

รายงานประจำปี 2562

ANNUAL REPORT 2019



บริษัท ไทยแลนด์ไอออนเวิร์คส์ จำกัด (มหาชน)

THAILAND IRON WORKS PUBLIC COMPANY LIMITED

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Vision

To become a leading and well recognized manufacturer of high-quality metal coated products and other related products that meet quality standards.

Mission

- To become a leading manufacturer and distributor of metal coated sheets.
- To respond to customers' needs by providing quality services and products made with up-to-date equipment and technology.
- To secure partners in order to increase international business opportunities.

Objective

To continuously grow operating performance and manufacture new products which respond to ever-changing market demand.

Long-term strategies and goals

- To increase profits with average growth rate of not less than 10 percent per year.
- To increase product diversification by introducing at least 1 new product per year.
- To create satisfaction to the Company's related persons.



Message from the Chairman



Dear shareholders,

During the past year, the world and Thailand economic situations swiftly changed, including the trade war, dumping, economic decline, and draught, which had a direct impact on the Company's operating performance and the Company's operating performance did not achieve the anticipated targets. Such situations are expected to continue for some time. The Company has been aware of the situations and conducted study and methods in changing policy to create flexibility and new ways in conducting business that would be suitable for the current changing situations. We believe that this way will bring the Company good operating performance and, consequently, good return to shareholders and relevant parties.

On behalf of the Board of Directors and the management, I give confidence to shareholders and relevant parties that we will perform our duties at best capabilities in order to bring the organization through changes and create company growth soonest.

(Mr. Prasit Kanchanasakdichai)

Chairman of the Board of Directors

Report of the Audit Committee



The Company's audit committee consists of three independent directors, equipped with knowledge and expertise in the areas of law, accounting, finance, and information technology management. The audit committee members are:

Miss Naratip Tabtieng, Chairman of the Audit Committee

Mr. Suravit Asavayutphol, Member of the Audit Committee

Mr. Surachai Pirmsinthavee, Member of the Audit Committee

Miss Nantana Srabua (I.A.P. International Audit Co., Ltd.) acts as secretary of the audit committee.

During the previous fiscal year from 1 January 2019 to 31 December 2019, the audit committee has convened 4 meetings whereby all audit committee members have attended in accordance with power, duty and responsibility as specified in the charter of audit committee and in transparent and independent manner. The audit committee has reported its findings to the board of directors as summarized in materiality as follows:

1) Review of financial report

The audit committee reviews quarterly and yearly financial statements of the Company by consulting with the auditor and the Company's Director of Accounting and Finance. In addition, meetings were held between the audit committee and the auditor without attendance by the Company's management:

- to review financial statements, key accounting policies, disclosure of notes to financial statements, including providing recommendations from audit and review of financial statements by the auditor;

- to provide confidence that the financial statements has been prepared in accordance with generally accepted accounting standards, are materially accurate, contain sufficient disclosure of information, complete and reliable.

2) The audit committee reviews if the Company has good and effective internal control system.

This includes internal control system relating to anti-corruption and review of internal control system through consultation with independent internal auditor by planning and approving the annual audit plan. The audit committee reviews sufficiency, suitability and independency of internal audit personnel and monitors performance and rectifications of key issues according to internal audit report. Such actions will lead to good internal control system, effective risk management and good corporate governance. The audit committee is of the view that the Company's internal control system is sufficient and effective to reduce the Company's risks to acceptable level.

3) Compliance with laws on securities and securities exchange

As well as regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission or other laws relating to undertaking of the Company's business. The audit committee has reviewed and monitored compliance of the Company's business operation with rules and regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand and other laws relating to undertaking of the Company's business to ensure that the Company has complied with all such regulations.

4) Review of management of key risks

By establishment of policies and guidelines whereby the Company's risk management committee has the duties to assess risks in all respects, including internal and external factors, of which may impact the Company's business operations, including finding appropriate measures to reduce impact of the risks to an acceptable level.

5) Appointment of external auditor for the year 2019

In selecting the external auditor to be appointed, the audit committee adopted the selecting criteria emphasizing on knowledge, capability and potential of the external auditor as well as the audit fee and qualifications as prescribed by the Office of the Securities and Exchange Commission (SEC).

The audit committee is of the view that the auditors of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. is suitable to be appointed as the auditor for the period commencing from 1

January 2019 and ending as of 31 December 2019 for the audit fees of Baht 1,750,000 (One Million Seven Hundred and Fifty Thousand Baht). Therefore, the audit committee views it appropriate to submit such proposal to the Board of Directors for further approval by the shareholders' meeting.

6) Related party transactions and transactions with potential conflict of interests

The audit committee has reviewed the transactions by considering reasonableness and transparency and is of the view that the transactions are normal business transactions of the Company according to regulations of the Stock Exchange of Thailand.

Overall, the audit committee has fully performed its duties according to the Audit Committee Charter approved by the Board of Directors. The audit committee is of the view that the Board of Directors, executives and executive directors of the Company perform their duties in a professional manner with ethics and care in order to achieve the Company's objectives. There is sufficient disclosure of information. The Company complies with laws relating to securities and securities exchange and conducts its business operations according to good corporate governance principles with transparency and reliability. The Company also develops and improves its work procedures in order to achieve quality work.



(Miss Naratip Tabtieng)
Chairman of the Audit Committee

Board of Directors



Mr. Prasit Kanchanasakdichai

Chairman of the Board of Directors



Mr. Kriangkrai Danchaivichit

Director



Mr. Yasuyuki Nakashima

Director



Mr. Chokechai Srisraweckkanjana

Director



Mr. Kriengchai Trinapakorn

Director

Audit Committee



Miss Naratip Tabtieng

Chairman of the Audit Committee and
Independent Director



Mr. Suravit Asavayutphol

Member of the Audit Committee and
Independent Director



Mr. Surachai Pirmsinthavee

Member of the Audit Committee and
Independent Director

Management



Mr. Prasit Kachanasakdichai

Chief Executive Officer



Mr. Kriengchai Trinapakorn

Chief Operating Officer



Mr. Yasuyuki Nakashima

Assistant Managing Director



Miss Oranuch Pakirasa

Assistant Managing Director (Finance) and Member of the Sustainability and Risk Management Committee



Mr. Prasit Kachanasakdichai (Age: 56)

Year of appointment as director: 2015



Percentage of shareholding

Direct shareholding of 3,965,368 shares, representing 66.09%

Family relationship with other directors and executives

None

Education

- Doctor of Business Administration (Honours) with specialization in finance, Boston University, the United States
- Master of Business Administration (Marketing), National Institute of Development Administration
- Bachelor of Engineering (Mechanical Engineering), Kasetsart University

Trainings

Courses of Thai Institute of Directors (IOD)

- Year 2016 – Role of the Chairman Program (RCP), Class No.38
- Year 2005 – Director Accreditation Program (DAP)
- Year 2004 – Director Certification Program (DCP)

Other Courses

- Year 2015 – Assessing Company Performance Enhancing Good Corporate Governance, Asst. Prof. Mr. J.Thomas Connelly, Chulalongkorn University

Work Experience

• 2018 – Present

Chairman of the Board of Directors/ Thai Barge Container Services Co.,Ltd.

Managing Director Type of business : Warehouse lease and sea port

- **2015 – Present**

Chairman of the Board of Directors/
Chief Executive Officer

Thailand Iron Works Public Company Limited

Type of business : Manufacturing and distribution of
galvanized steel sheet
- **2011 – Present**

Managing Director

TCB Daikure Co.,Ltd.

Type of business : Manufacturing of grating and
steel grating
- **2010 – Present**

Independent Director

Nomura Pattanasin Securities Public Company
Limited

Type of business : Securities
- **2007– Present**

Managing Director

T.C.B. Home Center Co., Ltd.

Type of business : Distribution of scaffolding and
construction equipment
- **2004– Present**

Chairman of the Board of Directors/
Managing Director

Thai Const & Building Manufacturing Public Company
Limited

Type of business : Manufacturing, distribution and
lease of scaffolding and construction equipment
- **2003 – Present**

Managing Director

C.M. Manufacturing Co., Ltd.

Type of business : Manufacturing of metal
packaging



Mr. Kriangkrai Danchaivichit (Age: 54)

Year of appointment as director: 2018



Percentage of shareholding

Direct shareholding of 650,000 shares, representing 10.83%

Family relationship with other directors and executives

None

Education

- Master of Business Administration, Pittsburg State University, Kansas, the United States
- Bachelor of Engineering (Mechanical Engineering), Chiangmai University

Trainings

Course of Thai Institute of Directors (IOD)

- Year 2018 Director Accreditation Program (DAP)

Work Experience

• 2018– Present

Director	Thailand Iron Works Public Company Limited
	Type of business : Manufacturing and distribution of galvanized steel sheet
Director	Sun Power Corporation Co., Ltd.
	Type of business : Renewable energy

• 2008 – Present

Director	Superior Residence Co., Ltd.
	Type of business : Service

• 2003 – Present

Director	Krungsri Estate Co., Ltd.
	Type of business : Property



Mr. Yasuyuki Nakashima(Age: 61)

Year of appointment as director: 2019



Percentage of shareholding

None

Family relationship with other directors and executives

None

Education

- Bachelor of Commerce, Fukuoka University, Japan

Trainings

None

Work Experience

- 2019 – Present
Director
Thailand Iron Works Public Company Limited
Type of business : Manufacturing and distribution of galvanized steel sheet
- 2004 – Present
Assistant Managing Director
Thailand Iron Works Public Company Limited
Type of business : Manufacturing and distribution of galvanized steel sheet



Miss Naratip Tabtieng (Age: 62)

Year of appointment as director: 2015



Percentage of shareholding

None

Family relationship with other directors and executives

None

Education

- Master of Business Administration, University of Oklahoma, the United States of America
- Bachelor of Commerce and Accountancy with specialization in accountancy, Chulalongkorn University

Trainings

Course of Thai Institute of Directors (IOD)

- Year 2005 – Audit Committee Program (ACP), Class No. 8
- Year 2004 – Director Accreditation Program (DAP), Class No. 24
- Year 2002 – Effective Audit Committees and Best Practices Program, Class No. 3

Work Experience

• **2018 – Present**

Professor at Faculty of Business Administration National Institute of Development Administration

• **2015 – Present**

Director/ Chairman of the Audit Committee	Thailand Iron Works Public Company Limited Type of business : Manufacturing and distribution of galvanized steel sheet
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• **2010 – 2018**

Director of Master Program in Business Administration, Faculty of Business Administration
National Institute of Development Administration

• **2005 – 2010**

Vice–Dean of the Business Program	National Institute of Development Administration
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Mr. Kriengchai Trinapakorn (Age: 56)

Year of appointment as director: 2017



Percentage of shareholding

None

Family relationship with other directors and executives

None

Education

- **Master of Business Administration, Ramkhamhaeng University**
- Bachelor degree in marketing, Ramkhamhaeng University

Trainings

Course of Thai Institute of Directors (IOD)

- Year 2016 – Director Accreditation Program (DAP)

Work Experience

- **2017 – Present**

Director Thailand Iron Works Public Company Limited

Type of business : Manufacturing and distribution of galvanized steel sheet

- **2015– Present**

Chief Operating Officer Thailand Iron Works Public Company Limited

Type of business : Manufacturing and distribution of
galvanized steel sheet



Mr. Chokechai Srisrawekkanjana (Age: 42)

Year of appointment as director: 2015



Percentage of shareholding

None

Family relationship with other directors and executives

None

Education

- Master degree in business administration, Florida Metropolitan University, the United States
- Bachelor of Business Administration (Finance), Bangkok University

Trainings

None

Work experience

• 2019 – Present

Director/ Triple A Plus Advisory Co., Ltd.
 Managing Director Type of business : Financial advisory service

• 2015 – Present

Director Thailand Iron Works Public Company Limited
 Type of business : Manufacturing and distribution of galvanized steel sheet

• 2011– 2019

Director/ Triple A Plus Advisory Co., Ltd.
 Assistant Managing Director Type of business : Financial advisory service



Mr. Surachai Pirmsinthavee (Age: 50)

Year of appointment as director: 2019



Percentage of shareholding

None

Family relationship with other directors and executives

None

Education

- Master of Business Administration (Operational Management), National Institute of Development Administration
- Bachelor of Electronics Engineering, King Mongkut's Institute of Technology Ladkrabang

Trainings

None

Work Experience

- **2019– Present**
Independent Director/ Thailand Iron Works Public Company Limited
Member of the Audit Committee Type of business : Manufacturing and distribution of galvanized steel sheet
- **2016 – 2018**
Independent Director/ Thailand Iron Works Public Company Limited
Member of the Audit Committee
- **2015– Present**
Vice Chairman M.J. Bangkok Valve & Fitting Co., Ltd.
Type of business : Importation and distribution of valve and piping products
- **2001 – 2015**
General Manager Bangkok Coil Center Co.,Ltd.
Type of business : Manufacturing and processing of steel coil and sheet by cutting and welding



Mr. Suravit Asavayutphol (Age: 65)

Year of appointment as director: 2019



Percentage of shareholding

None

Family relationship with other directors and executives

None

Education

- Graduate Diploma in Tax, University of the Thai Chamber of Commerce
- Master of Business Administration, Burapha University
- Bachelor of Business Administration (Accounting), Ramkhamhaeng University

Trainings

None

Work Experience

- **2019– Present**
Independent Director/ Thailand Iron Works Public Company Limited
Member of the Audit Committee Type of business : Manufacturing and distribution of galvanized steel sheet
- **1993 – Present**
Director ABC Accounting Co., Ltd.
Executive Director ABC Accounting Pattaya Co., Ltd.
- **2001 – 2011**
Vice–Dean Professor Graduate School of Commerce, Burapha University



Miss Oranuch Pakirasa (Age: 41)



Percentage of shareholding

None

Family relationship with other directors and executives

None

Education

- Master of Business Administration (Accounting Management), Burapha University
- Bachelor of Accounting, Dhurakij Pundit University

Trainings

- **2019**
 - Corporate Finance Course, Class No. 3/2019
 - New financial reporting standards to be used in 2019 and 2020, Class No. 4/2019
- **2018**
 - Course on impact of new financial reporting standard regarding Revenue from Contracts with Customers (TFRS 15) and Leases (TFRS 16) to preparation of financial statements by listed companies (Class 2)
 - Basic of Deferred Tax Course
- **2017**
 - Updated course on latest form of financial statements and problems with preparation of accounts according to the financial reporting standards
 - Excel for Managerial Accounting (Microsoft Excel for Managerial Accounting)
 - Taxation in the digital age for accountants

Work Experience

- **2014– Present**

Chief Financial Officer	Thailand Iron Works Public Company Limited
	Type of business : Manufacturing and distribution of galvanized steel sheet

Products of the Company

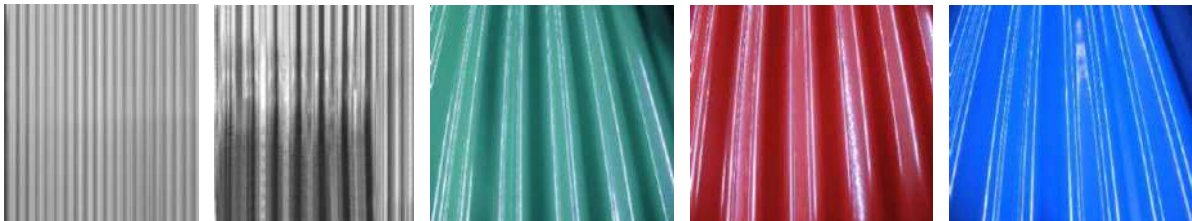
At present, the Company has various types and brands of products, which can be categorized as set out below.

1. Zince Products

1.1 Corrugated zinc sheet



Brand: 3 Stars



Type of zinc sheet: Small and large corrugated sheet

Coated products: Small, large, rectangular corrugated sheet (green, red, blue)



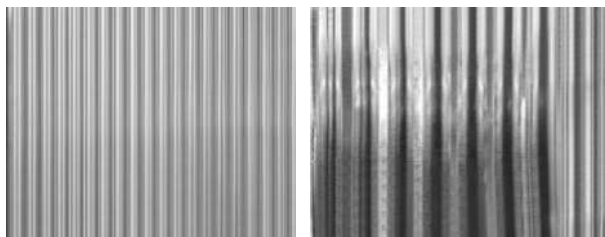
Brand: 1 Star

888

Brand: 888

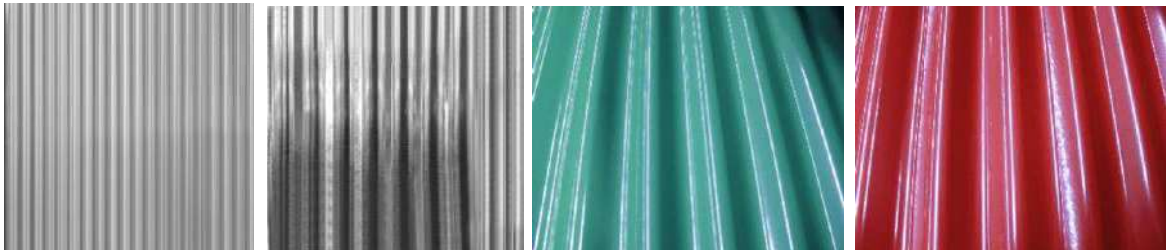
111

Brand: 111



Type of zinc sheet: Small and large corrugated sheet

Products of the Company



Type of zinc sheet: Small and large corrugated sheet

Coated products: Large and rectangular corrugated sheet (green, red)

Non zinc-coated products: Large and rectangular corrugated sheet (green, red)

1.2 Galvanized steel sheet



Brand:TIW

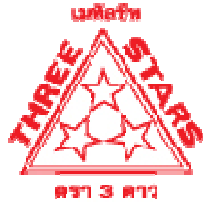


Type of zinc sheet: Flat sheet

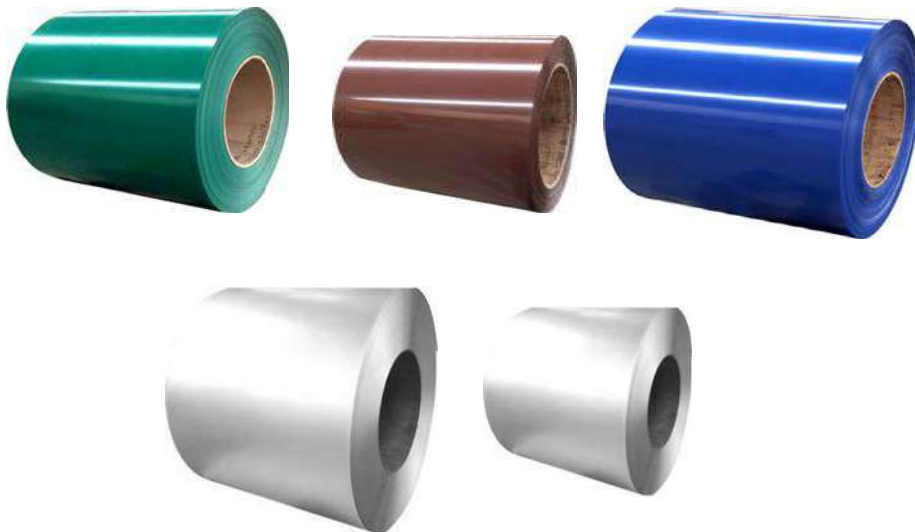
Coated products: Flat sheet (green, red, blue)

Products of the Company

2. Metal Sheet Products



Brand: 3 Stars



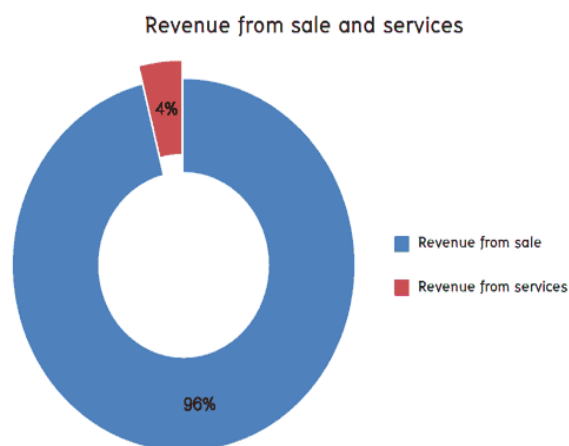
3. New innovative product – special galvanized steel (ZAM)



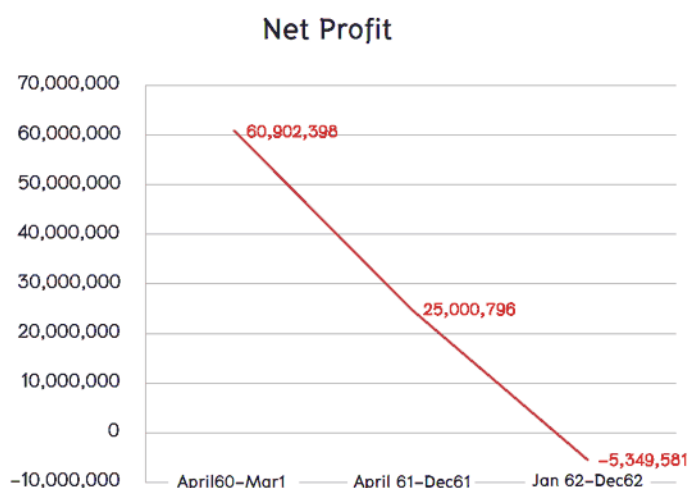
Financial Highlights

1. Revenue

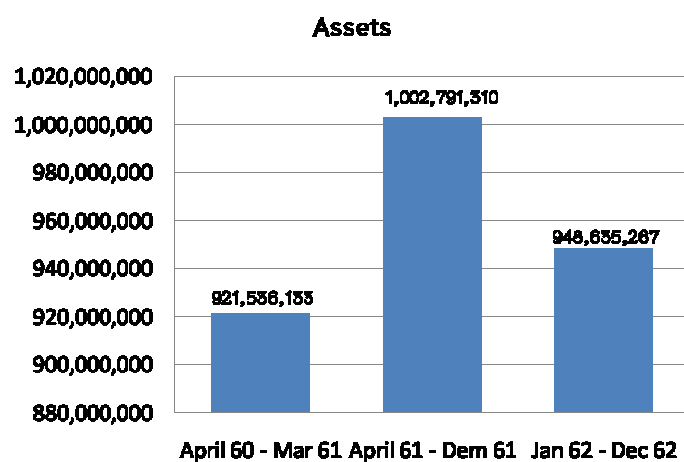
- Revenue from sale
Baht 379,253,267
- Revenue from service
Baht 15,549,634



2. Net Profit



3. Assets



Policy and Business Overview

Significant Changes and Development of the Company

- **Year 1958**

The company was first established under the name of Thailand Iron Works Co., Ltd. on 10 April 1958 as a joint venture between Boonchit Katerainak and Kinoshita Co., Ltd., Japan with the purpose of producing “Galvanized Iron Sheet” within the country instead of importation of such material from other country. Since it was the first Galvanized Iron Sheet manufacturer in Thailand, a tax privilege under the Industrial Promotional Act was granted by the Board of Investment of Thailand (BOI).



- **Year 1960**

The production line which was fully equipped and operated with advance production facilities and started producing galvanized iron sheet for the first time. It was the first galvanized iron sheet manufactured in Thailand. The company had produced the first 1,000 galvanized iron sheet of which was humbly offered to His Majesty the King of Thailand.

- **Year 1992**

The company whose major shareholders are Mitsui & Co., Ltd., Mitsiam International, Ltd. and Leeswadtrakul Family had listed its ordinary shares on the Stock Exchange of Thailand (SET). Moreover, relocation of its main office and factory to Samutprakarn province due to an expansion of city and housing zone in Bangkok. Since then, it has constructed a new factory and changed of production process to manufacture variety of Galvanized Iron Sheet products to respond the demand of domestic consumers.

- **Year 1994**

A conversion of the company from a private company to a public company limited was made on 18 May 1994. As a public company limited, the name of the company had changed to **“Thailand Iron Works Public Company Limited”** and its authorized share capital was increased to Baht 100 Million.

- **Year 1995**

The major events of the company during the year were as follows:

1) Paid-up capital of the company was increased by another 1,000,000 shares through a right offering to existing shareholders. The company’s issued and paid-up capital after registration with the Ministry of Commerce was Baht 60,000,000.

2) The company started to commercially produce colour-coated galvanized iron sheets to serve domestic demand and export to neighbouring countries.

Since its establishment, the company has gained wide experience and well reputation as the manufacturer of high-quality galvanized iron sheets and colour-coated sheets which were in different type of corrugation such large round wave, small round wave and square corrugation including plain sheet as well. Registered trademarks for different thickness of iron sheets and galvanized iron sheet, namely “Three Stars”, “One Star”, and “DDD” for corrugation galvanized iron sheets and “TIW” for plain sheets.

- **Year 2004**

The company introduced another type of business, namely roof and wall installation services by providing continuous service to the main contractors of the project in each of the construction projects that are available nationwide.

- **Year 2008**

Total number of ordinary shares of the company held by Mitsui & Co., Ltd. who was one of the company’s major shareholders was transferred to Mitsui & Co. (Asia Pacific) Pte.Ltd. which was a subsidiary company of Mitsui & Co., Ltd. In this regards, shareholding structure of major shareholders was unchanged.

- **Year 2012**

The company had launched new products to the market. The products were “Metal Sheet” with variety appearance of which reveal a beauty of color-coating, durability, modernized and easy

installation. The products were to be used for both purposes; roofing and/or siding and suitable for all type of structures; house and/or building.

- **Year 2015**

The company changed its major shareholding structure whereby Dr. Prasit Kanchanasakdichai purchased the company's shares from the former shareholder group and tender offered the shares in accordance with relevant regulations of the Securities Exchange Commission and the Stock Exchange of Thailand. Following the tender offer as of 3 August 2015, Dr. Prasit Kanchanasakdichai holds 4,610,168 shares in the company or equivalent to 76.84% of total shareholding.

- **Year 2016**

The galvanized iron sheet received Thai Industrial Standard (TIS) and the company uses the trademark "Three Stars" for such product.

- **Year 2017**

The company has introduced new product which is Ridge that has various models than the previous to be the option for customers and has installed additional corrugated machine both in large size and small size to produce the products to respond the increasing of demand of customers.

- **Year 2018**

The major events of the company during the year were as follows:

- **12 February 2018**

Change of shareholding structure through acquisition of the Company's shares from Mr. Prasit Kanchanasakdichai by Mr. Kriangkrai Danchaivichit in the number of 1,304,000 shares, representing 21.73% shareholding.

- **27 February – 6 March 2018**

The Company has set-up two subsidiary companies:

- 1) Sun Power Corporation Co., Ltd. with registered capital of Baht 1,000,000.

The objective of the company is to conduct solar power plant business.

- 2) TIW Industries Co., Ltd. with registered capital of Baht 1,000,000. The objectives of the company are the same as the Company's existing business and/or other supporting business.

Thailand Iron Works Public Company Limited holds 99.99% shareholding in both companies.

- **11 June 2018**

The Board of Directors' Meeting No. 6/2018 resolved to approve indirect acquisition of shares in Ubon Bio Ethanol Public Company Limited ("UBE"), representing 20.00% of the issued shares through acquisition of 99.99% shareholding of Group K Corporation Co., Ltd. ("Group K") from Miss Sureeyot Kousurat and Capital K Limited ("Capital K") (a company registered in Hong Kong of which 100% of shares held by Miss Sureeyot Kousurat) ("Share Purchase Transaction"), whereby Group K is a holding company that holds 99.99% shares in STK Capital Co., Ltd. ("STK"), which is a holding company that holds 20.00% of the issued shares in UBE.

