasons were clarified above.

Financial Position (in comparison with as of 31 December 2018)

Overall financial position of the Group as of 31 December 2019, compared to the consolidated statement of financial position as of 31 December 2018, are as follows; (Unit: Baht million)

	2019	2018	%Change
Total Assets	4,888	5,655	-14
Total Liabilities	2,317	2,815	-18
Total shareholders' equity	2,571	2,840	-9

Total Assets

As of 31 December 2019, the Group had total assets amounting to Baht 4,888million, decreased by Baht 767 million, having Baht 321 million increased in current assets and Baht 1,088 million decreased in non-current assets. Maindecreases were from inventory, loss on change in fair value of investment properties and property, plant and equipment.

Total Liabilities

As of 31 December 2019, total liabilities decreased by Baht 498 million, having Baht 361 million decreased in current liabilities and Baht 137 million decreased in non-current liabilities.

Total shareholders' equity

As of 31 December 2019, the Group's shareholders' equity decreased by Baht 269 million.

14.4 Asset Management

(1) Account Receivable and allowance for doubtful accounts as 31 December 2019 and 2018 are as follows.

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Trade accounts receivable – related companies				
Within credit terms	19,216,793	37,631,669	612,301	4,960,919
Overdue: Less than 3 months	732,166	2,396,513	732,166	2,396,513
Total trade accounts receivable – related companies	19,948,959	40,028,182	1,344,467	7,357,432
Trade accounts receivable – other companies				
Within credit terms	171,937,544	220,993,310	106,901,878	122,637,867
Overdue:				
Less than 3 months	58,243,447	62,018,623	32,732,990	33,918,239
3 – 6 months	6,396,120	3,540,304	2,617,824	1,188,890
6 – 12 months	4,368,914	1,935,091	4,368,914	1,935,091
Over 12 months	27,917,220	26,614,275	27,739,308	26,436,363
Total trade accounts receivable	268,863,245	315,101,603	174,360,914	186,116,450
<u>Less</u> allowance for doubtful accounts	(27,533,203)	(27,533,203)	(27,355,291)	(27,355,291)
Trade accounts receivable – others – net	241,330,042	287,568,400	147,005,623	158,761,159

For account receivable over 12 months, the full amount was reserves as allowance for doubtful accounts. For account receivable over 6 months, but not yet 12 months, parts of the amount were reserves. For account receivable that have not been reserved, The Company believe it is possible to reach settlement for all those receivable.

(2) Inventories and Allowance for obsolescence of inventories

	In Baht					
	Consolidated financial statements					
	Allowance for obsolescence of					
	Cost		inventories		Inventories – net	
	2019	2018	2019	2018	2019	2018
Finished goods	327,812,104	334,191,701	(36,901,200)	(35,025,246)	290,910,904	299,166,455
Work in process	141,836,390	192,400,446	–	–	141,836,390	192,400,446
Raw materials	459,764,147	574,323,384	(6,317,242)	(7,277,202)	453,446,905	567,046,182
Material and supplies	45,081,186	51,968,468	–	–	45,081,186	51,968,468
Total	974,493,827	1,152,883,999	(43,218,442)	(42,302,448)	931,275,385	1,110,581,551

During the current year, the Group recorded allowance for obsolescence of inventories by Baht 0.9 million to reflect the net realisable value. This was included in cost of sales. (2018: the Group reversed the write-down of cost of inventories by Baht 3.9 million reduced the amount of inventories recognised as expenses during the year).

In Baht						
Separate financial statements						
Allowance for obsolescence						
	Cost		of inventories		Inventories – net	
	2019	2018	2019	2018	2019	2018
Finished goods	204,722,749	252,350,505	(36,550,035)	(33,754,419)	168,172,714	218,596,086
Work in process	126,454,450	175,101,095	–	–	126,454,450	175,101,095
Raw materials	191,569,812	306,625,310	(6,317,242)	(7,277,202)	185,252,570	299,348,108
Material and supplies	24,230,017	32,788,443	–	–	24,230,017	32,788,443
Total	546,977,028	766,865,353	(42,867,277)	(41,031,621)	504,109,751	725,833,732

During the current year, the Company recorded allowance for obsolescence of inventories by Baht 1.8 million to reflect the net realisable value. This was included in cost of sales. (2018: the Company reversed the write-down of cost of inventories by Baht 2.5 million reduced the amount of inventories recognised as expenses during the year).

14.5 Contingent Liabilities and Off Budget Management

(1) There are 3 contingent liabilities

A. The Company entered into the operating lease agreement in respect of the lease of land and building. The term of agreements were 1 and 15 years.

As at 31 December 2019, the Company had future minimum lease payments under the operating lease agreements, as follows:

In Million Baht	
Consolidated and Separate financial Statements	
Repayments	
Within 1 year	1.2
Over 1 to 5 years	2.4
Over 5 years	1.8

B. The Group has unused letter of credit amounting to approximately U.S. Dollars 2.0 million equivalent to approximately Baht 61.8 million.

C. The Company has commitments for software license and system consulting agreement amounting of Baht 1.5 million.

(2) Letter of Guarantee for Electricity Payment

Metropolitan Electricity Authority (MEA) required a guarantee in form of cash or a letter of guarantee from the bank for the appropriate amount of electricity used by each company. The Company and The Subsidiary chose to have the bank issue a letter of guarantee instead of using a cash guarantee.

	Company	Subsidiary	Total
Letter of Guarantee Total Debt Amount (Million Baht)	11.27	28.00	39.27

Overall, the Commitments and Contingent Liabilities, which consisted of rent agreements, sale agreements, all are within the normal scope of business operation, which does not need any special financial instruments to manage. Only the liabilities to the letter of credit (L/C) that requires risk management from foreign currency risk. The Company and The Subsidiary manages off statement of financial statement items the same way as the normal items.

14.6 Future Business Impacts

As The Company business is complete upstream to downstream, from yarn spinning, yarn dyeing, fabric weaving, and garment making, which the major raw material is raw cotton fiber, and have to be imported from abroad, to exporting finished fabrics and garments; therefore, business impact could be direct and indirect, local and foreign as follow:

- (1) Volatility of cotton and synthetic fibers from abroad.
- (2) Price of fabric, yarn, and garment which are dependent on foreign markets.
- (3) Obsolescence of inventories.
- (4) Impairment in investment in the Subsidiary and related companies.
- (5) Employee benefits after retirement.

INFORMATION CERTIFICATION

The Company have carefully reviewed the information presented in this Annual Report and guarantee the information is complete, not falsified, not misunderstanding, or missing any information that should be included. In addition, The Company guarantee the following:

- (1) The Financial Statement and Financial Information summarized in the Annual Report are correct and complete with highlights concerning Financial Status, Financial Performance, and Cash Flow of The Company and The Subsidiary.
- (2) The Company have good information disclosure outlet to ensure information of The Company and The Subsidiary are correct and complete according to the rules set forth.
- (3) The Company have setup a good internal control and ensure the operation is as per the system. The Company have sent internal control evaluation information on 31 December 2019 to the Auditor and Audit Committee Directors, which included deficiency and important changes of the internal control, as well as, actions which may affect the financial performance of The Company and The Subsidiary.

To verify that the information presented is the same as those The Company guarantee as correct and complete, The Company have appointed Miss Naruemon Worarittichai to sign every page of the report. If any page is not signed by Miss Naruemon Worarittichai, the Company will consider it as not the information that The Company have verified as correct.

Name		Position	Signature
1. Mr. Tawatchai	Chaiyapinunt	Executive Director, Nomination Committee and Remuneration Committee	_____
2. Mr. Kumjorn	Chuenchoochit	Executive Director	_____
Name		Position	Signature
Authorized Miss Naruemon	Worarittichai	Executive Director, Chief of Accounting Department	_____

ที่ สป. 000013



กรมพัฒนาธุรกิจการค้า กระทรวงพาณิชย์

หนังสือรับรอง

ขอรับรองว่าบริษัทนี้ ได้จดทะเบียน เป็นนิติบุคคลตามกฎหมายว่าด้วยบริษัทมหาชนจำกัด เมื่อวันที่ 3 กุมภาพันธ์ 2537 ทะเบียนเลขที่ 0107537000441

ปรากฏข้อความในรายการตามเอกสารทะเบียนนิติบุคคล ณ วันออกหนังสือนี้ ดังนี้

1. ชื่อบริษัท บริษัท โรงงานผ้าไทย จำกัด (มหาชน)
2. กรรมการของบริษัทมี 10 คน ตามรายชื่อต่อไปนี้
 1. นายบุญนำ บุญนำทรัพย์
 2. นายมงคล มังกรกนก
 3. นายปรีชา ชัยพรหมประสิทธิ์
 4. นายไพฑูรย์ จรุงชัยคนเอกกิจ
 5. นายสุชาติ จันทรานาคราช
 6. นายรัชชัย ไชยะภินันท์
 7. นายกำจร ชื่นชูจิตต์
 8. นายชิน ชินเศรษฐวงศ์
 9. นายขจรวุฒิ นาคศิริกุล
 10. นางสาวนฤมล วรฤทธิชัย/

3. ชื่อและจำนวนกรรมการ ซึ่งมีอำนาจลงลายมือชื่อแทนบริษัท คือ นายบุญนำ บุญนำทรัพย์, นายมงคล มังกรกนก, นายไพฑูรย์ จรุงชัยคนเอกกิจ, นายรัชชัย ไชยะภินันท์, นายกำจร ชื่นชูจิตต์ และ นางสาวนฤมล วรฤทธิชัย
กรรมการสองคนในหกคนนี้ลงลายมือชื่อร่วมกันและประทับตราสำคัญของบริษัท
ข้อจำกัดอำนาจของกรรมการ ไม่มี//

- 4.ทุน ทุนจดทะเบียน 500,000,000.00 บาท /
(ห้าร้อยล้านบาทถ้วน)
ทุนชำระแล้วเป็นเงิน 500,000,000.00 บาท /
(ห้าร้อยล้านบาทถ้วน)

5. สำนักงานใหญ่ ตั้งอยู่เลขที่ 385 หมู่ที่ 1 ซอยบางเมฆขาว ถนนสุขุมวิท ตำบลท้ายบ้าน อำเภอเมืองสมุทรปราการ จังหวัดสมุทรปราการ/
สำนักงานสาขา ตั้งอยู่ (1) เลขที่ 741 หมู่ที่ 3 ซอยบางเมฆขาว ถนนสุขุมวิท ตำบลท้ายบ้าน อำเภอเมืองสมุทรปราการ จังหวัดสมุทรปราการ/

คำเตือน : ผู้ใช้ควรตรวจสอบข้อควรทราบท้ายหนังสือรับรองฉบับนี้ทุกครั้ง



จัดพิมพ์ เมื่อเวลา 09:28 น.

กรมพัฒนาธุรกิจการค้า กระทรวงพาณิชย์
Department of Business Development
Ministry of Commerce
โทร. 02 528 7600

คิดค้น ไม่ซ้ำใครในโลก
Creative Services
สายด่วน 1570 www.dbd.go.th

ที่ สป. 000013



กรมพัฒนาธุรกิจการค้า กระทรวงพาณิชย์

หนังสือรับรอง

สำนักงานสาขา ตั้งอยู่ (2) เลขที่ 275 หมู่ที่ 14 ซอยบางเมฆขาว ถนนสุขุมวิท ตำบลท้ายบ้าน
อำเภอเมืองสมุทรปราการ จังหวัดสมุทรปราการ/

สำนักงานสาขา ตั้งอยู่ (3) เลขที่ 286 ซอยโรงเรียนญี่ปุ่น ถนนพระราม9 แขวงบางกะปิ เขตห้วยขวาง
กรุงเทพมหานคร/

สำนักงานสาขา ตั้งอยู่ (4) เลขที่ 595 หมู่ที่ 6 ถนนสุขุมวิท ตำบลบางปูใหม่ อำเภอเมืองสมุทรปราการ
จังหวัดสมุทรปราการ/

6. วัตถุประสงค์ของบริษัทมหาชนจำกัดนี้มี 17 ข้อ ดังปรากฏในสำเนาเอกสารแนบท้ายหนังสือรับรองนี้ จำนวน 2
แผ่น โดยมีลายมือชื่อนายทะเบียนซึ่งรับรองเอกสารและประทับตรากรมพัฒนาธุรกิจการค้าเป็นสำคัญ

ออกให้ ณ วันที่ 6 เดือน มกราคม พ.ศ. 2563



ขอควรทราบ ประกอบหนังสือรับรอง ฉบับที่ สป. 000013

1. กรณีที่เป็นบริษัทจดทะเบียนในตลาดหลักทรัพย์แห่งประเทศไทย กรรมการและผู้บริหารจะต้องมีคุณสมบัติ
และไม่มีลักษณะต้องห้ามตามพระราชบัญญัติหลักทรัพย์และตลาดหลักทรัพย์ พ.ศ.2535 โปรดตรวจสอบ
รายละเอียดที่สำนักงานคณะกรรมการกำกับหลักทรัพย์และตลาดหลักทรัพย์
2. บริษัทนี้เดิมชื่อ บริษัท โรงงานผ้าไทย จำกัด ทะเบียนเลขที่ 0105513000686
ได้จดทะเบียนแปรสภาพเป็นบริษัทมหาชนจำกัด เมื่อวันที่ 3 กุมภาพันธ์ 2537/
3. เพิกถอนการจดทะเบียนภาษีธุรกิจเฉพาะ เมื่อวันที่ 10 เมษายน 2556
4. นิติบุคคลนี้ได้ส่งงบการเงินปี 2561



จัดพิมพ์ เมื่อเวลา 09:28 น.

