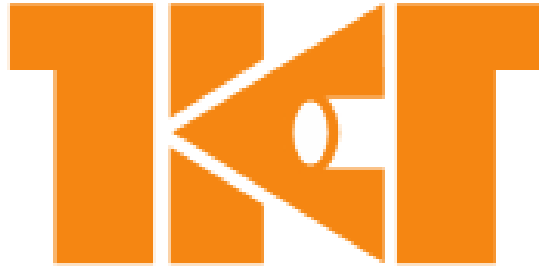




**T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.**

**ANNUAL REPORT**  
**2018**



T.Krungthai Industries Public Company Limited

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Factory 3 28/4 Mu 1, Suwintawong Road, Klong Udom Cholajorn, Maung, Chachoengsao 24000

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**\*\*\*\*: The company had posted 56-1 report at [www.sec.or.th](http://www.sec.or.th) and [www.tkrungthai.com](http://www.tkrungthai.com),  
So that investor can learn from both of web sites**

## Report of the Board of Directors

In the year 2018, the automotive industry production totally 2.16 million units increased from year 2017 8.99 % consisting of Passenger cars 0.88 million units, 1 ton truck 1.25 million units, and other vehicles 0.03 million units. The above production volume shows that the purchasing power of consumers is gradually recovering

The Company's total revenue was 1,171 million Baht, compared to the total revenue of year 2017 at 1,073 million Baht or increasing by 9.23%. It was the results of the increasing revenue from selling plastic parts. Although the revenue from mold manufacturing services has decreased from the previous year by 8.55% as a result of the molds approximately 72 million baht are the works in process and will be delivered and recognized the revenue in year 2019. The company's net loss was 36.75 million baht compared to the net loss of 51.33 million baht in year 2017 or loss decreasing 28.40%. It is the result of the effort in controlling production costs and expenses as well as accelerating improving sale volume.

The company had controlled over production costs by reducing losses from production and other expenditures but still it is not good enough. Next year the company will try its best to reduce costs and to find new customers and accept / receive new models.

The Board of Directors has the best interest to conduct its business with good ethics and focus on the importance of good corporate governance and with its commitment to the implementation of good corporate governance , the company was awarded “ **Excellent** “ by the Institute of Directors of Thailand.

And the Good Corporate Governance Committee Has reported the CG Code to the Board of Directors In order to acknowledge the CG Code guidelines, in the overall, the Board of Directors understands the roles and duties of the directors in accordance with the CG Code principles and will review and improve the Company's good corporate governance policy to be in line with the guidelines of the CG Code.

On behalf of the Board of Directors , thanks to all the stakeholders, staffs at all levels along with the management of the company who are the major driving force in supporting the company. Please be ensure that we shall be able to solve the problem and create a sustainable growth for the company, with transparency and good corporate governance.



General Terdsak Marrome

Chairman

## **Vision**

“To be a leader in service rendering in the automobile plastic parts production and other related industry in terms of quality and service for the interest of all.”

## **Mission**

- ❖ To meet or fulfill the need of customers in quality and service.
- ❖ To have a chance in business expansion.
- ❖ To improve management system, production system and quality system to be of international standard.
- ❖ To improve human resources and provide them continuous knowledge and information.
- ❖ To have good and proper communication both in and out of the company
- ❖ To strengthen our image and have good relationship to our employees customers and shareholders.

## Board of Director



**General Terdsak Marrome**  
Chairman / Independent Director



**Mr. Pairuch Sahamethapat**  
Director/Independent Director



**Mr. Paotep Chotinuchit**  
Director/Independent Director



**Mr. Virasak Sutanthavibul**  
Director/Independent Director



**Dr. Kosol Surakomol**  
Director/Independent Director



**Mr. Sumate Techakraisri**  
Director/CEO



**Mr. Kumpee Chongthurakit**  
Director



**Mrs. Yupa Techakraisri**  
Director



**Mr. Apichart Kasemkulsiri**  
Director



**Mr. Phreecha Tachakraisri**  
Director/Managing Director



**Mr. Chumpol Techakraisri**  
Director/Company Secretary



**Mr. Prasong Techakraisri**  
Director

## 1. Policy and Overall business operation

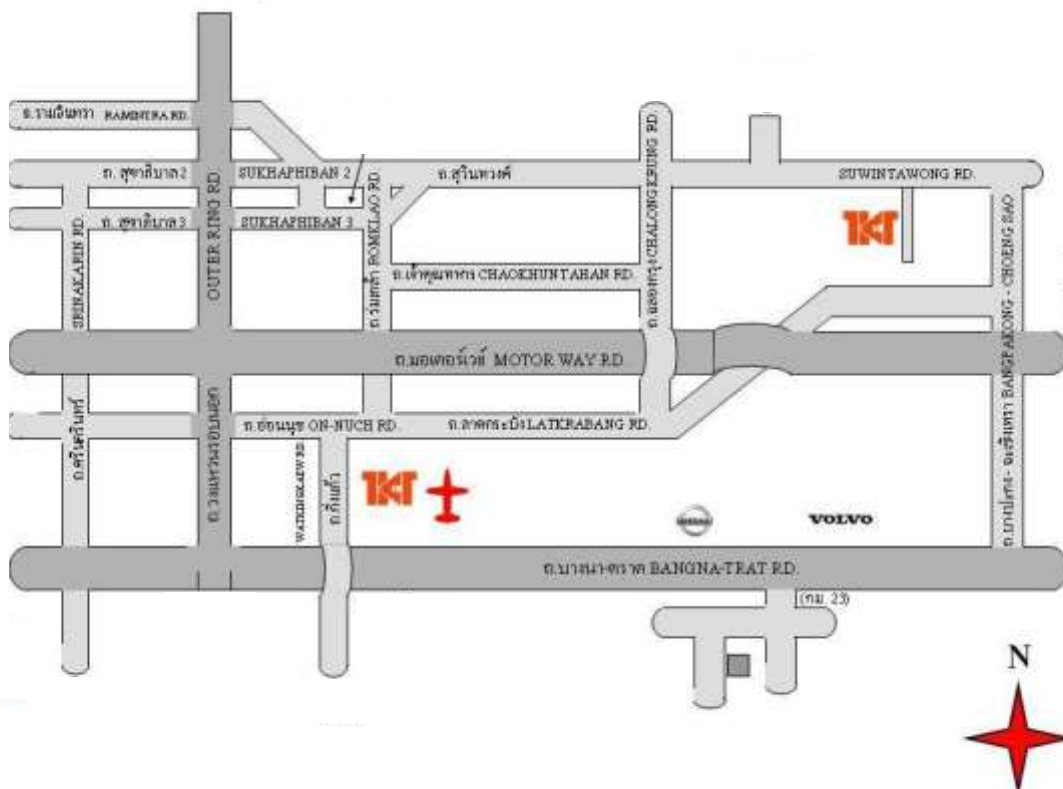
T.Krungthai Industries Public Company Limited (“TKT”) is the producer of plastic parts, including the spray painting, silk-screen & hot stamping and sub assembly, and the service provider on mold design, mold production and mold repair for plastic parts to the leading Automobile, Electrical appliance and Original Equipment Manufacturers (OEM).

Currently, the Company owns 3 production plants.

The first plant is located at Bangplee, Samutprakarn. Its production emphasizes on supporting the demand of plastic parts for automotive and electrical appliance industries.

The second plant is located at Kabinburi, Prachinburi. This plant has been operated since April 2004 and emphasizes on the production to support electrical appliance industry.

The third plant is located on Suwintawong Road, Muang, Chachengshao. This plant has been operated since Quarter 3, year 2005 and emphasizes on production of injection mold. The company purchased machineries to support the increasing production



### Policies and long-term goals of the company.

In addition to the annual work plan consisting of annual budget and action plan approved by the Board of Directors. BOD and Management team also pay attention in doing business for long term and to serve needs of all stakeholders. Therefore, the company set policies and business goals in the long term period as follows:

1. Focus on developing competitive advantage by responding to customer needs in terms of quality, delivery, cost, innovation, service and development of new products. Company shall conduct a customer satisfaction survey for all 6 criteria at least 2 times a year.
2. Concentrate on the potential development of the human resources in the company by building core competencies consistent with the values of the organization which support the growth of the company.
3. The company has plans to improve growth both its sale and profit goals annually from year 2014 – 2018 based on the growth of the industry and competitors in the same industry. The Company has a strategic plans to achieve these goals.
4. The Company has established a Corporate Governance Committee to review the corporate governance policy appropriately in fairness to the shareholders as well.
5. Focused on the activities of the organization contribute. And social assistance Activities for philanthropy and events the benefit to society and to focus on the implementation of CSR.

In 2018, the Company had the following significant changes and developments.

1. The company bought 2 injection machines to increase production capacity to support new jobs.
2. Has been selected as the supplier of FOMM (Asia) Co., Ltd., an electric vehicle manufacturer (EV) in Thailand.
3. Has been selected as the supplier of Thai Koito Co., Ltd., manufacturer of headlights and taillights for cars and motorcycles.
4. Received the award "BEST ACHIEVEMENT TARGET JIDOKA 2017" from Toyoda Gosei (Thailand) Co., Ltd.
5. Received the award "BEST QUALITY & DELIVERY PERFORMANCE SUPPLIER 2017" from Siam Aisin Company Limited.
6. Received a 100% quality assessment score for the 2018 Annual General Meeting of Shareholders from the Thai Investors Association.
7. The company has been rated as "excellent" from the assessment of corporate governance (Corporate Governance Report of Thai Listed Companies) by the Institute of Directors of Thailand and The Stock Exchange of Thailand And the Securities and Exchange Commission.

## **2. Nature of Business**

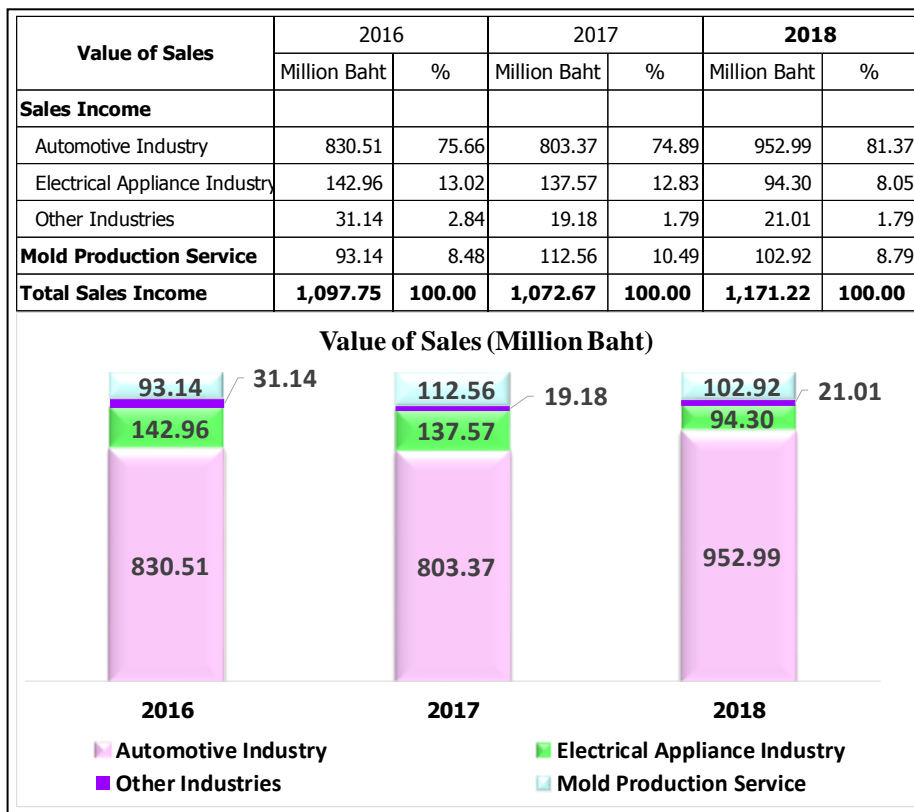
The Company's products are classified into two categories:

1. Injection Molding
  - Automotive Industry
  - Electric Industries
  - other Industry
2. Mold Production and repair

### **Income Structure**

T.Krungthai Industries Public Company Limited, the Company, supplied all of its products to the domestic customers. The Company's income structure was as follows:





## 2.1 Types of products and services

The Company's products are classified into two categories:

### 1. Injection Molding

The Company is the producer of plastic parts for industry. After the process of injection molding, plastic parts would be brought into further processes such as spray painting, silk-screen & hot stamping and sub assembly. The production of plastic parts supports the three groups of industry as follows:

#### Group 1 Plastic parts for Automotive Industry

- Interior Part Such as, dashboard components/trim, panel, plastic interior parts and door panels.
- Exterior Part Such as, Radiator Grilles, Wheel Cap, Mud guards.
- Engine Room Such as, Cover Engine.

#### Group 2 Plastic parts for Electrical Appliance Industry

- Products including in this group parts of refrigerators, Door Handle, Base, Top Plate and other parts inside the refrigerator.

#### Group 3 Plastic parts for other industries

Products including in this group are plastic parts, which are the components of packaging for consumer products such as can covers, etc.

The company's quality control process are monitored and controlled efficiently starting from the import of raw materials, production process, production of good quality products, best service and up to the time of delivery to the customer for which the company earns the customers confidence, trust and satisfaction.

## **2. Mold Production for Plastic Injection Production**

### **A) Mold Design and Production**

The Company provides services on mold design and manufacture of plastic injection molds. With professional teams, having more than 45-year experience in mold design and production, computers are used in designing process such as CAE (Mold Flow) which is used to analyze the design of plastic parts and mold. Computer Aid Design (CAD) and Computer Aid Manufacturing (CAM), the Company was able to produce good quality molds, which are right according to designs. Moreover, the Company has sent the technicians, who take care of the mold production, over for training both domestically and abroad. The trainings were aimed to develop on mold production of the Company

Mold making is divided into two groups.

#### **1. New Mold for customers' order**

For this, the company will make mold for injection according to the customers specification and make the mold in accordance with the design details agreed by both sides.

#### **2. Customer provide mold for repair and adjustment**

For this, the customers provide molds for repair and adjustment , both the company and the customer support each other for the improvement of surface, mold design for injection improvement and adjustment for quicker production or as per the customers requirement. This sort of service build trust from customers in the injection process and if the mold has been damaged the company also give service in this matter.

Production and repair of molds the company give quotation for their service depending on the size of the mold , difficulty and simplicity of the mold repair and the working time / lead time recorded as an income form sales and service.

### **B) Mold Repair**

Besides from services on mold production, the Company also provides services on mold repair. The Company's professional technicians would provide immediate repair services right at the ours' sites. The customers' time would not be wasted for sending the molds externally for repair. These services are aimed to create creditability towards the Company's mold production.

### **Investment Support from Board of Investment Directors (BOI)**

The Company has received promotional privileges from the Board of Investment (BOI) in Zone 2 (Chachoengsao) for plant Suwintawong on February 25, 2011 to indicate that the user is encouraged to invest in the business. mold manufacturing and mold repair itself. The gist has been promoted as follows.

1. Exemption in company income tax for the net profit on the BOI privilege for 8 years and reduction on corporate income tax in the Net Profit 50% for 5 years after 8 years.

2. Exemption on dividends paid by the Company has been promoted calculation . To pay income tax for the period that has been promoted is exempted from income tax throughout the BOI privilege period.

3. Reduction on imported machineries and material in the manufacturing and export for 1 year.

#### 4. Reduction import duty for the BOI privilege import and export in 1 year.

On October 25, 2012, the Company acquired additional type of business from Board of Investment (BOI) That is Manufacture of plastic or plastic coated. Following are the overview of the acquired privileges :

1. Exemption from income tax on profits derived from such business on the BOI privilege which does not exceed 100 percent of the investment, excluding land and working capital for a period of 3 years.
2. Exemption on the dividends paid by the company under the BOI privilege and to pay income tax for the period of the exemption given to the company by BOI.
3. Exempt from import duty on raw and essential materials imported from abroad for use in the production for export for a period of one year.
4. Exemption from import duties for imported be encouraged to return to a period of one year

## 2.2. Marketing and Competition

### 1. Marketing Strategy

Being 45 years in business the company are already familiar with our customers needs and requirements. Most of the customers are not really concern on prices but more concerned in their trust, quality of the product, service ability and capability so the company came up with a marketing strategy and policy as per our customers requirements and needs be it in short or long term period as follows :

- |                     |   |
|---------------------|---|
| Q (Quality) :       | product quality must be standard and accepted by our customers, quality Competitive with other manufacturers.   |
| C (Cost) :          | cost in production shall be lower and control production expense by increasing the production and reduce wastes during production.  |
| (Delivery) :        | Delivery efficiency by on time delivery and quicker delivery to the customers by setting up a section for quicker and on time delivery  |
| M (Management) :    | Management efficiency, policy making and strategy in management from board of directors emphasized on more efficiency in working and in marketing by using standard quality system such as ISO 9001 – IATE16949 and ISO 14000 and TPS : for customers satisfaction. |
| E (Engineering) :   | Support and improve the ability and capability of engineering of the company in a modern way improve designing of products for (One-Stop Service)   |
| C (Communication) : | Good quality of communication both in and out of the company.   |

The Company policies in marketing actuary measure for the satisfaction level of customers yearly. The target score for satisfaction is 85% up and set 5 points for rating they are Quality, Cost, Delivery, Management and Engineering, and to results were evaluated for improvement.

### Nature of Customers and Customer Target Group

The company has divided target customers into 4 groups as follows :

1. **Automobile Industry Group** this group consist of : various automobile producers including the parts manufacturers with a total sales of 81.37% such as Toyota Motor Asia Pacific Engineering and Manufacturing Co.,Ltd., Kawasaki Motor Enterprise (Thailand) Co.,Ltd.

2. **Electrical Appliances Industry Group** this group consist of electrical appliances producers for household and business sector with a total sales of 8.05% such as Haier Electric (Thailand) PCL, Hitachi Consumer Products (Thailand) Co., Ltd. Panasonic Home Appliances (Thailand) Co.,Ltd.
3. **Other Industry Group** this group consist of manufacturers of products made from plastics such as packaging, in the year 2018 revenue was 1.79% of the total income such as Prairie Marketing Co., Ltd.
4. **Molding Industry Group and Repair in** the year 2018, customer sales portion sale ratio 8.79% of the total income such as Toyota Motor Asia Pacific Engineering and Manufacturing Co.,Ltd., Kawasaki Motor Enterprise (Thailand) Co.,Ltd., Faurecia & Summit Interior Systems (Thailand) Co.,Ltd.

The company has one customer which has a market share of 30 % in the automotive industry that is Toyota Group

### **Sales & Method of Selling**

The company make direct sales to clients ( End User ) by not going through an agent and it's a domestic sale but other products of the company are being assembled and exported indirectly (Indirect Export) in the form of finished product and parts. Most of our customers are Japanese companies and they normally have representative or affiliate companies to make purchases for them. From our experience our company's plastic products are well accepted and used in the assembly of electrical and automobile industries in Japan. Besides, our company has better know how in the working system of Japanese companies and use this to improve our products and service in order to be competitive with the Japanese companies, along with the improvement of human resource in all levels. Our company uses production standard , work closely with customers, so we could know directly the requirement of the customers. This is the reason why Thai producers are well accepted in this line of products and service. The company is able to offer its service to other manufacturers on both industry.

### **Industry Situation and Competition**

#### **Industry Structure**

The Company commercially produced and distributed the plastic parts to the customers, who further use them as an component of any readymade products that were sold to the end users.

Presently, the business on production of injection molding rapidly grew. With characteristics of being high torsion & impact resistance and light in weight, the demand of the products were rising from various industries such as automotive, electrical appliance and electronics industries. Followings are situations on the Company's principal related industries:-

#### **Condition of Automobile Industry in the year 2018 (Data from The Federation of Thai Industries.)**

##### **Automotive industry in 2018**

Car production in 2018 totaled to 2,167,694 units an increase of 8.99% compared to the same period of 2017. And is the highest production in 5 years. Passenger cars totaled to 884,609 units up 6.99% compared to year 2017, pickup truck 1 ton production totaled to 1,250,483 units or 57.68% of total production.

Export Production totaled to 1,142,733 units representing 52.71% of total production in year 2017 an increase of 1.45%. And total value of exports, the engine, other parts, auto parts, motorcycle parts, motorcycle parts and a total of 878,578.44 million baht, an decrease of 6.59 percent in year 2017.

## 2.3 Exploration / Search of Product or Service

**Production** : at present the company has a 3 plants to provide services Details as follows :

**Factory 1** : Located at 59 Mu 6 Kingkaew Road, Rajateva, Bangplee, Samutprakarn 10540 with an area of 9 rai 10,200 square meter is used for factory bldg. comprise of marketing dept., engineering dept., production dept. For full production capacity we use 3,600 tons / year.

**Factory 2** : Located at 517 Moo 9, Nongkee ,Kabinburi Prachinburi 25110. Area -13 rai. 6,000 square meter is used for factory bldg. for better and bigger production for our customers requirement, started on February 2004 and with a full capacity of 5,040 tons/ year.

**Factory 3** : Located at 28/4 Moo 1 Suwintawongse Road, Klong Udom Chulachon, Amphur Muang, Chachoengsao 24000. Area -27 rai. 8,700 square meters is used for mold making that can be used in the production of mold for injection ranging from 30 to 1,800 tons and a plastic injection molding machine ranging from 230 to 850 tons

To be able to gain the trust and provide satisfaction to our beloved customers, we have set an important policy for production i.e to concentrate on the quality of product as per customers requirements with on time delivery.

### ➤ Search of Raw Material for Plastic Production

#### • Raw material for production of plastic products

The main raw material used for production of plastic products are Pellets purchased from local representative vendors and the purchase of these materials are composed of the following groups.

#### • Plastic Product for Automotive Industry

The purchase of plastic material to be used in the production of automotive industry is the purchase in advance from local vendors and the customers shall specify the types and kinds of plastic material and suppliers in order to control the material quality according to their requirement. The procurement of the company will purchase material per the customers' order.

The company has 35 raw material vendors.

#### • Plastic Product for Electronic Appliances Industry

The purchase of plastic material to be used in the plastic part production of electronic appliances comprise of two categories, customers provide the company plastic material and or the company purchase the material. For Kabinburi factory in year 2018 the proportions of sales which the material are supplied by customer and the material are purchased by the own company are 38% and 62% respectively.

For the purchase of plastic material of the above 2 groups, the company can deal with the customers to purchase the plastic material by the own company if the company can find the vendors who could provide cheaper price with the same quality as per customers requirement. Therefore the company has no problem in providing the material.

Kind of plastic material are separated into the following groups : Polystyrene – PS, Polypropylene-PP (Engineering Grade), PC/ABS (PC Alloy), Nylon (PA+GF) Poly Acetal (POM),Acrylonitrile Butadiene Styrene-ABS and others.

➤ **Finding material for mold making**

• **Material for Mold Making**

The main material is steel (Mold Base) and steel mould parts, the company purchased from many local vendors. These vendors has been with the company for a long period of time, the steel used are of good quality according to the injection mould specification with less wastes.

➤ **Analysis and Development of Mold Making**

The company got a Mold Flow to support our analysis and help us in the design and the manufacturing of plastic injection molds and as a result the molds produced higher and better quality . The company made researches to develop new technologies for the higher quality production with lower cost in collaboration with NSTDA which will start in the year 2018

➤ **Repair of Mold**

Besides offering service on mold the company also give service on damage molds during the working process and this kind of service on repair can build trust from customers. Our company's mould section officers can also give service at our customers' factory/plant.

## **2.4 Undelivered Job (Especially on Project with High Value)**

-None

## **3. Business Risk**

The company had realized that risk management is an important issue and tool to management framework. Risk management is significant to investors, shareholders, business operations therefore a manual has been prepared to be followed. Risk management policy and Risk Management Committee shall assess risks and determine preventive measures along with the responsible officers for monitoring and analyzed the risk practices in the organization. Responsible authorities that has been linked to risk management strategy shall manage the organization to reduce or mitigate the risks that may cause to the organization. The company has set out the risks that may affect the business in six categories as follows :

- Risk in Business Operations and Strategy
- Risk in Operations
- Risk in Accounting and Finance
- Risk in Administration and Management
- Risk in related Rules and Regulations
- Risk in Information Systems

In year 2018, the company has to comply with the regulations of risk management manual and shall conduct a risk assessment in each group every six months and found out that the risk has materialized as follows :

➤ **Risk in Business Operations and Strategy**

• **The risk in the change of raw material price**

If the price of raw material become higher our cost of goods sold will also be higher which will make out profit less

Change of material price has no impact to the company operation as prices quoted to the customers are calculated based on the raw material cost and cost structure and the responsibility on this is given to the marketing dept. to follow up the price change of the raw material and quote the price to customers as per the material cost.

➤ **Risk in Operations**

• **Risk in Cost of Production higher than competitor due to machinery and technology**

If production costs are higher than that of the competitors due to the obsolete / outdated machineries and technology that makes our production waste higher and less production combined with higher maintenance cost and higher cost of goods sold .

Therefore the company has to follow up any changes in technology all the time and send its employees regularly both abroad and locally. In the case of the machineries used for production, we have to check its efficiency on a regular basis and calculate the maintenance cost once a year and make sure that the maintenance expenses won't be high. If the outcome is not satisfactory then the company must take into consideration to purchase new machine

• **Risk in lack of raw materials**

Material used for production is a special kind of raw material for automotive industry, should the material used is not enough it will affect our production and delivery.

The company control this risk by purchasing the material from trusted and reliable suppliers, make plans ahead and must be under control and monitored regularly.

