

Annual Report 2020

รายงานประจำปี 2563



บริษัท ทิรไทย จำกัด (มหาชน)
Tirathai Public Company Limited

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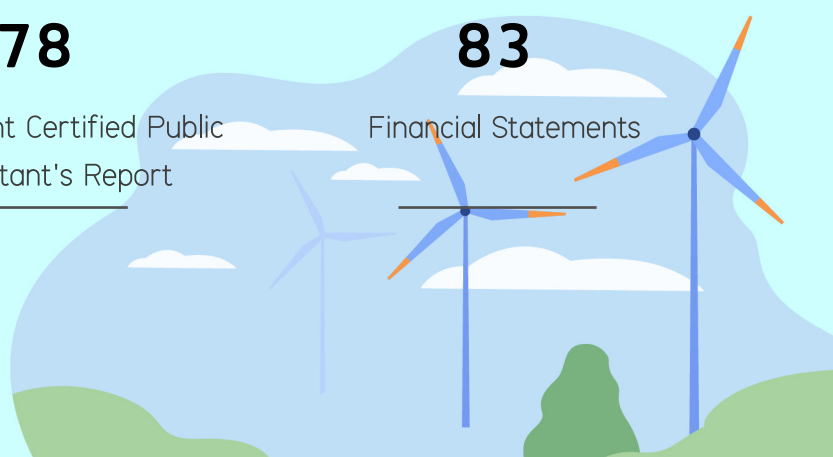
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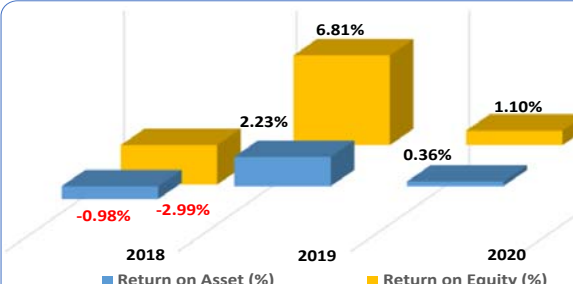
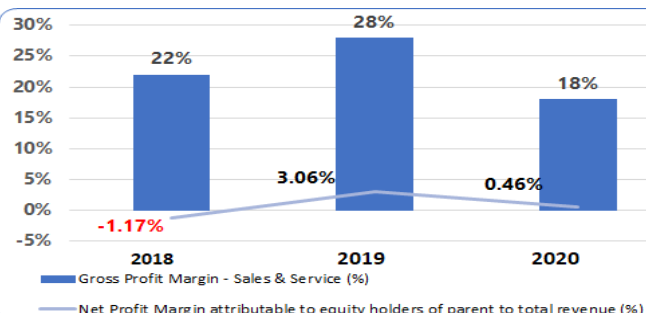
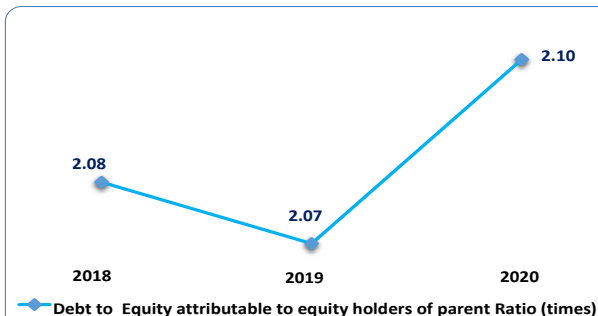


Financial Highlights

(Million Baht)

Financial Highlights	2018	2019	2020
Profit and Loss Statement			
Total Revenue	2,636	2,464	2,566
Revenue from Sales & Service & Construction Contract	2,616	2,416	2,539
Gross Profit – Sales & Service & Construction Contract	573	668	460
EBITDA	147	282	180
EBIT	59	196	88
Net Profit attributable to equity holders of parent	(31)	75	12
Balance Sheet			
Total Assets	3,152	3,378	3,338
Total Liabilities	2,137	2,291	2,278
Shareholders' Equity attributable to equity holders of parent company	1,029	1,107	1,083
Financial Ratio			
Gross Profit Margin – Sales & Service (%)	22%	28%	18%
Net Profit Margin attributable to equity holders of parent to total revenue (%)	-1.17%	3.06%	0.46%
Return on Asset (%)	-0.98%	2.23%	0.36%
Return on Equity (%)	-2.99%	6.81%	1.10%
Debt to Equity attributable to equity holders of parent Ratio (times)	2.08	2.07	2.10
Unit: Baht/share			
Registered Capital	359	359	359
Paid up Capital	308	308	308
Par Value	1	1	1
Book Value Per Share	3.3	3.6	3.5
Earning Per Share	(0.100)	0.245	0.039
Dividend Per Share	–	0.12	0.02

Million Baht



Message from the Chairman

Since covid-19 epidemic crisis has started at the end of 2019 until 2020, it caused severe economic depression in worldwide including Thailand, global supply disruption, and temporary limitation in domestic and international transportation. These factors affected to the slow-down of transformer industry in government and private sectors, raw-material procurement, and transformer production process. Because, Tirathai group effectively adapt in management consistent with these situations, local transformer delivery amount in year 2020 increased from year 2019. Revenue from crane business and revenue from construction contract business in year 2020 slightly decreased from year 2019 because amount of private investment postponed due to economic depression and covid19 epidemic. During these tough situations, Tirathai group could control production cost and administrative expense which caused the net profit of Tirathai group in year 2020.

In year 2021, Tirathai group forecasts that the local transformer demand will increase due to economic stimulated measures by government and covid-19 vaccine utilized in Thailand. Moreover, infrastructure investment by government in year 2021 increased more than two hundred billion baht especially, Eastern Economic Corridor which attracts private sectors to invest over one hundred billion baht.

For transformer export, although global economic situation gradually recovers due to covid-19 vaccine usage and economic stimulus measures in individual countries, Tirathai group has still maintained policy that retained existing market and aimed to new foreign markets.

Due to the cooperation, determination, and continued development for better business operations by the management and all employees, I believe that Tirathai Group has a good potential to succeed further. The Group has a good vision, mission, policies that are suitable and consistent with current economic, social, and environment situation. It will make strategic adaptation in line with the changing situation and make improvement for effective management together with other measures to make risks controllable. Moreover, the Group will pay attention to good governance so as to ascertain a sustainable development and enhance confidence for all stakeholders.

Lastly, I, on behalf of Board of Directors would like to express my sincere gratitude to all shareholders, customers, business partners for trusts and supports to the Group. Also, I would like to express my appreciation to the management and every employee who have cooperated and contributed to the Group. I believe that with both the management and all employees' working experience and with efficient management as well as good corporate governance, the Group will be able to grow with stability, sustainability and achieve the goals of the Group for the best interest of shareholders in the long run.



Mr. Sermsakool Klaikaew
Chairman

Message from the Managing Director

In 2020, the transformer industry was affected by coronavirus outbreak CoViD-19. However, TRT Group has well organized to manage the delivery their products on schedule, resulting in the Company and its subsidiaries total revenues of 2,566 million baht, an increase of 4% from the previous year with gross profit margin 18% in 2020 which is lower than 2019. The reduction in gross margins mainly came from the transformer business group. However, the overall gross profit of the whole group is still in line with the target. With well cost and expenses control, TRT Group remains having profit in 2020.

In 2021, the company aims to add more transformer products, called Smart Distribution Transformer to meet the needs of the Provincial Electricity Authority and the private sector. By installing a device connected to the Internet Of Thing (IOT) system to help detect abnormalities from the use of the transformer at any time in Real Time. This product has been researched and developed by TRT by calling this device as "VCS" (Voltage Current Sensor) and has applied for a patent. TRT plans to offer this product to the market in the near future. Moreover, the company will also focus on transformer service, managed by the Business Service Center. This will provide a full range of transformer service including repair and maintenance as well as giving an advice on high voltage engineering in order to support the transformer business group for sustainable growth.

In 2021, the Company and its subsidiaries anticipate that the price competition remains in the mid-high level, while the Company and its subsidiaries maintain its strength to focus on the market that requires engineering-designed products. Where there is less competition both in the country and abroad in order to create and increase business opportunities and profitability. The strategy will be adjusted in accordance with the situation appropriately, including control expenses to be in line with the budget and effective cost management in order to maintain the group's average gross margin of 20% – 23%.

I, as the representative of the management and all employees, are committed and dedicated in conducting business in accordance with the vision and mission with good governance in order to make the Company and its subsidiaries develop and grow sustainably with strength, enhancing the business to have added value that will benefit the shareholders and all stakeholders.



(Mr. Sumpun Vongphan)

Managing Director

Report of the Audit Committee

The Audit Committee attaches importance to the good corporate governance of the Company. The Audit Committee is independent in its opinions and recommendations to improve its operations to contribute to good management. Internal control, risk management, to be effective and effective for the Company by the Audit Committee consists of: Mr. Annop Tagajarin as the Chairman of the Audit Committee, Mr. Singha Nikornpun and Mr. Somchai Rojrungvasinkul as audit committees.

All three Audit Committee are well qualified and independent according to the Stock Exchange of Thailand regarding the qualifications and scope of work of the Audit Committee. The Audit Committee consists of independent directors who are qualified independently in accordance with the announcement of the Stock Exchange of Thailand. The Company has pursued its mission in accordance with the scope of authority, duties and responsibilities which are in accordance with the requirements of the Stock Exchange of Thailand. The Committee has reviewed the suitability and effectiveness of the Company's internal control system based on the information provided by the internal auditor, report of external auditor and the management. The Audit Committee also provided recommendations to the management to ensure the company's operations more efficient and effective in line with the best practices for the Audit Committee of the Stock Exchange of Thailand.

In 2020, the Audit Committee convened 4 meetings with senior management. Internal auditors and external auditors attended the meeting according to the relevant agenda to consider and perform the following agendas:

1. Review the company's quarterly and annually financial statements prior to proposing to the Board of Directors to ensure that the financial statements are prepared in accordance with generally accepted accounting principles and are accurate and adequately disclosed information in accordance with government regulations.

2. Ensure that the disclosure of information on related transactions or conflicts of interest are transparent, correct, and adequate.

3. Review the adequacy and appropriateness of the company's internal control system and monitor the compliance with relevant laws and regulations, as well as monitoring good corporate governance by reviewing the internal audit report according to the approved audit. The Audit Committee monitors for revisions according to the recommendations of the report of audit. The results of the internal audit showed no indication of fraudulent actions or defects that could cause serious damage, which the Audit Committee deemed to have an internal control system that ensured that risks could be dealt with at an appropriate level.

4. Supervise and evaluate the company's internal audit performance closely to ensure that the internal auditors are dependent, review and consider the annual internal audit plan, and review the results of the audit to ensure that the Company has an effective internal control system.

5. Consider and nominate the appointment of the company's external auditor and determine annual audit fees to the Board of Director for consideration and propose for approval from the shareholders at the Annual General Meeting.

6. Review and discuss with the auditor about the audited material to ensure that important remarks found from the audit are properly considered by the management..

7. Report the operational performance result to the Board of Director on a quarterly basis and providing valuable opinions and recommendations that are useful to management for further consideration and improve appropriately. In addition, the Audit Committee also provides self-assessment on the performance of the Audit Committee in order to use the results as a guideline to further develop the operations.

8. Review the Charter of the Audit Committee in accordance with the Corporate Governance Policy to comply with the Good Corporate Governance policy of the business in accordance with the regulations of Stock Exchange of Thailand.

The Audit Committee has performed its assigned duties using knowledge, ability, caution, prudence with independent and to express straight forward opinions without restrictions on the recognition of information from the management, operator and related parties with transparent, verifiable, in accordance with good governance principles for the best benefits of the company and all stakeholders equally.

In summary based on the review and consideration of matters conducted by the Audit Committee throughout 2020, the Audit Committee is of the opinion that Tirathai Public Company Limited and its subsidiaries have adequate internal control and risk management systems that create reasonable confidence in the reliability of the financial statements and are operated in accordance with the good corporate governance principles set by the Stock Exchange of Thailand, and that the audit committee's report has been reviewed and approved by the Audit Committee. February 25, 2021



Mr. Annop Tagajarin
Chairman of the Audit Committee

Report of Nominating Committee

Dear Shareholders,

The Board of Directors has appointed the Nominating Committee, consisting of 3 Directors to assist the Board of Directors in the nomination of directors in order to be transparent and fair to all stakeholders as well as being efficient to the business and in accordance with the Good Corporate Governance Policy of the Company and with the good Principle of Good Corporate Governance of the Stock Exchange of Thailand (SET).

The Nominating Committee has determined the qualifications of Directors to be selecting in accordance with the structure, size and composition of the Board of Director as specified by the committee, including the selection and nomination suitable persons for appointment as the Board of Directors.

In 2020, the Nominating Committee convened 2 meetings at the Nominating Committee Meeting No. 1/2020 on January 17, 2020 conducted the nomination and selection of independent directors to replace the resigned independent directors, and the Nomination Committee Meeting No. 2/2020 held on February 21, 2020 to replace the person who is out on the agenda and nominate the person who was selected as a director to the Board of Directors' Meeting No. 2/2019 21 February 2020 for appointment:

The Board of Directors has passed a resolution in the Meeting No. 2/2020 on February 21, 2020 to appoint a nominating committee to replace the full nomination committee with a one-year term of office, which is due on February 28, 2021 whose names are as follows:

1. Mr. Somchai Rojrungvasinkul as Chairman of Nominating Committee replaced Mr. Singha Nikornpun
2. Mr. Sermsakool Klaikaew as Nominating Committee replaced Mr. Tai Chong Yi
3. Mrs. Sunan Santichotinan Nominating Committee replaced Mr. Charuvit Suanmalee

On behalf of Nominating Committee



Mr. Somchai Rojrungvasinkul
Chairman of the Nominating Committee

Board of Directors

Details of the Company's Executive Directors and Controlling Persons as of 31 December 2020

	Education / Qualifications / IOD	% Shareholding of the company	Work experience in the past 5 years		
			Time Period/ Position	Company Name	Type of Business
 1. Mr. Sermsakool Klaikaew Chairman of the Board of Directors/ Independent Director Appointed as Director on 17 January 2020. Age (years) 63	- Bachelor of Engineering in Electrical Engineering, Kasetsart University - Master of Public and Private Management, National Institute of Development Administration - Director Certification Program (DCP 215) of Thai Institute of Directors Association (IOD) , 2016	-	• 2020 – Present - Chairman of the Board of Directors/Independent Director	Tirathai Limited	Public Company Manufacture and distribution of Transformers
			• 2020 – Present - Member of the Nomination Committee • 2019 – Present - Independent Director • 2015 – 2018 - 13th Provincial Electricity Authority Governor • 2015 - Deputy Governor of Human Resources • 2014 – Present - Sub-Committee of the National Broadcasting, Television and Telecommunications Commission (EST) on Consumer Protection	Tirathai Limited	Public Company Securities Business State Enterprises Electricity Distribution

	Education / Qualifications / IOD	% Shareholding of the company	Work experience in the past 5 years		
			Time Period/ Position	Company Name	Type of Business
 2. Mr. Sumphan Vongphan Director (Authorized to Sign Binding) Appointed as Director on 5 July 2005. Age (years) 68	- Bachelor's Degree in Electrical Engineering, Chulalongkorn University - The Role of Chairman(RCM), 2005 - Directors Accreditation Program(DAP), 2004 - Directors Certification Program(DCP), 2004 - Finance for Non-Finance Director(FN), 2004 - Successful Formulation and Execution of Strategy (SEF), 5/2009 - The Role of Compensation Committee RCC12/2011 - How to Measure the Success of Corporate Strategy , HMS 2/2013	13.02%	• 2011 – Present - Chairman of the Executive Committee - Vice Chairman • 2005 – Present - Managing Director • 2005 – Present - Executive Director • 2014 – 2015 - Member of the Nomination Committee • 2007 – 2007 - Chairman of the Nomination Committee • 2005 – 2007 - Engineering Manager	Tirathai Limited	Public Company Manufacture and distribution of Transformers

Board of Directors

Details of the Company's Executive Directors and Controlling Persons as of 31 December 2020

	Education / Qualifications / IOD	% Shareholding of the company	Work experience in the past 5 years		
			Time Period/ Position	Company Name	Type of Business
 3. Mr. Upakorn Thaweephoke Director (Authorized to sign a binding agreement with Mr. Sumpun) Appointed as Director on 5 July 2005. Age (years) 68 	- Bachelor's Degree in Engineering (Industrial), Chulalongkorn University - Directors Accreditation Program(DAP), 2004 - Directors Certification Program (DCP), 2004 - Audit Committee Program (ACP), 2008 - Developing Corporate Governance Policy, 2008 - Chartered Director Class (CDC), 2008 - Successful Formulation & Execution the Strategy, 4/2009 - Monitoring the System of Internal Control and Risk Management, 5/2009 - Monitoring the Internal Audit Function, 5/2009 - Monitoring the Quality of Financial Reporting, 7/2009 - M&A - Finding Opportunity during Crisis, 2009 Institute of Directors Association (IOD) - CEO Seminar: Understanding IFRS Financial Statement, Federation of Accounting Professions (FAP), 2012 - CEO/CFD Conference : Being AEC Professional, FAP, 2012 - KBANK Seminar — AEC Plus : Your Business to the New Frontier, 2012 - Financial Instruments for Director (FID), 3/2013 - CEO Forum 6/2013 (MAI) : Sustainable Business with CSR - Monitoring Fraud Risk Management, MFM 10/2013 - How to Measure the Success of Corporate Strategy , HMS 2/2013 - Risk Management Program for Corporate Leaders (RCL3/2016)	1.78%	• 2008 – Present - Finance, Accounting Manager - Company Secretary • 2005 – Present - Executive Director • 2011 – 2011 - Member of the Nomination Committee • 2005 – 2007 - Deputy Managing Director (Finance and Marketing Department) - Finance & Accounting Manager	Tirathai Public Company Limited	Manufacture and distribution of Transformers
			• 1992 – Present - Director	Bangkok Engineering Consultant Co., Ltd.	Engineering Services

	Education / Qualifications / IOD	% Shareholding of the company	Work experience in the past 5 years		
			Time Period/ Position	Company Name	Type of Business
 4. Mr. Charuvit Suanmalee Director (Authorized to sign a binding agreement with Mr. Sumpun) on 5 July 2005 Age (years) 70 	- Bachelor's Degree in Engineering (Industrial) Adamson University - Directors Accreditation Program(DAP), 2004	2.77%	• 2005 – Present - Executive Director • 2005 – 2012 - Production Manager	Tirathai Public Company Limited	Manufacture and distribution of Transformers

Board of Directors

Details of the Company's Executive Directors and Controlling Persons as of 31 December 2020

	Education / Qualifications / IOD	% Shareholding of the company	Work experience in the past 5 years		
			Time Period/ Position	Company Name	Type of Business
 5. Mr. Ouichai Siriwajana Director (Authorized to sign a binding agreement with Mr. Sumpun) Appointed as Director on 5 July 2005 Age (years) 66	- Bachelor's Degree in Engineering (Electrical) King Mongkut's Institute of Technology Thonburi - Master of Arts (Conflict Management), Kasetsart University - Directors Accreditation Program(DAP), 2004 - Finance for Non-Finance Director(FN), 2004	0.37%	• 2008 –Present - Sales Manager • 2005–Present - Executive Director • 2005 – 2008 - Marketing Manager	Tirathai Public Company Limited	Manufacture and distribution of Transformers

	Education / Qualifications / IOD	% Shareholding of the company	Work experience in the past 5 years		
			Time Period/ Position	Company Name	Type of Business
 6. Mr. Ampornrat Poolcharoen Director (Authorized to sign a binding agreement with Mr. Sumpun) Appointed as Director on 5 July 2005 Age (years) 67	- Master of Business Administration, Thammasat University - Bachelor's Degree in Engineering (Electrical), Chulalongkorn University - Directors Accreditation Program(DAP), 2004 - Directors Certification Program(DCP), 2004	0.73%	• 2011 – Present - Executive Director • 2008 – Present - Planning, Procurement and Transportation Manager • 2005 – 2007 - Deputy Managing Director (Operations) - Quality Assurance Manager	Tirathai Public Company Limited	Manufacture and distribution of Transformers

Board of Directors

Details of the Company's Executive Directors and Controlling Persons as of 31 December 2020

	Education / Qualifications / IOD	% Shareholding of the company	Work experience in the past 5 years		
			Time Period/ Position	Company Name	Type of Business
 7. Mrs. Sunan Santichotinan Director (Authorized to sign a binding agreement with Mr. Sumpun) Appointed as Director on 5 July 2005 Age (years) 69	- Bachelor's Degree in Business Administration (Finance and Banking), Bangkok University - Directors Accreditation Program (DAP), 2004 - Company Secretary Program, 2005 - Anti-Corruption the Practical Guide (ACPG 20/2015)	2.27%	• 2020 – Present	Tirathai Public Company Limited	Manufacture and distribution of Transformers
			- Member of the Nomination Committee • 2008 – Present - Human Resources Manager and Office Management • 2005 – 2007 - General Management Manager		

	Education / Qualifications / IOD	% Shareholding of the company	Work experience in the past 5 years		
			Time Period/ Position	Company Name	Type of Business
 8. Mr. Tai Chong Yih Director Appointed as Director on 5 July 2005 Age (years) 60	- Master's Degree in Management/Sasin Graduate Institute of Business Administration, Chulalongkorn University - Directors Accreditation Program (DAP), 2006	0.01% 7.74% (by foreign entities as Custodian)	• 2020 – Present	Nok Airlines PLC.	Air passenger transport with air freight schedule
			- Deputy CEO and Director • 2020 – Present - Independent Director • 2018 – Present - Member of the Audit Committee • 2005 – Present - Director • 2020 (Mar. – Sept.) - Director • 2020 (Mar. – Jul.) - CEO • 2018 – 2020 - Director • 2017 – 2020 - Member of the Audit Committee and Director • 2017 – 2020 - Director • 2017 – 2020 - Director • 2012 – 2019 - Member of the Nomination Committee • 2016 – 2019 - Director • 2016 – 2017 - CEO	- Jenkongklai Co., Ltd. - Thaisri Insurance PLC. - Tirathai PLC. - AEC Securities PLC. - AEC Securities PLC. - QUALITY RENT-A-CAR Co., Ltd. - PARAGON Co.,Ltd. - Cathay Lease Plan PLC. - AIRA Advisory Company Limited - Tirathai PLC. - Green Resources PLC. - Green Resources PLC.	- Parking Management Business - Insurance business - Manufacture and distribution of Transformers - Securities business - Securities business - Production and distribution - Auction for the sale of contracted goods - Leasing business - Financial & Accounting Advisor - Manufacture and distribution of Transformers - Real estate and alternative energy business development

Board of Directors

Details of the Company's Executive Directors and Controlling Persons as of 31 December 2020

	Education / Qualifications / IOD	% Shareholding of the company	Work experience in the past 5 years		
			Time Period/ Position	Company Name	Type of Business
 9. Mr. Annop Tagajarin Independent Director Appointed as Director on 8 November 2016. Age (years) 71	– Bachelor's Degree in Engineering, Chulalongkorn University – Institute of Directors Association (IOD)	0.08%	• 2019 – Present – Chairman of the Audit Committee • 2018 – Present – Audit Committee Member • 22016 – Present – Director/ Independent Director	Tirathai Public Company Limited	Manufacture and distribution of Transformers
			• 2009 – 2011 – Advisor	Siam Cement Public Company Limited	Manufacture and sales of cement and building materials

	Education / Qualifications / IOD	% Shareholding of the company	Work experience in the past 5 years		
			Time Period/ Position	Company Name	Type of Business
 10. Mr. Somchai Rojrungrasinkul Independent Director Appointed as Director on 20 February 2018. Age (years) 63	– Master of Engineering Major Electric Power, Rensselaer Polytechnic Institute University, USA. – Bachelor's Degree in Electrical Engineering, Chulalongkorn University – Certificate of Association of Capital Market Academy Class 17 "Certificate Program Thailand and ASEAN Economic Community, Class 2, King Prajadhipok's Institute" – Assessor Course ISO/IEC 17025 ISO/IEC 17025, Office of Industrial Product Standards – Training Course – Calibration and Traceability of Measurement, National Institute of Metrology – APLAC Workshop on Measurement Uncertainty, Hong Kong Special Administrative Region of the People's Republic of China – Management Development training program for Organization Transformation, Thammasat University - Contribution to social and country – Committee of experts on the National Standards Committee – Advisor and Sub-Committee on Electrical Engineering, Council of Engineers – Sub-Committee on Industrial Product Standards - Electrical & Mechanical Office Industrial Product Standards	0.00%	• 2020 – Present – Member of the Nomination Committee • 2020 – Present – Audit Committee Member • 2018 – Present – Director/ Independent Director • 2014 – 2016 – Governor of the Metropolitan Electricity Authority • 2011 – 2014 – Executive Director 13 Deputy Governor • 2010 – 2011 – Executive 12 Assistant Governor of Service, Distribution System Services • 2008 – 2010 – Executive Director 11 Director, Design & Control • 2007 – 2008 – 10 Executives Help Director Design & Control Department • 2005 – 2007 – Executive Director 10 Director of Electrical Equipment Testing Division, R&D Department	Metropolitan Electricity Authority	State Enterprises Electricity Distribution

Board of Directors

Details of the Company's Executive Directors and Controlling Persons as of 31 December 2020

	Education / Qualifications / IOD	% Shareholding of the company	Work experience in the past 5 years		
			Time Period/ Position	Company Name	Type of Business
 11.Mr. Singha Nikornpun Independent Director/Audit Committee Member Appointed as Director on November 12, 2012 Age (years) 66	- Master's Degree, Department of Business Administration, Abilene Christian University, Dallas, Texas, USA. - Bachelor's Degree in Banking Finance, Kasetsart University - Capital Market Academy Leadership Program - Politics and governance in Democratic Systems for Executive #8, King Prajadhipok's Institute - Advanced Management for Bankers, Wharton School, University of Pennsylvania, U.S.A. - Financial Institution Governance Program, FGP 3/2011 - Role of The Compensation Committee Program (RCC) - Director Certificate Program (DCP) - Improving Board Decisions (IBD) - Director Certification Program Update (DCPU 2/2014) - Advanced Audit Committee Program (AACP 15/2014) - Anti-Corruption for Executive Program (ACEP 10/2014) - Role of the Chairman Program (RCP 33/2014) - Successful Formulation and Execution of Strategy (SFE 25/2015) - Successful Formulation and Execution of Strategy - Ethical Leadership Program (ELP4/2016)	0.00%	• 2013 – Present - Independent Director/ Audit Committee Member	TMB Bank Public Company Limited	Banking Business
			• 2012 – Present - Independent Director/ Audit Committee Member	Tirathai Public Company Limited	Manufacture and distribution of Transformers
			• 2008 – 9/2012 - Director of Deposit Protection Institute	Deposit Protection Institute	Banking Finance
			Important Work History - Deputy Secretary-General of Investment Arrangement Government Pension Fund Government Pension Fund - Deputy General Manager Deutsche Bank Bangkok Branch Banking Finance - Senior Manager, Treasury and Foreign Exchange/ Credit Committee Nakornthon Bank Banking Finance - Vice Chairman / Chairman of the Audit Committee Thai Bond Market Association Banking Finance - Chairman of the Board of Directors Thai Administration Services Co., Ltd. In the royal government pension fund - Chairman of the Board of Directors Fitch Rating Co., Ltd. Credit Rating Companies - Chairman of the Board of Directors GPF Property Management Co., Ltd. Real Estate Management - Director Sahathai Steel Pipe Company Limited Steel Pipe Manufacturer & Distributor - Director Thai Property Advisory Co., Ltd. Investment Advisory - Director LMG Insurance Co., Ltd. Insurance Business - Independent Director/ Audit Committee Member IFS Capital (Thailand) Co., Ltd. Credit Services		

Events Calendar 2020



Tirathai... Non-institutional learning resources

On January 17, 2020, Asst. Prof. Dr. Komson Daroj and Lecturer Pravarut Gongsombatsuk Department of Electrical and Electronic Engineering, Faculty of Engineering, Ubon Ratchathani University brought 42 students to study the transformer manufacturing. The students had shown keen interest and determined to see the process with lots of questions.

Tirathai Public Company Limited offers an opportunity for students to visit the power transformer manufacturing process all along. Realizing that learning engineering is beyond theoretical



Tirathai is a private sector that involved in the development of national education.