The Company shall acquire all shares in Group K at the purchase price of Baht 522,000,000, the details of which are as follows:

- 1) Payment in cash in the amount of Baht 300,000,000 บาท (Three Million Baht); and
- 2) Payment in kind in the form of the Company's newly issued ordinary shares in the number of 555,000 shares at the par value of Baht 10 per share, at the price of Baht 400 per share, totaling Baht 222,000,000.

The Board of Directors' Meeting No. 6/2018 resolved to decrease the Company's registered capital by Baht 40,000,000, from the existing registered capital of Baht 100,000,000 to the new registered capital of Baht 60,000,000 by eliminating 4,000,000 unallotted ordinary shares at the par value of Baht 10 per share. To comply with the plan to acquire 99.99% shareholding in Group K, the Company has increased its registered capital by Baht 13,050,000, from the existing registered capital of Baht 60,000,000 to the new registered capital of Baht 73,050,000 by issuing 1,305,000 new ordinary shares at the par value of Baht 10 per share.

The Company intended to offer newly issued ordinary shares of not exceeding 1,305,000 shares at the par value of Baht 10 per share, at the price of Baht 400 per share, total of not exceeding Baht 522,000,000, to specific persons (Private Placement), the details of which are as follows:

- 1) To allot 555,000 newly issued shares to Miss Sureeyot Kousurat and/or Capital K, who is not a related person with the Company as partial consideration for sale of all shares in Group K (Payment in Kind);

- 2) To allot 375,000 newly issued shares to Mr. Nopporn Achawakulthep who is not a related person with the Company and the payment for such newly issued shares shall be in cash;
- 3) To allot 200,000 newly issued shares to Mr. Winyu Jiraprapakan who is not a related person with the Company and the payment for such newly issued shares shall be in cash;
- 4) To allot 62,500 newly issued shares to Miss Panchalee Supanimitkunkit who is not a related person with the Company and the payment for such newly issued shares shall be in cash;
- 5) To allot 62,500 newly issued shares to Mr. Sarin Suphannimitkunkit who is not a related person with the Company and the payment for such newly issued shares shall be in cash; and
- 6) To allot 50,000 newly issued shares to Mrs. Supin Triangkunsri who is not a related person with the Company and the payment for such newly issued shares shall be in cash.

- **13 November 2018**

Canceling the issuance and offering of private placement shares and canceling the purchase of Group K shares as well as delaying the transfer of the existing business to the subsidiary company because it found that the conditions of the investors as approved by the shareholders' meeting is quite complicated and cannot be agreed. In addition, the period for the offering of the Private Placement shares has elapsed from 25 October 2018, which is the time required by law to require the Company to complete the sale of shares within a period not exceeding three months from the date of the meeting of the shareholders approved the offering of the newly issued shares, and after considering with the industry trend and the performance of Group K is not in line with the expectation due to uncontrollable factors.



Key Milestones and Development in the Year 2019

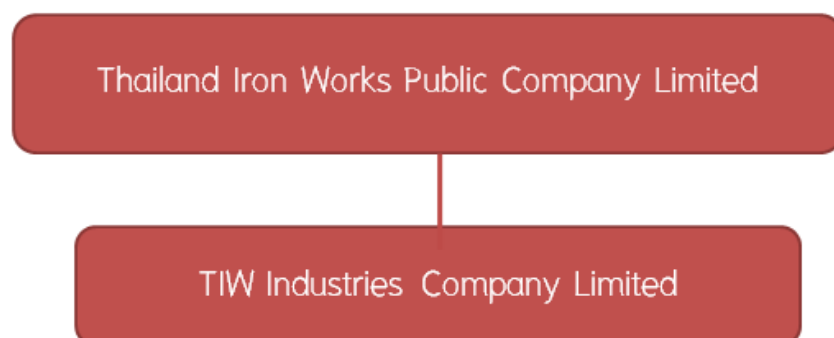
29 March 2019

The Company disposed all investments in Sun Power Corporation Co., Ltd. as it no longer wish to conduct solar power plant business. As a result, Sun Power Corporation Co., Ltd. and Sun UBE Co., Ltd. were ceased from being the Company's subsidiaries.

Change of Control in the Company

The current authorized signatories to sign and bind the Company is Mr. Prasit Kanchanasakdichai jointly signs with Mr. Kriengchai Trinapakorn or Mr. Yasuyuki Nakashima, totaling two persons together with the Company's seal affixed.

Shareholding Structure of the Group Company



Entities in which the Company has shareholding of 10% and above

1) TIW Industries Co., Ltd. (Direct Subsidiary)

Head office address:	86 Moo 1, Suksawat-Pomphrajul Road, Laemphapa, Phrasamutjadee, Samut Prakarn 10290
Registered capital:	Baht 1,000,000
Percentage of shareholding:	99.99%
Type of business:	Similar business as business of Thailand Iron Works Public Company Limited and/or any other supplementary business of the existing business, including manufacturing of galvanized steel sheet and roof and wall installation service

Nature of Business

Revenue Structure

Revenue structure of the Company in the year 2019 by business unit is as set out below.

- Revenue from distribution of products during the past 3 years

Item	2017 (12-month)		2018 (Apr-Dec18)		2019 (12-month)	
	Million Baht	%	Million Baht	%	Million Baht	%
Domestic sales	538	99.81	359.42	99.92	378.93	99.92
Export sales	1	0.19	0.27	0.08	0.32	0.08
Total sales	539	100.00	359.73	100.00	379.25	100.00
Increase (Decrease) in sales	221	69.64	(179.27)	(33.26)	19.52	5.43

- Revenue from roof and siding installation service during the past 3 years

Item	2017 (12-month)		2018 (Apr-Dec18)		2019 (12-month)	
	Million Baht	%	Million Baht	%	Million Baht	%
Domestic sales	14.00	100.00	14.61	100.00	15.55	15.55
Export sales	–	–	–	–	–	–
Total sales	14.00	100.00	14.62	100.00	15.55	15.55
Increase (Decrease) in sales	(6.23)	31.14	0.62	4.43	0.93	6.36

Remark : During the fiscal year, the revenues generated from roof and siding installation service constituted **more than 6.36%** of the total revenues recorded in profit and loss statements.

- Revenue from distribution of ZAM and products made from ZAM during the past 3 years

Item	2017		2018		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Domestic sales	5.29	100.00	5.70	100.00	4.79	100.00
Export sales	–	–	–		–	–
Total sales	5.29	100.00	5.70	100.00	4.79	100.00
Increase (Decrease) in sales	5.29	100.00	0.41	11.91	(0.91)	(15.96)

Type of Products and Services







Products and services of the Company can be categorized into 4 main groups.

1. Galvanized iron sheet can be divided into 2 types:

1) **Corrugated galvanized iron sheet** – large and small corrugated sheet, galvanized iron (GI) with zinc color, color-coated galvanized iron in green, blue and red. It is commonly used in households and buildings such as roofing, fencing, building granary etc.

2) **Flat galvanized iron sheet**– commonly used in industries such as advertising board, air conditioner duct, roof ventilator, bathroom door, document cabinet, tool box, water grating, and water tank etc. In addition, the Company has developed products to create variety and respond to customers' needs. The Company uses flat galvanized iron sheet to develop new products. This is to emphasize its position as the first manufacturer of galvanized iron sheet in Thailand who has stood by Thai people's side for over 60 years.

Farmers are the main target customer group for sale of the Company's products. Such target group accounts for 80% of the total revenues. Farmers and other customers purchase the Company's products through distributors at construction material store or modern trade. To create product uniqueness suitable to both upper-level and lower-level customer groups, the Company uses trademarks to communicate with customers so that they understand products and their qualities. The Company's trademarks can be categorized as set out below.

Trademark	Manufacturing Quality	Distribution Channel
	High quality TIS.50-2548	<ul style="list-style-type: none"> ✓ Distributor ✓ Purchaser
	Medium quality	<ul style="list-style-type: none"> ✓ Distributor ✓ Purchaser
	Standard quality	<ul style="list-style-type: none"> ✓ Distributor ✓ Purchaser ✓ Overseas purchaser
	Standard quality	<ul style="list-style-type: none"> ✓ Distributor ✓ Retail store with branches nationwide
	Standard quality	<ul style="list-style-type: none"> ✓ Retail store with branches nationwide
	Standard quality	<ul style="list-style-type: none"> ✓ Distributor ✓ Purchaser


2. **Metal sheet** can be divided into 2 types:

1) **Color-coated metal sheet** – commonly used as roof tile and side installation in construction, residence, car park, canteen, coffee shop, petro station, condominium, apartment and temple etc. Customers may choose any color of metal sheet.


2) **Aluzinc metal sheet** – commonly used as roof tile and side installation, awning, canopy, frame, venting, ceiling and fence etc.

Sheet metal contractors are the main customer group for sale of the Company's products, accounting for 80% of the total revenue. Sheet metal contractors purchase products from the Company's distributors including flat iron manufacturers, construction material stores, and modern

trade. Trademark of the Company's metal sheet is 3 Stars, which is in accordance with Thai Industrial Standards.

Trademark	Manufacturing Quality	Distribution Channel
	High quality TIS.2131-2545	✓ Distributor ✓ Purchaser

3. ZAM and products made from ZAM –products with trademark of Nisshin Steel Company Limited. ZAM is a hot-dipped galvanized sheet with coating that consists of 87-92% zinc, 5-10% aluminium and 3% magnesium. They are commonly used for area with high level of erosion such as wiring rack, windproof panel, fermentation plant, farm building, and grape arbor. The products can withstand high-level of erosion and have better usage and general coated products. They help reducing work procedures and overall costs.

Trademark		Distribution Channel
	High quality TIS.2131-2545	✓ Distributor ✓ Purchaser

Sale Process of Galvanized Iron Sheet, Metal Sheet and ZAM Products



4. Roofing and siding installation service

The Company has introduced another business by becoming a specialized contractor service for an installation of galvanized iron sheet, Alu-zinc or other type of materials as roofing and siding. During the year 2017–2019, Roofing & Siding Department has imported high-resistance ZAM from Japan as part of roofing material. The Company also provides installation service for roofing made from other materials as required by customers. The service is provided according to terms and conditions of contract as either sub-contractor or contractor. Specification of material used and completion date of installation are determined in advance. In respect of receipt of payment, the Company will be paid based on completion of work according to project milestones. Usually, it is agreed under the contract that the Company may submit its invoice once every month.

Target customers and groups The target customers include large and small projects, construction of new factory buildings, and repair of old and damaged factory roof with innovative construction technology called “Roof On Roof” which is usually used with construction of large warehouse and factory. Hence, the target customers and groups are local juristic persons or joint venture incorporated in Thailand with investment by foreigners. The service areas are located throughout regions of Thailand.

Distribution and distribution channels The Company’s unit responsible for contractor service will have direct contact with customers who are leading contractors in Thailand. Existing customers of the Company’s other products or persons related to existing customers also contact the Company’s marketing department for interest in this service and the service is introduced through word of mouth. Since the Company focuses on provision of quality, punctuality, reasonable prices and provision of services which is responsive to customers’ requirement, customers has always given trust and confidence to work and service performed by Thailand Iron Works Public Company Limited.

Samples of Roof and Siding Installation Services by the Company
115/10 KV Substation Building Project



Main contractor	Huacheng Engineering Co.,Ltd.
Project owner	General Rubber (Thailand) Co., Ltd.
Type of work	Installation of ZAM roof and metal sheet siding
Installation area	650 square metres



New Warehouse Project

Main contractor	Thai Fukuda Corporation Limited
Project owner	Nippon Konpo
Type of work	Installation of roof, metal sheet siding and ZAM gutter
Installation area	17,429 square metres



NIPPON KONPO (ZAM Fence) Project



Main contractor	Thai Fukuda Corporation Limited
Project owner	Nippon Konpo (Thailand) Co., Ltd.
Type of work	Installation of ZAMFence
Installation area	151 square metres

New Warehouse Project



Main contractor	Thai Fukuda Corporation Limited
Project owner	NSW (Thailand) Co., Ltd.
Type or work	Installation of roof, metal sheet siding and ZAM gutter
Installation area	1,647 square metres

Operational Strategies

1. The Company has continuously developed new products and services in order to respond to changing market demand. During the past two years, the Company has been successful in developing new products and services such as:

1.1 Colored Metal Sheet Coil orPPGI is widely used at present for roofing in replace of tiles and corrugated galvanized iron sheet. There is no more than 4 manufacturers who can manufacture the product in Thailand. The Company's colored metal sheet coil has been certified for quality industrial standard (TIS.2131–2545) by Thai Industrial Standards Institute. Hence, the product is widely accepted for quality and, therefore, is able to easily reach government agencies as customers of the product.

1.2 Rain gutter and equipment relating to rain gutter – the Company has expertise in manufacturing rain gutter. It has developed high–technology machinery to manufacture the product. The Company has folding machine which can make 6–metre rain gutter as the longest length. Sizes of the Company's rain gutters range from 0.35 mm to 2.5 mm. Customer may order any size of rain gutters as required. Variety of materials can be used for manufacturing rain gutters including zinc, alu–zinc, stainless steel and ZAM.

2. The Company has been building business relationship with partners in order to access new products. In the past year, the Company has received cooperation from Nisshin Steel, Japan in respect of collaboration for development of various products with Nisshin Steel. The Company also imports ZAM, which is the newest technology of galvanized steel of Nisshin Steel. ZAM has outstanding quality compared to the commonly used hot–dipped galvanized steel product and hot–diiped zinc aluminum steel product or commonly known as Alu–Zinc. ZAM combined the outstanding qualities of both types of galvanization together by dipping steel sheet with zinc and aluminum at the appropriate proportion, including mixing with magnesium in order to better prevent rust. In Japan, ZAM is widely used, particularly in housing structure, large building structure, foundation post for pedestrian and vehicle bridges, electrical appliance, agricultural works or structure for solar farm. The Company continues to search new partners for collaboration on product development.

3. The Company supports expansion of its customer base. It has set up sales and marketing team designated for each area in order to cover additional area in the country. The sales and marketing team visits the Company's existing distributors and penetrates to area where the Company's products are not being distributed on a monthly basis. This is a different marketing strategy compared to the former marketing strategy in which the Company sells its products to existing distributors only. In

addition, the sales and marketing team assists the Company in obtaining market movements and information which allows the Company to adjust its work plan to accommodate changing situation.

Marketing Strategies

In respect of sales and marketing, the Company treats customers according to policies as set out below.

Policy on treatment to customers



The Company's main policy is to treat every customer as its important partner by delivering quality products and service in order to create highest customer's satisfaction, treating partners with fairness and consistently developing relationship with partners, avoiding any situation in which conflict of interest may arise, negotiating with partners based on good and mutually satisfactory business relationship.

Policy on responsibility to customers before sale of products



The Company's policy is to manufacture and distribute quality products to the market. It focuses on all procedures required prior to sale of products including analysis of requirements by each customer in order to respond to his/her needs, submission of quotation, and recommendations on details of products with accuracy and polite presentation of products in order to give respects to customers.

Policy on responsibility to customers during sale of products



The Company's policy is to distribute quality products to the market. It pays attention to all manufacturing procedures. The Company offers its product at a fair price in line with market conditions at the time. It issues correct sale and purchase documents such as tax invoice, product warranty, and delivery documents. Customers must receive complete and accurate documents and responsive service. During negotiation for sale of products, documents shall be reviewed every time in order to prevent any mistake which may arise during sale of products.



Policy on responsibility to customers after sale of products

As part of its business operation, the Company has a policy to provide after-sale service. There are teams designated for following up on quality of products and documents after sale. For instance, if a customer notifies that the Company's product is damaged, the Company's officer will visit the customer in order to collect information and analyze cause of the damage. The issue shall be summarized and reported for rectification and preparation of preventive measures in the future. The Company also takes recommendations and comments from all customers in order to improve its sale and marketing strategies.

Since the Company distributes quality products which have been certified for quality industrial standard, the Company can provide product warranty for all of its products, including:

- 1) Galvanized iron sheet (corrugated-flat)
- 2) Metal sheet (colored and alu-zinc)
- 3) ZAM and products made from ZAM

Key conditions of product warranty can be summarized as follows:

- 1) The Company provides warranty for manufacturing defect which impacts normal usage.
- 2) Product warranty shall cover only issues with normal usage. Product warranty shall be void for usages that are not considered normal usage such as:
 - damages arising from incorrect installation;
 - lack of knowledge or expertise in installation;
 - incorrect adaption of product or not following installation instructions;
 - damages arising from transportation;
 - and other conditions as specified in product warranty.
- 3) Product warranty shall be considered from warranty certificate, receipt or any other document from the date of sale and purchase.



Sample of product warranty of colored metal sheet

Industry Outlook and Competition

During the year 2019, there was an economic slowdown which resulted in higher competition. Many countries issued many forms of policies to protect their local steel industries. This included the US–China trade war. The United States issued US Section 232 tariffs with the main objective to manage oversupply of steel products from China in the United States. The European Union also issued EU’s safeguard measures to manage over supply of steel products from China in the United States being imported to the European Union. The Department of Foreign Trade, Thailand issued anti-dumping measures for many steel products. Dumping of hot dipped galvanized cold rolled steel coil and sheet were reviewed and investigated and announced in the government gazette on 21 February 2020. In addition, the Ministry of Industry issued mandatory standards on products



requiring that only products with standard certifications from Thai Industrial Standards Institute can be imported for distribution. The standard imposed on galvanized cold rolled steel sheet, which is the Company's main product, is TIS50-2562 for galvanized steel sheet. This standard will prevent dumping of the import of galvanized steel sheet product from overseas as the product cannot be distributed in Thailand unless granted standard certification from Thai Industrial Standards Institute. It is expected that the requirement for this standard certification will be enforced in March 2020.

Competition in the market can be described for each category of product as follows:

1. Cold rolled corrugated galvanized steel sheet or “corrugated galvanized steel sheet”

Corrugated galvanized steel sheet has been the Company's main product for over 60 years. Most customers of the product are farmers in the countryside. During the past year, there was economic slowdown and draught. Draught is also expected to continue to a higher degree in the year 2020. Prices of crops have decreased due to decrease in price support from the government. As a result, revenues generated from the agriculture industry has decreased and so as purchasing power of farmers. In addition, there was dumping of cheap and low quality products supported by the Chinese government in the market. The Company's competitors were able to bring such products into the market, which caused decrease in sales of existing manufacturers and distributors. However, the Department of Foreign Trade has announced to investigate foreign galvanized steel sheet dumping this year. The Company hopes to see more concrete preventive measures, similar to other steel industries which had received protection. The Ministry of Industry has issued regulations on industrial standards mandatory to this type of product and the regulations will be enforced in the near future. Therefore, the Company is confident that this year it can generate better revenues and operating performance than the last year despite economic slowdown and increasing degree of draught.

2. Galvanized steel coil

The Company can produce both color-coated and non color-coated galvanized steel coil. At present, there are only a few manufacturers in the country. There was high competition of this product group during the past year due to slowdown of construction industry which is major customer of this product. Competition included substitute products, particularly aluminum-zinc coated steel sheet or “Alu-zinc” of which has played an important role and gained high popularity. This product is imported from China and there has been continuous Alu-zinc dumping on Thai market. Although there is anti-dumping measures on the product from China, there has been avoidance on tariff classification by mixing alloy in

the product. Recently, the Department of Foreign Trade has issued additional measures to handle such matter. However, implementation of such measures in practice is still unclear. As such, there was a flood of Alu-zinc to Thailand. The Company focuses on color-coated product as the Company's color-coated galvanized coil has received Thai Industrial Standards Institute certification. The Company is one of the only few manufacturers who have received certification for such product. Therefore, the product can be used for public sector and organizations which require high quality standard product. The Company can color-coating the product by itself and can create varied colors than the imported product. The imported product takes time in production and transportation and does not meet required standards. The Company believes that there are demands for standard quality product and there is an opportunity to expand the market share if the Company uses marketing budget to promote the product and create awareness of the product among the customers.

3. Special galvanized steel (ZAM)

Special galvanized steel or ZAM is a product of which the Company received special cooperation from Nisshin Steel (Thailand) Co., Ltd. The company was from Japan but the business has now been transferred to Nippon Steel Trading (Thailand) Co., Ltd. ZAM is a hot-dipped galvanized sheet with coating that consists of zinc, aluminium and magnesium. The product can withstand high-level of erosion and has longer usage. Nisshin Steel (Thailand) Co., Ltd. is an originator of this product in Asia-Pacific region. At present, it has been used for many types of works. The Company has been promoting trial of such product and it has been well-received, particularly for roofing of factories located within a 30-kilometer radius from the coast which is the distance where there are issues with using other types of coated steel sheets. In addition, ZAM is suitable for constructing solar panel foundation, including solar farm and solar rooftop which have gained increasing popularity. The important competitive products of ZAM are coated steel under the brand "Superdyma" from Nippon Steel and product under the brand "PosMAC" from POSCO, Korea. However, if popularity and acceptance by foreign market is compared, ZAM is more accepted due to its shiny surface, similar to stainless steel, and withstanding high-level of erosion.

Competitors

The Company's corrugated galvanized iron sheet has potential to compete in the business and is similar to product of large manufacturers. At present, there are only 2 major manufacturers: (i) Bangkok Steel Industry Public Company Limited; and (ii) Thailand Iron Works Public Company Limited. The foregoing manufacturers are major manufacturers and distributors of corrugated galvanized iron sheet in Thailand. It is anticipated that the Company is a leader in marketing of corrugated galvanized iron sheet

through distribution via various channels such as dealers and modern trade. And there is continuous expansion of customer base during the past 3 years.

The Company's metal sheet quality is competitive compared to major manufacturers in Thailand such as NS BlueScope (Thailand) Limited, Bangkok Steel Industry Public Company Limited, and Dongbu Thai Steel Co., Ltd. who are considered major manufacturers and distributors in Thailand.

Future Industry Competition

Corrugated steel sheet and cold rolled zinc-coated steel sheet are products of which the Company can manufacture by itself and there are only few manufacturers of these products in the country. However, the steel industry had been affected by foreign steel dumping, particularly steel from China. Since the demand for these products is high, if the government sector has measures or policies to protect the market via anti-dumping measures by the Department of Foreign Trade and mandatory industrial standards on the products required by Thai Industrial Standards Institute, the business could be easily recovered. It is a good news that the government sector has issued more concrete measures.

Procurement of Products or Services

Details on procurement of products for distribution in the past year, number of factories, total production capacity, procurement of raw material or products, number of raw material distributors and proportion between local and overseas raw material purchase.

1. Procurement of products

- 1) Number of plant: 1
- 2) Total production capacity: 60,000 tonnes per year
- 3) Production policy: Manufacturing products according to industrial standards
- 4) Procurement of raw material: Procurement from local and overseas manufacturers and distributors
- 5) Number of suppliers of principal raw materials: 3 suppliers
- 6) Proportion of local and overseas raw material procurement: Majority of raw material procured from local manufacturers.

Local manufacturers and distributors



Manufacturer : NS-Siam United Steel Company Limited
 Type of raw material : Cold-rolled steel sheet (CRC)
 Relationship : Juristic person incorporated in Thailand



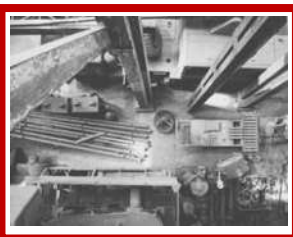
Manufacturer : Thai Cold Rolled Steel Sheet Public Company Limited
 Type of raw material : Cold-rolled steel sheet (CRC)
 Relationship : Juristic person incorporated in Thailand



Distributor : Mitsui & Co., (Thailand) Ltd.
 Type of raw material : Cold-rolled steel sheet (CRC)
 Relationship : Juristic person incorporated in Thailand with non-controlling shareholders in the company
 Relationship : Juristic person incorporated in Thailand



Distributor : Marubeni-Itochu Tubulars (Thailand) Ltd.
 Type of raw material : Cold-rolled steel sheet (CRC)
 Relationship : Juristic person incorporated in Thailand



Distributor : Dongkuk Steel (Thailand) Limited
 Type of raw material : 55% aluminium-coated hot-dipped galvanized steel sheet (GL)
 Relationship : Juristic person incorporated in Thailand

Overseas manufacturers



Manufacturer	: TohoZinc Co., Ltd. /Korea Zinc Co., Ltd
Type of raw material	: Zinc
Relationship	: Juristic person incorporated overseas



Manufacturer	: Zhejiang Catarich International Trade Co., Ltd
Type of raw material	: Hot-dip galvanized steel sheet(GI)
Relationship	: Juristic person incorporated overseas



Manufacturer	: Nisshin Steel Co., Ltd.
Type of raw material	: Hot-dipped galvanized steel sheet with aluminium and magnesium coating (ZAM)
Relationship	: Juristic person incorporated overseas



Manufacturer	: Changzhou Machinery & Equipment Import & Export Co Ltd.
Type of raw material	: Hot-dipped galvanized steel sheet(GI)
Relationship	: Juristic person incorporated overseas

The Company has a network with manufacturers and distributors of steel in Thailand and overseas. Hence, the Company is able to source raw material at suitable price and quality for each product type. At present, the Company procures raw material with similar quality locally and overseas. Hence, it can manufacture high quality products and does not face any issue with the lack of raw material.

2. Procurement of products for roofing and siding installation service

The Company procures galvanized iron sheet from local distributors. The Company then cut and form the products at the Company's factory area or site. All other components are sourced locally. Hence, the Company does not have any issue with the lack of raw material.

Backlog of Work

No backlog of project(s) with the value of 10% of the Company's total revenues or more.

Industrial Standards



TIS.50-2548

On 8 September 2005, the Company received industrial standard certification for hot-dipped galvanized iron coil, plate, and corrugated sheet.



TIS.2131-2545

On 7 July 2006, the Company received industrial standard certification for colored hot-dipped galvanized iron coil and plate.



TIS.2132-2545

On 21 September 2016, the Company received industrial standard certification for hot-dipped and colored corrugated galvanized iron sheet.

Risk Factors

Risk of the Company's Operation

1. Risk from dumping practice of imported products

In the past 2–3 years, substituted imported products from the Republic of China, Taiwan, Korea and Vietnam penetrated the market with dumping practices and brought about even fiercer competition. Local manufacturers faced several business problems and some have exited the market. Only a few local manufacturers remain, trying to sustain the business.

The Company has introduced measure to prevent disadvantages from product dumping by finding foreign trading partners who can produce products with comparable quality as alternative for the Company's customers. The Company has found 4–5 qualified trading partners who manufacture acceptable quality product as alternatives in the event of product dumping.

Another measure which the Company has implemented and found to be quite effective is the study on cost reduction by launching another product group with comparable or better quality than the product facing dumping practice. The Company can reduce significant amount of production costs and the difference between the price of another product group and the product facing dumping practice has significantly reduced at the competitive level. The Company has launched 3D corrugated galvanized iron sheet with thin steel and lower thickness of galvanized coating which results in cost reduction. However, such product has better quality than imported product but its price is competitive.

2. Risk of fluctuation in raw material prices

The key raw material of the Company's galvanized iron sheet is cold rolled steel sheet and zinc which are considered commodities with fluctuating prices according to the global market conditions.

As measures for managing risk of fluctuation in raw material prices, the Company focuses on the effective management of inventory at a sufficient level. Measures which have been implemented are:

1) Increase in frequency of raw material purchase or shorter purchase contract term compared to the past 40–50 years in which the Company took longer contract term. In addition, the Company has increased the number of raw material suppliers to ensure that raw material will be procured sufficiently and at better pricing. Each adjustment of price by raw material supplier is different and not solely due to adjustment of price in the global market within the short period of time.

2) Management of accounting and finance system by the implementation of AS system, which helps inventory management to become better and more efficient.

Nevertheless, the Company closely monitors movement of product and raw material prices and follows in-depth analysis reports in order to manage this risk.

3. Finance Risks

Risk of fluctuation in foreign exchange rates

In the past, the Company has imported small portion of products and raw materials from overseas. However, recently the Company has imported products from overseas in order to conduct market testing and manage potential dumping practice in the future. The importation also helps with expanding items of the Company's products. Hence, the Company faces risk of fluctuation in foreign exchange rates.