➤ **Risk in Accounting and Finance**

The Company has planned to reduce the liabilities on current loan as to give flexibility in financial management and to provide support for future business to yield satisfactory rate of return As you can see from D/E Ratio with the highest 2.5:1 at present D/E ratio 1.78 for fiscal year 2018.

The Company has focus on monetary regulations and proper financial management. The Company regularly analyzed impacts of all risks in order to prepare for the sudden affects from any unpleasant situations that might happen. Financial risks that the Company put focuses is to closely protect financial risk that can affect our expenses.

• **Risk form interest rate**

Risk from interest rates incurred from the change of interest rates in the future which effects upon results of operation and cash flow of the Company.

The company has prevented such risk by planning to financing funds from sources that have lower interest rates than the market rate for operating the business in advance. Moreover, the interest burden of the



company is relatively low compared to the revenue. And the company tried to match the loan repayment term with investment term such as the investment in machinery and equipment was financed by the long term source of fund in order to be related to the payback period.

- **Risk from exchange rate**

The Company has certain foreign currency transactions that give rise to significant exposure to market risk from change in foreign exchange rates.

However, the Company has forwarding contract for foreign exchange rated as a hedge against such risk for the purchase of machineries and equipments from foreign country.

- **Risk from credit provision**

The Company constitute risk from the credit offered in respect of trading accounts receivable since trade accounts receivable may not be able to settle debt pursuant to term and covenant agreed upon and also risk from counter party who cannot comply with the term and covenant in the contract of loan which may incur financial loss.

However the Company hold the policy to hedge against such risks via the analysis of financial status and consideration of capability in term of debt repayment of clients and each counter-party. Regarding the consideration of audit granted for trading accounts receivable who are anticipated of uncollectable in debt settlement, the Company sufficiently considered the allowance of doubtful debt.

➤ **Risk in related Rules and Regulations**

- **Risk on not complying to the rules and regulation of SET/SEC**

The SET / SEC have set regulations for listed companies to observe and follow rules in administering companies in appropriate manner including the prohibitions and punishments for the companies who do not observe and follow the rules.

The company has to strictly and closely follow SET / SEC rules and has to appoint someone to be directly responsible to follow up news / reports, and or latest regulations for listed companies for confidence that the company strictly follows the rules of SET / SEC on time.

The risk assessment of this aspect in 2018 found no violation of any rules, regulations or terms and conditions of the Stock Exchange of Thailand.

➤ **Risk in Information Systems**

- **Risk of data loss**

There is a risk of Enterprise Resource Planning (ERP) software database loss and malfunction of computer systems, which could cause damage to the company's operations.

Therefore, the company has applied a preventive method of data loss by improving the ERP to support increased data volumes and ensure the stability of the operation of all segments. The company has ensured that the database system features a backup storage system that is secure. The personnel provides authorities for chief information officer to support for training and other issues and let all the employees be aware and carry out effectively and adequately.





#### **4. General Information and Other Important Information**

##### **4.1 General Information**

Company Name	: T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.
Business	: Production of plastic parts and services of mold design, mold production and mold repair for plastic parts to the leading Automobile manufacturers, Electrical appliance manufacturers and Original Equipment Manufacturers (“OEM”).
Authorized Capital	: The Company has an issued and paid-up share capital of 214 million baht to 214 million shares.
Head office	: 23 Soi Chan 43 Yak 21, Chan Road, Tungwatdon, Sathorn, Bangkok 10120
Plants Location	: 1. 59 Moo 6 King Kaew Road, Rajateva, Bangplee, Samutprakarn 10540 : 2. 517 Moo 9 Nongkee, Kabinbure, Prachinburi 25110 : 3. 28/4 Moo 1 Suwintawong Road, Klong-udom-Chonlajorn, Muang, Chachengshao 24000
Company Registration No.	: 0107547000010
Telephone	: 0-2211-2762, 0-2211-3732, 0-2212-4719
Fax.	: 0-2212-4864
Investor relation	: <a href="mailto:investor@tkrungthai.com">investor@tkrungthai.com</a>
Audit Committee (Independent Director)	: <a href="mailto:independent@tkrungthai.com">independent@tkrungthai.com</a>
Web Site	: <a href="http://www.tkrungthai.com">www.tkrungthai.com</a>

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##### **Reference**

Registrar	: Thailand Securities Depository Co., Ltd. 93 The Stock Exchange of Thailand Building, Rachadapisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel: (66 2) 009-9000, Fax: (66 2) 009-9991
Auditors	: Karin Audit Company Limited 138 Boonmitr 6th Floor Room B1, Silom Road Suriyawong, Bangrak, Bangkok 10500 Tel. 0-2634-2484-6 Fax. 0-2634-2668 Auditor : Mr. Jirote Sirirorote , C.P.A. Thailand No. 5113
Legal Advisor /Consultant	: Far East Law (Thailand) Co., Ltd. 127/74-75 RS Tower Bldg. 24th. Rachadapisek, Dindaeng, Bangkok 10400

##### **4.2 Other Important Information**

- None

## 5. Shareholders

The Company's total registered capital was Baht 214 million (Two Hundreds and Fourteen million Baht), divided into 214 million common shares with par value of Baht 1 (one Baht). Besides, The company has no other shares that is different from common shares such as Preferred shares.

Main Shareholders of the company has no agreement in terms of management of the company and the sales of company's shares.

### 5.1 List of major shareholders at January 28<sup>th</sup> 2019

No	Name	Share amount	(%)
1	Mrs.Yupa Techakraisri	24,000,000	11.21
2	Mr.Sumate Techakraisri	23,500,000	10.98
3	Mr.KamKwan Koon	12,750,000	5.96
4	Mr.Tanawat Kraipisitkul	12,682,820	5.93
5	Mr. Sorapoj Techakraisri	10,000,040	4.67
6	Mr.Supakornt Techakraisri	8,171,300	3.82
7	Mr.Mit Techakraisri	6,500,000	3.04
8	Mr.Phreecha Tachakraisri	6,138,400	2.87
9	Mrs.Taeteasri Saetae	6,000,000	2.80
10	Thai NVDR Co., Ltd.	4,842,800	2.26

Remark: : Major Shareholder (Techakraisri group) : Mrs.Yupa Techakraisri, Mr.Sumate Techakraisri, Mr Sorapoj Techakraisri, Mr.Supakornt Techakrasri, Mr.Mit Techakrasri, Mr.Phreecha Tachakrasri, Mrs.Taeteasri Saetae

Thai citizen shareholders 192,053,400 shares equal to (%) 89.74

Foreigner shareholders 21,946,600 shares equal to (%) 10.26

### Foreign Shareholders' limitation

Foreigners are not allowed to hold more than 40% of total company shares.

### 5.2 Other Security

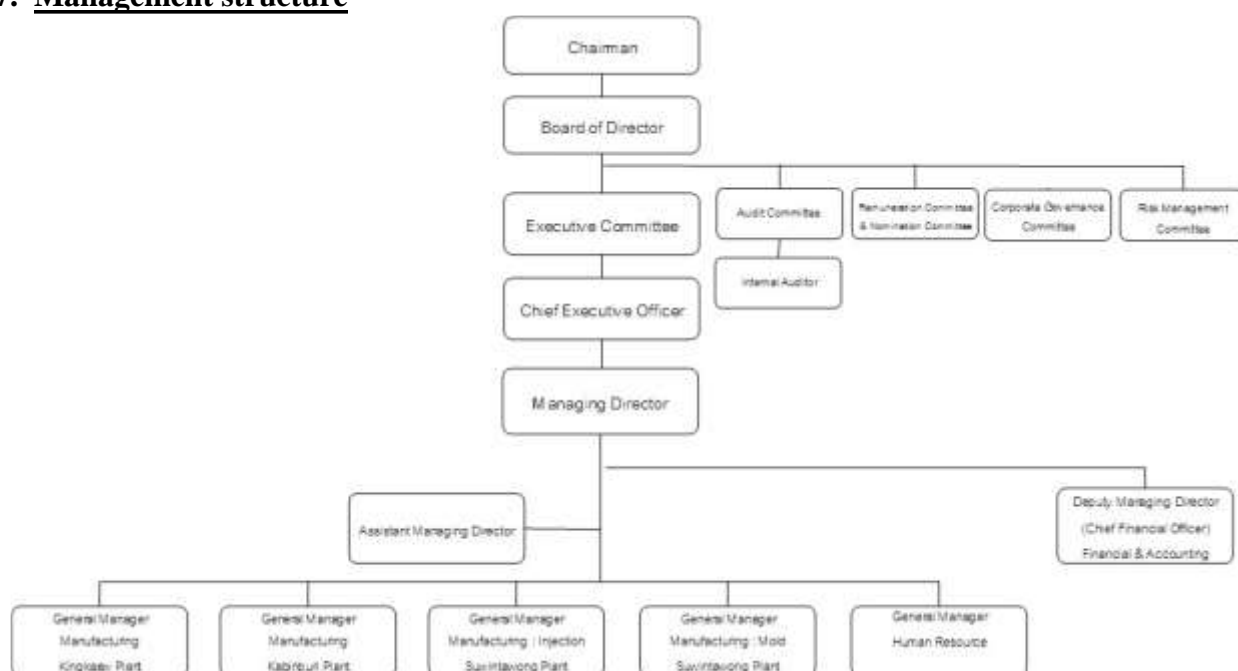
- None

## 6. Policy of Paying Dividends

The company has to pay the dividends to the shareholders not less than 40% of net profit of each year except if the company has plans to invest on others investments. Historical dividend paid date.

Payment Date	For performance period	Net profit (million Baht)	Dividends/share (Baht / share )	Total Shares (million share)	Total payment per share (million baht)	Dividends per EPS/share (%)
29 Apr 13	01/01/12 - 31/12/12	88.81	0.18	214	38.52	43.37
29 Apr 14	01/01/13 - 31/12/13	38.96	0.15	214	32.10	82.39
8 May 15	01/01/14 - 31/12/14	19.45	0.10	214	21.40	110.03
13 May 16	01/01/15 - 31/12/15	12.39	0.06	214	12.84	103.63
---	01/01/16 - 31/12/16	-67.54	No Dividend	214	---	---
---	01/01/17 - 31/12/17	-51.33	No Dividend	214	---	---

## 7. Management structure



### 7.1 The Administration

The Company's directors whose qualifications are right in accordance with Section no. 68 of an act of legislation on public company limited. The Company's directors do not have any actions against the Securities Exchange Commission's prohibited announcement no. kor chor 12/2000 with the subject of requesting for permission and the permission to offer newly issued shares dated 22 March 2000.

Directors of the company as per company registration as at 31<sup>st</sup> Dec. 2018 consist of knowledgeable, proficient and experienced persons which is essential / vital to the company totaling 12 pax as follows :

Details of attendants in Board of Directors Meeting in Year 2018				
No.	Name - Surname	Position	Director (DCP) & (DAP)	Attendance
1	Gen. Terdsak Marrome	Chairman/ Independent Director	DAP 10/2004	7/7
2	Mr.Pairuch Sahamethapat	Chairman of Audit Committee/ Director / Independent Director/ Remuneration and Nomination Committee/ Corporate Governance Committee	DCP 102/2008	7/7
3	Mr.Paotep Chotinuchit	Chairman of Remuneration Committee and Chairman of Nomination Committee/ Chairman of Corporate Governance Committee/ Independent Director/ Audit Committee/ Director	DAP 11/2004	7/7
4	Dr. Kosol Surakomol	Independent Director/ Director / Remuneration and Nomination Committee/ Corporate Governance Committee/ Risk Management Committee	DCP 137/2010	7/7
5	Mr.Virasak Sutanthaibul	Director / Independent Director / Audit Committee	DAP 21/2004	7/7
6	Mr.Sumate Techakraisri	CEO/ Director / Remuneration and Nomination Committee/ Corporate Governance Committee	DCP 137/2010	7/7
7	Mr.Kumpee Chongthurakit	Director/ Remuneration and Nomination Committee/ Corporate Governance Committee	DCP 48/2004	7/7

Details of attendants in Board of Directors Meeting in Year 2018				
No.	Name - Surname	Position	Director (DCP) & (DAP)	Attendance
8	Mr.Phreecha Tachakraisri	Director / Executive Director / Managing Director Risk Management Committee	DAP 10/2004	7/7
9	Mr.Chumpol Techakraisri	Director / Executive Director /Asst. Managing Company Secretary / Risk Management Committee	DCP 102/2008	7/7
10	Mrs.Yupa Techakraisri	Director	DCP 32/2003	7/7
11	Mr.Apichart Kasemkulsiri	Director	DCP 73/2006	7/5
12	Mr.Prasong Techakraisri	Director	DAP 11/2004	7/6
Board of Directors Meeting for year : Average 96%				
Mr. Apichart Kasemkulsiri , Mr.Prasong Techakraisri : Absence due to unexpected reason.				

The secretary to the Company's Board of Directors is Mr.Chumpol Techakraisri

The Board represents all the shareholders and is responsible for governing the Company's operations in accordance with the provisions of the law, the Articles of Association, resolutions of the shareholders' meetings and the Corporate Governance Policy. In governing the Company, the directors must exercise their business judgment and act in what they reasonably believe to be the best interests of the Company and its shareholders.

#### The duties & responsibilities of the Board of Directors

1. The Board of Directors hold the duties & responsibilities in accordance with regulations stated in civil and commercial laws, including any regulations stated in listed companies.
2. The Board of Directors hold the duties & responsibilities in accordance with the Company's articles of association.
3. To monitor and regulate the Company's principal policies on operations, corporate finance, fund-raising, capital risk, benefit risk, and risk management.
4. To consider for the approval of investment amount and to monitor the Company's operations in pursuant to the plans
5. Set strategy for the business goal and projection plan.
6. To operate under laws, objectives and articles of association of the Company, resolution from the Shareholders Meeting and Statements in the prospects of the Company.
7. Review policy corporate governance and provide for the administration of corporate governance principles.
8. Ensure avoidance of conflicts of interest amongst the Company's stakeholders.
9. Approval, assign an or several individuals as the Executive Director(s) to act on behalf of the Board of Directors.
10. Approval of company's annual and capital expenditures, budgets, budget costs, manufacturing, selling and administrative expenses for the year, sales of fixed assets between affiliates (market value of more than 1 million Baht.

Followings are exceptional issues that should be raised to and required for approval from the Shareholders Meeting. Moreover, no votes should be made by directors, who may have conflicts of interest

with the company or its subsidiaries.

- Legal issues that require resolution from the Shareholders Meeting
- Issues regarding the Directors interests that require resolution from the Shareholders Meeting, according to regulations of the Stock Exchange of Thailand and laws.
- Besides, followings are issues that require approvals from the Board of Directors Meeting and Shareholders Meeting with the votes of no less than  $\frac{3}{4}$  or 75% of the total votes from total number of shareholders attended.
  - The sales or transference of all or parts of the Company's business to outsiders
  - The acquisition of other public or private companies
  - The agreement, amendment or termination of contracts relating with the rental, a whole business or some significant parts of business of the Company; assigning outsiders to oversee and manage the business or the merger with purpose of sharing profits and losses
  - Capitalization of the Company's debts by issuing new common shares for the creditors.
  - Decrease of the company's registered capital by the amounts of shares or par value.
  - Increase or decrease of the Company's registered Capital, bond or debenture issuance, merger or wind up of business.
  - Any other law related issues.

#### **Authorized Directors**

The authorized directors, whose signatures are required in business operation, comprised of Mr. Sumate Techakraisri to jointly-sign with Mrs.Yupa Techakraisri or Mr.Chumpol Techakraisri or Mr.Phreecha Techakraisri. Two signatures together with the Company's logo stamp are required for juristic transactions binding upon the Company.

#### **Company Policy the variety of the Board of Directors**

The Board are aware of the diversity which is the key factor in increasing the efficiency of decision making and the work of the Board of Directors. Diversity is not only about the gender but also to the age, education background, professional experience skills and knowledge.

Appointment and recruitment of company's directors shall be based on their knowledge which take into account the selection of criteria and the benefits of diversity including gender variety.

#### **Definition of Independent Director**

The Board of Directors had set the qualifications of an independent director which is in equal with the requirement of SEC and at least there must be 3 independent directors with the following qualifications :

(1) Hold no more than 0.5% of total voting stocks of TKT, its parent company, its subsidiaries and its associated companies, related juristic entity with conflicts including stocks held by related persons.

\* The company has established stricter criteria than the announcement made by The Capital Market Commission in which they can hold a share of not more than 1 percent.

(2) Not a Board member or in the management team of the company / employee / wages / consultant who gets regular salary / has the authority to manage and direct the company , parent company , its

subsidiaries, and its associated companies or related juristic entity with conflicts ( present and for the past 2 years before the appointment )

(3) Not related by blood or legal registration such as parents, spouse, brothers, sisters and children including the directors' children spouses, main shareholders, power to control and juristic entity who is entity who is appointed to manage the company or its subsidiaries.

(4) No business relationship with TKT , parent company, its subsidiaries and its associated companies, or related juristic entity in order to have freedom in exercising the rights to express their ideas and opinions on the company performance

(5) Is not appointed as a representative of the company's director, major shareholders or shareholders who are related to the major shareholders of the company.

(6) No other impediments or impairments to express independent opinions concerning the operations of the company.

(7) If qualified for the item 1-6, the independent director may be assigned by the Board of Directors to make decisions relating to business operations of the company, the company's major shareholder, a subsidiary an associate a subsidiary of the same tier or any juristic person with a conflict of interests, on the basis of collective decision.

## 7.2 The Management

The Management comprise as follows:

No.	Name-Surname		Position
1	Mr. Sumate	Techakraisri	Chief Executive Director
2	Mr.Phreecha	Tachakraisri	Managing Director
3	Mr. Neeranart	Promnart	Deputy Managing Director/ CFO
4	Mr. Chumpol	Techakraisri	Asst. Managing Director
5	Mr. Niwes	Buakhom	General Manager Human Resource
6	Mr. Pitsanu	Vilawanjit	General Manager Kingkaew Plant
7	Mr. Dumrong	Channarong	General Manager Kabinburi Plant
8	Mr. Boonthiwa	Inchata	General Manager (Inj.) Suwintawong Plant
9	Mr. Ruchira	Srisamai	General Manager (Mold) Suwintawong Plant
10	Mr.Prinya	Kaeoluan	Senior Accounting & Financial Manger

Remark: No. 3 - 9 is the 4<sup>th</sup> level executive management according to the definition of the SEC.

### The duties & responsibilities of Managing Directors

1. To monitor and control on general operations and promote the qualitative management.
2. To follow up and evaluate the operational performance according to the Company's plan.
3. To be the leader in the review of qualitative management.

The Managing Directors must follow the regulations and limits assigned above from the Board of Directors and/or Executive Directors. Any other issues besides the mentioned duties and responsibilities shall be authorized by the Board of Directors or Executive Directors.

## 7.3 Corporate Secretary

The company entrusted Mr. Chumpol Techakraisri as the corporate secretary (Resume of Company

Secretary, qualifications, working experience is shown on Appendix 1) and the professional Legal Advisory to providing legal matters and advice to the Board and the Management about the rules and regulation that the board has to know. To oversee the activities of the board along with the coordination on the compliance on the resolved matters of the company. Below are the responsibilities and duties of the corporate secretary.

1. Handle corporate governance issues and provide advice on these to the Board
2. Organize and facilitate board and board committee meetings.
3. Organize the annual general meeting of shareholders, and record and publish the related minutes
4. File all documents and related records
5. Monitor and ensure that the Board is in compliance with all related laws and regulations.
6. Contact and inform the shareholders their rights and information about the company.
7. Assist shareholders, directors and members of management with any board-related matters
8. Perform any other actions specified in the Securities and Exchange Act (Fourth Revision) B.E. 2551 or related laws and regulations, including notifications from the Capital Market Supervisory Board.

## 7.4 Remuneration to Directors and the Management

### A) Monetary Remuneration for Company's Director

The policy company's remuneration with clarity and in accordance with the company's policy and business situation as compared to the same industry before proposing during the annual general meeting respectively.

Table: Monetary Remuneration to the Company's Board of Directors and Executive Directors in Year 2018

No.	Name - Surname	Position	Remuneration	Total Remuneration	Bonus
1	Gen.Terdsak Marrome	Chairman/ Independent Director	53,550	642,600	0
2	Mr.Pairuch Sahamethapat	Chairman of Audit Committee Director / Independent Director Director Remuneration Committee and Director Nomination Committee Director Corporate Governance Committee	44,750	537,000	0
3	Mr.Paotep Chotinuchit	Director / Independent Director Director Audit Committee Chairman of Remuneration Committee and Chairman of Nomination Committee Chairman of Corporate Governance Committee	31,500	378,000	0
4	Dr. Kosol Surakomol	Director / Independent Director Director Remuneration Committee and Director Nomination Committee Director Corporate Governance Committee Director Risk Management Committee	19,100	229,200	0

No.	Name - Surname	Position	Remuneration	Total Remuneration	Bonus
5	Mr.Virasak Sutanthaibul	Director / Independent Director / Audit Committee	27,100	325,200	0
6	Mr.Sumate Techakraisri	Director / CEO Director Remuneration and Nomination Committee Director Corporate Governance Committee	0	0	0
7	Mr.Kumpee Chongthurakit	Director Director Remuneration and Nomination Committee Director Corporate Governance Committee	19,100	229,200	0
8	Mr.Phreecha Techakraisri	Director / Executive Director / Managing Director Director Risk Management Committee	0	0	0
9	Mr.Chumpol Techakraisri	Director / Executive Director /Company Secretary Director Risk Management Committee. Asst. Managing Director.	0	0	0
10	Mrs.Yupa Techakraisri	Director	16,050	192,600	0
11	Mr.Apichart Kasemkulsiri	Director	16,050	192,600	0
12	Mr.Prasong Techakraisri	Director	16,050	192,600	0
<b>Total</b>				2,919,000	0

Remark : No other benefit.

#### B) Management Remuneration

The company has policy considered a fair and reasonable compensation of the executives based of their job duties, operating results and economic conditions and is in line with other companies the same industry.

The compensation of CEO and management team is based on individual and corporate's performance result, which the target is aligned with company's vision, mission and strategy. The compensation shall motivate CEO and management to build company to grow sustainably. Details are as follows :

1. Remuneration of the Chief Executive Officer (CEO) : Board of Directors requested the Remuneration Committee shall assess and evaluate the Chief Executive Officer's performance annually and the salary shall be based on the assessment result . For year 2017, the salary remuneration is equal to Baht 2.22 million/year with no other benefits.
2. Remuneration of the Management of the company : The committee defines the scope of work of directors and executives according to the company's policy and the evaluation and performance of the directors and executives. CEO determine the remuneration of directors and executives including salary, bonuses and other benefits such as provident fund. Compensation shall be determined by taking into account the reference base of peer companies as well as business expansion and profit growth.

The remuneration to management in 2018 is 17,194,763 baht. Include Salary, bonus, provident fund And other returns.



## 7.5 Employees

As at 31 December 2018, the Company's total numbers of employees (excluding the Management) are as follows:

Department	Total numbers of employees		
	2018	2017	2016
1 Back Office	144	137	137
2 Factories	1,029	869	867
Total	<b>1,173</b>	1,006	1,004

Total Employees in each department :

Department	Person		
	2018	2017	2016
1. Production	721	616	602
2. Engineer & Research	31	35	38
3. Quality, Planning and Maintenance	180	139	136
4. Purchase & Delivery	42	37	38
5. Raw Material & warehouse	85	73	81
6. Human Resource & Administration	34	35	36
7. Sale & Marketing	11	10	11
8. Accounting & Financial/Information Technology	21	24	26
9. Management & Operation	48	37	36
Total	<b>1,173</b>	1,006	1,004

**Remark : The company has no problem with employees for the past year**

### Employee Remuneration

The company's compensation policy for executives and employees shall be based on their qualification, competence, and work experience. Minimum salary and wages shall be according to the government policy including other benefits such as bonus, provident fund, medical compensation, annual health check up, uniform, transportation service, career promotion and continuously development program.

Company evaluates the actual performance of employees by using Key Performance Indicator (KPI).

The total employees remuneration for year 2018 amounted to Baht 264,691,207.77 less than that of 2017 by Baht 24,362,365.16 and other benefits is provident fund for Employee Baht 3,928,957.11

### Human Resource Development Policy

The Company recognized the importance of employees development not less than the quality of raw materials or production process. With the belief that the quality of products not only comes from good raw materials but quality labor directly and indirectly included into the production process.

The Company recognized the importance of human resources since the beginning of the recruitment process. The Company recruited and hired employees based on their knowledge and skills. The Company also provides a safety working environment and training both internally and externally as well as overseas training to the employees. As indirect development of employees, the Company also set up the policy on recruitment of foreigners as a consultant to help increase the employees proficiency and competency to be up to the international standards.

The Company developed the human resource of organization in term of in house training eg. Make up class room, on the job training, coaching or counseling, building simulation of safety, TPS, ERP, ISO9001 :

2015 Quality Management System for Automotive Industry, ATF16949:2016, Environment Management Standard ISO 14001:2005 and training the standards for the labor skills.

In 2018 the company has conducted training to increase / develop employees knowledge, abilities in all categories. According to the employee details as follows.