กรมพัฒนาธุรกิจการค้า กระทรวงพาณิชย์
Department of Business Development
Ministry of Commerce

โทร. 02 528 7600

บริการ มีให้ใช้ฟรี
Creative Services

สายด่วน 1570 www.dbd.go.th

Attachment 1

Details of Directors, Managers, Administrators, and Secretary of the Company

Name Position / Date Appointed (1)	Age (Years) (2)	Education (3)	Percentage Share of The Company (%) (4)	Relationship between Directors and Managers (5)	Experience (6)		
					Duration	Position	Company / Type of Business
1. Mr. Boonnam Boonnamsap* Chairman of the Board (27 September 2013) Executive Director (16 Feb1970)	89	Bachelor in Business Management, Saint John College , (Hong Kong) Director Accreditation Program (DAP) 2005	0.00% (335 Shares)	Spouse of Mrs. Siriwan Boonnamsap	2015–2019 2015–2019	Chairman of the Board Managing Director	Thai Textile Printing Public Co., Ltd. / Textile Thai Rung Textile Co., Ltd. / Textile
2. Mr. Mongkol Mungkornkanok* Managing Director Executive Director (1970)	81	Masters in Mechanical Engineering , MSME Purdue University, USA Director Accreditation Program (DAP) 2005	1.20% (602,300 Shares)	–	2015–2019 2015–2019	Chairman of the Board Executive Director	Thai Onono Public Co., Ltd. / Textile Thai Far East Co., Ltd. / Textile
3. Mr. Tawatchai Chaiyapinunt* Executive Director (7 August 1985) Nomination Committee Remuneration Committee (19 August 2009)	66	Masters in Engineering Management, Southern Methodist University, Dallas, USA. Director Accreditation Program (DAP) 2004	4.67% (2,334,120 Shares)	Brother of Prof.Dr. Somsak Chaiyapinunt Ph.D.	2015–2019 2015–2019	Executive Director Executive Director	Thai Standard Industries Co., Ltd. / Textile Thai Rung Industry Co., Ltd. / Textile
4. Mr. Kumjorn Chuenchoochit* Executive Director (7 August 1985)	63	Post Graduated Diploma In Management Studies (U.K.) Director Accreditation Program (DAP) 2004	23.04% (11,521,367 Shares)	Brother of Mr. Paired Chuenchoochit	2015–2019 2015–2019	Managing Director Managing Director	Thai Standard Industries Co., Ltd. / Textile Thai Rung Textile Co., Ltd. / Textile
5. Mr. Phaiboon Jaroonchaikanakij* Executive Director (1970)	74	Vocational Certificate in Commercial Studies	2.12% (1,060,000 Shares)	–	2015–2019 2015–2019 2015–2019	Executive Director Executive Director Director	Thai Rung Textile Co., Ltd. / Textile Thai Standard Industries Co., Ltd. / Textile Rama Textile Industry (1988) Co., Ltd. / Textile
6. Mr. Preecha Chaipromprasith Audit Committee Independent Director (1970)	74	Kiti Commercial College	1.00% (500,000 Shares)		2015–2019 2015–2019	Executive Director Executive Director	Thai TT Co., Ltd. / Textile Thai CR Co., Ltd. / Textile

Remarks: * Authorized Directors to sign on behalf of The Company.

Name Position / Date Appointed (1)	Age (Years) (2)	Education (3)	Percentage Share of The Company (%) (4)	Relationship between Directors and Managers (5)	Experience (6)		
					Duration	Position	Company / Type of Business
7. Mr. Suchart Chantanakaracha Director Independent Director (1987)	69	Assumption Commerce Commercial Studies	0.00% (- Shares)	-	2015-2019	Executive Director	Goldmine Garment Co., Ltd. / Textile
8. Asst. Prof. Kachornvut Namsirikul, Ph.D Audit Committee Independent Director (10 May 2002)	59	Doctorate in Business Administration(DBA) Chulalongkorn University Director Certification Program (DCP) 2003 Director Accreditation Program (DAP) 2004 Audit Committee Program (ACP) 2004 Finance For Non-Finance Director (FND) 2004	0.22% (112,300 Shares)	-	2015-2019 2015-2019	Professor of Commerce Commerce and Accounting Department Executive Director	Chulalongkorn University Union Power Engineering Co., Ltd. / Construction
9. Dr. Chin Chinsetawong. Ph.D. Chairman of Audit Committee Independent Director Nomination Committee Remuneration Committee (16 May 1989)	81	Doctorate in Business Management, California Coast University Master in Business Management MBA Higher Diploma, Institute Of commerce F.C.I. London, UK.	0.56% (278,572 Shares)	-	2015-2019 2015-2019	Chairman of the Board Associate Judge	Union Paper Carton Co., Ltd. / Paper and paperboard Medial Labor Court
10. Miss. Naruemon Worarittichai Director (24 February 2016)	45	Master of Accountancy, Case Western Reserve University, Cleveland, Ohio, USA Bachelor of Accountancy (1 class honors) Accounting Information System, Chulalongkorn University Saint Joseph Convent School	1.93% (964,945 Shares)	Sister of Mr. Kasem Worarittichai	2018-2019 2015-2019 2013-2017 2014-2019	Executive Director Director Asst. Account Manager Director	Thai Textile Industry Public Co., Ltd. / Textile Thai Textile Industry Public Co., Ltd. / Textile Thai Textile Industry Public Co., Ltd. / Textile KTN Intertrade Co., Ltd. / Animal feeds
11. Mr. Chuang Kullawawichit* Executive Director Board Secretary (8 February 1978) Resign On June 30, 2019	79	Bachelor in Accountancy Thammasart University	0.00% (2,000 Shares)	-	2015-2019	Executive Director	Thai Textile Industry Public Co., Ltd. / Textile

Remarks: * Authorized Directors to sign on behalf of The Company.

Name Position / Date Appointed (1)	Age (Years) (2)	Education (3)	Percentage Share of The Company (%) (4)	Relationship between Directors and Managers (5)	Experience (6)		
					Duration	Position	Company / Type of Business
12. Mrs. Siriwan Boonnamsap Director (24 October 1989) Resign On June 4, 2019	80	High School Certificate	0.11% (59,195 Shares)	Spouse of Mr. Boonnam Boonnamsap	2015–2019	Director	Pica Inter Co., Ltd. / Textile
13. Prof.Dr. Somsak Chaiyapinunt, Ph.D. Director (6 January 1988) Resign On June 4, 2019	65	Doctorate in Mechanical Engineering, Oregon State University, USA. Director Accreditation Program (DAP)	2.44% (1,220,000 Shares)	Brother of Mr. Tawatchai Chaiyapinunt	2015–2019	Professor	Chulalongkorn University
14. Mr. Korn Sereerojanasiri Audit Committee Independent Director (16 May 1989) Resign On June 4, 2019	73	High School Certificate	0.13% (62,700 Shares)	–	2015–2019	Managing Director	Thai Group Textile Co., Ltd. / Textile
15. Mr. Paired Chuenchoochit Director (22 November 2013) Resign On June 4, 2019	60	Business Financial Management, Eastbourne Technical College (UK) Crawley Technical College (UK)	0.90% (450,000 Shares)	Brother of Mr. Kumjorn Chuenchoochit	2015–2019 2015–2019	Executive Director Executive Director	Rama Textile Industry (1998) Co., Ltd. / Textile Thai Rung Textile Co., Ltd. / Textile
16. Mr. Kasem Worarittichai Director (24 February 2016) Resign On June 4, 2019	47	Master of Science in Finance Golden Gate University, San Francisco, USA B.BA.Management, Assumption Business Administration College (ABAC) Assumption School	2.00% (1,000,000 Shares)	Brother of Miss Naruemon Worarittichai	2015–2019 2015–2019 2015–2019	Director Assistant–sales manager Executive Director	Thai Textile Industry Public Co., Ltd. / Textile Thai Textile Industry Public Co., Ltd. / Textile KTN Intertrade Co., Ltd. / Animal feeds
17. Mr. Charoen Laohathai Independent Director (14 November 2016) Resign On June 4, 2019	68	Master of Economics Middle Tennessee State University Bachelor of Business Administration University of the Thai Chamber of Commerce Bangkok Christian College	0.00% (– Shares)	–	2015–2019 2015–2019	Vice–President Managing Director	Thai Textile Development and finishing Co., Ltd. / Textile Thai Textile Printing Public Co., Ltd. / Textile

Name Position / Date Appointed (1)	Age (Years) (2)	Education (3)	Percentage Share of The Company (%) (4)	Relationship between Directors and Managers (5)	Experience (6)		
					Duration	Position	Company / Type of Business
18. Mrs. RattanaPon PiriyaPrinsakul Company Secretary and Board Secretary of Audit Committee (13 November 2019)	57	Vocational certificate of Welding and Metal Major Uthai Thani Technical College	0.01% (5,090 Shares)	–	2015–2019	Asst. Human Resources	Thai Textile Industry Public Co., Ltd. / Textile
19. Mrs. Anchalee Tapaopong Information Technology Manager (1 May 2016)	51	Bachelor of Science Applied Statistics Branch King Mongkut's University of Technology North Bangkok	0.00% (300 Shares)	–	2016–2019 2011–2016	IT Manager Asst. IT Manager	Thai Textile Industry Public Co., Ltd. / Textile Thai Textile Industry Public Co., Ltd. / Textile
20. Mr. Narong PiriyaPrinsakul Company Secretary Board Secretary of Audit, Nomination, and Remuneration Committee (29 February 1978) HR and Law Manager (1 August 1987) Died On August 30,2019	67	Bachelor in Law (with Honors) Ramkhamhaeng University	0.00% (– Shares)	–	2015–2019	Lawyer	Charastam Law office and Accountant / Legal

Remarks: * Authorized Directors to sign on behalf of The Company.

The numbers and names of directors authorized to enter signatures binding the Company are two directors among six directors including Mr. Boonnam Boonnamsap, Mr. Mongkol Mungkornkanok, Mr. Phaiboon Jaroonsaichanakit, Mr. Tawatchai Chaiyapinunt, Mr. Kumjorn Chuenchoochit and Miss Naruemon Worarittichai jointly signing with the Company's common seal being affixed.

Secretary of the Board of Directors

The Company have assigned Mrs. Rattanaporn Piriyapinsakul to be the Secretary of the Company with the following responsibilities:

- Prepare and keep documents
- Prepare Director registration
- Prepare Directors Meeting Invitation, Directors Meeting Report, and Annual Report
- Prepare Shareholder Meeting Invitation and Shareholder Meeting Report
- Prepare Directors and Executive Directors mutual benefit reports
- Communicate and take care of Shareholders
- Communicate with the Stock Exchange of Thailand and other departments appropriately

Attachment 2 Profile of Subsidiary Directors

Chart of Directors and Executive officers of the company, The Subsidiary and Related Companies

Name		Company	Subsidiary	Associated company	Related Companies							
					TSI	TTP	RTI	PIC	TTDF	CIC	PCL	UTP
Mr. Boonnam	Boonnamsap	*	//		//	*	//	//		//		//
Mr. Mongkol	Mungkornkanok	//	//		//	/	//		//		//	//
Mr. Tawatchai	Chaiyapinunt	//	//		//	/	//		//			
Mr. Kumjorn	Chuenchoochit	//	//		//	//	//		//			/
Mr. Phaiboon	Jaroonchaikanakij	//	//		//	/	//					
Mr. Chin	Chinsethawong, Ph.D.	/									//	//
Asst.Prof.Kajornvut	Namsirikul, Ph.D.	/										
Mr. Preecha	Chaiyapromprasith	/			//	/						
Mr. Suchart	Chantanakaracha	/	//		//						//	
Miss Naruemon	Worarittichai	//										
Mr. Chuang	Kullawanwichit	//										
(Resign on June 30, 2019)												
Mr. Korn	Sereerojanasiri	/										
(Resign on June 4, 2019)												
Mrs. Siriwan	Boonnamsap	/						//		//		
(Resign on June 4, 2019)												
Prof. Somsak	Chaiyapinunt, Ph.D.	/										
(Resign on June 4, 2019)												
Mr. Pairod	Chuenchoochit	/	//				//					
(Resign on June 4, 2019)												
Mr. Kasem	Worarittichai	/										
(Resign on June 4, 2019)												
Mr. Charoen	Laohathai	/	//		//	//	//		//			
(Resign on June 4, 2019)												

Remark

* = Chairman

// = Executive Director

/ = Director

TRT = Thai Rung Textile Co. Ltd.

TSI = Thai Standard Industries Co. Ltd.

TTP = Thai Textile Printing Public Co. Ltd.

RTI = Rama Textile Industry (1988) Co. Ltd.

PIC = Pica Inter Co. Ltd.

TTDF = Thai Textile Development and Finishing Co., Ltd.

CIC = Cassardi International Co., Ltd.

PCL = Prachin Land Co., Ltd.

UPC = United Paper Public Co., Ltd.

Details of Directors at the Subsidiary

Profile of Subsidiary Directors

No.	Name		Position
1	Mr. Boonnam	Boonnamsap	Chairman
2	Mr. Mongkol	Mungkornkanok	Managing Director
3	Mr. Phaiboon	Jaroonchaikanakit	Executive Director
4	Mr. Tawatchai	Chaiyapinunt	Executive Director
5	Mr. Kumjorn	Chuenchoochit	Executive Director
6	Mr. Pairod	Chuenchoochit	Executive Director
7	Mr. Suchart	Chantanakaracha	Executive Director
8	Mr. Charoen	Laohathai	Director (Resign on May 31, 2019)

Attachment 3 Profile of Internal Auditor and Head of Company Compliance

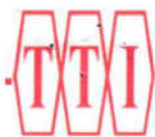
Head of Internal Auditor is Mr. Narong Piriya-prinsakul, Bachelor in Law (With Honors), 36 years of Experience in law, passed seminar in Corporate Law and Died on August 30, 2019

At the Board of Directors Meeting 4/2019 held on 13 November 2019, the Board appointed Mrs. Rattana-porn Piriya-prinsakul to be the Secretary of the Audit Committee and be the Head of the Internal Audit Committee.