On January 9, 2020, Tirathai Public Company Limited delivered a high voltage transformer size of 10 kVA 1 ph. 220–100,000 v to be used in teaching in the High Voltage Engineering Laboratory, Faculty of Engineering, Ubon Ratchathani University by Professor Narong Thongchim, Asst. Prof. Dr. Bongkot Sukanan, Dr. Pracha Khampakdee who are representatives of the Department of Electrical and Electronic Engineering, Faculty of Engineering, Ubon Ratchathani University.

At the same time, Assoc. Prof. Pichit Lamyong, Lecturer of the Department of Electrical Engineering, King Mongkut's Institute of Technology Ladkrabang, and Professor Boonnua Pungsiri, Lecturer of the Department of Electrical Engineering, King Mongkut's Institute of Technology Thonburi, visited Tirathai, had been invited to participate in the ceremony and take a commemorative photo.

Afterward, all the professors visited the production of transformers and it was a great opportunity to see the production of transformers with a maximum size of 333 MVA, 525 kV, the highest size and voltage transformer in Southeast Asia produced by Tirathai to deliver to Electricity Generating Authority of Thailand.



learning in the classroom. Another important aspect that will help students better understand the lessons by experiencing the real operations and touching the practicality.

Tirathai ... Transformer manufacturer for Thai people is part of the national education.

Events Calendar 2020



Education is important in the development of the country.

On 31 January 2020, Assoc. Prof. Dr. Nisakorn Sangwanatee Lecturer of Faculty of Science and Technology Rajabhat University Suan Sunandha brought 29 faculty and students to study the production of power transformer. Students showed keen inter-



ested and determined to see the process with lots of questions.

Tirathai realizes that study Visit in Practical operations are important. Therefore, giving opportunities for students to closely watch the power transformer manufacturing process to help strengthen the theoretical learning in the classroom to have better understanding.



Signed academic and research cooperation

On 25 February 2020, Assoc. Prof. Dr. Udomkiat Nontakaew, Dean of Faculty of Engineering, King Mongkut's University of Technology North Bangkok and Khun Sumpan Vongphan, Managing Director, Tirathai Public Company Limited has signed a cooperation to develop both sides of students and personnel in academic and research of the industry and technology of transformers and other related industrial works.

In this regard, the Assoc. Prof. Dr. Petch Jearanaissilawong Deputy Dean for Administration, Asst. Prof. Dr. Noppadon Wivatchagosas Head of Electrical Engineering and Asst. Prof. Dr. Pisit Liutanakul and the Management of Tirathai Public Company Limited participated in the ceremony at the Meeting Room, Faculty of Engineering, King Mongkut's University of Technology North Bangkok.

Events Calendar 2020



Tirathai would like to thank you for all shareholders

Tirathai Public Company Limited held The Annual General Meeting of Shareholders for the year 2013 on 3 April 2020 at 10.00 a.m. at Tirathai Public Company Limited.



The COVID-19 Crisis gives us a lesson that we have to reduce our dependence from foreign countries as much as possible.

On 6 August 2020 The Policy and Planning Analyst of The Office of Industrial Economics (OIE), Ministry of Industry totaled 14 people visited Tirathai's transformer manufacturing.



For Thai Education, Life must go on...

March 5, 2020 Asst. Prof. Pinit Jitjing Professor, Department of Electrical Engineering, Faculty of Engineering, Rajamangala University of Technology Thanyaburi, brought 25 students to visit transformer manufacturing. The Company encourages the promotion of teaching engineer who must have both theoretical and practical capabilities, providing opportunities for students to attend closely the transformer production all along.

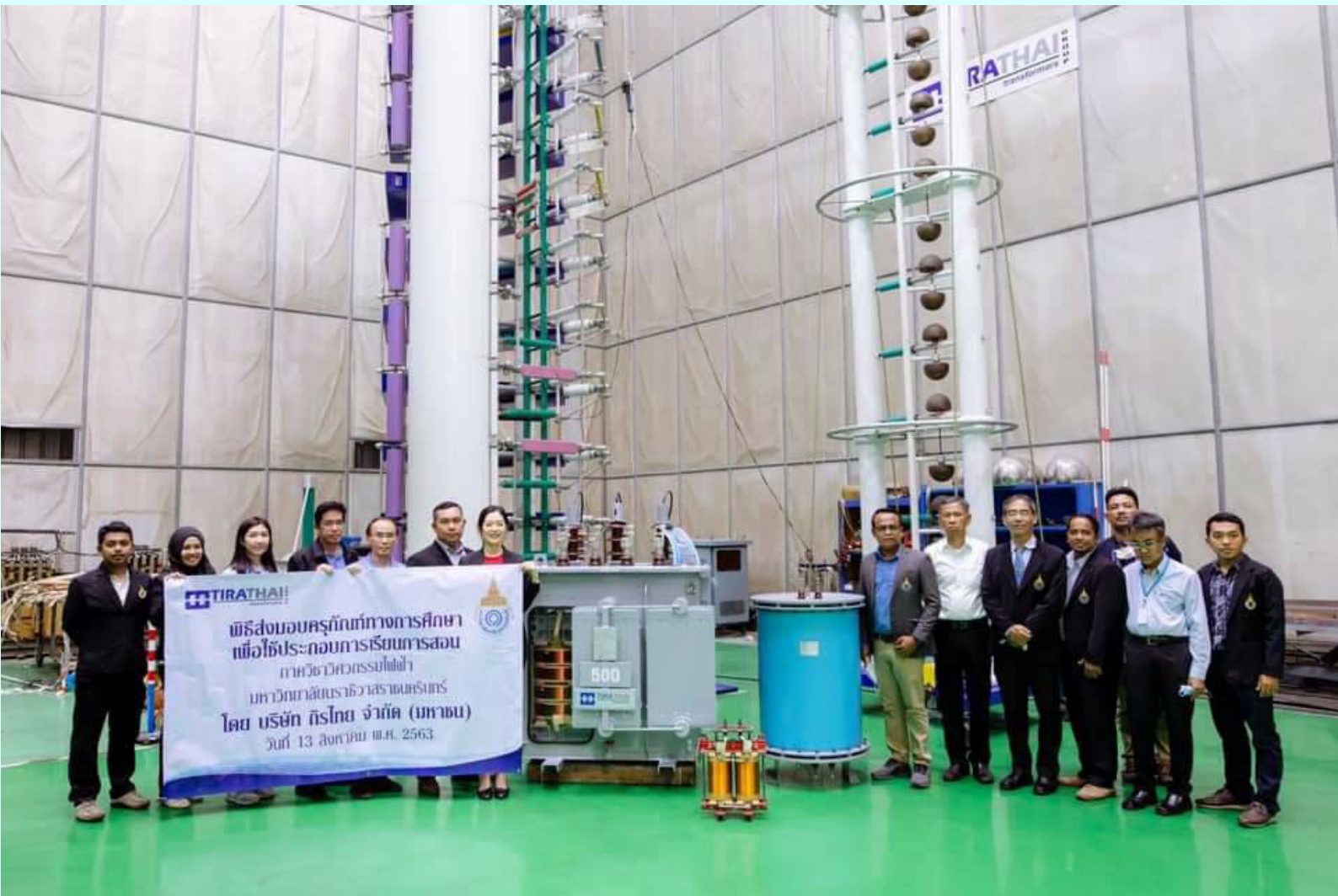
Tirathai more than being a transformer of Thai people is supporting Thai education.



In order to establish good relationships and exchange ideas with industry operators, the information can be analyzed to properly and efficiently promote and develop the country's industry.

Everyone is very appreciative and proud that Thai people are able to produce a very large transformer, 333 MVA, a voltage level up to 525 kV, to increase the country's national income and create jobs for Thai people.

Events Calendar 2020



Weaving and Caring for the southern border

Tirathai Public Company Limited has been cooperated academically to improve the quality of education with the Faculty of Engineering, Princess of Naradhiwas University.

On August 13 2020, Asst. Prof. Arran Wannah-arnon, Deputy Dean, Faculty of Engineering, Princess of Naradhiwas University, came for receiving educational equipment for use in teaching and learning from Mr. Ampornrat Poolcharoen, Director of Tirathai Public Company Limited

The educational equipments that are provided for teaching and learning in the Department of Electrical Engineering for installation in the high-voltage laboratories. as follows:

1. Testing Transformer 10 kVA 1 phase 100 kV
2. Sphere Gap

3. Isolating Transformer 2kVA

4. Model Transformer showing internal structure

After receiving the equipments, the deputy dean and faculty visited the production of 333.33 MVA, 525 kV power transformers.

Note:

Princess of Naradhiwas University is a public university, locate in Narathiwat province, 3 southern border provinces area, to provide opportunities for youth in Narathiwat and nearby provinces which most of them are Muslim, Islamic to have more opportunities to enter higher education. This will affect the development of politics, economy, society and the better quality of life of the population.

Tirathai ... Transformer manufacturer for Thai people. We are pleased to support this important mission to the fullest capacity to achieve its stated objectives

Events Calendar 2020



Outstanding Industry ... Competent Industry

On 20 August 2020, Tirathai Public Company Limited greeted The Prime Minister's Industry Award 2020 in the type of Potential Industry, whereas experts from the Office of Industrial Economics both Government and private sectors have been inspecting and evaluating the production of large transformers with innovative and technological use of Internet of Things that adds value to products in line with industrial 4.0

Tirathai is more than just Thai transformer manufacturer. It is our commitment to produce transformers to replace imports and also produce sending them to overseas sales.

Tirathai is more than being a Thai transformer manufacturer, our commitment is to produce transformers to replace imports and also to manufacture and export to foreign countries



Exchange experiences

On 31 August 2020, Tirathai Public Company Limited received the honor from Dr. Chatchai Suppitaksakul, Head of Department of Electrical Engineering, Faculty of Engineering Rajamangala University of Technology Thanyaburi, and 4 faculty members visited the production of 1000/3 MVA, 525 kV voltage power transformers and transformer testing. On this occasion, we would like to thank you so much for your advice and exchange of high voltage experiences.



Events Calendar 2020



Exchange of knowledge and experiences

On 8 September 2020, Tirathai Public Company Limited received honored from Assoc. Prof. Dr. Pearawut Yutthagawith Department of Electrical Engineering, Faculty of Engineering, King Mongkut's Institute of Technology Ladkrabang, Adviser on the technical study project to establish a high voltage testing center and testing experts for the Metropolitan Electricity Authority, along with Mr. Sajja Piyabenjaporn and 20 engineers from the Research and Development department of Metropolitan Electricity Authority visited to exchange knowledge and experiences in the field of testing as well as visit the production and testing of transformers of 1000/3 MVA, 525 kV. We would like to thank you so much for the advice in this exchange to help build knowledge of high voltage in a sustainable within the country.



Tirathai would like to fulfill the education of the nation

On 6 October 2020, Assistant Professor Dr. Warunee Srisongkram Deputy Dean of The Faculty of Engineering and Architecture, Rajamangala University of Technology Suvarnabhumi, Nonthaburi Center, brought 25 electrical engineering students to visit the production, power transformer testing and also looked at the maximum size and pressure transformers produced in the country, 1000/3 MVA, 525 kV.

Events Calendar 2020



Academic & Research Cooperation

On October 9, 2020, Asst. Prof. Dr. Sivakorn Angthong, Dean of The Faculty of Engineering Asst. Prof. Dr. Chatchai Suppittaksakul Head of Department of Electrical Engineering, Rajamangala University of Technology Thanyaburi and Mr. Sumpan Vongphan, Managing Director of Tirathai Public Company Limited had jointly signed an agreement on academic cooperation and research (MOA) on High-voltage transformer, Smart Grid, and Energy Storage Systems. As well as visiting the production of power transformers and testing of 525 kV transformers of 1000/3 MVA, the maximum size and voltage level made by Thai people.



Outstanding Industry ... THE PRIME MINISTER'S INDUSTRY AWARD 2020

On December 14, 2020, Prime Minister Gen. Prayut Chan-o-cha presided over the 2020 Industrial Award of the Ministry of Industry at The Royal Thai Army Club. Tirathai Public Company Limited has been awarded an "Outstanding Industry 2020 for Competent Industry", THE PRIME MINISTER'S INDUSTRY AWARD 2020



received by Mr. Sumpan Vongphan, Managing Director of Tirathai Public Company Limited as the delegate.

After awarding, the Prime Minister and the Minister of Industry and the delegation visited the award winners' booth, including Tirathai, and took photos with the management as a memorial.

Tirathai. The Thai transformer manufacturer by Thai people for Thai people and the world.



VISION & MISSION

VISION

To be a leading transformer manufacturer, distributor and comprehensive services provider in Asia and Oceania and to seek opportunities of joint venture in related to energy business. These will be supporting by quality performance serving customer's demand on the basis of corporate good governance and social responsibility.

MISSION

BUSINESS

Use technical expertise to collaborate with customers to design and produce quality transformers to suit their systems and characteristics, as well as develop a full range of service systems to support the maintenance of their electrical systems.

Expand market structure covering Asian and Oceania countries.

Increase the distribution of equipment for energy production and distribution systems and invest in energy production projects.

CUSTOMER

Meet the needs of customers with quality, reasonable price, on time delivery and good service.

Strive to be the company that customers think of first anytime when needing transformer products and services

HUMAN RESOURCES

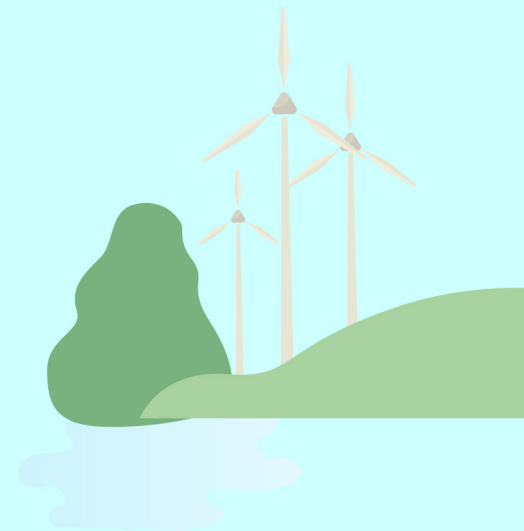
Promote the development and treatment of personnel with knowledge and expertise and to create a sense of team work with quality, maintain integrity and customers focus.

CORPORATE GOVERNANCE

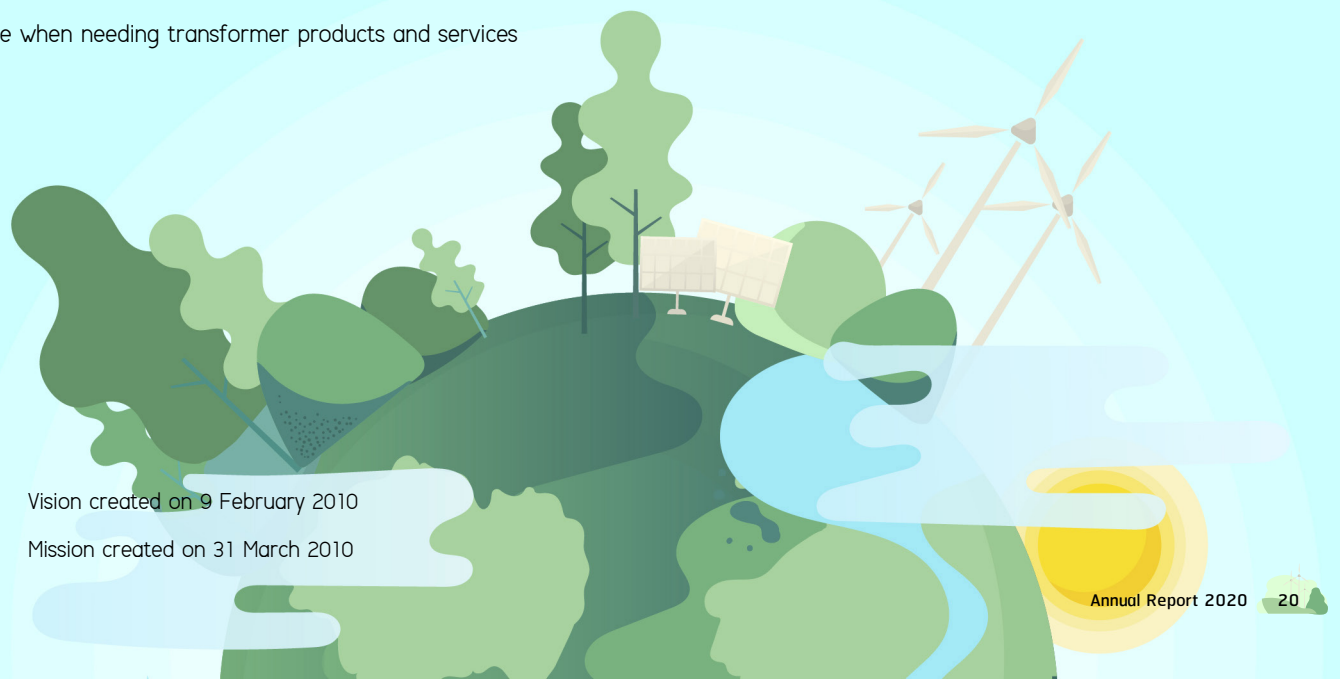
To reassure shareholders and treat all stakeholders fairly.

CORPORATE SOCIAL RESPONSIBILITY

Be a good member of society and conduct business with a collective responsibility.



Note: Vision created on 9 February 2010
Mission created on 31 March 2010



Major Shareholders and Dividend Policy

List of the first 10 shareholders and shareholding, shareholding distribution report and list of major shareholders as of December 31, 2020

List of Shareholders	Number of shares held	Proportion
1. Mr. Sumpan Vongphan	40,109,927	13.02%
2. CGS-CIMB Securities (Singapore) Pte., Ltd.	23,834,870	7.74%
3. Mr. Wiboon Wongsuebchart	11,217,000	3.64%
4. Mr. Somchai Padpai	10,180,050	3.31%
5. Mr. Charuvit Suanmalee	8,521,014	2.77%
6. Mr. Sutisak Mahitiwanitcha	7,850,800	2.55%
7. Mrs. Sunan Santichotinan	6,991,809	2.27%
8. Mr. Kanta Vongphan	5,587,743	1.81%
9. Mr. Somchai Sukjitnitayakan	5,351,940	1.80%
10. Mr. Upakrom Thaweephoke	5,488,558	1.78%
Other shareholders	182,874,561	59.31%
Total	308,008,272	100%



Remark: The 1st, 5th, 7th and 10th shareholders are executives and directors of the Company.

The 2nd is a foreign entity as custodian of Mr. Tai Chong Yih, who is a director of the Company.

Dividend Policy

The Company has a dividend payment policy of not less than 50% of net profit after corporate income tax and legal reserve. This must be approved by the shareholders' meeting.

Management

Management Structure

The structure of the company's committees consists of 4 committees, which are Board of Directors, Audit Committee, Nominating Committee, and Executive Committee, whose names and scope of authority are as follows:

Board of Directors

As of December 31, 2020, the Board of Directors consists of 10 members; each of them shall assume the office for a term of three years:

Name	Position	Term to end by
1. Mr. Sermakool Klaikaew	Independent Director/ Chairman of the Board of Directors	28/4/2023
2. Mr. Sumpan Vongphan	Vice Chairman	28/4/2021
3. Mr. Upakrom Thaweepoke	Director	28/4/2022
4. Mr. Charuvit Suanmalee	Director	28/4/2023
5. Mr. Ouichai Siriwanjana	Director	28/4/2022
6. Mr. Ampornrat Poolcharoen	Director	28/4/2021
7. Ms. Sunan Santichotinan	Director	28/4/2020
8. Mr. Tai Chong Yih	Director	28/4/2021
9. Mr. Annop Tagajarin	Independent Director/ Chairman of the Audit Committee	28/4/2021
10. Mr. Singha Nikornpun	Independent Director/ Audit Committee	28/4/2022
11. Mr. Somchai Rojrunvasinkul	Independent Director/ Audit Committee	28/4/2022

By Ms. Artitaya Sangkaew, Secretary to the Board of Directors.

Authorized Directors

The authorized signatory to the Company is Mr. Sampan Vongphan; jointly signed with Mr. Upakrom Thaweepoke or Mr. Ampornrat Poolcharoen or Mr. Charuvit Suanmalee or Mr. Ouichai Siriwanjana or Mrs. Sunan Santichotinan, total 2 persons, with the company seal.

Scope of Authority of the Board of Directors

1. Operate the business of the company in accordance with the law, objectives and regulations of the company, as well as resolutions of the shareholders' meetings, with honesty, integrity, and carefully protect the interest of the Company
2. Make plans and determine policies on the business management of the Company, and audit the operating result of the Company
3. Stipulate rules and regulations of the Company
4. The Board of Directors may appoint the Executive Committee or authorize one or several director(s) or other person(s) to take any action(s) on behalf of the Committee, thus, within the scope of the authority of the Board of Directors; and shall be entitled to terminate, revoke, amend, or change such authority.
5. Consider and approve other significant businesses in connection with the Company, or as it deems appropriate to carry out

those businesses for the benefits of the Company

Exception to the authority of the following actions, which will be taking only after receiving approval from the share holders' meeting. Thus, any transactions which any director or parties who may have conflict of interests or being stakeholder(s) or may have conflict of interests in any other nature with the Company, the said director shall have no voting right over such transactions.

- Transactions require by law to receive resolutions from the shareholders' meeting such as the transfer or sales of business, increase of capital, merger, etc.

- Transactions in which any director is a stakeholder having conflict of interest within the scope of laws or regulations of the Stock Exchange of Thailand must get approval by the shareholders' meeting

Audit Committee

As of December 31, 2020, the Company's Audit Committee consists of three members; each of them shall assume the office for a term of three years:

Name	Position	Term to end by
1. Mr. Annop Tagjarin	Chairman of the Audit Committee	28/2/2023
2. Mr. Singha Nikornpun	Audit Committee	28/2/2023
3. Mr. Somchai Rojrungvasinkul	Audit Committee	28/2/2023

By Mr. Thammarat Meetham, Secretary to the Audit Committee.

Authority and Duties of the Audit Committee

1. To review the Company's financial report to ensure that it is accurate and sufficient.
2. To review the Company's internal control system and internal audit system to ensure that they are appropriate and effective, to consider the independence of the internal audit department, as well as to approve the appointment, transfer and dismissal of the head of the internal audit department or any other department responsible for internal audit.
3. To review and ensure the company abide by laws and regulations of The Securities and Stock Exchange, The Stock Exchange of Thailand, as well as, rules or laws relating to the business of the company.
4. To consider, select, and appoint an external auditor of the Company, Including recommendation of remuneration for the external auditor. In addition, to attend a meeting with the auditor without the presence of the management as least once a year.
5. To consider the Connected Transaction or transactions that may have conflicts of interest. To comply with the laws and regulations of the Stock Exchange of Thailand. To ensure that the aforementioned transaction is reasonable and to maximum the benefit of the Company.
6. To prepare the report of the Audit Committee and disclose in the Company's Annual Report. The report must be signing by the Chairman of the Audit Committee and should at least consist of the following:
 - (a) An opinion on the accuracy, completeness, and creditability of the Company's financial report,
 - (b) An opinion on the sufficiency of the Company's internal control system
 - (c) An opinion on the compliance with the laws and regulations of The Securities and Exchange, and regulations of The Stock Exchange of Thailand or the laws relating to the Company's business,
 - (d) An opinion on the suitability of an auditor,
 - (e) An opinion on the transactions that may have conflicts of interest,
 - (f) The number of the Audit Committee meetings, and the attendance of each member of the audit committee,
 - (g) Overall opinion or observation about the Audit Committee performance of duties in accordance with the charter and,
 - (h) Other transactions, which the shareholders and general investors should know, within the scope of duties and responsibilities assigned by the company's board of directors
7. To perform any other duties as assigned by the company's board of director, with the approval of the Audit Committee.

Nomination Committee

As of December 31, the Nominating Committee of the Company consists of the following members; each of them shall assume the office for a term of one year:

Name	Position	Term to end by
1. Somchai Rojrungrasinkul	Chairman of the Nominating Committee	28/2/2021
2. Mr. Sermsakool Klaikaew	Nominating Committee	28/2/2021
3. Ms. Sunan Santichotinan	Nominating Committee	28/2/2021

Authority and Duties of the Nomination Committee

1. Specify the qualifications of the directors who wish to be nominated in accordance with the structure, size and composition of the Board of Directors.
2. Nominate and propose suitable candidates to be the directors for the Board of Directors' consideration.

Executive Committee

As of December 31, 2020, the Executive Committee of the company consists of 5 members; each of them shall assume the office for a term of one year.

Name	Position	Term to end by
1. Mr. Sumpan Vongphan	Chairman of the Executive Committee	28/2/2021
2. Mr. Upakrom Thaweephoke	Executive Director	28/2/2021
3. Mr. Charuvit Suanmalee	Executive Director	28/2/2021
4 Mr. Ouichai Siriwajana	Executive Director	28/2/2021
5. Mr. Ampornrat Poolcharoen	Executive Director	28/2/2021

Authority and Duties of the Executive Committee

1. Supervise the business operations of the company to be in accordance with business policies, business plans, and business strategies as approved by the Board of Directors
2. Authorize the expenses or payments related to the business operations or investment in new projects or new purchase or sale of fixed assets of the Company, loans, with the amount at a time not exceeding 200 million baht
3. Authorize the order confirmation, biddings, quotations, execution of contracts or loans, guarantees, or any juristic act in normal course of business operations of the Company, with the amount limit not exceeding 1,000 million baht
4. Define the structure of organization and management by covering the details of selection, training, employment, and dismissal of the employees
5. Determine the employees' benefits in accordance with circumstances, traditions, and the applicable law
6. Consider entering into contract of the Company and its subsidiary relating to finances, loans, and guarantees with the amount not exceeding 5 million baht each time
7. Consider each agenda prior to propose for approval from the Board of Directors
8. Suggest to the Board of Directors to consider approvals on business goals, business policies, business plans, business strategies, executive power, annual expenditure budget, and scope of authority and duties of the Managing Director
9. Perform other duties as each assigned by the Board of Directors
10. Supervise the business operations of the company in accordance with the law, objectives and regulations of the company, as well as resolutions of the shareholders' meetings

The above authorizations are granted to the Executive Committee under the criteria of law, and rules and regulations of the company. In the event that any action has or may have the interests or interests of any executive director or person who may have conflicts of interest (as per the Announcement of the Securities and Exchange Commission), the Executive Committee shall present the matter to the Board of Directors for further consideration. Whereas, such Executive Committee member and parties who may have conflicts shall have no voting right in the Board of Directors' Meeting.

Management Team

As of December 31, 2020, the Management of the Company consists of 5 members, as follows:

Name	Position
1. Mr. Sumpun Vongphan	Managing Director
2. Mr. Upakrom Thaweephoke	Finance, Accounting and Information Technology Manager/Company Secretary
3. Mr. Ampornrat Poolcharoen	Production Manager
4. Mr. Ouichai Siriwanjana	Marketing Manager
5. Ms. Sunan Santichotinan	Human Resources & Office Administration Manager

Authority and Duties of the Executive Director

1. Operate and manage the Company's business operations in accordance with the business policies, business plans, and business strategies, as approved by the Board of Directors
2. Authorize the expenses or payments according to project or investment or purchase or sale of fixed assets of the company, as approved by the Executive Committee
3. Authorize to approve the company's general transaction expenses not exceeding 1.0 million baht per transaction, exception to procurement of raw material, Outsourcing, and temporary employees in order to fulfill the contract
4. Authorize or assign any other person The Managing Director deems appropriate to act in accordance with the necessary and appropriate matters which are governed by the company's laws and regulations
5. Perform other duties as assigned by the Board of Directors and/or by the Executive Committee on a case-by-case basis
6. Approve and authorize the engagement of agreement binding the general business operations of the company; whereas, the credit limit is in accordance with the approval authority and regulation, which have been approved by the Board of Directors, and may change as appropriate at the discretion of the Board of Directors.

The above authorization to the Managing Director must comply with the rules and regulations of the company. In the event, the director who may have conflicts of interest or parties who have been in conflict with the Managing Director shall have no authorization to do so. The Managing Director must present the issue to the Board of Directors for further consideration.