Category	Training hour in for each category				
	Senior executives	Executive	Supervisor	Employee	Total
1. Management	200	102	18	84	<b>404</b>
2. Information and Technology	---	12	12	70	<b>94</b>
3. Quality	81	354	652	1,040	<b>2,127</b>
4. Safety, Occupational health and environment in the workplace, Environment, Energy Conservation	56	286	90	686	<b>1,118</b>
5. Professional Performance	56	228	347	3,197	<b>3,828</b>

### **Preparation for the Successor**

The preparation for the successor is the duty of the directors of the organization to make work chart in order to make it convenience to the successor to go on with the work and prepare human resource to accept the work chart of the management by setting a policy for the candidate with quality and have someone to impart the knowledge and inform the weakness of the business for better quality.

## **8. Corporate Governance**

### **8.1 Policy Corporate Governance**

The company's Board of Directors established the Code of Best Practices for directors of a listed company according to the guidelines of the Stock Exchange of Thailand. After having the company listed on the Stock Exchange of Thailand, the firm launched the "Corporate Governance Policy" and the "Code of Conduct" guides to distribute to the company's directors, executives and employees at all levels to adhere to and follow the practices accordingly.

To apply Good corporate governance principles for listed companies 2017 (CG Code)

In 2018, the Good Corporate Governance Committee reported the Code of Conduct to the Board of Directors in order to acknowledge the guidelines of CG Code, in the overall, the Board of Directors understands the roles of directors in accordance with the CG Code and will review and improve the Company's good corporate governance policy to be in line with the practices of CG Code

#### **Compliance with the Good Corporate Governance Principles**

The company is committed to ensuring the continuous compliance with strict guidelines on its the policy to develop good corporate governance. In year 2018, the company was rated with "Excellent" ( five stars) by the Thai Institute of Directors.

Except in some of the principles that the company has different usage. Details of these are as follows

Guideline	Explanation
There are more than 50 % of company's independent board of directors	The Company has 12 directors, 5 independent directors or 41.66% Board of Directors commented that during the Independent Directors term, they are free to give opinions and suggestions for the betterment of the company.
The Nomination Committee consists of: All Independent Directors	The Nomination Committee consists of 5 directors, 3 independent directors. Two of the Board of Directors can freely express their opinions regarding the Nomination Committee as appropriate.

The report on the implementation of good corporate governance in the year 2017 is summarized as follows:

### 1. Rights of Shareholders

Besides the basic shareholder rights are rights to buy, sell or transfer shares ,the company obtained relevant and adequate information on company in a timely manner and on a regular basis, shareholders are given the rights to :

- 1.1 The company allows the shareholders to propose agenda prior to the meeting and raise questions related to the agenda of the General Shareholders Meeting for year 2018 and notify the Stock Exchange of Thailand in advance between October 1, to December 31, 2017 and publish the guidelines under the announcement clearly on the company's website ([www.tkrungthai.com](http://www.tkrungthai.com))
- 1.2 Facilitate stockholders so that they can conveniently attain the meeting and freely vote. Meeting should be arranged in Bangkok at the location with ease of transportation.
- 1.3 The company informed shareholders of the invitation and information in Thai and English on company's website in advance 45 days before the meeting occurs to enable the shareholders to examine before the meeting and allows the shareholders to send questions reg. the meeting agenda addressed to Board of Directors before the meeting at [www.tkrungthai.com](http://www.tkrungthai.com). For the "news" ( post March 7, 2018 ) the company has to pass through the SET news.
- 1.4 An invitation letter notice has been published / posted in the newspaper 3 days before the meeting for 3 consecutive days.
- 1.5 The company respect the rights of shareholders by holding annual general meeting year 2018 on April 11, 2018 at Montien Riverside Hotel for the convenience of shareholders and proxies joining the said meeting.
- 1.6 All the directors attended shareholders meeting and top Management of the company informed and answered all the questions raised by shareholders. Moreover, an auditor representative from Karin Audit was also present during the meeting to answer the question regarding company's financial statement along with one legal counselor from Far East as witness in vote counting for clarity.
- 1.7 Before the meeting the Company introduced to the shareholders all the Board of Directors team along with the Auditor. It was also announced during the meeting on how to vote

and the rights of the shareholders. The Chairman of the Board controls the meeting as set on the agenda which was already sent to the shareholders and allocate appropriate time for discussion for each agenda and encourage shareholders to express their opinions and raise questions related to the company's operation. All the discussions made were recorded accordingly along with the resolution and transparency of voting and counting of votes.

- 1.8 Year 2018, the company cannot append or change any agendas items without notifying other shareholders in advance. Shareholders are given rights to raise questions and free to express their opinions during the meeting before the resolution details as per the annual general meeting 2018.
- 1.9 The company assigned The Thailand Securities Depository Co., Ltd (TSD) to be the registrar and send invitations to the shareholders 21 days before the meeting. The company give rights to the late comers to vote on the agenda that are not resolved yet and counted them as attendees.
- 1.10 Any action that can be considered in violation of the shareholders' right to study the company's information should be prohibited.
- 1.11 The company announced to the shareholders through the invitation letter on how to join the AGM. Voting and counting of votes is not complicated and did not require higher cost.
- 1.12 The chairman of the meeting allocate appropriated time for discussion and encourage shareholders to express their opinions and questions related to the company's operation.
- 1.13 Minutes of meeting was posted in TKT's website 14 days after the meeting for the shareholders to express their opinion and check and shareholders do not have to wait until the next meeting.
- 1.14 The company has set a policy regarding payment of dividends of not less not 40% of the net profit except if the company has made plans for another investment. In the year 2018 the company "no dividends".
- 1.15 The company proposed principles and remunerations for the Board of Directors to the shareholders to consider and approved

## **2. Equitable Treatment of Shareholders**

All shareholders, including those with management positions, non-executive shareholders and foreign shareholders should be treated in an equal way.

The Company continues / sustain to treat shareholders equally

- 2.1 The company allows the shareholders to cast their votes individually for the resigning directors during the annual general meeting to give chance for the shareholders.
- 2.2 The company allows the shareholders to propose an agenda and propose a name for directorship candidacy on October 1, 2017 up to December 31, 2017 through SET news information and also posted on our company's website. In the year 2018, there was no agenda proposal and name for directorship candidacy from the shareholders.
- 2.3 To give rights to the shareholders to cast votes as per their no. of shares equally and fairly.
- 2.4 The company encouraged the use of proxy forms on which shareholders are able to specify their votes and provide an option to shareholders whereby they may appoint an independent director as their proxy.
- 2.5 The company attached proxy form B for the proxy to cast votes for each agenda which was already sent by mail along with the original invitation letter along with proxy form A, B and C both in Thai and English on our website for the shareholders to download.

- 2.6 The company has a rule to prevent directors, management and employees to disclose or reveal any internal information for their own interest and benefit and make regular follow up. The board of directors and management have to inform the SET their very first shares and changes made as per matra 59 p.r.b SET/SEC 2008.
- 2.7 Board of Directors set guidelines for the executives and managements to disclose their personal assets to stakeholders under Section 89/14 of the Securities and Exchange Act BE 2008 and report for the first time within 30 days after the trade and if there are any changes report must be done every quarter within 15 days of the following month from the last day of each quarter. The secretary must collect and keep these documents and make copies for the Chairman of the Board and Chairman of the Audit Committee within 7 days.
- 2.8 Shareholders with management positions are aware that they can not append any agenda items without notifying other shareholders in advance.
- 2.9 The company use computer in the registration and votes counting for speedy result and for the convenience of the shareholders.
- 2.10 The company use ballots in casting votes. However, the agenda regarding the resigning directors, casting of votes is obligatory for each resigning director.

As the company does not have any subsidiary and did not have any joint venture with any company so no related transaction made to any company which might have a conflict/interest and no financial help rendered to other companies.

### 3. Role of Stakeholders

The Company respects the rights of all stakeholders. Whether internal stakeholders. And external stakeholders to strengthen the cooperation between the company. With stakeholders To create wealth Financial stability And sustainability of the affairs Including a focus on environmental responsibility. And social well

The Company has a policy in practice is wrong. And responsibilities to all stakeholders. This includes the shareholders or investors, employees, customers, suppliers, competitors, creditors, communities, society, environment, government and companies located other agencies. Related shown clearly. "Code of Conduct" for the Directors, management and employees at all levels. Conducted in the same direction

As well as providing a fund for the employees. Policy on the development of the Company. By sending staff to training courses. A concrete And does not violate human rights, the Company's stakeholders, many groups as follows :

- **Shareholders** The company realizes that the shareholders are the business owners and the company serves to create long-term added value for the shareholders and to treat them equally. The company is operating with integrity as well as making decisions with a pure mind, thoughtfulness and fairness towards both major and minor shareholders for the best interests of the shareholders as a whole. The company is responsible for offering reports of the company's status, earnings, financial data, accounting information and other reports regularly, thoroughly and truthfully including preventing those seeking gain that may use the company's undisclosed information for their personal/others' benefit, or other, or any action which may cause a conflict of interest in the organization.

- **Employees** The company realizes that employees are valuable keys to success in achieving the company's goals, therefore company policy is made to provide fairness in opportunity and reasonable compensation. The company has launched a performance assessment with KPI indicators for objective measurement. The company also provides other benefits such as a bonus, provident fund, promotion, transfers, rewards including continuation of personnel development policy, and employee potential development and training.
- **Customers** The company focuses on and is responsible to its customers, offering high quality, quick and punctual services. The company is responsible for maintaining customers' confidentiality and providing adequate, accurate and up-to-date information to customers in order for customers to be informed of the products and services. The company also needs to comply with the terms that it has agreed with customers. In the case of an inability to comply with any terms, the customers need to be informed immediately in order to find solutions together.
- **Trading parties** The company has a policy to treat business partners equally and fairly by taking the best interests of the company into account. The policy is based on fair and equal receipt of return for both parties and on avoiding situations that may cause a conflict of interest. The company strictly complies with its commitments, provides accurate information, correct reports and follows negotiations to find solutions for problems based on the level of business relationship. The guidelines are as follows:
  1. The company offers the opportunity to do business for all partners and to consider the selection of partners based on equality and fairness.
  2. Do not request, receive or pay any benefits in a dishonest manner to partners and/or creditors.
  3. Strictly comply with the agreed terms and in the case of an inability to comply with any terms, the creditor needs to be informed immediately in order to find solutions together.
- **Creditors** The Company complies with the conditions stated in the loan agreement Customers The Company constantly pays attention and holds responsibilities towards all customers by providing good quality products, prompt service and keep customers' information confidentially.
- **Competitors** The company acts towards competitors in an honest practice. The company does not breach confidentiality or obtain trade secrets of competitors by fraud. The company operates under the rules of good competition practice, does not damage the reputation of trade competitors by accusations.
- **Environment** The company is concerned with the environment thus determined and has announced a policy to raise the awareness of employees' responsibilities on the environment. The company has been following the standard guidelines and has been certified with the ISO14001 quality standards. The company also applied the Corporate Social Responsibility (CSR) policy until it became corporate culture.

In year 2018, the Company held campaign events. "Safety, Environment and Energy Conservation Week" to make the employees aware on the use of resources to achieve maximum

efficiency and savings such as turning off lights when not needed ,switching off the air conditioner during the lunch break , using recycle boxes and shuttle or use Carpool.

- **Community** The Company have activities for the well being of the community such as offering scholarship to employees' children and blood donation and merit offering at employees birth place.
- **Safety, occupational health and environment in the workplace** The company is aware and recognizes the importance of safety, occupational health and the environment in the workplace as well as the life and health of employees at all levels. The company has a policy for employees to follow, including a Safety Officer, who supervises and trains employees to follow the company's policy on safety and occupational health and environment in the workplace.

In 2018, the company had a record of ten accidents at work which included ten accidents. There were no severe cases or deaths. And Company has been investigated for the cause. ways to prevent recurrence and communicate with stakeholders to realize. To perform the steps carefully strictly.

- **Violation of Human Rights** The company sees the importance of human rights and equality and has determined a policy for related parties in order to treat individuals with fairness and non-discrimination regardless of similarities or differences of a physical or mental kind, race, nationality, religion, sex, age, education, or others, and provides facilities. The company also provides appropriate facilities and benefits for employees with disabilities.
- **Infringement of intellectual property or copyright** The company has determined a policy and practice with regards to the infringement of intellectual property or copyright of products.
- **Conflict of Interest** The company has determined a policy that prohibits directors, executives and employees from seeking for personal interest while working in their positions. The company's directors, executives and employees are required to adhere to the "Code of Conduct".
- **Corruption prevention/anti-corruption** The company does not support any type of corruption that may occur in the organization, such as giving and receiving bribes, contributions, etc. The company has set a policy of anti-corruption by launching guideline materials to use for communicating with the Board and for providing training for employees at all levels to comply with the practice.

The process of risk assessment to prevent and suppress corruption is done by evaluating potential risk and the effects of corruption in order to find preventative measures and monitor them consistently.

The company has guidelines on supervision and control in order to prevent and monitor corruption, with a comprehensive internal control system and risk management for the organization.

There are several channels available for reporting concerns or complaints of corruption for employees. The informant is required to identify details of their concerns or complaint including name, address and valid telephone number to the following channels:

1. Report to the Audit Committee (Independent committee) via email:  
independent@tkrungthai.com
2. Report by sending a letter to Audit Committee of T.Krungthai Industries Public



Company Limited, 23 Soi Chan 43, Yak 21 Tungwatdon, Sathorn,Bangkok 10120

The company has employee protection measures for employees who report corruption, illegitimacy or violation of the Securities and Exchange Act. The company is unable to act or treat employees unfairly such as changing job position, job type, workplace, office or termination when the employee reports their concerns/complaint.

The shareholders and stakeholders may contact/raise concerns to the independent committee directly at email address: [independent@tkrungthai.com](mailto:independent@tkrungthai.com)

The stakeholders may report infringements or complaints at Tel.02-211-3732 central office or contact the company secretary, Mr.Chumpol Techakraisi via email: [chumpol@tkrungthai.com](mailto:chumpol@tkrungthai.com) or Report by sending a letter to Audit Committee of T.Krungthai Industries Public Company Limited, 23 Soi Chan 43, Yak 21 Tungwatdon, Sathorn,Bangkok 10120.

The company has a policy to protect the informant and maintain their information and details confidentially if the company sees that the disclosure of such information may cause danger to the informer/complainant.

In the year 2018, there is no whistle blowing received from employees or any stakeholders and The Company has been certified as a "The Private Sector Collective Action Coalition Against Corruption" from the Thai Private Sector Against Corruption (CAC).

#### **4. Disclosure and Transparency**

The Board of Directors have a policies to make the company a good example by working in transparency which can be verified and disclose .These are IT policy, Environmental policy, Energy policy and others and must be published on the company website ([www.tkrungthai.com](http://www.tkrungthai.com)) under Investor Relations / Corporate

Following have been disclosed to all concerned :

- 4.1 Send financial report to SEC / SET on time and the report was in conformity with generally accepted accounting principles. For year 2018, the company did not receive any order from SEC to change the said financial report or any related documents.
- 4.2 Give significance in disclosing financial status with transparency and other information such as annual report on time both in English and Thai through SET Community portal and company website ([www.tkrungthai.com](http://www.tkrungthai.com))
- 4.3 The board of directors should provide a summary of the corporate governance policy approved by the board together with the implementation of the policy through various channels such as the company's annual report and company's website
- 4.4 The board of directors provided a statement of its responsibilities concerning the company's financial reports. The statement should be presented alongside the auditor report in the company's annual report.
- 4.5 The board of directors and other directors ensured that its roles and responsibilities together with those of its committees are disclosed in the company's annual report.
- 4.6 The board of directors ensured the disclosure of its remunerations according to related regulations, which is compared with the same industry, company performance and responsibilities



of each person.

4.7 The board of directors ensured the number of meetings and attendance of each directors.

4.8 The board of directors must disclose to the stakeholders their personal and other relatives in case of personal interest with the company.

4.9 The company has implemented a whistle blower crime (whistle blowing) to promote cooperation between the company and stakeholders and protect the interest in promoting the operations of the company which serves as an instrument /defines mechanisms to protect the rights of the stakeholders. Board of directors must monitor the accuracy of the financial report, internal control deficiency or unethical practice by the audit committee (Independent Director)

[independent@tkrunglethai.com](mailto:independent@tkrunglethai.com) and publish on the company's website [www.tkrunglethai.com](http://www.tkrunglethai.com)

4.10 To disclose the no. of shares of the Board of Directors and Top Management, both directly and indirectly and set a policy for directors and executives and report to the Chairman the sale and purchase of shares through the company secretary

Shareholding Details of Board of Directors						
No.	Name - Surname	Position	Number of shares December 31, 2017	Number of shares December 31, 2018	Number of shares changed (Increase/Decrease) 2018	Shareholding (%)
1	Gen.Terdsak Marrome (spouse and children who are underage)	Chairman/ Independent Director	220,000 0	220,000 0	0 0	0.10 0
2	Mr.Pairuch Sahamethapat (spouse and children who are underage)	Chairman of Audit Committee Independent Director / Director Director Remuneration and Nomination Committee Director Corporate Governance Committee	0 0	0 0	0 0	0 0
3	Mr.Paotep Chotinuchit (spouse and children who are underage)	Chairman of Remuneration Committee and Chairman of Nomination Committee Chairman of Corporate Governance Committee Independent Director/ Director Audit Committee/ Director	5,000 0	5,000 0	0 0	0.002 0
4	Dr. Kosol Surakomol (spouse and children who are underage)	Director / Independent Director / Director Remuneration and Nomination Committee Director Corporate Governance Committee Director Risk Management Committee	0 0	0 0	0 0	0 0
5	Mr.Virasak Sutanthaibul (spouse and children who are underage)	Independent Director/ Director Audit Committee/ Director	0 0	0 0	0 0	0 0
6	Mr.Sumate Techakraisri (spouse and children who are underage)	CEO/ Director Director of Remuneration and Nomination Committee Director Corporate Governance Committee	23,500,000 24,000,000	23,500,000 24,000,000	0 0	10.98 11.21
7	Mr.Kumpee Chongthurakit (spouse and children who are underage)	Director Director Remuneration and Nomination Committee Director Corporate Governance Committee	500,000 0	500,000 0	0 0	0.23 0
8	Mr.Phreecha Tachakraisri (spouse and children who are underage)	Director / Executive Director / Managing Director Director Risk Management Committee	6,138,400 3,258,940	6,138,400 3,258,940	0 0	2.87 1.52
9	Mr.Chumpol Techakraisri (spouse and children who are underage)	Direct / Executive Director / Asst. Managing Director Company Secretary / Director Risk Management	956,940 0	956,940 0	0 0	0.45 0
10	Mrs.Yupa Techakraisri (spouse and children who are underage)	Director	24,000,000 23,500,000	24,000,000 23,500,000	0 0	11.21 10.98
11	Mr.Apichart Kasemkulsiri (spouse and children who are underage)	Director	0 0	0 0	0 0	0 0
12	Mr.Prasong Techakraisri (spouse and children who are underage)	Director	2,903,606 0	2,903,606 0	0 0	1.36 0
Director and spouse and children who are underage Total 61,482,886 or 28.73%						

No.	Name - Surname	Position	Number of shares December 31, 2017	Number of shares December 31, 2018	Number of shares changed (Increase/Decrease) 2018	Shareholding (%)
1	Mr.Neeranart Promnart (spouse and children who are underage)	Executive Director / Deputy managing Director/ CFO	0 0	0 0	0 0	0 0
2	Mr.Niwes Buakhom (spouse and children who are underage)	General Manager Human Resource	0 0	0 0	0 0	0 0
3	Mr.Mr. Pitsanu Vilawanjit (spouse and children who are underage)	General Manager Kingkaew Plant	0 0	0 0	0 0	0 0
4	Mr.Dumrong Channarong (spouse and children who are underage)	General Manager Kabinburi Plant	4,000 0	4,000 0	0 0	0.001 0
5	Mr.Boonthiwa Inchata (spouse and children who are underage)	General Manager (Inj.) Suwintawong Plant	0 0	0 0	0 0	0 0
6	Mr. Ruchira Srisamai (spouse and children who are underage)	General Manager (Mold) Suwintawong Plant	5,000 0	5,000 0	0 0	0.002 0
7	Mr.Prinya Kaeoluan (spouse and children who are underage)	Senior Accounting & Financial Manger	0 0	0 0	0 0	0 0
Management and spouse and children who are underage Total 9,000 or 0.003%						

4.11 The company give importance to investors so we organize opportunity day every quarter and designated a department to perform the “investor relations” function to communicate with outsiders such as shareholders .The company gives significance on the information of the company performance for transparency whatever the performance of the company on that quarter.

4.12 The company gave chances to investors and analysts to visit our plants and to have a chance meeting and talking with the management during the company visit. In the year 2018 investors and analysts visited our KingKaew plant on the 8<sup>th</sup> November. The investors can also ask information through IR Contact and can contact at e-mail address: [investor@tkrngthai.com](mailto:investor@tkrngthai.com), telephone no. 02-211-3732 ext. 104.

## 5. Responsibilities of the Board

The company gave importance to the role and responsibility of the Board of Directors to protect the benefits of the shareholders and stakeholders for transparency of the business as follows :

### 5.1 Board Structure

5.1.1 The company’s Board of Directors consists of individuals who have knowledge, abilities and experience which benefits the company, for example, knowledge of the industry, accounting and finance, business, management, skills of mold works, etc. The Board of Directors includes both sexes and a wide range of ages of members. There is one female director.

The company has 12 directors details as follows :

- Independent Directors 4 pax (25.00%)
- Directors who are not in the management team 9 pax (75.00%)
- Directors who are in the management team 5 pax (41.66%)

5.1.2 Board Directors must not have any criminal record as per the policy requirement of SEC/SET

5.1.3 Board of Directors set internal control system appropriately where the internal auditor is an independent auditor and report directly to the Audit Committee

5.1.4 Board of Directors set a policy of mismanagement appropriately and follow – up regularly and by appointing mismanagement team for the evaluation of the risk that might occur. In addition to this the team find ways to protect the company from this risk.

- 5.1.5 The term of service of directors is 3 years, and no limitation of terms and this is clearly stated in the company's corporate governance policy.
- 5.1.6 The company had disclosed the information details about board positions ( details of directors and management )
- 5.1.7 The roles and responsibilities of the chairman of the board are different from those of the managing director, the two positions to be held by different individuals.
- 5.1.8 The board of directors appointed independent director to elect chairman of the company.
- 5.1.9 The company has Mr. Chumpol Techakraisri as the Company Secretary and the professional Legal Advisory Board to provide legal advice and regulations which the Board is required to know and comply with.
- 5.1.10 The Board of Directors do not serve on not more 5 listed companies and the company must disclosed these information in the Directors Annual Report and Form 56-1
- 5.1.11 The company has adopted a policy that the Managing Director can serve as a director to other companies. The said company shall not have any conflict with the company prior to the appointment and this has to be informed and reported to the board of directors.
- 5.1.12 Company policy limiting Director do not serve on not more 3 listed companies.
- 5.1.13 The company informed in 56-1 and annual report the names of Directors holding other positions in other companies. The holding of such positions by the directors will not surely affect their position with the company as they have given advices to the company in the past.

## 5.2 Committees

The Board of Directors appointed 5 committees they are : 1) audit committee 2) executive committee 3) remuneration and nomination committee 4) corporate governance committee and 5) risk committee with clear roles and responsibilities, the chairman is not allowed to be a chairman and member of this committee

## 5.3 Roles and Responsibilities of the Board

- 5.3.1 Division of roles of board of directors and other positions are divided clearly. All important matters has to be approved by the board of directors to be fair and clear to all concerned.
- 5.3.2 The board of directors review and approve of company visions and mission at least every five years.
- 5.3.3 The Board of Directors held meetings with the management on December 22, 2018 to review and approve the vision, mission, strategies, goals, plans and budget.
- 5.3.4 The Board of Directors have followed up on strategies, goals and action plans of Management and the Management shall report the performance to the Board accordingly.
- 5.3.5 The Board of Directors shall establish a corporate governance policy for the Company in written and supervise the company to follow the corporate governance policy.
- 5.3.6 The board of directors are free from the management team and no position as independent director.
- 5.3.7 As one or under separate position the **chairman** of the board shall not be with the management team and different from the CEO and roles and responsibility is obviously spited. The chairman has to act as the chairman during the meeting of the board, has to set the policy, planning, and the most important is to ensure that management team has to strictly follow. All the directors are free

to propose agendas, voice out ideas regarding the company performance along with evaluation and solution of any problems with transparency and must be regularly monitored.

- 5.3.8 **The CEO** of the board is the leader of the board, responsible to the company directors in taking care of the business conduct and the company performance to be in compliance with the directors policy. CEO has to monitor the directors performance by holding meetings to report on the success of the performance monthly. Division of power shall be given to the management responsibility and approve financial amount.
- 5.3.9 The directors ensured that a written code of business conduct be in place so that all directors, executives and employees understand business ethical standards of the company. Compliance to the code should be closely monitored by the board.
- 5.3.10 The board of directors established a risk management policy to cover all activities of the company and reviewed the risk management system or assess the effectiveness of risk management at least twice a year.
- 5.3.11 The board of directors ensured that internal control system is in place, including financial, work performance, in compliance with the policy .The board also assigned an external auditor to independently audit and report on the system.
- 5.3.12 The Board of Directors take a responsibility to company's financial statement and information regarding financial status which is in the annual report. This financial statement has to be of standard as per Thai accounting law and has to be posted on the remarks of the financial statement.
- 5.3.13 The Board of Directors has set a policy for all directors and senior executives to report their stock trading to the Board of Directors at least one day in advance of operations.
- 5.3.14 The directors shall set a policy to all the directors to inform the stakeholders to the company.
- 5.3.15 The company directors ensured that internal financial control system, work performance has to be in compliance with the policy by assigning independent internal auditor and report to the auditor committee. On Feb. 27, 2018, the audit committee assessed that we have enough internal control system.
- 5.3.16 The Board of Directors has an annual meeting with senior executives to acknowledge the report of the previous operations of all departments in the company and sets out work plans including the Key Performance Indicators (KPI).