Head of Company Compliance Unit is Mr. Somchai Ketsakul, Graduated with a vocational certificate Department of Construction, 44 years of experience in textile industrial.

None

1. Disclosure of Information on a related Transactions (Purchase Machinery)



THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED

385 Soi Bang Make Khao Sukhumvit 30.5 Km. Samutprakarn Thailand.

TEL. 0-27038484 FAX:(662)3870894, 3871983 E-MAIL : Thaitex@tti.co.th ทะเบียนเลขที่ 0107537000441

1 March 2019

RE : Disclosure of Information on Connected Transactions (Purchase Machinery)

Attention : Directors and Managers of the Stock Exchange of Thailand

Thai Textile Industry Public Company Limited (TTI) would like to disclose information on connected transactions to purchase machinery from Thai Standard Industries Company Limited (TSI) as follow:

1. Date of Transaction

The Board of Directors Meeting 1/2019 on 28 February 2019 resolved to have the Company (TTI) purchase 52 weaving machines from Thai Standard Industries Company Limited for the value of Thai Baht 34,580,000.

2. Related Parties and Connectedness

Thai Standard Industries Company Limited registered as legal company entity on 11 October 1978 with registered capital of Thai Baht 150,000,000, broken down into ordinary shares of 1,500,000 shares, which are all paid. During the period the connected transaction took place, both Companies shared 8 Directors on Board (TTI have 17 Directors, TSI have 11 Directors) as per follow:

Names of Directors on Both Companies	Number of Shares Hold			
	TTI		TSI	
	Shares	%	Shares	%
1. Mr. Boonnam Boonnamsap	59,530	0.12	-	-
2. Mr. Mongkol Mungkornkanok	602,300	1.20	-	-
3. Mr. Preecha Chaipromprasith	500,000	1.00	15,000	1
4. Mr. Phaiboon Jaroonsaichanakit	1,074,000	2.15	157,000	10.47
5. Mr. Tawatchai Chaiyapinunt	2,696,750	5.39	59,000	3.93
6. Mr. Kumjorn Chuenchoochit	11,042,367	22.08	67,400	4.49
7. Mr. Suchart Chantanakaracha	-	-	1,500	0.1
8. Mr. Charoen Laohathai	-	-	2,250	0.15

Remarks: TTI is Thai Textile Industry Public Company Limited
TSI is Thai Standard Industries Company Limited
Related Parties are spouse and underage children

The 8 Directors of TTI are the majority shareholder of TSI (8 out of 11 Directors), which can be considered as authorized to control TSI; therefore, the purchase of machinery is a connected transaction.

In addition, Mr. Phaiboon Jaroonchaikanakij, who is a Director on the Board of TTI, is also a majority shareholder of TSI at 10.47%.

3. General Description on the Purchase of Machinery

Thai Textile Industry Public Company Limited bought 52 weaving machines, branded Toyota Air Jet, model 810, which had been in operation for 4 years from Thai Standard Industries Public Company to replace 52 weaving machines which had been in operation for 8 years, and sold already. The agreed selling purchasing value is Thai Baht 34,580,000 (Thirty Four Million Five Hundred Eighty Thousand Baht). The Company considered the following purchase to be appropriate and beneficial to the Company due to price, timing, and the return on investment.

4. Total Value and Criteria Used to Determine Total Value

The purchase of the machinery in agenda 3 have a total value equal of Thai Baht 34,580,000. The total value was determined from the 5 bidders who presented their prices to TSI. These 5 bidders are not connected to the Company.

5. The Company's Board of Directors Opinion

The Board of Directors Meeting 1/2019 on 28 February 2019 unanimously agreed the managing directors have performed in the best interest of both TTI and TSI, and the determined price is justified for both Companies; therefore, resolved to purchase the machineries. The Board of the Audit Committee share the same opinion as the Board of Directors of the Company.

The 8 Directors with benefit and loss to this deal did not attend the meeting, and did not vote in the meeting.

6. Total Value Calculation

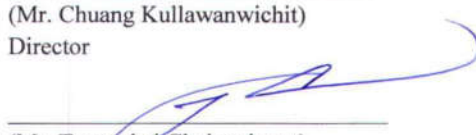
The connected transaction have a value compared to the Net Tangible Asset (NTA) on 31st December 2018 equal to 1.36% of NTA, (NTA equals to Thai Baht 2,548 million), which is less than 3% of NTA; therefore, it is not necessary to receive permission from the shareholders meeting as it does not meet the criteria specified in the announcement by the Board of Directors of the Stock Exchange of Thailand concerning the disclosure of information by registered companies on connected transactions act 2003. The transaction does not meet the criteria specified in the announcement by the Board of Directors of the Stock Exchange of Thailand concerning disclosure of information by registered companies on the acquirement or sale of assets act 2004.

The Board of Directors guarantee that the information disclosed in this document is correct and complete in accordance to the regulations of the Stock Exchange of Thailand.

Sincerely,



(Mr. Chuang Kullawanwicht)
Director



(Mr. Tawatchai Chaiyapinunt)
Director

2. Disclosure of Information on a related transaction concerning the land sale transaction



THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED

385 Soi Bang Make Khao Sukhumvit 30.5 Km. Samutprakarn Thailand.

TEL. 0-27038484 FAX:(662)3870894, 3871983 E-MAIL : Thaitex@tti.co.th ทะเบียนเลขที่ 0107537000441

14 August 2019

RE: Board of Directors Resolution on Related Transactions (Revised)

Attn: Directors and Managers of the Stock Exchange of Thailand

Thai Textile Industry Public Company Limited would like to disclose information on a related transaction concerning the land sale transaction with related legal entity under registration and or Mr. Montri Mungkornkanok as per the following details:

1. Date of Transaction

The Board of Directors meeting 3/2019 held on 14 August 2019 resolved to approve a related transaction between the Company (TTI) and a legal entity under registration and or Mr. Montri Mungkornkanok on a land sale valued at 19,000,000 baht (nineteen million baht), which will take place in October 2019.

2. Related Parties and Relatedness

The legal entity currently under registration will have Mr. Montri Mungkornkanok as the major shareholder and authorized Director, and or Mr. Montri Mungkornkanok residing at 174 Rim Khlong Prapa Road, Bangsue, Bangkok, who holds 50,000 shares of TTI, equivalent to 0.10 percent, and is the younger brother of Mr. Mongkol Mungkornkanok, a Director of the Company and holds 603,100 shares, equivalent to 1.21 percent.

3. General Land Sale Transaction

The sale of land is 1 plot without any buildings with land deed number 346403, land number 216, survey page 10979, land area is 2 rai 3 ngan 84 tarangwa, located at Bangpoo, Samutprakarn, which is not used in any business transactions of the Company.

4. Value and Criteria for Valuation

The sale of land in agenda 3 is valued at 19,000,000 baht, which is the fair price that the seller and the buyer negotiated and agreed, based on the estimated land price by the Treasury Department.

5. Board of Directors Opinion

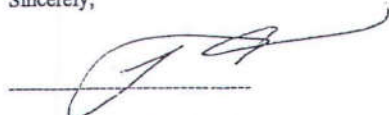
The Board of Directors meeting 3/2019 held on 14 August 2019 unanimously agreed the land is not used for main business transactions, and the sale price is fair for both parties; therefore, approved the related transaction concerning the land sale. The Directors of the Audit Committee have the same opinion with the Board of Directors, and the Directors with conflict of interests were not present and did not vote at the meeting.

6. Value Calculation

The value of this transaction when compared to the NTA (Net Tangible Asset) on 31 March 2019 is 0.75% of NTA (NTA as of 31 March 2019 is 2,513.15 million baht), which is not over 3% of NTA according to the announcement by the Board of Governors of the Stock Exchange of Thailand concerning the disclosure of information for listed companies with related transactions posted in 2003, therefore, no approval is needed from the shareholders as it does not meet the criteria to disclose the purchase or sale of assets according to the Board of Governors of the Stock Exchange of Thailand announcement in 2004 concerning the disclosure of information for listed companies on the purchase and or sale of assets.

The Board of Directors verify the information in this document is true and complete in accordance to the criteria of the Stock Exchange of Thailand.

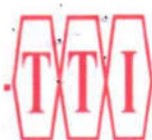
Sincerely,



(Tawatchai Chaiyapinunt)

Director

3. Disclosure of Information on a related transaction to sell machinery and accessories to TRT



THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED ¹

385 Soi Bang Make Khao Sukhumvit 30.5 Km. Samutprakarn Thailand.

TEL. 0-27038484 FAX:(662)3870894, 3871983 E-MAIL : Thaitex@tti.co.th ทะเบียนเลขที่ 0107537000441

14 November 2019

RE: Connected Transaction Disclosure (Selling of Machinery and Accessories)

Attention: Directors and Managers of the Stock Exchange of Thailand

Thai Textile Industry Public Company Limited would like to disclose information on connected transaction to sell machinery and accessories to Thai Rung Textile Company Limited as follow.

1. Date of Transaction

At the Board of Directors meeting 4/2019 on 13 November 2019, the Board of Directors resolved to approve the Company (TTI) to sell machinery and accessories to Thai Rung Textile Company Limited (TRT) for the price of 21,330,000 Baht.

2. Connectedness and Nature of Connection

Thai Rung Textile Company Limited is registered as a legal company entity on 2 September 1975 with registered capital of 600,000,000 Baht, separated into 6,000,000 common shares, with all shares paid for in full. During the transaction between the two companies, there are 6 Directors (TTI have a total of 10 Directors, while TRT have a total of 8 directors) with majority shares in both companies as follow.

Directors in both Companies	Shares			
	TTI		TRT	
	Shares	%	Shares	%
1. Mr. Boonnam Boonnamsap	59,530	0.12	2,520	0.04
2. Mr. Mongkol Mungkornkanok	603,100	1.21	300	0.01
3. Mr. Phaiboon Jaroonchaikanakij	1,074,000	2.15	2,500	0.04
4. Mr. Tawatchai Chaiyapinunt	3,047,120	6.09	11,225	0.19
5. Mr. Kumjorn Chuenchoochit	11,527,867	23.06	58,173	0.97
6. Mr. Suchart Chantanakaracha	-	-	-	-

Remarks: TTI is Thai Textile Industry Public Company Limited
 TRT is Thai Rung Textile Company Limited
 Connected persons include spouse and children under legal age.

Since 6 TTI Directors make up the majority TRT Directors (6 of 8 Directors), these 6 Directors are considered to have the authority to control TRT; therefore, the transaction to sell the machinery and accessories is considered a connected transaction.

3. General Condition on Machinery Sale

Thai Textile Industry Public Company Limited will sell spinning machines and accessories which are no longer needed to Thai Rung Textile Company Limited 18 machines used since 2015 with the agreed price of 21,330,000 Baht (Twenty One Million Three Hundred Thirty Thousand Baht). The Company has evaluated the sale to be beneficial to both companies.

4. Total Value and Criteria Used To Determine Total Value

The sale of machinery in Point 3 have a value of 21,330,000 Baht (Twenty One Million Three Hundred Thirty Thousand Baht), which both parties agreed upon.

5. Board of Director's View

At the Board of Directors meeting 4/2019 on 13 November 2019, the Board unanimously agreed the management have operated in the best interest for both TTI and TRT, and the sale price is just for both parties; therefore, unanimously resolved to approve the sale of the spinning machines and the accessories mentioned above. The Board of Audit Committee agreed with the decision of the Board of Directors.

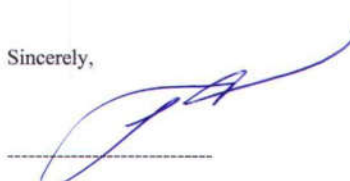
The 6 Directors with conflict of interests did not attend the meeting and were not present during the voting.

6. Value Calculation

The connected transaction have a value, when compared to the NTA (Net Tangible Asset) on 30 June 2019 to be 0.87% of NTA (NTA equals 2,447.61 Million Baht), which is not over the 3% of NTA as per the statute of the Board of Directors of the Stock Exchange of Thailand concerning the disclosure of information by a listed company on connected transactions announced in 2003; therefore, it is not necessary to seek approval from the Shareholders Meeting as the transaction does not meet the criteria announced by the Board of Directors of the Stock Exchange of Thailand concerning the disclosure of information by a listed company on the acquirement and or sale of asset in 2004.

The Board of Directors of the Company guarantee the information in this document is in accordance with the rules and regulations of the Stock Exchange of Thailand.

Sincerely,


 (Tawatchai Chaiyapinunt)

Executive Director



THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019
EXPRESSED IN THAI BAHT

Independent Auditor's Report

To the Board of Directors and Shareholders of
Thai Textile Industry Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of **Thai Textile Industry Public Company Limited and its subsidiary** (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, 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 **Thai Textile Industry Public Company Limited** for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Thai Textile Industry Public Company Limited and its subsidiary** and of **Thai Textile Industry Public Company Limited** as at 31 December 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

The Group's revenue derived from sales of textiles products both domestically and internationally which is accounted for 96.4% and 97.2% of total revenues of the Group and the Company, respectively. As the Group has a large number of customers and the difference of sale terms, revenue recognition usually depends on the conditions specified in the contracts or sale documents determined by management's judgment. In addition, due to the economic slowdown and the increasing competition in the textile industry, I paid my attention in particular to the appropriateness of the Group's revenue recognition and addressed this matter as key audit matter.