Nomination of Directors and the Management

The selection of directors of the company is through the nomination process of the Nominating Committee. The Nominating Committee shall select candidates to assume the office of the Board of Directors by taking into the considerations of knowledge, abilities, and business-related experiences or may consider from the experienced major shareholders of the company. However, the appointment of new directors shall be considering by the Board of Directors' meeting attended by the Audit Committee.

In addition, the appointment of the Board of Directors shall pass by the resolution of the shareholders' meeting according to the Company's Regulations prescribing that the shareholders' meeting shall elect the directors according to the criteria and procedures, as follows:

- (a) One shareholder shall have a vote equal to one share per one vote

(b) Each shareholder shall use all of his/her votes under (a) to elect one or several persons as directors without dividing any portions of his/her votes to any person

(c) The persons who receives the most votes, in descending order, shall be electing as directors equal to the number of directors required at that time. In the event that persons who received votes in respective orders received equal votes and the number of directors exceeds the positions required, the Chairman shall have the casting vote.

At every Annual General Meeting (AGM), One-third of directors shall be removed from their positions. In case, the number of directors cannot be divided into three straight sections, the approximate number nearest to one-third of the directors shall be releasing from office. Directors to be releasing from office in the first year and second years after the company is registered will be selecting by drawing lots. Meanwhile, in the following years, the longest-time director will be removed from office. Retiring directors may be re-elected.

Criteria for Selection of Audit Committee/Independent Directors

The Audit Committee consists of 3 independent directors, with a 3-years term in office. The Company has a policy to nominate a member of the Audit Committee whose qualifications shall be as follows:

1. Hold shares not exceeding 1% of the Company's paid-up capital
2. Be a director who is not participate in the management of the Company and its subsidiary companies
3. Be a director who is not an employee, staff member, or advisor receiving a regular salary from the company, subsidiary companies or major shareholders of the company.
4. Be a director who has no benefits of interest both direct or indirect stake in the financial and management of the company, Affiliated Company, or major shareholders of the company.
5. Be a director who has no interest or stakes in accordance with Section 4. Prior to the past 2 years, to be appointed as a member of the Audit Committee.
6. Be a director who is not a related person or a close relative of the management or major shareholders of the company.
7. Be a director that is not appointing as a representative to protect the interests of the company's directors, major shareholders or shareholders who are related persons to the major shareholders of the company.
8. Able to perform the duties of expressing opinions or performance reports in accordance with the duties assigned by the Board of Directors without being under the control of the Company's executives or major shareholders, including related persons or close relatives of such persons.

In addition, the Company has considered other qualifications, including experience, knowledge, expertise and ethics to maximize the benefits to the Company.

Executive Recruitment

The Board of Directors and management are aware of the actions to ensure that the Company is able to recruit personnel who will be responsible for key positions appropriately. By providing concrete processes and action plans in accordance with human resource management principles.

Remuneration for Directors and Executives

1. Monetary compensation

The remuneration approved by the 2020 Annual General Meeting of Shareholders on April 28, 2020 are as follows:

Board of Directors	Monthly compensation (Baht per person)	Meeting Allowance (Baht per time) (Only directors attending the meeting)
Board of Directors		
– Chairman of the Board of Directors	25,000	30,000
– Committee	10,000	15,000
Audit Committee		
– Chairman of the Audit Committee	10,000	30,000
– Audit Committee	5,000	15,000

1.1 Monthly remuneration and meeting allowance

1.2 Bonus

According to the resolutions of the 2020 Annual General Meeting of Shareholders, the approval of Bonus, including monthly remuneration and meeting allowance for the year 2019 are not exceeding 5.5 million baht.

2. Other compensation or other benefits

–None–

Remuneration of the Board of Directors and The Audit Committee

Name	Year 2019			Year 2020		
	Remuneration	Meeting Allowance	Bonus	Remuneration	Meeting Allowance	Bonus
1. Mr. Sermsakool Klaikaew ****	–	–	–	235,000	105,000	345,000
2. Mr. Sumpun Vongphan	540,000**	105,000	186,500	540,000**	75,000	172,500
3. Mr. Upakrom Thaweephoke	180,000**	105,000	186,500	180,000**	75,000	172,500
4. Mr. Ampornrat Poolcharoen	180,000**	105,000	186,500	180,000**	75,000	172,500
5. Mr. Charuvit Suanmalee	180,000**	90,000	186,500	180,000**	75,000	172,500
6. Mr. Ouichai Siriwanjana	180,000**	105,000	186,500	180,000**	75,000	172,500
7. Ms. Sunan Santichotinan	120,000	105,000	186,500	120,000	75,000	172,500
8. Mr. Tai Chong Yih	120,000	105,000	186,500	120,000	75,000	172,500
9. Mr. Annop Tagajarin	205,000*	180,000	186,500	240,000*	195,000	172,500
10. Mr. Singha Nikornpun	180,000*	165,000	186,500	180,000*	135,000	172,500
11. Mr. Somchai Rojrungrasinkul	145,000	105,000	186,500	180,000*	135,000	172,500
Include	2,275,000	1,350,000	1,865,000	2,335,000	1,095,000	2,070,000

* Inclusive of Total remuneration as Audit Committee

** Total remuneration as executive director approved at the Board of Directors' Meeting No. 2/2020

***At the 2020 Annual General Meeting of Shareholders, resolved to approve the directors' remuneration, bonus and meeting allowance not exceeding Baht 5.5 million

****Mr. Sermsakool Klaikaew appointed as Director on January 17, 2020 and appointed as Chairman of the Board of Directors on 8 May 2020

Remunerations of the Management

1. Monetary remuneration

Remunerations	Year 2019		Year 2020	
	No. of persons	Remuneration (Baht)	No. of persons	Remuneration (Baht)
Total Compensation *	6	19,096,168.00	5	13,655,619.36
Total Bonuses	6	–	5	1,450,787.00
Include	6	19,096,168.00	5	15,106,406.36

2. Other compensation or other benefits

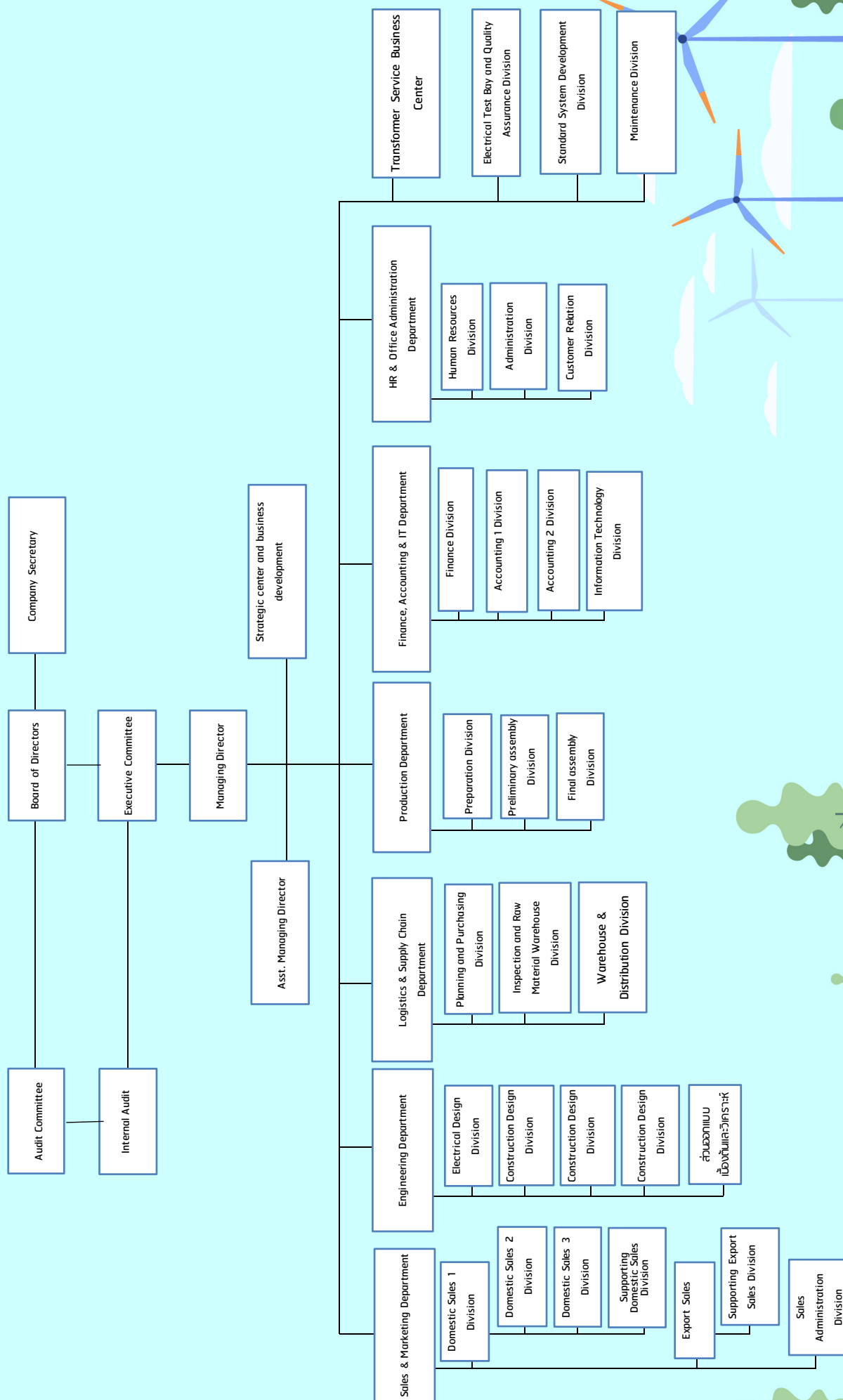
2.1. Car to facilitate the execution of duties

2.2. Gasoline Allowance for actual duties but not exceeding 10,000 baht / person / month

2.3. Annual Health Checkup

2.4. Life insurance, Health insurance, Accident insurance

Organization Chart



Corporate Governance

The company recognizes the importance of good corporate governance and stipulate as guideline for the code of conduct in the business ethics to ensure transparency in the operations of employees at all levels. The company's management has continuously driven the establishment of corporate governance culture to form the foundation of sustainable growth and create value added to all stakeholders (please see further information in Form 56-1)

Corporate Governance Policy

To achieve the company's objectives of business operation; to create responsibility for performance in accordance with its duties; to form integrity base transparency; to increase sustainable business competitiveness; and to increase the confidence among stakeholders, the Board of Directors has determined the following corporate governance policies:

1. Conduct business with transparency, auditable, and disclose sufficient information to all related parties.
2. Manage the company's businesses to the fullest capabilities with care in order to maximum the benefits for shareholders.
3. Establish a control and risk management system by conducting business with care and risk assessment and determine strategies for correction and monitoring risk management on a regular basis.
4. Treating shareholders and stakeholders equally and fairly to all parties.
5. Clearly structure the roles and responsibilities of each group of directors.
6. Encouraging executives and employees to work ethically in conducting business properly and righteously.

The company was listed on the MAI Stock Exchange on May 10th, 2006; whereas, the Board of Directors and executives of the company has its policy to operate businesses with transparency, to adhere to the principle of merit, and to comply with the law and the corporate governance policy of the company. Therefore, the company has implemented its corporate governance policy practices for the purposes of transparency and accountability; and has been disclosed sufficient information to all related parties. The company has reported the result of implementation of its good corporate governance principles. In 2020, in accordance with the good corporate governance principles of listed companies are as follows:

Section 1 Right of Shareholders

The Board of Directors has prioritized the rights of shareholders; the company has implemented its corporate governance policy by taking into account the rights of shareholders as follows:

Shareholder Structure

The shareholding structure between the company and its subsidiaries is clear and transparent, the names, amounts and share-holdings of the Major Shareholders of the company and its subsidiaries are disclosed in Form 56-1 and the Annual Report.

Promoting the Exercise of Rights of Shareholders

The company has the process of maintaining and protecting the rights of shareholders. From the process of formulating good corporate governance policy, taking into account the rights of shareholders and encouraging shareholders to exercise such rights, the basic rights of shareholders after trading securities. The right to receive dividends by supervising care and coordination between shareholders the Registrar of Thailand Securities Depository Co., Ltd. (TSD). The company has providing the responsible authorities to handle inquiries and facilitate shareholders regarding registration. In addition, the company has supported the active roles of shareholders in the shareholders' meetings including the right to attend the meeting, the right to vote, and the expression of opinions so that shareholders will have active participation in considering the crucial matters. In addition, the company has policy to facilitate and encourage the shareholders

and institutional investors to attend the shareholders' meeting.

Facilitating the exercise of shareholders' meeting and supporting the exercise of voting rights of shareholders

The company facilitates the shareholders to attend the meeting and fully exercise their rights the voting right in meetings and has refrained from any actions, which may impair their opportunities to attend meetings; and has managed to promote the exercise of rights of shareholders before, during, and after the date of shareholders' meetings. These adhere in compliance with principles and guidelines specified in "AGM Checklist", prescribed by the Thai Investors Association, the Association of Listed Companies, and the Securities and Exchange Commission by which, the company has been evaluated the arrangement of AGM 2019 at the Excellent level of 96%.

Section 2 Equitable Treatment of Shareholders

The company takes into account the equality among all groups of shareholders and allow the shareholders to have opportunities to participate in its administration of work; and promote the mechanism for the check and balance and audit of the company's operations, in which the principles of equitable treatment for shareholders are as follows:

Shareholders' Meeting

The company recognizes that shareholders' meeting is one channel that shareholders can exercise their rights to monitor and control the operations of the company; therefore, the company has created the supportive environment of shareholders' meeting so that shareholders shall have an opportunity to exercise their rights and to receive equal treatment. In 2020, the company has convened one shareholders' meeting (AGM) on April 28, 2020, whereas, the Board of Directors has appropriately held the shareholders' meeting and has invited all shareholders, and has notified them of the date, time, venue, as well as agenda of the meeting. The Board of Directors has duly convened the shareholders' meeting with sufficient time and encouraged shareholders to have equal opportunities to inquire, express opinions, and feedback recommendations to all shareholders. In addition, the company has kept the approved minutes of shareholders' meeting systematically for easy and convenient accesses.

Provision of the Prevention and Monitoring System of the Use of Inside Information

The Board of Directors give the priority to the provision of protection system and monitor the use of inside information, to prevent from exploiting the inside information for the benefits of inside trading of securities; and has establishing guidelines for preservation and prevention of the use of inside information, which strictly observing the entire organization.

In addition, the directors and executives acknowledge the obligations and responsibility for the preparation and disclosure of the company's securities holding report to the Office of Securities and Exchange Commission, in accordance with Section 59 of the Securities and Exchange Act B.E. 2535.

Section 3 Consideration of Stakeholder Roles

The Board of Directors recognizes the rights and roles of stakeholders inside and outside the organization and establishes the company's mission as a credible organization and provides the highest benefits for stakeholders by establishing policies and ethical standards to treat stakeholders and legal rights of stakeholders equally in writing to ensure that the board of directors and employees at all levels comply with the rules and practices of the stakeholders.

The Board of Directors recognize the importance of the rights of all relevant stakeholders through the "Core Value" Projects, which consists of four components: TQIC (Teamwork, Quality, Integrity and Customer Focus). Based on the collaboration of executives and employees at all levels through the processing of opinions, inventing from the identity of the people within the organization for practical implementation. The corporate values have been clearly communicated to all employees at all levels for mutual understanding. In addition, the corporate values have been applied to select new employees and outline new employees to understand the company's business practices.

The Board of Directors and senior executives believe the corporate values that are consistent with the organizational culture determined by the needs and direction of the personnel in the organization will lead to practical implementation and embedding good conscience in line with the company's businesses ethic and code of conduct. The company emphasize the transparency and morality of stakeholders involved, which leads to the achievement of the organization's goals and this is one of the mechanisms to protect the rights and interests of all stakeholders at the same time. Therefore, it can be trust that the company places equal importance on all stakeholders, stakeholders, employees, business partners and creditors, customers, competitors, communities, society and the environment. In addition, the company has established a comprehensive approach to rights and interests that stakeholders should receive as follows:

Shareholders

The company has a policy to maintain the rights of shareholders in the matter of receiving information, rights to vote, rights to receive fair treatment that the shareholders should have including the continuous satisfactorily operating results of the company in order to add value to shareholders without complicate and cross shareholding. The company also has policy for all of the shareholders to communicate freely among themselves and do not neglect the disclosure any significant conditions in the Shareholders Agreement that have a significant impact on the company, or any other shareholders (if any).

For the measures to approve the connected transaction. The Audit Committee considers the legality and regulations in accordance with the company's reasonableness and best interests before presenting it to the Board of Directors for approval. The Directors with related interests will abstain from voting on approving such transaction, including overseeing connected transactions and the acquisition and disposition of assets in strict accordance with the rules prescribed by the Stock Exchange of Thailand.

Employees

The company considers employees to be one of the factors for the success of the organization Therefore, we are committed to developing various factors to become a learning organization, strengthening the culture, promoting teamwork, providing fair returns and in line with the company's performance in the short term, such as bonuses, and long-term provident fund. Comparable to the same market and industry by providing legal benefits such as Social Security, compensation funds, first aid, including the company's welfare such as group life insurance, accident and organ loss insurance, and provident fund, Cooperative Savings, Funeral Fund, Staff shuttle service, etc.

The company also provides a system for Occupational Health and Safety at work OHSAS 18001 to ensure the health and safety of employees, as well as to focus on the development of employees' capabilities, knowledge transfer, welcoming employees' opinions and suggestions by means of establishing core values, and adhere to integrity as part of the corporate culture.

Business Partners and Creditors

The company has a policy to treat business partners and creditors fairly especially in regard to the fair selection of trade partners, Suppliers evaluation, and Price comparison process etc. in compliance with legal, strictly honoring trade terms as mutually agreed upon, in compliance with the law, commercial conditions and good business ethics. The good and fair practices include loans from creditors and repayments of debts, modification of terms and conditions of guarantees for the company to be able to operate business flexibly. With less collateral, as well as capital management, the company maintains a strong debt-to-equity ratio structure to be able to support future business expansion. In the previous year, the company does not have any disputes from any partners or creditors

Customers

The company takes good care and takes responsibility for our customers by producing quality products and standards and able to meet the needs of customers' needs with focus on the product quality, service with reasonable price, and delivery on time. If there are obstacles preventing the product from being delivering as required, the company notifies customers in advance in order to find solutions.

Competitors

The company has complied with the framework of fair competitions rules to maintain the norms of competition practices., whereas, in the previous year, the company has no disputes with any concerning commercial competitors.

Communities, Society, and Environment

The company pays great attention to environmental preservation and care by being responsible and preventive any potential environmental impacts to communities and society. In accordance with the aforementioned policy, the company has been accrediting with ISO 14001 Standard environmental certification in 2006 and the TIS/OHSAS 18001 Occupational Health and Safety Management standard management from the Management system Certificate Institution (Thailand) (MASCI) on 11 September 2009. In 2019, the company received the Green Star white flag award, Environmental Governance Award 2018, which is an audit of environmental performance and safety in the workplace to assess the project performance, which Tirathai is able to pass the evaluation criteria at the "Excellent" level for the 4th time at BITEC Exhibition and Convention Center Bangna on March 5, 2018.

In 2017, 2019 and 2020, the company received the Green Industry Award Level 4 (Green Culture) from the Department of Industrial Works, Ministry of Industry.

Whistleblower Policy or complaints

The Board of Directors has prepared a notification of complaints, incidence or suggestions from interested parties affected by the operations of the company, both through electronic mail and letters. The Shareholders and may provide a whistleblowing in the event of any wrongdoing or regulation of the person or events that may cause damage to the company to the attention of the Board of Directors. The company keeps such information confidential in order to prevent the whistleblower to suffer from any trouble. In addition, the company also has guidelines to protect the rights stakeholders who have been damaged by the violation of the company's business by considering compensation not less than the rate specified by law and can submit clues or complaints in the following channels:

1. Electronic Mail:

- Chairman of the Audit Committee: annopt55@gmail.com
- Chairman of the Executive Board: sumpan@tirathai.co.th
- Executive Committee: upakrom@tirathai.co.th
- Executive Committee: amporntat@tirathai.co.th
- Human Resource Administrative Office Manager: sunan.s@tirathai.co.th

2. The Red Box Clue of the whistleblower is located on the corridor up the human resources office building.

3. Post Mail Attention to: Chairman of the Audit Committee or Company Secretary's Office:

Tirathai Public Company Limited
516/1 Moo 4 Bangpoo Industrial Estate Soi 8 D
Sukhumvit Road, T. Praksa, A. Muang
Samutprakran 10280
Tel: (+66) 2 — 769-7699

Section 4 Disclosure of Information and Transparency

The company is aware of the disclosure of information that are accurate, complete, sufficient, reliable, timely, and transparent, both financial and non-financial information of the company. All stakeholders have conveniently access information and receive information equally. For transparency disclosure of information within the organization, the company has organized meetings between executives and employees from department heads to acknowledge the directions and the company's business operations as well as convey the policy to those in the chain of commands and to provide channels for employees' knowledge sharing. For the disclosure of information outside

the organization, the company has complied with the Requirements of the Stock Exchange of Thailand (SET) and has disclosed the information in both Thai and English languages through SET channels and the company's website.

The Board of Directors prioritize importance to the quality of the financial reports and to ensure that the information presented in the financial report is accurate in accordance with the accounting standards. The company has supervised the preparation of financial reports for audit by an independent auditor and by the Audit Committee. The Board of Directors has prepared the Report of the Board of Directors' responsibility for the preparation of financial reports in the Annual Report.

In addition, in 2020, the company has focused on the publicity of the company's operating results as a whole and the progress of the company's operations through Opportunity Day activities and the media regularly as another channel to keep the general public informed of the company's news.

Relationship with Investors

The company has established an Investor Relations Section as a channel to communicate directly with shareholders, Individual and institutional investors, analysts, as well as other related parties such as the Stock Exchange of Thailand and Office of the Securities and Exchange Commission. To comply with all laws and regulations in a complete and timely manner. The company has prepared the investor relations work plans throughout the year. The senior officials of the company and the Investor Relations Section have the opportunities to provide information on business activities. The shareholders, investors, analysts, and interest persons may directly contact the Investor Relations Section: Mrs. Chadapa Tantitanatat or Ms. Atittaya Sangkaeo at Tel. (+66) 2-769-7699 Ext.1220 or email: ir@tirathai.co.th

Section 5 Responsibilities of the Board of Directors

Structure of the Board of Directors

The Board of Directors regards as the heart of good corporate governance, which must consist of people with knowledge, expertise, and experience who can benefit the company operations. More than half of the Board of Directors consists of those with direct knowledge and management experience in the transformer business, as well as directors with knowledge of other fields such as finance, economics, etc. All directors have been trained in the courses from the Thai Institute of Directors (IOD). The term in office of directors is determined and qualifications of the Board of Directors including the appointment and removal of directors that must be approved by shareholders at AGM.

The company has a balance of power for non-executive directors by not allowing any person or group of people the sole decisions-making power in order to create a counterbalance mechanism and effective administration. The Board of Directors consists of 11 directors, 5 executive directors, 3 non-executive directors (1 independent director) and 3 audit committee / independent directors. The company has 4 independent directors, representing 36% of the total directors. The Board of Director considers that it is an appropriate element. Executive directors can provide in-depth opinions, while Non-executive directors are industry experts resulting in a creative expression of opinions at the board meeting constructively. The Board of Directors' decision bases are based on the benefits of the company as a whole.

Composition of the Board of Directors

The Board of Directors shall have all the qualifications as prescribed by law and shall be qualified persons from different fields of business in order to integrate their necessary knowledge and abilities and to devote their efforts and time to perform the duties of directors of the company. By which, the process of appointment of directors are clear and transparent. The biography of all directors is disclosed; and each time of director replacement, the newly appointed directors shall promptly receive the necessary information, which is beneficial to perform the duties of directors or at least within 3 months after the date of appointment.

Chairman of the Board of Directors shall not be the same person as the Managing Director by clearly separating duties to clearly define the corporate governance policy and the management. The Chairman shall have freedom to express opinions and shall have a casting vote, in case of equal votes in the Board of Directors' meeting, in accordance with the company's Articles of Association.

Vice Chairman of the Board of Directors shall have duties according to the company's Regulations in any business assigned by the Chairman of the Board of Directors. The Vice Chairman shall perform the duties on behalf of the Chairman in the event that the Chairman of the Board of Directors is temporarily unable to perform the duties or when the position of Chairman of the Board of Directors is vacant.

Independent Directors shall have the specified qualifications of independent directors according to the Regulations of the Office of Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) so that the independent directors of the company are truly independent and suitable for the characteristics of the company. (Please see details qualifications of Independent Directors in "Criteria for Selection of Audit Committee Members / Independent Director" on Page 26).

Managing Director shall be appointed and determined with the scope of power according to the duration and the amounts of legal transactions from the Board of Directors' meetings; and shall have the authority to carry out business matters in accordance with the resolutions of the Board of Directors including duties and responsibilities for normal business operations of the company. This is in accordance with the Directors' policies and good corporate governance principles.

Company Secretary shall be responsible for conducting the operation of Board of Directors' meeting and the shareholders' meeting effectively by taking into account of the rights and equality of shareholders. The Secretary shall give advice and support the Board of Directors business regarding laws, rules, regulations, requirements, and related procedures, as well as providing information to the Board of Directors and the newly appointed directors to be aware of, and to ensure the compliance with the corporate governance principle and to communicate / take care of shareholders appropriately.

Sub-committee stipulated in the principles of good corporate governance, the Board of Directors has appointed 3 sub-committee to consider and review specific crucial matters carefully and efficiently by clearly defined the elements and roles/duties of the 3 sub-committees. The 3 sub-committee consist of:

1. Audit Committee

In 2020, the Audit Committee held a total of 4 meeting, each member of the Audit Committee shall assume the office for a term of 3 years and shall report the results to the Board of Directors. The Audit Committee has performed its duties in accordance with the Charter of the Audit Committee approved by the Board of Directors. In addition, the Audit Committee prepares the Audit Committee's report in the Annual Report. (Please see details of composition and roles and duties of the Audit Committee on Page 23).

Names of the Audit Committee		Attendance/Total Meetings 2019 (Times)	Attendance/Total Meetings 2020 (Times)
1. Mr. Annop	Tagajarin	4/4	4/4
2. Mr. Singha	Nikornpun	4/4	4/4
3. Mr. Somchai	Rojrunvasinkul	1/4	4/4

Records of attendance of each Audit Committee member is summarized as follows:

2. Nominating Committee

The Nominating Committee consists of 3 directors and 2 are independent directors, each of them shall assume the office for a term of 1 year. In 2020, the Nominating Committee held a meeting to consider the selection the suitable persons to be appointing as directors to replace those who retired by rotation, propose to the Board of Directors for consideration as per the criteria for nomination of directors, with fair and transparency; and has prepared a Report of the Nominating Committee in the Annual Report. (Please see details of roles and duties of the Nominating Committee on Page 24).

Names of the Nominating Committee		Attendance/Total Meetings 2020 (Times)	Term in office will expire in (Year)
1. Mr. Singha	Nikornpun	2/2	2020
2. Mr. Charuvit	Suanmalee	2/2	2020
3. Mr. Tai Chong	Yih	2/2	2020

Names of the Nominating Committee		Attendance/Total Meetings 2020 Times as of Feb28, 2021	Term in office will expire in (Year)
1. Mr. Somchai	Rojrunvasinkul	1/1	2021
2. Mr. Sermakool	Klaikaew	1/1	2021
3. Mrs. Sunan	Santichotinan	1/1	2021

Records of attendance of each Nominating Committee is summarized as follows:

3. Anti-Corruption Committee

The Anti-Corruption Committee consists of 3 directors with a term of 1 year. In 2020, the Anti-Corruption Committee held a meeting to consider the proceeding of the announcement of the intention to join Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). The company has achieved the stated goal: Anti-Corruption progress Indicator Level 2 (Declared), as well as the implementation of the anti-corruption policy and measures in such matters on a continuous basis and comply with CAC guidelines and other relevant laws

The attendance of each member of the Anti-Corruption Committee are as follows:

Names of the Anti-Corruption Committee		Attendance/Total Meetings 2020 (Times)	Term in office will expire in (Year)
1. Mr. Singha	Nikornpun	1/1	2021
2. Mr. Upakrom	Thaweepoke	1/1	2021
3. Mrs. Sunan	Santichotinan	1/1	2021

Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors recognizes the corporate governance obligations in the best interests of the company. The Board of Directors have roles, duties and responsibilities to consider the principles of law, the company's Articles of Association, resolutions of the shareholders' meetings, and good corporate governance principles to conduct in an honest, ethical, responsible, and transparent disclosure of information. This includes supervising the administration of work of the management to achieve the goals as well as maximum benefit of shareholders and all stakeholders.