#### **5.4 Board Meetings**

- 5.4.1 The board of directors set its meeting schedule in advance and notify each directors of the schedule so that each member of the board can manage time to attend the meeting. For year 2018 set 7 times.
- 5.4.2 The number of board meeting are appropriated to the obligations and responsibilities of the board and nature of the company.
- 5.4.3 The chairman of the board and the managing director set the board meeting agenda together.
- 5.4.4 Meeting documents are sent to each director in advance 7 days prior to the meeting date for the directors to have ample time to review the topics before the meeting.
- 5.4.5 The company of the board appropriately allocate the meeting time for complete management's presentation and comprehensive directors' discussion and the CEO shall assess the ideas and give

the final resolution.

5.4.6 Top executives of the company, other than the managing director, should be able to attend the board meeting to present details on the issues that they are directly responsible for.

5.4.7 During the directors meeting, all directors are free to openly discuss their ideas and the chairman shall collect these ideas and the resolution for each topic. For each resolution there must be 2 out of 3 from the total director which shall be recorded by the secretary.

5.4.8 The company discloses the number of meetings And the number of times each director attended the meeting in the table "Table showing the number of Board of Directors' meetings and sub-committee meetings" as follows.

Details of attendants in Directors Meeting in Year 2018								
No.	Name - Surname	Position	BOD	AC	RC & NC	CG	Risk	Ex-com
1	Gen.Terdsak Marrome	Chairman/ Independent Director	7/7	----	----	----	----	----
2	Mr.Pairuch Sahamethapat	Chairman of Audit Committee Independent Director / Director Director Remuneration and Nomination Committee Director Corporate Governance Committee	7/7	4/4	2/2	2/2	----	----
3	Mr.Paotep Chotinuchit	Chairman of Remuneration Committee and Chairman of Nomination Committee Chairman of Corporate Governance Committee Independent Director/ Director Audit Committee/ Director	7/7	4/4	2/2	2/2	----	----
4	Dr. Kosol Surakomol	Director / Independent Director / Director Remuneration and Nomination Committee Director Corporate Governance Committee Director Risk Management Committee	7/7	----	2/2	2/2	2/2	----
5	Mr.Virasak Sutanthaibul	Independent Director/ Director Audit Committee/ Director	7/7	4/4	----	----	----	----
6	Mr.Sumate Techakraisri	CEO/ Director Director of Remuneration and Nomination Committee Director Corporate Governance Committee	7/7	----	2/2	2/2	----	13/13
7	Mr.Kumpee Chongthurakit	Director Director Remuneration and Nomination Committee Director Corporate Governance Committee	7/7	----	2/2	2/2	----	----
8	Mr.Phreecha Tachakraisri	Director / Executive Director / Managing Director Director Risk Management Committee	7/7	----	----	----	2/2	13/13
9	Mr.Chumpol Techakraisri	Direct / Executive Director / Asst. Managing Director Company Secretary / Director Risk Management	7/7	----	----	----	2/2	13/13
10	Mrs.Yupa Techakraisri	Director	7/7	----	----	----	----	----
11	Mr.Apichart Kasemkulsiri	Director	5/7	----	----	----	----	----
12	Mr.Prasong Techakraisri	Director	6/7	----	----	----	----	----
13	Mr.Kowate Limtrakul	Chairman Risk Management Committee	----	----	----	----	2/2	----
14	Mr.Neeranart Promnart	Executive Director/ Director Risk Management Committee	----	----	----	----	2/2	13/13
15	Mr.Niwes Buakhom	Director Risk Management Committee	----	----	----	----	2/2	----
16	Mr.Pitsanu Vilawanjit	Director Risk Management Committee	----	----	----	----	2/2	----
17	Mr.Boonthiwa Inchata	Director Risk Management Committee	----	----	----	----	2/2	----

5.4.9 The company has a policy for non-executive directors to have a meeting. To discuss various problems About the management that is in the interest With no management team For

independence in expressing opinions, in the year 2018, a meeting of non-executive directors was held on December 22, 2018.

### 5.5 Assessment of CEO

The company gives importance in assessing the working performance of the CEO and the purpose of this assessment is to improve the working performance in many ways such as planning strategy , leadership, financial , management of the company, planning to replace the resigning staffs, human resource, communication and good relationship among the Board of Directors by having assessment form from the SET to be check for improvement as per our company's requirement

### 5.6 Board Self Assessment

The Board of Directors sets an annual performance assessment of the company directors to review the performance and governance for adequate and effective determination and/or improvement. By evaluating three types: 1) self-evaluation of the Board, 2) assessment of individual 3) evaluation committees.

The forms have been developed from the example assessment form from the Stock Exchange of Thailand to be appropriate and consistent with the characteristics of the Board.

Criteria for board self-assessment and individual assessment are as follows:

<u>Score (%)</u>	<u>Level</u>
90 – 100	Very good
80 – 89	Good
70 – 79	Standard
60 – 69	Fair
50 – 59	Need improvement

The process of assessment is conducted by company secretary who encloses the form into an envelope and delivers to each director. The individual assessments are done by the directors randomly, selecting the form from the box and performing the assessment. After completion of the two assessment forms, they are handed back over to the company secretary for the assessment report Evaluation conducted in each committee in year 2018

1. The Board self-assessment included six main areas and the average score was at a very good level of 92%. The details as follows:

No.	Topic	Result (%)
1	Structure and Qualifications of Director	94
2	Responsibilities and Duties of Director	89
3	Directors Meeting	95
4	Work Performance of Director	93
5	Relationship towards management division	93
6	Self improvement of director and management	89
Average percentage		92

2. The individual assessment included 3 main areas and the average scores is at a very good level of 92%. The details are as follows:

No.	Topic	Result (%)
1	Structure and Qualifications of Director	91
2	Responsibilities and Duties of Director	93
3	Directors Meeting	92
Average percentage		92

3. Evaluation Sub Committees consist of three main is Structures and Qualifications of Director / Director Meeting / Responsibilities and Duties of the Director, and committee meetings which has given the organization a very good result to best result.

No.	Sub Committee	Average Result (%)
1	Audit Committee	100
2	Corporate Governance Committee	94
3	Remuneration and Nomination Committee	95
4	Risk Management Committee	90
5	Executive Committee	87

The Result was satisfactory and productive for year 2018

#### Evaluation of Managing Director Performance

There is a regulation from the Board of Directors to assess and evaluate the Managing Director performance annually as per the rules set by the Board of Directors for the success of the administration and approve appropriate salary for the Managing Director.

#### Orientation of New Director

The company has a rule to have new director's orientation along with the all the directors to explain the scope of our business. The secretary of the Board of Directors has to prepare all the necessary documents, besides, the new director will be introduced and visit the 3 plants including the Head office for them to understand more about the scope of our business. For year 2018, the company did not have any new Director so no orientation was done.

### **5.7 Remuneration**

The company has to policy the remuneration of the directors as compared to the same industry, company performance and their responsibilities. However, the remuneration committee will assess the managing director's performance and the chairman of the board will be the one to inform the managing director.

### **5.8 Board and Management Training and successor during their absence**

The company recognized the significance on Directors' know-how, ability and capability so the company supports and give convenience to the directors and the secretary of the board to have regular and continuous training held by Director Accreditation Program (DAP) and Director Certification Program (DCP).

In year 2018, Directors of the company had attended the following :

Name-Surname	Position	Topic	Training Agency
Mr. Phreecha Tachakraisri	- Director	Create competitiveness with Just In Time Manufacturing for Industry 4.0	Thailand Automotive Institute.
	- Managing Director	Smart Factory for Industry 4.0	The Federation of Thai Industries.
	- Executive Director	Finance for non-financial executives.	National Institute of Development Administration.
		Business sustainability basis.	The Stock Exchange of Thailand.
		Cost accounting for industrial business.	Nida Professional Training Co., Ltd.
		Process Management in Practices.	Thailand Productivity Institute.
		Organizational strategy planning for success no.17	National Institute of Development Administration.
Mr. Neeranart Promnart	- Executive Director	Create competitiveness with Just In Time Manufacturing for Industry 4.0	Thailand Automotive Institute.
	- Deputy Managing Director	Smart Factory for Industry 4.0	The Federation of Thai Industries
		Cost accounting for industrial business	Nida Professional Training Co., Ltd.
	- CFO	Business Analytics/Big Data Analytics with Balanced Scorecard and Strategy Map (Advanced)	R&D BI Co., Ltd.
		Planning for material usage and capacity requirements	Technology Promotion Association (Thailand-Japan)

In additional, there are succession plan to ensure the business continuity when one of the directors is not able to perform his/her duties. Further, a meeting is held on our plants on rotation basis for the directors to see and observe the work performance of the employees.

## 8.2 Committee

**The Board of Directors appointed 5 committees :**

1. Executive Directors Committee
2. Audit Committee
3. Remuneration and Nomination Committee
4. Corporate Governance Committee
5. Risk Management Committee

The chairman is not allowed to be a chairman and member of this committee

### 1. Executive Directors

The Executive Committee has 4 members as follows:

No	Name -Surname	Position
1	Mr.Sumate Techakraisri	Chief Executive Director
2	Mr.Phreecha Tachakraisri	Executive Director
3	Mr.Chumpol Techakraisri	Executive Director
4	Mr.Neeranart Promnart	Executive Director



### The duties & responsibilities of Executive Directors

1. To make decision on the Company's significant operations such as to limit and regulate the Company's objectives, dimension of missions, policies; to monitor the overall operations including products and customers relationship all of which should be done within the Company's plan and budget set by the Board of Directors.
2. To consider and give approval on procurement, investment and sales & purchase of the Company's fixed assets. Proposal to the Board of Directors is needed in the case of procurement, investment and sales & purchase of the Company's fixed asset is not in plan or budget assigned.
3. To be the representative of the Company to agree upon with outsiders on any related issues that are beneficial to the Company's business.
4. To propose to the Board of Directors the issue on fund raising.
5. To authorize any consultancies that are necessary to business operations.
6. To manage the general operations of the Company.
7. To consider and authorize any duties and plans of each department together with considering the approval on each department requests that are beyond the department's decision authority
8. To propose and ask for approval from the Executive Directors if the operations according to the Company's plan exceeds 10% of the proposed budget.
9. Set the guidelines for evaluating the performance of the Managing Director. And the remuneration of the Managing Director.

The Executive Directors must follow the regulations and limits assigned above and shall not approve any transactions that self or other will have benefits over the Company or approve any transactions that will create a loss to the Company. All approvals must be reported to Board of Directors. Any other limits that do not include in the above, the authority from the Board of Directors is needed.

## 2. Audit Committee

Company's audit committee who has qualification according to the rules set by SET / SEC totaling 3 persons and one of them must have accounting and financial knowledge for which at present there are 3 directors, all of which are independent directors and set that audit committee will serve 3 years term (22 Dec. 2018 - 21 Dec. 2021). Names of these directors are as follows :

No	Name -Surname	Position
1	Mr. Pairuch Sahamethapat	Chairman of Audit Committee
2	Mr.Paotep Chotinuchit	Audit Committee
3	Mr.Virasak Sutanthavibul	Audit Committee

The secretary to the Company's Board of Directors is Mr.Chumpol Techakraisri

### The duties & responsibilities of Audit Committee

1. To examine and ensure that the Company's financial reports were correct, complete and sufficiently disclosed. This was to do with the cooperation from the external auditor and the management, who were responsible for providing quarterly and annually financial reports.
2. To examine and ensure that the Company operated the proper and effective internal control system and internal audit. This was to do with cooperation from both external and internal auditors.

3. To examine and ensure that the Company's operations were conducted in accordance with the regulations of the Stock Exchange of Thailand (SET) or any regulations related with the Company's business.
4. To recruit, assign and termination the Company's internal auditor and external auditor together with his/her remunerations through the consideration of creditability, sufficiency of resources, quantity of auditing works of the particular audit office and the experience of the individual assigned for the Company's auditing.
5. To examine and ensure that the Company's related transactions or any issues that might incur conflict of interests to be clearly and completely revealed.
6. To proceed according to the delegation of the Board of Directors (if Audit Committee deemed appropriate to do so) such as to review the policies on financial and risk management; to review the implementation on code of conduct of the management; to review with the management on any significant reports (such as the executive report and analysis, etc.) that should be publicized according to the legal regulations.
7. To provide report on activities of Audit Committee and reveal the report in the Company's annual report. The report should attach the signature of the Chairman of Audit Committee and contain the following information:
  - point of view on process of report composition and disclosure in the Company's financial reports (with consideration on correctness, completeness and reliability)
  - point of view on sufficiency of internal control system of the Company
  - reasons to support whether The Company's auditor is appropriate to be assigned for another term
  - point of view on the Company's operations whether they were conducted in accordance with the regulations of the Stock Exchange of Thailand (SET) or any regulations related with the Company's business
  - other reports that deemed appropriate to publicize according to duties and responsibilities assigned from the Board of Directors
  - Report on the performance of the Audit Committee, the Board of Directors acknowledged every quarter

### **3. Remuneration Committee and Nomination Committee**

In looking after the business and better administration of the Board of Directors for listed companies, Company Directors appointed remuneration committee and nomination committee to be responsible in finding qualified candidates for directorship and be responsible in director and board of directors remuneration as per the rules set as follows :

#### **Rules in determination of board of directors remuneration**

"Determination of this remuneration, the company has to consider the suitability and the duty and responsibility that has been assigned to him and able to compare with other listed companies in the same industry and similar size for which the remuneration of the director is enough to persuade them to have quality and capability in their assigned job with honesty"

#### **Limitation and Power of Remuneration Committee Directors**

1. To consider and determine the standard procedure for the company's directors' remuneration

2. To consider the remuneration of directors and propose to the company's board of directors and put as an agenda during the shareholder meeting.
3. To consider and propose the remuneration of CEO during the Directors' meeting for consideration and approval.
4. To be responsible in the job assigned by the Board of Directors.

#### Policy in Nomination Committee Candidates

“Search of Directors :-the company has to consider the qualification , ability, experience, good work history, and a leader having broad vision along with virtue and morality including good attitude to the organization, able to dedicate sufficient time which is essential to the company's activities with clear procedures”

#### Limitation and Power of Nomination Directors

1. To determine the qualification of the candidates for directorship.
2. To propose the qualified candidates for the directorship and propose during the Annual General Meeting for approval.
3. To propose successor CEO, together with the President. for presentation to Board of Director approval
4. Consider successor Managing director. presented by the president for presentation to the board of director approved the company
5. Consider the appropriateness of the Board of Directors. To be presented to the conference board approval
6. To be responsible in the job assigned by the Board of Directors.

The Board of Directors has approved the remuneration committee and nomination committee. The term of office in 3 years commencing from 10 August 2018 to 9 August 2021 with 5 Directors as follows :

No	Name -Surname	Position
1	Mr.Paotep Chotinuchit	Chairman of Remuneration Committee and Nomination Committee (Independent)
2	Mr.Pairuch Sahamethapat	Director of Remuneration and Nomination Committee (Independent)
3	Dr. Kosol Surakomol	Director of Remuneration and Nomination Committee (Independent)
4	Mr.Sumate Techakraisri	Director of Remuneration and Nomination Committee
5	Mr.Kumpee Chongthurakit	Director of Remuneration and Nomination Committee

The secretary to the remuneration and nomination committee is Mr.Chumpol Techakraisri

#### 4. Corporate Governance Committee

The Board of Directors has appointed the Corporate Governance committee to help promote on the corporate governance and management to be the best under the principles of good Corporate Governance. To focus on maximizing the shareholders. Taking into account the stakeholders as a whole integrity in business practices, with transparency, accountability, monitoring the implementation of the social responsibility for the community and environment. The commission are to provide good governance to the

stakeholders and efficiently. There are 5 committee members with three independent directors The term of office in 3 years commencing from 22 Dec. 2018 to 21 Dec. 2021 with 5 Directors as follows :

No	Name -Surname	Position
1	Mr.Paotep Chotinuchit	Chairman of Corporate Governance Committee (Independent)
2	Mr.Pairuch Sahamethapat	Corporate Governance Committee (Independent)
3	Dr. Kosol Surakomol	Corporate Governance Committee (Independent)
4	Mr.Sumate Techakraisri	Corporate Governance Committee
5	Mr.Kumpee Chongthurakit	Corporate Governance Committee

The secretary to the remuneration and nomination committee is Mr.Chumpol Techakraisri

### Limitation and Power of Corporate Governance Committee

1. Rules and Regulations and best practices of effective corporate governance processes appropriately.
2. Propose and practice good corporate governance to the Board of Directors of the company.
3. Follow up new announcements involved and to determine the appropriate improvements.
4. To review and consider the practice and principles of corporate governance that are appropriate to the business.
5. Propose Code of Conduct regulations in business ethics for the management and staffs to practice.
6. Provide policies and practices in the area of corporate social responsibility (CSR) and to the surrounding environment

### 5. Risk Management Committee

The Board of Directors has approved the Risk Management committee. The term of office is 3 years commencing from 30 January 2018 to 29 January 2020 comprising 8 members of the company director and senior management

No	Name - Surname	Position
1	Mr. Kowate Limtrakul	Chairman of Risk Management Committee
2	Dr. Kosol Surakomol	Risk Management Committee (Independent)
3	Dr. Phreecha Tachakraisri	Risk Management Committee
4	Mr. Neeranart Promnart	Risk Management Committee
5	Mr. Chumpol Techakraisri	Risk Management Committee
6	Mr. Pitsanu Vilawanjit	Risk Management Committee
7	Mr. Boonthiwa Inchata	Risk Management Committee
8	Mr. Niwes Buakhom	Risk Management Committee

And committee secretary of the Risk Management Committee is Miss Pornthip Puangsab

### Scope and Authority of the risk management committee

1. To study, review and evaluate the risks that may occur which may affect the company.
2. To set a risk management policy and propose to the Board of Directors.
3. To formulate strategies to meet the risk management policy and strategic direction of the company.
4. To review the adequacy of the risk management policy and to assess with continuous control and

monitoring of the system.

5. To seek and push the support, cooperation and to monitor the set policy in order to mitigate or eliminate the risk according to the set target.
6. To continue develop the risk management, monitor regularly throughout the company in consistent with the international standard.
7. To analyze the damage which may occur in a systematic way both normal or abnormal to ensure that the survey has covered all stages of the risk in doing business and report to the BOD at least twice a year.

### **8.3 Recruitment and appointment of director and management**

Recruitment criteria Remuneration and Nominating Committee are responsible to look for new directors or replace the directors who resigned / retired and fill in the vacated position based on knowledge, integrity, experiences in a related business which conform with the requirement of the Securities and Exchange Commission

The remuneration and nomination committee propose the recruitment to the company directors that deemed appropriate and to approve the said appointment as per the company's requirement and standard during the company's shareholders meeting

Process in considering candidates for the directorship position, the Nominating Committee shall consider individual candidates from various sources

1. Shareholders who hold shares of not less than 5 % with voting rights are entitled to cast their votes.
2. Database of Directors of the Institute of Directors of Thailand.
3. Consulting outside firm.
4. The Board of Directors recommend.

The Nomination Committee Considers that appropriate Therefore, the Board of Directors. The approval and be appointed as Directors to the AGM. By Following the regulations of the company

#### **Appointment process of the Board of Directors.**

Board of Directors must be appointed by the shareholders in the shareholder meeting and comprised of at least 5 persons. The Board of Directors will select Chairman, Deputy Chairman, Managing Director and any other positions that deemed appropriate. At least, half of the Board of Directors must reside in Thailand.

#### **Methods of election are as follows :**

1. Each shareholder has the voting right of one share per one vote.
2. The election of the Board of Directors may be done for one or more directors at a time at the discretion of the Company's shareholders' meeting. Nevertheless, for each shareholders' resolution, all shareholder's votes shall be given to a particular candidate or group of candidates. Each shareholder's votes cannot be divided for each candidate or group of candidates.
3. Persons who receive the highest votes arranged in order from highest to lowest in a number equal to that of directors are to be appointed and or elected as directors of the company. In the event of a tie at a lower place, which would make the number of directors greater than that required the Chairman shall cast his vote to be considered as final

### Yearly evaluation of Managing Director's Responsibilities

The Board of Directors set a policy to yearly assess and evaluate the responsibilities of Managing Director by using the objective and criterion as set by the company for remuneration consideration.

### 8.4 Control of Subsidiaries and Associated Companies'' Business Operations

As the company does not have any subsidiary and did not have any joint venture with any company so no related transaction made to any company which might have a conflict/interest and no financial help rendered to other companies

### 8.5 Preventative usage of Company's internal information by the Management

The company has a strict data protection measures in particular for inside information that has not been disclosed to the public. Or any information affecting the business such as the price of stock by not allowing the directors, executives and employees to use inside information for personal benefit. The company set a policy on this matter

1. Company shall educate / inform the directors and management to understand the rules on the use of inside information such as sale and purchase of stocks by spouses and minor children as set by Securities Exchange Act 2551 as amended by the Stock Exchange of Thailand.
2. Directors and management are responsible for preparing and submitting a report of their shareholding to the company with their spouses and minor children as set by the Securities and Exchange Commission.
  - The first securities holding (Form 59-1) within 30 days from the closing date of the offering of securities to the public. Or who have been appointed as directors or executives.
  - Changes in the securities holding (Form 59-2) as a result of the purchase, sale or transfer of securities due within 3 days from the purchase, sale or transfer of such securities. And to submit the report to hold such securities to the Company. Within the date set by the Securities and Exchange Commission.
3. Announce that the directors, executives and employees inside information that may substantially affect the price of securities that is to surpend the purchase or sale of securities of the Company during the one month before the company announced results of operations. (The deadline to announce results of operations is 45 days after the end of the quarter, and 60 days after the end of the fiscal year) or after the inside information is publicly available.
4. The Company's measures to control the seal of the Company must be with company's Secretary to control the operations of any kind to be transparent and easily verifiable.

The Company's measures of punishment if found that if any executives violation of company policies that can damage the Company shall be reported to the authorities for further proceedings.

### 8.6 Audit Fee

1. The fee Auditing complete on 31 December 2018

List	The payer company	Auditors	Audit Fee
1	T. Krungthai Industries Public Company Limited.	Karin Audit Company Limited.	1,030,000.00
Total Audit fee			1,030,000.00

2. Non-Audit Fee

- None

## **8.7 Investor Relationship**

The Company's Board of Directors realized that either Company's financial or non financial information has an influence on the decision making of the investors as well as all of the stakeholders. The Company has always stressed out to the management to provide regular, complete, correct, accurate, and prompt information to the public. Moreover, the Company has appointed Mr. Chumpol Techakraisri, Assistant Managing Director, to be a contact person with financial institutions, shareholders, analysts and related government sectors on the investors' relations related issues.

In this connection, the company held an activity who are interested in the company's performance by inviting them to visit our King Kaew plant on November 8, 2018.

Besides, the company holds "Opportunity Day" every quarter for the investors and analyst to regularly be informed the performance of the company.

## **9 Corporate Social Responsibility**

For the company, regarding social responsibility, it is not just an activity but responsibility. For this, our company follows the words of Mr Bjorn Stigson, Chairman of the World Business Council for Sustainable Development or (WBCSD) that " Business cannot succeed in a society that fails" :

### **Social responsibility , Safety, Health and Environment policies**

The company operates under principle and good governance along with attentive care of the environment and society and aims to contribute to the development of sustainable business with transparency and social responsibility. Board of Directors have approved the policy on social responsibility in business ethics of the company.

The objective is to run a business that is beneficial to the economy and society. The importance on the preservation of local traditions is the company's policy to adhere, to behave as a good citizen , law- abiding and committing oneself to follow regulations, cooperate with the government and community to enhance the quality of society to follow regulations.

### **The Implementation and Report Preparation**

The company has implemented and report corporate social responsibility. Details of these implementation of principles and 8 guidelines set by the SET has been published on the company website ([www.tkrungthai.com](http://www.tkrungthai.com)) In year 2018 the company had conducted its activities to communities and environment as follows:

#### **1. Respect the human rights of the employees**

Better business foundation depends on the foundation of the employees which is significant for the success of the business, Meaning, business has to show the importance of employees by giving them proper and good working environment, good and better life and offering them good privileges and respect their human rights and fair treatment to the employees. The company has to improve the working environment, offer better life as follows :

- 1.1 Have to follow human rights and not to use underage children and not use illegal labor.
- 1.2 Give support by offering better privileges to the employees in terms of salary/wages, bonus, social security system like giving free rice, discounted lunch cost, diligent allowance, fund for family death, give support on education of our employees' children from kindergarten up to 3rd year high school ( mathayom3), yearly health check-up, give presents to the employees' children..
- 1.3 Define security policies within workplace such as in the factory and organize annual fire prevention practice, fire evacuation drills and regular checking the availability of firefighting



equipments The company shall provide personal protective equipment to workers according to their job description for their confidence and safety in the workplace.