I performed the audit to ensure that the Group recognized revenue in the appropriate amount and time, by assessing the appropriateness and examining the Group's internal controls over revenue cycle. I gave my special consideration to the tests that are responsive to the occurrence, accuracy and the revenue recognition period in the Group's financial statements. I applied a sampling method to select sale transactions to assess whether revenue was accurate and appropriate recognized in consistence with the conditions stipulated in relevant document and in compliance with the Group's revenue recognition policy. On a sampling basis, I examined supporting documents for revenue recognition transactions occurring during the year and near the end of the accounting period. I reviewed credit notes that the Group issued after the period-end and examined significant revenue adjustments. I performed analytical procedures on disaggregate revenues by product to consider the accuracy and appropriateness of the sale transactions throughout the accounting period.

Allowance for diminution in value of inventories

According to Note 8 to the financial statements, the allowance for diminution in value of inventories of the Group and of the Company are Baht 43.2 million and Baht 42.9 million, respectively, which is the estimation of the allowance for diminution of outdated or obsoleted inventories outstanding at the end of year. This is required management to exercise significant judgment in analyzing the details of product life cycle, market competition and the economic and industrial conditions. As at 31 December 2019, the inventories included in the consolidated statement of financial position and the separate statement of financial position are Baht 931.3 million and Baht 504.1 million, respectively, accounted for 19.1% and 16.1% of total assets, respectively. I therefore, consider this matter as key audit matter.

I assessed the appropriateness of the management's assumptions used in determining of the allowance for diminution in value of inventories by examining assumptions used in the estimation, the consistency of such assumptions and evaluate whether or not the reason for recognizing the allowance for diminution in value of inventories was appropriate. I performed detail analysis on the sales incurred after the date of the financial statements compared to the cost of inventories, analyzed of inventories holding period and the inventories turnover to identify the slow moving inventories and considered historical data and during the year for the actual loss incurred arising from sales and write-off inventories compared to the allowance for diminution in value of inventories recognized in the prior years.

Loss from change in fair value of investment properties - land and loss on sale of land

According to Note 11 to the financial statements, the Company has entered into land sale and purchase agreements, which the land was recorded as investment properties, for 3 agreements with the ownership transfer of the said land to the buyer within one year. However, the sales value under the said agreements are lower than the fair value assessed by an independent appraiser last year. In 2019, the Company transferred the land ownership for one contract which resulted in loss on disposal of land of Baht 2.0 million recorded as net amount in the profit on disposal of assets, in the statement of comprehensive income. The remaining 2 agreements, which have not been transferred the land ownership, have the difference between the agreement values and the book value of Baht 220.1 million. As a result, the Company recorded such amount as the loss from change in fair value of investment properties and the cost of sales in the statement of comprehensive income. In addition, according to Note 12 to the financial statements, the Company sold land in respect of property, plant and equipment and incurred loss from land disposal of Baht

20.4 million which was recorded in other comprehensive income. In my audit, I focused on these transactions because the value of related transactions was significant and had significant impact to the Company's financial statements.

I gained an understanding of the nature of transactions and the critical terms and conditions in the related agreements, examined whether the accounting recorded amount of the related transactions were compliance with conditions stipulated in the agreements and in accordance with the related Thai Financial Reporting Standards. I verified the cash received amount with the bank statement and checked the accuracy of the classifications of related accounting transactions as well as considering the disclosure of the sale of land in the related Note to the financial statements.

Other Information

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of 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 process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the 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. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

PRADIT RODLOYTUK
Certified Public Accountant
Registration No.218

AST Master Co., Ltd.
27 February 2020

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

ASSETS	Notes	In Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
CURRENT ASSETS					
Cash and cash equivalents	6	220,592,039	156,090,547	122,561,078	48,673,546
Trade and other receivables	7	295,999,710	376,519,955	175,131,334	207,610,179
Inventories	8	931,275,385	1,110,581,551	504,109,751	725,833,732
Non-current assets classified as held for sale	11	516,670,000	-	516,670,000	-
Total current assets		<u>1,964,537,134</u>	<u>1,643,192,053</u>	<u>1,318,472,163</u>	<u>982,117,457</u>
NON-CURRENT ASSETS					
Investment in subsidiary	9	-	-	550,325,004	550,325,004
Other long-term investments	10	60,790,000	60,790,000	60,790,000	60,790,000
Investment properties - land	11	-	719,643,000	-	719,643,000
Property, plant and equipment	12	2,835,269,736	3,204,259,266	1,178,570,816	1,431,266,512
Computer software	13	8,720,325	9,984,353	8,720,325	9,984,353
Corporate income tax refundable		18,258,083	17,074,063	11,056,128	9,014,241
Other non-current assets		302,673	66,973	302,673	66,973
Total non-current assets		<u>2,923,340,817</u>	<u>4,011,817,655</u>	<u>1,809,764,946</u>	<u>2,781,090,083</u>
TOTAL ASSETS		<u><u>4,887,877,951</u></u>	<u><u>5,655,009,708</u></u>	<u><u>3,128,237,109</u></u>	<u><u>3,763,207,540</u></u>

The notes to financial statements are an integral part of these financial statements.

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

		In Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2019	2018	2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term loans from financial institutions	14	438,791,694	1,131,028,816	360,000,000	893,861,227
Trade and other payables	15	395,771,515	241,584,362	409,602,442	189,940,009
Current portion of long-term loans	14	108,294,000	131,628,000	26,040,000	18,000,000
Short-term loans from related persons and related companies	5.2	1,007,300,000	841,200,000	-	-
Liabilities related to non-current assets classified as held for sale	11	34,650,978	-	34,650,978	-
Other current liabilities		1,087,872	1,088,592	260,395	261,115
Total current liabilities		1,985,896,059	2,346,529,770	830,553,815	1,102,062,351
NON-CURRENT LIABILITIES					
Long-term loans	14	58,111,000	127,019,000	28,450,000	32,500,000
Deferred income tax liabilities	21	160,872,171	247,791,987	96,122,884	172,852,903
Employee benefit obligations	16	112,209,351	93,783,515	83,818,017	72,161,333
Total non-current liabilities		331,192,522	468,594,502	208,390,901	277,514,236
Total liabilities		2,317,088,581	2,815,124,272	1,038,944,716	1,379,576,587
SHAREHOLDERS' EQUITY					
Share capital - common shares, Baht 10 par value					
Authorized share 50,000,000 shares		500,000,000	500,000,000	500,000,000	500,000,000
Issued and paid-up share 50,000,000 shares		500,000,000	500,000,000	500,000,000	500,000,000
Premium on common shares		623,840,000	623,840,000	623,840,000	623,840,000
Retained earnings					
Appropriated for legal reserve	18	50,000,000	50,000,000	50,000,000	50,000,000
Appropriated for general reserve		50,000,000	50,000,000	50,000,000	50,000,000
Unappropriated		478,498,952	676,123,062	338,089,955	558,241,953
Revaluation surplus on assets	12	726,221,850	800,408,412	527,362,438	601,549,000
Total equity attributable to the parent company		2,428,560,802	2,700,371,474	2,089,292,393	2,383,630,953
Non-controlling interests		142,228,568	139,513,962	-	-
Total shareholders' equity		2,570,789,370	2,839,885,436	2,089,292,393	2,383,630,953
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,887,877,951	5,655,009,708	3,128,237,109	3,763,207,540

The notes to financial statements are an integral part of these financial statements.

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

		In Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2019	2018	2019	2018
REVENUES					
Sales		2,941,831,312	3,779,874,439	1,817,102,725	2,581,031,690
Services income		54,440,560	94,356,335	28,648,865	63,024,831
Dividends income		1,548,415	2,187,500	1,548,415	54,575,260
Other income	19	53,443,661	61,520,323	23,025,041	29,968,899
Total revenues		3,051,263,948	3,937,938,597	1,870,325,046	2,728,600,680
EXPENSES					
Cost of sales		2,829,081,308	3,688,181,645	1,769,561,136	2,559,402,173
Cost of services		44,486,004	81,744,538	24,020,314	59,477,158
Selling expenses		65,058,497	83,120,738	57,768,572	74,260,360
Administrative expenses		141,572,634	142,706,564	114,088,818	111,506,076
Loss on change in fair value of investment properties and cost of disposal	11	220,088,214	-	220,088,214	-
Finance costs		86,636,160	88,614,594	35,509,558	36,423,049
Total expenses		3,386,922,817	4,084,368,079	2,221,036,612	2,841,068,816
Loss before tax income		(335,658,869)	(146,429,482)	(350,711,566)	(112,468,136)
Tax income	21	82,848,413	40,359,552	72,658,616	31,908,469
Loss for the year		(252,810,456)	(106,069,930)	(278,052,950)	(80,559,667)
Other comprehensive income for the year					
Items that will not be reclassified subsequently to profit or loss					
Difference from revaluation surplus on assets	12	(20,357,013)	1,036,629,773	(20,357,013)	751,936,250
Less: Income tax effect	21	4,071,403	(207,325,955)	4,071,403	(150,387,250)
Net		(16,285,610)	829,303,818	(16,285,610)	601,549,000
Actuarial gain	16	-	28,651,807	-	15,060,707
Less: Income tax effect	21	-	(5,730,361)	-	(3,012,141)
Net		-	22,921,446	-	12,048,566
Items that will not be reclassified subsequently to profit or loss - net tax expenses					
		(16,285,610)	852,225,264	(16,285,610)	613,597,566
Total comprehensive income for the year		(269,096,066)	746,155,334	(294,338,560)	533,037,899

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit (loss) attributable to:				
Equity holders of the parent	(255,525,062)	(109,648,630)	(278,052,950)	(80,559,667)
Non-controlling interests	<u>2,714,606</u>	<u>3,578,700</u>	<u>-</u>	<u>-</u>
Loss for the year	<u>(252,810,456)</u>	<u>(106,069,930)</u>	<u>(278,052,950)</u>	<u>(80,559,667)</u>
Total comprehensive income attributable to:				
Equity holders of the parent	(271,810,672)	712,301,778	(294,338,560)	533,037,899
Non-controlling interests	<u>2,714,606</u>	<u>33,853,556</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>(269,096,066)</u>	<u>746,155,334</u>	<u>(294,338,560)</u>	<u>533,037,899</u>
Loss per share				
Loss attributable to equity holders of the parent	<u>(5.11)</u>	<u>(2.19)</u>	<u>(5.56)</u>	<u>(1.61)</u>

The notes to financial statements are an integral part of these financial statements.

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

In Baht

Consolidated financial statements

		Equity attributable to the parent's shareholders						Non - controlling interests	Total	
		Issued and	Retained earnings				Total shareholders' equity of the parent			
Notes		paid-up share capital	Premium on common shares	Appropriated for legal reserve	Appropriated for general reserve	Unappropriated				Revaluation surplus on assets
Balance as at 1 January 2018		500,000,000	623,840,000	50,000,000	50,000,000	789,229,696	-	2,013,069,696	113,272,646	2,126,342,342
Dividends of subsidiary paid to non-controlling interests		-	-	-	-	-	-	-	(7,612,240)	(7,612,240)
Dividends paid	17	-	-	-	-	(25,000,000)	-	(25,000,000)	-	(25,000,000)
Profit (loss) for the year		-	-	-	-	(109,648,630)	-	(109,648,630)	3,578,700	(106,069,930)
Other comprehensive income for the year		-	-	-	-	21,541,996	800,408,412	821,950,408	30,274,856	852,225,264
Total comprehensive income for the year		-	-	-	-	(88,106,634)	800,408,412	712,301,778	33,853,556	746,155,334
Balance as at 31 December 2018		<u>500,000,000</u>	<u>623,840,000</u>	<u>50,000,000</u>	<u>50,000,000</u>	<u>676,123,062</u>	<u>800,408,412</u>	<u>2,700,371,474</u>	<u>139,513,962</u>	<u>2,839,885,436</u>
Balance as at 1 January 2019		500,000,000	623,840,000	50,000,000	50,000,000	676,123,062	800,408,412	2,700,371,474	139,513,962	2,839,885,436
Decrease in surplus from sale of assets - net of income tax	12	-	-	-	-	57,900,952	(57,900,952)	-	-	-
Profit (loss) for the year		-	-	-	-	(255,525,062)	-	(255,525,062)	2,714,606	(252,810,456)
Other comprehensive income for the year		-	-	-	-	-	(16,285,610)	(16,285,610)	-	(16,285,610)
Total comprehensive income for the year		-	-	-	-	(197,624,110)	(74,186,562)	(271,810,672)	2,714,606	(269,096,066)
Balance as at 31 December 2019		<u>500,000,000</u>	<u>623,840,000</u>	<u>50,000,000</u>	<u>50,000,000</u>	<u>478,498,952</u>	<u>726,221,850</u>	<u>2,428,560,802</u>	<u>142,228,568</u>	<u>2,570,789,370</u>

The notes to financial statements are an integral part of these financial statements.