The Company's key policy for managing the risk of fluctuation in foreign exchange rates by hedging around 50 – 100% of the value of imported products, depending on each circumstance and the level of fluctuation. At present, the proportion of imported products is considered relatively low, only 20 – 30% of all products distributed. In addition, the Company enters into forward contract from time to time in order to prevent risk of fluctuation in raw material price due to fluctuation in foreign exchange rates.

4. Risk relating to manufacturing of products

Risk of manufacturing personnel

The manufacturing process of galvanized iron sheet requires operation of machinery with considerable complexity. Each manufacturing process must be continuous and consistent and skilled personnel is necessary for the operation.

The Company is aware of this risk and has manufactured its products periodically. In order to retain skilled personnel for manufacturing, they are compensated by the Company with special benefits. The company also has a policy for job rotation whereby employees from other departments will rotate to the manufacturing department. In addition, the Company provides an opportunity to retired employees to work at the Company after retirement. In such case, the term of employment contract is for a period of 1 year.

5. Risk of substitute products

The core product distributed and manufactured by the Company is galvanized iron sheet used as roofing and siding material. Many material can be used as substitute of such product including tiles,

metal sheet, and aluminium composite etc. Hence, consumers have choices of many products as alternatives. If consumers switch to substitute products, the Company's revenue may decrease.

As risk management measure, the Company has set-up Product Research and Development Department to improve existing products to be more up-to-date and new products for distribution, such as ZAM and increase its business opportunities.

Litigation

As of 31December 2019, the Company and its subsidiaries not being a party or having a legal dispute or having a case that is not caused by normal business operations of the Company and its subsidiaries that may cause damage or have a negative impact on the Company's assets significantly.

There is only a case that a company has filed a lawsuit before the court to claim damages from the breach of the construction of the odor removal system project. The Primary Court sentenced the Company to pay damages in the amount of Baht 1.67 million plus interest.

General and Other Significant Information

General Information of the Company

Company name:	Thailand Iron Works Public Company Limited
Company registration number:	0107537001714
Type of business:	Production and distribution of galvanized iron sheet and roofing and siding installation service
Head office address:	86 Moo 1, Suksawad-Pomphrachoon Road, Laemphapa, Phrasamutjedee, Samutprakarn 10290
Telephone:	0-2425-0011
Fax:	0-2425-8882
Website:	http://www.tiw.co.th
Email address:	info@tiw.co.th
Registered capital:	Ordinary shares 7,305,000 shares at the par value of Baht 10 per share
Paid-up capital:	Ordinary shares 6,000,000 shares at the par value of Baht 10 per share

Other References

- 1) Securities Registrar: Thailand Securities Depository Co.,Ltd.
93Ratchadapisek Road, Dindaeng Sub-district,
Dindaeng District, Bangkok10400
Telephone:02 009 9000
Fax:02009 9991
- 2) Debentureholder representative: –None–
- 3) Auditor:
Mr. Chavala Tienpasertkij, CPA registration no. 4301
Dr. Kiatniyom Kuntisook, CPA registration no. 4800
Mrs. Nisakorn Songmanee, CPA registration no. 5035
Mr. Suwatchai Meakhaamnouychai, CPA registration no. 6638
Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

AIA Sathorn Tower, 23rd – 27th Fl., 11/1 South Sathorn Road, Yannawa,
Sathorn, Bangkok 10120
Telephone: 02 034 0000
Fax: 02 034 0100

- 4) Legal advisor: Paramée Law Co., Ltd.
551/4 Soi Pracha Uthit 117/1, Pracha Uthit Road,
Thungkru Sub-district, Thungkru District, Bangkok 10140
Telephone: 02 815 9522
Fax: 02 815 9523

- 5) Advisor or manager under management contract: –None–

Other Significant Information

– None–

Securities and Shareholder Information

Registered and paid-up capital

As of 31 December 2019, the Company has registered and paid-up capital as follows:

- Registered capital of 7,305,000.00 shares at the par value of Baht 10 per share, totaling Baht 73,050,000.00;
- Paid-up capital of 6,000,000.00 shares at the par value of Baht 10 per share, totaling Baht 60,000,000.00.

Name of stock exchange

- Stock Exchange of Thailand

Other type of shares with rights or conditions different from ordinary shares

- (None)

Shareholders

Top major shareholders as of 31 December 2019 are as follows:

Name	No. of shares	% shareholding
1. Mr. Prasit Kanchanasakdichai	3,965,368	66.09
2. Mr. Kriangkrai Danchaivichit	650,000	10.83
3. Mrs. Ruenruay Katerainark	362,400	6.04
4. Mitsiam International Co., Ltd.	300,000	5.00
5. Mrs. Wilaiwan Arjariyanondha	53,000	0.88
6. Ms. Phakawalee Jearsawatwattana	38,000	0.63
7. Mr. Pairoj Bandittayanon	32,000	0.53
8. Miss Kulthida Kongrunpakorn	31,000	0.52
Total number of shares of major shareholders	5,431,768	90.52
Total number of shares	6,000,000	100

Group of major shareholders that significantly influence determination of policies and operation of the Company such as nominate a director as an authorized director of the company:

(1) Group of major shareholders that significantly influence determination of policies, management and operation of the Company as of 31 December 2019 are as follows:

- Mr. Prasit Kanchanasakdichai Chairman of the Board of Directors
- Mr. Kriangkrai Danchaivichit Director

(2) Business of holding shares in other companies (Holding Company), consisting of 2 companies:

- Sun Power Corporation Co., Ltd.
- TIW Industries Co., Ltd.

(3) Shareholders' agreement between major shareholders

– None–

Dividend Policy

The Company's dividend policy is to pay dividend of not exceeding 50% of net profit for the year after deduction of all types of reserves according to the laws and the Company's Articles of Association. The consideration of dividend payment shall be subject to cash flow and investment plan of the Company during each year as deemed necessary and appropriate by the Board of Directors.

Related-party Transactions

1) Related-party transaction with persons with potential conflict of interest during the past year

In the year 2019, the Company and its subsidiaries entered into significant business transaction with related company (related by having same shareholder and/or director). Such transaction was entered into according to trade conditions and terms as agreed between the parties. In addition, the Company did not provide any form of financial assistance such as lending or credit guaranty to companies that are not its subsidiaries, the details of which are as set out in Section 26 of notes to financial statements for the period from 1 January 2019 to 31 December 2019.

2) Necessity and justification in entering into the transactions

The Company purchased main raw materials of cold rolled steel sheet from a distributing agent, which is an entity in Thailand, and is a company in the same group as the Company's major shareholder. The transaction was usually made under the normal course of business with the same conditions as other customers. The Company purchases and sells products with juristic persons where the major shareholder is the same person as the Company of which the purchase price and the rate of charge are the same terms as the general customers. Transactions occurring in ordinary course of business and transaction size are in the consideration of the Board of Directors and management of the Company according to the Notification of the Capital Market Supervisory Board No. ThorJor. 21/2551.

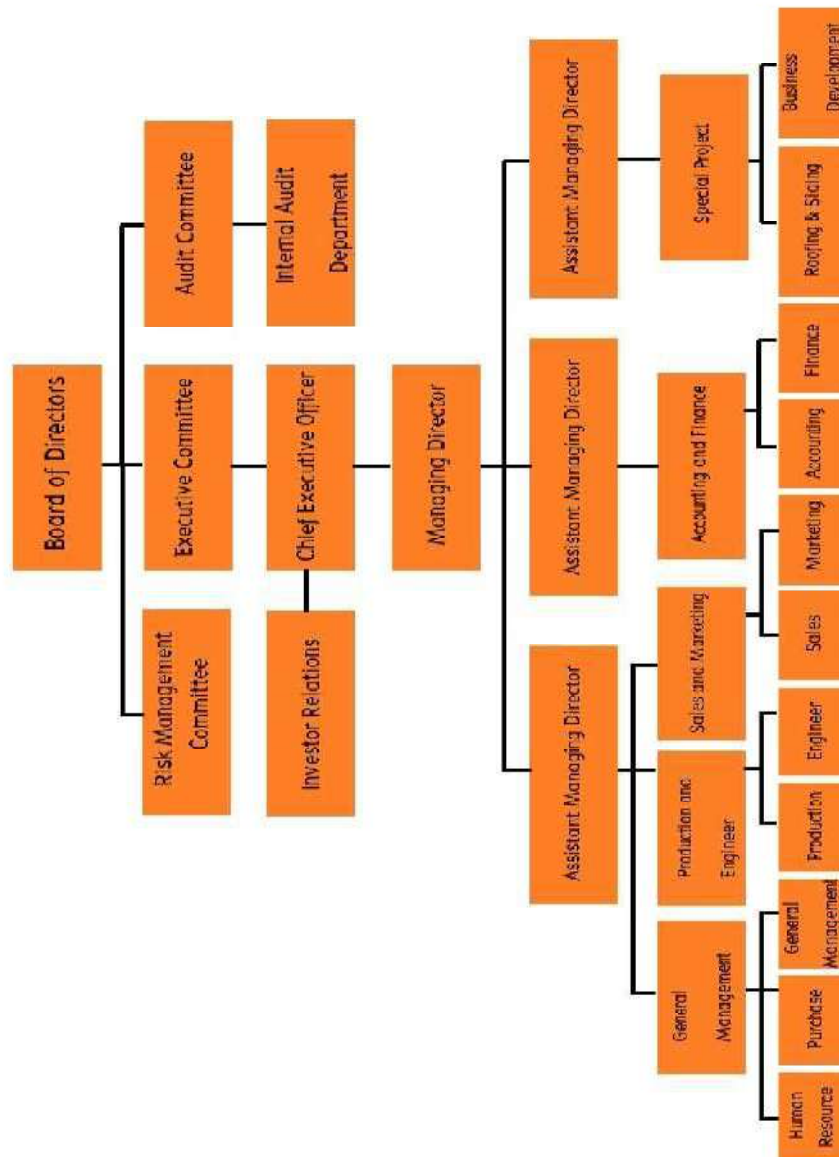
3) Policy and future related party transactions

– None –

4) Price appraisal to support entry into related party transactions

– None –

Management Structure



As of 31 December 2019

Management Structure

The Company's management structure as of 31 December 2019 consists of the Board of Directors, the sub-committees, and the management team. The sub-committee consists of the Audit Committee, the Executive Committee and the Risk Management Committee.

1. Board of Directors

As of 31 December 2019, the Board of Directors consists of 8 directors: 2 executive directors, 3 non-executive directors and 3 non-executive independent directors (accounting for one-third of the total number of directors).

Each year one-third of the total number of directors shall be retired by rotation (according to the Company's articles of association) and, for the period ending 31 December 2019, 8 Board of Directors' Meeting were held. The details of attendance by each director appear in the below table.

For the period commencing from 1 January 2019 to 31 December 2019:-

(No. of meeting attendance / No. of attendance entitlement)

Name	Position	Attendance
1. Mr. Prasit Kanchanasakdichai	Chairman of the Board of Directors	6/6
2. Miss Naratip Tabtieng	Independent Director/ Chairman of the Audit Committee	6/6
3. Mr. Chokechai Srisrawekkanjana	Director	6/6
4. Mr. Kriengchai Trinapakorn	Director	6/6
5. Mr. Kriangkrai Danchaivichit	Director	3/6
6. Mr. Yasuyuki Nakashima	Director	5/5
7. Mr. Suravit Asavayutphol	Independent Director/ Member of the Audit Committee	5/5
8. Mr. Surachai Pirmsinthavee	Independent Director/ Member of the Audit Committee	5/5

1) Authorized Signatories of the Company

Authorized signatories of the Company to sign and bind the Company is Mr. Prasit Kanchanasakdichai jointly signs with Mr. Kriengchai Trinapakorn or Mr. Yasuyuki Nakashima, totaling two persons together with the Company's seal affixed.

2) Audit Committee

(No. of meeting attendance / No. of attendance entitlement)

Name	Position	Attendance
1. Miss Naratip Tabtieng	Chairman of the Audit Committee	4/4
2. Mr. Suravit Asavayutphol	Member of the Audit Committee	4/4
3. Mr. Surachai Pirmsinthavee	Member of the Audit Committee	4/4

3) Executive Committee

Name	Position
1. Mr. Prasit Kanchanasakdichai	Chief Executive Officer
2. Mr. Kriengchai Trinapakorn	Director
3. Mr. Kriangkrai Danchaivichit	Director
4. Mr. Yasuyuki Nakashima	Director

4) Risk Management Committee

Name	Position
1. Mr. Kriengchai Trinapakorn	Chairman of the Risk Management Committee
2. Miss Oranuch Pakirasa	Director
3. Mr. Napat Maknui	Director
4. Mr. Sansoen Thongsak	Director

The details on shareholding of the company's shares by the directors as of 31 December 2019 are as follows:

(No. of meeting attendance / No. of attendance entitlement)

Name	Position	No. of shares*	
		31 Dec 19	31 Dec 18
1. Mr. Prasit Kanchanasakdichai	Chairman of the Board of Directors	3,965,368	3,311,368
2. Miss Naratip Tabtieng	Independent Director/ Chairman of the Audit Committee	0.00	0.00
3. Mr. Chokechai Srisrawekkanjana	Director	0.00	0.00
4. Mr. Kriengchai Trinapakorn	Director	0.00	0.00
5. Mr. Kriangkrai Danchaivichit	Director	650,000	1,304,000
6. Mr. Yasuyuki Nakashima	Director	0.00	0.00
7. Mr. Suravit Asavayutphol	Independent Director/Member of the Audit Committee	0.00	0.00
8. Mr. Surachai Pirmsinthavee	Independent Director/Member of the Audit Committee	0.00	0.00

* Information as of the book closing date

Scope of Duties and Responsibilities of the Board of Directors

The Board of Directors consists of 8 directors. The company's Articles of Association requires that at each shareholders' meeting, one-third of the total number of director, whom have served the longest term, shall retire by rotation. Therefore, the directorship term for each director is 2 – 3 years. The roles and responsibilities of the Board of Directors are as follows:

1) The Board of Directors are responsible for all activities of the company. Its roles and responsibilities shall be subject to the laws, the company's objectives and Articles of Association, and the resolutions of the shareholders' meetings. Its authority to perform any act shall be as specified under the Memorandum of Association or authority relevant to such act.

2) The Board of Directors may assign any person or several persons to perform any act on behalf of it.

3) Authorized signatories to sign and bind the Company is any one of Mr. Prasit Kanchanasakdichai or Mr. Kriengchai Trinapakorn jointly signs with Mr. Kriangkrai Danchaivichit or Mr. Win Thanittiraporn, totaling two persons together with the Company's seal affixed.

4) The Board of Directors may appoint any person as general manager or other position as it deems appropriate to manage the company's business under the control of the Board of Directors.

5) Directors must inform the company without delay in case of arising conflict of interest, whether directly or indirectly, in respect of contracts to be entered into by the company, increase or decrease in the holding in shares/debentures of the company or its associated companies or subsidiaries.

6) Directors shall not conduct similar business and competing business with the company or become a partner in an ordinary partnership or partner without limit in limited liability partnership or director of private or other companies which conduct business and competing business with the company, whether or not the conduct is for the benefits of himself or others, unless the conduct has been informed to the shareholders' meeting prior to its resolution to appoint such director.

7) Pursuant to the Public Company Act, the Board of Directors has the authority to sell or mortgage any immovable property of the company or lease out any immovable property of the company for the period of more than 3 years or compromise for settlement or file complaints to the courts or submit any dispute to arbitration.

8) Matters to be proposed for approval by the Board of Directors are those as specified under the laws, regulations and Articles of Association are those matters relating to shareholders' meetings, Board of Directors and financial statements etc.

Authorization of the Board of Directors

The Board of Directors is authorized to approve matters of the Company according to the level of authorization as determined by the laws, the Company's Articles of Association, Charter of the Board of Directors and resolutions of the shareholders' meetings. The Board of Directors also determines and reviews vision, strategies, financial goals, risks, business plan and budget and approves balance sheet and operating performance of the Company. It also approves any transaction or act which may have significant impact on financial positions, liabilities, business operation and reputation of the Company.

2. Management

List of executives and the management of the Company and their shareholding in the Company as at 31 December 2019 are as follows:-

Name	Position	No. of shares*	
		31 Dec 19	31 Dec18
1. Mr. Prasit Kanchanasakdichai	Chief Executive Officer	3,965,368	3,311,368
2. Mr. Kriengchai Trinapakorn	Assistant Managing Director (Operation)	0.00	0.00
3. Mr. Yasuyuki Nakashima	Assistant Managing Director (Special Projects)	0.00	0.00
4. Miss Oranuch Pakirasa	Assistant Managing Director (Finance)	0.00	0.00

* Information as of the book closing date

Scope of Duties and Responsibilities of the Management

- 1) Determine strategy, operation plan, and budget, including efficient performance of work in line with policies, budget, and goals as approved by the Board of Directors.
- 2) Perform his duties according to policies, direction, strategy and management and operating structure as set by the company effectively and efficiently.
- 3) Determine organizational structure under his responsibility, including appointment and determination of roles and responsibilities of his subordinated management.
- 4) Determine work system and work procedures and effective internal control.
- 5) Authority to approve expenses and payment for projects or investment within his scope of duties and responsibilities as approved by the Board of Directors.
- 6) Authority to hire, appoint, remove, fire, and determine wages, bonus, adjustment of salary, and compensation for employees under his supervision.
- 7) Authority to perform and act as representative of the company to third party for relevant business which is beneficial to the company.
- 8) Perform any act relating to the general management of the company.

The approval by executives of transactions shall not include transactions of which the executive or any other person may have an interests or conflict of interest in any form with the company, including transactions which are subject to shareholders' approvals through related party transaction or acquisition or disposal of the company's assets in order to be in line with the SET regulations regarding such

matter, except for transactions with normal business terms and conditions for which the Board of Directors has determined clear framework.

3. Company Secretary

Mr. Kriengchai Trinapakorn as Company Secretary shall perform the following duties and responsibilities:

- 1) To arrange the Board of Directors' Meeting, any other Sub-Committee which are appointed by the Board of Directors and to arrange the Annual General Meeting of Shareholders.
- 2) To report and take care for all disclosure matters which are prescribed by relevant laws and regulations and the Principles of Good Corporate Governance.
- 3) To give consultation services and preliminary recommendations to the Board of Directors concerning to the laws, regulations, principles and guidance of the corporate governance.
- 4) To arrange and keep information and documentation of the company such as:
 - Directors registration record
 - Notice to the Board of Directors' Meeting, Minutes of the Board of Directors' Meeting and the company's Annual Report
 - Invitation to the Annual General Meeting of Shareholders' and Minutes of the Annual General Meeting of Shareholders
- 5) To keep the report of the directors and the management regarding their conflict of interest.
- 6) To convey the resolutions/ approval, policies of the Board of Directors to the concerned parties and to follow up and report the result to the Board of Directors.
- 7) To communicate with and to give the company's information to directors especially outside directors.
- 8) To communicate with shareholders.
- 9) To arrange an orientation to new director(s) and to support them for directors' continual development.
- 10) To handle other matter(s) as prescribed by the Securities and Exchange Commission.

4. Remuneration of directors and executives

Remuneration of directors

1) Monetary remuneration

Monetary remuneration for directors includes directors' fees which shall be paid once a year to directors. Remuneration to 8 directors of the Company shall be proposed to the shareholders' meeting for consideration and approval, the details of which are as set out below.

Board of Directors:

Chairman of the Board of Directors	Proposed rate 140,000Baht per annum
Director	Proposed rate 105,000Baht per annum

Audit Committee:

Chairman of the Audit Committee	Proposed rate 85,000 Baht per annum
Member of the Audit Committee	Proposed rate 70,000 Baht per annum

The remuneration shall be paid to each committee, including retired and new directors during the accounting period and those who remain as directors until 31 December 2019 by calculating number of meeting attendance and number of days as director.

Risk Management Committee:	– None–
Executive Committee:	– None–

Remuneration of the Board of Directors and the Audit Committee

(For the period commencing from 1 January 2019 to 31 December 2019 (12 months))

Name and Position	Director	Audit Committee	Total Remuneration (Baht)
1. Mr. Prasit Kanchanasakdichai ¹ Chairman of the Board of Directors	210,000	–	210,000
2. Miss Naratip Tabtieng ² Independent Director/ Chairman of the Audit Committee	157,500	125,000	282,500
3. Mr. Chokechai Srisrawekkanjana ³ Director	157,500	–	157,500
4. Mr. Kriengchai Trinapakorn ⁴ Director / Executive Committee	157,500	–	157,500
5. Mr. Suravit Asavayutphol ⁵ Independent Director / Member of the Audit Committee	133,315	88,877	222,192
6. Mr. Kriangkrai Danchaivichit ⁶ Director	127,500	–	127,500
7. Mr. Surachai Pirmsinthavee ⁷ Independent Director / Member of the Audit Committee	133,315	88,877	222,192
8. Mr. Yasuyuki Nakashima ⁸ Director	133,315	–	133,315

¹Appointed by resolution of the Board of Directors as director, effective from 6 June 2015 and, as Chairman of the Board of Directors, effective from 6 November 2015.

²Appointed by resolutions of the Board of Directors as director and independent director, effective from 24 July 2015 and, as Member of the Audit Committee, effective from 7 August 2015.

³Appointed by resolutions of the Board of Directors as director, effective from 6 November 2015.

⁴Appointed by resolutions of the Board of Directors as director, effective from 26 May 2017.

⁵Appointed by resolutions of the Board of Directors as director, effective from 28 February 2019 and, as Member of the Audit Committee, effective from 28 February 2019.

⁶Appointed by resolutions of the Board of Directors as director, effective from 12 February 2018.

⁷Appointed by resolutions of the Board of Directors as director, effective from 28 February 2019 and, as Member of the Audit Committee, effective from 28 February 2019.

⁸Appointed by resolutions of the Board of Directors as director, effective from 28 February 2019.

2) Other remuneration

–None–

Remuneration of Management

1) Monetary remuneration

The company's remuneration for management consists of salary, position fees, bonus, personal income taxes subsidized by the company, and employer's contribution for provident fund, and contributions to employees for various level of employees. The compensation is determined based on roles and responsibilities of each senior executive, taking into account other qualities or benefits in respect of work such executive has been assigned to.

For the period commencing from 1 January 2019 to 31 December 2019, the company has the total of 4 executive directors and management. The total remuneration is Baht 8,850,895.

2) Other remuneration

– None–

5. Manpower

Total number of employees as at 31 December 2019 was 179 employees.

1) Number of employees in each department is as follows:

Unit/Department	No. of employees
Management	3
Factory and Roofing & Siding	125
Procurement	3
Sales & Marketing	22
Personnel & General Affairs	15
Finance & Accounting	15
Total	179

2) Significant change in the number of employees : – None –

3) Major labour dispute during the past 3 years: – None–

4) Employee benefits

Compensation policies of the company was set up based upon the fair treatment and correspond with cost of living and in line with the title, duties, responsibilities and line of

command. As at 31 December 2019, total compensation paid to employees was Baht 49,288,809.

5) Type of compensation consists of:

- Salary
- Bonus
- Overtime
- Personal income tax paid by the Company
- Provident fund

6) Policy on human resources development

The Company has the policy to support and develop the knowledge and ability of its employee for each position according to the annual training plan by sending the employees to attend training organized by entities of government sector and private sector including the internal training which is organized every year to develop skill, knowledge, understanding and ability of employees to perform their duties efficiently. The participation in activity to build unity of employees has been developed and improved systematically and continuously

In 2019, the Company has the policy to develop the ability of employees by organizing internal training to develop the knowledge and ability and skill of the employees to perform their duties correctly, the details of internal training programs are as follows:

No.	Training Program	Day/Month/Year	No. of Employees (Person)
1.	KAIZEN FOR KAIZEN	8 August 2019	50
2.	KAIZEN FOR KAIZEN	9 August 2019	50
3.	Fire extinguisher training and fire drill for the year 2019	18 October 2019	156

The development of human resources plan by sending the employees to attend the training as necessary and relating to the development of management skill as follows:

No.	Training Program	Day/Month/Year	No. of Employees (Person)
1.	Clean city project	29 January2019	1
2.	5 Steps New TFRS 15: Impact on Accounting and Tax	6 March2019	1
3.	Prepare for Transfer Pricing Laws: Knowledge on Determination of Transfer Price	21March 2019	1
4.	Understanding law compliance in respect of employment of disabled persons	23April2019	1
5.	Employment health promotion network for occupational health	21 May 2019	1
6.	Professional web eesigner	17 – 21 June2019	1
7.	Safety week	5 July2019	1
8.	Campaign on awareness of preventive safety measures	22 – 23 August2019	1
9.	Technology for recycling of zinc dust in zinc coating industry	20 September 2019	1

7) Policy and treatment of Company's employees

According to the corporate governance subject / corporate governance principle / Section 3 roles of stakeholders / employees which are “the Company equally treats employees at all times based on fairness and appropriate reward including providing sufficient welfares such as annual bonus, award to promote morale of senior employees, provident fund, diligent incentive, compensation and special compensation for retired employees, medical treatment for employees and family, other activities and parties, etc. In addition, the Company also promotes the

development of human resources such as employees training, field trips for both in domestic and international.

The Company has the policy to produce goods and services with quality by considering the importance on safety, occupational health and environment both in overall and in personal which was announced to all employees to strictly comply.

Corporate Governance

1. Corporate Governance Policies

The company considers that Corporate Governance Policy is one of the essential measures and guidance for the operations and the carrying out its business activities for the sustainable growth of the company, therefore, principle of good corporate governance policy is prescribed in compliance with that stipulated by the Stock Exchange of Thailand (SET) as had been set forth and comprising with 5 categories as follows:

Section1	Rights of Shareholders
Section2	Equitable Treatment to Shareholders
Section3	Role of Stakeholders
Section4	Disclosure of Information and Transparency
Section5	Responsibilities of the Board of Directors

Section 1 Rights of Shareholders

The company clearly determines rights of shareholders in writing in Article 40 of the Articles of Association of the Company under Chapter IV. Details are as follows:

“In every shareholders’ meeting, all shareholders shall have one vote for each share. A shareholder who has a special interest in any resolution may not vote on such resolution, except for the election of directors.

A resolution of any shareholders’ meeting shall be passed by majority votes of all shareholders attending the meeting and having the right to vote, except for the following cases where a resolution of not less than three-fourths of the votes of the shareholders attending the meeting and having the right to vote is required:

- A. sale or transfer of the Company's business whether in whole or in substantial part to any other person;
- B. purchase or acceptance of any transfer of the business of other public or private companies;
- C. entry into, alteration or termination of any agreement concerning the lease, in whole or in substantial part, of the Company's business, an assignment to any person for the management of the Company's business, or the merger with any other person for the purpose of profit and loss sharing."

To provide essential, clear and up-to-date information for shareholders concerning the company's business and/or relevant information deemed to be interesting, the company notifies such information for the acknowledgement of shareholders through the company's website: www.tiw.co.th and through the Stock Exchange of Thailand (SET): www.sec.or.th.

The company recognizes and respects rights of shareholders by complying with the notifications, announcements, prescription and all relevant laws as stipulated by the regulators namely the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). In arranging the shareholder's meeting, the company appoints Thailand Securities Depository Co., Ltd. (TSD) as the registrar to send the notice calling for the shareholders' meeting to all shareholders at least *21 days prior to the date of the meeting*, providing that such notice clearly contains details of date, time and venue of the meeting which are not obstacle to the participation to the meeting as well as meeting agenda.