- 1.4 Safety measures for the working area environment like production safety not to affect the health of the employees, working safety measure week, put exhaust fans to reduce the heat in production line, small relaxing area and resting place during the break.
- 1.5 Provide adequate, appropriate, safe and hygienic consumer amenities and conduct assessment on the scheduled rota such as canteen, drinking water machine, toilets, etc.
- 1.6 Supervise, monitor, and measure the environment within the factory and production process such as wastewater treatment systems to prevent any bad effects on the health of employees and people in the factory and nearby community such as wastewater treatment system .
- 1.7 Officer to listen to the problems of the employees on fair treatment of the company.
- 1.8 Sending employees to a seminar in and out of the organization to prepare the suitable person for the position.
- 1.9 To improve the human resource in all levels as per the policy of the company for short and long term basis under Knowledge Management to make our company as Learning Organization.
- 1.10 To improve the management and leadership for all management level through training and coaching.
- 1.11 Encourage the employees to use sufficiency economy along and well done Social.
- 1.12 Promote sport activities to keep employees healthy and do not use drugs.
- 1.13 Carry on the Thai customs and tradition such as New Year, Songkran Festival, Father and Mother's day.

## 2. Environmental Protection

The company pays attention to and is aware of environmental effects that may affect employees and the nearby community and therefore complies with related laws and regulations continuously and measures environmental quality annually.

In the year 2018, the benchmark company hired C.E.M. Technology (Thailand) Co., Ltd. and Vcare environment Service Co., Ltd. which is an outside agency to conduct environmental measurement as follows:

Measurement of Environmental Quality	Measurement Results		
	Below Std.	In Std.range	Above Std.
1. Quality of drain water		✓	
2. Density of luminous intensity		✓	
3. Volume Level		✓	
4. Air Quality Level		✓	
5. Contaminant Level		✓	
6. Ecosystem		✓	

The company has held training with regards to the environment and effects, and promotes the economical use of resources to reduce global warming and the impact to the employees in all areas. A campaign has been launched to use resources sparingly and wisely such as turning lights off after use, shuttle carpool by rotation and using recycle papers and to avoid color printing , etc.

The company has arranged to for a consultant on electrical power consumption reduction and has allocated funds to invest in energy-saving devices as well as rigorously complying with the ISO 14001 standard.



### 3. Community & Social Development

Business can be successful if it is with strong community and has attained sustainable development so the company arranges the social activities and participates with community in improving the community and society to be stronger by searching proper way for our current business such as :

- 3.1 Provide gifts, Sport equipment for schools i.e. Wat Bangplanak School Amphur Muang, Chachoengsao; Kabinburi Industrial Estate; Kabinburi Police Station; Banbupram School; Special Education Center, Prachinburi Province
- 3.2 Blood Donation with Red Cross Very Quarter
- 3.3 Provide the Buddhist Lent Candle to the temples nearby each plant ie. Uthaidharmtharam Temple, Bangkok; Bangplanak Temple, Chachoengsao; Samnaksong Bu Kluai and Samnaksong Thung Yai, Prachinburi Province
- 3.4 Support the employees to involve in developing their hometowns by arranging Project “Phapa Su Ban Keid Project” i.e. Ban Sao Thong Chai Temple, Srisaket Province; Ban Khayung Temple, Srisaket Province; Non Phet Temple, Nakhon Ratchasima Province; Wat Thep Mong Khong, Surin Province; Ban Nong Mun Iron Temple, Ubon Ratchathani Province; Kok Sai Temple, Phetchabun Province; Wirachot Temple, Surin Province; Hua Saphan Temple, Chachoengsao Province.
- 3.5 Support drinking water project “ TO BE NUMBER ONE”
- 3.6 Supporting the "Lotus Tradition" which is a tradition inherited at Bang Phli Yai Temple, Bang Phli District, Samut Prakan Province.

## 😊 Various Activities For Year 2018 😊

### 😊 New Year Party 😊



😊 Education Support for Employees' Children 😊



😊 Songkran Day Festival 😊



😊 Safe Driving Campaign for Songkran Festival 😊





😊 **Buddhist Lent Candle Offering** 😊



😊 **Support Drinking Water Project (TO BE NUMBER ONE)** 😊



😊 **Giving Presents on Childrens' day** 😊



😊 **Blood Donation** 😊



❖ Training “Safety, occupational health and environment / Fire Protection” ❖







## Training : ISO9001& IATF16949 Awareness and Requirement



## Company Visit at Kingkaew Plant



### **10 . Control System and Internal Audit**

The Company recognized the importance of internal control system for the management as well as the operation level so that they could work effectively. The Company has already, put clearly in writing, set duties and responsibilities for operators and management as well as the usage of Company's assets. The duties in operation and monitor, control & evaluation were separated. This was to balance and cross check each function easily. Moreover, there was a financial control system, where a financial report was required to be submitted to the line responsible person at each sector.

At the meeting for Audit committee hired ACC-PLUS Consultant as our Internal Audit Officers and shall work with the head of Compliance, and their duties and responsibilities are to ensure that the key operation and financial activities have effectively pursued the Company's objectives. This would also include the examination on law enforcement in operation and compliance control. To ensure the independency and effectiveness on working of internal audit, the Internal Audit Department would be

directly reported and evaluated to the Audit committee.

### Risk Management

To reach our goal in good governance and protect the interest of company's stakeholders the company made a rule for risk management in controlling related to management of the organization in order to control the risk of the company.

1. Risk in Business Operations and Strategy
2. Risk in Operations
3. Risk in Accounting and Finance
4. Risk in Administration and Management
5. Risk in related Rules and Regulations
6. Risk in Information Systems

## **11. Related Transactions**

### **Disclosure of Related Transactions**

Details on individual accounting or related activities have been attached to the fifth (5)<sup>th</sup> note to financial statements:

### **Necessities and Reasonable of related-transactions**

The related transactions in Year 2018 were reasonable and necessary to bring about the best benefit to the Company. It was making a full use of the production capacity on machine. This related transaction was examined by the Audit committee which deemed the transaction as a common nature of business and the Company has received and paid the fees at fair prices.

### **Rules and Procedure in approval of related transactions**

As the Rules and Procedure in approval of related transactions, any transactions that involve with the individuals, who might have conflicts of interest with the Company's business should be proposed to and taken into consideration by the Audit committee and get approval from the Board of Directors. The Audit committee should be presented in any meeting regarding the related transactions. In addition, votes from directors that might have conflict of interests will not be counted.

### **Policy and Trend of Related Transactions**

If there is a necessity to have related transaction with individuals that might have conflict of interests with the Company in the future, the Company would set up policy to ensure the normal transaction and prices shall be marked to market and can be comparing with the outsiders. Hence, the Company's Audit Committee or the Company's auditor should help consider whether the prices are suitable and reasonable for having this related transaction.

For any related transactions that might occur in the future, the directors shall follow the Company's rules and regulations and shall not approve any transactions in which themselves will have conflict with the Company's interests. The Company must follow the rules and regulations set by the Stock Exchange of

Thailand (SET) and must disclose all related information on any gains or losses of assets in related transactions of the Company or the affiliates.

If there are any related transactions with individuals that may have conflict of interests with T.Krungthai Industries Public Company Ltd. now or in the future, the Audit committee will be responsible to give suggestion or advise on price, compensation and necessity of such transactions. In the case that the Audit Committee lacks of knowledge in considering, the Company directors will make decision by opinion of independent specialists or the auditor. The Company will also disclose any related transactions in the note to financial statements that has been given approval from Company auditor.

Related Transactions			
Name / Description of business	Relationship	The nature and amount of the transaction	Necessary and reasonable
1. Prairie Marketing Co., Ltd. Business trade - Consumer Goods	Mr. Sumate Techakraisri, Director and a shareholder with a ratio of 6 % of the paid up capital and is authorize to sign documents of Prairie Marketing.	Prairie Marketing Co., Ltd. purchase gear boxes for plastic tampon, cotton bowl. In 2018, TKT company acquired total sales of 2.68 million Baht and as at December 31, 2018 the outstanding balance of trade account receivable was 0.08 billion Baht.	The business is about selling a piece of plastic to its regular customer which is sold at a market price locally. The audit committee has considered that transaction being reasonable with a fair price.
2. The office building of Mr.Sumate Techakraisri	Mr.Sumate Techakraisri Director of the Company	The company has rented a 3 storey building located at 23, Soi Chan 43, Yak 21, Tungwatdon, Sathorn, Bangkok 10120. The rental term is 3 years commencing from 1 <sup>st</sup> April 2016 to 31 <sup>st</sup> of March 2019 at Baht 66,550.- / month .	Leasing office space to facilitate business contacts and rental rate is not different from the rate around the vicinity. The Audit Committee has considered and regarded that rental charge is reasonable and fair.

## 12. Financial Highlights

		2018	2017	2016
<b>Performance</b>				
Revenue from sales - Plastic products	'000 Baht	1,068,298	960,114	1,004,413
Revenues from sales - Moulds	'000 Baht	102,921	112,552	93,338
Net profit	'000 Baht	-36,754	-51,325	-67,535
<b>Balance sheet highlight</b>				
Total Assets	'000 Baht	1,134,880	1,093,037	1,054,324
Total liabilities	'000 Baht	727,320	648,723	673,889
Shareholders' equity	'000 Baht	407,560	444,314	380,435
<b>Common stock highlight</b>				
Authorized share capital	Mil' share	214,000	214,000	214,000
Par value	Baht / share	1.00	1.00	1.00
Book value	Baht / share	1.90	2.08	1.78
Basic earning per share	Baht / share	-0.17	-0.24	-0.32
<b>Financial Ratio</b>				
Current Ratio	Times	0.63	0.54	0.58
Account Receivable Turnover	Times	5.48	5.94	6.12
Inventory Turnover	Times	6.98	6.75	5.72
Account Payable Turnover	Times	9.47	6.98	7.01
Debt to Equity Ratio	Times	1.78	1.54	1.77
Sale's Growth	%	9.19	-2.29	-19.07
Profit before interest and income tax expenses	%	-2.41	-4.40	-6.06
Net profit	%	-3.14	-4.78	-6.15

## 14. Management's Discussion and Analysis

T. Krungkhai is a manufacturer and a designer of plastic components, as well as manufacturer and service provider for molds which are used for manufacturing of plastic components. Major Customers are leading automotive and electric appliances factories, including original equipment manufacturers (OEM) mainly based in Thailand. In 2018, the Company had total revenue of 1,171.22 millions, net loss 36.75 millions while in 2017, total revenue was 1,072.67 millions and net loss 51.33 millions.

### 1. Operation result

#### Revenue

Revenue from sales and services 1,171.22 millions consists of sales of plastic parts 1,068.30 millions and revenue from sales of molds 102.92 millions. Total revenue increased by 98.55 millions when comparing to



year 2017 or growing up 9.19%. Revenue from sale of plastic part increases by 108.18 millions (+11.72%) as the results of Automotive industry increased production 8.99% from year 2017. While revenue from sales of molds decreased by 9.63 millions (-8.55%) when comparing to 2017. The company has molds in work in progress that will be delivered and recognized in 2019, worth approximately 71.75 million baht.

### **Gross Profit**

In 2018 the Company's gross profit was 129.20 millions (gross profit margin 11.03%) higher than the gross profit of year 2017 99.85 millions (gross profit margin 9.31%) 29.35 million baht or 29.4% as a result of higher sales of plastic parts and the company has continuously controlled production costs and reduced waste in production. In terms of sales the company has tried to increase the proportion of sales to the automotive producer directly.

### **For earnings before interest, tax, depreciation and amortization (EBITDA) and earnings before interest and taxes (EBIT),**

In 2018, the Company's EBITDA was 39.99 millions (3.41%) when comparing to year 2017, EBITDA was 21.56 millions (1.96%), increased by 18.43 million baht or 85.48% and while EBIT was -28.26 millions (-2.41%) improving from 2017 at -47.18 million baht (-4.4%), which is the result of higher gross profit.

### **Net Profit/Loss**

In 2018, the Company's net loss was 36.75 millions (-3.14%) comparing to a net loss of 51.33 millions (-4.78%) in 2017, net loss decrease by 14.58 millions. The cost of finance was slightly increased from 17.42 millions in 2017 to 18.17 millions due to the strict control of loan facility spending as necessary.

## **2. Financial Position**

As of 31 December 2018, the Company's total assets was 1,134.88 millions, total liabilities of 727.32 millions and shareholders' equity of 407.56 million baht, representing debt to equity ratio of 1.78 times. Total assets increased from 2017, amount of 41.84 millions mainly due to inventories increased by 50.22 million baht from the year 2017 to 170.87 millions, including work in process, which is mostly the molds that are produced according to customer orders and will gradually deliver and recognize revenue in 2019, approximately 71.75 millions.

The liabilities increased from the year 2017, amounting to 78.60 millions, due to investment in two large size machines to support the new models that will be launched in 2019. The numbers of parts that are newly received are larger parts, so it is necessary to increase investment in large machines. In addition to investing in machinery, the funds are used for business operations with higher sales volume.

## **3. Efficiency of property utilization**

Overall, efficiency of utilization of Company's assets was slightly different from previous year when considering following ratios.

- Total Asset Turnover (Total Income/Total asset) in 2018 was 1.03 time, and 0.98 times in 2017, This is due to the increase in sales, even if the asset value is higher due to the investment in new machinery and work in process of the molds, the overall efficiency of the company's assets is relatively stable.

- Operating Cycle and Cash Cycle

Operating Cycle 137 days and Cash Cycle 81 days increased when comparing to previous year at 115 days and 63 days respectively as the results of the higher inventory which is work in process of Molds made to orders of clients, therefore, inventory has the high liquidity. Since the Company's customers are manufacturers and distributors of leading automotive and electrical appliances, quality of trade receivables is in very good range.

**4. Financial liquidity**

In 2018, the Company's current ratio was 0.63 time and quick ratio was 0.38 slightly improved from the previous year. EBITDA/Interest Expense was 1.73 times, and Cash Profit/(Interest Expense & Current Portion of Long-Term Loan) was 2.46 times. The company is never on default of debt repayment and all spending are allocated for core business, therefore, the Company is well supported by financial institutions which grant adequate amount of credit facility for business operation.

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**  
**AND AUDITOR'S REPORT**

## Independent Auditor's Report

To The Shareholders of T.Krungthai Industries Public Company Limited

### Opinion

I have audited the accompanying of financial statements of T.Krungthai Industries Public Company Limited which comprise the statement of financial position as at December 31, 2018, the statements of comprehensive income, changes in shareholders' equity and the cash flows statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of T.Krungthai Industries Public Company Limited as at December 31, 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

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

### Key Audit Matters

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

### *Deferred Tax Assets*

#### Risk

As described in the Note 11 to the financial statements, the Company recorded deferred tax assets of Baht 46.44 million in the statement of financial position. The recognition of deferred tax assets is based on possibility of actual utilization and subject to management's judgment. Expected benefits from such assets depend on many factors, including appropriateness of temporary difference and sufficiency of future taxable profit.

I focused on this area due to the size of the deferred tax assets balance and because of the subjectivity of management's judgment on the reasonableness of the assumptions used in the estimate.

**Risk Responses of Auditor**

How the matter was addressed in the audit as below

- Evaluated the Company management's judgment regarding sufficiency of future taxable profit that will be available to utilize tax losses. Evaluation focused on the reasonableness of future cash flow projection and preparation process of cash flow projection;
- Tested reliability of calculation and compared with the latest annual budget approved by the Company's board of directors;
- Enquired the Company's management regarding a key assumption, long term growth rate, and compared with historical performance, economic conditions, and industrial trend;

Based on my procedures above, I found that the assumptions made by management use in the estimate to be reasonable based on the available evidence.

***Valuation of inventory and allowance for decreasing in inventory valuation*****Risk**

As described in the Note 8 to the financial statements, the Company has inventory of Baht 170.87 million or 15% of the total assets in the financial statements. The finished goods are plastic woven sacks. Some of the purchase orders acquired are by entering into selling agreement. The selling price is determined in advance and the goods are delivered in the long-term. Additionally, some raw materials of the subsidiary are moving slower. As a result, the cost of goods may be higher than the net realizable value. Inventory is stated at cost or net realizable value, whichever is lower. Such matter requires significant judgment and estimates in considering the allowance for the decline in value of inventory.

I focused on this area due to the size of the valuation of inventory balance and because of the subjectivity of management's judgment on the reasonableness of the assumptions used in the estimate.

**Risk Responses of Auditor**

How the matter was addressed in the audit as below

- I have tried to understand the internal control system related to the inventory management.
- Tested the internal control related to the product cost preparation.
- Attended the inventory count observation to check the deterioration and obsolete stock.
- Tested the accuracy of product aging report preparation.
- Inquired the management and considered the reasonableness and approach applied by the management in defining the net realizable value by checking the supporting document that represents the best estimate of the management.
- Testing the calculation of allowance for declining in value of inventory.
- The adequacy of the disclosure of information related to the accounting policies and the amount related to the recognition of allowance for declining in value of inventory.

Based on my procedures above, I found that the assumptions made by management use in the valuation of inventory and allowance for decreasing in inventory valuation to be reasonable based on the available evidence.

**Other**

The financial statements of T.Krungthai Industries Public Company Limited, which comprise the statements of financial position as at December 31, 2017, the statements of comprehensive income, changes in shareholders' equity and cash flows for the year ended December 31, 2017, which have been presented herewith for comparative purposes were audited by another auditor in my firm, whose report dated on February 26, 2018 expressed an unqualified opinion.

**Other Information**

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

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Company 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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company 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 Company ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Jirote Sirirorote.



(Mr. Jirote Sirirorote)

Certified Public Accountant Registration No. 5113

Karin Audit Company Limited

February 27, 2019

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2018**

		(Unit : Baht)	
		As at	As at
	Note	December 31, 2018	December 31, 2017
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	2,707,184.24	12,508,244.96
Trade accounts and other current receivable - net	7	246,112,601.11	204,881,983.07
Inventories - net	8	170,868,012.04	120,644,193.70
Current income tax assets		13,398,768.60	15,166,388.48
<b>Total current assets</b>		<b>433,086,565.99</b>	<b>353,200,810.21</b>
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment - net	9	668,111,919.30	706,914,433.65
Other intangible assets - net	10	9,879,408.81	11,278,926.40
Deferred tax assets - net	11	5,934,428.47	-
Other non - current assets	12	17,867,190.82	21,642,899.15
<b>Total non - current assets</b>		<b>701,792,947.40</b>	<b>739,836,259.20</b>
<b>TOTAL ASSETS</b>		<b>1,134,879,513.39</b>	<b>1,093,037,069.41</b>

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)



**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION (cont.)**

**AS AT DECEMBER 31, 2018**

		(Unit : Baht)	
		As at	As at
	Note	December 31, 2018	December 31, 2017
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Bank overdrafts and short - term borrowings from financial institution	13	527,357,585.44	464,077,751.25
Trade accounts and other current payables	14	157,819,042.38	138,418,123.98
Current portion of long - term liabilities	15	6,945,876.53	19,685,853.95
Current provisions for employee benefits	16	781,226.00	2,046,425.00
<b>Total current liabilities</b>		<b>692,903,730.35</b>	<b>624,228,154.18</b>
<b>NON - CURRENT LIABILITIES</b>			
Long - term loans	15	17,325,982.46	4,981,909.07
Deferred tax liability - net	11	-	3,744,842.07
Non - current provisions for employee benefits	16	17,089,856.70	15,768,101.00
<b>Total non - current liabilities</b>		<b>34,415,839.16</b>	<b>24,494,852.14</b>
<b>TOTAL LIABILITIES</b>		<b>727,319,569.51</b>	<b>648,723,006.32</b>

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION (cont.)**

**AS AT DECEMBER 31, 2018**

		<b>(Unit : Baht)</b>	
		<b>As at</b>	<b>As at</b>
	<b>Note</b>	<b>December 31, 2018</b>	<b>December 31, 2017</b>
<b><u>SHAREHOLDER'S EQUITY</u></b>			
Share capital			
Authorized share capital			
Ordinary share 214,000,000 shares Baht 1.00 par value		214,000,000.00	214,000,000.00
Issued and paid - up share capital			
Ordinary share 214,000,000 shares Baht 1.00 par value		214,000,000.00	214,000,000.00
Share premium on ordinary shares		144,236,932.71	144,236,932.71
Retained earnings (deficit)			
Appropriated			
Legal reserve	17	21,400,000.00	21,400,000.00
Unappropriated		(91,581,301.02)	(54,827,181.81)
Other components of shareholders' equity	18	119,504,312.19	119,504,312.19
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>407,559,943.88</b>	<b>444,314,063.09</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>1,134,879,513.39</b>	<b>1,093,037,069.41</b>

Authorized Signatory.....Director  
(Mr. Sumate Techakraisri)

Authorized Signatory.....Director  
(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

		<b>(Unit : Baht)</b>	
	<b>Note</b>	<b>2018</b>	<b>2017</b>
<b>Revenue from sales and rendering of services</b>			
Revenue from sales - plastic products	23	1,068,298,421.62	960,114,049.33
Revenue from rendering of services - moulds	23	102,920,776.88	112,551,943.54
<b>Total Revenue from sales and rendering of services</b>		<b>1,171,219,198.50</b>	<b>1,072,665,992.87</b>
Cost of sales of goods and rendering of services	23	(1,042,020,799.15)	(972,820,254.87)
<b>Gross profit</b>		<b>129,198,399.35</b>	<b>99,845,738.00</b>
Other income	23	7,505,112.86	7,971,076.92
<b>Profit before expenses</b>		<b>136,703,512.21</b>	<b>107,816,814.92</b>
Cost of distributions	23	(31,213,832.14)	(27,795,322.33)
Administrative expenses	23	(106,494,568.45)	(110,433,049.25)
Other expenses	23	(7,506,134.54)	(4,714,901.51)
Director and management's remunerations	5	(19,751,434.67)	(12,058,203.24)
<b>Total expenses</b>		<b>(164,965,969.80)</b>	<b>(155,001,476.33)</b>
<b>(Loss) before finance costs and income tax</b>		<b>(28,262,457.59)</b>	<b>(47,184,661.41)</b>
Financial costs	22	(18,170,932.16)	(17,424,199.80)
<b>(Loss) before income tax expenses</b>		<b>(46,433,389.75)</b>	<b>(64,608,861.21)</b>
Income tax	21	9,679,270.54	13,283,601.82
<b>(Loss) for the year</b>		<b>(36,754,119.21)</b>	<b>(51,325,259.39)</b>
<b>Other comprehensive (expense)</b>			
<b>Items that will not be reclassified subsequently to profit or loss :</b>			
(Loss) on remeasurements of defined benefit plans	16	-	(4,300,281.00)
Revaluation surplus on fixed assets	18	-	119,504,312.19
<b>Total other comprehensive (expense) for the year - net</b>		<b>-</b>	<b>115,204,031.19</b>
<b>Total comprehensive (expense) for the year</b>		<b>(36,754,119.21)</b>	<b>63,878,771.80</b>
<b>Basic (Loss) per share</b>			
Net (loss) (Baht per share)	20	(0.172)	(0.240)

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

(Unit : Baht)

	Note	Other components of							
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings (deficit)		Gain (Losses) on remeasurement of benefit plans	Revaluation surplus on fixed assets	Total other components of shareholders' equity	Total
				Appropriated Legal reserve	Unappropriated				
Balance as at January 1, 2017		214,000,000.00	144,236,932.71	21,400,000.00	798,358.58	-	-	-	380,435,291.29
Transferred to retained earnings		-	-	-	(4,300,281.00)	4,300,281.00	-	4,300,281.00	-
Comprehensive income (expense) for the year	20	-	-	-	(51,325,259.39)	(4,300,281.00)	119,504,312.19	115,204,031.19	63,878,771.80
Balance as at December 31, 2017		214,000,000.00	144,236,932.71	21,400,000.00	(54,827,181.81)	-	119,504,312.19	119,504,312.19	444,314,063.09
Comprehensive (expenses) for the year	20	-	-	-	(36,754,119.21)	-	-	-	(36,754,119.21)
Balance as at December 31, 2018		214,000,000.00	144,236,932.71	21,400,000.00	(91,581,301.02)	-	119,504,312.19	119,504,312.19	407,559,943.88

Authorized Signatory.....Director  
(Mr. Sumate Techakraisri)

Authorized Signatory.....Director  
(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**STATEMENTS OF CASH FLOW**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>(Unit : Baht)</b>	
	<b>Note</b>	
	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) before income tax	(46,433,389.75)	(64,608,861.21)
<b>ADJUSTMENTS FOR TO NET PROFIT(LOSS) FOR CASH RECEIVED (PAID)</b>		
Adjusted financial costs	18,128,039.06	17,345,032.40
Adjusted interest received	(52,003.26)	(58,305.93)
Adjusted trade account and other current receivables (increase)	(41,237,539.83)	(29,884,478.76)
Adjusted inventories (increase) decrease	(50,814,996.84)	51,908,244.17
Adjusted other non - current assets decrease	2,004,376.46	7,479,487.70
Adjusted trade account and other current payables increase (decrease)	18,254,575.22	(5,759,327.53)
Depreciation loss and amortization	68,253,759.53	71,279,914.94
Amortization of income tax	12,600.00	-
Adjusted provision for employee benefits	2,233,938.00	1,957,167.00
Adjusted unrealized loss on exchange rates	2,653.02	22,338.50
Adjusted loss from decline in value of inventories (reversal)	591,178.50	(4,845,163.20)
Adjusted loss from sale of fixed assets	4,441,668.62	973,054.64
Adjusted loss from termination of assets	14,487,796.65	14,278,378.08
<b>Total adjusted from reconciliation of (loss)</b>	<b>(10,127,344.62)</b>	<b>60,087,480.80</b>
Cash paid for employee benefits obligation	(2,177,381.30)	(3,816,635.78)
Income tax return	16,925,120.35	17,046,278.54
Income tax (paid)	(13,398,768.60)	(15,166,388.48)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(8,778,374.17)</b>	<b>58,150,735.08</b>

Authorized Signatory.....Director  
(Mr. Sumate Techakraisri)

Authorized Signatory.....Director  
(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**STATEMENTS OF CASH FLOW (cont.)**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

		<b>(Unit : Baht)</b>	
	<b>Note</b>	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash received from sale of property plant and equipment		1,926,551.42	980,354.12
Cash paid for purchasing of property plant and equipment		(45,920,884.28)	(21,257,981.20)
Cash paid for purchasing of intangible assets		(1,724,450.00)	(1,158,000.00)
Cash received from interest		52,003.26	58,305.93
<b>Net cash (used in) investing activities</b>		<b>(45,666,779.60)</b>	<b>(21,377,321.15)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash paid for long - term borrowings from financial institutions		(17,945,224.00)	(26,841,768.00)
Bank overdrafts and short - term borrowings from financial institutions increase (decrease)		63,279,834.19	(936,346.00)
Cash paid for liabilities under financial lease agreement		(7,119,330.03)	(1,808,257.87)
Cash received from finance leases (sale and lease aquart)		24,668,650.00	-
Cash paid from interest		(18,239,837.11)	(17,705,555.30)
<b>Net cash provided by (used in) financing activities</b>		<b>44,644,093.05</b>	<b>(47,291,927.17)</b>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(9,801,060.72)</b>	<b>(10,518,513.24)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF THE YEAR</b>	6	12,508,244.96	23,026,758.20
<b>CASH AND CASH EQUIVALENTS - END OF THE YEAR</b>	6	<b>2,707,184.24</b>	<b>12,508,244.96</b>
<b>NON - CASH TRANSACTION :</b>			
Asset payable		1,262,410.00	4,875,202.00

Authorized Signatory.....Director  
(Mr. Sumate Techakraisri)

Authorized Signatory.....Director  
(Mr. Chumpol Techakraisri)

## **T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

### **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

#### **1. GENERAL INFORMATION**

##### **1.1 Legal status and address for company**

The Company established as juristic person in accordance with the public company limited on January 22, 2004, while the Head Office is located at 23 Soi Chan 43, Yak 21, Tungwatdon, Sathorn, Bangkok. There are 3 factories which are located as follow:

Factory 1 was located at 59 Mu 6, King Kaew Road, Rajateva, Bangplee, Samutprakarn.