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

In Baht							
Separate financial statements							
Notes	Issued and paid-up share capital	Premium on common shares	Appropriated for legal reserve	Appropriated for general reserve	Unappropriated	Revaluation surplus on assets	Total
Balance as at 1 January 2018	500,000,000	623,840,000	50,000,000	50,000,000	651,753,054	-	1,875,593,054
Dividends paid	17	-	-	-	(25,000,000)	-	(25,000,000)
Loss for the year		-	-	-	(80,559,667)	-	(80,559,667)
Other comprehensive income for the year		-	-	-	12,048,566	601,549,000	613,597,566
Total comprehensive income for the year		-	-	-	(68,511,101)	601,549,000	533,037,899
Balance as at 31 December 2018	<u>500,000,000</u>	<u>623,840,000</u>	<u>50,000,000</u>	<u>50,000,000</u>	<u>558,241,953</u>	<u>601,549,000</u>	<u>2,383,630,953</u>
Balance as at 1 January 2019	500,000,000	623,840,000	50,000,000	50,000,000	558,241,953	601,549,000	2,383,630,953
Decrease in surplus from sale of assets - net of income tax	12	-	-	-	57,900,952	(57,900,952)	-
Loss for the year		-	-	-	(278,052,950)	-	(278,052,950)
Other comprehensive income for the year		-	-	-	-	(16,285,610)	(16,285,610)
Total comprehensive income for the year		-	-	-	(220,151,998)	(74,186,562)	(294,338,560)
Balance as at 31 December 2019	<u>500,000,000</u>	<u>623,840,000</u>	<u>50,000,000</u>	<u>50,000,000</u>	<u>338,089,955</u>	<u>527,362,438</u>	<u>2,089,292,393</u>

The notes to financial statements are an integral part of these financial statements.

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax income	(335,658,869)	(146,429,482)	(350,711,566)	(112,468,136)
Adjustments to reconcile loss to net cash provided by (used in) operating activities :				
Doubtful accounts	-	2,287,060	-	2,287,060
Loss on obsolescence of inventories (reversal)	915,994	(3,920,096)	1,835,656	(2,465,465)
Loss on change in fair value of investment properties	220,088,214	-	220,088,214	-
Depreciation	257,467,884	253,568,471	107,913,575	116,977,154
Amortization of computer software	2,020,628	547,250	2,020,628	547,250
Gain on disposal of equipment	(14,845,844)	(15,078,662)	(14,198,565)	(13,728,664)
Loss on disposal of investment properties - land	2,018,288	-	2,018,288	-
Write off withholding tax deducted at source	8,345	-	-	-
Employee benefit obligations	47,993,779	16,130,317	37,909,140	11,865,728
Unrealized (gain) loss on foreign exchange rate	338,201	(218,620)	421,049	519,652
Dividends income	(1,548,415)	(2,187,500)	(1,548,415)	(54,575,260)
Interest expense	86,636,160	88,614,594	35,509,558	36,423,049
Profit (loss) before changes in operating assets and liabilities	265,434,365	193,313,332	41,257,562	(14,617,632)
Decrease (increase) in operating assets				
Trade and other receivables	79,951,441	2,029,993	31,910,041	24,604,126
Inventories	178,390,172	6,629,616	219,888,325	(31,753,150)
Other non-current assets	(235,700)	-	(235,700)	-
Increase (decrease) in operating liabilities				
Trade and other payables	(33,304,763)	(6,946,916)	30,842,680	(22,943,433)
Employee benefit obligations	(29,567,943)	(7,854,410)	(26,252,456)	(6,318,210)
Cash received (paid) from operating activities	460,667,572	187,171,615	297,410,452	(51,028,299)
Income tax paid	(4,099,264)	(13,235,898)	(2,041,887)	(2,184,123)
Income tax refundable	2,906,899	-	-	-
Net cash provided by (used in) operating activities	459,475,207	173,935,717	295,368,565	(53,212,422)

The notes to financial statements are an integral part of these financial statements.

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash paid for acquisition of plant and equipment	(82,985,012)	(132,965,605)	(49,261,196)	(92,819,365)
Proceeds from disposal of property, plant and equipment	188,853,737	60,177,098	187,564,339	46,038,458
Net proceeds from disposal of investment properties - land	18,112,476	-	18,112,476	-
Increase in advance received from property, plant and equipment	52,811,760	847,832	53,659,592	-
Net increase in advance received from investment properties - land	133,405,000	-	133,405,000	-
Cash paid for acquisition of computer software	(756,600)	(1,995,000)	(756,600)	(1,995,000)
Dividends income	1,548,415	2,187,500	1,548,415	54,575,260
Net cash provided by (used in) investing activities	310,989,776	(71,748,175)	344,272,026	5,799,353
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash paid for interest expenses	(87,583,649)	(92,380,054)	(35,881,112)	(36,433,310)
Increase (decrease) in short-term loans from financial institutions	(692,237,122)	311,028,816	(533,861,227)	73,861,227
Proceeds of long-term loans	43,832,000	83,897,000	24,000,000	55,000,000
Repayments of long-term loans	(136,074,000)	(111,900,000)	(20,010,000)	(4,500,000)
Increase (decrease) in short-term loans from related persons and related companies	166,100,000	(250,500,000)	-	-
Cash paid for dividends	(720)	(24,908,227)	(720)	(24,908,227)
Dividends paid to non-controlling interests	-	(7,474,282)	-	-
Net cash provided by (used in) financing activities	(705,963,491)	(92,236,747)	(565,753,059)	63,019,690
Net increase in cash and cash equivalents	64,501,492	9,950,795	73,887,532	15,606,621
Cash and cash equivalents, beginning of the year	156,090,547	146,139,752	48,673,546	33,066,925
Cash and cash equivalents, end of the year	220,592,039	156,090,547	122,561,078	48,673,546

SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION

Non-cash transactions

Interest capitalized as part of the cost of assets	371,048	3,624,510	192,270	-
Decrease in payable from acquisition of assets	(512,800)	(535,325)	(512,800)	(535,325)
Decrease in receivables from disposal of machinery	-	12,788,640	-	-
Increase (decrease) in accrued dividends	(720)	91,773	(720)	91,773
Decrease in accrued dividends to non-controlling interests	-	137,958	-	-
Decrease in revaluation surplus from disposal of land	20,357,013	-	20,357,013	-

The notes to financial statements are an integral part of these financial statements.

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

Thai Textile Industry Public Company Limited was listed on the Stock Exchange of Thailand in 1987.

The Company is engaged in the business of manufacturing, spinning service render and distributing yarns apparels and fabrics. The addresses of its registered office are as follows:

Head Office is located at 385 Moo 1, Soi Bang Make Khao, Sukhumvit Road, Taiban, Samutprakarn, Samutprakarn.

Branch Office 1 is located at 741 Moo 3, Soi Bang Make Khao, Sukhumvit Road, Taiban, Samutprakarn, Samutprakarn.

Branch Office 2 is located at 275 Moo 14, Soi Bang Make Khao, Sukhumvit Road, Taiban, Samutprakarn, Samutprakarn.

Branch Office 3 is located at 286 Soi Japanese School, Rama 9 Road, Bangkok, Huay Kwang, Bangkok.

Branch Office 4 is located at 595 Moo 6, Sukhumvit Road, Bangpoo Mai, Samutprakarn, Samutprakarn.

2. BASIS FOR FINANCIAL STATEMENTS PREPARATION

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRSs) and guidelines promulgated by the Thailand Federation of Accounting Professions (“TFAC”) and applicable rules and regulations of the Thai Securities and Exchange Commission.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

The consolidated and separate financial statements are presented in Thai Baht, which is also the functional currency of the Group. All financial information presented in Thai Baht has been rounded in the notes to the financial statements unless otherwise stated.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

The consolidated financial statements include the financial statements of Thai Textile Industry Public Company Limited and subsidiary, Thai Rung Textile Company Limited, which are engaged in the business of manufacturing and distributing yarns. The Company holds 87.31% of the subsidiary’s registered share capital.

“The Company” represents “Thai Textile Industry Public Company Limited,” while “The Group” represents “Thai Textile Industry Public Company Limited” and subsidiary which is “Thai Rung Textile Company Limited”.

The significant transactions between the Company and a subsidiary have been eliminated in the consolidated financial statements.

Non-controlling interests represent the portion of net income or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated statement of comprehensive income and within shareholders’ equity in the consolidated statement of financial position.

For the convenience of the user, an English translation of the consolidated and separate financial statements has been prepared from the financial statements that are issued in the Thai language.

3. NEW FINANCIAL REPORTING STANDARDS

3.1 Financial reporting standards that became effective in the current year

During the year, the Group have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. 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:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that become effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group are currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 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 Company plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The management of the Group expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 January 2020 to be to increase the Group's assets and liabilities by approximately Baht 4.0 million and of the Company only by approximately Baht 4.0 million.

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below;

4.1 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.2 Trade accounts receivable

Trade accounts receivable are carried at value less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts and doubtful accounts are written off during the year in which they are identified.

4.3 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by:

Raw Cotton	Specific cost method
Raw materials and Supplies	Weighted average method
Work in Process	Weighted average method
Finished Goods	Weighted average method

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

4.4 Non-current assets classified as held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use of the asset and measured at the lower of their carrying amount and fair value less cost to sell.

4.5 Investment in subsidiary

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains (losses) on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group, respectively.

In the company's separated financial statements, investments in subsidiaries are accounted for at cost less impairment (if any).

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

4.6 General investment

Investments in non-marketable equity securities are classified as general investments and carried at cost less impairment (if any).

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged in profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

4.7 Investment properties - land

The Group are measured initially investment properties at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in profit or loss when incurred.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.8 Property, plant and equipment

Land is stated at revalued amount. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

When an asset's carrying amount is increased as a result of a revaluation of the Company's and its subsidiaries' assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognized in equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.

When an asset's carrying amount is decreased as a result of a revaluation of the Company's and its subsidiaries' assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

Depreciation is calculated on the straight line method to write off the cost of each asset, except for land which is considered to have an indefinite life, to its residual value over the estimated useful life as follows:

Buildings and structures	5-20 years
Machineries and equipment	3-10 years
Furniture and office equipment	3-5 years
Vehicles	5 years

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset less any costs of disposal.

Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalized as part of cost of the asset, during the period of time required to complete and prepare the property for its intended use. The borrowing costs include interest on borrowing net of amortization of related deferred financial cost.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in operating profit.

Building-in-progress and machinery under installation are stated at cost. These assets are not depreciated until such time as the relevant assets are completed and ready for their intended operational use.

4.9 Impairment of assets

Property, plant and equipment and other non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

4.10 Computer software

Costs associated with developing or maintaining computer software program are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group and will probably generate economic benefits exceeding costs beyond one year are recognized as computer software.

Expenditure which enhances or extends the performance of computer software program beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Computer software development costs recognised as assets are amortised using the straight-line method over their useful life for 5 years.

4.11 Leases

Leases of assets which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged in profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the useful life of the asset.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged in profit or loss on a straight-line basis over the period of the lease.

4.12 Income tax

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 taxation authorities, based on taxable profits 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 Group recognise deferred tax liabilities for all taxable temporary differences while they recognise 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 which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group contributions are recognised as expenses when incurred.

Defined benefit plans

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiary treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professional qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in other comprehensive income.

4.14 Revenue recognition

Revenue from sale of goods is recognised 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, excluding value added tax, of goods supplied after deducting returns, discounts.

Revenue from rendering services is recognised when the service is rendered.

Revenue from leases is recognised on a straight-line basis over the lease term.

Interest income is recognised on an accrual basis based on the effective interest rate.

4.15 Foreign currency translation

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the statement of financial position date. Gains and losses, resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss.

4.16 Basic earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing the income (loss) attributable to shareholders by the weighted average number of common shares during the year.

4.17 Financial instruments

Financial assets carried on the statement of financial position include cash and cash equivalents, trade accounts receivable and other long-term investments. Financial liabilities carried on the statement of financial position include trade accounts payable, bank overdrafts and loans. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The Group is party to derivative financial instruments, which mainly comprise foreign currency forward contracts. Such instruments are not recognized in the financial statements on the inception.

4.18 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 Company and its subsidiaries apply 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 Company and its subsidiaries measure 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 Company and its subsidiaries determine 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.

4.19 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

4.20 Provision

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. 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.

4.21 Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for net realizable value of inventories

The Group considers the allowance for net realizable value based on the estimate of selling price in the ordinary course of business and normal condition of inventory. The net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Investment property - land

The Group present investment property - land at the fair value estimated by an independent appraiser, and recognises changes in the fair value in profit or loss. The independent valuer using the market approach for land. The valuation involves certain assumptions and estimates.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Group's plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Group measure land at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land. The valuation involves certain assumptions and estimates.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

5. TRANSACTIONS WITH RELATED PERSONS AND COMPANIES

5.1 Relationships and pricing policies

The relationship and pricing policies among the Company, subsidiary, related persons and companies are as follows:

	Relationships
<u>Subsidiary</u>	
Thai Rung Textile Co., Ltd.	Shareholding by the Company and directorship
<u>Related companies</u>	
Thai Standard Industries Co., Ltd.	Shareholding by the Company and directorship
Thai Textile Printing Public Co., Ltd.	Shareholding by the Company and directorship
Rama Textile Industry (1988) Co., Ltd.	Shareholding by the Company and directorship
Thai Unique Textile Public Co., Ltd.	Directorship
Pica Inter Co., Ltd.	Directorship
Thai Textile Development and Finishing Co., Ltd.	Directorship
Cassardi International Co., Ltd.	Directorship
Prachin Land Co., Ltd.	Directorship
United Paper Public Co., Ltd.	Directorship and Shareholding
Winner Textile Co., Ltd.	Directorship and Shareholding
Nida Trading (1997) Co., Ltd.	Shareholder of subsidiary
Thai Textile international Co., Ltd.	Directorship
R.P.T. Resources Co., Ltd.	Directorship
	Relationships

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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T.T. Resources Co., Ltd.	Directorship
R.P.T. Holding Co., Ltd.	Directorship
B.M.K. Holding Co., Ltd.	Directorship
<u>Related Persons</u>	The Company's and subsidiary's directors and shareholder and closed cousin of shareholder of the subsidiary