The company arranges the shareholders meeting in compliance with guidelines prescribed by the Securities and Exchange Commission (SEC) in relation to matters that should be done before, in and after the meeting, the details of which are as follows:

1) Prior to the Annual General Meeting of Shareholders

The company sends the notice for the shareholders' meeting together with information and supplementary documents to all shareholders *at least 21 days prior to the date of the meeting*. Supplementary documents and basic information for the meeting both in Thai and English contain date, time, venue of the meeting, map, meeting agenda, opinion of the Board of Directors in each agenda, information for each agenda, the company's Articles of Association only those relevant to the shareholders' meeting, Annual Report (Form 56-2), proxy form, description for use of proxy form and supporting documents required for a proxy form.

The company had granted an opportunity to shareholders to propose their agenda(s) and to nominate their candidate for the election as a director of the company in the Annual General Meeting of Shareholders. The announcement for the granting of an opportunity was uploaded on to the company's website for 60 consecutive days *from end of January 2019 until March 2019 where such granting was made more than 90 days prior to the date of the Annual General Meeting of Shareholders.*

The information and documents as mentioned in paragraph 1 are also *upload onto the company's website at least 30 days prior to the date of the annual general meeting of shareholders.*

2) On the date of Annual General Meeting of Shareholders

The company allows the shareholder to register for the participation to the meeting *at least 1 hour prior to the commencement of the meeting.* The shareholders will have an opportunity to meet with and talk to all directors. When the meeting has been commenced, prior to considering any agenda, the Chairman of the meeting will clarify rules applying to the meeting including procedures and method to vote on each agenda.

At the commencement of the meeting, in considering each of agendas respectively, *the shareholders are entitled to vote freely in each agenda.* The company uses the service of a company with expertise in the registration and counting the number of votes at the Annual General Meeting of Shareholders. Having such company processes on such matter on behalf of the company will reflect the company's transparency and equitable treatment to shareholders, to regulators and other outsiders. For any issue on the agenda at the shareholders' meeting, the shareholders can call for a secret ballot if one of them makes such request with approval of five other shareholders. The shareholders shall vote using voting ballots prepared by "TSD" and the resolution of each agenda is shown on LCD Projector where total number of votes is identified and categorized by approved, disapproved and abstain votes.

In the meeting, the shareholders are entitled to freely express their opinions and recommendations and to question the Board of Directors in the meeting. Furthermore, the shareholders are allowed to question directors about any corporate matter without time limit where there is no violation or limitation of shareholders' right. Should shareholders have questions on any agenda issues, specialists in the specific fields are available to answer those questions under the responsibility of the Board of Directors.

The Board of directors participates in every shareholders meeting and the Chairman conducts the meeting in the manner that all agendas are considered in the order determined in the notice calling for the shareholders meeting sent in advance to all shareholders.

3) After the date of Annual General Meeting of Shareholders

The company prepares minutes of the meeting with complete material information including number of voting of shareholders in each agenda categorized by for, against and abstain in order to allow examination by any relevant party. Records of questions asked by the shareholders and answer as well as their opinions are also available in the minutes to allow the absent shareholders to learn of. Copies of the minutes are submitted to the Stock Exchanged of Thailand (SET), the Ministry of Commerce (MOC) and the Securities and Exchange Commission (SEC) *within 14 days from the date of the meeting.*

Section 2 Equitable Treatment to Shareholders

The company provides equitable treatment to every individual shareholder, every group of shareholders, major or minor shareholders, institutions or foreign investors which is set forth as follows:

1) The company confirms the right of shareholder to vote and have one vote per one share as stated in Article 40 of the Articles of Association of the Company that “In every shareholders’ meeting, all shareholders have one vote for each share...”.

2) Any shareholders who are unable to attend the meeting in person is entitled to nominate proxy as stated in the first paragraph of Article 37 of the Articles of Association that “In any shareholders’ meeting, a shareholder is entitled to appoint a proxy to represent him/her at the meeting and have the right to vote...”. The company prepares proxy form in accordance with the Notification of the Department of Commercial Business Development on form of Proxy (No.5) B.E.2550 given on 2nd February B.E.2550, two forms of which are sent to the shareholders – Proxy Form B. which allows the shareholder to specify intention to vote in every agendas including an agenda to elect director individually and Proxy Form C. for foreign investor who appoints domestic custodian to perform safekeeping of shares. This is to allow the shareholder who is unable to attend the meeting in person and proxy form is sent to all shareholders together with the notice calling for the shareholders meeting and is clearly stated the documents/evidence required for giving proxy. Relevant procedures are also explained to all shareholders in order to allow proper preparation for them and not to cause any problem to attend the meeting. In addition, the company prepares both proxy forms in English for foreign investors and allows any shareholder who is unable to attend the meeting to give proxy to independent director or other individual person as deem appropriate by shareholder to attend the meeting and to vote on his/her behalf.

The company had set up criteria(s) in granting of an opportunity to shareholders to propose their agenda(s) for the shareholders' meeting and to propose their candidate for an election as a director of the company. All details are posted on the company's website 3 months prior to the date of the Annual General Meeting of Shareholders. Specific period of time for the shareholder to dispatch proposals is 1 month.

3) Prevention for use of inside information

The company sets policy and method of monitoring the executives with a view to prevention on use of inside information for their own benefit and for securities trading, in particular during the period of 1 month prior to disseminating financial statement to the public. In this regards, the company assigns the corporate secretary as the persons responsible for disclosure of information relating to financial conditions and result of business operation and not allow any person to use the said information for his/her own benefit prior to making to information public.

Control of inside information is existing in the company while employ the internal control and the internal audit in addition(as shown in 5.2.4 Corporate Governance/ Corporate Governance Policy/ Section 5 Responsibilities of the Board of Directors/ Inside Information Control/ Internal Control and Internal Audit) Moreover, a prescription about the provisions and guideline for inside information management of which stipulated in the Code of Conducts of the Company(as shown in 5.2.4 Corporate Governance/ Corporate Governance Policy/ Section 5 Responsibilities of the Board of Directors/ The Code of Conducts/ 6) Confidentiality and Information of the Company)

4) Monitoring related party transactions and transactions with conflict of interests

The company discloses information, opinion of the Audit Committee and resolution of the Board of Directors in relation to the connected transaction within the period and in compliance with the regulation of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). Regularly, the transactions are sufficiently and timely disclosed in the notes to the financial statement.

Section 3 Role of Stakeholders

Policy and treatment of the company to all stakeholders

In order to ensure sustainable and mutual benefits to all related parties, the company provides policy and treatment to all stakeholders as follows:

1) **Shareholders**

The company discloses information in compliance with relevant laws and regulations accurately, completely and timely and answer questions of investors which is not in violation of rules on procedure and appropriate period of time for disclosure. Shareholders as the owner of the company are entitled to freely give suggestion and comments on the company's affairs to the Board of Directors in the shareholders' meetings.

2) **Employees**

The company treats every employee equally and on a fairness basis. Proper remuneration and welfare are provided, for instance:

- payment of bonus when the company has good operating results;
- award given to long year service employees;
- provision of provident fund, diligent allowance, retirement compensation and healthcare;
- policy on human resources development and provision of supports for human resources development in many different ways such as arrangement of training and outside visits etc.

Determination of a clear and fair policy about treatment of the company to employees including clear and fair compensation policy (details of which are set out under Personnel / Policy on employees' compensation / Policy on development of employees / Policy and guideline on treatment of the company to employees).

3) **Customers**

The company gives attention and is responsible to customers in order to provide customers with the maximum benefits in term of quality and price, and the company is determined to develop and maintain sustainable relationships with customers. The company usually supports and encourages sales activities of customers, solve problem and receive comment/complaint/suggestion in order to ensure the satisfaction of customers.

4) **Trading Partners**

The company complies with terms and conditions and trading agreement when purchase products and services from trading partner and comply with policy on treatment to trading partner in respect of actions to trading partners of the company for the procurement:

- The company complies with the laws relating to procurement including pay keen attention to the importance of Safety, Occupational Health and Environmental in the workplace.
- Fair treatment to trading partners to conduct business with the company and to be able to compete with other competitors in the current business circumstances.
- Promote and tighten the firm relationship between the company and trade partners in view of business partners base upon mutual understanding and stable reliability of each other.

5) **Creditors**

The company has the policy regarding the fairness and responsible to its creditor, whether account payable or loan from financial institution, in relation to the repayment of debt within the agreed period or as specified in the contract in order to maintain the creditability of the company that has with its creditor and financial institution including the performance in accordance with the condition of creditor. The company will use the principle for the fair treatment to its creditor as follows:

- To provide accurate and necessary information of the company to its creditor for the accuracy of providing financial support.
- To utilize the loan provided by the creditor or financial institution in accordance with the objective which has been informed by the company to its creditor or financial institution.
- To repay loan to the creditor on time and in accordance with the conditions of the creditor.
- To comply with the terms and conditions of the loan agreement with the creditor or financial institution, particularly, the conditions of guarantee including the maintenance of collateral to be in line with the requirement of the creditor or financial institution.

6) **Society/Community**

The company is responsible to society and regularly gives support to community and its neighborhoods where appropriate or upon request. It was an intention of the company to put the importance in proceeding of the business with the responsibilities to the society, community, neighboring area as stated clearly in “Policy and Treatment to Stakeholders”, “Code of Conduct of the Business” and “Code of Ethics of Employees” of which should be strictly complied with by all employees of the company.

Participation in development of the community during the year

The company participated in the following activities relating to the community:

- Provision of necessary equipment in performing duties by local administrative agency in area nearby the company.
- Provision of scholarship to school in nearby area on occasions.
- Promotion of safety in performing of duties by environmental police officer.

The company had taken actions pertaining to the environmental matters as follows:

- Prescribed “Policy of Safety, Occupational Health and Environmental at the workplace” (Details were as shown under the topic “Activities to ease the effect to environment” / “Policy on Safety, Occupational Health and Environmental at the workplace”).
- Specified about maintenance of good health, safety and environmental protection in “Code of Conducts” and “Code of Ethics for Employees”.
- Establishment of Safety, Occupational Health and Environmental Division with the purpose to let the division promote about the matters to the employees of the company and to the community nearby.
- Intensively and systematically carried out the environmental matters (as mentioned under the topic “Activities to ease the effect to environment” such as the elimination of both water and air pollution, proper management of the industrial waste and general waste and the management of heat, light and sound pollution etc.
- Promote correct understanding and knowledge of employees about the environment issues by stipulated it into the Safety, Occupational Health and Environmental Policy that “the company would give a full support to employees in order to promote their knowledge, understanding and awareness about the Safety, Occupational Health and Environmental issues such as giving of a training and outside visit etc” (details are as shown under the topic: Environment Concerned/ Activities to ease the effect to environment).

7) Competitors

The company had prescribed the policy about the treatment to the company’s stakeholders in “Code of Conducts” (details are as shown under the topic: Corporate Governance/ Section 5 Responsibilities of the Board of Directors/ Code of Conducts of the Company / Item 3) Compliance with the Anti-Monopoly and Trade Competition Act). Reference to the Act, the company would not make any agreement with competitors in fixing the price of the product of which would give an impact to the price

of the products in the market and would not take any action that would lead to any conflict of interest of the competitors.

8) Human Rights

The issues pertaining to the human rights was stipulated in “Code of Conducts” of the company (details are as shown under the topic: Corporate Governance/ Section 5 Responsibilities of the Board of Directors/ Code of Conducts of the Company/ Item 1) Compliance with law in paying respect to human rights).

9) Intellectual Property and Copyright

Prescription about the policy and disciplinary action pertaining to the violation of the intellectual property and copyright was clearly made(details are as shown under the topic: Monitoring on use of inside information/ Policy pertaining to the protection of intellectual property and violation of copyright) and as well in “Code of Conducts of the Company” (details are as shown under the topic: Corporate Governance/ Section 5 Responsibilities of the Board of Directors/ Code of Conducts of the Company / Item 6) Confidentiality and information of the company).

10) Corruption and Bribery

- Anti-corruption policy

The company put great emphasis on this matter issue and has stipulated about such matter in “Code of Conductsof the Company” in Item 5)Gift and Reward that “directors and employees must not offer to give or give any property to public official or any other person in similar position which may cause undue benefit to the company and must not give any property to any person who promises to give it to the public official for omission to undertake lawful act”.

The company had prepared “Anti-Corruption and Anti-Bribery Policies” and it was approved by the Board of Directors’ Meeting on 7 February 2014.

1. Monitoring and control for prevention of and follow-up on risk of corruption

The company had clearly stipulated channel and procedures for reporting corruption under “Code of Conducts” and inform directors and all level of employees for acknowledgement and distributed such document to all level of employees.

2. Whistle Blowing Policy

The Board of Directors prioritizes the rights of all stakeholders of the company. Therefore, the company has prepared and developed the whistle blowing policy in order to find out the channels and

procedures for directors, executives, employees, and all stakeholders who have seen or reported corruption, bribery, corruption as well as abusive actions, illegal, failure to comply with the company's regulation, failure to comply with the company's policy, unethical act, misconduct or any action that could cause damage to the company. Please contact for any suggestion or report such wrongful acts or complaint including any comment in relation to such wrongful acts to improve or correct it to be line with the accuracy and transparency. The whistle blowing policy has determined the details necessary to guide all employees as well as all stakeholders of the company.

3. Channels for stakeholders to provide recommendation, report misconduct or make complaint

Other than policy and treatment of the company to all stakeholders, the company provides channels for all stakeholders to contact/file a complaint to the management in order to consider and conclude any matters and to propose to the Board of Directors' consideration as follows:

(1) Mr. Prasit Kanchanasakdichai Chief Executive Officer

E-mail address: horypresident@yahoo.com

(2) Mr. Kriengchai Trinapakorn Asisstant Managing Director

E-mail address: kriengt@tiw.co.th

Section4 Disclosure of Information and Transparency

The company discloses information and releases news of the company both financial and non-financial via the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) so that the shareholders, investors and any other persons are able to access to information of the company accurately, completely, timely and in an equal manner.

The company discloses detailed information in the Annual Updated Information (Form 56-1) and the Annual Report (Form 56-2) in compliance with the rules of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) which includes shareholding structure demonstrating major shareholders and ultimate shareholders, shareholding of directors and executives, financial condition and result of operation, business operation and competition, risks associated with business operation of the company, background of directors and executives stating details of independence directors, policy and remuneration of directors and executives, meeting attendance in the past year, disclosure of related party transaction and the most recent financial statement and those of the past two years.

The company provides channel for the shareholders and investors to contact and make inquiry in relation to the company through the corporate secretary who acts as "Investors' Relations Officer" having responsibility to insure that the company has disclosed material information accurately, timely

and transparently and as the company's representative in communicating to institutional investors, shareholders, analyst and relevant governmental authority.

Both shareholders of the company and general investors could contact to the Investor Relations Unit via email: info@tiw.co.th or by phone number 02-425-0011 or by mail to the company's address.

Section5 Responsibilities of the Board of Directors

Mission and Vision of the Company

The Board of Directors of the Company took part in setting up of the company's mission and vision so that the management and employees aim to the same direction. The management usually communicated to employees both in vertical and horizontal line of command through a meeting session in order to let all concerned person acknowledge and understand their duties and responsibilities and realized the expectation of the company. Meanwhile, the company would get employees comments and suggestion and created mutual understanding amongst the company and employees. Information would be conveyed to employees through circulations, memorandum and guidance etc.

Duties and Responsibilities of the Board of Directors

The duties and responsibilities of the Board of Directors of the Company were stipulated under the topic: Management / Management Structure/ Power and Authorization of the Board of Directors of the Company and Power and Authorization of the Audit Committee.

Policy on Quorum of the Board of Directors

The Board of Directors' meeting shall be attended by not less than one-half of all the directors in order to constitute a quorum.

In the event the chairman is not present or is unable to discharge his duties, vice-chairman, if any, shall serve as a chairman. If there is no vice-chairman or such vice-chairman is unable to discharge his duties, the directors present shall elect one of their members to be the chairman.

Code of Conducts of the Company

With respect to compliance with principles of good corporate governance, the company prepares Code of Conducts in writing as clear guidelines for every directors and employees to meet expectation of the company and shareholders. The Code of Conducts contains 12 key principles as follows:

1. Compliance with law and respect to human rights

Directors and employees must comply with law, custom and tradition either that of domestic of the country assigned to perform their duty and must not join or involve with harmful act or cause disturbance to any person with differences in color, racial, gender, religious, age and maturity etc.

2. Workplace environment

Directors and employees must act and perform their duties with due care and responsibility in the workplace with a view to safety and must not use impolite words etc.

3. Compliance with the Anti-Monopoly Act and Trade Competition Act

Directors and employees must not join competitor of the company to monopolize the price of product which affects supply in the market and must not conduct any act which causes damage to or conflict with trading partners of the company.

4. Having interest which may be in conflict with the company's interest

Directors and employees must inform their superior of any transaction which may cause the company to lose benefit and must not use any property of the company for personal benefit as well as not undertake any personal business prior to approval of the Board of Directors.

5. Gifts

Directors and employees must not offer to give or give any property to public official or any other person in similar position which may cause undue benefit to the company and must not give any property to any person who promises to give it to the public official for omission to undertake lawful act.

6. Confidentiality and information of the company

Directors and employees must keep confidential the company's trade secret and inside information which should not be disclosed to any person and must not do anything in violation to copyright or patent.

7. Financial reports

Directors and employees must perform their duty for accurate and complete financial statement within reasonable period of time as well as avoiding any act which is likely to cause such financial statement inaccurate. Besides, they must not act jointly with debtors or creditors for the purpose of unreasonably high or low debt collection.

8. Mutual cooperation

Directors and employees must use their effort to create good relationship between the company and all relevant parties during the course of duty.

9. Prevention in relation to occupation health and safety in property and environment

Directors and employees must comply with law on preservation of environment and the company must take into account preservation of environment in conducting any activity.

10. Treatment to anti-socialist

Directors and employees must not provide financial support or participate in any group with anti-socialists.

11. Sale and marketing

Directors and employees must treat customers and trading partners equally and legally and must not promise to give or give anything with unreasonably high value or accept any treatment with a view to gaining of unlawful benefits.

12. Political activities

Directors and employees must avoid participation in politics by using the company's name and must not use any company's property to support any political activities.

2. Guideline for encouragement and compliance of employees to the Code of Conducts

The company had arranged in-house training for employees under the topic "Importance and Necessity of Compliance with the Code of Conducts and Relevant Rules and Regulations of the Company". After the training, the Company monitors results of the training and compliance by employees. Moreover, a handbook of "The Code of Conducts" had been distributed to each of employees for their reference and compliance.

Structure of the Board of Directors

As prescribed in the Articles of Association, the company's Board of Directors shall comprise of at least 5 directors. However, the Board of Directors as at the end of 31 December 2019 consists of 8 directors of which compose of [6] non-executive directors (including with 3 independent directors) and [2] executive directors. Independent directors of the company are all qualified under the definition of the independent director stipulated by the Securities and Exchange Commission (SEC)(details are as shown under the topic "Qualification of the company's independent directors").

The Company has clearly stipulated duties and responsibilities of the Board of Directors *under Articles 25 – 32 of the Articles of Association of the Company*.

During the year, there was one meeting held amongst non-executive directors, which excluded executive directors, in order to discuss matters in which would be beneficial to the company's operations.

Policy pertaining to the number of listed company that a director could hold a directorship at a time

The company has prescribed and informed to each new director upon their official appointment as director of the company pertaining to number of listed company that a director can hold a directorship at a time. In addition, each new director will receive handbook for directors of listed company and Principles of Good Corporate Governance. In this connection, the prescription about Good Corporate Governance that the company has taken into actions is in line with that as recommended by the regulators (details are as shown under the topic “Power and the Authorization of the Board of Directors of the Company/ Qualifications of Directors/ Item 4 “Holding of directorship of listed company of not more than 5 listed companies at a time”).

Policy pertaining to the holding of a directorship in other company by managing director the President

This is prohibited as prescribed in the “Principles of Good Corporate Governance” of the company.

Policy pertaining number of consecutive terms in office of independent directors

Business of the company is manufacturing of the products of which requires a continual monitoring and management. Since the independent directors of the company are all knowledgeable, ethical and had been fully contributing their experience to the company from the beginning, the term in office of the independent directors are not prescribed.

Orientation of new director

All necessary handbooks for directors are submitted to new directors at the first possible occasion. Such handbooks include Principles of Good Corporate Governance of Listed Companies, Articles of Association of the company, work rules for employees and executive directors, policy on corporate governance of the company.

Self-assessment of the Board of Directors

The Company conducts assessment on performance of the Board of Directors and 2 sub-committees so that each director may review performance, issues and challenges during the past year and would be able to improve his/her performance.

Individual Self Assessment of Board of Directors

- Structure and qualification of Board of Directors that will create the efficient of the performance of the Board of Directors such as qualification, knowledge, and appropriate experience for business and understanding of good corporate governance principle.
- Proceeding that will support the performance of the Board of Director on attending the meeting with efficient such as review of documents and information in advance, providing opinion which is beneficial to the meeting appropriately, not attend the meeting or vote on matters that you have conflict of interest.
- Roles, duties and responsibilities of the Board of Directors include the performance in accordance with the laws, regulations and charters with efficient, dedication in performing duties for the Company does not interfere with the work of the management and control and monitoring of management operations.

Committee Self Assessment of the Board of Directors

- The structure and qualification of the Board of Directors which has resulted in the performance of the Board of Directors is effective such as the number of directors that are appropriate to the nature of the Company's business, knowledge and experience of the Board of Directors, definition of independent directors, qualifications and appointment of company secretary etc.
- Actions in matters that enable the Board of Directors to perform their duties efficiently in the meeting, including the appropriateness of the time spent in the board meeting, receiving meeting documents and having sufficient time to study the information, the atmosphere in the meeting room etc.
- Roles, duties and responsibilities of the Board of Directors in giving priority, taking time to consider and review and practice in various matters sufficiently important of the Company, including corporate governance of the Company, direction, strategies and plans, business operations of the Company, transactions with conflicts of interest, connected transaction, internal control system, risk management, whistleblowing policy, preparation of financial statements in accordance with accounting standards, etc.
- Other matters such as the self development of directors and executives, relationship between Board of Directors and management team

The self-assessment form has been prepared by using the guideline of the SET and has been customized to in line with the business of the company and in accordance with the performance pursuant to the charter of which the criteria of such self-assessment shall be as follows:

Score	Level
4	Excellent
3-3.99	Good
2-2.99	Average
1-1.99	Fair
0-0.99	Below average

Self-assessment of the Board of Directors

The Company arranged for self-assessment on an individual basis and assessment of the Board of Directors, the details of which can be summarized as follows:

Self-assessment of each individual director	Self-assessment of the Board of Directors
<p>By considering:</p> <ol style="list-style-type: none"> 1) Qualifications of director 2) Roles and responsibilities of director 3) Performances of director 4) Relationship with management 5) Self-development as director and development of management 	<p>By considering:</p> <ol style="list-style-type: none"> 1) Structure and qualification of the Board of Directors 2) Roles and responsibilities of the Board of Directors 3) Board of Directors' meetings 4) Performance of the Board of Directors 5) Relationship with management 6) Self-development as the Board of Directors and development of management
<p>The result of the assessment of each of director is average at 3.90 of 4 which is at good level.</p>	<p>The result of the assessment of the Board of Director is average at 3.91 of 4 which is at good level.</p>

Self-assessment of the 2 sub-committees, namely the Audit Committee and the Risk Management Committee by considering:

- | | |
|---------------------------------|---------------------------------|
| 1) Structure and qualifications | 4) Performance of duties |
| 2) Roles and responsibilities | 5) Relationship with management |
| 3) Meeting | 6) Self-development |

The result of assessment of the 2 sub-committees' performance during the accounting period from 1 January 2019 to 31 December 2019:

Sub-committee	Result of assessment of sub-committees' performance
1) Audit Committee	Average at 3.81 of 4 which is at good level
2) Risk Management Committee	Average at 3.57 of 4 which is at average level

Policy on disclosure / report on purchase-sale of shares / holding shares of the company

The directors must report the purchase-sale of shares / hold the company's securities to the Board of Directors meeting in every board meeting regardless of whether there will be changes or not.

Connected Transaction Policy

The company has been strictly carrying out the matter in compliance with the regulations issued by relevant regulators.

Sub-Committee

The company has the Audit Committee and Risk Management Committee as its sub-committee. The company has no any other sub-committee such as the Remuneration Committee, Nomination Committee and Corporate Governance Committee.

Development of Directors and Executives

The company supports every director to attend development and/or refreshment program facilitated by the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC) and the Institute of Directors (IOD), for instance.

Succession Plan

To order to prepare the human resource that has appropriate qualifications, knowledges and sufficient abilities for the replacement of management and senior management if there have the resignation, retirement, rotation or failure to perform of management in any cases and to ensure that the performance of such position has been smoothly continue and to reduce the risk of non-successor, the Board of Directors determines the succession plan by considering of the performance and ability of each person.

Employee performance appraisals (KPIs) are also used to assess employee performance in line with the company's core performance indicators. Employees recognize the importance of their self-defined goals. The goal will be used as a basis for evaluation. This evaluation will affect the return on investment and the progressive planning in the next section.

However, the company has prepared for the development of knowledge. Skill and skills required by the position. To keep the business running continuously. And it can provide the right employees to replace vacant positions in a short time.

The Board of Directors' Meeting

The company determines the Board of Directors' meeting in advance and regularly to allow every director and executive to be available for attending of the meeting.

Longer than 7 days prior to the date of the meeting, the company distributes notice calling for the meeting to all directors together with supporting documents.

When consideration the matters presented to the Board, the Chairman of the Board of Directors presides over and duly conducts the meeting. Resolutions are passed with a majority vote, providing that one director is eligible for one vote. The director with any interest in the issue under consideration or the director ineligible to vote is excused and to be absent during voting. In case of a tie vote, the Chairman of the meeting will vote and give the binding result.

The company appoints **a corporate secretary** to be responsible for arranging of activities of the Board of Directors, recording minutes and keeping documents relating to the meeting in the manner that those documents are accurate and complete and that the minutes contains complete information in materiality and is prepared within reasonable period of time and with appropriate safekeeping. The minutes must then be approved at the following Board of Directors' meeting, where the directors may make comments, corrections, or additions to ensure the greatest accuracy and completeness.

Policies pertaining to the combination of Directors of the Company

There is not any written policies on the matter, however, the company practically invited directors from variety of profession and experience. The Company believed that under the combination of experience obtained by all directors shall efficiently manage the company for a sustainable growth.

Internal Information Control

The company transparently follows the regulations covering conflict of interest in a strict, comprehensive and fair manner. Any connected transaction must be considered carefully, openly and in a timely manner to protect the overall interests of the company.

The company has prescribed guidance for the treatment of internal information in the Code of Conducts. (Details are as shown under the topic “Corporate Governance Policy, Section 5 Responsibilities of the Board of Directors, Structure and its Sub-committee, 6) Confidentiality and information of the company”).

Risk Management Policy and Risk Management System

The company has managed risks that will affect business operations by establishing a risk management committee to perform the duties and be responsible for directing and promoting risk management to be effective including considering significant risks as well as setting up a plan to monitor, evaluate and continuously improve the plan to reduce the level of risk to an acceptable level.

Internal Control and Internal Audit

The company defines and develops an efficient and effective internal controls system according to international standards in term of internal environment, risk assessment, control practices, information technology and communication systems and continuous monitoring and assessment. The organizational structure is created to serve a business operation with segregation of duties and responsibilities of management and staffs, a written Code of Conducts, an operation manual and procedures suitable to each of business process, an efficient and up-to-date computer system, for instance.

The company has internal audit function reporting to the Audit Committee and performing duties to review and audit the company’s operation in compliance with annual audit plan of the company of which prepared in line with the company annual objectives. The internal audit report is regularly submitted to the Audit Committee every quarter for their consideration.