All members of the Board of Directors possess the leadership, vision, and independence in making decisions for the best interest of the shareholders as a whole. The company will be able to strengthen the good corporate governance principles effectively. The Board of Directors has approved and prepared a written policy of good corporate governance principles by having to review and approve the

company's Vision, Mission and Strategy of the company in the past fiscal year including periodic monitoring.

Board of Directors' Meetings

The company has a policy to hold a board of directors meeting at least once every 3 months. The Board of Directors shall set the date / time scheduled for the Board meeting in advance throughout the year and inform all directors of such schedule so that the directors can allocate time to attend the meeting. The special and extraordinary meetings may be convened as deemed necessary under the condition that at least half of the total directors must be attended the meeting to constitute a quorum. In considering the meeting agenda, the Chairman of the Board will agree by consulting with the managing director.

Each director is independent to propose matters to be included in the meeting agenda as well. In addition, the company sends a meeting invitation letter together with the meeting agenda and documents 7 days prior to the meeting so that the board of directors have sufficient time to study the information before the meeting. After the meeting, the Company Secretary prepared the minutes of the meeting with complete important information. The minutes of the meeting has been approved and signed by the Chairman of the meeting for the directors and related parties to be reviewed and referenced. In 2020, the Board of Directors held 5 meetings, the records

Names of the Board of Directors		Attendance/Total Meetings 2019 (Times)	Attendance/Total Meetings 2020 (Times)
1. Mr. Serm Sakool	Klaikaew	–	4/5
2. Mr. Sampan	Vongphan	7/7	5/5
3. Mr. Upakrom	Thaweephoke	7/7	5/5
4. Mr. Charuvit	Suanmalee	6/7	5/5
5. Mr. Ouichai	Siriwajana	7/7	5/5
6. Mr. Ampornrat	Poolcharoen	7/7	5/5
7. Mrs. Sunan	Santichotinan	7/7	5/5
8. Mr. Tai Chong	Yih	7/7	5/5
9. Mr. Annop	Tegajarin	7/7	5/5
10. Mr. Singha	Nikornpun	7/7	5/5
11. Mr. Somchai	Rojrunvasinkul	7/7	5/5

* Mr. Serm Sakool Klaikaew was appointed as a director on January 17, 2020 and was appointed as the chairman of the board on 8 May 2020.

of attendance of each director summarized as follows:

Self-Assessment of the Board of Directors

The Board of Directors recognizes the importance of self-Assessment of work performance to use as framework for evaluating the Board of Directors' performance of duties, thus, in accordance with the principles of good corporate governance. In 2020, the Board of Directors approved the performance evaluation using the Self-Assessment Form prescribed by the Listed Corporate Governance Development Center for the Registered Companies.

The results of overall assessment, as well as the recommendations and additional opinions evaluated by the Board of Directors' performance will be used to consider guidelines to improve the operations in various areas in order to support the Board of Directors' operations more effectively.

Business Ethics

The company has established the code of conduct relating to the business ethics for the Board of Directors, the Management, and employees, to be adhered by all related parties as the guidelines for performance of duties in accordance with the company's missions with honesty and fair treatment to the company, all groups of stakeholders, and the society as a whole.

Remuneration Policy for Directors and Executives

The Company has established a clear and transparent remuneration policy for directors and executives with appropriate levels and consistent remuneration in line with the industry, at sufficient level to attract and retain the qualified directors and must be approved by the shareholders' meeting.

The Company has determined the Executive remuneration in accordance with the principles and policies prescribed by the Board of Directors in connection with the company's operating results and the performance of each executive. At present, the company still does not have a Remuneration Sub-committee, but has proper remuneration consideration process based on the company's remuneration information in the same industry and similar size. The company's operating results are used for consideration. (Please see details in Remuneration of Directors and Executives)

Development of Directors and Executives

The company promotes and facilitates the training and educational courses to personnel involved in the corporate governance system at all levels including Chairman of the Board of Directors, directors, Independent Directors, Audit Committee, Executives, and the Company Secretary for continuous self-development and self-improvement. At present, the personnel involved in the corporate governance system has been trained in various training courses organized by the Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand, and the Office of Securities and Exchange Commission. In 2020, the support function of the Secretary has been trained for additional training courses.

Succession Plan

Regarding the succession plan and nomination of senior executives, the Board of Directors and management are aware of actions to ensure that the company shall be able to select the personnel who will be able to responsible for the management position appropriately. The concrete process and action plan shall be in accordance with the Human Resources Management Principles.

Internal Control and Internal Audit Systems

The company prioritizes the internal control system both at the management level and operation levels, and establishes the obligations and operator execution power, Board of Directors, and the management team clearly in writing. The company has overseen the use of the company's assets, and has separated the duties of operators, controllers, and evaluators in order to balance and monitor each other appropriately. There is also determined the internal control relating to the financial system and has set up a financial reporting system to propose the responsible division of executives.

The Audit Committee has reviewed the company's internal control system by considering and reviewing in conjunction with the company's management and has the opinion that the company has sufficient and appropriateness of the internal control system.

The company has appointed Mr. Thammarat Meeatham as secretary of the Audit Committee, which serves the head of the Internal Audit Unit, the Company's Secretary's Office, to ensure that the company's core operations and financial activities are conducted in accordance with the prescribed guidelines, including monitoring compliance with laws and requirements related to the company and to ensure that such third parties are independent to fully monitor and balance. Therefore, the Board of Directors require the company in charge of such audit to report the audit report directly to the Audit Committee and determine the scope of the audit in conjunction with the Audit Committee. (Please see details of the internal control system in Internal Control)

Conflict of Interest

The Board of Directors is responsible for transactions that may have a conflict of interest. The Board of Directors will carefully consider the appropriateness, taking into account the company's interests, if the company has transactions that may have a conflict of interest, the company will present it to the Audit Committee for comment and present it to the Board for further consideration.

The company strictly adheres to the rules and regulations of the Stock Exchange of Thailand. The Board of Directors shall determine that directors and executives who have a vested interest in any matter cannot participate in the decision-making process in determining the transaction between the company and the person who has a vested interest in the matter.

The company requires that directors and executives to have duty to report their own conflict of interests or related parties to the company every time there is a change.

In 2020, the Board of Directors did not receive any reports on conflict of interests; therefore, it has not submitted this matter to the Audit Committee for any special consideration and comments.

Supervision on the Use of Inside Information

The Board of Directors has established guidelines for the preservation and prevention the use of inside information by strictly observing the entire organization as follows:

1. The company's information is protected against the use of internal company information by prohibiting the departments involved from disclosing the inside information to unrelated agencies or individuals.
2. The company's executives who have received any significant information that effects on the change in the price of securities, must not take advantage of information before it is made public. Executives are prohibited from trading the company's securities for a period of 1 month and within 24 hours before and after the financial statements or significant information have been disclosed to the general public; and prohibited from disclosing such significant information any other person.
3. The Directors and executives of the company shall be obliged to report the holding of securities in the company under Section 59, thus, – in order to comply with the Announcement of the Office of Securities and Exchange Commission No.Sor.Jor.12/2009 regarding the Preparation and Disclosure of Securities Holdings Reports.
4. The company impose penalties for those who do not comply with internal data protection measures by circulating letters to employees and executives in general.

In the past year, the company has not received any reports or complaints about wrongdoing or punishment of those who do not comply with the internal information measures of directors and executives and related parties.

Personnel

In 2020, from January 1 to December 31,2019, the company had 552 employees. 184 employees and 365 production line employees, 403 males and 187 females.

In 2020, the company does not have any labor disputes.

Remunerations for Employees

The company paid total employee's remuneration ended 31 December 2020 in the form of salary, wages, provident fund, bonus and other benefits in the amount of 245,918,498.00 baht.

Auditor's Remuneration

1. Auditor's Remuneration

The company and its subsidiaries paid the audit fees to AMT Associate Co., Ltd., the audit firm of the company's auditor for the year 2020, totaled 2,810,000 baht , which is owned by the company 1,980,000 Baht and its subsidiaries totaling 830,000 baht.

2. Other Service Fees

–None–

Human Resource Development Policy

The company has a policy to develop personnel to provide employees with the ability to perform their duties and maintain their knowledge and ability to work with the company in the long term. The company provides training to suit the position according to the line of work.

The company focuses on promoting and developing personnel at all levels to have knowledge and expertise as well as raising consciousness of Teamwork, quality, integrity, and customer satisfaction, which lead to sustainable economic growth and stability. The company also encourages employees to have knowledge and training in various areas, including environmental training. The company has a wide range of training programs suitable for positions, age, and responsibilities such as executives, division managers and supervisors.

Training to enhance employee potential

The company focuses on promoting and developing personnel at all levels to have knowledge and expertise as well as raising consciousness of Teamwork, quality, integrity, and customer satisfaction, which lead to sustainable economic growth and stability. Therefore, the company provides a wide range of training programs suitable for positions, job length and responsibilities, such as management, division manager, department heads and engineers, supervisors and operational staff etc.

In 2020, a total of 552 employees (as of December 31, 2020), received training 469 people, representing 84.96 percent of the training budget of 326,414.70 baht., divided into:

Executive Level, Division Manager, Department Head	65 out of 85 employees received training, accounting for 76.47%.
Engineering & Specialists	71 out of 76 employees received training, accounting for 93.42%.
Support Functions	81 out of 125 employees received training, accounting for 64.80%.
Operating Functions	252 out of 266 employees received training, accounting for 94.74%.

The training type is as follows:

Knowledge	Total 332 hours
Skills	Total 108 hours
Attitude	Total 12 hours

Number of training hours in 2020

Employee Level	Average training hours per person	The goal of the course
Executive, Division Manager & Department Head (Management Level)	12.82	Focus on developing corporate management capabilities to increase business competitiveness and sustainability.
Engineering and Specialists	16.45	Focus on developing knowledge and expertise to support future needs. Create a knowledge management system to maintain knowledge and experience and development in the organization.
Support Functions	9.33	To promote the development of skills and capabilities to backup or support performance to achieve the goal.
Operating Functions	19.2	Focus on developing technical, production and practical skills so that employees can perform their duties as assigned by On-the-Job Training and Coaching

The Competency Development of Tirathai personnel under supervision by the Human Resources Development has developed and trained personnel as well as updating the curriculum to meet the needs and changes of today's business practice in the modern era in order for the participants to gain knowledge that can be used to benefit the organization. This classifies into 3 categories, which are 1. In-House Training 2. Training outside the organization (Public Training) 3. On-the-Job training. In 2020, the details are as follows:

Type of training	Number of courses	*Number of participants (persons)
1. In-House Training	38	1,008
2. Public Training	26	41
3. On-the-Job Training	172	1,663
Total	236	2,712

Remark * Number of participants counted repeatedly.

Non-Infringement of Intellectual Property or Copyright Policy

The company has a policy of non-infringement of Intellectual Property or copyright as shared responsibilities of all employees to respect the rights of intellectual property owners and must carefully use information and communication technology under the laws with prudence. In case, any employee is found to have violated intellectual property or the use of technology, information and communications, the fair investigation will be conducted and if the results appear to be true, it will be considered disciplinary and/or legal as appropriate. In the past year there have been no complaints in this regard.

Shareholding of the Board of Directors and Executives of the company at the end of the year 2020 compared to the end of 2019.

No.	Name of Board of Directors/Executives	As. Of 31.12.2019	As. Of 31.12.2020	The number of shares changed increased /(de- crease) in 2020.	% Shareholding in the company in 2020
1.	Mr. Sermakool Klaikaew	-	-	-	-
	Spouse and minor child	-	-	-	-
2.	Mr. Sumpun Vongphan	40,109,927	40,109,927	-	13.02%
	Spouse and minor child	-	-	-	-
3.	Mr. Upakrom Thaweephoke	5,488,558	5,488,558	-	1.78%
	Spouse and minor child	-	-	-	-
4.	Mr. Charuvit Suanmalee	8,521,014	8,521,014	-	2.77%
	Spouse and minor child	250,000	250,000	-	0.08%
5.	Mr. Ouichai Siriwanjana	1,519,500	1,519,500	-	0.49%
	Spouse and minor child	-	-	-	-
6.	Mr. Ampornrat Poolcharoen	2,253,900	2,253,900	-	0.73%
	Spouse and minor child	-	-	-	-
7.	Mr. Sunan Santichotinan	6,991,809	6,991,809	-	2.27%
	Spouse and minor child	-	-	-	-
8.	Mr. Tai Chong Yih*	33,000	33,000	-	0.01%
	Spouse and minor child	-	-	-	-
9.	Mr. Singha Nikornpun	-	-	-	-
	Spouse and minor child	-	-	-	-
10.	Mr. Annop Tegjarin	239,700	239,700	-	0.08%
	Spouse and minor child	-	-	-	-
11.	Mr. Somchai Roadrungrasinkul	-	-	-	-
	Spouse and minor child	-	-	-	-

*- 33,000 ordinary shares or 0.01 % of total shares with voting rights

- 23,834,870 shares, equivalent to 7.74%, with foreign entities as custodian

Internal Control and Risk Management

The Audit Committee has been appointed by the Board of Directors consisting of qualified persons, financial and accounting, legal and corporate management, to act as an important tool or mechanism of the Board of Directors in corporate governance in accordance with good governance principles, the committee review monitoring and evaluating financial reports, Management Risk Assessment, review the internal control system and review reports from internal auditors according to internal audit professional standards, including related policies, procedures, or practices and recommend solutions to management.

In 2020, the Audit Committee performed its duties in accordance with the scope of authority assigned by using knowledge, competency, experience, and express opinions independently by meeting with the management and various departments according to the relevant agenda, discuss and consider important matters. The Board of Directors and the Audit Committee agree that the company has an adequate internal control system and able to manage risks to the right level as usual, which summarized as follows:

Organization and Environment

The company has structured the organization and assigned its authority and responsibilities appropriately in accordance with its efficient business operations. The company has established policies, goals and operational plans with a strong emphasis on integrity and maintaining operational ethics, as well as separate details on the Board of Directors' code of conduct, code and business ethics for employees, treatment of business partners, customers, and third parties etc. The Audit Committee who is independent from the management has supervised the company to comply with the policies, relevant regulations or practices with a monitoring system to monitor operations. If it is found to be unsatisfactory, in accordance with the requirements and in relation to integrity and preservation of the Code of Conduct, the channel can be detected within a reasonable time. In case of finding performance that is not as specified by the Company or is contrary to integrity and maintaining the Code of Conduct, the company imposes penalties on work regulations and penalties in regulations regarding the company's work.

In addition, the company has prepared written procedures or guidelines and make revisions to suit the company's business. There is a follow-up committee to evaluate the internal control system by providing a reporting system and follow-up assessment of the internal control system according to the internal auditor's internal control system audit report for consideration and evaluation results according to a plan that can be corrected fairly.

Risk Management

The Company has an audit committee to make recommendations criteria or guidelines for risk assessment to cover all activities In accordance with the internal audit plan, which has been approved by the Audit Committee and inform the internal auditors to communicate to employees to be aware of risks in activities according to the audit plan that may have an impact on the organization. Including suggesting ways to reduce the risk to make the operation more efficient, effective and cost-effective. Moreover, the Company has a committee to monitor the results of internal control system assessment from the management that serves to supervise all activities with Fair corrective action is taken and the risks that may arise in business operations are carried out.

Operational Control of the Management and Operation level

The company has a management to establish management and control guidelines to minimize the potential impact. A joint meeting between management and the executives or departments to assess risks that may affect the operations. Based on past experience and management, audits from internal auditors help to monitor and assess adequacy. Appropriate control process and continuous follow-up adjustments are followed up according to the recommendations.

The company has established written procedures and guidelines covering important processes such as purchasing, accounting,

finance and human resources, as well as authorizing each issue, such as procurement of goods or services. approval of the sale of scrap materials, etc., and clearly dividing the power at each level, including assigning accounting departments and asset accounts to prepare a register of company assets, counting assets every year observing by internal auditors and inspect every year to reduce the risk and increase the efficiency of work more tightly.

Information and Communication Systems

The company uses information technology systems, ERP programs, such as purchasing, sales and accounting, etc. and design general control processes regarding the use of the company's information systems, such as establishing access rights to information in information systems, processing, publishing reports, storing information securely, and using information technology legitimately. The company has regulations for Internet use and the security control processes of information technology systems, such as preventing computer crimes. The company assigns the information technology department to responsible for receiving update requirements or problems from the use of the program, as well as maintaining the information system to be able to use .

The company provides appropriate information communication processes such as a centralized database system (share drive), internal phone calls, and e-mail, etc. Meetings are held to support internal control such as verbal internal meetings, board meetings and audit committees, etc.

For internal communication channels of employees, the company provide a channel for employees to provide information or clues about fraud or corruption within the company, such as through the company's address, notify by phone or mail or via email, etc., which will be sent to the responsible agency to collect and forward to the management including stakeholders or third parties to be able to send suggestions, comments or questions, and complaints to the company, through the company's address, telephone, mail, and e-mail of the Audit Committee, etc.

Tracking System

The company holds 4 regular Board of Directors meetings per year and additional special agendas as necessary and appropriate and a regular meeting of the Executive Committee every month. To consider and follow up the management's performance as to whether the target is met. In the meeting of the Board of Directors and the Executive Committee Meeting, if the performance differs from the target, there will be a resolution for the relevant agencies to take corrective action.

In addition, the company has a process for monitoring the performance of employees that do not comply with business ethics and the prohibitions imposed by the company, the supervisors to monitor the performance of employees in the chain of command and internal auditors regularly monitor internal control systems and processes to ensure that the internal control system is effective against corruption. This will be reported to the management and audit committee for acknowledgment.

The company has an independent internal audit and a chain of command directly to the Audit Committee to assess the adequacy of the internal control system for each activity according to the approved plan. In addition, the results of the internal audit are presented on a quarterly basis to the Audit Committee for consideration and acknowledgement through a quarterly meeting of the Audit Committee.

In addition, the company has provided a follow-up and review the implementation of its operations in accordance with its policies, the company's code of conduct, ethical standards and good internal control system, in which the company has an internal audit unit perform internal audit duties according to the audit plan approved by the Audit Committee. If the internal auditor finds any deficiencies or improvements in the internal control system, the senior management and executives responsible for making improvements without delay and reporting the audit results, as well as the revised follow-up reports according to the recommendations of the internal auditors to the Audit Committee every quarter. The Internal auditors perform duties in accordance with the Internal Audit Charter, which is the best practice and/or in accordance with generally accepted professional practices of internal audit (Standards for the Professional Practice of Internal Auditing (Standards)) and submit to the company for acknowledgment.

The Audit Committee, which has four regular meetings a year, and the Audit Committee will report the results through a quarterly meeting of the Board of Directors and will be consulted in the event of a serious incident or suspected fraud. There are practices that violate the law or other unusual actions that may significantly affect the company's reputation and financial position. The Internal Control System Assessment Committee and internal auditors are responsible for evaluating the company's controls with solutions to problems and monitoring the progress of quarterly improvements and report to the Audit Committee.

From the past operation above, The Board of Directors and executives attach great importance to integrity and maintain the code of conduct in the operations and defined in the business ethics, Code of Conduct, which covers the affiliates, as well as separate detailed description of the Board of Directors' Code of Conduct, Employee Code of Conduct and Treatment of Partners, Customers and Third Parties.

The company has prepared a manual of business ethics and code of conduct, including anti-corruption policies and measures, especially in regard to bribery and corruption. Penalties for violations are imposed in the Employee Handbook and communicated to employees through orientation and public relations boards. In the event that the internal auditor detects an incident as mentioned above, the Internal Auditor shall report to the Audit Committee immediately in order for the Audit Committee to report the incident to the Board of Directors for immediate corrective action.

The company's auditor is Mrs. Natsarak Sarochahunjeen, Certified Public Accountant No. 4563, who is auditor of the consolidated and separate financial statements for the year ended December 31, 2020, has reviewed the company's accounting control system to determine the audit and scope of operations for the period and found no material deficiencies to suggest that the company Improves internal control in any way.

Corporate Social Responsibility (CSR)

The Electrical transformers manufacturing industry is an ongoing industry, which involve with electricity power because electric transformers are products used in transmission and distribution system. It is the basic fundamental energy crucial for the well-being of the people and drive country's economy as a whole.

Tirathai recognizes its importance and strives to be a part in delivering sustainable electric energy along with being a good member of the society. The company conducts the business with awareness of collective responsibility towards the public, caring for the community, society, and environment as well as strengthen engagement with stakeholders and the public. The company has a corporate social responsibility performance as follows,

1. Good Corporate Governance

The company conducts business in accordance with the relevant laws and regulations with transparency, disclosing important information, and verifiable. The Compliance Policy with Good Corporate Governance, the company is taking into account the benefits to shareholders, employees, communities, society, business partners, customers, competitors, trade, creditors, and all stakeholders.

In 2020, the company received a very good CG Score Assessment at the Annual General Meeting at 96 score.

2. Fair Business Operation

The company prioritize the importance of conducting business with fairness and continuously adheres to the practices by treating supplier partners equally and fairly with honesty, integrity, respect Intellectual property rights, promote political rights and fulfill commitments to stakeholders equally and reasonably to all parties.

2.1 Fair Competition

Practice and Guidance

1) Stipulates all terms and conditions in the contract and strictly adhere to the agreement. In the event that the conditions cannot be complies with, the company will immediately inform customer for further discussions and mutually find the resolutions to solve the problems.

2) Provide the customer with the necessary information and provide the customer with accurate, adequate and up-to-date advice to inform the customer about the products, services.

3) Understand and respond appropriately and timely to customer needs and expectations.

4) Deliver quality products that meet the requirements with customers at a fair price.

2.2 Promoting social responsibility with business partners

The company has not yet officially implementing social responsibility promotion for all stakeholders in the business chain.

2.3 Respects for property rights

Practice and Guidance

1) Encourage management and employees to use the Company's resources and assets effectively to increase the competitive edge and provide good service to customers. Promote copyright products and discourage the Intellectual property infringement.

2) The company is committed to protecting the intellectual property owned by the company is free from unauthorized infringement or use and respects others intellectual property rights.

2.4 Responsible related to politics

Practice and Guidance

1) The company operates business with political impartiality without bias and have no interests in pursuing any political party or political authority. The company do not use the financial funds or resources to support, direct or indirect, to any political party or politician.

2) Promote and encourage employees to exercise their political rights independently without obsessing, inducing, intimidating, coercive and engaging in any way.

3. Anti-Corruption

The company is in the process of continuing to operate this matter and in line with the guidelines and other laws relating to the declaration of intent to join the Private Sector Collective Action Coalition against Corruption (CAC) has achieved the company's goals in accordance with the policy and intention of preventing corruption involvement with 3 persons in subcommittees namely: Mr. Singha Nikornpun, Mr. Upakrom Thaweephoke, and Mrs. Sunan Santichotinana to proceed as follows:

1. Draft policies concerning prevention of any corruption involvement.
2. Announce policies concerning prevention of involvement in any corruption.
3. Announce intent to join in the anti-corruption campaign (Collection Action Coalition Against Corruption: CAC)

4. Respect for Human Rights

The company aims to promote and value respect for human rights, everyone's human dignity and treats all the stakeholders, employees, communities, and surrounding society with respect to human values and without violating fundamental rights, which is the cornerstone of human resource management and development. This is an important factor in the business to create added value and increase productivity.

Practice and Guidance

1) The company promotes the compliance with human rights mandate covering to the operation of its subsidiaries, joint venture, and business partners.

2) Protect the personal information of employees in possession or maintenance of the company. Disclosure or transfer of employees' personal information to the public is only with employees' consent.

3) The company encourages and provides opportunities for employees, communities, and society to participate in expression of opinions if there is an act that may violate the human rights.

5. Fair Labour Practices

The company recognizes and values the fair treatment of workers, respects and abides by laws and ethics without discrimination in employment, no forced labor, nor child labors. Employees have freedom in associations along with consideration of health and safety in workplace, improving of the working environment, providing good quality of life, and the opportunity to show their potential and gain opportunities to train and enhance their skills equally. This is considered to be a long-standing and continuous corporate value.

1) The company values employment without discrimination and brings indifferences in racial, religion, gender, age, disability, social status, educational status, or educational institution in considering and judging for the employment.

2) The company treats all employees fairly in providing compensation, migration appointment, and capacity development along with moral development in order to promote talent employees being good citizen of the society such as providing appropriate compensation according to their potential, taking care of pregnant employees with regard to health and safety as priority.

3) The company cares for safety and hygiene of employees and related parties by promoting an instill a sense of safety, occupational health and working environment. According to the safety and occupational health policy the goal is to prevent accidental loss

and occupational illness by developing a work accident prevention plan, promoting engagement, eliminating the risk point and constant updates to create a safety culture at work for employees at all levels and associates.

3.1 The company set up specific department to control and drive safety operations, Occupational health and working environment including the Occupational Health and Safety Management Committee (OCSC), holds meetings at least once a month in order to suggestions for improvement, risk analysis and risk assessment including monitoring the progress of the operations and plans.

3.2 The company has implemented the occupational health actions to assess health risks, Health Risk Assessment (HRA) in order to observe the level of risk to the health of employees to ensure that the employees will be taking care of and manage health risks by receiving the examination of lead in blood level, volatile substances in urine, visual effects, lungs conditions, and hearing capability. The Health check-up results according to risk factors in 2020 found no abnormal employees except hearing capacity of 44 unusual employees. The company has prescribed corrective measures by repeated examinations to confirm the results, and the results of repeated examinations showed abnormal employee hearing performance does not affect the work and daily life. The company has implemented preventive measures by managing to reduce noise levels at the source, including providing appropriate personal protective equipment to employees, and supervising employees to wear loud protective equipment throughout their work, including monitoring the environment according to the standards, and repeated inspections every year. In addition, the company has also created "Hearing Conservation Campaign" for those affected employees.

3.3 The company has launched a "Safety Campaign Program" to follow up and monitor the safety plan and the environment suitable for working standards and relevant rules or regulations. In 2020, the company has implemented the following:

Safety Recommendations from Employees	114 cases
Number of cases approved for adjustment	75 cases
Completed Adjustment	59 cases

In 2020, the company has awarded "Zero Accident" to high risks of accidents functions with total 28 functions participating received awards 19 functions. There are 9 function received Zero Gold Award for those without any accidents from working for 3 consecutive years. By the year 2020, the performance has achieved the target set.

4) The company has provided various welfare benefits such as group life insurance, accident insurance and organ loss from accidents, health insurance, Provident Fund (PVD), Shuttle Bus, free lunch and dinner for over-time working (OT), and health check according to the risks involved, etc. In 2020, there are 440 employees' health checks base on risk factors for 41,020 baht, a financial support to assist the funeral of the parent of the 16 employees, totaling 105,680 baht. In addition, there are also "Tirathai Family Care for Each Other Project" by giving 12 maternity and sick employees for a total of 12,334 baht.

5) The company promotes and supports the education of employees at all levels by establishing a regulation for permission to continue their studies in accordance with the Human Resource Management Regulation B.E. 2551 (2008) to enable employees to learn and increase their potential, as well as to have a good quality of life by allowing employees to take short and long-term leave or training.

6) The Company has organized a Tirathai Savings Cooperative in order to encourage employees to save money and plan to use money following to the Sufficiency Economy Philosophy of His Majesty the King Bhumibol Adulyadej. Tirathai Cooperatives established on 29 March 2006. In 2020, there are 272 members with a total share capital of 37,221,100.00 baht.

7) The company has established a grievance process for employees who were treated unfairly according to Work Regulations B.E. 2551 (2008) in order to strengthen the labor relations that lead to a good understanding between the company and employees and among employees themselves. The company has determined the procedures for the grievance process, investigations, consideration of complaints, and settlement process as well as protection of complainants and related parties, etc.