Pricing policies for the subsidiary, related persons and companies

	Pricing Policy
Sales of products and raw materials	Compare to market price
Service income	Compare to market price
Other income	Compare to market price
Rental income	At contract price
Purchase of products	Compare to market price
Service expenses	Compare to market price
Disposal of fixed assets	Compare to market price
Acquisition of fixed assets	Compare to market price
Miscellaneous expenses	Compare to market price
Rental expenses	At contract price
Loan from	Interest charge at rate of 4.00% - 4.35% per annum (2018: rate of 4.25% - 4.50% per annum)

5.2 Balances of transactions with subsidiary, related persons and companies

Significant balances with subsidiary, related persons and companies as at 31 December 2019 and 2018 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts receivable				
Related companies	19,948,959	40,028,182	1,344,467	7,357,432
Acquisition of assets				
Related companies	66,195,521	82,975,900	43,505,321	82,975,900
Trade accounts payable				
Subsidiary	-	-	101,922,547	55,000,522
Related companies	41,527,916	24,444,674	41,527,916	24,444,674
Total	41,527,916	24,444,674	143,450,463	79,445,196

The outstanding balance as at 31 December 2019 and the movement of short-term loan from related persons and companies for the year ended 31 December 2019 are as follows:

	In Baht			
	Consolidated financial statements			
	Balance as at 1 January 2019	Movement		Balance as at 31 December 2019
		Increase	Decrease	
Related companies	397,500,000	275,000,000	(98,000,000)	574,500,000
Related persons	443,700,000	62,300,000	(73,200,000)	432,800,000
Total	841,200,000	337,300,000	(171,200,000)	1,007,300,000

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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The outstanding balance as at 31 December 2018 and the movement of short-term loan from related persons and companies for the year ended 31 December 2018 are as follows:

	In Baht			
	Consolidated financial statements			
	Balance as at	Movement		Balance as at
	1 January 2018	Increase	Decrease	31 December 2018
Related companies	317,000,000	592,500,000	(512,000,000)	397,500,000
Related persons	774,700,000	229,500,000	(560,500,000)	443,700,000
Total	1,091,700,000	822,000,000	(1,072,500,000)	841,200,000

5.3 Revenues and expenses transactions with subsidiary, related persons and companies

Revenues and expenses transactions with subsidiary, related persons and companies for the years ended 31 December 2019 and 2018 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Sales of products and raw materials				
Subsidiary	-	-	20,560,834	14,929,377
Related companies	447,195,060	1,127,702,830	136,741,886	756,807,401
Total	447,195,060	1,127,702,830	157,302,720	771,736,778
Services income				
Related companies	13,042,942	23,929,249	10,740,015	22,236,299
Disposal of fixed assets				
Subsidiary	-	-	22,731,500	-
Related companies	2,058,500	-	2,058,500	-
Related persons	19,000,000	-	19,000,000	-
Total	21,058,500	-	43,790,000	-
Other income				
Subsidiary	-	-	2,912,169	513,756
Related companies	795,660	1,415,886	795,660	1,415,886
Total	795,660	1,415,886	3,707,829	1,929,642
Rental income				
Related companies	1,710,000	1,980,000	1,710,000	1,980,000
Dividends income				
Subsidiary (Note 9)	-	-	-	52,387,760
Related companies (Note 10)	1,093,750	2,187,500	1,093,750	2,187,500
Total	1,093,750	2,187,500	1,093,750	54,575,260
Purchase of products				
Subsidiary	-	-	479,509,669	593,972,926
Related companies	169,012,483	767,598,586	169,012,483	767,598,586
Total	169,012,483	767,598,586	648,522,152	1,361,571,512

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Service expenses				
Subsidiary	-	-	753,091	630,831
Related companies	174,102,688	195,298,131	174,102,688	195,298,131
Total	174,102,688	195,298,131	174,855,779	195,928,962
Miscellaneous expenses				
Subsidiary	-	-	19,080	228,122
Related companies	597,993	2,278,612	488,466	2,097,543
Total	597,993	2,278,612	507,546	2,325,665
Rental expenses				
Related companies	1,440,000	1,440,000	1,440,000	1,440,000
Interest				
Related companies	21,147,925	11,951,075	-	-
Related persons	18,171,624	24,771,678	-	-
Total	39,319,549	36,722,753	-	-

Directors and management's remuneration

The Group had employee benefit expenses of its directors and management for the years ended 31 December 2019 and 2018 as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Directors and management's benefits				
Short-term employee benefits	25,485,206	30,036,879	19,455,632	22,940,939
Post-employment benefits	1,391,100	669,895	1,391,100	669,895
Total	26,876,306	30,706,774	20,846,732	23,610,834

6. CASH AND CASH EQUIVALENTS

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash on hand	4,663,705	7,044,108	4,445,731	6,796,857
Regular checking accounts	70,719,432	38,290,253	52,850,963	978,265
Saving accounts	145,208,902	110,756,186	65,264,384	40,898,424
Total	220,592,039	156,090,547	122,561,078	48,673,546

Deposits at financial institutions are bearing interest rate of 0.370 - 0.375% per annum (2018: 0.370 - 0.375% per annum).

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

7. TRADE AND OTHER RECEIVABLES

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Trade accounts receivable - related companies (Note 5.2)	19,948,959	40,028,182	1,344,467	7,357,432
Trade accounts receivable - others	241,330,042	287,568,400	147,005,623	158,761,159
Total trade accounts receivable	261,279,001	327,596,582	148,350,090	166,118,591
Advances for inventories	5,394,708	5,306,373	-	293,915
Value added tax receivable	20,779,750	35,563,073	20,779,750	35,563,073
Prepaid expenses	4,558,184	4,328,222	2,431,370	2,152,990
Unbilled input tax	2,697,862	2,997,462	2,639,045	2,783,993
Other receivables	1,290,205	728,243	931,079	697,617
Total	295,999,710	376,519,955	175,131,334	207,610,179

Aging of trade accounts receivable as at 31 December 2019 and 2018 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Trade accounts receivable - related companies				
Within credit terms	19,216,793	37,631,669	612,301	4,960,919
Overdue: Less than 3 months	732,166	2,396,513	732,166	2,396,513
Total trade accounts receivable - related companies	19,948,959	40,028,182	1,344,467	7,357,432
Trade accounts receivable - other companies				
Within credit terms	171,937,544	220,993,310	106,901,878	122,637,867
Overdue:				
Less than 3 months	58,243,447	62,018,623	32,732,990	33,918,239
3 - 6 months	6,396,120	3,540,304	2,617,824	1,188,890
6 - 12 months	4,368,914	1,935,091	4,368,914	1,935,091
Over 12 months	27,917,220	26,614,275	27,739,308	26,436,363
Total trade accounts receivable	268,863,245	315,101,603	174,360,914	186,116,450
Less allowance for doubtful accounts	(27,533,203)	(27,533,203)	(27,355,291)	(27,355,291)
Trade accounts receivable - others - net	241,330,042	287,568,400	147,005,623	158,761,159

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

8. INVENTORIES

	In Baht					
	Consolidated financial statements					
	Cost		Allowance for obsolescence of inventories		Inventories - net	
	2019	2018	2019	2018	2019	2018
Finished goods	327,812,104	334,191,701	(36,901,200)	(35,025,246)	290,910,904	299,166,455
Work in process	141,836,390	192,400,446	-	-	141,836,390	192,400,446
Raw materials	459,764,147	574,323,384	(6,317,242)	(7,277,202)	453,446,905	567,046,182
Material and supplies	45,081,186	51,968,468	-	-	45,081,186	51,968,468
Total	974,493,827	1,152,883,999	(43,218,442)	(42,302,448)	931,275,385	1,110,581,551

During the current year, the Group recorded allowance for obsolescence of inventories by Baht 0.9 million to reflect the net realisable value. This was included in cost of sales. (2018: the Group reversed the write-down of cost of inventories by Baht 3.9 million reduced the amount of inventories recognised as expenses during the year).

	In Baht					
	Separate financial statements					
	Cost		Allowance for obsolescence of inventories		Inventories - net	
	2019	2018	2019	2018	2019	2018
Finished goods	204,722,749	252,350,505	(36,550,035)	(33,754,419)	168,172,714	218,596,086
Work in process	126,454,450	175,101,095	-	-	126,454,450	175,101,095
Raw materials	191,569,812	306,625,310	(6,317,242)	(7,277,202)	185,252,570	299,348,108
Material and supplies	24,230,017	32,788,443	-	-	24,230,017	32,788,443
Total	546,977,028	766,865,353	(42,867,277)	(41,031,621)	504,109,751	725,833,732

During the current year, the Company recorded allowance for obsolescence of inventories by Baht 1.8 million to reflect the net realisable value. This was included in cost of sales. (2018: the Company reversed the write-down of cost of inventories by Baht 2.5 million reduced the amount of inventories recognised as expenses during the year).

9. INVESTMENT IN SUBSIDIARY

Separate financial statements as at 31 December 2019 and 2018

Invested company (Type of business)	Paid-up capital (Thousand Baht)	Proportion of shareholding (%)	In Baht		
			At cost	Dividends income	
				2019	2018
Thai Rung Textile Co., Ltd. (Type of business : Yarn spinning)	600,000	87.31	550,325,004	-	52,387,760

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

10. OTHER LONG TERM INVESTMENTS

Consolidated and Separate financial statements as at 31 December 2019 and 2018

Invested company (Type of business)	Paid-up capital (Thousand Baht)	Proportion of share holding (%)	At cost	In Baht	
				Dividends income	
				2019	2018
Investment in related companies					
Thai Standard Industries Co., Ltd. (Type of business : Weaving)	150,000	6.67	12,500,000	-	-
Thai Textile Printing Public Co., Ltd. (Type of business : Printing and dyeing)	350,000	3.57	12,500,000	-	-
Rama Textile Industry (1988) Co., Ltd. (Type of business : Yarn dyeing and selling)	250,000	8.75	23,750,000	1,093,750	2,187,500
Total			48,750,000	1,093,750	2,187,500
Investment in other companies					
Tajin Polyester Co., Ltd. (Type of business : Polyester producer)	548,224	1.63	11,915,000	454,665	-
Chantaburi Country Club Co., Ltd. (Type of business : Real estate)	75,000	0.17	2,000,000	-	-
Total			13,915,000	454,665	-
Less Allowance for declining in value of investment - Chantaburi Country Club Co., Ltd.			(1,875,000)	-	-
Net			12,040,000	454,665	-
Total other long-term investments			60,790,000	1,548,415	2,187,500

11. INVESTMENT PROPERTIES - LAND

	In Baht
	Consolidated and Separate financial statements
Book value - Cost as at 31 December 2017	719,643,000
Gain on change in fair value of investment properties	-
Book value as at 31 December 2018	719,643,000
Disposal of investment property	(20,130,764)
Loss on change in fair value of investment properties	(182,842,236)
Reclassified to non-current assets classified as held for sale	(516,670,000)
Book value as at 31 December 2019	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

During for the year ended 31 December 2018, The Company change in accounting policies and the voluntary changes in valuation of investment properties - land from the cost method to the fair value method. The fair value of the land measured by an independent appraisers. This reappraisal is based on the market value method as at 15 June 2018 and 29 December 2017.

The Company has entered into land sale and purchase agreements, which the land was recorded as investment properties, for 3 agreements with the ownership transfer of the said land to the buyer within one year. In 2019, the Company transferred the land ownership for one contract which resulted in loss on disposal of land of Baht 2.0 million recorded as profit on disposal of assets - net, in the statement of comprehensive income. The remaining 2 agreements, which have not been transferred the land ownership, have the difference between the agreement values to purchase and to sell net from estimated cost of sold and the book value of Baht 220.1 million. As a result, the Company recorded such amount as the loss from change in fair value of investment properties and the cost of sales in the statement of comprehensive income.

Disposal of investment property - land transferred the ownership in October 2019 of 1 contract can be summarized as follows:

	In Baht
Price to sell of investment property land - related person	19,000,000
<u>Less</u> Cost of disposal	(887,524)
Net	<u>18,112,476</u>
Book value	
Cost	1,511,659
Revaluation surplus	18,619,105
Total book value	<u>20,130,764</u>
Loss from the disposal of investment property - land	<u>(2,018,288)</u>

Disposal of investment property - land which has not yet transferred the ownership in the year 2019 of 2 contracts can be summarized as follows:

	In Baht
Price to buy and sell of land - other persons	<u>516,670,000</u>
Book value	
Cost	46,710,117
Revaluation surplus	652,802,119
Total book value	<u>699,512,236</u>
Loss on change in fair value	(182,842,236)
Estimate cost of disposal	(34,650,978)
Cost of disposal during the year	<u>(2,595,000)</u>
Loss on change in fair value of investment properties and cost of disposal	<u>(220,088,214)</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