Appointment of the Audit Committee

The company appointed a sub-committee namely **the Audit Committee** of which consists of 3 independent directors and determined **“The Charter of the Audit Committee”** in writing where scope of duties and responsibilities and relevant matters to the Audit Committee are clearly prescribed. (Details are as shown under the topic “Management Structure/ Power and the Authorization of the Board of Directors of the Company/ Power and the Authorization of the Audit Committee of the company”)

Policy on performance of Company’s directors for the best benefit of shareholders

Every director shall bear the fiduciary duties of overseeing the management of the company that it operates in the best interests of the shareholders, for whom the director is responsible. After all, it is the shareholders who own the capital invested in the company and they appointed the board of directors. There are 4 principle fiduciary duties to which directors must perform, namely:

1) Duty of care: As a company director, any activity that the director perform or decision that the director make shall be deemed adequately fulfilling the fiduciary duty of care when such activity or decision meets the following criteria:

- Being fully informed or relevant facts and figures that are credible;
- Exercise with such a reasonably sound judgment that could be expected of from a good company director who is in such a situation;
- Executed with care and diligence.

2) Duty of Loyalty: The fiduciary duty of loyalty for company directors is to carry out their responsibilities earnestly and honestly for the benefit of the company, with no regard to self-serving gains. These include such criteria as follows:

- Work done in good faith for the best interest of the company;
- Work done with proper purpose;
- No conflict of interests, either directly or indirectly;
- No misuse of information

3) Duty of Obedience: It is the duty of a company director to oversee the operating of the company’s businesses to abide by rules and regulations whether they are enacted by the authority or by the company’s internally, that is;

- To comply with laws, within the scope of the company’s stated objectives, and in accordance with its by-laws;

- In accordance with the resolutions of the board of directors, and the shareholders meeting;
- To comply with the company's rules, regulations, and policy guidelines issues by the board of directors.

4) Duty of disclosure: The main objective of the fiduciary duty of disclosure is to provide shareholders with adequate information for making their decisions. There are two categories of decision at stake here: decisions on investment or following up on the outcome of their investment, and ones dealing with exercising their voting rights at shareholders meetings. The board of directors has the fiduciary duty to ensure that:

- The company information is disclosed properly, completely, adequately, truthfully, and not misleading or concealing essential information that should have been disclosed.
- The information is up-to-date and timely.
- The disclosure channel can be easily and equally accessed.

Sub-committees

Board of Directors Structure

The Company consists of 4 committees namely:

- 1) Board of Directors
- 2) Audit Committee
- 3) Risk Management Committee
- 4) Executive Committee

1. **Board of Directors** –as of 31 December 2019, the Board of Directors consists of 8 directors as listed below:

Name	Position
1. Mr. Prasit Kanchanasakdichai	Chairman of the Board of Directors/ Authorized Director
2. Miss Naratip Tabtieng	Independent Director/ Chairman of the Audit Committee
3. Mr. Chokechai Srisrawekkanjana	Director
4. Mr. Kriengchai Trinapakorn	Director / Authorized Director

Name	Position
5. Mr. Kriangkrai Danchaivichit	Director
6. Mr. Yasuyuki Nakashima	Director / Authorized Director
7. Mr. Suravit Asavayutphol	Independent Director / Member of the Audit Committee
8. Mr. Surachai Pirmsinthavee	Independent Director / Member of the Audit Committee

Power and the Authorization of the Board of Directors of the company

The Board of Directors of the company is comprised of 8 directors. Regarding to the Annual General Meeting of Shareholders of each year, one-third of total number of the board members who possessed longest year in office should be retired by rotation, hence, term in office of each of board member is 2–3 years.

Power and the Authorization of the Board of Directors of the company are

- 1) The Board of Directors shall perform their duties and carry on the businesses of the Company in accordance with the laws, the Company's Objectives and the Articles of Association as well as the resolutions of the shareholders' meeting, and shall also be authorized to carry on any activities as prescribed in the Memorandum or those related thereto.
- 2) The Board of Directors may assign one or more person to carry on any activities on behalf of the Board of Directors.
- 3) Authorized signatories to sign and bind the Company is Mr. Prasit Kanchanasakdichai jointly signs with Mr. Kriengchai Trinapakorn or Mr. Yasuyuki Nakashima, totaling two persons together with the Company's seal affixed.
- 4) The Board of Directors may appoint any director or any other person to be a general manager of other positions as deemed fit to exercise the Company's business under the control of the Board of Directors.
- 5) Directors shall immediately notify the Company, in case of having any interest in any contract entered into by the Company, directly or indirectly, or increasing or decreasing amount of shares or debentures held in the Company or its subsidiaries.
- 6) No director shall operate any business which has the same nature as and is in competition with the business of the Company or become a partner in an ordinary partnership or become a partner with unlimited liability in a limited partnership or become a director of any private or

other companies operating business which has the same natures as and is in competition with the business of the Company, unless he or she notifies the shareholders meeting prior to the resolution is adopted for his or her appointment.

- 7) Subject to the provisions of public company law, the Board of Directors shall have the authority to sell or to mortgage any real property of the Company or to lease any real property for a period of more than three years or to give, the compromise, to file a complaint, or to proceed with any dispute by means of arbitration.
- 8) As prescribed by relevant laws, regulations and rules of the company, issues that shall be approved by The Board of Directors are matters regarding to the shareholders' meeting, directors and financial statement for instance.

Qualification of Directors

The Director shall be elected by the shareholders' meeting with the procedures and rules as specified in the Articles of Association of the company. (Details are as shown under the topic "Nominations of Directors and Executives Officers / Nominating Procedures"). Qualifications of company's director are as follows:-

- 1) Having the qualification according to the Public Company Act, Securities and Exchange Act and the Good Corporate Governance of the Company.
- 2) Being knowledgeable, capable, independent, dedicated, and healthy mentally and physically, be of suitable age and be able to perform Director's duties with care and loyalty. He/she should attend the Directors' meeting regularly, study meeting agendas in advance, and productively participate in the meeting in a straightforward manner.
- 3) Obtaining of knowledge pertaining to the industry, accounting & finance, business judgment, managerial skill, international trades and markets, business strategy, crisis management, corporate governance and laws.
- 4) Holding of directorship of listed company at not more than 5 listed companies at a time.
- 5) Not required to be shareholders of the company
- 6) No director shall operate any business which has the same nature as and is in competition with the business of the company or become a partner in an ordinary partnership or become a partner with unlimited liability in a limited partnership or become a director of any private or other companies operating business which has the same natures as and is in competition with

the business of the Company, unless he or she notifies the shareholders meeting prior to the resolution is adopted for his or her appointment.

2. Audit Committee

The Audit Committee of the Company as of 31 December 2019 consists of 3 independent directors in accordance with the rules determined by the Capital Market Supervisory Board which is the Company shall have the member of Audit Committee at least 3 persons, the names are listed below:

1) Miss Naratip	Tabtieng	Chairman of the Audit Committee
2) Mr. Suravit	Asavayutphol	Member of the Audit Committee
3) Mr. Surachai	Pirmsinthavee	Member of the Audit Committee

Power and the Authorization of the Audit Committee of the company

The Audit Committee is a sub-committee of the Board of Directors of the company of which is established to perform, supervise and manage their duties and responsibilities in compliance with the standard concerning the transparency as well as to review the reliable financial report system which shall benefit to the investors and all concerned parties and to comply with all regulations stipulated by the Stock Exchange of Thailand, the Securities and Exchange Commission and the other relevant laws. The Board of Directors of the company prescribes herewith the Charter of the Audit Committee as follows:–

Section 1 Qualification of the Audit Committee's Members

(1) The Board of Directors shall approve the appointment of members of the Audit Committee from the existing 3 directors of the company. Qualifications of members of the Audit Committee are as follows:–

- Holding of the company's shares at not exceeding 1% of the issued and paid-up shares of the company
- Be an independent director and have never been an authorized signatory of the company, parent company, subsidiary company within two years prior to being an independent director
- Having adequate knowledge and experience to perform their duties and responsibilities as the Audit Committee and at least one Audit Committee Member must have adequate knowledge and experience to perform his/her duty in verifying the reliability of the financial statement

- Never have had a relationship, directly or indirectly, with finance or management of the company or a major shareholder of the company except the prudent consideration is made by the Company's Board of Directors in agreeing that having been interested persons would not have the effects against their performances and their independent expression of opinion
- Being able to perform their duties and responsibilities, expressing of their opinions or report the performance of their duties as assigned by the Board of Directors of the company without being influenced under the control of the company's executives or major shareholders, including with the concerned persons or closed relatives of such persons

(2) The Audit Committee shall elect one member of the Audit Committee to act as the Chairperson of the Audit Committee.

(3) Term in office of each of Audit Committee Member is a three (3) years period. The retired audit committee members may be reelected to hold the office for another term.

(4) Any member of the Audit Committee wishes to resign from the post before the completion of the term shall notify to the Board of Directors their intention and reason of the resignation in writing for at least 30 days prior to the effective date.

(5) The Board of Directors shall appoint a new member of Audit Committee as replacement to the resigned committee member within 3 months counting from the effective date as stipulate in the resignation letter.

Section 2 The Scope of Duties and Responsibilities of the Audit Committee

(1) To review the sufficiency, credibility and objectivity of the financial reporting by coordinating with the external auditors and management responsible for preparing the quarterly and yearly financial reports. The audit committee may suggest issues or matters to be included for review or audit by the external auditors during its audit of the company.

(2) To review the adequacy and effectiveness of internal control system and internal audit functions by coordinating with the external auditors and internal auditors and to observe the independence of the internal audit unit, as well as to approve the appointment, transfer and dismissal of the head of the internal audit unit or any other units responsible for the internal audit.

(3) To review the risk assessment and risk management system to oversee that they are appropriate, adequate and efficient.

(4) To review compliance with the Securities and Exchange Acts, Regulations of the Stock Exchange of Thailand and any other relevant law.

(5) To recommend to the Board of Directors the independent auditors to be nominated for shareholders' approval to audit the financial reports of the company together with their audit fee and to review with the external auditors the objectivity of the audit, responsibility and auditing procedures of the external auditors including problems found during the audit as well as significant issues that the external auditors interpret that they may have material impact to the company financial reports and to attend a meeting with the external auditor without the presence of the management at least once a year.

(6) To review the connected transactions or transactions that may have conflict of interest and to oversee that they are accurately, completely and timely disclosed in order to ensure that such transactions are appropriate and most beneficial to the company.

(7) To issue a Report of Audit Committee and be included in the company's annual report and the report must be signed by the Audit Committee Chairperson and must at least contain the following information:

- Opinions concerning the correctness, completeness and trustworthiness of the financial reports of the company
- Opinions concerning the adequacy of the Company's internal control system
- Opinions concerning the Company's compliance with the law and regulations of the Securities and Exchange and regulations of the Stock Exchange of Thailand, or any relevant laws
- Opinions concerning the appropriateness of the external auditor
- Opinions concerning the transactions that may involve conflict of interest
- Number of the Audit Committee's Meeting and attendance record of each of the Audit Committee Members
- Opinions or overall observation that the Audit Committee has received by performing its duties in accordance with the Charter of the Audit Committee
- Other transactions assigned by the company's Board of Directors that should be acknowledged by shareholders and investors.

(8) To perform other activities as assigned by the Company's Board of Directors with consent from the Audit Committee. In carrying out the assignment, the Audit Committee is responsible to the Board of Directors and the Board of Directors will still have to be responsible to the performances to the public.

Section 3 The Audit Committee Meeting

(1) The Audit Committee shall convene for the regular meeting for the consideration of the financial statements and other matters on quarterly basis or the Chairperson of the Audit Committee is required to call for the irregular meeting to consider any emergency, significant matters as deem appropriate.

(2) The Audit Committee may invite the Company's directors, executives, internal auditor to join the meeting on any specific matters.

(3) The Chairperson of the Audit Committee is required to report the result of the meeting and the committee's performances to the Board of Directors for their acknowledgement or approval as the case may be.

(4) The interested Audit Committee member on any matter shall be prohibited from expressing the opinions and voting for the resolution on the matter under consideration of the meeting.

Section 4 General Prescription

(1) Any act or omission on any matter which should be carried out in the ordinary course of business of the Company, but which is not expressly provided for in the Charter, shall be carried out in good faith taking into account the spirit of the Charter of the Audit Committee.

(2) Amendment of this Charter shall be solely made by the Board of Directors of the Company.

3. Risk Management Committee

The Risk Management Committee consists of Mr. Kriengchai Trinapakorn, Assistant Managing Director acts as the Chairman of Risk Management Committee and the representative of the main business unit of the company or business unit which owns the risk i.e. accounting and finance, procurement, human resource, factory and manufacture which consists of 4 persons and has secretary of the Risk Management Committee to has the responsibility on the meeting.

The Roles and Responsibilities of the Risk Management Committee

1) To review the company's overall risk management policies and guidelines. It covers major risks such as financial risk, marketing risk, production risk, etc. to present to the Board of Directors for approval.

2) To supervise and follow the implementation of the risk management policy under the guidelines and policies approved by the Board of Directors.

3) To provide guidance on monitoring and evaluation of risk management to the Risk Management Committee for consideration.

4) To consider the corporate risk management report and to comment on the potential risks include guidelines for the establishment of control measures or mitigation and development of enterprise risk management to be effective continuously.

5) To review the adequacy of risk management policies and systems including the effectiveness of the system and compliance with the policy.

6) To report to the Board of Directors regarding the company's operational management and risk status and changes including what needs to be done to improve it to meet the policies and strategies set.

7) Risk Management Committee shall be convened at least once a quarter.

4. Executive Committee

It consists of Mr.Prasit Kanchanasakdichai as the Chairman of Executive Committee and other directors, totaling 4 persons and has the secretary of the Executive Committee to perform the duties on meeting.

Roles, duties and responsibilities of the Executive Committee

1) Have the power to order the planning and policy formulation of the Company's business strategy to be in line with the economic conditions and competitive conditions to propose to the Board of Directors for approval

2) Control the business operation of the company to be in accordance with the policy or business plan including the business strategy approved by the Board of Directors or already determined

3) Propose investment plans and/or funding of the company for the Board of Directors and/or the shareholders' meeting to approve, as the case may be

4) Approve the expenditure of investments as specified in the annual expenditure budget approved by the Board of Directors or according to the resolution of the Board of Directors in principle

5) Consider the Company's funding for proposing to the Board of Directors.

6) Approve the appointment of various consultants as necessary for the operation of the business

7) Perform other matters In order to support the above actions or as assigned by the Board of Directors each time. delegation of powers, duties and responsibilities of the Executive Committee mentioned above will not include power and/or granting authority during the approval of any item or the delegate or persons who may have conflicts (as defined in the announcement of the Capital Market

Supervisory Board) having a conflict of interest or any other kind of conflict of interest with the company, which must be approved by the Board of Directors and/or the shareholders' meeting (as the case may be) to consider approving such transactions according to the company's regulations or related laws

Selection and Nomination of Directors and Executives

1. Independent Director

Criteria and Procedures in the selection of independent director

Qualifications of the company's independent directors are in accordance with the Notification of the Capital Market Supervisory Board ThorChor. 4/2552 dated 20th February 2009 as follows:

1) Holding shares not exceeding one percent of total number of shares with voting right in the company, parent company, subsidiary company, affiliate company, major shareholder or controlling person of the company, providing that shares held by related person of each independent director shall be included;

2) Not being or has been a director with management function, employee, worker, permanent advisor or controlling person of the company, parent company, subsidiary company, affiliate company, major shareholder or controlling person of the company except where such characteristics unless having vacated from such position at least for two years;

3) Not being a person with family relationship either by birth or by legal registration as parent, spouse, siblings and child including spouse of child, executive, major shareholder, controlling person or person to be proposed as executive or controlling person of the company or subsidiary company;

4) Not having or had business relationship with the company, parent company, subsidiary company, affiliate company, major shareholder or controlling person of the company in a manner that may obstruct exercise of independent discretion and is not or has been a significant shareholders or controlling person of the person having business relationship with the company, parent company, subsidiary company, affiliate company, major shareholder or controlling person of the company unless having refrained from such relationship at least for two years;

The business relationship in accordance with the first paragraph shall include commercial transaction in ordinary course of business, rent or lease of real property, transaction relating to assets or service or grant or accept grant of financial assistance by means of accepting, grant of loan, guarantee, giving assets as collateral for indebtedness and any other similar behavior which causes the company or the party to perform the obligation to the other, the value of which is at least three percent or tangible

assets of the company or twenty million baht., whichever is lower. Calculation of such obligation shall be in accordance with calculation of related party transaction under the Notification of the Capital Market Supervisory Board concerning criteria for engagement in related party transaction, mutatis mutandis, providing that all obligations incurred during one year prior to the date on which the business relationship with the same person occurs shall be included.

5) Not being or was an auditor of the company, parent company, subsidiary company, affiliate company, major shareholder or controlling person of the company and not being a significant shareholder, controlling person or partner of any audit firm for which auditor of the company, parent company, subsidiary company, affiliate company, major shareholder or controlling person of the company works unless having refrained from such service at least for two years;

6) Not being or was a provider of an professional service including service of legal advisor or financial advisor with professional fee exceeding two million baht from the company, parent company, subsidiary company, affiliate company, major shareholder or controlling person of the company and not being a significant shareholder, controlling person or partner of such service provider unless having refrained from such service at least for two years;

7) Not being a director appointed as a representative of the company, major shareholder or any shareholder that is a related person of the major shareholder;

8) Not undertaking any business with similar nature and competing with the business of the company or subsidiary company or not being significant partner in a partnership or a director with management function, employee, worker, permanent advisor or holding shares exceeding one percent of total number of shares with voting right of other company with similar nature and competing with the business of the company or subsidiary company;

9) Not having any other characteristics obstructing independent opinion on the company's operation.

Independent Director Selection Process

1) The Board of Directors shall propose the name list of potential candidates through considerations of those deemed professionally recognized and qualified.

2) The Board of Directors shall further consider the qualifications of those potential candidates in order to ensure compliance with regulations stipulated by the Securities and Exchange Commission and the Stock Exchange of Thailand.

3) The Board of Directors shall ensure that those potential candidates are able to devote their time sufficiently to maintain the Company's good corporate governance, transparency and equitable treatment for minority shareholders.

4) The Board of Directors shall invite any qualified candidate deemed appropriate to join the Board and act as an independent director.

The Independent directors as of 31 December 2019 are as follows:

Name	Date of holding independent director position	No. of Year (Rounding) (date of holding position– 31 December 2019)
1. Miss Naratip Tabtieng	17 July 2015	4 year 5 months 15 days
2. Mr. Suravit Asavayutphol	28 February 2018	10 months 1 day
3. Mr. Surachai Pirmsinthavee	28 February 2018	10 months 1 day

2. Nomination of Directors and Executives Officers

Nominating Procedures of Directors and Executives Officers

The shareholders of the company will select and appoint the directors and executive officers because the company does not have a nominating committee.

Criteria and procedures on election of directors are as follows:–

- 1) each shareholder has one vote for one share;
- 2) each shareholder must exercise all votes in (1) to select one or more persons as the director(s) provided that, such votes cannot be devisable;
- 3) candidate will be ranked in order descending from the one with the highest number to the lowest number of votes until the positions to be elected are filled. Where the votes are tied, which otherwise causes the number of directors to be exceeded, the Chairperson of the shareholder meeting will cast the vote.

Qualification of Director

Details are presented in “Roles Powers, Duties and Responsibilities of the Board of Directors/Qualification of Directors” Qualifications of independent director presented in “Rules and procedure on selection of independent director” in accordance with the Capital Market Supervisory Board Notification no. ThorJor. 4/2551 dated 20 February 2009.

Number of directors nominated by each of major shareholder group as of 31 December 2019

- 4 person

Granting of the opportunity to minority shareholders to nominate their candidate for an election as director

The company had prescribed a criteria and procedures in order to provide an opportunity for the shareholders to propose their agenda for the Shareholders' Meeting including an opportunity to nominate candidates for an election as director of the company. Specific period of time had been set forth and announced to the public. Qualifications of shareholders who would be entitled to propose agenda and/or nominate their candidate are that individual or a group of shareholders holding of the company shares of not less than 1% of the company paid-up shares and such shareholders should have been holding those shares for at least 1 year by the date the shareholder propose the agenda or nominate of candidate. In this regards, an appointment of director should be made in compliance with the prescription as shown in the company's Articles of Association.

Details of such matter are as posted on the company's website.

Policy and supervision of operations of subsidiaries and associated companies

The company has a policy and supervision of operations of all subsidiaries and associates. By sending the executives or directors of the company to manage As well as being responsible for establishing various management policies by individuals appointed as directors in subsidiaries and associates Is responsible for taking care of the interests of the subsidiaries and associates in the same way as the main company making transactions between the company and all its subsidiaries. There are step-by-step supervision mechanisms. There is a committee of each subsidiary company to consider while the company will have another step of consideration as appropriate and the importance of the transaction.

In addition, various information disclosure policies and connected transactions Including rules and regulations Which the company must perform under the supervision of the Securities and Exchange Commission and the Stock Exchange of Thailand will cover all transactions of subsidiaries and associated companies as well.

While supervising accounting standards or financial information of the subsidiary and associated companies The company uses an auditor that is the same standard as the company, which has been

accepted by the Securities and Exchange Commission in order to make the consolidated financial report of the company the same standard.

Supervision on Using of Inside Information

Policies and procedures for supervising directors or executives in the following matters:

- 1) Using internal information for personal gain

It has already shown in the topic Corporate Governance / Section 5 Responsibilities of the Board of Directors / Control of internal information and internal control systems and internal audit

- 2) Trading of securities during the 1 month period before the financial statements are made public

Finance and Accounting Department is responsible for keeping information and coordinate with the Investor Relations Department. The Investor Relations Department monitors daily trading of the company's securities to closely monitor changes in prices and trading volume.

In the past, data retention was efficient enough. Therefore no use of internal information in any way.

Policy on prevention of intellectual property infringement and piracy

- 1) The company has determined the company information in the "Business Ethics of the Company" as shown in the topic of Corporate Governance / Section 5 Responsibilities of the Board of Directors of the Company / Business Ethics of the Company / 6) Confidentiality and Company Information is "Directors and employees of the company must maintain trade secrets and internal information of the company that should not be disclosed to any person and do not do any that is a copyright violation or patents of intellectual property, etc. "

- 2) The company also identifies prevention of intellectual property infringement and copyright infringement in "Employee Code of Conduct" is "Employees must not violate intellectual property rights of third parties. Including copying computer software without the permission of that third party. "

Punitive measures

According to the "Business Ethics of the Company" clearly defined that Violators will be punished according to the current work regulations. Or according to other regulations related to the company

Audit Fee

Audit fee

1) The Company has paid the audit fees to the audit firm that the auditor worked with or person or entity that related to the auditor and audit firm in the past year in the amount of Baht 1,650,000 (One million six hundred fifty thousand only)

2) Other expenses of Baht 100,000 (One hundred thousand only), totaling Baht 1,750,000 (One million seven hundred fifty thousand only)

Compliance with Corporate Governance in other aspects

The Company always adheres to corporate governance principles in accordance with international standards and rules promulgated by The Stock Exchange of Thailand (SET). The rules categorize the principles into 5 chapters.

In addition, the Company has announced "The Code of Conducts" as practice guidelines leading to transparency, fairness and sustainable development of the Company.

Corporate Social Responsibilities

Overview Policies

(1) Operating Business with Fairness

The Company has undertaken business operation based on fair and transparent competition with suppliers and all stakeholders as well as fair and equitable treatment to all suppliers.

At present, businesses of production and distribution of galvanized iron sheet and metal sheet have faced dumping practices from imported products with overall quality lower than the products manufactured in the Company's production lines. During the past couple of years, price competition has been even fiercer while the Company has no other options but enter the competition to maintain the market share.

On purchasing side, the Company cautiously considers to purchase from suppliers or manufacturers with trustworthy standard and proper competition practices in order to avoid or lessen possible negative impact to the practices of fair business operations of the Company and suppliers.

The Company has determined fair business operation which extends to prevention from involving in or obstructing competition, proper purchasing practices promoting fair price with adequate delivery schedule and fair contract to suppliers and avoiding breach of intellectual property; purchase of licensed products (in cases where copyright or patent applies).

(2) Anti-corruption

On 7th February 2014, the Company's board of directors meeting No.1/2557 approved "Anti-corruption and Anti-Bribery Policies" to apply as a guideline in connection with "The Code of Conduct". The Policy preliminary specifies principles on anti-corruption and bribery that support all staffs, senior management and all suppliers to report on fraud and/or bribery by setting communication channel for whistle blowing on fraud or breach of laws, regulations and the Company's by-law to proper authorities. The Anti-corruption and Anti-Bribery Policies" also covers whistleblower protection and sanctions to be imposed on the wrongdoers.

In the procedures for daily business operation, supervisors in all level train all sub-ordinates emphasis on the honesty and awareness of compliance with all rules, regulations, prescriptions and business ethics. In this connection, each of employees shall receive a copy of "The Code of Conduct" so that individual person shall read and understand the background and intention of the compliance and eventually translate it to a proper action. Moreover, the company has assigned the internal audit unit to carry out the fraud inspection so as to assure that the set-forth procedures are adequate for a prevention of fraud and to be able to detect once the fraud is committed by any related parties.

(3) Respect for Human Rights

The Company has stipulated principles of respect for human rights in "The Code of Conduct" such as non-discrimination practices in respects of race, youths, women and disables.

The Company complies and supports equitable treatment to all levels of employees and stakeholders with internal communication from management to employees and suppliers. Moreover, channels for filing of complaints are also set up in cases where any breach has been or is believed to occur.

(4) Fair and Equitable Treatment in Workplace

The Company respects for right and freedom of the employees. There is no use of child labour while working conditions of all levels of employees have been treated equally; for instance, wage and benefit payments, working hours, vacation leave, disciplinary action, termination of employments,

maternity leave, leave to enter into priesthood, Hajj leave, necessary welfares, first aid room with medical personnel during working hours and annually medical check. The said working conditions have been described in details in “Working Regulation of Employees” and the Company has described the regulations together with relevant documents to everyone, including new employees.

Upon becoming a permanent employee(s), the Company and superior will jointly develop the employee(s) to enhance his or her skill and potential. Every employees will have opportunity to seek for knowledge and be promoted to higher position on appropriate occasion.

The Company has clearly set appropriate wages to working conditions and fair to the employees in the employment contract co-signed by the employer and employee. Wages are determined in reference to living expenses and wages in the similar or comparable positions in the similar industry.

“Working Regulations of Employees” has clearly specified working conditions suitable to the employees; for instance, wage payment, working over-time, breaks, weekly holiday, annual vacation leave and other leaves while the employees are capable of working with full competency.

The Company has set up a committee on occupational health, safety and environment in workplace and has given the policy on such matters for the committee to apply as a framework and practice guideline. The policy includes setting up a system for management of scrap and waste, a system for prevention of pollution, procurement of equipment for prevention, safety and occupational health of the employees in production line to prevent both accident and illness. In addition, communication to the employees concerning safety and occupational health has been conducted aiming to raise awareness and bring about better understanding and consistent practices.

(5) Responsibility to Customers

The Company places priority on responsibility to customers as follows:

- Determining reasonable product prices based on the quality.
- Honestly giving production information to customers and not advertising or giving information in the manner that may mislead their understanding in the products.
- Consumers can seek for production information conveniently.
- The products of the Company are safe for consumers and environment that is core and non-core raw materials are environmental friendly. Chemicals used in production process are approved and harmless to customers.

- The Company collects consumer information as necessary with the consent and strictly treats such information in confidentiality permitted to be disclosed only with prior consent. Consumers are entitled to examine their information.
- In cases where the products deficiency is found, consumers are entitled to return the product and exchange for the new one without any exception.
- The Company assigns sales and marketing units to regularly review and improve compliant handling and consumer treatment processes. Consumers are also welcome to give opinions or recommendations to the Company.