Factory 2 was located at 517 Mu 9, Nongki, Kabinburi, Prachinburi.

Factory 3 was located at 28/4 Mu 1, Sunwinthawong Road, Khlong Udom Chonlachon Muang, Chacheangsoa.

The major shareholders of the Company are Techakraisri family (owned 48.81%)

##### **1.2 Nature of the Company's business**

The principal business activities of the Company are manufacturing plastic part products and plastic part moulds.

#### **2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

##### **2.1 Basis of preparation of the financial statements**

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

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

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

An English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

Authorized Signatory..... Director

( Mr. Sumate Techakraisri )

Authorized Signatory..... Director

( Mr. Chumpol Techakraisri )

# **T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

### **2.2 New financial reporting standards**

#### **2.2.1 Financial reporting standards that became effective in the current year**

During the year, the Company have adopted the revised financial reporting standards and interpretations (revised 2017) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company financial statements.

#### **2.2.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019**

During the current year, the Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) including new accounting treatment guidance, which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

#### **TFRS 15 Revenue from Contracts with Customers**

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

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

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

Authorized Signatory..... Director

( Mr. Sumate Techakraisri )

Authorized Signatory..... Director

( Mr. Chumpol Techakraisri )



## **T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

### **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

The management of the Company believe that this standard will not have any significant impact on the financial statements when it is initially applied.

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

#### **2.2.3 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020**

During the current year, the Federation of Accounting Professions issued the set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
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TFRS 9	Financial Instruments
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Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
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TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
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These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

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

### **3. SINGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

Preparation of financial statements in conformity with generally accepted accounting principles required the management to make several estimation and assumption which affect the reported amounts in the financial statements and notes related thereto consequent actual results may differ from these estimates.

Authorized Signatory..... Director

( Mr. Sumate Techakraisri )

Authorized Signatory..... Director

( Mr. Chumpol Techakraisri )

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

Allowance for doubtful accounts

Allowances for doubtful accounts are intended to adjust the value of receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of specific reviews, collection experience, and analysis of debtor aging, taking into account changes in the current economic conditions.

However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

Depreciation

In calculating depreciation of plant and equipment, the management estimates useful lives and salvage values of the plant and equipment and reviews estimated useful lives and residual values if there are any changes.

Intangible assets

Intangible assets are systematically amortized over their estimated useful lives, and are subject to impairment if there is an indication they may be impaired.

Impairment of Inventory

In order that financial statements report present value of inventory and performance. The company has reviewed and revised policy for impairment of inventory to cover all inventories, which include finished goods, raw material, spare part and supply. The impairment is considered when book value of inventory is higher than its net realizable value and when the inventory has no movement for a certain period, whichever is practical.

Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements is included in the following

Note 16 Discount rate, salary increase rate, employee turnover rate and mortality rate.

Authorized Signatory..... Director

( Mr. Sumate Techakraisri )

Authorized Signatory..... Director

( Mr. Chumpol Techakraisri )

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**4. SIGNIFICANT ACCOUNTING POLICIES**

**4.1 Foreign currencies**

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Assets and liabilities denominated in foreign currencies outstanding at the reporting date are translated into Baht at the exchange rates ruling on the financial position date.

Profit and losses on exchange are included in determining comprehensive income.

**4.2 Financial instruments**

Financial instruments are presented in statement of financial position, consist of cash and cash equivalents, trade accounts receivable, other receivable, Bank overdraft and short - term borrowings from financial institutions, accounts payable, other payables, long-term borrowings and long - term liabilities under financial lease agreement. The basis of recognition and measurement of each item are separately disclosed in the related transactions.

**4.3 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, demand deposits, and highly liquid short-term investments that are readily convertible to known amount or that are subject to an insignificant risk of change in value, but not include time deposits with maturity exceed three-month period (fixed deposits). Time deposits with maturity exceed three-month period but less than twelve-month period are recorded as current investment (if any).

**4.4 Trade account receivables**

Trade account receivables are presented at realizable value. The Company provides allowance for doubtful accounts equal to the amount of expected uncollectible receivable which are based on management evaluation of ability to pay of each receivable.

**4.5 Inventories**

Inventories are presented at the lower of cost or net realizable value. Cost of inventories is recorded under the basis as follows:

Finished goods and work in process	First in first out (By standard cost which approximate to actual cost)
Raw materials	First in first out

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventories. The Company estimates net realizable value from the estimated selling price in the ordinary course of business, less the estimated expenses necessary to make the sale.

Allowance for slow - moving inventories is based on the ages and conditions of inventories and the historical experience.

Authorized Signatory..... Director

( Mr. Sumate Techakraisri )

Authorized Signatory..... Director

( Mr. Chumpol Techakraisri )

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**4.6 Property, plant and equipment**

Land are stated at revalue amount (market approach) less provision for impairment of assets (if any). Buildings are stated at the revalued amount (replacement cost approach) less accumulated depreciation and provision for impairment of assets (if any). Equipment is stated at cost less relevant accumulated depreciation and provision for impairment of assets (if any).

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs. In addition, cost also may include transfers from other comprehensive income. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that Property, Plant and Equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items for major components.

Profit and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

Revaluations are performed by independent professional appraisers, which the Company has the policy for the independent professional appraisers will be requested to perform the appraisal for the said assets at sufficient regularity to ensure that the book value of these assets does not differ materially from their fair values at the balance sheet date. Increase from appraisal value will be recorded in the shareholders' equity under "Surplus on revaluation of assets", and decrease from cost recorded as loss from decrease in revaluation of assets in the statements of comprehensive income.

For the year ended December 31, 2017. The company has change in accounting principle about landing from cost method to state at the revaluation surplus on fixed assets that change become effective by prospectively.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment as follows:

Authorized Signatory..... Director  
( Mr. Sumate Techakraisri )

Period of time (year)  
Authorized Signatory..... Director  
( Mr. Chumpol Techakraisri )

## T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

Land improvement	3-20 years
Buildings and structures	2-20 years
Buildings and land	20 years
Machinery and equipment	1-20 years
Tools and equipment	1-20 years
Fixtures and equipment	3-10 years
Vehicles	5 years
Moulds	2-5 years

#### Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

#### Leased assets

Leases in terms of which the Company substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalized at the lower of its fair value or the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss statement of income.

#### 4.7 Intangible assets

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses (if any).

#### Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

#### Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Authorized Signatory..... Director

( Mr. Sumate Techakraisri )

Authorized Signatory..... Director

( Mr. Chumpol Techakraisri )

## T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows :

	<u>Period of time (year)</u>
Computer software	1 - 5 years

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

#### 4.8 Impairment of assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same times.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

##### Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

##### Reversals of impairment

Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### 4.9 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

Authorized Signatory..... Director

( Mr. Sumate Techakraisri )

Authorized Signatory..... Director

( Mr. Chumpol Techakraisri )

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

4.10 Employee Benefits

- Provident fund

The Company have established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the external fund manager. The fund is contributed to both by the employees and the Company at the same rate of 3% of employees' salaries. The fund contribution payments to the provident fund were recorded as expenses in the statements of income in the incurred period.

- Employee benefit

*Short - term employee benefits*

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

*Post - employment benefits*

Defined contribution plans

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

Defined benefit plans

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

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

Actuarial Profit and losses arising from other long - term benefits are recognised immediately in profit or loss.

4.11 Liabilities, provisions and expenses

The Company recognizes liabilities, provisions and expenses in the financial statements when the Company has a legal obligation or probable obligation as a result of past events. It is probable that to settle the obligation the Company's outflow resources may be required, and a reliable estimate amount of that obligation can be determined. If company expected to receive expenditure that paid for all or some part of provision, the company will recognize that expenditure to asset but that amount won't exceed the related provision.

Authorized Signatory..... Director

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Authorized Signatory..... Director

( Mr. Chumpol Techakraisri )

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**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**4.12 Related party transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company. They also include individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

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

**4.13 Revenue recognition**

The Company recognizes revenue as sale when title to the goods sold passed to buyer and the invoice amount has been used to record the sale. Estimated discount and goods return are deducted from sale ( if any).

Revenue from service agreement is recorded under the completion method and invoice, because the service agreements are normally in a short-term period.

Interest income is recognized under the accrual basis. The Company will discontinue to record accrued interest when collectability is in doubt.

Dividend income is recognized when dividend is proposed and declared.

**4.14 Expenses**

Expenses are recognized on an accrual basis.

**4.15 Finance costs**

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available - for-sale financial assets, dividends on preference shares classified as liabilities, fair value losses on financial assets at fair value through profit or loss, impairment losses recognized on financial assets (other than trade receivables), and losses on hedging instruments that are recognized in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Authorized Signatory..... Director

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Authorized Signatory..... Director

( Mr. Chumpol Techakraisri )



**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**4.16 Lease - where the Company is the lessees**

Leases of vehicles and equipment where the Company assume substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalized at the fair value of the leased assets or estimated present value of the underlying lease payments, whichever is lower. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the outstanding finance balance. Lease payments deducted by financial charges are recognized as liabilities under finance lease agreements. The financial expense is charged to the statement of comprehensive income over the lease period. Assets acquired under finance lease agreements are depreciated over the useful lives of the assets.

Leases of assets in which the lessor effectively retains all the risks and benefits of ownership, are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on the straight - line basis over the lease period. When an operating lease is terminated before expiry date of the lease period, any payment required by the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

**4.17 Lease payments**

Payments made under operating leases are recognized in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease.

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognized at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognized using the Company's incremental borrowing rate.

Authorized Signatory..... Director

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Authorized Signatory..... Director

( Mr. Chumpol Techakraisri )

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**4.18 Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**4.19 Basic earnings (loss) per share**

Basic earnings (loss) per share are calculated by dividing the net profit (loss) attributable to shareholders by the weighted average number of paid-up ordinary shares in issue during the year.

Authorized Signatory..... Director

( Mr. Sumate Techakraisri )

Authorized Signatory..... Director

( Mr. Chumpol Techakraisri )

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**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

4.20 Segment information

Business segments provide products and services that are subject to risks and returns that are different from those of other business segments. Geographic segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

Segment information is presented by business segments and geography segments of the operations.

4.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

Authorized Signatory..... Director

( Mr. Sumate Techakraisri )

Authorized Signatory..... Director

( Mr. Chumpol Techakraisri )

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2018****5. TRANSACTIONS WITH RELATED PARTIES**

Significant related parties transactions can be summarized as follows:

- 5.1 The Company and other related parties are related by share the same of directors or shareholders and as the Company's directors as follows:

Related persons or parties	Type of business	Type of relation
Prairie Marketing Co., Ltd.	Consumer products trader	Share the same directors
Chai Wattana Construction Co., Ltd.	Construction materials	Share the same directors
Sri Sam Ank Supplier Co., Ltd.	Footwear manufacturer	Share the same directors
T.Thai Snack Foods Co.,Ltd.	Baked seasoned squid, Coated peanut	Share the same directors
Mr. Sumate Techakraisri	-	Director
Key management personnel	-	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company

- 5.2 The pricing policies for transactions with related parties are explained further below:

- 1) Purchase, sale and services revenue from sales has the pricing policy for purchase, sale and services with the related parties at the market price the same basis as to other parties in the normal course of business.
- 2) Office rental April 2016 - March 2019 at rate Bath 66,550 per month.

Authorized Signatory..... Director

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Authorized Signatory..... Director

( Mr. Chumpol Techakraisri )

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

5.3 Significant related parties' transactions can be summarized

Revenues and expenses transactions with the related parties for the years ended December 31, 2018 and 2017, are as follows:

	(Unit : Baht)	
	2018	2017
<u>Office rental</u>		
Mr. Sumate Techakraisri	798,600.00	798,600.00
<u>Managements and Directors's remuneration</u>		
Short - term employee benefit		
- Managements	16,354,606.67	9,011,604.00
- Directors	2,919,000.00	2,919,000.00
Post - employment benefits	477,828.00	127,599.24
Total	19,751,434.67	12,058,203.24

**6. CASH AND CASH EQUIVALENTS**

Consists of:

	(Unit : Baht)	
	As at December 31, 2018	As at December 31, 2017
Cash	180,000.00	180,000.00
Saving deposit accounts	1,506,395.12	6,518,848.23
Current deposit accounts	1,020,789.12	5,809,396.73
Total	2,707,184.24	12,508,244.96

Savings accounts have floating interest rates as specified by the bank.

Authorized Signatory..... Director

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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**7. TRADE ACCOUNTS RECEIVABLE AND OTHER RECEIVABLE**

Consists of:

	(Unit : Baht)	
	As at	As at
	December 31, 2018	December 31, 2017
Trade accounts receivable	234,657,062.37	192,971,262.14
(Less) Allowance for doubtful accounts	-	-
Trade accounts receivable	234,657,062.37	192,971,262.14
Other accounts receivable :		
Prepaid expenses	652,381.90	854,049.47
Advance	6,532,343.63	9,087,477.69
Other	4,270,813.21	1,969,193.77
(Less) Allowance for doubtful accounts	-	-
Total other accounts receivable	11,455,538.74	11,910,720.93
Total trade and other account net receivable	246,112,601.11	204,881,983.07

The aging of the outstanding trade account receivable are as follows :

Trade account receivable not yet due	176,960,293.39	134,968,851.37
Trade account receivable overdue :		
Less than 3 months	57,543,217.36	57,816,528.03
Over 3 months to 6 months	-	32,202.72
Over 6 months to 12 months	-	-
Over 12 months	153,551.62	153,680.02
Total Trade account receivable	234,657,062.37	192,971,262.14

There is no provision set up for the whole amount of doubtful accounts for overdue trade account to base on the past experience and current situation of collection performance, the management has closely monitored and believed that the overall overdue trade accounts will eventually be collected.

Authorized Signatory..... Director

( Mr. Sumate Techakraisri )

Authorized Signatory..... Director

( Mr. Chumpol Techakraisri )

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**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**8. INVENTORIES - NET**

Consists of :

	(Unit : Baht)	
	As at	As at
	December 31, 2018	December 31, 2017
Raw materials and others	70,955,405.98	71,133,721.13
Raw materials and others	81,776,677.80	30,978,662.13
Finished goods	21,951,937.63	21,756,641.31
Total inventories	174,684,021.41	123,869,024.57
(Less) Allowance for declining in inventory valuation	(3,816,009.37)	(3,224,830.87)
Total inventories - net	170,868,012.04	120,644,193.70

Allowance for declining in inventory valuation is changed during the years as follows:

	(Unit : Baht)	
	As at	As at
	December 31, 2018	December 31, 2017
Beginning balance	(3,224,830.87)	(8,069,994.07)
(Increase)	(1,095,628.64)	(6,041,926.61)
Decrease	504,450.14	10,887,089.81
Ending balance	(3,816,009.37)	(3,224,830.87)

As at December 31, 2018 and 2017 the Company has recorded allowance for declining in inventory valuation amount of Baht 1.10 million and Baht 6.04 million, respectively and reversed allowance amount of Baht 0.50 million and Baht 10.89 million, respectively. This is due to the Company has use to produce and destructed inventories which has been previously set up allowance.

Authorized Signatory..... Director

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( Mr. Chumpol Techakraisri )

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**9. PROPERTY, PLANT AND EQUIPMENT - NET**

Movements of property, plant and equipment during years ended December 31, 2018 and 2017 are summarized below:

(Unit : Baht)

	Land	Revaluation surplus on fixed assets	Land improvement	Buildings and structures	Buildings and land	Machineries and equipments	Tools and equipments	Fixtures and equipments	Vehicles	Moulds	Work in progress	Total
<u>At Cost</u>												
As at January 1, 2017	45,191,709.76	-	13,322,553.05	231,742,209.01	3,274,906.00	740,697,884.76	240,549,374.29	43,506,584.47	28,516,801.09	95,833,259.74	2,250,884.97	1,444,886,167.14
Acquisitions	-	149,380,390.24	90,000.00	782,850.00	-	6,323,044.63	11,100,389.42	794,973.40	-	-	6,533,380.08	175,005,027.77
Amortized	-	-	-	-	-	(8,694,570.45)	(13,178,424.08)	(10,400.00)	-	-	-	(21,883,394.53)
Transfer in (out)	-	-	-	450,000.00	-	(910,160.00)	710,000.00	-	-	-	(2,794,885.00)	(2,545,045.00)
As at December 31, 2017	45,191,709.76	149,380,390.24	13,412,553.05	232,975,059.01	3,274,906.00	737,416,198.94	239,181,339.63	44,291,157.87	28,516,801.09	95,833,259.74	5,989,380.05	1,595,462,755.38
Acquisitions	-	-	-	589,960.00	-	3,816,402.60	11,938,086.68	965,630.00	-	-	29,873,215.00	47,183,294.28
Amortized	-	-	-	-	-	(31,889,880.34)	(16,662,800.85)	(470,150.00)	(1,630,000.00)	-	(50,620.00)	(50,703,451.19)
Transfer in (out)	-	-	146,435.05	5,940,400.00	-	2,062,035.00	1,460,030.57	41,050.00	-	-	(9,862,585.05)	(212,634.43)
As at December 31, 2018	45,191,709.76	149,380,390.24	13,558,988.10	239,505,419.01	3,274,906.00	711,404,756.20	235,916,656.03	44,827,687.87	26,886,801.09	95,833,259.74	25,949,390.00	1,591,729,964.04

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**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

(Unit : Baht)

	Land	Revaluation surplus on fixed assets	Land improvement	Buildings and structures	Buildings and land	Machineries and equipments	Tools and equipments	Fixtures and equipments	Vehicles	Moulds	Work in progress	Total
<u>Accumulated Depreciation</u>												
As at January 1, 2017	-	-	(6,914,278.90)	(143,820,840.65)	(2,019,301.06)	(372,670,495.58)	(160,168,454.82)	(35,928,228.52)	(12,528,359.11)	(93,946,657.37)	-	(827,996,616.01)
Depreciation for the year	-	-	(698,665.46)	(11,928,029.60)	(162,118.41)	(36,718,149.56)	(14,741,448.22)	(2,995,224.47)	(831,641.63)	(673,082.01)	-	(68,748,359.36)
Amortized	-	-	-	-	-	7,169,206.21	506,890.43	10,398.00	-	-	-	7,686,494.64
Transfer in (out)	-	-	-	-	-	510,159.00	-	-	-	-	-	510,159.00
As at December 31, 2017	-	-	(7,612,944.36)	(155,748,870.25)	(2,181,419.47)	(401,709,279.93)	(174,403,012.61)	(38,913,054.99)	(13,360,000.74)	(94,619,739.38)	-	(888,548,321.73)
Depreciation for the year	-	-	(717,436.40)	(11,337,466.23)	(162,118.40)	(36,493,688.76)	(12,877,130.13)	(2,670,073.79)	(322,004.71)	(549,873.52)	-	(65,129,791.94)
Amortized	-	-	-	-	-	26,580,549.86	1,994,753.64	470,133.00	801,998.00	-	-	29,847,434.50
Transfer in (out)	-	-	-	-	-	-	212,634.43	-	-	-	-	212,634.43
As at December 31, 2018	-	-	(8,330,380.76)	(167,086,336.48)	(2,343,537.87)	(411,622,418.83)	(185,072,754.67)	(41,112,995.78)	(12,880,007.45)	(95,169,612.90)	-	(923,618,044.74)
<u>Net book value</u>												
As at December 31, 2017	45,191,709.76	149,380,390.24	5,799,608.69	77,226,188.76	1,093,486.53	335,706,919.01	64,778,327.02	5,378,102.88	15,156,800.35	1,213,520.36	5,989,380.05	706,914,433.65
As at December 31, 2018	45,191,709.76	149,380,390.24	5,228,607.34	72,419,082.53	931,368.13	299,782,337.37	50,843,901.36	3,714,692.09	14,006,793.64	663,646.84	25,949,390.00	668,111,919.30

Authorized Signatory..... Director

( Mr. Sumate Techakraisri )

Authorized Signatory..... Director

(Mr. Chumpol Techakraisri )

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2018**

Depreciation for the year 2018 and 2017 of the Company are totaling Baht 65.13 million and Baht 68.75 million, respectively. The amount of Baht 60.35 million and Baht 63.43 million was included in cost of sales and service, respectively and the amount of Baht 4.78 million and Baht 5.32 million was included in administrative expenses, respectively.

As at December 31, 2018 and 2017, Land, buildings, machineries and equipment in the cost amount of Baht 694.43 million and Baht 718.21 million, respectively computed to the net book value amount of Baht 251.86 million and Baht 270.74 million, respectively are pledged as collateral for borrowings from financial institutions as described in Note 15.

As at December 31, 2018, a part of Tools and equipment in the cost amount of Baht 30.40 million were pledged under hire - purchase contracts and financial leases agreements.

As at December 31, 2018 and 2017, a part of vehicles in the cost amount of Baht 3.21 million and Baht 3.21 million, respectively were pledged under hire - purchase contracts and financial leases agreements.

As at December 31, 2018 and 2017, a part of equipment in the cost amount of Baht 497.84 million and Baht 446.57 million, respectively, which are fully depreciated but still operated.

As at December 31, 2018, the Company's land is stated at appraised value, reports of the independent appraiser. The excess of appraised value of land and plant, which based on Market Approach and Cost Approach, respectively on the consolidated financial statements over cost are shown as "Revaluation surplus of fixed assets" under "Shareholders' Equity" in the statement of financial position. The revaluation surplus of fixed assets is not available for dividend distribution.

As at December 31, 2018, Fair value is in level 2 of the fair value hierarchy.

**10. INTANGIBLE ASSETS - NET**

The movement transactions for the year ended December 31, 2018 is as follow:

	(Unit : Baht)			
	Balance as at			Balance as at
	January 1, 2018	Increase	(Decrease)	December 31, 2018
Software copyright	39,796,720.90	1,724,450.00	-	41,521,170.90
Work in progress	-	-	-	-
Net cost	39,796,720.90	1,724,450.00	-	41,521,170.90
(Less) Amortization	(28,517,794.50)	(3,123,967.59)	-	(31,641,762.09)
Net	11,278,926.40			9,879,408.81

As at December 31, 2018 and 2017, a part of intangible assets in the cost amount of Baht 25.00 million and Baht 22.54 million, respectively.