The number of employees of the Company and its subsidiaries as of 31 December 2019 and 31 December 2020 are as follows:

Company	Number of Persons			
	31 December 2019		31 December 2020	
	Male	Female	Male	Female
1. Tirathai Public Company Limited	360	143	442	154
2. Thai Fin Co., Ltd.,	49	11	56	11
3. Tirathai E&S Co., Ltd.,	23	7	16	7
4. L.D.S Metal Work Co., Ltd.	268	56	202	50
5. L.D.S-N.D.P (JV)	384	46	–	–
Total	1,084	263	696	222
Number of employees by employment type				
Full-time employees	771	220	667	215
Contract employees	313	43	29	7

8) The company gives employees the freedom to express opinions without interference, allows employees to be participate in the Welfare Committee to provide employees with regular information about the company's operations and status, as well as support discussions and cooperation with the Welfare Committee in order to improve the quality of life of employees.

6. Responsibility to Consumers

The company has policy to meet customer satisfaction. Consumers who directly purchase products and services from the company will obtain quality products and services up to international standards at fair and reasonable price. The company pays close attention to the needs and expectations of consumers' responses appropriately and timely manner. In addition, the necessary information gatherings will be utilizing to improve quality of products and services in order to build trust in company's products and services.

Practices and Guidance

1) Assurances of quality and safety of electric transformers

All transformers pass the electrical qualification test before being used, as transformers are peripheral devices in a high-voltage electrical power transmission system. If there is a defect caused by the transformer, it will cause damage to the property, business opportunity as well as harm to users and people involved. The company is aware of such impact and therefore pay close attention to every process from design process, production process, and testing processes of which TRT is capable of testing all transformers in every single test process from Routine Tests, Type Tests, and Special Tests in accordance with IEC60076, IEEE C57.12.90 and TIS 384-2543 standards. There is only short-circuit withstand test will be sent to the KEMA Testing Laboratory in Netherlands. In addition, the company's testing laboratories are appointed by Office of Industrial Products is a central laboratory for testing and certifying by TIS 384-2543 Industrial Standard including ISO 9001, OHSAS/TIS 18001, ISO 14001 and ISO/IEC 17025 Electrical Testing Laboratory and Calibration Laboratory. Electrical testing and calibration laboratories to confirm the quality of production design and ability to check transformers according to international standards before reaching customers.

2) Protection of the Confidentiality and rights of customers

The company has measures to protect customers' confidentiality information including technical information, testing results or any other confidential information. The company has procedures in collecting and sending the information in consideration of customer's confidentiality, and maintain customers' rights such as allowing customers to monitor Witness Test for their own transformers in order to provide confident in the results of the test. In 2020, there are 11 customers attend the Witness Test process.

3) Provision of accurate and sufficient information to customers

Tirathai transformers that have passed the test are labeled with Name plate (product label) of every unit, which will be attached on the tank of the transformer to show the transformer identification details. The details are shown in accordance with the international standard IEC60076-1 and Thai Industrial Standard TIS 384-2543 with the following main details: Standard Number, Manufacturer name, manufacturer serial number, year of manufacture, number of phases, power size, frequency, voltage rating, maximum current, insulation level, weight, etc. These labels inform customers all the details of each transformer. Besides, the user instruction manual and the training for how to use Precautions and Maintenance of transformers for customer before use.

4) Dissemination of knowledge in transformer engineering

The company published an academic journal under the name "Tirathai Journal" with the objective of disseminating knowledge about transformer engineering to those who are interested. The preparation has no commercial purposes and do not reserve the copyright to distribute the content. The Editors and staffs are employees of the company. The publication contains knowledge about electrical engineering, valuable thesis in engineering of students from various universities, including technique of operation and maintenance of transformers, as well as conveying the concept of management philosophy outside the textiles which is another angle that the university has never taught. In addition, the company also aims to make this book eco= friendly and health-conscious to the readers. The cover and contents of the book are therefore printed on paper made from agricultural waste materials with a non-toxic process and use ink made from soybean oil etc. In 2020, the journals distributed to employees and customers Electricity Generating Authority of Thailand, Metropolitan Electricity Authority, Provincial Electricity Authority, various Libraries Universities as well as the general public. Presently, 1,548 volumes are published in the 27th edition, and are available for free download on our website.: www.tirathai.co.th

5) Hearing Opinions

In order for customer to be confident in the quality of the transformers, the company had opened the customer to visit the Production Process, Testing Process, as well as to listen to opinions and exchanging knowledge learning between the company and customer. The various suggestions will be brought into analysis process for improvement, which will lead to better customer satisfaction. In 2020, there are government agencies, including private customers both domestically and internationally, visited the transformer manufacturing process of Tirathai a total of 389 persons such as Metropolitan Electricity Authority, Provincial Electricity Authority, Federation of Thai Industries, Metropolitan Waterworks Authority etc.

6) Satisfaction Survey

The company conducted a satisfaction survey of customers who came to watch the Witness on the satisfaction with salesperson service, satisfaction with test employee, satisfaction with production and testing process, satisfaction with products as well as environment. In 2020, the satisfaction score of Factory 2 was 84.6%, and at Factory 3, the score was 94.8%.

7) Complaint

The company has a process for receiving complaints about the quality of products and services through many channels such as 30 lines of call center, e-mail, and fax. The company has a service team who operate 24 hours call center in response to handle complaints and solving problems quickly.

7. Participation in Community and Society Development

The Company strives to be a good member of society and conduct business by recognizing responsibility to the public, sharing profits in return and creating communities and society for business. In 2020, the company has organized environmental governance projects in conjunction with Bangpoo Industrial Estate by removing wood chips from wooden pallets of transformer insulation paper. It is used to make fences for Rung Thawee Community playgrounds Installed on 28/11/20 with a total of 55.4 meters of fence installation.



Practices and Guidance

1) Learning resources outside the classroom

The Company has a policy to provide the organization as a learning center outside the country's transformer manufacturing engineering classroom. The students are experiencing the production process of electric transformers for both Distribution Transformer and Power Transformer. In 2020, there are students from various educational institutions visited the transformer production process including quality management system, environment and safety up to master degrees. There are total of 264 people, such as Faculty of Engineering Ubon Ratchathani University, Faculty of Science Suan Sunana Rajabhat University, Faculty of Engineering Rajamangala University of Technology Thanyaburi, Princess of Naradhiwas University, Faculty of Engineering King Mongkut's Institute of Technology Ladkrabang, Faculty of Engineering and Architecture Rajamangala University of Technology Suvarnabhumi, etc.

In addition, the company has collaboration program on internships and co-operative education from various universities with an aim of providing students with practical training work experience. In 2020, there are 68 students enrolled for the internship, the total allowances of 690,228 baht.

2) Public Interest Activities

On August 13, 2020, the company offered educational equipment for use in teaching and learning to the Faculty of Engineering, Princess of Naradhiwas University, to be a new learning center for electrical engineering that will take place in the 3 southern border provinces as well.

In addition, on October 9, 2020, the company signed an academic and research cooperation agreement (MOA) on high voltage transformers, smart grid and energy storage system as well as visiting the production and testing of 525 kV transformers with a voltage level of 1000/3 MVA, which are transformers of size and maximum voltage made by Thai people and the Department of Electrical Engineering, Rajamangala University of Technology Thanyaburi.

8. Environmental Management

Environmental management is necessary to carry conjunction with business operations, the company has conducted policy to administer the environment to reduce the potential impacts arising from production processes or activities by adhering to environmentally friendly practices. The company strictly comply with applicable laws and other requirements that will lead to requirements, this will lead to true sustainability for the organization, Community and Society.

Practices and Guidance

1) The company has been certified in accordance with ISO14001 Standard which cover all areas in the company by an assessment of independent external auditors. According to the latest assessment in 2020, there found no deficiencies.

2) The company has taken actions that comply with environmental laws, including monitoring environmental impacts that are carried out. It was found the value of pollution was different and in accordance with the specified environmental standards which can be summarized as follows:

Air Pollution

The company has installed air pollution treatment system, a Bag House Filter System to vacuum dust caused by the process of producing insulation paper. It measures the air quality drained from the insulating paper production process and covers other areas of the process so as not to affect the environment and nearby communities where the results of the inspection are in accordance with the law.

Water Pollution

The company has control and wastewater treatment system, where water used from consumption, it will release to wastewater treatment system. The wastewater discharged from the wastewater treatment system is measured once a month, such as pH, BOD, COD, Oil & Grease, SS, TDS, TKN, etc. The measurement results complying with the laws,

Noise Pollution

The company measures to check volume of the noise level and the source of the sound comes from the operation of the machines; therefore, in consideration of effects that may affect employees, and nearby community, the company check volume of the noise level is measured at least once a year, average 8 working hours measurement. The measurement results are in accordance with the laws.

Industrial Waste

The company has a process for handling waste generated from the production process by sorting waste into 3 categories as follows: 1. General waste 2. Recycled waste 3. Hazardous waste. For hazardous waste, the company has hired a licensed agency from the Department of Industrial Plants collect, transport, treat and dispose of sewage or unused materials according to the type of waste. In addition, in order to ensure confidence in the waste management process that the contractor brings out of the factory, the company has sent professional safety officers to inspect the landfill process and sorting debris contaminated. On February 11, 2020, they have examined West 2 Energy Company Limited and AK Mechanical and Recycling Company Limited. In 2020 the company has joined the 3 R project in collaboration with the Institute of Water and Environment For sustainability Federation of Thai Industries to carry out new innovation development projects from materials that are not used by 3R clean technology. Tirathai Public Company Limited has participated in this project and being one of the 10 pilot plant operators who have been selected to participate in the project. The company has sent the waste (sawdust, wood chips) to be processed into more value-added products than scrap as well as reducing the cost of disposal. The result of the waste processing was RDF TYPE 2 (briquette fuel) and by participating in the project, the company received an award for Innovative development from waste materials by clean technology 3R



โครงการพัฒนาสร้างสรรคนวัตกรรมใหม่จากวัสดุที่ไม่ใช้แล้ว โดยเทคโนโลยีที่สะอาด 3R

บริษัท ทิรไทย จำกัด (มหาชน) (Tirathai Public Co.,Ltd.)



บริษัท ทิรไทย จำกัด (มหาชน) ประกอบธุรกิจผลิตหม้อแปลงไฟฟ้า เพื่อจำหน่ายทั้งในประเทศและต่างประเทศ รวมถึงการให้บริการติดตั้ง ซ่อมบำรุง และทดสอบหม้อแปลงไฟฟ้า ได้อย่างมีประสิทธิภาพ การจัดการของเสียตามหลัก 3Rs โดยเทคโนโลยีที่สะอาด มาสร้างสรรคผลิตภัณฑ์ใหม่



ผลิตภัณฑ์หม้อแปลงไฟฟ้า

วัสดุเหลือใช้ที่นำมาพัฒนา



ขี้เลื่อยและเศษไม้พาเลท



แนวทางและศักยภาพพัฒนาผลิตภัณฑ์ใหม่ตามหลัก 3Rs

1. RDF (Refuse Derived Fuel: RDF) จากขี้เลื่อย RDF type 2 Coarse RDF คุณภาพสูง ผ่านเครื่องย่อย-คัดแยกชนิดและขนาด 90-150 มิลลิเมตร ค่าความร้อนสูง
2. สารปรับปรุงดินอัดแท่ง (ขี้เลื่อยผสมกับมูลสัตว์)



1. ขี้เลื่อย



3. RDF type 2



2. เครื่องอัดเชื้อเพลิง



4. สารปรับปรุงดินอัดแท่ง

สำนักงานอุตสาหกรรมจังหวัดสมุทรปราการ

3) The company has been certified for Green Industry Level 4, Green Culture from the Green Industry Promotion and Development Bureau, Ministry of industry. The goal of creating a green culture under the "Smiling Garbage" program to encourage all employees to be conscious of waste sorting and environmental protection.

4). In 2020, the Company has no environmental complaints or actions that are inconsistent with the law both internally and externally.

9. Innovation and dissemination of innovation from Corporate Social Responsibility (CSR)

The company brings knowledge, creativity, and experience from business operation combined with the Sufficiency Economy Philosophy that is beneficial to the economic and society to develop, deploy and innovate to create business innovations that can benefits, increase competitiveness as well as create value added for business and society at the same time

Practices and Guidance

Testing transformers is an important process used to determine the quality of transformers in order to build trust and acceptance from customers. Tirathai has long used knowledge, creativity and experience from business operations combined with sufficiency economy philosophy and innovated by developing transformer testing and calibration laboratories according to international standards, such as IEC, IEEE, ANSI, etc. Currently, Tirathai Transformer Testing Laboratory can test transformers up to 900 MVA 3 Ph 50 Hz 550 kV and be certified in the scope of testing:

1. Lightning Impulse Tests
2. Line Terminal AC Withstand Test
3. Switching Impulse Test

According to the IEC 60076 standard, added to the original test list, the company's electrical testing laboratory has been certified to meet the required transformer testing capabilities. In addition, Tirathai's electrical testing and calibration laboratories are certified to meet the standards of laboratory competencies. ISO/IEC 17025:2017 from the Office of Industrial Product Standards (TISI), which can create competitive opportunities both domestically and internationally.

Tirathai's development of transformer testing capabilities is considered as an investment in human resources development of the company to be viable with knowledge of high voltage electricity knowledge that can be applied to testing of other devices such as power cables, traps equipment, overvoltage etc., supports research and development work for other industries Tirathai Testing and Calibration Laboratory has also been designated by the Office of Industrial Product Standards (TISI) as a third party testing center for electrical transformer testing.

In addition, the company has upgraded the production process to be able to produce transformers to cover the country's electricity system and the entire Asian Power Grid systems supporting the country's future renewable energy projects. This is also the preparation of the country's electrical infrastructure to have potential sufficient to compete in the economy under the ASEAN Economic Community framework. The company produces 6 of 333 MVA 525 kV transformers to improve the electrical power transmission system structure in Northeastern region, Lower North Central, and Bangkok to enhance the stability of the electrical system for the Electricity Generating Authority of Thailand. This is the first Thai manufacturer of transformers who can produce power transformers at this level.

10. Preparation of Social and Environmental Reports

The company places great importance on disclosure of information that reflects its full compliance with the Corporate Social Responsibility (CSR) guidelines. The disclosure of information will be beneficial to all stakeholders. The Company has organized the Carbon Footprint Project of the organization, which started the project in 2017 onwards with the goal to reduce carbon emissions by 5% by the year 2027. By 2020, emissions have been reduced by 4.3%, which is expected by 2027 the company will achieve operating results according to the target.

Practices and Guidance

1. The company has prepared a CSR report on social and environmental performance which is specified in the annual report and published the information on the website. www.tirathai.co.th with content covering the following sections:

1.1 Business Operation. The company operates businesses in accordance with the applicable laws and regulations. Transparent Disclosure of important information is subject to good corporate governance policy taking into account of the benefits to shareholders, employees, communities and society, business partners, customers, competitors, creditors and all stakeholders as well as being a good member of the society and conducting business with awareness of corporate responsibility.

1.2 Environmental and Safety Operations. The company is committed to environmental and safety operations taking into account of safety at work, good health of employees, and appropriate environment protection. These are considered as part of business operation, therefore, the company has established an Environmental Management System (ISO 14001), Occupational Health and Safety Management System (OHSAS /TIS 18001), as well as production process waste management process in accordance with the law and in line with other relevant requirements.

1.3 Social Operations. The company treats all employees fairly in term of employment without violating fundamental rights, and provides appropriate compensation and welfare suitable to meet the needs of employees, the development of employee potential in accordance with the organization's values. In addition, the company is a learning center for transformer engineering in the country. Each year, students from many various educational institutes has the opportunity to visit the transformer production process as well as collaborating to support the knowledge and equipment for the establishment of high voltage electricity laboratories. The company also offer project for internships and cooperative education, which shows that Tirathai is more than an electric transformers manufacturer of Thai people, but also participating in promoting the education of Thai people.

2. The company has provided various information dissemination for easy access to the company information. The company prepares Corporate Social Responsibility (CSR) report in both Thai and English through the following channels via Annual Report, and the disclosure of information via website www.tirathai.co.th and Form 56-1.

A close-up photograph of a transformer core, showing the intricate arrangement of thin, dark-colored laminations. The laminations are stacked and curved, forming a circular or semi-circular shape. A metal bolt is visible on the right side, securing the structure. The background is slightly blurred, focusing attention on the core's construction.

Nature of Business Operation

Tirathai Public Company Limited engages in the business of manufacturing electric transformers made to order from customers (Made to Order) for distribution both domestically and internationally. Including service for installation, maintenance, and testing as well as Transformer rental services. The transformer production is separated into two factories: power transformer factory and distribution transformer factory of which products are well accepted by domestic and international markets. Currently, the company is a manufacturer of transformers that produce both power transformers and distribution transformers. The Company holds shares in 3 subsidiaries as follows:

Thai Fin Company Limited (TF) locates at Bangpoo Industrial Estate, engages in the business of manufacturing, distribution, repairing and maintenance of transformer tanks and other equipment including tank caps, heat sinks, clamps, etc., and distributes the products solely to the company. The company has invested in Thai Fin Co., Ltd., for 5 million baht in September 2006 for purchase and improvements of tools, machineries, and factory buildings in order to support the expansion of production capacity. As a result, Thai Fin Co., Ltd. has its paid-up registered capital of 15 million Baht, which TRT holds 99.99% of Thai Fin's common shares.

Tirathai E&S Company Limited (TRT E&S) engages in the business of distribution, installation and services of electrical power equipment and establishes under the business structure plan as a separate business unit in order to increase the flexibility of management and competition in the markets. Tirathai E&S has started its operation since 3rd quarter of 2010 with registered paid-up capital of 5 million baht, in which TRT holds 99.99% of TRT E&S common shares. Currently, the company assemble and distribute Aerial Crane Device and Digger Derrick Unit and Electrical system maintenance for the Metropolitan Electricity Authority and the Provincial Electricity Authority.

L.D.S Metal Work Company Limited (LDS) engages in the business of welding of steel fabrication with special expertise in the production of large transformers. The largest transformer tank LDS currently produced is 500 kV supplying to TRT, accounting for 30% of the total revenue. TRT acquired 85% of the ordinary shares from existing shareholders, which was approved from the Extraordinary General Meeting Shareholders No. 1/2012 held on October 5, 2012 in order to strengthen the stability of the main raw materials in production to keep up with the sustainable growth of the company and expand relevant business opportunities and growth in accordance with



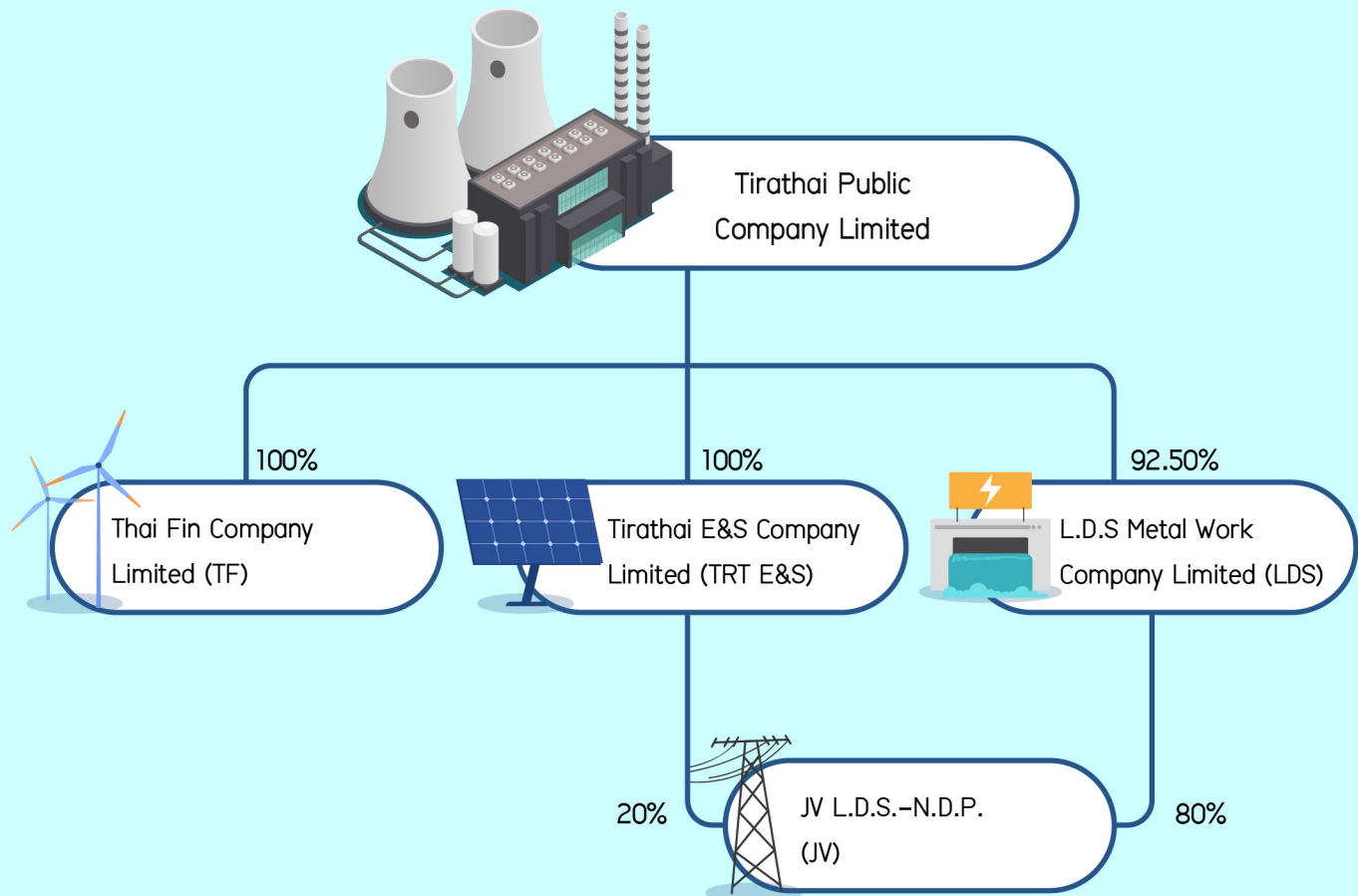
the specified plan. LDS increased its registered capital from 20 million baht to 120 million baht as per the TRT Board's resolution No.3/2016 on August 9, 2016, as a consequent the shareholding of TRT has increased from 85.0% to 92.5%.

During the fourth quarter of 2013, LDS won the bidding and signed the Engineering Procurement and Commissioning (EPC) contract of Hongsa Power Plant's Ashes and Gypsum Conveyor System in Laos People's Democratic Republic with a value of 448 million baht. The project had completed delivery in the third quarter of 2015. In compensation for on-going quality of the work delivered in December 2014, LDS had rewarded and signed the second contract of Operation and Maintenance of the Conveyor Belt System to unloading soil (Waste Line 2) under the name of N.D.P. (JV L.D.S. — N.D.P.), with a value of 1,315 million baht for 4.5 years contract period. These projects have enhanced the potential of Tirathai group of companies in business expansion into EPC of The Conveyor Belt operations, including operating and maintenance services for power plants, mines, and all industries that require Conveyor Belt System to support the growth potential to achieve the goals of the Company.

JV L.D.S.–N.D.P. (JV), where LDS hold 80% shares and TRT E&S 20%, established in 2014 in line with the new business expansion policy of the TRT Group of companies to support new services business of the Operation and Maintenance Service, locates at the same address as LDS but the workplace is at Hongsa Chaiyaburi Power Plant, Lao PDR. operates the Operation and Maintenance of Conveyor Belt Systems under the terms and conditions of the Operation and Maintenance of Waste Line 2 (O&M WL2) contract, the total project value is 1,315 million baht. The revenue recognition depends on the amount of soil transported and price of oil each year . (or 300 million baht per year). The Operation and Maintenance of Ash and Gypsum Conveyor Belt System (O&M Ash) worth 29 million baht per year. Both project terms are 4.5 years under the condition to renew the contract every 5 years throughout the project life. In September 2016, The JV signed contract for Coal Conveyor System Service Agreement in relation to Hongsa Mine Mount Power Project (O&M Line Coal) worth 24 million baht per year for 1-year contract under the condition to renew the contract on a yearly basis throughout the project life.

During the first quarter of the year 2019, JV did not win the bidding for O&M WL2 and O&M Ash. Therefore, the entire project was ended on 31/12/2019. The O&M Line Coal work will end on 30/6/2020.

Shareholding Structure of Tirathai Group of Companies



Products and Services of TRT Group of Companies consist of 2 groups:

1. Transformer Group, manufacture and distribute by Tirathai Public Company Limited.

- Power Transformer
- Distribution Transformer
- Service

2. Non-Transformer Group, operates by companies in Tirathai Group

- Aerial / Digger Derrick Crane for maintenance of Electrical Systems of the Electricity Authority
- SMA Central Inverter Service Partner in Thailand to provide and carry out for inverters maintenance which are required to fulfil the SMA's Service contractual obligation and warranty obligation.
- Contractual Work for Welding, Steel Fabrication, Engineering Procurement and Construction (EPC) and Construction Project.
- Operation and Maintenance of Conveyor Belt System, at the Hongsa Power Co Ltd., Laos People's Democratic Republic

NATURE OF BUSINESS OPERATION

1. Transformer Group

The Company's products and services categorize into two types of Transformers and services as follows:

- Transformers

The Company's transformer products classify into 3 types, according to the electrical power and voltage, as follows:

- Power Transformers

Transformers with an electrical power rating greater than 10 mega volt amperes (MVA) or a voltage ranging from 36 kilovolts (kV) up to a maximum voltage of 525 kV (kV), which are acceptable across the market in Domestic and foreign, especially in the Asian region.

Due to the power transformers are of large sizes; therefore, prior to deliver the products to customers, the company will remove transformers components into parts as much as necessary, thus, to make it easier for the transportation. For assembly and installation of power transformers, the company will charge service fee separately from the prices of transformers. This service must be performed by people who have specific knowledge, capabilities, and expertise. The majority of power transformers users are electricity producers and distributors such as the Electricity Generating Authority of Thailand (EGAT), the Provincial Electricity Authority (PEA), the Metropolitan Electricity Authority (MEA), industrial estates and large-scale industrial plants that use electricity from high-voltage transmission lines, etc. At present, the Company is 1 of the 2 manufacturers in the country who can manufacture power transformers up to 525 kV.

- Distribution Transformers

Transformer Distribution System is a transformer used to reduce the voltage transmitted along the distribution system line, which the voltage according to the power system equal to 11 – 33 kilovolts (kV) to descend to a level that meets the needs of electric user. The company produces all types of distribution transformers according to customer's requirements.

- Special Transformers

The Company is unique in the production of transformers, which are designed and manufactured specifically according to the applications and features specified by customers. The design and manufacturing technology used are partially different from the normal transformers, which require a lot of knowledge, capabilities and expertise of the manufacturers. Special types of transformers include rectifier transformers, which are used in chemical industrial plants, induction furnace transformers, which use in metals melting industry; or transformers using other insulation such as silicone oil, etc.



• Services

The Company's service is a service related to transformers, which is diverse and provides 24 hours services to support the needs and provide convenience to customers. The company focuses on providing services by using knowledgeable, capable, expertise personnel, and using state-of-the-art tools to provide services to customers such as Erection & Installation, Oil Filling services, Transformer Maintenance services, Modify and Repairing services, Testing services, and Transformer Rental Services. In 2020, the company has established a service center to provide customers with a more convenient and comprehensive after-sales service. This will be an additional force in the transformer business to move forward steadily and sustainably, in line with the vision and mission of the company. The company is committed to managing and providing comprehensive pre- and post-sales services to ensure maximum customer satisfaction.



2. Non-Transformer Group

Non-Transformer products of Tirathai Group of companies consist of:

- **Aerial / Digger Derrick Crane** for maintenance of the Electrical Systems of the Metropolitan Electricity Authority (MEA) and the Provincial Electricity Authority (PEA), such as electric maintenance lifts, excavators, poles, assembled and sold by TRT E&S to Metropolitan Electricity Authority and the Provincial Electricity Authority with the market share of 25%. All the revenue comes from

winning projects and budget of the electricity each year in which the company is reviewing the feasibility of the crane component vehicle distribution in respect of other government agencies, including the private sector, in order to ensure consistent revenue recognition.

- **SMA Central Inverter Service Partner in Thailand**
SMA authorizes TRT E&S to provide and carry out for inverters maintenance which are required to fulfil the SMA's Service contractual obligation and warranty obligation including Myanmar and Laos.



- Contractual for welding and assembling of Steel Fabrication work Engineering Procurement and Construction (EPC) project and Construction Project operates by L.D.S. Metal Work Co., Ltd.