(6) Environmental Conservation

Measures by the Company to reduce impact on environment

The Company included environment as an important subject under “Business Ethics” and “Employee Code of Conduct” so that all of the Company’s employees are aware of and strictly comply with the policy on this matter. The Company also prepared Occupational Health, Safety and Environment Manual for compliance by the Company’s employees.

The Company appointed the Safety, Occupational Health and Working Environment Committee and set up risk assessment and monitoring which includes:

- Monitoring of chemical safety;
- Monitoring of machinery and equipment safety;
- Monitoring of working environment safety;
- Monitoring of safety from equipment hazards and personal protection;
- Monitoring of fire safety.

Pollution management using systematic approach

- Water pollution management

The Company has installed chemical waste water treatment system since the year 1992. Waste water that has been treated will be reused in the system. There will be no waste water disposal to outside environment. The Company has also hired a consulting company licensed by the Department of Industrial Works to test conditions of water in the waste water treatment system on an annual basis to provide assessment results and advice to the Company.

- Air pollution management

The Company has installed 2 sets of industrial dust collection system, including wet scrubber for used in zinc dipping and color coating process. The Company was aware of release of air pollution to the environment in the year 2014 and decided to install a new air pollution treatment system. The installation was completed and the budget spent was Baht 30 million. Heat is used in treating and reducing pollution prior to releasing the air back to the environment. The Company also engaged a governmental authority to examine air quality both inside and outside the Company's premise twice a year.

- Industrial waste management

The Company has assigned a responsible unit and designated area for storage and procurement of suitable equipment to prevent leakage. The storage area is separate from the factory building. In respect of industrial waste elimination, the Company engages and has entered into an agreement with a company which transports and eliminates industrial waste.

- Heat, light, and noise pollution management

The Company tests heat, light and noise in the working environment and nearby area every year for twice a year.

- Dispute relating to environment

No dispute or litigation

(7) Cooperation on Development of Community or Society

The Company acts as part of community or society development as follows:

- Meeting with community nearby to communicate and better understanding on the Company's production line and its safety for health by assigning representatives of committee on occupational health and safety to regularly visit community nearby.
- Hiring people with potential in community nearby to work in the Company's production line by paying wages appropriate to knowledge and competency to maintain good relationship.
- Accepting students to attend summer training program in the areas appropriate to their knowledge and experience. The program offers privilege to children of employees and people living in community nearby.
- Supporting activities necessary to develop happiness and safety of youths and community.
- Attempting to eliminate likelihood of impact on public health.

- Cooperating with public sector and community nearby to support and enhance cooperation to make use of resource, knowledge and skill of the Company's employees.

(8) Innovations and Dissemination of Innovations from Operation with Responsibility to Society, Environment and Stakeholders

Examples of innovations supporting responsibility to society, environment and stakeholders are as follows:

- Changing use of energy in production process from fuel oil to gas to help save resources and diminish air pollution significantly.
- Recycling certain portion of resources used in production to reduce pollution from scrap and industrial waste.
- Emphasizing on purchasing raw materials and chemicals which are environmental friendly from manufacturers operating business with social responsibility in environment conservation.
- Hiring experts to improve efficiency of production process while reducing waste to environment.
- In inviting experts to improve production process, the Company set up knowledge and expertise dissemination to responsible employees to create learning process, expertise and continuing production process development to be more efficient.
- Organizing internal trainings to build up and push the employees to have positive attitude towards creating innovations to the Company where the employees are free to propose ideas concerning innovations.
- Providing opportunity for all stakeholders to make recommendations on product innovation and products of the Company with a view to developing products which better responsive to market needs.

Operation and Reporting

The Company prepares "The Company's Corporate Social Responsibilities Report" by applying the guideline of Corporate Social Responsibility Institute, The Stock Exchange of Thailand.

Business Operation that affected the corporate social responsibilities (if any)

The Company emphasizes on compliance with laws relevant to undertaking business operation. Accordingly, it has never been in any difference or dispute with any stakeholder. Furthermore, the

Company set up internal working group and unit to monitor compliance with laws and regularly conducts review on such compliance.

Activities for the Benefit of the Social and the Environment (After process)

In the past, the Company regularly cooperated and supported governmental authorities and community in activities aiming to promote safety and peace in the society, community and environment; for example schools and religious places nearby, local governmental authorities etc.

Additional practices related to the prevention of corruption-related matters

The Board of Directors adheres to honesty in all practices of the Company, employees, stakeholders and all relevant parties in respect of the Company's business. Accordingly, the Board of Directors has determined "Anti-corruption and Anti-Bribery Policies" as approved in the meeting No.2/2014 on 7 February 2014.

During the year, the Company assigned both executive and employees in operation level to attend courses pertaining to the issue of anti-corruption in order to apply knowledge obtained and comply with the anti-corruption policies approved by the Board of Directors.

Procedures

(1) Assessment of Business Risks

The Company assesses risks associated with its internal activities, as shown in the following examples:

- **Purchase Activities**

The Company has set up "Rules and Policy on Purchasing" where elements of working structure and procedures, such as price comparison and product examination, personnel of purchasing units, relevant persons, schedules as well as roles and duties of all relevant parties have been described.

- **Sale Activities**

The Company has prescribed "Rules and Policy on Sales and Marketing" where elements of working structure and procedures, such as receipt of purchasing orders, price determination and price approval have been described.

- Accounting and Finance

The Company has determined rules and regulations pertinent to accounting and finance activities to prevent and diminish possibilities of fraud and corruption by responsible persons. Examples of rules and regulations are as follows:

1. Rules and regulations on management and control of tangible assets;
2. Rules and regulations on management and control of inventories;
3. Rules and regulations on general accounting and finance

(2) Setting up a criteria for the controlling, prevention and following up of the risk on corruption

To ensure compliance with the Company's rules and transparent business operation to fight against corruption and bribery, the Company has proper internal audit on compliance with rules and regulations for business activities. The audit has been carried out under the schedule set in an annual internal audit plan, the results of which have regularly been reported to the Audit Committee on quarterly basis and to be further reported to the Board of Directors, respectively.

(3) Communication of the company to employees for the acknowledgement of employees pertaining to the guideline for the anti-corruption

Upon the determination of "Anti-corruption and Anti-Bribery Policies", the Company has communicated and educated employees on the Policies and guidelines as well as given them all relevant documents. Top Executives of each department are assigned to conduct specific group communication as an open venue for discussion and inquiry with all levels of employees to clarify all respective issues.

(4) Guideline for the assessment of the carrying out and compliance with the anti-corruption policies

The Company has appointed internal audit unit to monitor compliance with "Anti-corruption and Anti-Bribery Policies" by conducting review on each activity at least once a year.

(5) Reviewing of all of the procedures by the Audit Committee or the External Auditor for the adequacy of the control

The Audit Committee has reviewed adequacy of the control and all of the procedures and is of the view that the control is sufficient and the internal control system is in line with COSO.

Internal Control and Risk Management

1) Risk Management

The Company gives great importance to the potential risks and impacts on its operating results by setting up a Risk Management Committee to follow up and set the risk management guidelines to an acceptable level. The Risk Management Committee consists of the President, Chairman of the Board of Directors and representatives of the main departments of the company or the agency that owns the risk, such as accounting and finance, procurement, human resources, the factory and the production department. The total number of 4 members and has a secretary of the Risk Management Committee.

2) Comment of the Board of Directors pertaining to the Internal Control System of the Company

- The Company has assessed the adequacy of the internal control system at least once a year. In such an assessment, the Audit Committee will attend and express opinions on the adequacy and appropriateness of the control system within the evaluation form used by the company will be referenced to "the Internal Control System of the Tread Way Commission (COSO), which has five components i.e. internal control, risk assessment operational control, information and communication systems and tracking system.
- The Audit Committee has expressed its opinion on sufficiency and properness of the Company's internal control system under the Topic : "Corporate Governance / Chapter 5 / Responsibility of the Board of Directors / Control over Internal Information and Internal Control and Audit System"
- The Audit Committee is of the view that the Company's internal control system is sufficient and proper for its present business operation.

In respect of personnel for internal audit functions, the Company has engaged I.A.P. Internal Audit Company Limited to assist on this matter. Such company will send the following staffs to perform the functions at the Company's office at least 5 business days per month:

Team Leader Level	1	person
Assistant Team Leader Level	1	person
Operational Level	1	person

Internal Audit unit has counted the Company's assets and reviewed use of each type of asset to ensure that those assets have been used only for the Company's business and without improper or unauthorized uses. During the accounting period ended on 31st March

2014, the Company has specified “Rules for Use and Management of Assets” as a guideline for proper use and management of the Company’s assets.

- The Company has informal risk assessment in the meeting of executive directors. It, however, has no specific procedure and structure for handling risk management. The said procedure and structure are under consideration.

3) Comment of the Audit Committee

The Audit Committee’s opinion is indifferent from that of the Company’s Board of Directors.

The Company has attached herewith the opinion to this annual report.

4) Head of the Internal Audit Function and Head of the Compliance Unit of the Company

- Name and Surname of the Head of Internal Audit Function and the Head of the Compliance Unit of the company

The management is of the view that the Company became a listed company on the Stock Exchange of Thailand since 1993 and therefore must strictly comply with rules and regulations prescribed by the regulatory bodies and other laws relating to the Company’s business operation. During the past year, the Company has appointed I.A.P. Internal Audit Company Limited as internal auditor of the Company.

The Company has assigned Ms. Oranuch Pakirasa to be responsible for compliance function of the Company.

- (1) Comment of the Audit Committee about the Head of the Internal Audit Function
The Audit Committee considers and views that the Company’s internal auditor has proper and adequate educational background, experiences and training to perform internal audit functions.
- (2) Nomination, Termination and Rotation of the Head of the Internal Audit Function
The Board of Directors does not authorize the Audit Committee to approve appointment, removal and rotation of internal audit chief. Rather, the Company’s management appoints, removes or rotates internal audit chief directly.

Financial Statements and Report of the
Independent Certified Public Accountants
Year ended December 31, 2019

**THAILAND IRON WORKS PUBLIC
COMPANY LIMITED**

Financial Statements

Year ended December 31, 2019

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS THAILAND IRON WORKS PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Thailand Iron Works Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Thailand Iron Works Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2019, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Thailand Iron Works Public Company Limited and its subsidiaries and of Thailand Iron Works Public Company Limited as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are 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 the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated and separate financial statements of the current period. This matter was addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter	Key Audit Responses
<p>Revenue recognition</p> <p>The Company has substantially revenues from sales of goods. Revenues from sales had different sales terms and pricing conditions. We have focused on cut-off sales of goods whether they have been recognized in accordance with Thai Financial Reporting Standards.</p> <p>Accounting policies of revenues and detail of revenues from sales of goods were disclosed in the Notes 3.10 and 27 to the financial statements, respectively.</p>	<p>Key audit procedures were included:</p> <ul style="list-style-type: none"> • Understanding the Company's revenue recognition process and related internal control procedures. • Reviewing the design and implementation of the Company's internal control procedure on the revenue recognition. • Substantive testing consist as follows: <ul style="list-style-type: none"> - Performing test of details on a sample of sales transaction during the year and near the end of accounting periods by inspecting delivery documents, delivery terms, volumes and prices. - Reviewing credit notes issued after year-end. - Examining material journal entries that were posted to revenue accounts and reviewing supporting evidence to ensure correctness.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the 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 Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

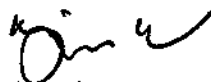
- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and the separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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



Dr. Kiatniyom Kuntisook
Certified Public Accountant (Thailand)
Registration No. 4800

BANGKOK
February 27, 2020

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

THAILAND IRON WORKS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

UNIT : BAHT

UNIT : BAH

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.1	91,137,196	103,051,617	65,469,956	62,100,474
Temporary investments	5	-	81,473,342	-	81,473,342
Trade and other current receivables	6.1	34,427,964	41,196,228	53,948,300	78,200,071
Current portion of long-term loans to employees	10	2,658,378	2,477,837	2,658,378	2,477,837
Inventories	7	552,344,315	515,056,334	552,344,315	515,056,334
Other current assets		3,652,229	6,003,424	3,666,436	5,060,251
Total Current Assets		684,220,082	749,258,782	678,087,385	744,368,309
NON-CURRENT ASSETS					
Restricted deposit at financial institutions	13	70,000,000	45,000,000	70,000,000	45,000,000
Investment in subsidiaries	8	-	-	999,970	1,999,940
Other long-term investment	9	1,207,200	1,221,823	1,207,200	1,221,823
Long-term loans to employees	10	3,545,310	3,079,721	3,545,310	3,079,721
Property, plant and equipment	11	174,009,634	188,577,943	174,009,634	185,277,967
Deferred tax assets	12	15,653,041	15,653,041	15,653,041	15,653,041
Total Non-current Assets		264,415,185	253,532,528	265,415,155	252,232,492
TOTAL ASSETS		948,635,267	1,002,791,310	943,502,540	996,600,801

Notes to the financial statements form an integral part of these statements

THAILAND IRON WORKS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2019

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term borrowings from financial institutions	13	78,938,874	63,589,077	78,938,874	63,589,077
Trade and other current payables	14	8,595,038	55,786,403	7,930,269	55,518,082
Current portion of long-term liabilities under finance lease agreement	15	312,791	347,347	312,791	298,654
Short-term borrowing	16	-	13,063,542	-	-
Other current liabilities		584,933	1,421,647	285,206	795,679
Total Current Liabilities		<u>88,431,636</u>	<u>134,208,016</u>	<u>87,467,140</u>	<u>120,201,492</u>
NON-CURRENT LIABILITIES					
Long-term liabilities under finance lease agreements	15	299,760	693,707	299,760	612,551
Employee benefit obligations	17.1	23,206,369	19,842,454	23,206,369	19,842,454
Total Non-current Liabilities		<u>23,506,129</u>	<u>20,536,161</u>	<u>23,506,129</u>	<u>20,455,005</u>
TOTAL LIABILITIES		<u>111,937,765</u>	<u>154,744,177</u>	<u>110,973,269</u>	<u>140,656,497</u>
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital	18				
7,305,000 ordinary shares of Baht 10 each		<u>73,050,000</u>	<u>73,050,000</u>	<u>73,050,000</u>	<u>73,050,000</u>
Issued and paid-up share capital					
6,000,000 ordinary shares of Baht 10 each, fully paid		60,000,000	60,000,000	60,000,000	60,000,000
SHARE PREMIUM ACCOUNT					
Share premium account - Ordinary shares		140,000,000	140,000,000	140,000,000	140,000,000
RETAINED EARNINGS					
Appropriated					
Legal reserve	19	10,000,000	10,000,000	10,000,000	10,000,000
General reserve	20	106,000,000	106,000,000	106,000,000	106,000,000
Unappropriated		520,697,472	532,047,053	516,529,271	539,944,304
TOTAL ATTRIBUTIONS TO OWNERS OF THE PARENT		<u>836,697,472</u>	<u>848,047,053</u>	<u>832,529,271</u>	<u>855,944,304</u>
NON-CONTROLLING INTERESTS		30	80	-	-
TOTAL SHAREHOLDERS' EQUITY		<u>836,697,502</u>	<u>848,047,133</u>	<u>832,529,271</u>	<u>855,944,304</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>948,635,267</u>	<u>1,002,791,310</u>	<u>943,502,540</u>	<u>996,600,801</u>

Notes to the financial statements form an integral part of these statements

THAILAND IRON WORKS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		For the year ended December 31, 2019	For the period from April 1, 2018 to December 31, 2018	For the year ended December 31, 2019	For the period from April 1, 2018 to December 31, 2018
Revenues from sales and services					
Revenues from sales, net	26.2 and 27	379,253,267	359,737,287	375,616,057	356,693,259
Revenues from services	26.2, 27 and 28	15,549,634	14,620,074	15,409,146	14,614,510
Total revenues from sales and services		<u>394,802,901</u>	<u>374,357,361</u>	<u>391,025,203</u>	<u>371,307,769</u>
Costs of sales and services					
Costs of sales	23, 26.2 and 27	351,465,430	289,663,597	351,465,430	289,663,597
Costs of services	26.2, 27 and 28	16,306,096	14,329,038	16,306,096	14,329,038
Total costs of sales and services		<u>367,771,526</u>	<u>303,992,635</u>	<u>367,771,526</u>	<u>303,992,635</u>
Gross profit		27,031,375	70,364,726	23,253,677	67,315,134
Gain on sale of investments in subsidiaries	8	9,731,395	-	30	-
Other income		4,073,203	3,789,207	4,081,026	3,684,714
Selling expenses		11,878,025	8,124,217	11,809,146	7,849,279
Administrative expenses		21,677,298	34,423,564	20,939,765	24,407,497
Management benefit expenses	26.2	9,744,527	7,520,105	9,744,527	7,520,105
Net gain on exchange rate		462,644	1,050,875	462,644	1,050,875
Profit (Loss) before income tax expense and finance costs		(2,001,233)	25,136,922	(14,696,061)	32,273,842
Finance costs		2,774,641	1,598,949	2,718,972	1,322,379
Profit (Loss) before income tax expense		(4,775,874)	23,537,973	(17,415,033)	30,951,463
Income tax expense	24	573,707	468,343	-	-
Net Profit (Loss) for the year		(5,349,581)	23,069,630	(17,415,033)	30,951,463
Other comprehensive income					
Actuarial gain		-	1,931,166	-	1,931,166
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		<u>(5,349,581)</u>	<u>25,000,796</u>	<u>(17,415,033)</u>	<u>32,882,629</u>
PROFIT (LOSS) ATTRIBUTABLE TO					
Owners of the parent		(5,349,581)	23,069,630	(17,415,033)	30,951,463
Non-controlling interests		-	-	-	-
		<u>(5,349,581)</u>	<u>23,069,630</u>	<u>(17,415,033)</u>	<u>30,951,463</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO					
Owners of the parent		(5,349,581)	25,000,796	(17,415,033)	32,882,629
Non-controlling interests		-	-	-	-
		<u>(5,349,581)</u>	<u>25,000,796</u>	<u>(17,415,033)</u>	<u>32,882,629</u>
BASIC PROFIT (LOSS) PER SHARE	BAHT	(0.89)	3.84	(2.90)	5.16
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	SHARE	6,000,000	6,000,000	6,000,000	6,000,000

Notes to the financial statements form an integral part of these statements

THAILAND IRON WORKS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2019

CONSOLIDATED FINANCIAL STATEMENTS										UNIT : BAHT
Note	Issued and paid-up share capital	Share premium account-ordinary shares	Retained earnings			Unappropriated	Non-controlling interest	Total shareholders' equity		
			Legal reserve	Appropriated	General reserve					
For the period from April 1, 2018 to December 31, 2018										
Beginning balance as at April 1, 2018	60,000,000	140,000,000	10,000,000		106,000,000	507,046,257	60	823,046,317		
Total comprehensive income for the year	-	-	-	-	-	25,000,796	-	25,000,796		
Non-controlling interest	-	-	-	-	-	-	20	20		
Ending balance as at December 31, 2018	60,000,000	140,000,000	10,000,000		106,000,000	532,047,053	80	848,047,133		
For the year ended December 31, 2019										
Beginning balance as at January 1, 2019	60,000,000	140,000,000	10,000,000		106,000,000	532,047,053	80	848,047,133		
Dividend paid	-	-	-	-	-	(6,000,000)	-	(6,000,000)		
Total comprehensive income for the year	-	-	-	-	-	(5,349,581)	-	(5,349,581)		
Non-controlling interest	-	-	-	-	-	-	(50)	(50)		
Ending balance as at December 31, 2019	60,000,000	140,000,000	10,000,000		106,000,000	520,697,472	30	836,697,502		

Notes to the financial statements form an integral part of these statements

THAILAND IRON WORKS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2019

SEPARATE FINANCIAL STATEMENTS							UNIT : BAHT
Note	Issued and paid-up share capital	Share premium account-ordinary shares	Retained earnings		Unappropriated	Total shareholders' equity	
			Legal reserve	Appropriated General reserve			
For the period from April 1, 2018 to December 31, 2018							
Beginning balance as at April 1, 2018	60,000,000	140,000,000	10,000,000	106,000,000	507,061,675	823,061,675	
Total comprehensive income for the year	-	-	-	-	32,882,629	32,882,629	
Ending balance as at December 31, 2018	60,000,000	140,000,000	10,000,000	106,000,000	539,944,304	855,944,304	
For the year ended December 31, 2019							
Beginning balance as at January 1, 2019	60,000,000	140,000,000	10,000,000	106,000,000	539,944,304	855,944,304	
Dividend paid	22	-	-	-	(6,000,000)	(6,000,000)	
Total comprehensive income for the year	-	-	-	-	(17,415,033)	(17,415,033)	
Ending balance as at December 31, 2019	60,000,000	140,000,000	10,000,000	106,000,000	516,529,271	832,529,271	

Notes to the financial statements form an integral part of these statements

THAILAND IRON WORKS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

UNIT : BAHT

Note	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the year	For the period	For the year	For the period
	ended December 31, 2019	from April 1, 2018 to December 31, 2018	ended December 31, 2019	from April 1, 2018 to December 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (Loss) before income tax expense	(4,775,874)	23,537,973	(17,415,033)	30,951,463
Adjustments:				
Unrealized loss (gain) on exchange rates	(235,990)	235,990	(235,990)	235,990
Gain on disposal of investment in subsidiary	(9,731,395)	-	(30)	-
Loss on diminution in value of inventories	11,555,410	6,946,796	11,555,410	6,946,796
Depreciation	14,966,152	11,688,347	14,966,152	11,332,997
Amortization on debt security classified as held-to-maturity	14,623	10,890	14,623	10,890
Allowance for doubtful account	(42,103)	126,824	(42,103)	126,824
Employee benefit expenses	4,267,115	1,155,314	4,267,115	1,155,314
Loss on sales of equipment	-	67,870	-	67,870
Interest income	(2,540,730)	(1,712,337)	(2,257,492)	(1,612,306)
Finance cost	2,774,641	1,598,949	2,718,972	1,322,379
Income from operations before changes in operating assets and liabilities	16,251,849	43,656,616	13,571,624	50,538,217
(Increase) decrease in operating assets				
Trade and other current receivables	5,976,270	63,636,923	24,256,306	26,588,920
Inventories	(48,843,391)	(108,004,942)	(48,843,391)	(108,004,942)
Other current assets	1,379,112	(1,201,406)	1,393,815	(258,233)
Restricted deposits at financial institutions	(25,000,000)	-	(25,000,000)	-
Long-term loans to employees	(646,130)	44,349	(646,130)	44,349
Increase (decrease) in operating liabilities				
Trade and other current payables	(47,128,937)	(16,559,521)	(48,949,996)	(16,270,288)
Other current liabilities	(834,861)	647,270	(510,473)	21,302
Cash paid for employee benefit expenses	(903,200)	(2,728,573)	(903,200)	(2,728,573)
Cash paid for operations	(99,749,288)	(20,509,284)	(85,631,445)	(50,069,248)
Proceed from interest income	2,578,298	1,721,861	2,295,060	1,621,830
Interest paid	(2,754,595)	(1,581,916)	(1,305,347)	(1,305,347)
Net cash used in operating activities	(99,925,585)	(20,369,339)	(84,641,732)	(49,752,765)

THAILAND IRON WORKS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

UNIT : BAHT

ONLY DATA

	Note	CONSOLIDATE FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		For the year ended December 31, 2019	For the period from April 1, 2018 to December 31, 2018	For the year ended December 31, 2019	For the period from April 1, 2018 to December 31, 2018
CASH FLOWS FROM INVESTING ACTIVITIES					
Net decrease (increase) in temporary investment		81,473,342	(81,473,342)	81,473,342	(81,473,342)
Cash received from investment in subsidiaries		1,000,000	-	1,000,000	-
Cash paid for purchases of equipment		(3,727,850)	(12,761,623)	(3,727,850)	(9,291,059)
Net cash provided by (used in) investing activities		<u>78,745,492</u>	<u>(94,234,965)</u>	<u>78,745,492</u>	<u>(90,764,401)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Net increase in short-term borrowings from financial institutions		15,349,797	63,589,077	15,349,797	63,589,077
Increase in short-term borrowing		-	13,063,542	-	-
Cash paid for liabilities under finance lease agreement		(298,654)	(245,278)	(298,654)	(215,127)
Dividend paid		(6,021,411)	-	(6,021,411)	-
Cash received (paid) from non-controlling interest		(50)	20	-	-
Net cash provided by financing activities		<u>9,029,682</u>	<u>76,407,361</u>	<u>9,029,732</u>	<u>63,373,950</u>
Effect of exchange rate changes on cash and cash equivalents		<u>235,990</u>	<u>(235,990)</u>	<u>235,990</u>	<u>(235,990)</u>
Net increase (decrease) in cash and cash equivalents		<u>(11,914,421)</u>	<u>(38,432,933)</u>	<u>3,369,482</u>	<u>(77,379,206)</u>
Cash and cash equivalents at the beginning of the period/year		<u>103,051,617</u>	<u>141,484,550</u>	<u>62,100,474</u>	<u>139,479,680</u>
Cash and cash equivalents at the end of the period/year	4.1	<u>91,137,196</u>	<u>103,051,617</u>	<u>65,469,956</u>	<u>62,100,474</u>

Notes to the financial statements form an integral part of these statements

THAILAND IRON WORKS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

1. OPERATIONS AND OTHER INFORMATION OF THE COMPANY

Thailand Iron Works Public Company Limited (the “Company”) is a public company limited under the Thai laws and is a listed company in The Stock Exchange of Thailand. The Company operates in Thailand and is principally engaged in the manufacturing and distribution of galvanized iron sheets, and installation services. The registered office of the Company is located at 86 Moo 1, Suksawad Road, Tambol Laemphapa, Ampur Phrasamudjeree, Samutprakarn Province, 10290, Thailand.

As at December 31, 2019 and 2018, the Company’s major shareholder is Dr. Prasit Kanchanasakdichai owning 66.09% and 55.19%, respectively.

The Company’s business is seasonally fluctuated having the high season covering the period from January through June which comes after the harvesting season.

As at December 31, 2019 and 2018, the Company has shareholding portion in the subsidiaries as follows: (see Note 2.3)

Subsidiaries	Type of business	Country of registration	Registration date	Shareholdings (%) 2019	Shareholdings (%) 2018
Direct subsidiaries					
TIW Industries Co., Ltd.	Steel	Thailand	March 6, 2018	99.99	99.99
Sun Power Corporation Co., Ltd.	Energy	Thailand	February 13, 2018	-	99.99
Indirect subsidiaries					
Sun UBE Co., Ltd.*	Energy	Thailand	July 12, 2018	-	99.98

* A subsidiary of Sun Power Corporation Co., Ltd.

TIW Industries Company Limited was incorporated as a limited company under Thai laws on March 6, 2018. The registered office is located at 86 Moo 1, Suksawad Road, Tambol Laemphapa, Ampur Phrasamudjeree, Samutprakarn Province, 10290, Thailand and its principal activity is to manufacture and distribution of galvanized iron sheets, and installation services. The Company operates business of trading for buying finished goods from Thailand Iron Works Public Company Limited and selling to customers (see Note 2.3).

Sun Power Corporation Company Limited was incorporated as a limited company under Thai laws on February 13, 2018. The registered office is located at 123, Unit 1501, Sun Tower A, 15th Fl., Vibhavadi-Rangsit Road, Jomphol, Chatuchak, Bangkok, 10900, Thailand and its principal activity is incorporated related to energy included renewable energy. As at December 31, 2018, the Company has not started operation (see Note 2.3). On March 29, 2019, Thailand Iron Works Public Company Limited had disposal of investment in Sun Power Corporation Company Limited (see Note 8).

Sun UBE Company Limited was incorporated as a limited company under Thai laws on July 12, 2018. The registered office is located at 123, Unit 1501, Sun Tower A, 15th Fl., Vibhavadi-Rangsit Road, Jomphol, Chatuchak, Bangkok, 10900, Thailand and its principal activity is incorporated related to energy included renewable energy. As at December 31, 2018, the Company has not started operation (see Note 2.3 and 8).