Authorized Signatory..... Director  
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Authorized Signatory..... Director  
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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**11. DEFERRED TAX ASSETS AND LIABILITIES - NET**

As at December 31, 2018 and 2017, the components of deferred tax assets and liabilities are as follows:

	(Unit : Baht)	
	As at	As at
	December 31, 2018	December 31, 2017
Deferred tax assets	46,438,941.45	35,818,877.38
Deferred tax liabilities	(40,504,512.98)	(39,563,719.45)

Movements in total deferred tax assets and liabilities during the year were as follows:

	(Unit : Baht)				
	(Changed) / credited to :				
	As at	Other			As at
	January	Profit	comprehensive	Share holder's	December
	1, 2018	(Loss)	income	Equity	31, 2018
<b>Deferred tax assets</b>					
Allowance for diminution in value of inventories	644,966.17	118,235.70	-	-	763,201.87
Employee benefit obligations	3,562,905.20	11,311.34	-	-	3,574,216.54
Tax losses that have not been used	31,611,006.01	10,490,517.03	-	-	42,101,523.04
<b>Total deferred tax assets</b>	<b>35,818,877.38</b>	<b>10,620,064.07</b>	<b>-</b>	<b>-</b>	<b>46,438,941.45</b>
<b>Deferred tax liabilities</b>					
Accumulated depreciation machine	(9,687,641.40)	(940,793.53)	-	-	(10,628,434.93)
Revaluation surplus on fixed	(29,876,078.05)	-	-	-	(29,876,078.05)
<b>Total deferred tax liabilities</b>	<b>(39,563,719.45)</b>	<b>(940,793.53)</b>	<b>-</b>	<b>-</b>	<b>(40,504,512.98)</b>
<b>Total income (expense)</b>		9,679,270.54			

Authorized Signatory..... Director  
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Authorized Signatory..... Director  
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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2018****12. OTHER NON - CURRENT ASSETS**

Consists of:

	(Unit : Baht)	
	As at	As at
	December 31, 2018	December 31, 2017
Withholding tax refundable	15,166,388.48	16,937,720.35
Deferred Expenses	2,401,675.05	4,399,551.49
Others	299,127.29	305,627.31
Total	17,867,190.82	21,642,899.15

**13. BANK OVERDRAFT AND SHORT - TERM BORROWINGS FROM FINANCIAL INSTITUTIONS**

Consists of:

	(Unit : Baht)	
	As at	As at
	December 31, 2018	December 31, 2017
Bank over drafts	2,357,585.44	77,751.25
Short - term borrowing from financial institutions	525,000,000.00	464,000,000.00
Total	527,357,585.44	464,077,751.25

As at December 31, 2018 and 2017, the Company has credit facilities with financial institutions covering overdraft and short - term borrowings in amount of Baht 700.00 million and Baht 750.00 million, respectively. For the short - term borrowings are borrowings in promissory notes. The Company bears interest at the rate of 3.34 - 4.75 per year annum which have maturity date during January 7 - May 20, 2019

Movements of short - term borrowings from financial institutions during for year ended December 31, 2018

	(Unit : Baht)
	As at
	December 31, 2018
Net book value as at January 1, 2018	464,000,000.00
Add Borrow	2,001,000,000.00
(Less) Paid	(1,940,000,000.00)
Net book value as at December 31, 2018	525,000,000.00

Authorized Signatory..... Director

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( Mr. Chumpol Techakraisri )

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**14. TRADE ACCOUNTS AND OTHER CURRENT PAYABLE**

Consists of:

	(Unit : Baht)	
	As at	As at
	December 31, 2018	December 31, 2017
Trade accounts payable	116,527,911.62	103,485,750.52
Other current payable	40,028,720.76	30,057,171.46
Assets payable	1,262,410.00	4,875,202.00
Total	157,819,042.38	138,418,123.98

**15. LONG - TERM BORROWINGS**

Consists of:

	(Unit : Baht)	
	As at	As at
	December 31, 2018	December 31, 2017
Long - term borrowings from financial institutions	-	1,122,000.00
Liabilities under financial lease agreement	17,325,982.46	3,859,909.07
Total	17,325,982.46	4,981,909.07

Current portion of long - term liabilities

	(Unit : Baht)	
	As at	As at
	December 31, 2018	December 31, 2017
Current portion of long - term borrowings borrowings from financial institutions	1,122,000.00	17,945,224.00
Current portion liabilities under financial lease agreement	5,823,876.53	1,740,629.95
Total	6,945,876.53	19,685,853.95

Authorized Signatory..... Director  
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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2018**

The movement transactions long - term borrowings for the year ended December 31, 2018

	(Unit : Baht)
	As at
	December 31, 2018
Net book value as at January 1, 2018	19,067,224.00
Add Borrow	-
(Less) Paid	(17,945,224.00)
Net book Value as at December 31, 2018	1,122,000.00

As at December 31, 2018 the Company has credit facilities for long - term borrowings amount of Baht 44.00 million which interest rate of MLR - 2% to MLR - 1.5% per annum for a period of 5 years to purchase machines and additional machinery equipment. Such borrowings are securitized by such machines and additional machinery equipment.

As at December 31, 2018 and 2017, long - term borrowings from two local financial institutions, respectively bears interest at the rate of MLR - 2% to MLR - 1.5% the repayment of the borrowings will be paid as specified in the borrowing agreements. The borrowing's maturity will not be later than year 2019. Amounts of Baht 1.12 million and Baht 17.95 million respectively will be repayable current portion of long - term borrowings within 1 year and presented as "current liabilities".

The Company has to comply with the borrowing covenants such as maintaining the Debt and Equity ratio at 2.5 to 1 since the accounting period ended December 31, 2004. As of December 31, 2018, D/E ratio was 1.78 to 1 (Land, buildings, machineries and equipment (as described in Note 9) are pledged as collateral for borrowings from financial institutions).

As at December 31, 2018, The Company has hire - purchases and financial leases contracts for energy saving light bulbs total Baht 6.38 million. The installment is ranging from 60 months at approximately Baht 106,360.00 per month. Current portion of long - term liabilities amount 1.28 million baht and "current liabilities".

As at December 31, 2018 and 2017, The Company has signed hire - purchases and financial leases contracts for total 3 vehicles and 3 vehicles, respectively. The installment is ranging from 48 months at approximately Baht 59,076.00 per month and Baht 59,076.00 per month, respectively, The remaining unpaid is scheduled to current portion of liabilities under finance leases amount of Baht 0.37 million and Baht 0.65 million, respectively, and presented as "current liabilities".

As at December 31, 2018, The Company has signed and financial leases contracts for total Baht 27.29 million. The installment is ranging from 60 months will be repayable current portion within 1 year at approximately Baht 5.34 million, and presented as "current liabilities".

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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2018****16. NON - CURRENT PROVISION FOR EMPLOYEE BENEFIT**

An independent actuary carried out an evaluation of the Company's obligations for employees' long - term benefits using the projected unit credit method. The Company has provided the provision for employees long - term benefits as follows:

	(Unit : Baht)	
	As at	As at
	December 31, 2018	December 31, 2017
Current portion of employee benefit obligations	781,226.00	2,046,425.00
Employee benefit obligations - net	17,089,856.70	15,768,101.00
Defined Employee benefit obligations	17,871,082.70	17,814,526.00

Movement in the present value of the defined employee benefits obligations:

	(Unit : Baht)	
	2018	2017
For the year ended December 31		
Defined benefit obligations as at January 1	17,814,526.00	15,373,713.78
Current service costs and interest	2,233,938.00	1,957,167.00
Loss on remeasurements of defined benefit plans	-	4,300,281.00
Benefits paid by the plan	(2,177,381.30)	(3,816,635.78)
Defined benefit obligations as at December 31	17,871,082.70	17,814,526.00

Post - employee benefit expenses included in the statements of comprehensive income for the years ended December 31, 2018 and 2017 were as follows:

	(Unit : Baht)	
	2018	2017
Current service costs	1,709,985.00	1,401,180.00
Interest	523,953.00	555,987.00
Total	2,233,938.00	1,957,167.00

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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

Principal actuarial assumptions as at the reporting date

	2018	2017
Discount (Percent per year)	2.68 - 2.98	2.68 - 2.98
Salary increase (Percent per year)	2.65 - 4.06	2.65 - 4.06
Retirement age (year)	60	60
Resignation rate	According to the age range of employees	According to the age range of employees
Mortality Rate	TMO2017	TMO2017

The result of sensitivity analysis for significant assumptions that affect the present value of the long - term employees benefit obligations as at December 31, 2018 are summarized below:

	(Unit : Baht)			
	Change of the present value of the employees benefit obligations increase (decrease)			
	Increase 0.5%		Decrease 0.5%	
	2018	2017	2018	2017
Discount rate	(741,682.00)	(732,715.00)	791,996.00	783,811.00
Salary increase rate	869,486.00	770,977.00	(820,264.00)	(728,214.00)
Turnover rate	(923,478.00)	(819,687.00)	986,949.00	874,778.00

The sensitivity analysis presented above may not be representative of the actual change in employee benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Analysis of the maturity of the amount of employee benefits expected to be paid in the future before discounting as at December 31, 2018 and 2017 are as follows:

	(Unit : Baht)	
	2018	2017
Employee benefits expected to be paid in the first year	781,226.00	2,046,425.00
Employee benefits expected to be paid in the 2nd - 5th years	9,756,169.00	5,797,831.00
Employee benefits expected to be paid in the 6th - 10th years	11,887,864.00	13,589,003.00
Employee benefits expected to be paid in the 11th - 15th years	6,896,536.00	10,093,127.00

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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2018**

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act, which is in the process being announced in the Royal Gazette. The new Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment. The Company will reflect the effect of the change by recognizing past service cost as an expense in the statements of profit or loss, of the period in which the law is effective. At present, is during estimate the effect to the financial statement.

**17. LEGAL RESERVE**

According to the Public Companies Act, the Company has appropriated its reserve as a legal reserve not less than five percent of the annual net profit until the reserve reaches the reserves mentioned in the articles of associate. Currently, the reserve is fully appropriated.

**18. REVALUATION SURPLUS ON FIXED ASSETS**

	(Unit : Baht)	
	As at	As at
	December 31, 2018	December 31, 2017
Revaluation surplus on land		
Beginning balance	149,380,390.24	-
Increase	-	149,380,390.24
Decrease	-	-
Ending balance	149,380,390.24	149,380,390.24
(Less) Deferred tax liabilities	(29,876,078.05)	(29,876,078.05)
Total Revaluation surplus on fixed assets - net	119,504,312.19	119,504,312.19

Authorized Signatory..... Director  
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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**19. EXPENSES BY NATURE**

Significant expenses by nature are as follows:

	(Unit : Baht)	
	2018	2017
Salary and wages and other employee benefits	304,655,614.74	278,569,291.65
Depreciation and Amortization	68,253,759.53	71,279,914.94
(Profit) Loss on exchange	(430,868.14)	500,886.17
Raw materials and consumables used	621,476,744.14	541,982,084.90
Changes in inventories of finished goods and work in progress	46,893,311.99	(38,324,996.64)
Cost of distributions	31,213,832.14	27,795,322.33

**20. BASIC EARNINGS (LOSS) PER SHARE**

Basic earnings (loss) per share is calculated by dividing the net profit (loss) attributable to shareholders by the weighted average number of paid - up ordinary shares in issue during the year.

For the years ended December 31, 2018 and 2017 as follows:

	Net (Loss)		The Weighted Average Number Of Ordinary Shares		(Loss) Per Share	
	2018	2017	2018	2017	2018	2017
	Thousand Baht	Thousand Baht	Thousand Share	Thousand Share	Baht	Baht
Basic (Loss) Per Share						
Net (Loss)	(36,754)	(51,325)	214,000	214,000	(0.172)	(0.240)

Authorized Signatory..... Director  
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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**21. DEFERRED TAX**

(Income) tax expense for the years ended December 31, 2018 and 2017 as follows:

	(Unit : Baht)	
	2018	2017
Income tax		
Income tax for the year	-	-
Defer income tax		
Deferred income tax effect of temporary difference and the reversal of temporary differences	(9,679,270.54)	(13,283,601.82)
Operating (income) expense tax present in the comprehensive	(9,679,270.54)	(13,283,601.82)

Reconciliation for Effective Tax Rate

	(Unit : Baht)			
	Rate (%)	2018	Rate (%)	2017
(Loss) before income tax expense		(46,433,389.75)		(64,608,861.21)
Income tax using the Thai corporation tax rate	20	(9,286,677.95)	20	(12,921,772.24)
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit		9,286,677.95		12,921,772.24
Total		-		-

Income tax reduction

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after January 1, 2015 and onwards in order to give full effect to the Cabinet resolution dated October 11, 2011 to increase Thailand's competitiveness.

Authorized Signatory..... Director  
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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**22. DISCLOSURE OF SECTORAL BUSINESS OPERATION**

The Company's operations are manufacturing and distribution of plastic products as well as moulds design, moulds production and moulds repairing in which separate as follows:

	(Unit : Million Baht)					
	For the year ended December 31, 2018					
	Manufacturing and distribution of plastic products				Moulds production and	
	A motor	Electricity	Other	Total	moulds repairing	Total
Revenue	952.99	94.30	21.01	1,068.30	102.92	1,171.22
Operation Earning (Loss) from	(39.98)	(4.40)	(0.85)	(45.23)	16.97	(28.26)
Finance costs						(18.17)
Income tax expenses						9.68
Net (Loss)						(36.75)
As at December 31, 2018						
Property, plant and equipment and						
Intangible assets - net				624.89	53.10	677.99
Other assets						456.89
Total assets						1,134.88

Authorized Signatory..... Director  
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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

(Unit : Million Baht)

	For the year ended December 31, 2017					
	Manufacturing and distribution of plastic products				Moulds production and moulds repairing	
	A motor	Electricity	Other	Total		Total
Revenue	803.37	137.57	19.17	960.11	112.56	1,072.67
Operation Earning (Loss) from	(49.19)	(7.84)	(1.33)	(58.36)	11.17	(47.19)
Finance costs						(17.42)
Income tax expenses						13.28
Net (Loss)						(51.33)
As at December 31, 2018						
Property, plant and equipment and						
Intangible assets - net				670.39	47.80	718.19
Other assets						374.85
Total assets						1,093.04

Authorized Signatory..... Director  
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Authorized Signatory..... Director  
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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2018****23. INVESTMENT PROMOTIONAL BENEFITS AND PRIVILEGES**

By virtue of the Investment Promotion Act, B.E. 2520 (1977), the Company was granted some promotional privileges from the Board of Investment as follows:

1. Promotional certificates No.	1241(1)/2554	1965(2)/2553
2. Date of promotional certificates	25/2/2011	8/9/2010
3. Date of generating income	15/9/2011	14/9/2010
4. The promotional privileges for manufacturing of	moulds and repairing self-manufactured moulds	moulds and repairing self-manufactured moulds
5. Important privileges and benefits which are granted		
5.1 Exemption from corporate income tax on net profit from promotional operations and totaling is not amount exceed 100 % of investment commencing from the generating revenue date.	8 years	3 years
5.2 Exemption from income tax on dividends from Promoted business which was exempted from income tax as 5.1	8 years	1 year
5.3 Exemption from import duty on raw materials and necessary supplies imported from overseas for export manufacturing.	-	1 year
5.4 Exemption from import duty on materials imported for export manufacturing at the first time of import date.	-	1 year
5.5 Exemption of import duty for necessary machineries upon the approval of the Board of Investment.	import on March 8, 2014	-
5.6 Exception at 50% from import duty on machineries approved by the Board of Investment, except for machineries which import duty rate is below 10%	-	import on April 25, 2015
5.7 Allowance of reduction the corporate income tax from promotional net profit at 50% of normal rate after the exemption for corporate income tax's period is expired as per 5.1.	5 years	-
5.8 The companies are entitled for allowance to double deduction of annual transportation expenses, electricity expenses and water supplies expenses from the generating revenue date.	10 years	-

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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

As a promoted company, the Company has to strictly comply with certain terms and conditions outlined in the promotional certificate Statement of income divided by the promoted and non - promoted activities are as follows:

(Unit : Baht)

	For the year ended December 31, 2018		
	Investment	Non - investment	
	promotional activities	promotional activities	Total
Revenue from sales - Plastic products	3,105,274.37	1,065,193,147.25	1,068,298,421.62
Revenue from rendering of services - Moulds	62,363,811.00	40,556,965.88	102,920,776.88
Total revenue from sales and services	65,469,085.37	1,105,750,113.13	1,171,219,198.50
Cost of sales and services	(50,379,043.96)	(991,641,755.19)	(1,042,020,799.15)
Gross profit	15,090,041.41	114,108,357.94	129,198,399.35
Other income	-	7,505,112.86	7,505,112.86
Profit before expenses	15,090,041.41	121,613,470.80	136,703,512.21
Distribution costs	(652,673.13)	(30,561,159.01)	(31,213,832.14)
Administrative expenses	(8,525,323.64)	(97,969,244.81)	(106,494,568.45)
Other expenses	-	(7,506,134.54)	(7,506,134.54)
Directors and Management's remuneration	(1,185,086.08)	(18,566,348.59)	(19,751,434.67)
Total expenses	(10,363,082.85)	(154,602,886.95)	(164,965,969.80)
Profit (Loss) before finance costs and income tax expenses	4,726,958.56	(32,989,416.15)	(28,262,457.59)
Finance costs	(1,214,455.27)	(16,956,476.89)	(18,170,932.16)
Profit (Loss) before income tax expenses	3,512,503.29	(49,945,893.04)	(46,433,389.75)
Income tax expenses	-	9,679,270.54	9,679,270.54
Net Profit (Loss) for the year	3,512,503.29	(40,266,622.50)	(36,754,119.21)

Authorized Signatory..... Director

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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

(Unit : Baht)

	For the year ended December 31, 2017		
	Investment	Non - investment	Total
	promotional activities	promotional activities	
Revenue from sales - Plastic products	3,656,668.42	956,457,380.91	960,114,049.33
Revenue from rendering of services - Moulds	60,243,435.54	52,308,508.00	112,551,943.54
Total revenue from sales and services	63,900,103.96	1,008,765,888.91	1,072,665,992.87
Cost of sales and services	(51,869,782.40)	(920,950,472.47)	(972,820,254.87)
Gross profit	12,030,321.56	87,815,416.44	99,845,738.00
Other income	-	7,971,076.92	7,971,076.92
Profit before expenses	12,030,321.56	95,786,493.36	107,816,814.92
Distribution costs	(547,333.91)	(27,247,988.42)	(27,795,322.33)
Administrative expenses	(8,882,532.82)	(101,550,516.43)	(110,433,049.25)
Other expenses	-	(4,714,901.51)	(4,714,901.51)
Directors and Management's remuneration	(723,492.19)	(11,334,711.05)	(12,058,203.24)
Total expenses	(10,153,358.92)	(144,848,117.41)	(155,001,476.33)
Profit (Loss) before finance costs and income tax expenses	1,876,962.64	(49,061,624.05)	(47,184,661.41)
Finance costs	(1,587,519.88)	(15,836,679.92)	(17,424,199.80)
Profit (Loss) before income tax expenses	289,442.76	(64,898,303.97)	(64,608,861.21)
Income tax expenses	-	13,283,601.82	13,283,601.82
Net Profit (Loss) for the year	289,442.76	(51,614,702.15)	(51,325,259.39)

The Company holds the basis of expense allocation and interest, which cannot be classified as which type of business in accordance with the proportion of revenue of each entity.

**24. FINANCIAL INSTRUMENT**

**24.1 Regarding the management policy of financial risk**

The Company is exposed to the fluctuation of interest rate and foreign exchange rate. The Company will consider the utilization of appropriate financial instrument so as to hedge aProfit the risk from foreign exchange rates.

However, the Company does not constitute any policy to hold or issue financial instrument so as for trading.

Authorized Signatory..... Director

( Mr. Sumate Techakraisri )

Authorized Signatory..... Director

( Mr. Chumpol Techakraisri )



**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**24.2 Risk form interest rate**

Interest rate risk arises from changes in interest rates in the future. This will have an impact on operating results. And cash flow the risk of changes in interest rates on the Company relating to the bank. Overdrafts and bank interest rates fluctuate based on market rates, however. The Company does not use financial instruments of any kind to prevent such risks.

As at December 31, 2018, assets and financial liabilities are classified by type of interest rate. Assets and liabilities that carry fixed interest rates further classified based on the maturity date or the date of repricing. (If the date of repricing earlier) are as follows :

	(Unit : Baht)						
	2018						
	Fixed interest rate			Interest rates		Total	Effective Rate
	Within 1 year	More than 1 to 5 years	Over 5 years	fluctuate based on market price	No Interest rate		
							(Percent per year)
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	1,506,395.12	1,200,789.12	2,707,184.24	0.30 - 0.625
Trade receivables and other							
current	-	-	-	-	246,112,601.11	246,112,601.11	-
Total	-	-	-	1,506,395.12	247,313,390.23	248,819,785.35	
<b>Financial liabilities</b>							
Bank overdrafts and short - term							
borrowings from financial							
institutions	-	-	-	527,357,585.44	-	527,357,585.44	3.34 - 4.75
Trade payables and other current							
payables.	-	-	-	-	157,819,042.38	157,819,042.38	-
Long-term debt due within one							
year							
- Long - term liabilities from							
financial lease	-	-	-	5,823,876.53	-	5,823,876.53	4.32 - 6.85
- Long - term borrowings	-	-	-	1,122,000.00	-	1,122,000.00	4.25 - 4.75
Long - term liabilities							
- Long - term liabilities from							
financial lease	-	-	-	17,325,982.46	-	17,325,982.46	4.32 - 6.85
Total	-	-	-	551,629,444.43	157,819,042.38	709,448,486.81	

Authorized Signatory..... Director  
( Mr. Sumate Techakraisri )

Authorized Signatory..... Director  
( Mr. Chumpol Techakraisri )

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

(Unit : Baht)

	2017						
	Fixed interest rate			Interest rates		Total	Effective Rate
	Within	More than	Over	fluctuate based	No		
	1 year	1 to 5 years	5 years	on market price	Interest rate		(Percent per year)
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	6,518,848.23	5,989,396.73	12,508,244.96	0.30 - 0.625
Trade receivables and other							
current	-	-	-	-	204,881,983.07	204,881,983.07	-
Total	-	-	-	6,518,848.23	210,871,379.80	217,390,228.03	
<b>Financial liabilities</b>							
Bank overdrafts and short - term							
borrowings from financial							
institutions	-	-	-	464,077,751.25	-	464,077,751.25	3.25 - 7.13
Trade payables and other current							
payables.	-	-	-	-	138,418,123.98	138,418,123.98	-
Long-term debt due within one							
year							
- Long - term liabilities from							
financial lease	-	-	-	1,740,629.95	-	1,740,629.95	4.32 - 6.85
- Long - term borrowings	-	-	-	17,945,224.00	-	17,945,224.00	4.25 - 4.75
Long - term liabilities							
- Long - term liabilities from							
financial lease	-	-	-	3,859,909.07	-	3,859,909.07	4.32 - 6.85
- Long - term borrowings	-	-	-	1,122,000.00	-	1,122,000.00	4.25 - 4.75
Total	-	-	-	488,745,514.27	138,418,123.98	627,163,638.25	

**24.3 Risk from exchange rate**

The Company has certain foreign currency transactions that give rise to significant exposure to market risk from change in foreign exchange rates. However, the Company has committed purchase-sell forward contract for foreign exchange rated as a hedge against such risk.

Authorized Signatory..... Director  
( Mr. Sumate Techakraisri )

Authorized Signatory..... Director  
( Mr. Chumpol Techakraisri )

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**24.4 Risk from credit provision**

The Company constitute risk from the credit offered in respect of trading accounts receivable since trade accounts receivable may not be able to settle debt pursuant to term and covenant agreed upon and also risk from counter party who cannot comply with the term and covenant in the contract of borrowing which may incur financial loss. However the Company hold the policy to hedge aProfit such risks via the analysis of financial status and consideration of capability in term of debt repayment of clients and each counter-party. Regarding the consideration of audit granted for trading accounts receivable who are anticipated of uncollectible in debt settlement, the Company sufficiently considered the allowance of doubtful debt.

**24.5 Fair Value**

Because most financial instruments of the Company and are classified as short - term or have interest rates close to market rates. The Company therefore estimated the fair value of financial instruments close to the book value shown in the statement of financial position.

During the current year no transfer of items between the fair value hierarchy

**24.6 Credit risk from**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Company. To control the risk, the Company has a prudent credit control policy, constant follow up account receivables, vary large number of customers base. Therefore, the management of the Company does not anticipate significant losses from debt collection. Determination of fair values

**25. DETERMINATION OF FAIR VALUES**

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non - financial assets and liabilities. The fair value is the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. Fair values have been determined for measurement and/or disclosure purposes based on the following methods (when applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability).

The fair value of cash and cash equivalents, trade and other accounts receivable, short-term borrowings, other current assets, bank overdrafts, short - term borrowings, trade and other accounts payable and other current liabilities is taken to approximate the carrying value.

The fair value of long - term borrowing is taken to approximate the carrying value because most of these financial instruments bear interest at market rates.

Authorized Signatory..... Director

( Mr. Sumate Techakraisri )

Authorized Signatory..... Director

( Mr. Chumpol Techakraisri )

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

Fair values and the carrying values of financial assets and liabilities other than the aforementioned were as follows:

(Unit: Million Baht)

	Level 1		Level 2		Level 3		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>Financial assets measured at fair value</b>								
Land and revalued	-	-	194.57	194.57	-	-	194.57	194.57

**26. CAPITAL MANAGEMENT**

The primary objectives of the Company's capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

As at December 31, 2018 and 2017, debt to equity ratio in the financial statements is 1.78 : 1 and 1.46 : 1 respectively.

**27. COMMITMENTS AND CONTINGENCY LIABILITIES**

27.1 As at December 31, 2018 and 2017, the Company has commitments to bank according to letter of guarantee as follows :

(Unit : Million Baht)

	As at	As at
	December 31, 2018	December 31, 2017
Electricity Guarantee	9.82	9.82

27.2 As at December 31, 2018 and 2017, the Company had other contingent liabilities as follows :

(Unit : Million Baht)

	As at	As at
	December 31, 2018	December 31, 2017
Letters of Guarantee Credit Line Baht 22.50 Million		
Outstanding Credit not used	12.68	12.68

Authorized Signatory..... Director  
( Mr. Sumate Techakraisri )

Authorized Signatory..... Director  
( Mr. Chumpol Techakraisri )

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2018**

27.3 As at December 31, 2018 and 2017, the Company has capital commitments as follows :

	(Unit : Million Baht)	
	As at	As at
	December 31, 2018	December 31, 2017
Purchasing raw materials	56.86	18.50
Purchasing assets	1.24	1.81

27.4 As at December 31, 2018 and 2017, the Company has commitments under operating lease contracts are as follows :

	(Unit : Baht)	
	As at	As at
	December 31, 2018	December 31, 2017
Within		
1 year	3,942,310.00	1,995,850.00
1 - 3 years	820,000.00	2,443,600.00
Total	4,762,310.00	4,439,450.00

**28. APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements have been approved for issue by Board of Directors the Company's on February 27, 2019.