- Welding of General Steel Fabrication

This includes the making of transformer chassis., oven Chassis Manufacturing Power plant components such as stacker, steel duct and others E-house structure, conveyor structure and steel workpieces molded from general processed steel, etc.



- Engineering Procurement and Construction (EPC) Project

This includes designing, sourcing, installing and testing materials conveyor systems for coal mine power plant businesses and industries that use conveyor belt systems for both domestically and internationally.

- Construction Project

Building structure or construction or material conveying system which contains more than 50% proportion of processed steel materials such as Turbine Building for Biomass Power Plants or Waste Power Plants, Warehouse Building, Office Building, Material Handling Machinery (only mechanical work) and other buildings for both domestically and internationally.



- Operation and Maintenance of Conveyor Systems (O&M)

Manages by JV L.D.S.-N.D.P. (JV), currently operating at the Hongsa Mine Mouth Power Plant, Hongsa; Lao PDR under the following agreements;



- Operation and Maintenance Agreement relating to the Waste Line 2 at Hongsa Mine Mouth Power Project dated 28 April 2015 value 1,315 million baht which revenue recognition depends on the amount of soil that can be transported each year (or an estimate income of 300 million baht per year). The contract period is 4.5 years with conditions for reviewing every 5 years renewal throughout the project life (25 years). In the first quarter of 2019, JV did not win the bidding for the O&M WL2 project. Therefore, the whole project was end on 31/12/2019, which is expecting to close the project according to the contract conditions with HPC by 2020–2021

- Operation and Maintenance of Ash and Gypsum Conveyor System Agreement for Mine Mouth Power Project dated 18 May 2015 value 29 million baht per year, with a contract period of 4.5 years with conditions for reviewing every 5 years renewal throughout the project life (25 years). In the first quarter of year 2019, JV did not win the bidding for O&M Ash. Therefore, the project will end on 31/12/2019, which is expecting to close the project according to the contract conditions with HPC within 2020–2021.



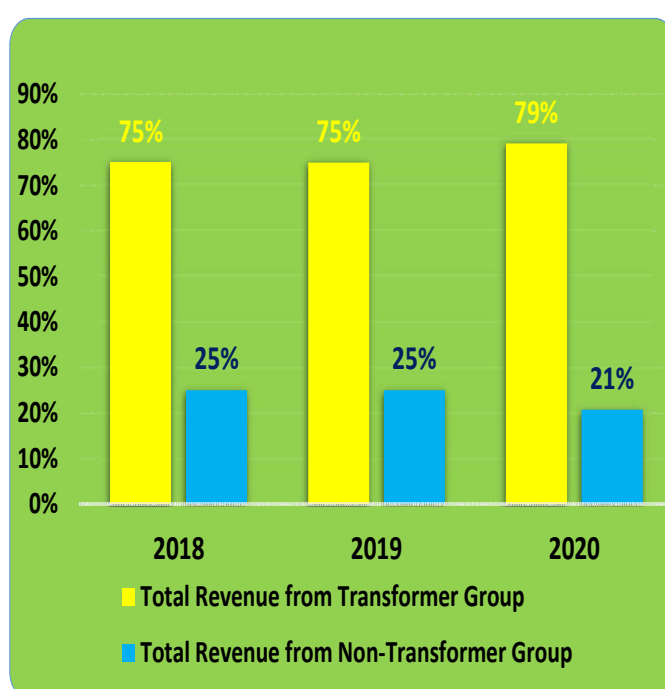
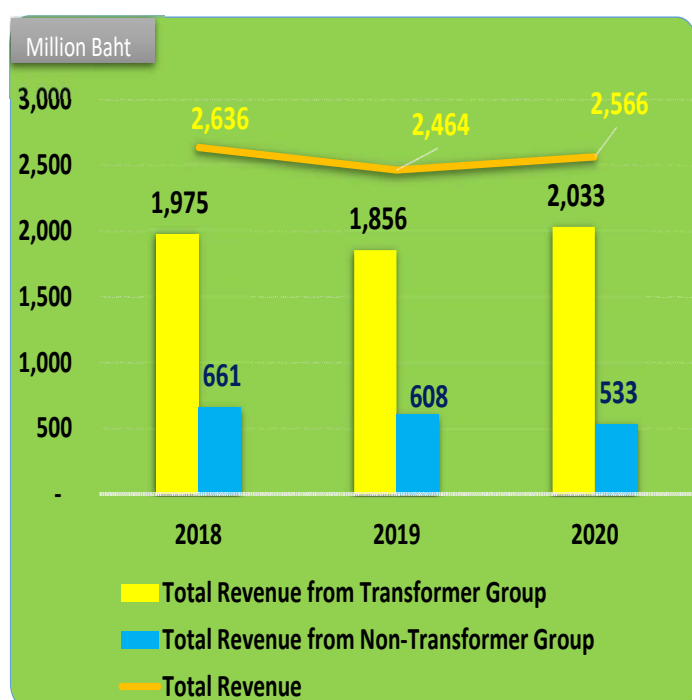
- Coal Conveyor System Service Agreement in relation to Hongsa Mine Mouth Power Project (O&M Line Coal) dated 19 September 2016 worth 24 million baht per year for 1 year contract period with a condition to revise the contract every year over the project life (25 years). In June. In 2018, HPC has changed the person responsible for the project from HPC to be the Electricity Generating Authority (EGAT). Therefore, JV signed a contract for O&M Line Coal with EGAT on June 15, 2018 for a 2-year contract period, which expired on June 30, 2020. JV is in the process of closing the project in Laos PDR which is expected to be completed in 2020–2021. JV therefore, has transferred O&M Line coal business to TRT E&S and TRT E&S has signed O&M Line Coal Agreement with EGAT on June 22, 2020 with 2-year contract period, which will expire on 30 June 2022.



Structure of Revenue

Structure of Income	2018	%	2019	%	2020	%
Transformer Group						
1 Revenue from Transformer – Domestic						
Power Transformer	940	36%	866	35%	1,138	44%
Distribution Transformer	410	16%	690	28%	625	24%
Total	1,350	51%	1,556	63%	1,763	69%
2 Revenue from Transformer – Export						
Power Transformer	366	14%	150	6%	18	1%
Distribution Transformer	215	8%	94	4%	197	8%
Total	581	22%	244	10%	215	8%
3 Revenue from Transformer Service	44	2%	56	2%	55	2%
Total Revenue from Transformer Group	1,975	75%	1,856	75%	2,033	79%
Non-Transformer Group						
4 Revenue from Steel Fabrication/EPC	221	8%	98	4%	91	3%
5 Revenue from Assembly and Distribution of Aerial Crane Device and Digger Derrick	61	2%	97	4%	403	16%
6 Revenue from Operation and Maintenance (O&M)	358	14%	365	15%	12	0%
7 Others Revenue	21	1%	48	2%	27	1%
Total Revenue from Non-Transformer Group	661	25%	608	25%	533	21%
Total Revenue	2,636	100%	2,464	100%	2,566	100%

*Other incomes include interest income, gain from FX, Taxes, and other incomes



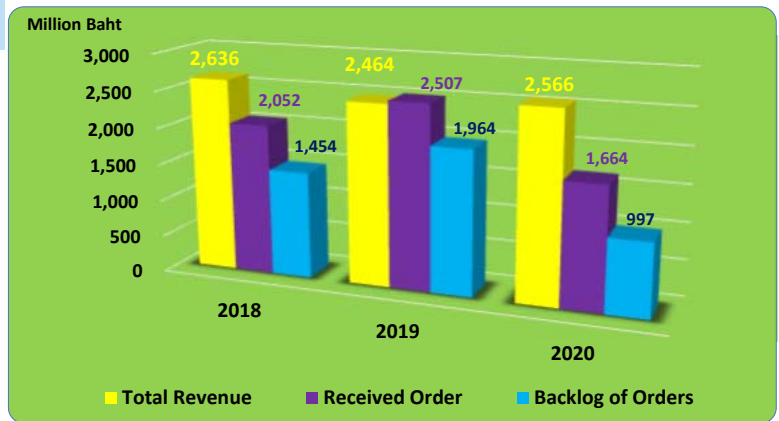
Received Orders and Backlog of Orders for the Year 2018–2020

(Million Baht)

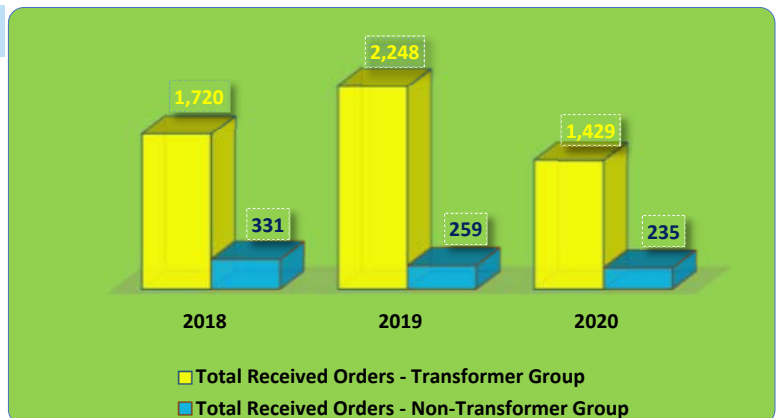
Table of Received Orders and Backlog of Orders	2018		2019		2020	
	Amount	%	Amount	%	Amount	%
Total Revenue	2,636	100%	2,464	100%	2,566	100%
Received Orders – Domestic						
Transformer Group						
Distribution Transformers	259	13%	889	35%	481	29%
Power Transformers	671	33%	1,031	41%	782	47%
Total Received Orders – Transformer Group	931	45%	1,920	77%	1,263	76%
Received Orders – Non-Transformer Group	301	15%	236	9%	211	13%
Total	1,231	60%	2,156	86%	1,474	89%
Received Orders – Export						
Transformer Group						
Distribution Transformers	311	15%	187	7%	163	10%
Power Transformers	479	23%	142	6%	4	0%
Total Received Orders – Transformer Group	790	38%	328	13%	167	10%
Received Orders – Non-Transformer Group	31	2%	23	1%	24	1%
Total	820	40%	351	14%	191	11%
Total Domestic & Export Received Orders						
Transformer Products						
Distribution Transformers	570	28%	1,076	43%	644	39%
Power Transformers	1,150	56%	1,172	47%	785	47%
Total Received Orders – Transformer Group	1,720	84%	2,248	90%	1,429	86%
Received Orders – Non-Transformer Group	331	16%	259	10%	235	14%
Total	2,052	100%	2,507	100%	1,664	100%
Backlog of Orders – Domestic (as of December 31st)						
Transformer Products						
Distribution Transformers	145	10%	224	11%	80	8%
Power Transformers	607	42%	911	46%	547	55%
Total Backlog of Orders – Transformer Group	752	52%	1,135	58%	627	63%
Backlog of Orders – Non transformer Group	83	6%	417	21%	27	3%
Total	835	57%	1,552	79%	654	66%
Backlog of Orders – Export (as of December 31st)						
Transformer Products						
Distribution Transformers	114	8%	170	9%	108	11%
Power Transformers	172	12%	212	11%	211	21%
Total Backlog of Orders – Transformer Group	286	20%	383	19%	318	32%
Backlog of Orders – Non transformer Group	333	23%	29	2%	24	2%
Total	619	43%	412	21%	342	34%
Total Backlog of Orders Domestic & Export						
Transformer Products						
Distribution Transformers	260	18%	394	20%	187	19%
Power Transformers	779	54%	1,124	57%	758	76%
Total Backlog of Orders – Transformer Group	1,039	71%	1,518	77%	945	95%
Backlog of Orders – Non transformer Group	415	29%	446	23%	51	5%
Total	1,454	100%	1,964	100%	997	100%

Received Orders and Backlog of Orders for the Year 2018–2020

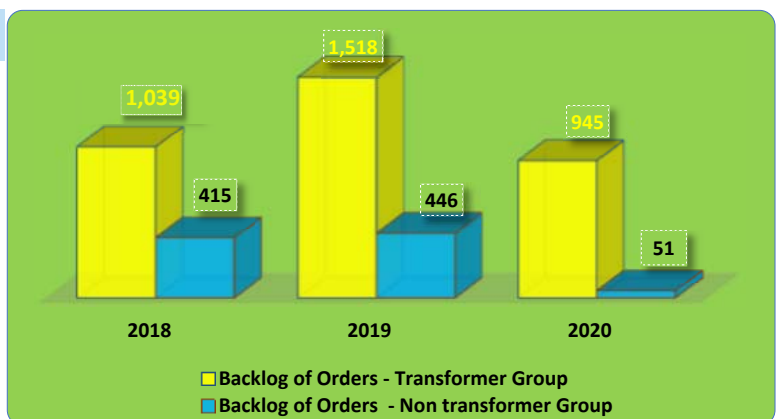
	2018	2019	2020
Total Revenue	2,636	2,464	2,566
Received Order	2,052	2,507	1,664
Backlog of Orders	1,454	1,964	997



	2018	2019	2020
Total Received Orders	1,720	2,248	1,429
– Transformer Group			
Total Received Orders	331	259	235
– Non-Transformer Group			



	2018	2019	2020
Backlog of Orders	1,039	1,518	945
– Transformer Group			
Backlog of Orders	415	446	51
– Non transformer Group			



Situation of the Industry and Competition

Situation of the Industry

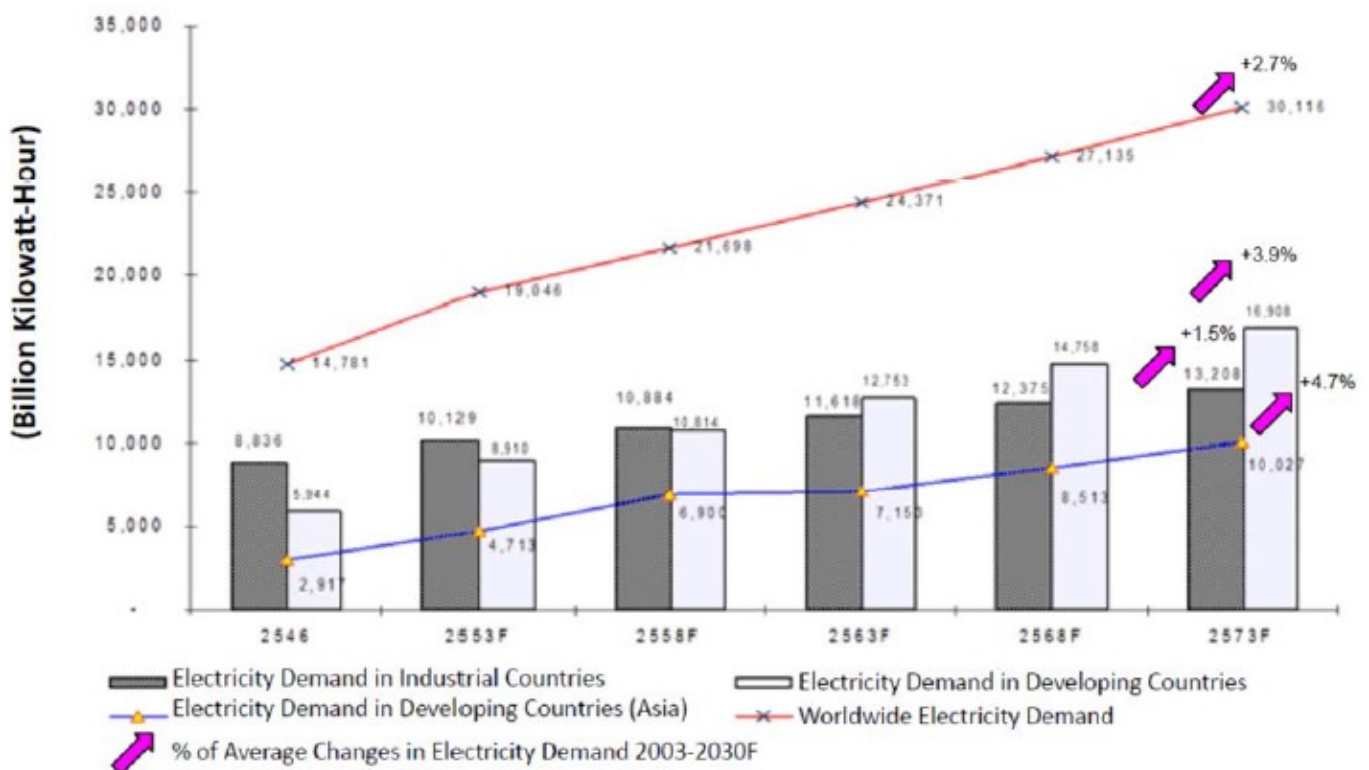
The transformer manufacturing industry is a continuous and electric power related industry which is the fundamental energy of every country and is great importance to the well-being of the people and the business of various industries as transformers are products used in the transmission and distribution systems.

The expansion of the transformer industry will expand as demand for electricity increases, the population growth, economic expansion, and expansion of the industrial sectors. Whereas, the management of the Company has assessed that the increasing demand of electricity for 1 megawatts, there will be a demand for power transformers approximately 2 megawatt amperes (MVA), and the demand for distribution transformers approximately 4 megawatt amperes (MVA) (MVA) for use in the transmission and distribution systems. The expansion of the transformer industry also includes the market of transformers purchased to replace the existing transformers.

Global Transformer Industry Trends

The expansion of the transformer industry is consistent with the expansion of electrical energy demand, therefore the trend of electrical energy demand in the future will be able to tell the trend of the transformer industry. According to the projections of the Energy Information Administration (EIA) of the United States of America, the trend of electrical energy demand around the world from 2010–2030 is as follows:

Trend of Global Electricity Demand



Source: Energy Information Administration (EIA) of the United States of America

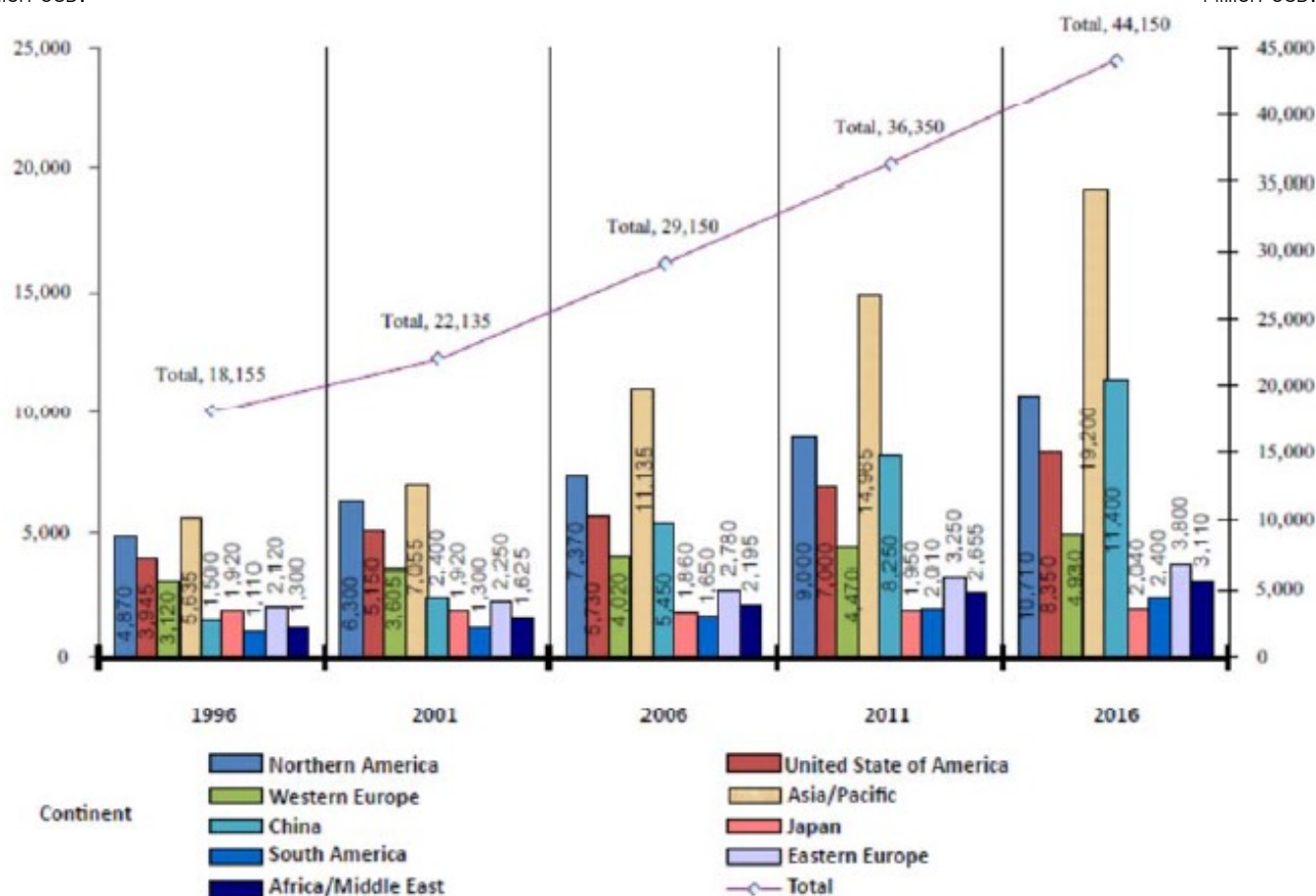
Remarks: The "Global Electricity Demand" includes the needs of the industrialized countries, developing countries, Soviet Union, and Eastern Europe; whereas, developing countries consist of developing countries in Asia, and other developing countries in Asia, the Middle East, Africa, Central America and South America. Meanwhile, the industrial countries include the United States of America, Canada, Mexico, Western Europe, Japan, Australia, and New Zealand; and developing countries in Asia include China, India, and other Asian developing countries.

According to the global electricity energy demand data, it is shown that the global demand for electricity power around the world increased from 14,781 billion kilowatt hours in 2003 to 30,116 kilowatt hours in 2030, representing an average increase of 2.7% per year. The trend of electricity demand in developing countries has higher electricity demand than those in the industrialized countries since 2015. Most of the highest demand for electricity comes from Asian countries such as China, India, and other developing Asian countries. The annual increase in electricity consumption is 4.8%, 4.6%, and 4.4% respectively. When compared to the annual increase rate of electricity demand in developing countries in Asia and industrial countries is at 4.7% and 1.5% respectively. Therefore, the company realizes the importance of the power transformer market of developing countries in Asia, especially in India, Malaysia, Vietnam, Brunei, etc., which are countries with good economic growth, and other Asian countries that are unable to produce their own transformers or in need of quality power transformers at reasonable prices. This is one of the elements in determining the direction of expanding the overseas customer base in both short-term and long-term.

Figure of Global Demand for Transformers in Value by Region

Million USD.

Million USD.



Source: The Freedonia Group Inc.

According to global electricity demand trends and the global demand for transformers, it can be seen that there is a correlated growth trend. As the global demand for electric power increases, the demand for transformers will also increase. This shows that the global transformer industry in the future is likely to grow steadily..

The need for electricity in the country

The demand for electricity in Thailand since 2003 has continuously grown at an even higher rate compared to the global energy demand. The demand for electric power in Thailand is expanding in line with population growth, economic expansion, and expansion of the industrial sectors. Thailand's electricity industry structure and demand for electricity are as follows:

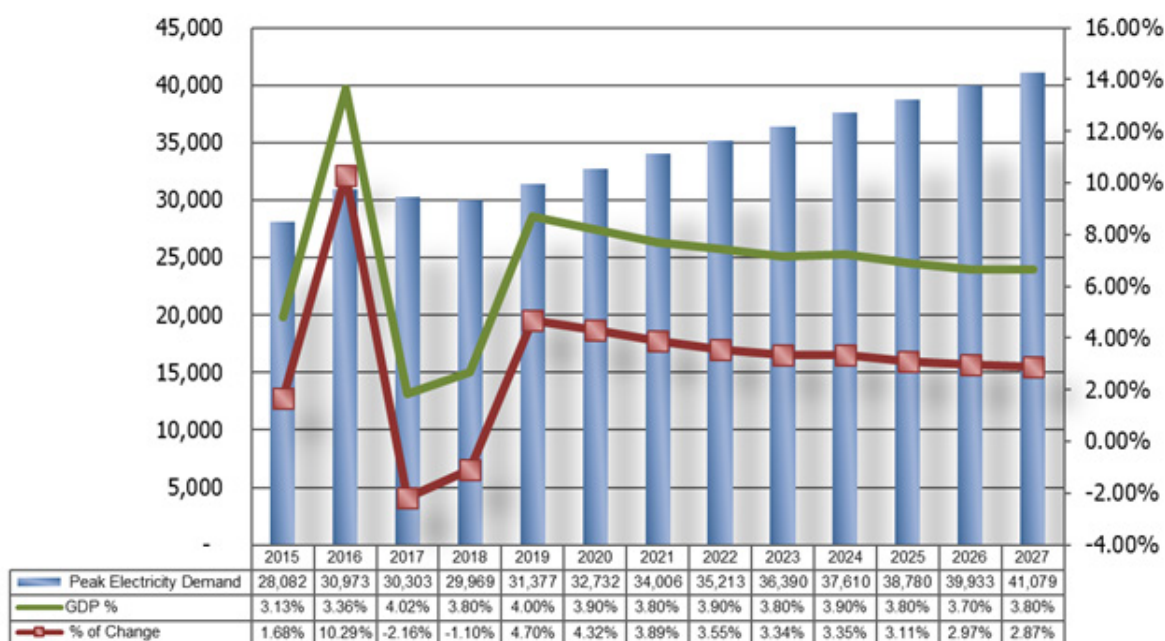
Domestic Electricity Business Structure

Thailand's current electricity industry structure starting from power plant which is located far away from source of use to generate electricity, it then adjusts the current voltage with a transformer and transmits electricity through the high voltage transmission system along the high voltage transmission line. When approaching the areas with a need to use electricity or community source, will adjust the current down voltage with a transformer as appropriate, then, transmit electricity through the distribution system along the distribution system line (Distribution Line) and will adjust the appropriate voltage drop again before supplying electricity to the user. The structure of the electricity business structure in Thailand classifies into three systems, which are:

1. Generation System;
2. Transmission System;
3. Distribution System;

Most of the electricity generating systems and all power transmission systems in Thailand are operated by The Electricity Generating Authority of Thailand (EGAT), the distribution system, is under the operation of the Metropolitan Electricity Authority (MEA) and the Provincial Electricity Authority (PEA), where the MEA will supply electricity to users in Bangkok, Nonthaburi, and Samut Prakarn provinces, while, PEA will supply electricity to all remaining electricity users in other provinces.

Statistics and Forecast of Electricity Demand



Source: Statistics and forecasting of electricity demand according to the PDP 2018

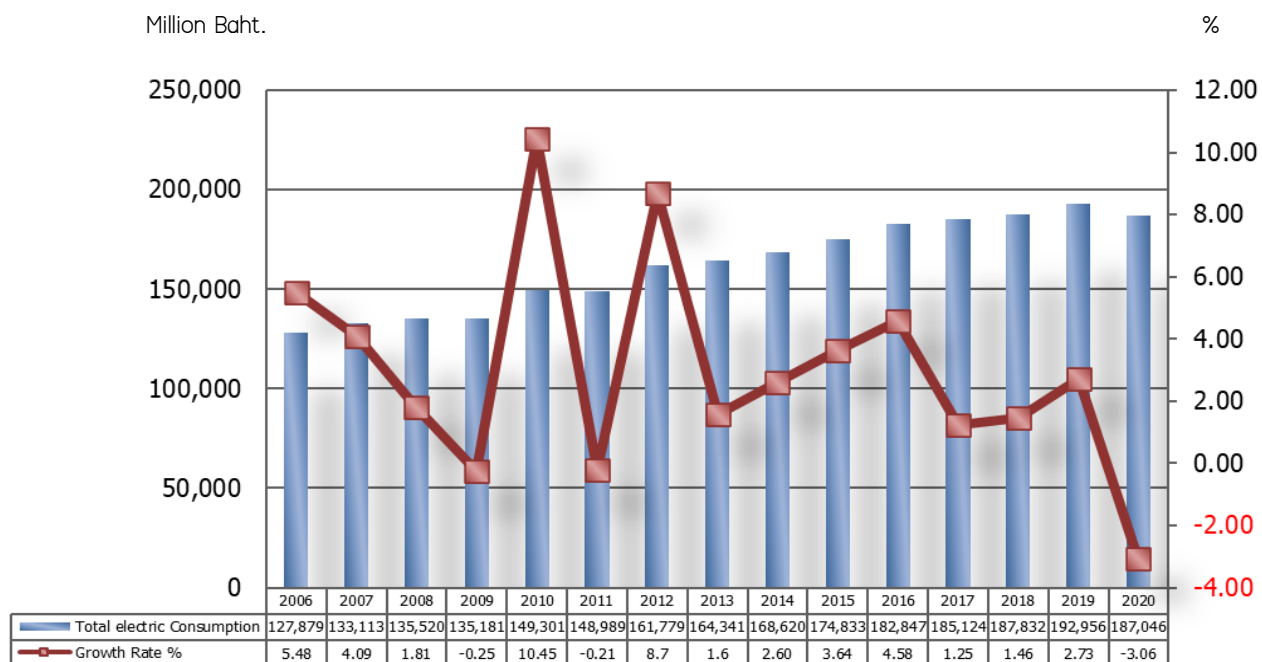
From the highest production and purchase of electricity in Thailand, in other words, the highest demand for electricity in Thailand according to the Thailand Power Development Plan 2017–2037 PDP 2018), in which in 2037, the highest demand for electricity is 53,007 megawatts.