Change of accounting period

On July 26, 2018, the Annual General Meeting of Shareholder 2018 approved the change of the Company's fiscal year from ending March 31 to ending December 31 of every year, beginning from the accounting period of April 1, 2018 to December 31, 2018 and the next accounting period of January 1, 2019 to December 31, 2019 which the Company received the approval from the Revenue Department and the Department of Business Development on August 15, 2018 and August 31, 2018, respectively.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

- 2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Group's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2017) "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2018 onwards, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statement (No. 2) B.E. 2559" dated October 11, 2016.
- 2.3 Basis of preparation of consolidation financial statements
 - 2.3.1 The consolidated financial statements include the financial statements of Thailand Iron Works Public Company Limited (the "Company"), and the subsidiary companies (the "subsidiary") (see Note 1).
 - 2.3.2 The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
 - 2.3.3 The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - 2.3.4 Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements. The consolidated financial statements for the year ended December 31, 2019 were prepared by using the financial statements of its subsidiaries as of the same date.
 - 2.3.5 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.4 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the year, the Company has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, the new financial reporting standards which was changed the core principle is Thai Financial Reporting Standard No.15 "Revenue from Contracts with Customers" ("TFRS 15").

Thai Financial Reporting Standard No.15 "Revenue from Contracts with Customers" ("TFRS 15")

The core principle of this TFRS is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects to consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under this TFRS, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

This TFRS supersedes the following revenue Standards and Interpretations upon its effective date: Thai Accounting Standard No.11 "Construction Contracts" , Thai Accounting Standard No.18 "Revenue", Thai Accounting Standard Interpretation No.31 "Revenue-Barter Transactions Involving Advertising Services", Thai Financial Reporting Standard Interpretation No.13 "Customer Loyalty Programmes, Thai Financial Reporting Standard Interpretation No.15 "Agreements for the Construction of Real Estate" and Thai Financial Reporting Standard Interpretation No.18 "Transfers of Assets from Customers".

The Group's accounting policies for revenues are disclosed in Note 3.10 to the financial statements. The application of TFRS 15 has no significant impact on the financial position and/or financial performance of the Group.

2.5 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The Group's management will adopt such TFRSs in the preparation of the Group's financial statements when it becomes effective. The Group's management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any significant impact on the financial statements of the Group in the period of initial application, except the financial reporting standards as follow:

Group of Financial Instruments Standards

Thai Accounting Standards ("TAS")

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards ("TFRS")

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations ("TFRIC")

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These Standards will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

The Group's management is in the process to assess the impact of these Financial Instruments Standards on the financial statements of the Group in the period of initial application.

Thai Financial Reporting Standards No. 16 “Leases”

This TFRS provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

This TFRS will supersede the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No.17 “Leases”, Thai Accounting Standard Interpretation No.15 “Operating Lease - Incentives”, Thai Accounting Standard Interpretation No.27 “Evaluating the Substance of Transactions involving the Legal Form of a Lease” and Thai Financial Reporting Standard Interpretation No.4 “Determining whether an Arrangement contains a Lease”.

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

The Group’s management is in the process to assess the impact of this TFRS on the financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are summarized below:

3.1 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, all types of deposits at banks and at financial institutions and temporary investments with original maturities of three months or less, excluding deposits at banks and at financial institutions used as collateral, if any.

3.2 Temporary investments

Temporary investments consist of time deposits at banks with original maturities later than 3 months but not later than 1 year from the date of acquisition which are stated at cost.

3.3 Allowance for doubtful accounts

An allowance for doubtful accounts, if any, is provided at the estimated collection losses on receivables, based on the Company’s collection experience together with a review of the current financial position of existing receivables.

3.4 Inventories

Inventories are stated at cost by the first-in, first-out method or net realizable value whichever is the lower.

Net realizable value is the estimate of the selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

The Company provides allowance for obsolete and slow-moving of certain kinds of inventories that are not expected to be used in the future based on unmoved balances exceeding 1 year from the produced month.

3.5 Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are stated at cost less allowance for impairment (if any).

3.6 Other long-term investment

Other long-term investment consists of investment in held-to-maturity debt security which is recorded at amortized cost. The premium/discount on debt security is amortized/accreted by the effective rate method with the amortized/accreted amount presented as an adjustment to the interest income.

The investment in debt security is classified as held-to-maturity debt securities when the Company has the positive intention and ability to hold them to maturity.

3.7 Property, plant and equipment

Land is stated at cost.

Plant and equipment are stated at cost less accumulated depreciation and provision for impairment of assets.

Depreciation of plant and equipment is calculated by the straight-line method based on the estimated useful lives of the assets as follows:

Buildings	30 years
Machinery and equipment	5 - 25 years
Furniture and office equipment	5 years
Vehicles	5 years

Impairment

The carrying amounts of the assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amounts of asset is estimated.

The Company recognizes impairment loss when the recoverable amount of an asset is lower than its carrying amount. The recoverable amount is the higher of the asset's fair value less cost to sell or its value in use. The Company determines the value in use by estimating the present value of future cash flows generated by the asset, discounted using a pre-tax discount rate which reflects current market assessments of the time value of money and the risk specific to the asset.

The Company recognizes an impairment loss as expense in the statement of profit or loss.

Reversal of an impairment loss

The Company will reverse impairment loss of asset, if any, which had been recognized in the prior periods, if there is an indicator for impairment may no longer exist or may have decreased which the recoverable amount must be estimated.

3.8 Provision

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

3.9 Employee benefits

Post-employment benefits and other long-term employment benefits

The Company reserves the provision for post-employment benefits according to the Labour Law, as well as benefits provided by the Company in addition to what has been mandate by law, by estimating the amount of future benefits that employees have earned in return for their services in the current and previous periods. In addition, the Company reserves the provision for other long-term employment benefits for employees who work for the Company for a long period. Such calculations are performed by an independent qualified actuary using the Projected Unit Credit Method.

The actuarial gains (losses) for post-employment benefits are recognized in other comprehensive income and transferred in full amount to the retained earnings in the period in which they arise and the actuarial gains (losses) for other long-term employment benefits are recognized in profit or loss in the period in which they arise.

Provident fund

Contributions to employees' provident fund are recorded as expense in the statement of profit or loss and other comprehensive income when incurred.

3.10 Revenue recognition

Revenue from sale of goods

Revenue from sale of goods is recognized in the statement of profit or loss and other comprehensive income when control of the goods is transferred to customers, generally on delivery of goods. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due. Revenue from sales are measured at the amount of consideration received or expect to be received for delivered goods after deduction of returns and discounts, excluding value added tax.

Revenue from rendering of service

Service revenue is recognized over time when services have been rendered considering the stage of completion. The stage of completion is assessed by reference to surveys of work performed. When the outcome of a service rendering contract cannot be estimated reliably, service revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

3.11 Lease

Operating lease

Lease in which substantially all the risks and rewards of ownership of assets remain with the lessor is accounted for as operating lease. Rentals applicable to such operating leases are charged to the statement of profit or loss and other comprehensive income on the straight-line method over the lease term.

Finance lease

Lease in which substantially all the risks and rewards of ownership, other than legal title, are transferred to the Company is accounted for as finance lease. The Company capitalizes the equipment at the lower of fair value of the equipment at the contractual date or estimated present value of the underlying lease payments. Depreciation of the leased assets is calculated by the straight-line method over their estimated useful lives of assets. Interest or financial charge is calculated by the effective interest rate method over the term of contracts. Interest or financial charges and depreciation are recognized as expenses in the statement of profit or loss and other comprehensive income.

In case of sale and lease back which cause a finance lease, benefit from sale which are higher than carrying value of assets are recognized as deferred transaction and will be amortized over the lease term.

3.12 Foreign currency transactions

Transactions denominated in foreign currencies incurred during the year are converted into Baht at the rates of exchange prevailing at the transaction dates. All balances of monetary assets and liabilities in foreign currencies outstanding at the end of the year are converted into Baht at the reference exchange rates established by the Bank of Thailand at that date. All foreign exchange gains or losses are recognized in the statement of profit or loss and other comprehensive income.

3.13 Financial instrument

The Company entered into forward foreign exchange contracts to manage foreign exchange rate risk. Further details of financial instrument are disclosed in Note 31.

The Company enters into the forward exchange contracts to reduce its exposure to foreign exchange rate risk. The forward exchange contracts are initially recognized at fair value at the date derivative contracts are entered into and are subsequently remeasured to their fair value at date of the statement of financial position. The resultant gain or loss is immediately recognized in statement of profit or loss and other comprehensive income.

3.14 Income taxes

Income tax expense

Income tax expense (income) represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current tax liability is calculated using tax rates that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each statement of financial position date.

Deferred tax asset shall be reduced to the extent that utilized taxable profits decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the statement of financial position date.

3.15 Basic earnings per share

Basic earnings per share are calculated by dividing profit or loss for the period/year by the weighted average number of ordinary shares outstanding during the year. In case of a capital increase, the number of ordinary shares is weighted according to time of subscription received for the increase in issued and paid-up capital.

3.16 Fair value measurement for disclosure purpose

The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS 13, including the level in the fair value hierarchy.

When measuring the fair value of an asset or a liability, the Company uses market observable data as the first priority. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques for fair value measurement as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability

3.17 Use of management's judgments and key sources of estimation uncertainty

3.17.1 Management's judgments in applying accounting policies

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the Company's management to exercise various judgements in applying accounting policies that can significantly affect the recognition and disclosures in the financial statements. Significant judgements in applying accounting policies are as follows:

- Allowance for diminution in value of inventories

Details of the allowance for diminution in value of inventories are set out in Notes 3.4 and 7.

- Deferred tax assets

Details of the deferred tax assets are set out in Notes 3.14 and 12.

- Employee benefit obligations

Past service cost related to the plan amendment is recognized as an expense in the statement of profit or loss and other comprehensive income when the plan amendment is effective.

Details of the employee benefit obligations are set out in Notes 3.9 and 17.

3.17.2 Key sources of estimation uncertainty

The Company has estimates with the assumptions concerning the future. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

- Fair value measurements and valuation processes

Details of the fair value measurements and valuation processes are set out in Notes 3.16, 30.6 and 31.

4. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

- 4.1 Cash and cash equivalents as at December 31, 2019 and 2018 consist of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash on hand	100,000	206,286	100,000	100,036
Deposits at banks				
Current accounts	1,518,545	5,710,082	698,865	441,152
Savings accounts	88,062,188	96,112,859	63,214,628	60,536,896
Time deposit accounts with maturities less than three months	1,456,463	1,022,390	1,456,463	1,022,390
	<u>91,137,196</u>	<u>103,051,617</u>	<u>65,469,956</u>	<u>62,100,474</u>

As at December 31, 2018, fixed deposits in the consolidated and the separate financial statements of Baht 0.02 million were pledged for using of bank security box (As at December 31, 2019: Nil).

- 4.2 Cash paid for purchases of equipment for the year ended December 31, 2019 and for the period from April 1, 2018 to December 31, 2018, consist of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended December 31, 2019 Baht	For the period from April 1, 2018 to December 31, 2018 Baht	For the year ended December 31, 2019 Baht	For the period from April 1, 2018 to December 31, 2018 Baht
Equipment payables brought forward				
(recorded as a part of trade and other payables)	35,595	1,417,275	35,595	1,417,275
<u>Add</u> Purchases of equipment	3,697,819	11,539,943	3,697,819	7,909,379
<u>Less</u> Cash paid for purchases of equipment	(3,727,850)	(12,761,623)	(3,727,850)	(9,291,059)
Liabilities under finance lease agreements	-	(160,000)	-	-
Equipment payables carried forward				
(recorded as a part of trade and other payables)	<u>5,564</u>	<u>35,595</u>	<u>5,564</u>	<u>35,595</u>

4.3 Non-cash transactions for the year ended December 31, 2019 and for the period from April 1, 2018 to December 31, 2018 are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended December 31, 2019 Baht	For the period from April 1, 2018 to December 31, 2018 Baht	For the year ended December 31, 2019 Baht	For the period from April 1, 2018 to December 31, 2018 Baht
Payables from liabilities under finance lease				
agreements brought forward	1,041,054	1,126,332	911,205	1,126,332
<u>Add</u> Liabilities under finance lease agreements				
payable during the year	-	160,000	-	-
<u>Less</u> Liabilities under finance lease agreements				
payable of the subsidiary which was				
disposed during the year (see Note 8)	(129,849)	-	-	-
<u>Less</u> Payments the liabilities under finance				
lease agreements payable during the year	(298,654)	(245,278)	(298,654)	(215,127)
Payables from liabilities under finance lease				
agreements carry forward	612,551	1,041,054	612,551	911,205

4.4 Reconciliation of liabilities arising from financing activities for the year ended December 31, 2019 and for the period from April 1, 2018 to December 31, 2018 are as follows:

	Consolidated Financial Statements					Balance as at December 31, 2019
	Balance as at January 1, 2019	Cash provided by financing activities	Cash used in financing activities	Non-cash Changes	Others Changes ⁽¹⁾	
Short-term borrowings						
from financial institutions	63,589,077	253,642,841	(238,293,044)	-	-	78,938,874
Short-term borrowing	13,063,542	-	-	-	(13,063,542)	-
Liabilities under finance						
lease agreements	1,041,054	-	(298,654)	-	(129,849)	612,551

(1) Short-term borrowing and liabilities under financial lease of Sun Power Corporation Co., Ltd. which was disposed during the period (see Note 8)

	Separate Financial Statements					Balance as at December 31, 2019
	Balance as at January 1, 2019	Cash provided by financing activities	Cash used in financing activities	Non-cash Changes	Others Changes	
Short-term borrowings						
from financial institutions	63,589,077	253,642,841	(238,293,044)	-	-	78,938,874
Liabilities under finance						
lease agreements	911,205	-	(298,654)	-	-	612,551

	Consolidated Financial Statements					Balance as at December 31, 2018
	Balance as at April 1, 2018	Cash provided by financing activities	Cash used in financing activities	Non-cash Changes	Others Changes	
Short-term borrowings						
from financial institutions	-	141,822,858	(78,233,781)	-	-	63,589,077
Short-term borrowing	-	13,063,542	-	-	-	13,063,542
Liabilities under finance						
lease agreements	1,126,332	-	(245,278)	160,000	-	1,041,054
	Separate Financial Statements					Balance as at December 31, 2018
	Balance as at April 1, 2018	Cash provided by financing activities	Cash used in financing activities	Non-cash Changes	Others Changes	
Short-term borrowings						
from financial institutions	-	141,822,858	(78,233,781)	-	-	63,589,077
Liabilities under finance						
lease agreements	1,126,332	-	(215,127)	-	-	911,205

4.5 As at December 31, 2019 and 2018, the Company and subsidiaries has unused credit facilities including letters of guarantee in the consolidated and the separate financial statements in the amount of Baht 171.06 million and Baht 23.31 million, respectively.

5. TEMPORARY INVESTMENT

Temporary investment as at December 31, 2019 and 2018, consist of the following:

	Consolidated Financial Statements				Separate Financial Statements			
	2019		2018		2019		2018	
	Interest rate %	Amount Baht	Interest rate %	Amount Baht	Interest rate %	Amount Baht	Interest rate %	Amount Baht
	per annum		per annum		per annum		per annum	
Fixed deposits at bank with								
maturity term later than 3 months								
but not later than 12 months	-	-	1.625	81,473,342	-	-	1.625	81,473,342
		<u>-</u>		<u>81,473,342</u>		<u>-</u>		<u>81,473,342</u>

6. TRADE AND OTHER CURRENT RECEIVABLES

6.1 Trade and other current receivables as at December 31, 2019 and 2018 consist of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade receivables (see Note 6.2)	18,146,062	38,844,859	37,666,398	75,873,702
Less Allowance for doubtful accounts	(84,721)	(126,824)	(84,721)	(126,824)
	18,061,341	38,718,035	37,581,677	75,746,878
Unbilled revenues from services (see Note 28)	1,581,104	66,300	1,581,104	41,300
Advance payments	327,999	332,988	327,999	332,988
Prepaid expenses	14,323,457	1,986,203	14,323,457	1,986,203
Accrued income	55,134	92,702	55,134	92,702
Other receivables	78,929	-	78,929	-
	<u>34,427,964</u>	<u>41,196,228</u>	<u>53,948,300</u>	<u>78,200,071</u>

6.2 Aging analysis for trade receivables as at December 31, 2019 and 2018 are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Within credit terms	11,325,845	20,187,470	37,537,108	75,060,766
Overdue:				
Less than 1 month	6,735,496	15,295,880	44,569	685,740
Over 1 month and less than 3 months	-	3,234,313	-	-
Over 3 month and less than 6 months	-	-	-	-
Over 6 month and less than 12 months	-	745	-	745
Over than 12 months	84,721	126,451	84,721	126,451
Trade receivables (see Note 6.1)	<u>18,146,062</u>	<u>38,844,859</u>	<u>37,666,398</u>	<u>75,873,702</u>

7. INVENTORIES

Inventories as at December 31, 2019 and 2018 consist of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Finished goods	369,960,021	273,088,886	369,960,021	273,088,886
Work in process	50,119,718	104,278,985	50,119,718	104,278,985
Materials and supplies	163,042,172	156,910,649	163,042,172	156,910,649
Total	583,121,911	534,278,520	583,121,911	534,278,520
<u>Less</u> Allowance for diminution in value of inventories	<u>(30,777,596)</u>	<u>(19,222,186)</u>	<u>(30,777,596)</u>	<u>(19,222,186)</u>
Inventories	<u>552,344,315</u>	<u>515,056,334</u>	<u>552,344,315</u>	<u>515,056,334</u>

For the year ended December 31, 2019 and for the period from April 1, 2018 to December 31, 2018, the costs of inventories recorded as expenses in the consolidated and the separate financial statements are Baht 325.44 million and Baht 276.41 million, respectively.

For the year ended December 31, 2019 and for the period from April 1, 2018 to December 31, 2018, the costs of inventories recorded as expenses in the consolidated and separate statements of profit or loss and other comprehensive income included loss on diminution in value of inventories of Baht 11.56 million and Baht 6.95 million, respectively.

8. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, 2019 and 2018 consist of:

Companies	Type of business	Country of registration	Shareholding (%)	Paid-up share capital (Baht)	Separate financial statements Cost method	
					2019 Baht	2018 Baht
Direct subsidiaries						
TIW Industries Co., Ltd.	Steel	Thailand	99.99	1,000,000	999,970	999,970
Sun Power Corporation Co., Ltd.	Energy	Thailand	99.99	1,000,000	-	999,970
Total					<u>999,970</u>	<u>1,999,940</u>

On February 28, 2019, the Board of Directors' Meeting had passed the resolution to approve to dispose all investment in Sun Power Corporation Co., Ltd. at the selling price of Baht 1.00 million. On March 29, 2019, the Company disposed such investment amounting to Baht 1.00 million and recognized gain on disposal of investment in subsidiary in consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2019 of Baht 9.73 million.

9. OTHER LONG-TERM INVESTMENT

As at December 31, 2019 and 2018, other long-term investment is an investment in debt security classified as held-to-maturity, which are stated at the amortized cost, which consists of the following:

	Consolidated Financial Statements				Separate Financial Statements			
	2019		2018		2019		2018	
	Interest rate % p.a.	Amount Baht	Interest rate % p.a.	Amount Baht	Interest rate % p.a.	Amount Baht	Interest rate % p.a.	Amount Baht
Government bond	2.55	<u>1,207,200</u>	2.55	<u>1,221,823</u>	2.55	<u>1,207,200</u>	2.55	<u>1,221,823</u>
		<u>1,207,200</u>		<u>1,221,823</u>		<u>1,207,200</u>		<u>1,221,823</u>

Such other long-term investment is pledged as collateral (see Note 29.2).

10. LONG-TERM LOANS TO EMPLOYEES

Long-term loans to employees as at December 31, 2019 and 2018 consist of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Long-term loans to employees	6,203,688	5,557,558	6,203,688	5,557,558
Less Current portion	<u>(2,658,378)</u>	<u>(2,477,837)</u>	<u>(2,658,378)</u>	<u>(2,477,837)</u>
Long-term portion	<u>3,545,310</u>	<u>3,079,721</u>	<u>3,545,310</u>	<u>3,079,721</u>

Such long-term loans to employees have interest rates at 5.25% per annum.

11. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at December 31, 2019 and 2018 consist of the following:

As at December 31, 2019

Consolidated Financial Statements						
	Balance as at January 1, 2019 Baht	Additions Baht	Disposals Baht	Decrease from disposal of investment in subsidiary ⁽¹⁾ Baht	Transfer in / (Transfer out) Baht	Balance as at December 31, 2019 Baht
Cost						
Land	65,203,193	-	-	-	-	65,203,193
Buildings	139,621,059	-	-	-	-	139,621,059
Machinery and equipment	329,194,075	1,425,527	-	(341,934)	1,744,417	332,022,085
Furniture and office equipment	13,937,990	-	-	(3,313,620)	-	10,624,370
Vehicles	1,389,938	-	-	-	-	1,389,938
	<u>549,346,255</u>	<u>1,425,527</u>	<u>-</u>	<u>(3,655,554)</u>	<u>1,744,417</u>	<u>548,860,645</u>
Accumulated depreciation						
Buildings	(115,705,713)	(4,526,359)	-	-	-	(120,232,072)
Machinery and equipment	(233,584,329)	(9,746,408)	-	23,056	-	(243,307,681)
Furniture and office equipment	(9,585,798)	(693,385)	-	332,522	-	(9,946,661)
Vehicles	(1,389,934)	-	-	-	-	(1,389,934)
	<u>(360,265,774)</u>	<u>(14,966,152)</u>	<u>-</u>	<u>355,578</u>	<u>-</u>	<u>(374,876,348)</u>
	189,080,481					173,984,297
<u>Add</u> Construction in progress	7,534,159	2,272,292	-	-	(1,744,417)	8,062,034
<u>Less</u> Allowance for impairment of machinery and equipment	<u>(8,036,697)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,036,697)</u>
Property, plant and equipment	<u>188,577,943</u>					<u>174,009,634</u>

(1) Property, plant and equipment of Sun Power Corporation Co., Ltd. which was disposed during the year (see Note 8)

As at December 31, 2018

Consolidated Financial Statements					
	Balance as at April 1, 2018 Baht	Additions Baht	Disposals Baht	Transfer in / (Transfer out) Baht	Balance as at December 31, 2018 Baht
Cost					
Land	65,203,193	-	-	-	65,203,193
Buildings	137,191,724	-	-	2,429,335	139,621,059
Machinery and equipment	328,671,449	1,029,330	(506,704)	-	329,194,075
Furniture and office equipment	10,584,360	3,353,630	-	-	13,937,990
Vehicles	1,389,938	-	-	-	1,389,938
	<u>543,040,664</u>	<u>4,382,960</u>	<u>(506,704)</u>	<u>2,429,335</u>	<u>549,346,255</u>
Accumulated depreciation					
Buildings	(112,353,661)	(3,352,052)	-	-	(115,705,713)
Machinery and equipment	(226,673,956)	(7,417,076)	506,703	-	(233,584,329)
Furniture and office equipment	(8,666,579)	(919,219)	-	-	(9,585,798)
Vehicles	(1,389,934)	-	-	-	(1,389,934)
	<u>(349,084,130)</u>	<u>(11,688,347)</u>	<u>506,703</u>	<u>-</u>	<u>(360,265,774)</u>
	193,956,534				189,080,481
<u>Add</u> Construction in progress	2,874,380	7,156,983	(67,869)	(2,429,335)	7,534,159
<u>Less</u> Allowance for impairment of machinery and equipment	<u>(8,036,697)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,036,697)</u>
Property, plant and equipment	<u>188,794,217</u>				<u>188,577,943</u>
Depreciation					
For the year ended December 31, 2019				Baht	<u>14,966,152</u>
For the period from April 1, 2018 to December 31, 2018				Baht	<u>11,688,347</u>

As at December 31, 2019 and 2018, cost value of equipment which are fully depreciated but still in use in the consolidated financial statements are Baht 55.73 million and Baht 50.84 million, respectively.

As at December 31, 2019 and 2018, the Group had vehicle and equipment acquired under a finance lease agreement with net book value of approximately Baht 0.61 million and Baht 1.04 million, respectively, presented as a part of property, plant and equipment in the consolidated financial statements.

As at December 31, 2019

	Separate Financial Statements				Balance as at December 31, 2019 Baht
	Balance as at January 1, 2019 Baht	Additions Baht	Disposals Baht	Transfer in / (Transfer out) Baht	
Cost					
Land	65,203,193	-	-	-	65,203,193
Buildings	139,621,059	-	-	-	139,621,059
Machinery and equipment	328,852,141	1,425,527	-	1,744,417	332,022,085
Furniture and office equipment	10,624,370	-	-	-	10,624,370
Vehicles	1,389,938	-	-	-	1,389,938
	<u>545,690,701</u>	<u>1,425,527</u>	<u>-</u>	<u>1,744,417</u>	<u>548,860,645</u>
Accumulated depreciation					
Buildings	(115,705,714)	(4,526,358)	-	-	(120,232,072)
Machinery and equipment	(233,561,272)	(9,746,409)	-	-	(243,307,681)
Furniture and office equipment	(9,253,276)	(693,385)	-	-	(9,946,661)
Vehicles	(1,389,934)	-	-	-	(1,389,934)
	<u>(359,910,196)</u>	<u>(14,966,152)</u>	<u>-</u>	<u>-</u>	<u>(374,876,348)</u>
	185,780,505				173,984,297
<u>Add</u> Construction in progress	7,534,159	2,272,292	-	(1,744,417)	8,062,034
<u>Less</u> Allowance for impairment of machinery and equipment	(8,036,697)	-	-	-	(8,036,697)
Property, plant and equipment	<u>185,277,967</u>				<u>174,009,634</u>

As at December 31, 2018

	Separate Financial Statements				Balance as at December 31, 2018 Baht
	Balance as at April 1, 2018 Baht	Additions Baht	Disposals Baht	Transfer in / (Transfer out) Baht	
Cost					
Land	65,203,193	-	-	-	65,203,193
Buildings	137,191,724	-	-	2,429,335	139,621,059
Machinery and equipment	328,671,449	687,396	(506,704)	-	328,852,141
Furniture and office equipment	10,559,370	65,000	-	-	10,624,370
Vehicles	1,389,938	-	-	-	1,389,938
	<u>543,015,674</u>	<u>752,396</u>	<u>(506,704)</u>	<u>2,429,335</u>	<u>545,690,701</u>
Accumulated depreciation					
Buildings	(112,353,661)	(3,352,053)	-	-	(115,705,714)
Machinery and equipment	(226,673,956)	(7,394,019)	506,703	-	(233,561,272)
Furniture and office equipment	(8,666,351)	(586,925)	-	-	(9,253,276)
Vehicles	(1,389,934)	-	-	-	(1,389,934)
	<u>(349,083,902)</u>	<u>(11,332,997)</u>	<u>506,703</u>	<u>-</u>	<u>(359,910,196)</u>
	193,931,772				185,780,505
<u>Add</u> Construction in progress	2,874,380	7,156,983	(67,869)	(2,429,335)	7,534,159
<u>Less</u> Allowance for impairment of machinery and equipment	(8,036,697)	-	-	-	(8,036,697)
Property, plant and equipment	<u>188,769,455</u>				<u>185,277,967</u>
Depreciation					
For the year ended December 31, 2019				Baht	<u>14,966,152</u>
For the period from April 1, 2018 to December 31, 2018				Baht	<u>11,332,997</u>

As at December 31, 2019 and 2018, costs value of equipment which are fully depreciated but still in use in separate financial statements are Baht 55.73 million and Baht 50.84 million, respectively.

As at December 31, 2019 and 2018, the Company had vehicle acquired under a finance lease agreement with net book value of approximately Baht 0.61 million and Baht 0.91 million, respectively presented as a part of property, plant and equipment in the separate financial statements.