12. PROPERTY, PLANT AND EQUIPMENT

	In Baht							
	Consolidated financial statements							
	Land		Building & structures	Machineries & equipment	Furniture & office equipment	Vehicles	Assets under installation	Total
	Original cost	Appraised value						
As at 1 January 2018								
Cost	296,002,427	-	882,360,013	4,102,116,245	65,664,995	29,191,739	440,483,651	5,815,819,070
Less Accumulated depreciation	-	-	(658,297,083)	(2,761,820,755)	(63,189,304)	(15,058,958)	-	(3,498,366,100)
Net book value	<u>296,002,427</u>	<u>-</u>	<u>224,062,930</u>	<u>1,340,295,490</u>	<u>2,475,691</u>	<u>14,132,781</u>	<u>440,483,651</u>	<u>2,317,452,970</u>
For the year ended 31 December 2018								
Net book value, beginning of year	296,002,427	-	224,062,930	1,340,295,490	2,475,691	14,132,781	440,483,651	2,317,452,970
Acquisition	-	-	2,475,258	94,369,246	611,880	-	38,598,406	136,054,790
Revaluation surplus on assets	-	1,036,629,773	-	-	-	-	-	1,036,629,773
Transfer in (out)	-	-	6,536,066	453,131,588	70,000	-	(459,737,654)	-
Disposal	-	-	-	(32,309,792)	(3)	(1)	-	(32,309,796)
Depreciation	-	-	(21,627,738)	(226,333,280)	(1,201,108)	(4,406,345)	-	(253,568,471)
Net book value, end of year	<u>296,002,427</u>	<u>1,036,629,773</u>	<u>211,446,516</u>	<u>1,629,153,252</u>	<u>1,956,460</u>	<u>9,726,435</u>	<u>19,344,403</u>	<u>3,204,259,266</u>
As at 31 December 2018								
Cost	296,002,427	1,036,629,773	891,371,337	4,534,563,365	66,092,875	27,850,618	19,344,403	6,871,854,798
Less Accumulated depreciation	-	-	(679,924,821)	(2,905,410,113)	(64,136,415)	(18,124,183)	-	(3,667,595,532)
Net book value	<u>296,002,427</u>	<u>1,036,629,773</u>	<u>211,446,516</u>	<u>1,629,153,252</u>	<u>1,956,460</u>	<u>9,726,435</u>	<u>19,344,403</u>	<u>3,204,259,266</u>

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	In Baht							
	Consolidated financial statements							
	Land		Building & structures	Machineries & equipment	Furniture & office equipment	Vehicles	Assets under installation	Total
	Original cost	Appraised value						
For the year ended 31 December 2019								
Net book value, beginning of year	296,002,427	1,036,629,773	211,446,516	1,629,153,252	1,956,460	9,726,435	19,344,403	3,204,259,266
Acquisition	-	-	-	3,480,620	170,486	-	79,192,154	82,843,260
Transfer in (out)	-	-	-	45,523,393	-	-	(45,523,393)	-
Disposal	(3,026,797)	(92,733,203)	-	(98,282,936)	(62,110)	(259,860)	-	(194,364,906)
Depreciation	-	-	(21,376,203)	(231,925,593)	(1,018,476)	(3,147,612)	-	(257,467,884)
Net book value, end of year	<u>292,975,630</u>	<u>943,896,570</u>	<u>190,070,313</u>	<u>1,347,948,736</u>	<u>1,046,360</u>	<u>6,318,963</u>	<u>53,013,164</u>	<u>2,835,269,736</u>
As at 31 December 2019								
Cost	292,975,630	943,896,570	891,371,337	4,200,559,868	64,453,047	23,896,133	53,013,164	6,470,165,749
<u>Less</u> Accumulated depreciation	<u>-</u>	<u>-</u>	<u>(701,301,024)</u>	<u>(2,852,611,132)</u>	<u>(63,406,687)</u>	<u>(17,577,170)</u>	<u>-</u>	<u>(3,634,896,013)</u>
Net book value	<u>292,975,630</u>	<u>943,896,570</u>	<u>190,070,313</u>	<u>1,347,948,736</u>	<u>1,046,360</u>	<u>6,318,963</u>	<u>53,013,164</u>	<u>2,835,269,736</u>

As at 31 December 2019, some of assets items have been fully depreciated. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 2,476.9 million (2018: Baht 2,492.2 million).

As at 31 December 2019, the Group's machineries with net book value of Baht 687.5 million (2018: Baht 695.1 million), respectively are mortgaged as collateral of credit facilities to financial institution as discussed in Note 14 to the financial statements.

The Group has borrowing costs of Baht 0.4 million (2018 : Baht 3.6 million), arising from financing specifically entered into for the construction of machinery and manufacturing equipment, which were capitalised as part of such assets during the year and are included in acquisition.

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	In Baht							
	Separate financial statements							
	Land							
	Original cost	Appraised value	Building & structures	Machineries & equipment	Furniture & office equipment	Vehicles	Assets under installation	Total
As at 1 January 2018								
Cost	36,143,750	-	507,940,493	1,958,550,286	42,418,105	24,496,595	2,790,050	2,572,339,279
Less Accumulated depreciation	-	-	(424,150,954)	(1,357,700,308)	(40,946,556)	(13,208,291)	-	(1,836,006,109)
Net book value	<u>36,143,750</u>	<u>-</u>	<u>83,789,539</u>	<u>600,849,978</u>	<u>1,471,549</u>	<u>11,288,304</u>	<u>2,790,050</u>	<u>736,333,170</u>
For the year ended 31 December 2018								
Net book value, beginning of year	36,143,750	-	83,789,539	600,849,978	1,471,549	11,288,304	2,790,050	736,333,170
Acquisition	-	-	-	89,328,109	536,936	-	2,418,995	92,284,040
Revaluation surplus on assets	-	751,936,250	-	-	-	-	-	751,936,250
Transfer in (out)	-	-	-	5,057,495	70,000	-	(5,127,495)	-
Disposal	-	-	-	(32,309,790)	(3)	(1)	-	(32,309,794)
Depreciation	-	-	(11,008,746)	(101,477,509)	(816,951)	(3,673,948)	-	(116,977,154)
Net book value, end of year	<u>36,143,750</u>	<u>751,936,250</u>	<u>72,780,793</u>	<u>561,448,283</u>	<u>1,261,531</u>	<u>7,614,355</u>	<u>81,550</u>	<u>1,431,266,512</u>
As at 31 December 2018								
Cost	36,143,750	751,936,250	507,940,493	1,953,488,146	42,771,041	23,155,473	81,550	3,315,516,703
<u>Less</u> Accumulated depreciation	-	-	(435,159,700)	(1,392,039,863)	(41,509,510)	(15,541,118)	-	(1,884,250,191)
Net book value	<u>36,143,750</u>	<u>751,936,250</u>	<u>72,780,793</u>	<u>561,448,283</u>	<u>1,261,531</u>	<u>7,614,355</u>	<u>81,550</u>	<u>1,431,266,512</u>

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FOR THE YEAR ENDED 31 DECEMBER 2019

	In Baht							
	Separate financial statements							
	Land		Building & structures	Machineries & equipment	Furniture & office equipment	Vehicles	Assets under installation	Total
	Original cost	Appraised value						
For the year ended 31 December 2019								
Net book value, beginning of year	36,143,750	751,936,250	72,780,793	561,448,283	1,261,531	7,614,355	81,550	1,431,266,512
Acquisition	-	-	-	3,097,756	98,396	-	45,744,514	48,940,666
Transfer in (out)	-	-	-	14,942,900	-	-	(14,942,900)	-
Disposal	(3,026,797)	(92,733,203)	-	(97,640,817)	(62,110)	(259,860)	-	(193,722,787)
Depreciation	-	-	(10,962,440)	(93,735,106)	(645,128)	(2,570,901)	-	(107,913,575)
Net book value, end of year	<u>33,116,953</u>	<u>659,203,047</u>	<u>61,818,353</u>	<u>388,113,016</u>	<u>652,689</u>	<u>4,783,594</u>	<u>30,883,164</u>	<u>1,178,570,816</u>
As at 31 December 2019								
Cost	33,116,953	659,203,047	507,940,493	1,618,575,564	41,059,632	19,200,988	30,883,164	2,909,979,841
Less Accumulated depreciation	-	-	(446,122,140)	(1,230,462,548)	(40,406,943)	(14,417,394)	-	(1,731,409,025)
Net book value	<u>33,116,953</u>	<u>659,203,047</u>	<u>61,818,353</u>	<u>388,113,016</u>	<u>652,689</u>	<u>4,783,594</u>	<u>30,883,164</u>	<u>1,178,570,816</u>

As at 31 December 2019, some of assets items have been fully depreciated. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 1,288.9 million (2018: Baht 1,270.9 million).

As at 31 December 2019, the Company's machineries with net book value of Baht 156.9 million (2018: Baht 146.8 million), respectively are mortgaged as collateral of credit facilities to financial institution as discussed in Note 14 to the financial statements.

The Company have borrowing costs of Baht 0.2 million, arising from financing specifically entered into for the construction of machinery and manufacturing equipment, which were capitalised as part of such assets during the year and are included in acquisition.

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For the year ended 31 December 2018, The Group hired an independent appraisers to measured fair value of the land. This reappraisal is based on the market value method.

The value of land under cost method and the revaluation method as at 31 December 2019 and 2018 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cost method	<u>292,973,630</u>	<u>296,002,427</u>	<u>33,116,953</u>	<u>36,143,750</u>
Revaluation method	<u>1,236,872,000</u>	<u>1,332,632,200</u>	<u>692,320,000</u>	<u>788,080,000</u>

In July 2019, the Company sold the land and transfer of ownership of the said land to the buyer, therefore, write-off and transfer of related accounts as a result, loss on disposal of assets are as follows:

	In Baht
Price to sell of land	78,599,987
<u>Less Cost of disposal</u>	<u>(3,197,000)</u>
Net	<u>75,402,987</u>
Book value	
Cost	3,026,797
Revaluation surplus	92,733,203
Total book value	<u>95,760,000</u>
Loss from the disposal of land carried in other comprehensive income	<u>(20,357,013)</u>

Revaluation surplus - net

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Revaluation surplus at the beginning of year	1,036,629,773	-	751,936,250	-
<u>Less Deferred tax at the beginning of year</u>	<u>(207,325,955)</u>	-	<u>(150,387,250)</u>	-
Net	<u>829,303,818</u>	-	<u>601,549,000</u>	-
Transactions during the year				
Other comprehensive income for the year				
Increase (decrease) in revaluation surplus	(20,357,013)	1,036,629,773	(20,357,013)	751,936,250
<u>Less Deferred tax</u>	<u>4,071,403</u>	<u>(207,325,955)</u>	<u>4,071,403</u>	<u>(150,387,250)</u>
Net	<u>(16,285,610)</u>	<u>829,303,818</u>	<u>(16,285,610)</u>	<u>601,549,000</u>
Transfer from revaluation surplus of assets sold to retained earnings				
Decrease in revaluation surplus from the disposal of assets	(72,376,190)	-	(72,376,190)	-
<u>Less Deferred tax</u>	<u>14,475,238</u>	-	<u>14,475,238</u>	-
Net	<u>(57,900,952)</u>	-	<u>(57,900,952)</u>	-

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	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Revaluation surplus at the end of year	943,896,570	-	659,203,047	-
<u>Less</u> Deferred tax at the end of year	<u>(188,779,314)</u>	<u>-</u>	<u>(131,840,609)</u>	<u>-</u>
Revaluation surplus - net	<u>755,117,256</u>	<u>829,303,818</u>	<u>527,362,438</u>	<u>601,549,000</u>
Equity holders of the parent	726,221,850	800,408,412	527,362,438	601,549,000
Non-controlling interests	<u>28,895,406</u>	<u>28,895,406</u>	<u>-</u>	<u>-</u>
Revaluation surplus - net	<u>755,117,256</u>	<u>829,303,818</u>	<u>527,362,438</u>	<u>601,549,000</u>

13. COMPUTER SOFTWARE

	In Baht	
	Consolidated and Separate financial statements	
	2019	2018
As at 1 January		
Cost	25,903,047	23,908,047
<u>Less</u> Accumulated amortization	<u>(15,918,694)</u>	<u>(15,371,444)</u>
Net book value	<u>9,984,353</u>	<u>8,536,603</u>
Transactions during the year ended 31 December		
Net book value, beginning of year	9,984,353	8,536,603
Acquisition of computer software	756,600	1,995,000
Amortization	<u>(2,020,628)</u>	<u>(547,250)</u>
Net book value, end of year	<u>8,720,325</u>	<u>9,984,353</u>
As at 31 December		
Cost	25,657,847	25,903,047
<u>Less</u> Accumulated amortization	<u>(16,937,522)</u>	<u>(15,918,694)</u>
Net book value	<u>8,720,325</u>	<u>9,984,353</u>

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

14. LOANS FROM FINANCIAL INSTITUTIONS

	In Baht					
	Interest rate (%) p.a.		Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018	2019	2018
Short-term loans						
Liabilities under trust receipts	2.99	3.14 - 3.50	78,791,694	259,528,816	-	22,361,227
Promissory notes	3.75 - 3.85	3.18 - 4.38	360,000,000	871,500,000	360,000,000	871,500,000
Total			<u>438,791,694</u>	<u>1,131,028,816</u>	<u>360,000,000</u>	<u>893,861,227</u>
Long-term loans						
Long-term loans	MLR-2, MLR-2.25	MLR-2, MLR-2.25	166,405,000	258,647,000	54,490,000	50,500,000
Less Current portion of long-term loans			<u>(108,294,000)</u>	<u>(131,628,000)</u>	<u>(26,040,000)</u>	<u>(18,000,000)</u>
Long-term loans - net of current portion			<u>58,111,000</u>	<u>127,019,000</u>	<u>28,450,000</u>	<u>32,500,000</u>

As at 31 December 2019 and 2018, the Group has overdrafts and short - term trade financing facilities from financial institutions according to the loan agreements with a total maximum credit limit of Baht 2,351 million and Baht 2,359 million, respectively. (Separate: Baht 1,291 million (2018: Baht 1,291 million))

Under the terms of the agreements covering the Group's liabilities under trust receipts, certain imported raw materials, parts and supplies have been released to the Group in trust for the financial institutions. The Group is accountable to the financial institutions for the trusted items or their sales proceeds.

The Group's long - term loans from financial institutions are guaranteed by the Group's machines as discussed in Note 12 including providing negative pledge of property, plant and equipment.