According to the plan and the highest demand for electricity during 2017–2037, an average of 1,185 megawatts per year, the average annual rate is 2.93%, compared to the average GDP growth rate for the same period at 3.8%, with the highest demand for electricity shifting in the same direction as the Gross Domestic Product (GDP) growth rate, which will drive transformer demand to grow in the same direction, an average growth at 3.67%. The government sector has prepared budget for the supply for the electricity transformers approximately 3,000–4,000 million baht each year to support the expansion of electricity demand according to the PDP 2018 plan.

Trends of Transformer Industry in Thailand

Regarding the trends of transformer industry in Thailand, the structure has changed from importation to import-substitution industry by producing for domestic use and exports, where the ratio for domestic production and exports have changed from 80:20 in 2006 to 70:30 in 2007. The export has a tendency to rise as manufacturers of transformer are able to increase their production capacity, resulting in a more diversified of products and meet the needs of customers abroad including the quality of products is well established in the international market.

Total Electricity Consumption for Nationwide 2006–2020



Source: EPPO

In 2020, the electricity consumption across the country dropped from 192,956 GWH in 2019 to 187,046 GWH in 2020, or 3.06% lower, mainly due to the COVID-19 situation causing drop in all groups of electricity consumption except housing that rising from Work From Home measures of both the public and private sectors to reduce congestion in the workplace in order prevent the spread of COVID 19.

In 2020, the transformer industry was affected by coronavirus outbreak (COVID-19). As a result, the government procurement process has been delayed due to the measure of Social Distancing and Work From Home. As a result of COVID-19, the project and the expansion of electricity consumption of private sector both domestic and international have been slowed down. As a consequence, the orders from both domestic and export have decreased from 2,248 million baht in 2019 to 1,429 million baht in 2020

However, in 2020, despite the COVID-19 epidemic, the company has well organized to deliver products on schedule, enabling the company to produce and deliver transformers in accordance with the target, resulting revenue from sale of transformer has increased from 1,800 million baht in 2019 to 1,978 million baht in 2020, or a 10% increase from 2019. Anyhow, the gross margin has declined from 25% in 2019 to 17% in 2020 because the company delivered products with an average lower gross profit margin. In addition, the company has backlogs value of transformers as of 31 December 2020 at 945 million baht, which will be delivered in 2021

In part of Transformer repair and service, transformers are durable product that have approximately 25-year-useful-life and do not require much maintenance. Therefore, the amount of work and gross margin of repairs and services each year depends on the need of the end-users and the damage of the product.

However, the company realizes the importance of its service expertise as the company is a manufacturer and specializes in all aspects of the transformer business. In 2020, the company has established a Transformer Service Center to provide one-stop service in the field of transformer business, including service, repair and maintenance of transformers, as well as providing highvoltage-engineering advice. These are to offer the best benefits that customers can receive and fulfill their requirements. This service is not only for taking care of company's existing customer base but also building confidence in new customers. This will be driving and expanding the revenue base in this area and to provide channel to increase the revenue of transformer business in a sustainability. In 2020, the company had revenues from repair and service of 55 million baht, compared to 56 million baht in 2019, with the gross profit margin in 2019 at 68% compared to the year 2020 at 55%.

Competitions

Competition in the transformer industry, the company has divided the market characteristics into the distribution transformers market and the power transformers market. There are 25 manufacturers distribution transformers in the market, which are all Thai companies. There are 8 competitors capable of manufacturing and testing in accordance with the ISO 9000 industry standards and the Short Circuit Test. Other than these is medium-sized and small manufacturers which has the main advantages of selling price. The customer groups of each manufacturer size are differed while the transformer market is an industry that requires knowledge, ability, expertise, experience of manufacturer and cutting-edge technology in production including intensive research and development to produce high quality transformer and meet standards criteria set as well as the stability of the customer's electrical systems.

Therefore, the entry of new competitors is more difficult. At present, the company is the only manufacturer and distributor of transformers who can produce both power transformers and distribution transformers. The company is one of the 3 power transformers manufacturers in the country for size up to 100 MVA 230 kV and one of the three manufacturers producing transformers with sizes from 100–300 MVA 230 kV.

For international markets, as the company has the capability to produce 230 KV power transformers by starting to produce and sell to customers in domestic market, thus, enables the expansion of the electric transformers of the same size into Vietnam, India, Sri Lanka and Pakistan markets, which have a market value of several hundreds million US dollars. While, the original market that was the target market of the company for both distribution transformers and large power transformers up to 132 kV continue to maintain market coverage to Vietnam, Malaysia, Singapore, Myanmar, Philippines, India, Nepal, Sri Lanka and Australia. The company is well recognized by multinational companies to participate in large-scale projects such as petrochemical projects in different countries, including Fuji Electric System Co., Ltd and Samsung Co., Ltd., which demonstrate the competitive advantage of the company at internationally level. This is in accordance with the company's policy to target the export market to account for 30–35% of total sales.

Risk Factors

Risks from Business Operation

Risks of Revenue from Bids

The company and its subsidiaries have main earnings revenue from bidding from the electricity supplier in the domestic state-owned in the country, including the Metropolitan Electricity Authority (MEA), the Electricity Generating Authority of Thailand (EGAT), and the Provincial Electricity Authority (PEA). In 2020, the company and its subsidiaries had total sales of MEA, EGAT and PEA equivalents to 26% of total revenue. Therefore, such income depends on the ability to win the bidding of the project, which is uncertain as well as depends on the economic condition and budgets of the afore-mentioned Agencies. As of 31 December 2020, the company and its subsidiaries have the outstanding projects on hand to be delivered to these Agencies in the year 2021 for 209 million baht.

In addition, the company and its subsidiaries have increased the competitiveness by producing power transformers with the voltage of 525 kV. As a result, the company has become one of the two manufacturers in the country capable of manufacturing power transformers with the voltage of 525 kV.; therefore, the company expects to generate consistent income.

Risks from Fluctuation of Main Raw Material Prices

The main raw materials that are important in the production of transformers include insulated copper wire, silicon steel insulation, transformer tank, and transformer oil, in 2020, representing 26%, 11%, 22%, and 7% of the purchases of raw materials, respectively. The price of such raw materials remains volatile according to global market demand and supply especially copper prices, which have significant price fluctuations in the world market since 2006 and in 2020; copper prices in the world market are still volatile. However, the company and its subsidiaries have closely monitored the copper price situation and have adjusting the strategy to stand the sale price in accordance with cost, and have managed the procurement of raw materials effectively. The Company and its subsidiaries continue to use the same measures in 2020, including closely monitoring the situation of raw material prices and adjusting strategies, as appropriate. The company expects that the risks of raw materials prices will be at a controlled level.

Risks from Relying on Key Account Customers

In 2020, the company's share of transformer sales was divided into utilities and private sectors 69% and export 8%, which the Company and its subsidiaries do not have any sales proportion to one customer more than 30 percent of the total sales, except for some years that winning bids for large projects with high value. For instance, in 2020, the company received Thai Oil Project worth 725 million baht, cause the proportion of sales to one particular customer exceed 30%. However, with effective management, the company delivered 80% of project value in 2020 and the rest will be delivered in the second quarter of the year 2021.

In 2021, the company and its subsidiaries still maintain the same marketing policies as well as adjusting strategies according to the circumstances and suitability. In addition, the company has increased its production capacity to produce a 525 kV voltage power transformer, giving the company the potential to compete and capable of expanding the market base both domestically and internationally. The company believes the ability to effectively managing the risk of relying on one large key account group of customers.

Risks from relying on one particular business

The core business of the Tirathai Group of companies is the transformer business. In 2020, the main business is accounting for 79% of the total revenues of Tirathai Group. The demand for transformer has direct correlation with the government sector demand for electricity transformers, according to PDP Plan of both domestically and internationally. While the private sector depends on the economic

conditions and investment budgets of both the private and public sectors. Therefore, to reduce the risks, Tirathai Group of companies has implemented new lines of businesses as stated in the "Nature of Business Operation". Since 2015, such businesses have had few competitors and demanding from both domestic and international markets especially among AEC countries, as a result, the revenue structure is distributed among the high growth business groups, which will enable the Tirathai Group of companies to be able to operate the business with stability and sustainability. At the end of December 2020, the proportion of revenue of the Transformer Business Group and the Non-Transformer Business Group is 79% and 21% respectively.

Risks from Price Competition

The Price competition in a slowing economy and in the event that the Government Auction System is not in the normal condition causes more Supply over Demand, which considers as an inevitable risk factor. Therefore, Tirathai Group of companies have mitigation measures to reduce the risk as follows:

1. Cost Plus Pricing Method. The Cost-Plus price setting method provides management with the flexibility in the bidding and gross profit margin management at an average rate of 20%.
2. Focus on the market with high gross margin products that require advanced engineering design and standards.
3. Improve management systems in the organization to be more efficient and reduce unnecessary losses supply chain from both internal and external in order to create a competitive advantage.

Financial Risks

Exchange Rates Risks

The company and its subsidiaries have revenue from sales and costs in foreign currencies (costs including cost of sales and services, Selling and Administrative expenses, and interest), mostly in US dollars, Singapore dollars, and Euro, and other currencies. Therefore, the company and its subsidiaries are exposing to foreign exchange risks.

However, the company has established a hedging policy against such exchange rates by USD as the main foreign currencies. The company has opened a US Dollar Deposit Account in order to protect against natural risks (Natural Hedge). The company can use income in US dollars to pay for raw materials in the same currency and in the valuation of transformer prices; the company has set aside a provision for fluctuating exchange rates at a certain level.

Nevertheless, due to the volatility of currencies at present according to the world economy, the company recognizes the significance of such risks. The company has entered into forward contracts with financial institutions in accordance with the economic situation in each period to prevent the risks concurrently.

Related Transactions

Related Party Transactions with persons that may have conflicts

As at 31 December 2020, the company does not have any transactions with persons that may have conflicts of interest according to the definition of Article No.15 "Persons with Potential Conflicts" as specified in Notification of the Securities and Exchange Commission. No. KorChor. 17/2551 dated 15 December 2008.

In the event that there is related transaction with a person who may have a conflict of interest in the future.

The company has the following measures and policies in looking after such related transactions:

1. Measures or procedures for approving Related Transactions

In the case that the related transactions of the company that may occur with a person who may have conflict, the company has the policy not to involve or enter into any related transactions between persons with conflicts of interest. Except for inevitable cases, thus, to ensure the transparency and confidence to investors, whereby, the company will only consider normal business transactions for the maximum benefits of the company under the same conditions as other business partners. The company will allow the Audit Committee to give opinions on the necessity and appropriateness of the transactions. In case, the Audit Committee has no expertise in considering the related transactions which may occur, the company will assign an independent expert or the company's auditor to give opinions regarding the said transactions for decision making of the Audit Committee or shareholders, as the case may be.

2. Policy and Trends on Related Transactions

The company, in cooperation with the Audit Committee, will jointly oversee the said related transactions in the future that will be reasonable and fair compensation as well as being approval according to the relevant procedures and regulations correctly. The company will disclose the types and value of the company's related transactions with persons who may have conflicts under the rules and regulations of the Securities and Exchange Commission of Thailand.

In the event that the related transactions occur with a person who may have conflict of interest or stakeholders, the company has a policy to assign the Audit Committee to give opinions on the price, compensation rate including necessity and appropriateness of such transactions. By voting at the meeting, the director who has a conflict of interest shall not be entitled to vote.

3. Investor Protection Measures

In order to protect investors, in case, there are any related transactions with the company that may have conflict of interest or stakeholders or may have conflict of interests in the future, the company will propose through the Board of Directors' Meeting with attended Audit Committee. The consideration of such related transactions will ensure fair and reasonable determination of pricing policy. In case, the Audit Committee is not skillful in considering any related transactions, the company will assign independent experts or company's auditor to give opinions on the said related transactions in order to support the decision making of the Board of Directors or shareholders, as the case may be. The Board of Directors must comply with the law governing on securities and stock exchange and regulations, announcements, orders, or requirements of the Stock Exchange of Thailand (SET). The company will comply with the regulations regarding the disclosure of information on such related transactions, and acquisitions or disposal of important assets of the company. Except to the related transactions that are in line with the normal course of business transactions, and has a policy in setting prices and conditions which are market prices or not different from third parties.

The company will disclose the related transactions in the Notes to Financial Statements, which audited by the auditor of the company. The company has a policy to enter into related transactions only in relation to the main business of the company. Currently, the company has the Audit Committee to audit the related transactions and the internal control system of the company, thus to ensure the transparency and increase investor confidence. Moreover, the company adheres to the principles of risk reduction for all types of businesses by having the Audit Committee to oversee the said risk factors as well.

Management Discussion and Analysis: MD&A

The main business group of the Company and its subsidiaries consists of:

1. Transformer Group

• Transformer Business

In 2020, the transformer industry was affected by coronavirus outbreak (COVID-19). As a result, the government procurement process has been delayed due to the measure of Social Distancing and Work From Home. As a result of COVID-19, the project and the expansion of electricity consumption of private sector both domestic and international have been slowed down. As a consequence, the orders from both domestic and export have decreased from 2,248 million baht in 2019 to 1,429 million baht in 2020.

However, in 2020, despite the COVID-19 epidemic, the company has well organized to deliver products on schedule, enabling the company to produce and deliver transformers in accordance with the target, resulting revenue from sale of transformer has increased from 1,800 million baht in 2019 to 1,978 million baht in 2020, or a 10% increase from 2019. Anyhow, the gross margin has declined from 25% in 2019 to 17% in 2020 because the company delivered products with an average lower gross profit margin. In addition, the company has backlogs value of transformers as of 31 December 2020 at 945 million baht, which will be delivered in 2021

• Transformer Repair & Service

Transformers are durable product that have approximately 25-year-useful-life and do not require much maintenance. Therefore, the amount of work and gross margin of repairs and services each year depends on the need of the end-users and the damage of the product.

However, the company realizes the importance of its service expertise as the company is a manufacturer and specializes in all aspects of the transformer business. In 2020, the company has established a transformer service center to provide one-stop service in the field of transformer business, including service, repair and maintenance of transformers, as well as providing high-voltage-engineering advice. These are to offer the best benefits that customers can receive and fulfill their requirements. This service is not only for taking care of company's existing customer base but also building confidence in new customers, resulting in driving and expanding the revenue base in this area and to provide channel to increase the revenue of transformer business in a sustainability.

In 2020, the company had revenues from repair and service of 55 million baht, compared to 56 million baht in 2019, with the gross profit margin in 2019 at 68% compared to the year 2020 at 55%.

2. Non-Transformer Business Group consists of:

• Assembly and distribution of Aerial Crane Device and Digger Derrick Unit for Electricity maintenance of the Electricity Authority, managed by TRT E&S

In May 2019, TRT E&S was awarded a bid of 41 Aerial Crane Device and Digger Derrick Unit projects worth 320 million baht, which was scheduled for delivery in 2020, resulting total revenue in 2020 of 415 million baht, comprising revenue from Aerial Crane Device and Digger Derrick Unit accounts for 85%, service revenue 14% and other revenue 1% of total revenue. The net profit in 2020 amounted to 16 million baht compared to year 2019 with a net profit of 10 million baht. At the end of December 2020, the value of bids on hand are approx. 255 million baht, where TRT E&S has a market share of 15% – 20%.

• Welding of Steel Fabrication, Engineering Procurement and Construction (EPC) and Construction Project, managed by LDS

In 2016, LDS had adjusted the organization to prepare to expand its business in the area of EPC, Construction Project with steel structures more than 50%, including labor skill development by receiving ASME certification in 2016, which was certified in the second quarter of 2017. This is to prepare for high quality welding steel fabrication, such as Pressure Vessel apart from the conventional Steel Fabrication work, which LDS already has skill and quality manufacturing skills, resulting in higher costs. While in 2016, the work of EPC, the extension of the Ash and Gypsum Conveyor Belt System and the extension of the Conveyor Belt System to unloading soil (Waste Line 2), LDS signed contract with the Hongsa Power Plant in Laos PDR with the value of both projects totaling 201 million baht in November 2016, the work was scheduled for delivery in 2017. Therefore, in 2016 and 2017, the revenue recognition of LDS did not in line with the increasing expenses since 2015, resulting in a net loss of 34 million baht and 47 million baht in 2016 and 2017 respectively. For the year 2018, due to insufficient growth of income with expense, resulted in net loss of 74 million baht, consisting of the adjustment of unused deferred income tax of the previous years of 21 million baht and net loss of 54 million baht.

In 2019, LDS has made organization improvements to be more efficient by reducing sales and administrative expenses by 24% from 2018. However, with the economic situation in 2019, the Steel Fabrication work was still stagnant and the change in policy of customers at the Lao PDR for EPC work from the one-big contractor to several sub-contractors, causing revenue in this segment to be diluted in 2019 resulting in 48% drop in overall revenue recognition in 2019 than expected. As a result, there was insufficient income growth against expenses that caused in net loss of 83 million baht, consisting of unused tax benefits of the previous years that once recognized as tax revenue of 15 million baht and a net loss of 68 million baht.

In 2020, LDS has total revenues of 256 million baht, an increase of 36 million baht from 2019, accounting for 16% of total revenues. The company continues to improve the organization and manage costs more efficiently, including reducing sales and administrative expenses by 20% from 2019, resulting in LDS's net loss in 2020 at 12 million baht compared with 2019, the net loss of 83 million baht. However, LDS has backlog value at the end of December 2020 at 15 million baht that is due for delivery in 2021, while the quotation in hand at the end of December 2020 are approx. 163 million baht, which is expected to be the orders about 20% – 25%.

- **Operation and Maintenance of Conveyor Belt System at Hongsa Power Plant, Laos PDR, managed by JV L.D.S–N.D.P. (JV)**

In 2018, JV renewed the contract of operation and maintenance of the Coal Conveyor System for the operation and maintenance for the Lignite Hongsa Thermal Power Plant Project dated July 1 2018, with a work value of 24 million baht per year (average 1.98 million baht per month), for 2 years terms (contract expires on June 30, 2019). As a result, JV had estimated revenue and other income (Relocation/Shift) in the year 2018–2019 a total of 300–330 million baht per year.

In 2018, JV was in the process of reviewing the renewal of the Operation and Maintenance of Waste Line 2 (O&M WL2) contract and the Operation and Maintenance of Ash and Gypsum Conveyor Belt System (O&M Ash) contract. Hongsa Power Co., Ltd (HPC) opened bidding for both O&M W L2 and O&M Ash. The bid result announced on March 6 2019 that JV did not award.

In 2019, JV recognized total revenue of 365 million baht compared to 360 million baht in 2018 and the net profit for 2019 was 1.5 million baht compared to 18 million baht in 2018. The decrease in net profit in 2019 due to impairment loss on assets in the amount of 24 million baht due to an estimation of assets that cannot be sold from the closure of the project.

In 2020, JV earns revenue from Coal Conveyor System Service Agreement (O&M Line Coal) in relation to Hongsa Lignite Thermal Power Plant, Lao PDR with EGAT dated June 15, 2018, with 2 years contract period, which was expired on June 30, 2020, including other income totaling 19 million baht. Since after the second quarter of 2020, JV is in the process of closing the project in Lao PDR, which still has cost to be incurred for this transaction. As a result, the selling and administrative expenses in 2020 were 24 million baht, including an impairment of assessment of unsold assets of 22 million baht. Thus, JV had a net loss of 37 million baht. JV will close Project in Lao PDR by 2021.

• Summary

In 2020, despite the COVID-19 situation, the Company and its subsidiaries have well organized to manage the delivery their products on schedule, resulting in the Company and its subsidiaries total revenues of 2,566 million baht, an increase of 4% from the previous year. In the year 2020, the gross profit margin of revenue from sales and services of 18%, compared to 28% in 2019, the reduction in gross margins mainly came from the transformer business group. Nevertheless, an average gross profit margin of the whole group is still in target. As a result, as of 31 December 2020, the company and its subsidiaries have net profit attributable to equity of Baht 12 million, compared with the same period last year as of December 31, 2019, net profit attributable to equity of Baht 75 million. As of December 31, 2020, the company and its subsidiaries have a total of 997-million-baht backlog orders, which will be delivered in 2021, and the bidding value and quotations in hands as of 31 December 2020 is approximately 10,166 million baht, which are expected to be orders approximately 20% – 25%.

Performance Analysis

1. Overview of Business Operating Results in 2020

(Million Baht)

Item	2019		2020		% Change	% Change
Total revenue	2,464		2,566		102	4%
Sales and Services Revenue	2,416	100%	2,539	100%	123	5%
Net Profit Margin	668	28%	460	18%	(208)	31%
EBITDA	281	12%	180	7%	(101)	36%
EBIT	196	8%	88	3%	(107)	55%
Net Profit attributable to equity	75	3%	12	0%	(63)	84%

In 2020, the company and its subsidiaries had net profit attributable to equity of 12 million baht, compared with the year 2019 with a net loss of 75 million baht, with the following main factors:

1. The Gross Profit Margin of revenue from sales and services in 2020 was 18% compared to 2019 at 28%. The decline in gross profit due to the decrease in the transformer segment from 25% in 2019 to 17% in 2020, mainly because of deliveries of goods with lower gross margins.

2. The Selling Expenses in 2020 of 117 million baht or equivalent to 5% of total revenue compared to the year 2019 of 96 million baht or equivalent to 4% of total revenues, due to increases in sales, which were in line with the budget.

3. The Administrative Expenses in 2020 were in line with the company's budget of 265 million baht or 10% of total revenue compared to 373 million baht 2019 or 15% of total revenue. The decrease was due to an assessment of employee benefits in 2019 from 300 days to 400 days according to the law.

4. The Financial Costs in 2020 were 66 million baht or 3% of total revenues compared with 2019 at 63 million baht or 3% of total revenues. The increase is in proportion to an increase in total revenue.

2. Structure of Revenue

Structure of Income	2018	%	2019	%	2020	%
Transformer Group						
1 Revenue from Transformer – Domestic						
Power Transformer	940	36%	866	35%	1,138	44%
Distribution Transformer	410	16%	690	28%	625	24%
Total	1,350	51%	1,556	63%	1,763	69%
2 Revenue from Transformer – Export						
Power Transformer	366	14%	150	6%	18	1%
Distribution Transformer	215	8%	94	4%	197	8%
Total	581	22%	244	10%	215	8%
3 Revenue from Transformer Service	44	2%	56	2%	55	2%
Total Revenue from Transformer Group	1,975	75%	1,856	75%	2,033	79%
Non-Transformer Group						
4 Revenue from Steel Fabrication/EPC	221	8%	98	4%	91	3%
5 Revenue from Assembly and Distribution of Aerial Crane Device and Digger Derrick	61	2%	97	4%	403	16%
6 Revenue from Operation and Maintenance (O&M)	358	14%	365	15%	12	0%
7 Others Revenue	21	1%	48	2%	27	1%
Total Revenue from Non-Transformer Group	661	25%	608	25%	533	21%
Total Revenue	2,636	100%	2,464	100%	2,566	100%

*Other incomes include interest income, gain from FX, Taxes, and other incomes

In 2020, the company and its subsidiaries had total revenue of 2,566 million baht, which categorized into 1) the revenue from Transformer Group 2,033 million baht representing 79% and 2) the revenue from Non-Transformer Group 533 million baht representing 21% as following details.

1) Transformer business consisted of 2 types of revenue sources as follows:

1.1) Sale Revenue from Power and of Distribution Transformers in 2020 amounted to 1,978 million baht derived from domestic and utilities sectors accounted for 69%, and export sector accounted for 8% compared to 2019 with sales of 1,800 million baht accounted for domestic and utilities sectors 63%, and Export 10%.

1.2) Service Business: Revenue from service business in 2020 consists of installation of transformer services, Transformer repair services, Transformer testing services, Transformer maintenance and other services related to transformers amounting to Baht 55 million, recognized by TRT.

2) Revenue from Non-Transformer business groups in 2020 amounting to 533 million baht, consisting of:

2.1) Revenue from Fabricate Steel / EPC in the amount of 91 million baht.

2.2) Revenue from Assembly and Distribution of Aerial Crane Device and Digger Derrick Unit in the amount of 403 million baht.

2.3) Revenue from JV of O&M line coal in the amount of 12 million baht and

2.4) Other revenue of 27 million baht.

2. Financial Status

(Million Baht)

Statements of Financial Position	31 December 2019		31 December 2020		Change	%Change
Current Assets	2,218	66%	2,206	66%	(12)	-1%
Non-current Assets	1,160	34%	1,133	34%	(27)	-2%
Total Assets	3,378	100%	3,338	100%	(39)	-1%
Current Liabilities	1,782	53%	1,656	50%	(127)	-7%
Non-current Liabilities	508	15%	623	19%	114	22%
Total Liabilities	2,291	68%	2,278	68%	(12)	-1%
Total Equity of Parent Company's Shareholder	1,107	33%	1,083	32%	(24)	-2%

Total Assets: As of December 31 2020, the company had total assets of 3,338 million baht, a decrease of 39 million baht from the end of 2019, or -1%, as detailed below.:

1. Current Assets decreased by 12 million baht or -1% from 2019, as follows:

- Net Trade Receivables increased by 462 million baht, most of which were top-tier receivables, which was accounts receivable that was not yet due, accounting for 96% of the total net receivables.
- Average collection period in 2020 was 107 days, an increase when compared to 2019 at 96 days due to the collection period that depended on the contractual conditions of collection of each period in particular power transformer.
- The company has a policy to set up allowances for doubtful accounts base on the amount expected to be uncollectible debts. As of December 31 2020, the company and its subsidiaries did not increase allowance for doubtful accounts from 2019 which it remained at 17 million baht.
- Other Account Receivables decreased by 5 million baht.
- Inventories decreased by 220 million baht due to the company had delivered transformers and steel structures a total of 812 million baht in December 2020. In addition, the management has considered setting up an allowance for devalued products that cost higher than their net realizable value and also for deteriorated and long overdue products, according to TAS No. 2: Inventories. In 2020 Company and its subsidiaries had increased in an allowance for inventories by 17 million baht, resulting in as of December 31, 2020, the allowance for inventories has increased from 23 million baht in 2019 to 40 million baht in Year 2020.
- Other current assets was decreased by 4 million baht

2. Non-Current Assets: At the end of the year 2020, the non-current assets decreased by 27 million baht or -2%, mainly due to a decrease in the refund withholding tax (net) 19 million baht and decrease in advance payments for purchase of assets (net) 15 million baht

Total Liabilities: As of December 31 2020, the company and its subsidiaries had total liabilities of 2,278 million baht, a decrease by 12 million baht or -1%, mostly due to a decrease in current liabilities of 127 million baht. This was mainly due to a decrease in trade payables, a net decrease of 149 million baht and increase non-current liabilities of 114 million baht or 22%. Where the main factors come from the Debt restructuring since June 2019, in which a long term loan of 200 million baht was drawn up in June 2020 to pay off the long-term debentures due within 1 year, resulted in an increase of 28 million baht in long-term loans - net of the portion due within 1 year, net increase of 109 million baht.

Attributable to equity shareholders of Parent Company: As of December 31 2020, the company and its subsidiaries had the total shareholders' equity of the parent company at 1,083 million baht, a decrease of 24 million baht or -2% from the end of the previous year, mainly due to the comprehensive income for 2020 attributable to equity holders of the parent of 13 million baht and dividend payment for the year 2019 amounted to 37 million baht.