Authorized Signatory..... Director  
( Mr. Sumate Techakraisri )

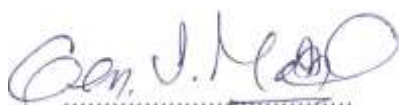
Authorized Signatory..... Director  
( Mr. Chumpol Techakraisri )

**Report of the Board of Directors on Financial Statements.**


The Board of Directors' duty and responsibility is to appraise the financial reporting in the annual report and to ensure that it is prepared in accordance with the international financial reporting standards by selecting appropriate accounting policies and shall be practiced regularly along with prudence in the preparation as well as sufficient information disclosed in the notes to the financial statement to provide benefits to the shareholders and investors with greater transparency.

The Board of Directors realize that the financial reporting must be effectively reviewed. Responsible knowledgeable authorities shall review the quality of financial reporting and accounting policy, risk management system, internal control system and consider the disclosures and transactions to prevent or reduce the risk for fraud or irregular operation. To ensure that the accounting information is accurate and sufficient to maintain the company's assets.

The Board is of the opinion that the company's internal control system is sufficient and ensure the accuracy of the financial statement as at December 31<sup>th</sup>, 2018. The auditor of the company confirm and checked in accordance with the generally accepted auditing standard and express their opinion that the financial statements, presented the financial position and results of operations as it should be according to generally accepted accounting principles.



General Terdsak Marrome  
Chairman



Mr. Phreecha Tachakraisri  
Managing Director

## Message from Chairman of the Audit Committee

T. Krungthai Industries Public Company Limited has appointed Audit Committee comprising of 3 competent and qualified independent directors.

- |                              |                             |
|------------------------------|-----------------------------|
| 1. Mr. Pairuch Sahamethapat  | Chairman of Audit Committee |
| 2. Mr. Paotep Chotinuchit    | Audit Committee             |
| 3. Mr. Virasak Sutanthavibul | Audit Committee             |

And committee secretary of the Audit Committee is Mr.Chumpol Techakraisri

In the year 2018 the Audit Committee has performed their duties as assigned by the Board of Directors which is in consistent with the requirements of the Stock Exchange of Thailand. Audit Committee meetings had been held four times in auditing and reporting the results to the Board of Directors. The Audit Committee made a report, expressed their opinions and gave recommendations independently. The main topics in 2018 are as follows.

1. To review the quarterly and annual Audited Financial Statements and the Disclosure Note and discuss with the Management and Auditor in order to study and prepare the company for the new Thai Financial Reporting Standard(TFRS) No.9 Financial Instruments, TFRS No.15 Contractual Revenue, TFRS No. 16 Lease Contract and TFRS No.17 Insurance Contract.

2. To review the effectiveness of Internal Control System by Evaluation Form for Sufficiency of Internal Control System of Securities and Exchange Commission and Internal Control Framework of “COSO” prepared by Management as well as the topics and recommendations of the Internal Auditor in order to be guideline in improving the efficiency of internal control system of the company.

3.To review the transactions which may be related to or impact to the conflict of interest with executives and disclose the information with the accuracy and completeness according to the rules and regulations of the Security Exchange Commission of Thailand.

4. To consider and select the auditor who has independence and acceptable qualification to be the Company’s auditor as well as consider the remuneration of Auditor. In year 2018 the Audit Committee proposed to appoint Karin Audit Co., Ltd. with the above qualifications to the Board of Directors for consideration and approval to be the Company’s Auditor in the annual general shareholder meeting.

Besides the above, in the year 2018 Audit Committee held a meeting with auditors and internal auditors without the presence of management on November 12<sup>th</sup>, 2018 to consider and acknowledge the scope of the annual audit plan and annual internal audit plan information including important issues freely and without restrictions.

In conclusion, the Audit Committee has performed its duties according to their authority and responsibilities as assigned by the Board of Directors with due care and knowledge and are given enough independence for the benefit of all stakeholders equally. According to the results of the evaluation of the internal auditors and the auditor's report, the Audit Committee believe that the company's preparation and disclosure in financial reporting is appropriate and reliable. The method of internal control and risk management is adequate, and no significant flaws.



Mr. Pairuch Sahamethapat  
Chairman of the Audit Committee

### Message from Chairman of Remuneration and Nomination Committee

Remuneration and Nomination Committee appointed by the Board of Directors with a term of 3 years from August 10<sup>th</sup>, 2018 to August 9<sup>th</sup>, 2021 comprising / encompass of the following 5 persons which 3 of them are Independent Directors.

No.	Name-Surname	Position
1	Mr.Paotep Chotinuchit	Chairman of Remuneration and Nomination Committee (Independent)
2	Mr.Pairuch Sahamethapat	Remuneration and Nomination Committee (Independent)
3	Dr.Kosol Surakomol	Remuneration and Nomination Committee (Independent)
4	Mr.Sumate Techakraisri	Remuneration and Nomination Committee
5	Mr.Kumpee Chongthurakit	Remuneration and Nomination Committee

And committee secretary of the Remuneration and Nomination Committee is Mr. Chumpol Techakraisri.

In the year 2018, Remuneration and Nomination Committee had held two meetings to take action as assigned by the Board of Directors in their duty with care and independently. All Remuneration and Nomination Committee attended the meeting and reported the minutes of meeting to the Board of Directors every time. The important topics of the meetings in 2018 are as follows :

#### The Remuneration

1. To consider the remuneration of the Directors and sub-committee in accordance with the rules for compensation and benefits with regard to the company's operation performance and compared to the other company with the same level. The compensation and benefits shall be suitable for responsibilities which will be presented to the shareholders meeting for approval. For year 2018, the Remuneration Committee has proposed to neither pay bonus nor increase the compensation to the Board of Directors.

2. The company has determined fairly and reasonable remuneration of the Chairman of Executive Committee based on the performance of the company and suitable with responsibilities.

#### The Nomination

1. On the election of Independent Director to replace the resigning directors will be based on the qualification of the candidate and this shall be proposed during the Annual General Shareholders' meeting for approval.

2. Review the policy, pattern and principles in election of Independent Director in order to propose to the Board of Directors for approval.

In conclusion, the Remuneration Committee and Nomination Director take the above mentioned responsibilities and roles assigned by the Boards of Directors and express the opinion that the committee and sub-committee qualify in both knowledge and abilities and the remuneration is suitable for the responsibilities and the overall company performance.



Mr. Paotep Chotinuchit

Chairman of Remuneration and Nomination Committee



### Message from Chairman of Corporate Governance Committee

Corporate Governance Committee gives priority and abide to the good corporate governance policy and business ethics by directing them to promote compliance with the principles of corporate governance continuously.

Corporate Governance Committee consist of board of directors with a term of 3 years from December 22<sup>th</sup>, 2018 to December 21<sup>th</sup>, 2021 comprising / encompass of the following 5 persons which 3 of them are Independent Directors.

No.	Name-Surname	Position
1	Mr.Paotep Chotinuchit	Chairman of Corporate Governance Committee (Independent)
2	Mr.Pairuch Sahamethapat	Corporate Governance Committee (Independent)
3	Dr.Kosol Surakomol	Corporate Governance Committee (Independent)
4	Mr.Sumate Techakraisri	Corporate Governance Committee
5	Mr.Kumpee Chongthurakit	Corporate Governance Committee

And committee secretary of the Corporate Governance Committee is Mr. Chumpol Techakraisri.

In the year 2018, Corporate Governance Committee had 2 meetings for follow up and considered important matters as follows:

The Corporate Governance Committee proposed the principles of CG Code to the Board of Directors to realize the CG Code Practice and review the good governance assessment as well as the recommendation of various institutes. As the results of following the CG Codes, the company receives the “Excellence” assessment by the Institute of Directors of Thailand.

The committee shall monitor and review the corporate governance and business ethics with due care, ability and independence in giving opinion openly. The committee also promote sustainable practices at the best interest of the company and the stakeholders.

The committee trust that the implementation of good corporate governance is important to promote the stability of the company in the long run as well as to earn confidence of its stakeholders and shall be recognized internationally.



.....

Mr. Paotep Chotinuchit

Chairman of Corporate Governance Committee

## Message from Chairman of Risk Management Committee

Risk Management Committee appointed by the Board of Directors with a term of 3 years from January 30<sup>th</sup> 2017 to 29<sup>th</sup> February 2020 Board of Directors appointed top 8 executives as follows:

1. Mr. Kowate	Limtrakul	Chairman of Risk Management Committee
2. Dr. Kosol	Surakomol	Risk Management Committee (Independent)
3. Mr. Phreecha	Techakraisi	Risk Management Committee
4. Mr. Neeranart	Promnart	Risk Management Committee
5. Mr. Chumpol	Techakraisi	Risk Management Committee
6. Mr. Pitsanu	Vilawanjit	Risk Management Committee
7. Mr. Boonthiwa	Inchata	Risk Management Committee
8. Mr. Niwes	Buakhom	Risk Management Committee

And committee secretary of the Risk Management Committee is Miss. Pornthip Puangsab

Risk Management Committee establish risk management plans and processes for the whole organization and keep track on the impact of various risk factors to the organization and to prevent and reduce these risks. Risk Management Committee shall adhere to the policies and report the results of the risk assessment to the Board of Directors.

In the year 2018, Risk Management Committee has 2 meetings. The main topics are as follows.

1. Follow up the topics which may be risks to goals and strategies of organization in short and long term in order to prevent, relief and reduce the impact to the organization.
2. Communicate with the evaluator and related person about the procedures of the topics which may be risks and the risk evaluation methods of themselves.
3. Risk Management Committee shall be presented to the Board of Directors.
4. To review the risk topics and adjust the various topics appropriately and relevant with the current situation.



( Mr. Kowate Limtrakul )

Chairman of Risk Management Committee



## Details of the Directors, the Management and the Authorized Directors, Company Secretary

No.	Name –Surname Position Date of Appointment	Age	Education	Share holding Structure ( % )	Relationship	Working Experience in the past 5 years	
						Duration	Position- Company
1	General Terdsak Marrome • Independent Director • Chairman January 6, 2004	82	<ul style="list-style-type: none"> <li>• Bachelor of Science, Chulachomklao Royal Military Academy</li> <li>• Command and General Staff College</li> <li>• Royal Thai army war college</li> <li>• Law Program of Commander, Ministry of defence</li> <li>• National Defence College of Thailand</li> <li>• Doctor of Science in Innovation and Technology Education (honorary), Rajamangala University of Technology Phra Nakhon.</li> </ul> <p><b>Governance Training of IOD</b></p> <ul style="list-style-type: none"> <li>• DAP : Director Accreditation Program Class 10/2004</li> </ul>	0.10	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 - Present	Independent Director / Chairman
						POSITIONS IN LISTED COMPANIES IN SET. ( 1 position)	
						2012 - Present	Chairman, East Coast Furnitech Public Company Limited
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS ( 9 position)	
						2016 - Present	Chairman of the Advisory, Lions Club Thailand
						2012 - Present	President, Sahapant Santiphap International (Thailand)
2	Mr. Pairuch Sahamethapat • Independent Director • Chairman of Audit Committee • Director of Remuneration and Nomination Committee • Director of Corporate Governance Committee • Director January 6, 2004	74	<ul style="list-style-type: none"> <li>• Bachelor of Accountant, Chulalongkorn University.</li> </ul> <p><b>Governance Training of IOD</b></p> <ul style="list-style-type: none"> <li>• DCP : Director Certification Program Class 102/2008</li> </ul>	N/A	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 - Present	Independent Director / Chairman of Audit Committee
						POSITIONS IN LISTED COMPANIES IN SET. ( 1 position)	
						2004 - Present	Audit Committee, Siam Sport Syndicate PLC.
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS	
						-None-	



## Details of the Directors, the Management and the Authorized Directors, Company Secretary

No.	Name –Surname Position Date of Appointment	Age	Education	Share holding Structure ( % )	Relationship	Working Experience in the past 5 years	
						Duration	Position- Company
3	Mr. Paotep Chotinuchit • Independent Director • Chairman of Remuneration and Nomination Committee • Chairman of Corporate Governance Committee • Director of Audit Committee • Director January 6, 2004	85	<ul style="list-style-type: none"> <li>M.Sc Metallurgical engineer, University of Arizona, USA.</li> </ul> <b>Governance Training of IOD</b> <ul style="list-style-type: none"> <li>DAP : Director Accreditation Program Class 11/2004</li> </ul>	0.002	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 - Present	Independent Director / Audit Committee
						POSITIONS IN LISTED COMPANIES IN SET.	
						-None-	
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS ( 2 position)	
						1995 - Present 2013 - Present	President, Qualine Management Co., Ltd. Professional Director, Suranaree University of Technology Hospital
4	Dr. Kosol Surakomol • Independent Director • Director • Director of Remuneration and Nomination Committee • Director of Corporate Governance Committee • Director of Risk Management Committee April 7, 2010	78	<ul style="list-style-type: none"> <li>M.S. in Chemical Engineering, Wayne State University, Detroit, Michigan, U.S.A.</li> </ul> <b>Governance Training of IOD</b> <ul style="list-style-type: none"> <li>DCP : Director Certification Program Class 137/2010</li> </ul>	N/A	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2010 - Present	Independent Director
						POSITIONS IN LISTED COMPANIES IN SET.	
						2013 - 2018	Advisors office of The President, Loxley PCL.
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS	
						-None-	



## Details of the Directors, the Management and the Authorized Directors, Company Secretary

No.	Name –Surname Position Date of Appointment	Age	Education	Share holding Structure ( % )	Relationship	Working Experience in the past 5 years	
						Duration	Position- Company
5	Mr. Virasak Sutanthavibul • Independent Director • Director of Audit Committee • Director January 6, 2004	61	<ul style="list-style-type: none"> <li>Master Degree, Industrial Engineering, Texas A&amp;M University, Texas,USA.</li> </ul> <b>Governance Training of IOD</b> <ul style="list-style-type: none"> <li>DAP : Director Accreditation Program Class 21/2004</li> </ul>	N/A	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 - Present	Independent Director / Audit Committee
						POSITIONS IN LISTED COMPANIES IN SET. ( Director 2 position)	
						2015 - Present	Chairman of Audit Committee, Thai Plaspac PCL.
						2011 - Present	Director, Bangkok Insurance Public Company Limited.
						POSITIONS IN LISTED COMPANIES IN SET. ( 1 position)	
						1997 - Present	Senior Executive Vice President in charge of Commercial Bangkok Bank Public Company Limited
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS ( 4 position)	
						2009 - Present	Director, The Grand-UB Co.,Ltd.
						2001 - Present	Director, Toyota Leasing (Thailand) Co., Ltd.
6	Mr. Sumate Techakraisri • Chief Executive Director • Director • Director of Remuneration and Nomination Committee • Director of Corporate Governance Committee January 6, 2004	71	<ul style="list-style-type: none"> <li>Bachelor of Economics, Thammasat Univesity.</li> <li>Mini MBA Chulalongkorn University</li> </ul> <b>Governance Training of IOD</b> <ul style="list-style-type: none"> <li>DAP : Director Accreditation Program Class 137/2010</li> <li>Program Executives Capital Market Academy (CMA) Class 17</li> </ul>	10.98	Father of Mr. Chumpol Techakraisri	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						1980 - Present	Director / Chief Executive Directors and Authorized Director.
						POSITIONS IN LISTED COMPANIES IN SET.	
						- None-	
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS ( 6 position)	
						2007 - Present	Director, Cinkara Property Company Limited.
						2004 - Present	Director, MFT Development Company Limited
						2001 - Present	Director, Chadsan Phansuan Company Limited
						1987 - Present	Directors, Prairie Marketing Co., Ltd.
						1985 - Present	Chairman of Director of PEACE & LIVING Co., Ltd.
						1978 - Present	Chairman of Director of Greenland Marketing Co., Ltd.



## Details of the Directors, the Management and the Authorized Directors, Company Secretary

No.	Name –Surname Position Date of Appointment	Age	Education	Share holding Structure ( % )	Relationship	Working Experience in the past 5 years	
						Duration	Position- Company
7	Mr. Kumpee Chongthurakit • Director • Director of Remuneration and Nomination Committee • Director of Corporate Governance Committee January 6, 2004	64	<ul style="list-style-type: none"> <li>Bachelor of Marketing, Assumption University.</li> </ul> <b>Governance Training of IOD</b> <ul style="list-style-type: none"> <li>DCP : Director Certification Program Class 48/2004</li> </ul>	0.23	Uncle of Mr. Chumpol Techakraisri	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						1989 - Present	Director
						POSITIONS IN LISTED COMPANIES IN SET. ( 1 position)	
						1992 - Present	Director & Executive Director, LPN Development PLC.
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS ( 2 position)	
						1992 - Present	Director, SSA Industries Co., Ltd
8	Mr. Phreecha Techakraisri • Director • Executive Director • Managing Director • Director of Risk Management Committee January 6, 2004	56	<ul style="list-style-type: none"> <li>Master of marketing Youngstown State University ,USA</li> </ul> <b>Governance Training of IOD</b> <ul style="list-style-type: none"> <li>DAP : Director Accreditation Program Class 10/2004</li> </ul>	2.87	Nephew of Mr.Sumate Techakraisri	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2015 - Present	Managing Director
						2010 - Present	Authorized Director
						1989 - Present	Director / Executive Directors
						POSITIONS IN LISTED COMPANIES IN SET.	
						-None-	
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS ( 3 position)	
						1997- Present	Executive Director, Sri Sam-Ank Supplier Co., Ltd.
						1996 - Present	Executive Director, T. Thai Snack Food Co., Ltd
						1992 - Present	Director, T Thai Trade Development Co.,Ltd.



## Details of the Directors, the Management and the Authorized Directors, Company Secretary

No.	Name –Surname Position Date of Appointment	Age	Education	Share holding Structure ( % )	Relationship	Working Experience in the past 5 years	
						Duration	Position- Company
9	Mr. Chumpol Techakraisri  • Director • Executive Director • Director of Risk Management Committee • Company Secretary • Board Secretary • Asst. Managing Director January 6, 2004	38	<ul style="list-style-type: none"> <li>Bachelor of Finance and Banking, Chulalongkorn, University</li> </ul> <b>Governance Training of IOD</b> <ul style="list-style-type: none"> <li>DCP : Director Certification Program Class 102/2008</li> <li>Fundamentals Practice for Corporate Secretary (FPCS) 21/2009, Thai Listed Companies Association</li> </ul>	0.45	Son of Mr. Sumate and Mrs. Yupa Techakraisri	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 - Present	Director / Executive Director and Authorized Director
						2003 - Present	Asst. Managing Director
						POSITIONS IN LISTED COMPANIES IN SET. ( 1 position)	
						2011 - Present	Director of Pace Development Corporation PLC.
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS ( 13 position)	
						2015 - Present	Director, Pace Creative Agency Company Limited
						2015 - Present	Director, Pace Interior Services Company Limited
						2014 - Present	Director, Pace Country Club Company Limited
						2014 - Present	Director, Pace Food Retail Company Limited
						2011 - Present	Director, Pace Real Estate Company Limited
						2011 - Present	Director, Pace Project One Company Limited
						2011 - Present	Director, Pace Project Two Company Limited
						2011 - Present	Director, Pace Project Three Company Limited
						2011 - Present	Director / Managing Director, YLP Company Limited
						2011 - Present	Director, lean-enterprise Company Limited
						2007 - Present	Director, Cinkara Property Company Limited
						2004 - Present	Director, MFT Development Company Limited
						2001 - Present	Director, Chadsan Phansuan Company Limited



## Details of the Directors, the Management and the Authorized Directors, Company Secretary

No.	Name –Surname Position Date of Appointment	Age	Education	Share holding Structure ( % )	Relationship	Working Experience in the past 5 years	
						Duration	Position- Company
10	Mrs. Yupa Techakraisri • Director January 6, 2004	68	<ul style="list-style-type: none"> <li>Bachelor of Economics, Ramkamheang University</li> <li>Accounting Advance of Pitman Examination Institute.</li> </ul> <b>Governance Training of IOD</b> <ul style="list-style-type: none"> <li>DCP : Director Certification Program Class 32/2003</li> </ul>	11.21	Mother of Mr. Chumpol Techakraisri	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						1989 - Present	Director and Authorized Director
						POSITIONS IN LISTED COMPANIES IN SET. ( 1 position)	
						1989 - Present	Director, LPN Development PLC.
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS ( 2 position)	
						1992 - Present	Director of Lumpini Property Management Co.,Ltd
11	Mr. Apichart Kasemkulsiri • Director January 6, 2004	52	<ul style="list-style-type: none"> <li>MBA National of business administration of Sasin Chulalongkorn university</li> </ul> <b>Governance Training of IOD</b> <ul style="list-style-type: none"> <li>DCP : Director Certification Program Class 73/2006</li> </ul>	N/A	Cousin of Mr. Phreecha Techakraisri and Mr. Chumpol Techakraisri	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 - Present	Director
						POSITIONS IN LISTED COMPANIES IN SET. ( 1 position)	
						2018 - Present	Director, LPN Development PLC.
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS ( 2 position)	
						2007 - Present	Executive Director, Sri Sam Ank Supplier Co., Ltd.
12	Mr. Prasong Techakraisri • Director January 6, 2004	50	<ul style="list-style-type: none"> <li>Bachelor of Economics Ritsumeikan University, Japan</li> </ul> <b>Governance Training of IOD</b> <ul style="list-style-type: none"> <li>DAP : Director Accreditation Program Class 11/2004</li> </ul>	1.36	Nephew of Mr.Sumate Techakraisri	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 -Present	Director
						POSITIONS IN LISTED COMPANIES IN SET.	
						-None-	
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS ( 1 position)	
						1996 - Present	Managing Director, Chaiwattana Accessories Co., Ltd.





## Details of the Directors, the Management and the Authorized Directors, Company Secretary

No.	Name –Surname Position Date of Appointment	Age	Education	Share holding Structure ( % )	Relationship	Working Experience in the past 5 years	
						Duration	Position- Company
13	Mr. Kowate Limtrakul • Chairman of Risk Management Committee	66	<ul style="list-style-type: none"> <li>Master of Business Administration, Chulalongkorn University</li> </ul> <b>Governance Training of IOD</b> <ul style="list-style-type: none"> <li>DCP : Director Certification Program Class 105/2008</li> </ul>	0.12	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2014 - Present	Chairman of Risk Management Committee
						POSITIONS IN LISTED COMPANIES IN SET. ( 1 position)	
						2014 - Present	Audit Committee, Multibax Public Company Limited
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS	
						-None-	
14	Mr. Neeranart Promnart • Deputy Managing Director • Risk Management Committee • CFO	55	<ul style="list-style-type: none"> <li>Bachelor of Accounting (ELON), Thammasat Univesity</li> <li>MBA (Finance), Dallas Baptist University.</li> </ul>	N/A	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2017 - Present	Deputy Managing Director & CFO.
						POSITIONS IN LISTED COMPANIES IN SET.	
						2016 - 2017	Senior Vice President, Riak Asset Review Bangkok Bank Public Company Limited
						1999 - 2015	Senior Vice President, Special Asset Management Bangkok Bank Public Company Limited
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS	
15	Mr. Niwes Buakhom • General Manager Human Resource	54	<ul style="list-style-type: none"> <li>Master of Personnel management National Institute of Development Administration</li> </ul>	N/A	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2018 - Present	General Manager Human Resource
16	Mr. Pitsanu Vilawanjit • General Manager Kingkaew Plant	60	<ul style="list-style-type: none"> <li>Bachelor of Industrial Engineering King Momgkut's University of Technology North Bangkok</li> </ul>	N/A	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2018 - Present	General Manager Kingkaew Plant
17	Mr. Dumrong Channarong • General Manager Kabinburi Plant	55	<ul style="list-style-type: none"> <li>Bachelor of Faculty of Science and Industrial Technology King Mongkut's Institute of Technology Ladkrabang</li> </ul>	N/A	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2018 - Present	General Manager Kabinburi Plant
18	Mr. Boonthiwa Inchata • General Manager (Inj.) Suwintawong	50	<ul style="list-style-type: none"> <li>Bachelor of Science technology Rajabhat Institute Chachoengsao</li> </ul>	N/A	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2018 - Present	General Manager (Inj.) Suwintawong



## Details of the Directors, the Management and the Authorized Directors, Company Secretary

No.	Name –Surname Position Date of Appointment	Age	Education	Share holding Structure ( % )	Relationship	Working Experience in the past 5 years	
						Duration	Position- Company
19	Mr. Ruchira Srisamai • General Manager (Mold) Suwintawong	61	• Bachelor of Industrial Engineering  King Momkut's University of Technology North Bangkok	N/A	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2019 - Present	General Manager (Mold) Suwintawong
20	Mr. Prinya Kaeoluan • Accounting & Financial Senior Manager	52	• Bachelor of Accounting Ramkhamhaeng University • Master of Accountancy Kasetsart University	N/A	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2012 - Present	Senior Accounting & Financial Manager.
						POSITIONS IN LISTED COMPANIES IN SET.	
						-None-	
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS	
						-None-	

Remark: No. 9, 14 - 19 is the 4<sup>th</sup> level executive management according to the definition of the SEC.