15. TRADE AND OTHER PAYABLES

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts payable - related companies (Note 5.2)	41,527,916	24,444,674	143,450,463	79,445,196
Trade accounts payable - other companies	88,255,110	138,129,731	33,568,327	64,300,113
Total trade accounts payable	129,783,026	162,574,405	177,018,790	143,745,309
Accrued expenses	52,793,394	57,405,593	26,771,462	32,851,940
Payable from acquisition of assets	20,000	532,800	20,000	532,800
Advance received from sales of goods	15,431,351	11,088,100	14,761,351	10,157,185
Advance received from land and machines	189,659,592	847,832	189,659,592	-
Value added tax payable	6,369,332	6,107,564	-	-
Social security and other taxes	1,714,820	3,028,068	1,371,247	2,652,775
Total	<u>395,771,515</u>	<u>241,584,362</u>	<u>409,602,442</u>	<u>189,940,009</u>

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16. EMPLOYEE BENEFIT OBLIGATIONS

Movements in the present value of the defined benefit obligations:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Defined benefit obligations at 1 January	93,783,515	114,159,415	72,161,333	81,674,522
Included in profit or loss:				
Current service cost	18,458,973	12,610,395	15,295,733	9,434,090
Interest cost	2,738,732	2,799,505	2,108,523	1,974,697
Past service cost	26,796,074	720,417	20,504,884	456,941
Included in other comprehensive income:				
Remeasurements of post-employment benefit obligations				
Actuarial gain	-	(28,651,807)	-	(15,060,707)
Benefits paid during the year	(29,567,943)	(7,854,410)	(26,252,456)	(6,318,210)
Defined benefit obligations at 31 December	<u>112,209,351</u>	<u>93,783,515</u>	<u>83,818,017</u>	<u>72,161,333</u>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

Cost of sales and services	33,337,693	13,445,476	24,120,964	9,503,584
Administrative expenses	<u>14,656,086</u>	<u>2,684,841</u>	<u>13,788,176</u>	<u>2,362,144</u>
Total expenses recognized in profit or loss	<u>47,993,779</u>	<u>16,130,317</u>	<u>37,909,140</u>	<u>11,865,728</u>

Amendments to the law relating to the legal severance pay rates

On 5 April 2019, The Labor Protection Act (No.7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and The Group has additional long-term employee benefit liabilities of Baht 26.8 million (Separate Baht: 20.5 million) as a result. The Group reflected the effect of the change by recognising past service costs as expenses in profit or loss of the current year.

The Group expect to pay Baht 11.1 million of long-term employee benefits during the next year (Separate financial statements: Baht 9.9 million)

As at 31 December 2019 and 2018, the weighted average duration of the liabilities for long-term employee benefit of the Group is 6 - 10 years (Separate financial statements: 10 years).

Principal actuarial assumptions at the reporting date

Discount Rate	2.39-2.41% per annum
Salary Increase rate	5%
Turnover Rate	Scale related to Age ranging from 0 - 59%
Mortality rate	According to Thailand TMO 2017 male and female tables

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

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	In Baht			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Defined benefit obligation 31 December 2019				
Discount Rate (1% movement)	(7,084,253)	7,889,558	(5,389,303)	5,976,370
Salary Increase Rate (1% movement)	9,505,507	(8,660,751)	7,228,461	(6,609,444)
Turnover Rate (1% movement)	(7,615,569)	4,083,396	(5,785,846)	2,958,774
Defined benefit obligation 31 December 2018				
Discount Rate (1% movement)	(5,384,567)	5,996,684	(4,102,448)	4,554,849
Salary Increase Rate (1% movement)	6,271,966	(5,744,305)	4,771,679	(4,382,353)
Turnover Rate (1% movement)	(5,783,285)	3,083,934	(4,400,760)	2,267,328

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

17. DIVIDENDS PAID

At the ordinary shareholders' meeting dated 30 April 2018, the shareholders approved the payment of dividends at Baht 0.50 per share for 50 million shares totaling Baht 25 million, from the retained earnings. The Company has already paid for such dividends on 25 May 2018.

18. LEGAL RESERVE

The legal reserve of the Company was established in accordance with the provisions of the Thai Public Company Limited Act B.E. 2535, which requires the appropriation as legal reserve of at least 5% of net income for the year after deduction of the deficit brought forward (if any) until the reserve reaches 10% of the authorized share capital. This reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside

19. OTHER INCOME

Other income for the years ended 31 December 2019 and 2018 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Rental income	27,219,683	27,566,346	1,880,003	2,226,666
Gain on foreign exchange rate	7,301,182	11,542,561	1,049,119	9,135,808
Gain on disposal of fixed assets	12,827,556	15,078,662	12,180,277	13,728,664
Other income	6,095,240	7,332,754	7,915,642	4,877,761
Total	53,443,661	61,520,323	23,025,041	29,968,899

20. EXPENSES BY NATURE

Significant expenses by nature for the years ended 31 December 2019 and 2018 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Changes in finished goods and work in process	56,943,653	(17,882,601)	(96,274,401)	(9,336,631)
Raw materials and consumable used	1,638,760,711	2,188,029,179	608,781,852	1,000,632,829
Staff costs	394,201,136	485,329,074	250,903,366	343,198,538
Depreciation and amortization	259,488,512	254,115,721	109,934,203	117,524,404

21. INCOME TAX

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Income tax for the years ended 31 December 2019 and 2018 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current income tax				
Current year	-	-	-	-
Deferred tax				
Relating to origination and reversal of temporary Differences	(82,848,413)	(40,359,552)	(72,658,616)	(31,908,469)
Income tax income recognized in comprehensive income	<u>(82,848,413)</u>	<u>(40,359,552)</u>	<u>(72,658,616)</u>	<u>(31,908,469)</u>
Other comprehensive income				
Deferred tax on gain loss from revaluation surplus on assets	<u>(4,071,403)</u>	<u>207,325,955</u>	<u>(4,071,403)</u>	<u>150,387,250</u>
Deferred tax on actuarial gain	<u>-</u>	<u>5,730,361</u>	<u>-</u>	<u>3,012,141</u>

Reconciliation of effective tax rate

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accounting loss before corporate income tax	(335,658,869)	(146,429,482)	(350,711,566)	(112,468,136)
Applicable tax rate	20%	20%	20%	20%
Accounting loss before corporate income tax multiplied by applicable tax rate	(67,131,774)	(29,285,896)	(70,142,313)	(22,493,627)
Effects of:				
Addition expenses deductible for tax purposes	(14,990,017)	(14,956,612)	(2,327,019)	(2,496,003)
Loss on change in fair value of investment properties	44,017,643	-	44,017,643	-
Gain on disposal of land for tax purposes	14,475,238	-	14,475,238	-
Gain on disposal of investment property- land for tax purposes	3,723,821	-	3,723,821	-
Expenses not deductible for tax purposes	4,220,599	1,543,424	2,818,867	1,230,424
Income not subject to tax	(309,683)	(437,500)	(309,683)	(10,915,052)
Taxable loss of current year recognized to deferred income tax assets	16,763,343	42,870,591	7,743,446	34,674,258
Effect of elimination entries on the consolidated financial statements	<u>(769,170)</u>	<u>265,993</u>	<u>-</u>	<u>-</u>
Current tax	-	-	-	-
Relating to origination and reversal of temporary differences	<u>(82,848,413)</u>	<u>(40,359,552)</u>	<u>(72,658,616)</u>	<u>(31,908,469)</u>
Income tax income recognized in comprehensive income	<u>(82,848,413)</u>	<u>(40,359,552)</u>	<u>(72,658,616)</u>	<u>(31,908,469)</u>

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The components of deferred income tax assets and deferred income tax liabilities are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Balances of deferred income tax assets				
Allowance for doubtful accounts	5,506,640	5,506,640	5,471,058	5,471,058
Allowance for declining in value of investments in other company	375,000	375,000	375,000	375,000
Allowance for obsolescence of inventories	8,643,688	8,460,489	8,573,455	8,206,324
Accumulated tax losses	108,293,619	91,530,276	91,077,389	83,333,943
Employee benefit obligations	22,441,871	18,756,703	16,763,604	14,432,267
Total deferred income tax assets	<u>145,260,818</u>	<u>124,629,108</u>	<u>122,260,506</u>	<u>111,818,592</u>
Balance of deferred income tax liabilities				
Investment properties - land	86,542,781	134,284,245	86,542,781	134,284,245
Land	219,590,208	238,136,850	131,840,609	150,387,250
Total deferred income tax liabilities	<u>306,132,989</u>	<u>372,421,095</u>	<u>218,383,390</u>	<u>284,671,495</u>
Deferred income tax - net	<u>160,872,171</u>	<u>247,791,987</u>	<u>96,122,884</u>	<u>172,852,903</u>

Deferred income tax assets and liabilities are offset when the income taxes related to the same fiscal authority. Deferred tax assets and deferred tax liabilities in the consolidated financial positions are presented at net amount of assets and liabilities incurred in each entity.

22. FINANCIAL INFORMATION BY SEGMENT

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 operations of the Group involve the single industry segment of manufacturing and distributing yarns, apparel and fabrics. The Group operates in single geographical area, in Thailand, therefore, these financial statements do not present the financial information by segment. The Group's revenues included sale in both domestic and export markets.

The revenues classified by domestic and export markets for the years ended 31 December 2019 and 2018 are as follows;

	In Thousand Baht					
	Domestic		Export		Total	
	2019	2018	2019	2018	2019	2018
Revenues	1,819,923	2,712,717	1,176,349	1,161,514	2,996,272	3,874,231
Cost	(1,724,522)	(2,639,504)	(1,149,045)	(1,130,422)	(2,873,567)	(3,769,926)
Gross profit	<u>95,401</u>	<u>73,213</u>	<u>27,304</u>	<u>31,092</u>	<u>122,705</u>	<u>104,305</u>

Major customers

For the year 2019, the Group has revenue from one major customer, represented at 10% of total revenues (2018: the Group has revenue from one major customer represented at 14% of total revenues).

23. PROVIDENT FUNDS

The Group and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The Group and their employees monthly contribute to the funds at the rate of 2% of basic salary. The funds, which are managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contribution for the year 2019 were recognised as expenses amounting to Baht 3.7 million. (2018: amounting to Baht 4.6 million) (Separate: Baht 2.6 million (2018: Baht 3.1 million))

24. FINANCIAL INSTRUMENTS

The principal financial risks faced by the Group are liquidity risk, foreign currency risk, interest rate risk, and credit risk. The risk management policies of these particular risks are as follows:

24.1 Liquidity Risk

Liquidity risk, or funding risk, is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

24.2 Foreign Currency Risk

As part of the international trading, the Group has significant exposures to market risks from changes in foreign exchange rates. The Group uses forward exchange contracts to mitigate those risks. Forward exchange contracts are accounted for as foreign currency transactions. Gains or losses on derivative financial instruments used for hedging of foreign currency transactions are recognized as income or expense on the same basis as the corresponding hedged position.

As at 31 December 2019 and 2018, assets and liabilities of the Group which are not hedged as follows:

	Currencies	Amount		Equivalent to approximately (In Million Baht)	
		2019	2018	2019	2018
Trade accounts receivable	U.S. Dollars	2,445,762	2,080,594	73.09	66.98
Trade accounts payable	U.S. Dollars	1,261,842	1,209,864	38.27	39.46
	Euro	1,308	337,296	0.04	12.64
	JPY	-	493,200	-	0.15
	CHF	6,015	-	0.19	-
Accrued expenses	U.S. Dollars	207,434	273,345	6.29	8.92

24.3 Interest Rate Risk

The Group was exposed to interest risks because it held deposits to and loans from financial institutions. However, the Group believes that the future fluctuation on market interest rate would not provided significant effect to its operation and cash flow; therefore, no financial derivative was adopted to manage such risks.

24.4 Credit Risk

The Group was exposed to credit risks mainly relating to its trade accounts receivable. However, the management has policies to provide adequate allowances for any possible losses that might be incurred in connection with its receivables.

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24.5 Fair value hierarchy

As at 31 December 2019 and 2018, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

	In Million Baht			
	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
As at 31 December 2019 assets for which fair value are disclosed				
Investment property - land	-	479.4	-	479.4
Land	-	1,236.8	-	1,236.8
As at 31 December 2018 assets for which fair value are disclosed				
Investment property - land	-	719.6	-	719.6
Land	-	1,332.6	-	1,332.6
	In Million Baht			
	Separate financial statements			
	Level 1	Level 2	Level 3	Total
As at 31 December 2019 assets for which fair value are disclosed				
Investment property - land	-	479.4	-	479.4
Land	-	692.3	-	692.3
As at 31 December 2018 assets for which fair value are disclosed				
Investment property - land	-	719.6	-	719.6
Land	-	788.1	-	788.1

25. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2019,

A) Commitments

The Company entered into the operating lease agreement in respect of the lease of land and building. The term of agreements were 1 and 15 years.

As at 31 December 2019, the Company had future minimum lease payments under the operating lease agreements, as follows:

	In Million Baht
	Consolidated and Separate financial statements
Repayments	
Within 1 year	1.2
Over 1 to 5 years	2.4
Over 5 years	1.8

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The Group has unused letter of credit amounting to approximately U.S. Dollars 2.0 million equivalent to approximately Baht 61.8 million.

B) Contingent liabilities

The Group has contingent liability in relation to letter of guarantees issued by the financial institutions in favor of the government and private company as follows :

	<u>Company</u>	<u>Subsidiary</u>	<u>Total</u>
Letters of guarantees (In Million Baht)	11.27	28.00	39.27

26. CAPITAL MANAGEMENT

The primary objective of the Group capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

As at 31 December 2019, debt to equity ratio in the consolidated financial statements is 0.90: 1 (2018 : 0.99 : 1) and Separate financial statements: 0.50: 1 (2018 : 0.58 : 1).

27. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on 27 February 2020.

บริษัท โรงงานผ้าไทย จำกัด (มหาชน)

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