12. DEFERRED TAX ASSETS

The movements of deferred tax assets during the years are as follows:

As at December 31, 2019

	Consolidated Financial Statements		
	Balance as at January 1, 2019 Baht	Recognized in Profit or Loss (Income) Expense Baht	Recognized in Other Comprehensive Income Baht
Deferred tax assets			
Allowance for diminution in value of inventories	3,821,122	-	-
Accumulated depreciation	3,645,304	-	-
Allowance for impairment of machinery and equipment	1,607,339	-	-
Employee benefit obligations	5,873,298	-	-
Accrued expenses	705,978	-	-
Total	15,653,041	-	-

As at December 31, 2018

	Consolidated Financial Statements		
	Balance as at April 1, 2018 Baht	Recognized in Profit or Loss (Income) Expense Baht	Recognized in Other Comprehensive Income Baht
Deferred tax assets			
Allowance for diminution in value of inventories	3,821,122	-	-
Accumulated depreciation	3,645,304	-	-
Allowance for impairment of machinery and equipment	1,607,339	-	-
Employee benefit obligations	5,873,298	-	-
Accrued expenses	705,978	-	-
Total	15,653,041	-	-

The Company and subsidiary used a tax rate of 20% for the corporate income tax and deferred tax calculation for the year ended December 31, 2019 and for the period from April 1, 2018 to December 31, 2018.

As at December 31, 2019

	Separate Financial Statements			Balance as at December 31, 2019 Baht
	Balance as at January 1, 2019 Baht	Recognized in Profit or Loss (Income) Expense Baht	Recognized in Other Comprehensive Income Baht	
Deferred tax assets				
Allowance for diminution in value of inventories	3,821,122	-	-	3,821,122
Accumulated depreciation	3,645,304	-	-	3,645,304
Allowance for impairment of machinery and equipment	1,607,339	-	-	1,607,339
Employee benefit obligations	5,873,298	-	-	5,873,298
Accrued expenses	705,978	-	-	705,978
Total	15,653,041	-	-	15,653,041

As at March 31, 2018

	Separate Financial Statements			Balance as at December 31, 2018 Baht
	Balance as at April 1, 2018 Baht	Recognized in Profit or Loss (Income) Expense Baht	Recognized in Other Comprehensive Income Baht	
Deferred tax assets				
Allowance for diminution in value of inventories	3,821,122	-	-	3,821,122
Accumulated depreciation	3,645,304	-	-	3,645,304
Allowance for impairment of machinery and equipment	1,607,339	-	-	1,607,339
Employee benefit obligations	5,873,298	-	-	5,873,298
Accrued expenses	705,978	-	-	705,978
Total	15,653,041	-	-	15,653,041

The Company used a tax rate of 20% for the corporate income tax and deferred tax calculation for the year ended December 31, 2019 and for the period from April 1, 2018 to December 31, 2018.

13. SHORT-TERM BORROWINGS FROM A FINANCIAL INSTITUTIONS

Short-term borrowings from a financial institutions in the consolidated and separate financial statement as at December 31, 2019 of Baht 78.94 million represents trust receipts carrying interest rates at 2.40% and 2.43% per annum. Such short-term borrowings are guaranteed by deposits at financial institutions. (As at December 31, 2018 the consolidated and separate financial statement: Baht 63.59 million carrying interest rates at 2.40% per annum).

14. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, 2019 and 2018 consist of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade payables	890,441	44,491,034	890,441	44,388,001
Other payable	2,141,879	4,379,664	1,477,110	4,214,376
Derivative liability (see Note 31)	-	235,990	-	235,990
Dividend payable	626,203	647,614	626,203	647,614
Accrued expenses	4,936,515	6,032,101	4,936,515	6,032,101
	<u>8,595,038</u>	<u>55,786,403</u>	<u>7,930,269</u>	<u>55,518,082</u>

15. LIABILITIES UNDER FINANCE LEASE AGREEMENT

Liabilities under finance lease agreement as at December 31, 2019 and 2018 consisted of the following:

Payment periods	Consolidated Financial Statements			
	The minimum amount to be paid in the future		Present value of the minimum amount to be paid in the future	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Within 1 year	334,680	386,040	312,791	347,347
1 - 5 years	<u>306,790</u>	<u>727,070</u>	<u>299,760</u>	<u>693,707</u>
	641,470	1,113,110	612,551	1,041,054
<u>Less</u> Deferred interest under finance lease agreement	<u>(28,919)</u>	<u>(72,056)</u>	<u>-</u>	<u>-</u>
	<u>612,551</u>	<u>1,041,054</u>	<u>612,551</u>	<u>1,041,054</u>

Payment periods	Separate Financial Statements			
	The minimum amount to be paid in the future		Present value of the minimum amount to be paid in the future	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Within 1 year	334,680	334,680	312,791	298,654
1 - 5 years	306,790	641,470	299,760	612,551
	641,470	976,150	612,551	911,205
<u>Less</u> Deferred interest under finance lease agreement	(28,919)	(64,945)	-	-
	612,551	911,205	612,551	911,205

16. SHORT-TERM BORROWING

As at December 31, 2018, Sun Power Corporation Co., Ltd. has short-term borrowing from third-party represent promissory note, bearing interest at 5.00% per annum which is unsecured loan and due on demand in the consolidated financial statements of Baht 13.06 million (As at December 31, 2019: Nil) (see Note 8).

17. EMPLOYEE BENEFIT OBLIGATIONS

17.1 Employee benefit obligations

Employee benefit obligations as at December 31, 2019 and 2018 consist of the followings:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Post-employment benefit obligations (see Note 17.2)	16,184,132	13,336,854	16,184,132	13,336,854
Other long-term employment benefit obligations (see Note 17.3)	7,022,237	6,505,600	7,022,237	6,505,600
	23,206,369	19,842,454	23,206,369	19,842,454

The significant principal actuarial assumptions used to calculate the employee benefit obligations as at December 31, 2019 and 2018 are as follows:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Discount rate (% p.a.)	2.51	2.51	2.51	2.51
Expected rate of salary increase (% p.a.)	3.80	3.80	3.80	3.80
Voluntary resignation rate (Depended on employee's age) (% p.a.)	4.00 - 26.00	4.00 - 26.00	4.00 - 26.00	4.00 - 26.00
Retirement age (years)	60	60	60	60
Price of gold ornament per 15.16 grams (Baht)	19,600	19,600	19,600	19,600

The sensitivity analysis of the above actuarial assumptions impacted on increase (decrease) in present value of the employee benefit obligations as at December 31, 2019 and 2018 are as follows:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Discount rate				
Discount rate, decrease of 1 percent	1,949,755	1,505,321	1,949,755	1,505,321
Discount rate, increase of 1 percent	(1,722,740)	(1,328,540)	(1,722,740)	(1,328,540)
Salary rate				
Salary rate, decrease of 1 percent	(1,586,184)	(1,046,439)	(1,586,184)	(1,046,439)
Salary rate, increase of 1 percent	1,785,172	1,165,564	1,785,172	1,165,564

17.2 Post-employment benefit obligations

Post-employment benefit obligations as at December 31, 2019 and 2018 consist of the following:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Beginning balance	13,336,854	14,721,144	13,336,854	14,721,144
Current service cost and interest cost	(90,008)	2,375,242	(90,008)	2,375,242
Past service cost	3,649,286	-	3,649,286	-
Paid during the year	(712,000)	(2,033,040)	(712,000)	(2,033,040)
Actuarial gain	-	(1,726,492)	-	(1,726,492)
Ending balance (see Note 17.1)	16,184,132	13,336,854	16,184,132	13,336,854

The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette on April 5, 2019. Which effective within 30 days after the announcement date. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of 20 years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. The Company recognized the effect of the change in such estimate past service cost of Baht 3.65 million as an expense in consolidated and separate statement of profit or loss and other comprehensive income for year ended December 31, 2019.

17.3 Other long-term employment benefit obligations

Other long-term employment benefit obligations as at December 31, 2019 and 2018 consist of the following:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Beginning balance	6,505,600	8,625,735	6,505,600	8,625,735
Addition (deduct) during the year	707,837	(1,219,928)	707,837	(1,219,928)
Paid during the year	(191,200)	(695,533)	(191,200)	(695,533)
Actuarial gain	-	(204,674)	-	(204,674)
Ending balance (see Note 17.1)	<u>7,022,237</u>	<u>6,505,600</u>	<u>7,022,237</u>	<u>6,505,600</u>

17.4 Provident Fund

The Company established a contributory Provident Fund and registered according to the Provident Fund Act, B.E. 2530 (1987) and Provident Fund Act (No.2), B.E. 2542 (1999). The contributions from the employees are deducted from their monthly salaries, and the Company matches the individuals' contributions at the rate of 5% to 6.5% of basic salary.

For the year ended December 31, 2019 and for the period from April 1, 2018 to December 31, 2018, the Company's contributions recorded as expense in the statements of profit or loss and other comprehensive income are as follows:

	For the year ended	For the period from April 1, 2018
	December 31, 2019	to December 31, 2018
	Baht	Baht
Consolidated financial statements	2,018,032	1,490,350
Separate financial statements	2,018,032	1,954,901

18. SHARE CAPITAL

On July 26, 2018, the Annual General Meeting of shareholders 2018 passed the resolutions to decrease of the Company's authorized share capital in the amount of Baht 40.00 million from the existing authorized share capital of Baht 100.00 million to Baht 60.00 million by canceling 4 million unsold ordinary shares, at par value of Baht 10 per share. Also, with the resolved to approve the amendment of the Memorandum of Association in accordance with the decrease of the authorized share capital of the Company and increase the Company's authorized share capital in the amount of Baht 13.05 million from the existing authorized share capital of Baht 60.00 million to Baht 73.05 million by issuing 1,305,000 ordinary shares, at the par value of Baht 10.00 per share, at the offering price of Baht 400 with the total of Baht 522.00 million to specific investors (Private Placement). Also, with the resolved to approve the amendment of the Memorandum of Association in accordance with the increase of the authorized share capital of the Company.

The Company already registered decrease and increase of share capital on August 9, 2018 and August 10, 2018, respectively.

19. LEGAL RESERVE

According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its annual net income after deduction of the deficit brought forward (if any) until the legal reserve reaches 10% of the authorized share capital of the Company. Such reserve fund is not available for distribution of dividend.

20. GENERAL RESERVE

The Company had appropriated annual profit as general reserve, with no specific purpose.

21. CAPITAL MANAGEMENT

The Company's objective in managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company does not apply any particular financial ratio to monitor its capital whilst manages its capital to be sufficient for its working capital by, for instance, issuing new shares or adjusting the amount of dividend paid to shareholders, according to the prevailing situations.

22. DIVIDEND PAID

On April 23, 2019, the Annual General Meeting of shareholders approved the dividend payment at the rate of Baht 1.00 per share in respect of the earnings for the period from April 1, 2018 to December 31, 2018 in the total amount of Baht 6.00 million. The payment of dividend was made on May 17, 2019.

23. COSTS OF SALES

Costs of sales in the consolidated and separate financial statements for the year ended December 31, 2019, include certain expenses incurred during the temporary shutdown of production lines of Baht 14.47 million (For the period from April 1, 2018 to December 31, 2018 the consolidated and separate financial statements: Baht 6.30 million).

24. INCOME TAX EXPENSE

Income taxes for the year ended December 31, 2019 and for the period from April 1, 2018 to December 31, 2018, consist of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended December 31, 2019 Baht	For the period April 1, 2018 to December 31, 2018 Baht	For the year ended December 31, 2019 Baht	For the period April 1, 2018 to December 31, 2018 Baht
Current income tax expense	573,707	468,343	-	-
Deferred tax expense	-	-	-	-
Income tax expense	<u>573,707</u>	<u>468,343</u>	<u>-</u>	<u>-</u>

Reconciliation of effective tax rates for the year ended December 31, 2019 and for the period from April 1, 2018 to December 31, 2018 are as follows:

	Consolidated Financial Statements			
	For the year ended December 31, 2019		For the period from April 1, 2018 to December 31, 2018	
	Baht	Percentage	Baht	Percentage
Accounting profit (loss) from operating before income tax expense	<u>(4,775,875)</u>		<u>23,537,973</u>	
Income tax calculated at statutory tax rate	(955,175)	(20.0)	4,707,595	20.0
Tax effect of income or expense that are not taxable income or expense	(2,066,641)	(43.3)	299,538	1.3
Unused tax loss	3,595,523	75.3	-	-
Used tax loss	-	-	(4,538,790)	(19.3)
Income tax expense	<u>573,707</u>	<u>12.0</u>	<u>468,343</u>	<u>2.0</u>
Income tax expense relating to origination and reversal of temporary differences:	-		-	
Income tax per income tax return form	<u>573,707</u>		<u>468,343</u>	

	Separate Financial Statements			
	For the year ended		For the period April 1, 2018 to	
	December 31, 2019		December 31, 2018	
	Baht	Percentage	Baht	Percentage
Accounting profit (loss) from operating before income tax expense	(17,415,033)		30,951,463	
Income tax calculated at statutory tax rate	(3,483,007)	(20.0)	6,190,293	20.0
Tax effect of income or expense that are not taxable income or expense	(120,362)	(0.7)	299,538	1.0
Unused tax loss	3,603,369	20.7	-	-
Used tax loss	-	-	(6,489,831)	(21.0)
Income tax expense	-	-	-	-
Income tax expense relating to origination and reversal of temporary differences:	-	-	-	-
Income tax per income tax return form	-	-	-	-

25. EXPENSES BY NATURE

Expenses by nature for the year ended December 31, 2019 and for the period from April 1, 2018 to December 31, 2018 comprise the following significant items:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year Ended	For the period from April 1, 2018	For the year Ended	For the period from April 1, 2018
	December 31, 2019	to December 31, 2018	December 31, 2019	to December 31, 2018
	Baht	Baht	Baht	Baht
Changes in finished goods and work in process (increase) decrease	(42,711,868)	(73,132,195)	(42,711,868)	(73,132,195)
Raw material and consumables used	319,436,628	316,464,997	319,436,628	316,464,997
Loss on diminution in value of inventories	11,555,410	6,946,795	11,555,410	6,946,795
Depreciation	14,966,152	11,688,347	14,966,152	11,332,997
Staff expenses	68,153,555	52,962,739	68,151,577	48,148,568
Consultant and professional fees	3,540,111	10,139,870	3,019,586	7,104,392
Utility expenses	4,037,317	4,853,444	4,012,282	4,690,421
Rental expenses	2,027,113	2,877,596	2,027,113	1,907,082
Repair and maintenance expenses	3,084,923	2,119,406	3,084,923	2,119,406

26. TRANSACTIONS WITH RELATED PARTIES

The Company's business includes transactions with its related parties. The relationship may be by shareholding or the companies may have the same group of shareholders or directors. Therefore, the financial statements reflect the effects of these transactions on the basis determined by the Company and the related parties. The prices of these transactions are based on the prices indicated in the agreement or contract which are in the normal course of business. The Company does not have purchase transactions for similar goods with other suppliers.

- 26.1 Balances with the related parties as at December 31, 2019 and 2018 are mainly as follows:

Transactions / Company names	Relationship	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Trade receivable (Part of trade receivables)					
TIW Industries Co., Ltd.	Subsidiary	-	-	37,510,895	72,185,105
C.M. Manufacturing Co., Ltd.	Related Company	877,142	-	-	-
Trade payable (Part of trade payable)					
TIW Industries Co., Ltd.	Subsidiary	-	-	-	1,255

- 26.2 Transactions with related parties for the year ended December 31, 2019 and for the period from April 1, 2018 to December 31, 2018 are mainly as follows:

Transactions / Company names	Relationship	Consolidated		Separate	
		Financial Statements		Financial Statements	
		For the year	For the period	For the year	For the period
		ended	from April 1, 2018	ended	from April 1, 2018
		December 31,	to December 31,	December 31,	to December 31,
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Revenues from sales					
TIW Industries Co., Ltd.	Subsidiary	-	-	359,130,917	295,704,389
Thai Const & Building Manufacturing Public Co., Ltd.	Related Company	103,160	805,609	-	388,486
C.M. Manufacturing Co., Ltd.	Related Company	6,335,769	1,584,533	-	-
Thai Barge Container Services Co., Ltd.	Related Company	-	207,618	-	-
		<u>6,438,929</u>	<u>2,597,760</u>	<u>359,130,917</u>	<u>296,092,875</u>
Revenues from services					
TIW Industries Co., Ltd.	Subsidiary	-	-	13,908,342	6,018,210
Thai Const & Building Manufacturing Public Co., Ltd.	Related Company	286,570	-	-	-
C.M. Manufacturing Co., Ltd.	Related Company	-	880,000	-	480,000
		<u>286,570</u>	<u>880,000</u>	<u>13,908,342</u>	<u>6,498,210</u>
Other income (Part of other income)					
TIW Industries Co., Ltd.	Subsidiary	-	-	14,194	23,325
Purchases of goods					
(Part of costs of sales and costs of services)					
C.M. Manufacturing Co., Ltd.	Related Company	205,984	5,255,383	205,984	5,255,383
Other expenses (Part of other expenses)					
Thai Const & Building Manufacturing Public Co., Ltd.	Related Company	13,730	195,810	13,730	195,810
C.M. Manufacturing Co., Ltd.	Related Company	566,533	51,395	566,533	51,395
		<u>580,263</u>	<u>247,205</u>	<u>580,263</u>	<u>247,205</u>
Management benefit expenses	Management	9,744,527	7,520,105	9,744,527	7,520,105
Dividend paid					
Dr.Prasit Kanchanasakdichai	Shareholder	3,965,368	-	3,965,368	-

Sales are determined based on cost plus margin. Service revenues and other service fee income are determined based on rate as stipulated in the agreements which are in the normal course of business.

27. SEGMENT INFORMATION

The Company's business segment information for the year ended December 31, 2019 and for the period from April 1, 2018 to December 31, 2018 is as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended December 31, 2019 Baht	For the period from April 1, 2018 to December 31, 2018 Baht	For the year ended December 31, 2019 Baht	For the period from April 1, 2018 to December 31, 2018 Baht
<u>Revenues from sales and services</u>				
Revenues from sales of galvanized iron sheets	379,253,267	359,737,287	375,616,057	356,693,259
Revenues from installation services	15,549,634	14,620,074	15,409,146	14,614,510
Total revenues from sales and services	394,802,901	374,357,361	391,025,203	371,307,769
<u>Cost of sales and services</u>				
Cost of sales of galvanized iron sheets	351,465,430	289,663,597	351,465,430	289,663,597
Cost of installation services	16,306,096	14,329,038	16,306,096	14,329,038
Total cost of sales and services	367,771,526	303,992,635	367,771,526	303,992,635
Gross profit	27,031,375	70,364,726	23,253,677	67,315,134
<u>Operating assets as at December 31, 2019 and 2018</u>				
For manufacturing of galvanized iron sheets	172,120,379	187,122,933	172,120,379	183,822,957
For installation services	1,889,255	1,455,010	1,889,255	1,455,010

28. SUPPLEMENTAL DISCLOSURE FOR INSTALLATION SERVICE CONTRACTS

Supplemental disclosure for installation service contracts for the year ended December 31, 2019 and for the period from April 1, 2018 to December 31, 2018 is as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended December 31, 2019 Baht	For the period from April 1, 2018 to December 31, 2018 Baht	For the year ended December 31, 2019 Baht	For the period from April 1, 2018 to December 31, 2018 Baht
Contract revenue recognized for the year/period	15,549,634	14,620,074	15,409,146	14,614,510
Contract costs recognized for the year/period	(16,306,096)	(14,329,038)	(16,306,096)	(14,329,038)
Recognized profit (loss) for the year/period	(756,462)	291,036	(896,950)	285,472
Contract costs related to future activity recognized as work in progress - beginning balance	-	-	-	-
Contract costs incurred during the year/period	16,306,096	14,329,038	16,306,096	14,329,038
Contract costs incurred and recognized as expenses during the year/period	(16,306,096)	(14,329,038)	(16,306,096)	(14,329,038)
Contract costs related to future activity recognized as work in progress - ending balance	-	-	-	-
Unbilled completed work - beginning balance	66,300	72,000	41,300	72,000
Contract revenue recognized for the year/period	15,549,634	14,620,074	15,409,146	14,614,510
Progress billings	(14,034,830)	(14,625,774)	(13,869,342)	(14,645,210)
Unbilled completed work - ending balance (see Note 6.1)	1,581,104	66,300	1,581,104	41,300

29. LETTERS OF GUARANTEE AND COMMITMENTS

- 29.1 As at December 31, 2019, the Company and subsidiaries have letters of guarantee issued by a bank in the consolidated and the separate financial statements amount of Baht 0.30 million, which is in the normal course of business (As at December 31, 2018 the consolidated and separate financial statements: Baht 0.30 million).
- 29.2 As at December 31, 2019, the Company's government bond amounting to Baht 1.21 million in the consolidated and the separate financial statements are pledged to Metropolitan Electricity Authority (As at December 31, 2018 the consolidated and separate financial statements: Baht 1.22 million) (see Note 9).
- 29.3 As at December 31, 2019 and 2018, the Company and subsidiaries have commitments to pay cars rental according to long-term leases as follows:

Periods	Rental to be paid			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Not later than 1 year	770,783	2,037,736	770,783	2,037,736
Later than 1 year but not later than 5 years	926,498	770,714	926,498	770,714

For the year ended December 31, 2019 and for the period from April 1, 2018 to December 31, 2018, the other long-term operating lease agreements recorded as expense in the statements of profit or loss and other comprehensive income in the consolidated and the separate financial statements are Baht 2.03 million and Baht 1.91 million, respectively.

- 29.4 As at December 31, 2019 and 2018, the Company and subsidiaries have commitments on purchases of raw materials, which is in the normal course of business, in the consolidated and the separate financial statements in the amount of Baht 12.83 million and Baht 57.57 million, respectively.

30. DISCLOSURE OF INFORMATION OF FINANCIAL INSTRUMENTS

- 30.1 Accounting policies

Accounting policies have been disclosed in Note 3.

- 30.2 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss for the Company. The Company believes that there is no credit risk with respect to concentrations as the Company has a number of customers and most of sales are cash sales.

As at December 31, 2019, the consolidated and separate financial statements have concentration of credit risk whereby 44.44% and 100.00%, respectively of its trade receivables from 3 major customers (As at December 31, 2018 the consolidated and separate financial statements: 59.06% and 99.60%, respectively of its trade receivables from 3 major customers).

In case of recognized financial assets in the statement of financial position, the carrying amount of the assets net of a portion of allowance for doubtful debts (if any) represents the Company maximum exposure to credit risk.

30.3 Foreign exchange risk

Foreign exchange risk arises from the change in foreign currency exchange rates to have an adverse effect on the Company in the current year and in future years. The Company reduce such risk by entering into forward exchange contracts (see Note 31).

30.4 Interest rate risk

Interest rate risk arises from the potential change in interest rates having an adverse effect on the Company's operations in the current year and in future years. The Company expects that there is no effect from changes in interest rates to the Company's operations as borrowings are short-term borrowings.

30.5 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments. The Company expects that there is no effect from liquidity risk as the Company's financial assets exceed its financial liabilities.

30.6 Fair value

The fair value disclosures, considerable judgement is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented here in is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company in estimating fair values of financial instruments.

Financial instruments not measured at fair value

Financial instruments which are not measured at fair value and fair value of financial instruments are categorized into hierarchy level 3 as at December 31, 2019 and 2018 is summarized as follows:

Consolidated Financial Statements 2019		
	Carrying Amount Baht	Fair Value Baht
<u>Financial assets</u>		
Cash and cash equivalents	91,137,196	91,137,196
Trade and other current receivables	18,061,341	18,061,341
Restricted deposit at financial institution	70,000,000	70,000,000
Loan to employee	6,203,688	6,203,688
Other long-term investment	1,207,200	1,207,200
<u>Financial liabilities</u>		
Short-term borrowings from a financial institution	78,938,874	78,938,874
Trade and other current payables	3,658,523	3,658,523
Liabilities under finance lease agreement	612,551	612,551

Consolidated Financial Statements 2018		
	Carrying Amount Baht	Fair Value Baht
<u>Financial assets</u>		
Cash and cash equivalents	103,051,617	103,051,617
Temporary investments	81,473,342	81,473,342
Trade and other current receivables	38,718,035	38,718,035
Restricted deposit at financial institution	45,000,000	45,000,000
Loan to employee	5,557,558	5,557,558
Other long-term investment	1,221,823	1,221,823
<u>Financial liabilities</u>		
Short-term borrowings from a financial institution	63,589,077	63,589,077
Trade and other current payables	49,518,312	49,518,312
Short-term borrowing	13,063,542	13,063,542
Liabilities under finance lease agreement	1,041,054	1,041,054

Separate Financial Statements 2019		
	Carrying Amount Baht	Fair Value Baht
<u>Financial assets</u>		
Cash and cash equivalents	65,469,955	65,469,955
Trade and other current receivables	37,581,677	37,581,677
Restricted deposit at financial institution	70,000,000	70,000,000
Loan to employee	6,203,688	6,203,688
Investment in subsidiaries	999,970	999,970
Other long-term investment	1,207,200	1,207,200
<u>Financial liabilities</u>		
Short-term borrowings from a financial institution	78,938,874	78,938,874
Trade and other current payables	2,993,754	2,993,754
Liabilities under finance lease agreement	612,551	612,551

Separate Financial Statements 2018		
	Carrying Amount Baht	Fair Value Baht
<u>Financial assets</u>		
Cash and cash equivalents	62,100,474	62,100,474
Temporary investments	81,473,342	81,473,342
Trade and other current receivables	75,746,878	75,746,878
Restricted deposit at financial institution	45,000,000	45,000,000
Loan to employee	5,557,558	5,557,558
Investment in subsidiaries	1,999,940	1,999,940
Other long-term investment	1,221,823	1,221,823
<u>Financial liabilities</u>		
Short-term borrowings from a financial institution	63,589,077	63,589,077
Trade and other current payables	49,249,991	49,249,991
Liabilities under finance lease agreement	911,205	911,205

Cash and cash equivalents, temporary investments, trade and other current receivables, restricted deposit at financial institution, investment in subsidiaries, long-term loan to employee, other long-term investment, trade and other current payables and liabilities under finance lease agreement; the carrying value approximate their fair value.

31. FORWARD EXCHANGE CONTRACTS

The Company entered into the forward exchange contracts to reduce foreign exchange risk. As at December 31, 2018, the outstanding forward exchange contracts are summarized as follows: (As at December 31, 2019: Nil)

As at December 31, 2018

Contract amount	Maturity date	Separate Financial Statements		Fair value hierarchy	Valuation technique and key input of fair valuation
		Amount to pay per contract	Fair value liabilities as at December 31, 2018		
		Baht	Baht		
USD 429,520	May and June 2019	14,119,070	(235,990)	Level 2	Provision for discount cash flow*

* Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

32. CONTINGENT LIABILITY

On August 31, 2017, the Company has been sued by a local company to the Court on the basis of breach of the construction contract with respect to deodorization system, claiming of Baht 1.67 million which the Company already recorded as fixed asset and liability of Baht 1.35 million. Subsequently, on March 27, 2018, the Civil Court ruled in favor of the plaintiff and judged to the Company to pay damages for such loss included interest, amounting to Baht 1.67 million. As at March 31, 2018, the Company recorded an accrued interest payable of Baht 0.25 million in the consolidated and the separate financial statements. Subsequently, on December 28, 2018, the Appeal Court ruled in favor of the plaintiff and judged to the Company to pay damages for such loss included interest. However, the Company and the Company's legal counsel consider it appropriate for petition the Appeal Court.

As at December 31, 2019, the Company already filed an appeal with the Supreme Court.

33. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuing by an authorized director of the Company on February 27, 2020.