Appropriateness of the Capital Structure

- At the end of 2020, the company and its subsidiaries had Debt to Equity Ratio of the major shareholder of the company, at 2.10 times, slightly higher than in 2019. As of the end of 2020, the Interest-Bearing Debt to Equity Ratio was 1.32 times, indicating that the interest-bearing debts ratio was on an appropriate proportion, which was less than 1.5 times as specified in the conditions of the debentures which was due and paid in June 2020.

- The company and its subsidiaries' current ratio in 2020 were 1.33 times, increased when compared to the previous year at 1.24 times. The main factor comes from trade payables, long-term debentures due within 1 year and accrued corporate income tax at the end of December 2020, a total decrease of 366 million baht.

- Interest Coverage Ratio in 2020 was 1.34 times, which was lower when compared to the previous year at 3.13 times, and the Debt Service Coverage Ratio (DSCR) was 0.99 times, which was higher when compared to 2019 at 0.85 times. This was due to the amount of debt due within one year in the year 2020, a net decrease of 152 million baht from that of 2019.

In conclusions, the company and its subsidiaries had a policy to control the interest-bearing debt to equity ratio not exceed 1.5 times and to manage EBITDA in an appropriate proportion with the principal and interest burden. In addition, the company has the policy to reserve short-term loans from financial institutions with the conditions that the company can call for short-term loans that take no more than 3-5 days and can be repaid before maturity without penalty fee. The credit limit is reviewed annually, at the end of December 2020 the company and its subsidiaries had this type of credit limit is approximately 350 million baht as a reserve for liquidity of the Company and its subsidiaries. Under strict management, the capital structure will be maintained at an appropriate level.

4. The Liquidity

Liquidity (Million Baht)	<u>2020</u>
Net Cash Flows (outflow) from operating activities	(84)
Net Cash Flows (outflow) from investing activities	(15)
Net Cash Flows (outflow) from financial activities	<u>(141)</u>
Net increase (decrease) in Cash and Cash Equivalent	(239)
Beginning Balance Cash and Cash Equivalent	583
Foreign Exchange Gain (Loss)	<u>(1)</u>
Ending Balance Cash and Cash Equivalent	<u><u>344</u></u>

The company and its subsidiaries had cash and cash equivalent balance at the end of the period of 2020 of 344 million baht, lower than that of the beginning of 2020 of 583 million baht due to net cash outflow from operating activities amount of (84) million baht , net cash outflow from investing activities amount of (15) million baht and net cash outflow from financing activities amount of (141) million baht, totaling net cash outflow of (239) million baht, while still having cash and cash equivalents at the end of 2020 of 344 million baht.

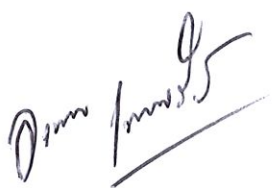
Report of the Board of Directors' Responsibilities for Financial Statements

Dear Shareholders,

The Board of Directors is responsible for the consolidated financial statement of the Company and its Subsidiaries, including financial information in the Annual Report and the Company's financial statements. The Board of Directors is of the opinion that the Company's financial statements for the year ended 31 December 2020 have been prepared in accordance with generally accepted accounting principles, with appropriate accounting practices applied on an appropriate and consistent basis. Where judgment and estimates were required, these were made with careful discretion and reasonable consideration, as well as adequate disclosures of information in the notes to the financial statements.. These financial statements have been reviewed and audited by independent certified auditors who have given their unconditionally opinions.

The Board of Directors encourages the practice of good corporate governance in the Company and endeavors to improve the structure of the Board of Directors accordingly so that the Company's operation is efficient, transparent and reliable. The Board of Directors has appointed an Audit Committee consisting of 3 independent directors responsible for reviewing the financial reports and the internal control and audit system of the Company. The Audit Committee has expressed its opinion with regard to the stated matters in the Report of the Audit Committee, which is presented in this Annual Report.

The Board of Directors is of the opinion that the Company's overall internal control system is adequate and appropriate, as well as being able to build rational confidence in the reliability of the Company's financial statements for the year ended 31 December 2019.



Mr. Annop Tagajarin
Independent Director/ Chairman
of Audit Committee



Mr. Sermsakool Klaikaew
Chairman of the Board of Director

TIRATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
THAILAND

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
AND
INDEPENDENT AUDITOR'S REPORT

EXPRESSED IN
THAI BAHT

INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of Tirathai Public Company Limited

Opinion

I have audited the consolidated financial statements of Tirathai Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Tirathai Public Company Limited (the “Company”) which comprise the consolidated and separate statements of financial position as of December 31, 2020, and the related consolidated and separate statements of changes in equity, income, comprehensive income, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Tirathai Public Company Limited and its subsidiaries and of Tirathai Public Company Limited as of December 31, 2020, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters included Audit Procedures are as follows:

Presentation of inventory valuation (the consolidated and separate financial statements)

As describe in Note 2.4 and 7 to the financial statement, inventories which stated at the lower of cost and net realizable value are significant amount. And the management used information from inventory aging analysis report and individual obsolete stock analysis report including the estimated costs of completion to consider the allowance for inventories declining value, therefore, I have identified that the valuation of inventories is the significant matter that requires special attention in the audit.

My audit procedure on such matter

I assessed and tested the internal control related to the calculation of inventory cost, observed the inventory count, checked the aging report of inventories, inquired the management, and considered reasonableness of the policy regarding setup allowance for inventories declining value, and tested compliant of the allowance for inventories declining value to the policy. Including test the calculation of the allowance for inventories declining value by comparing cost of inventories and net realizable value. Additionally, I considered the adequacy of the information disclosure related to the measurement of inventories.

Other Matter

The consolidated financial statements of Tirathai Public Company Limited and its subsidiaries and the separate financial statements of Tirathai Public Company Limited for the year ended December 31, 2019, presented herein as comparative information, were audited by another auditor in my office, whose report thereon dated February 21, 2020 expressed an unmodified opinion on those statements.

Other Information

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

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

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

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

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

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year 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.

(NATSARAK SAROCHANUNJEEN)
 Certified Public Accountant
 Registration No. 4563

A.M.T. & ASSOCIATES
 Bangkok, Thailand
 February 25, 2021

TIRATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020

	NOTE	BAHT			
		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		AS OF DECEMBER 31,		AS OF DECEMBER 31,	
		2020	2019	2020	2019
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		343,637,954.42	583,335,022.03	284,668,603.79	484,137,718.15
Current investments - investment unit	3.1	-	701,380.00	-	701,380.00
Trade receivables - net	4 and 30	981,131,151.62	519,203,580.08	968,686,005.81	431,555,572.73
Current contract assets					
- unbilled contract revenue	5	-	3,448,789.25	-	-
Other receivables	6 and 30	63,668,599.38	68,416,266.06	57,289,339.30	47,264,005.39
Current portion of long - term loans to related parties	10 and 30	-	-	960,000.00	5,280,000.00
Inventories - net	7	809,817,417.31	1,029,829,893.28	764,918,556.90	760,875,235.31
Refundable income tax - current period		4,292,042.00	6,365,389.08	-	-
Other current financial assets - investments units	3.1	615,830.00	-	615,830.00	-
Other current assets					
- Advances payment for goods and services	30	2,210,448.59	4,568,987.68	3,772,955.00	17,513,500.29
- Retention		-	1,671,923.85	-	-
- Others		247,539.74	204,582.16	-	63,329.40
Total current assets		2,205,620,983.06	2,217,745,813.47	2,080,911,290.80	1,747,390,741.27
NON - CURRENT ASSETS					
Other non - current financial assets	3.1, 9 and 14	33,816,515.76	-	33,519,061.55	-
Investments in subsidiaries	8	-	-	138,188,487.04	138,188,700.00
Other long - term investments	3.1, 9 and 14	-	38,001,804.93	-	37,705,276.06
Long - term loans to related parties - net of current portion	10 and 30	-	-	271,840,145.02	293,826,882.57
Property, plant and equipment - net	3.2, 11, 17 and 18	689,848,418.56	994,861,531.59	641,747,776.12	902,717,668.80
Right - of - use assets - net	3.2 and 12	282,852,297.10	-	246,732,836.36	-
Goodwill		19,772,301.79	19,772,301.79	-	-
Intangible assets - net	13	34,263,755.09	5,511,284.25	33,434,609.78	3,836,743.21
Deferred tax assets - net	27	38,868,366.64	35,031,999.14	29,660,080.66	26,468,953.87
Other non - current assets					
- Refundable income tax - prior period		25,177,123.78	44,551,947.66	18,203,578.45	18,278,671.02
- Advance payment for assets		841,121.50	15,756,000.00	841,121.50	15,756,000.00
- Others		7,122,155.36	6,358,604.83	3,855,923.14	3,059,312.44
Total non - current assets		1,132,562,055.58	1,159,845,474.19	1,418,023,619.62	1,439,838,207.97
TOTAL ASSETS		3,338,183,038.64	3,377,591,287.66	3,498,934,910.42	3,187,228,949.24

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

TIRATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020

	NOTE	BAHT			
		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		AS OF DECEMBER 31,		AS OF DECEMBER 31,	
		2020	2019	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	14	945,409,064.79	885,348,886.09	888,714,537.87	644,965,274.66
Trade payables					
- Related parties	30	-	3,069,476.90	53,565,172.26	26,647,639.98
- Others		248,865,970.41	394,764,066.88	228,129,993.68	317,533,473.98
Other payables	16 and 30	190,187,716.34	135,907,413.74	181,984,238.76	104,806,624.08
Current portion of long-term loans	17	69,389,318.13	41,618,287.93	69,389,318.13	41,618,287.93
Current portion of long-term debentures	19	-	199,826,956.66	-	199,826,956.66
Current portion of lease liabilities	3.2 and 18	46,369,162.06	26,606,809.88	31,260,166.39	26,350,852.38
Short-term loan from related parties	15 and 30	-	-	52,000,000.00	-
Corporate tax payable		18,283,457.21	35,390,839.42	5,848,000.66	22,685,563.54
Provisions for loss on sale order for undelivered goods		5,902,345.31	-	5,902,345.31	-
Other current liabilities					
- Advances received for goods and services	5	128,351,267.63	56,330,684.77	127,371,803.00	52,395,346.23
- Accrued dividend payment		232,638.28	211,202.07	232,638.28	211,202.07
- Others		2,670,966.48	3,139,047.04	2,071,355.05	2,114,585.85
Total current liabilities		1,655,661,906.64	1,782,213,671.38	1,646,469,569.39	1,439,155,807.36
NON-CURRENT LIABILITIES					
Long-term loans - net of current portion	17	342,382,378.40	233,121,595.34	342,382,378.40	233,121,595.34
Lease liabilities - net of current portion	3.2 and 18	172,725,451.80	169,944,241.02	150,044,181.67	169,541,934.73
Provisions for employee benefits	20	107,512,918.20	105,311,392.92	87,644,540.47	84,120,060.79
Total non-current liabilities		622,620,748.40	508,377,229.28	580,071,100.54	486,783,590.86
Total liabilities		2,278,282,655.04	2,290,590,900.66	2,226,540,669.93	1,925,939,398.22
SHAREHOLDERS' EQUITY					
Share capital					
Authorized share capital					
359,202,865 ordinary shares of Baht 1.00 each		359,202,865.00	359,202,865.00	359,202,865.00	359,202,865.00
Issued and fully paid-up share capital					
308,008,272 ordinary shares of Baht 1.00 each		308,008,272.00	308,008,272.00	308,008,272.00	308,008,272.00
Share premium		260,145,145.84	260,145,145.84	260,145,145.84	260,145,145.84
Retained earnings					
Appropriated - legal reserve	22	35,920,286.50	35,920,286.50	35,920,286.50	35,920,286.50
Unappropriated		479,127,832.74	502,931,720.09	668,320,536.15	657,215,846.68
Total equity of parent Company's shareholders		1,083,201,537.08	1,107,005,424.43	1,272,394,240.49	1,261,289,551.02
Non-controlling interests		(23,301,153.48)	(20,005,037.43)	-	-
Total shareholders' equity		1,059,900,383.60	1,087,000,387.00	1,272,394,240.49	1,261,289,551.02
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,338,183,038.64	3,377,591,287.66	3,498,934,910.42	3,187,228,949.24

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

TIRATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

BAHT

NOTE	Equity holder of parent company							Total shareholder's equity
	Issued and fully paid - up share capital	Retained earnings		Other components of equity			Total equity of parent Company's shareholders	
		Share premium	Appropriated - legal reserve	Unappropriated	Other comprehensive income (loss)			
					Actuarial gains (losses) on defined employee benefit plans	Non - controlling interests		
Balances as of January 1, 2020	308,008,272.00	260,145,145.84	35,920,286.50	502,931,720.09	-	(20,005,037.43)	1,107,005,424.43	1,087,000,387.00
Sale of shares in subsidiary to non - controlling interests	-	-	-	780.65	-	(580.65)	200.00	200.00
Total comprehensive income (loss) for the year	-	-	-	11,917,077.76	1,239,246.88	(3,295,535.40)	9,860,789.24	9,860,789.24
Dividend paid	-	-	-	(36,960,992.64)	-	-	(36,960,992.64)	(36,960,992.64)
Transferred to retained earning	-	-	-	1,239,246.88	(1,239,246.88)	-	-	-
Ending balances as of December 31, 2020	308,008,272.00	260,145,145.84	35,920,286.50	479,127,832.74	-	(23,301,153.48)	1,083,201,537.08	1,059,900,383.60
Balances as of January 1, 2019	308,008,272.00	260,145,145.84	35,920,286.50	424,985,850.46	-	(14,131,799.02)	1,029,059,554.80	1,014,927,755.78
Cumulative effects of changes in accounting policies due to the adoption of TFRS 15	-	-	-	1,478,665.88	-	119,891.83	1,478,665.88	1,598,557.71
Balances as of January 1, 2019 (after adjustment)	308,008,272.00	260,145,145.84	35,920,286.50	426,464,516.34	-	(14,011,907.19)	1,030,538,220.68	1,016,526,313.49
Total comprehensive income (loss) for the year	-	-	-	75,369,867.66	1,097,336.09	(5,993,130.24)	76,467,203.75	70,474,073.51
Transferred to retained earning	-	-	-	1,097,336.09	(1,097,336.09)	-	-	-
Ending balances as of December 31, 2019	308,008,272.00	260,145,145.84	35,920,286.50	502,931,720.09	-	(20,005,037.43)	1,107,005,424.43	1,087,000,387.00

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

TIRATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	BAHT				
		Issued and fully paid - up share capital	Share premium	Retained earnings		Total shareholder's equity
				Appropriated - legal reserve	Unappropriated	
Balances as of January 1, 2020		308,008,272.00	260,145,145.84	35,920,286.50	657,215,846.68	1,261,289,551.02
Total comprehensive income (loss) for the year		-	-	-	48,065,682.11	48,065,682.11
Dividend paid	23	-	-	-	(36,960,992.64)	(36,960,992.64)
Ending balances as of December 31, 2020		308,008,272.00	260,145,145.84	35,920,286.50	668,320,536.15	1,272,394,240.49
Balances as of January 1, 2019		308,008,272.00	260,145,145.84	35,920,286.50	510,716,715.55	1,114,790,419.89
Total comprehensive income (loss) for the year		-	-	-	146,499,131.13	146,499,131.13
Ending balances as of December 31, 2019		308,008,272.00	260,145,145.84	35,920,286.50	657,215,846.68	1,261,289,551.02

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

TIRATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

		BAHT			
		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		FOR THE YEAR ENDED DECEMBER 31,		FOR THE YEAR ENDED DECEMBER 31,	
NOTE		2020	2019	2020	2019
REVENUES					
	Revenues from sales	2,356,345,911.59	1,887,246,555.12	1,978,707,334.47	1,800,682,340.58
	Revenues from services	124,237,459.34	488,501,948.78	55,079,537.53	55,947,873.63
	Revenues from construction contracts	58,296,557.10	40,232,515.12	-	-
	Others income				
	- Gain on exchange rate	-	20,054,583.90	-	17,352,409.27
	- Others	27,436,189.65	28,278,641.73	29,272,481.92	35,542,025.46
	Total Revenues	30	2,566,316,117.68	2,063,059,353.92	1,909,524,648.94
EXPENSES					
	Cost of sales	7	1,960,713,780.21	1,430,230,249.11	1,642,679,787.16
	Cost of services		71,504,956.57	285,020,486.95	25,090,181.20
	Cost of construction contracts		47,134,421.73	33,074,135.94	-
	Selling expenses		117,011,395.17	96,041,318.31	107,291,956.50
	Administrative expenses	20 and 25	265,382,627.35	373,047,521.33	172,862,815.30
	Other expense				
	- Loss on exchange rate		3,721,359.88	-	2,416,997.12
	- Vat - unexpected to be refundable		-	23,937,179.56	-
	- Loss on impairment of assets	11	12,560,399.10	24,117,732.04	-
	- Others		-	3,148,398.02	-
	Total Expenses	26 and 30	2,478,028,940.01	2,268,617,021.26	1,950,341,737.28
	PROFIT (LOSS) FROM OPERATING ACTIVITIES		88,287,177.67	195,697,223.39	112,717,616.64
	FINANCE COST		(65,936,128.42)	(62,604,712.42)	(54,026,876.55)
	REVERSAL OF IMPAIRMENT LOSS (IMPAIRMENT LOSS)				
	DETERMINED IN ACCORDANCE WITH TFRS 9	4	-	500,728.51	-
	PROFIT (LOSS) BEFORE INCOME TAX EXPENSES		22,351,049.25	133,593,239.48	58,690,740.09
	TAX INCOME (EXPENSES)	27	(13,829,986.36)	(64,216,606.57)	(10,625,057.98)
	PROFIT (LOSS) FOR THE YEARS		8,521,062.89	69,376,632.91	48,065,682.11
	PROFIT (LOSS) FOR THE YEARS ATTRIBUTABLE TO				
	EQUITY HOLDERS OF THE PARENT		11,917,077.76	75,369,867.66	48,065,682.11
	NON - CONTROLLING INTERESTS		(3,396,014.87)	(5,993,234.75)	-
			8,521,062.89	69,376,632.91	48,065,682.11
	PROFIT (LOSS) PER SHARE	28			
	BASIC EARNINGS (LOSS) PER SHARE				
	PROFIT (LOSS) EQUITY HOLDERS OF THE PARENT		0.039	0.245	0.156

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

TIRATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

	NOTE	BAHT			
		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		FOR THE YEAR ENDED DECEMBER 31,		FOR THE YEAR ENDED DECEMBER 31,	
		2020	2019	2020	2019
PROFIT (LOSS) FOR THE YEARS		8,521,062.89	69,376,632.91	48,065,682.11	146,499,131.13
OTHER COMPREHENSIVE INCOME (LOSS):					
Items that will not be reclassified subsequently to profit or losses:					
Actuarial gains (losses) on defined employee benefit plans	20	1,674,657.93	1,371,800.75	-	-
Deferred tax relating to other component of equity	27	(334,931.58)	(274,360.15)	-	-
Total items that will not be reclassified subsequently to profit or losses		1,339,726.35	1,097,440.60	-	-
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEARS		1,339,726.35	1,097,440.60	-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEARS		9,860,789.24	70,474,073.51	48,065,682.11	146,499,131.13
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEARS					
ATTRIBUTABLE TO:					
EQUITY HOLDERS OF THE PARENT		13,156,324.64	76,467,203.75	48,065,682.11	146,499,131.13
NON - CONTROLLING INTERESTS		(3,295,535.40)	(5,993,130.24)	-	-
		9,860,789.24	70,474,073.51	48,065,682.11	146,499,131.13

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

TIRATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

	BAHT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	FOR THE YEAR ENDED DECEMBER 31,		FOR THE YEAR ENDED DECEMBER 31,	
	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) for the years	8,521,062.89	69,376,632.91	48,065,682.11	146,499,131.13
Adjustments to reconcile net profit (loss) for the year to net cash provided by (use in) operating activities:				
Depreciation and amortization expenses	91,837,326.56	85,565,405.77	59,658,633.68	54,054,706.59
Withholding tax write - off	-	138,274.11	-	-
Unrealized loss (gain) on exchange rate	(5,824,379.12)	(290,509.44)	(5,807,341.50)	323,755.65
Loss on devaluation of inventories (reversal)	21,807,899.91	9,418,498.03	12,144,223.73	9,418,498.03
Loss (gain) from changes in fair value of investments units	85,550.00	(10,840.00)	85,550.00	(10,840.00)
Loss (gain) on sale and write - off of property, plant and equipment	(2,971,782.25)	3,148,398.02	(1,499,824.79)	(1,326,559.62)
Loss (gain) from disposal of investment in subsidiary	-	-	12.96	-
Loss on impairment of assets	12,560,399.10	24,117,732.04	-	-
Provision for loss on sale order for undelivered goods (reversal)	5,902,345.31	-	5,902,345.31	-
Vat - not to be refundable	-	23,937,179.56	-	-
Bad debt and doubtful accounts (reversal)	-	(500,728.51)	-	(500,728.51)
Provisions for employee benefits	8,740,413.21	32,328,642.20	6,523,069.68	26,768,953.40
Interest income	(519,904.17)	(909,005.19)	(14,787,534.20)	(15,408,746.93)
Finance costs	65,936,128.42	62,604,712.42	54,026,876.55	56,834,325.06
Tax expenses (income)	13,829,986.36	64,216,606.57	10,625,057.98	35,795,302.19
Profit (loss) from operating activities before changes in operating assets and liabilities	219,905,046.22	373,140,998.49	174,936,751.51	312,447,796.99
Operating assets decrease (increase)				
Trade receivables	(462,063,504.83)	259,360,212.99	(537,275,293.64)	207,182,854.88
Unbilled contract revenue	3,448,789.25	5,081,510.52	-	-
Other receivables	3,569,057.55	(30,411,565.90)	(29,651,543.54)	(2,294,606.78)
Inventories	198,204,576.06	(236,389,122.37)	(16,187,545.32)	(69,262,530.14)
Other current assets	3,987,505.36	(550,758.02)	13,803,874.69	(15,780,173.78)
Operating liabilities increase (decrease)				
Trade payables - related parties	(3,069,476.90)	3,069,476.90	26,917,532.28	(11,441,343.41)
Trade payables - others	(144,212,794.68)	31,939,302.87	(87,726,288.86)	51,206,763.21
Other payables	43,627,440.37	(49,020,142.47)	58,597,819.67	(47,827,767.49)
Other current liabilities	71,524,734.60	(4,824,975.18)	74,954,662.18	(3,284,691.12)
Employee benefit obligation paid	(4,864,230.00)	(11,634,421.39)	(2,998,590.00)	(8,776,266.86)
Cash received (paid) from operating activities	(69,942,857.00)	339,760,516.44	(324,628,621.03)	412,170,035.50
Net cash received (paid) for income tax	(13,660,496.69)	(26,005,800.10)	(30,578,655.08)	(10,314,130.10)
Net cash inflow (outflow) from operating activities	(83,603,353.69)	313,754,716.34	(355,207,276.11)	401,855,905.40

.../2

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

- 2 -
TIRATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

	BAHT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	FOR THE YEAR ENDED DECEMBER 31,		FOR THE YEAR ENDED DECEMBER 31,	
	2020	2019	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	1,698,513.30	843,141.50	34,413,743.83	5,547,931.27
Cash received from sales of property, plant and equipment	22,119,411.23	254,647,031.80	-	252,406,280.37
Acquisition in property, plant and equipment	(32,790,774.80)	(33,965,723.33)	(18,130,654.20)	(21,812,160.62)
Payment of payable on purchase of assets	(4,703,281.90)	-	(4,703,281.90)	-
Cash received from non - controlling interests for investment in a subsidiary	200.00	-	200.00	-
Decrease (increase) in loan to related party	-	-	26,306,737.55	(11,720,000.00)
Decrease (increase) in other non - current financial assets	4,185,289.17	(214,179.63)	4,186,214.51	(211,685.00)
Decrease (increase) in intangible assets	(3,521,235.00)	(1,687,691.91)	(3,487,735.00)	(1,373,183.75)
Decrease (increase) in other non - current assets	(1,604,672.03)	610,023.19	(1,637,732.20)	381,097.58
Net cash inflow (outflow) from investing activities	(14,616,550.03)	220,232,601.62	36,947,492.59	223,218,279.85
CASH FLOWS FROM FINANCING ACTIVITIES				
Finance cost paid	(64,454,435.30)	(60,922,018.90)	(52,167,454.56)	(55,841,958.94)
Increase (decrease) in bank overdrafts and short - term loans from financial institution	66,342,540.14	153,635,381.30	250,031,624.65	15,945,510.62
Increase (decrease) short - term loans from related parties	-	-	52,000,000.00	-
Increase (decrease) long - term loans from financial institution	-	274,050,000.00	-	274,050,000.00
Cash received from long - term loans - net	135,290,000.00	-	135,290,000.00	-
Redemption	(200,000,000.00)	(500,000,000.00)	(200,000,000.00)	(500,000,000.00)
Payment of lease liabilities	(41,129,482.62)	(14,244,547.69)	(28,837,714.82)	(14,244,547.69)
Dividend paid	(36,960,992.64)	-	(36,960,992.64)	-
Cash paid for guarantee deposit under finance lease agreement (purchase option equivalent)	-	(51,696,000.00)	-	(51,696,000.00)
Net cash inflow (outflow) from financing activities	(140,912,370.42)	(199,177,185.29)	119,355,462.63	(331,786,996.01)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(239,132,274.14)	334,810,132.67	(198,904,320.89)	293,287,189.24
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	583,335,022.03	248,417,436.80	484,137,718.15	190,743,076.35
EFFECT FROM EXCHANG RATE CHANGES ON BALANCES HOLD IN FOREIGN CURRENCIES	(564,793.47)	107,452.56	(564,793.47)	107,452.56
CASH AND CASH EQUIVALENTS, ENDING OF YEAR	343,637,954.42	583,335,022.03	284,668,603.79	484,137,718.15
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION :				
Activities not affecting cash :				
Decrease in advance payment from purchase of intangible assets	15,756,000.00	-	15,756,000.00	-
Increase in payable on purchase of assets from purchase of intangible assets	14,968,500.14	-	14,968,500.14	-
Increase in payable on purchase of assets from purchase of property, plant and equipment	-	-	7,500,000.00	-
Effects of the adopted of TFRS 16 :				
- Increase in right - of - use assets	(312,323,307.52)	-	(261,943,850.03)	-
- Decrease in property, plant and equipment - net	247,722,981.12	-	247,912,308.54	-
- Increase in lease liabilities	64,600,326.40	-	14,031,541.49	-

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

TIRATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

1. GENERAL INFORMATION

1.1 General matter

The Company was incorporated as a limited company under the Thai Civil Commercial Code on August 20, 1987, and changed its status to a public limited company under the Public Limited Company Act on July 13, 2005 and the Company's share had been approved to be listed in the Market for Alternative Investment (MAI) on May 10, 2006. The address of its registered office is 516/1 Moo 4 Bangpoo Industrial Estate, Sukhumvit Road Samutprakarn. The Company operates in Thailand, with the principal activity in manufacturing, repairing and maintenance service of transformer and sales transformer equipment.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 (COVID-19) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. Nevertheless, the Group's management will continue to monitor the ongoing developments and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgment in respect of various issues as the situation has evolved.

1.3 Basis for preparation of financial statements

1.3.1 These financial statements have been prepared in accordance with financial reporting standards and guidelines promulgated by the Federation of Accounting professions.

These financial statements are presented in Thai Baht, which is the functional currency of the Company and its subsidiaries.

These financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

An English language version of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict or difference in understanding, the financial statements in Thai language shall prevail.

1.3.2 Basis for consolidation of financial statements

- 1) These consolidated financial statements include the financial statements of Tirathai Public Company Limited and its subsidiaries (“the Group” and “the Company and its subsidiaries”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended December 31, 2019 are as follow:

Company	Type of Business	Relationship	Holding of investment (%)	
			2020	2019
<u>Direct Subsidiaries:</u>				
Tirathai E&S Co., Ltd.	Distribution, installation and maintenance service of electrical power equipment	Direct shareholding and joint directors	99.99	99.99
Thaifin Co., Ltd.	Manufacturing, repairing and maintenance service of transformer equipment	Direct shareholding and joint directors	99.99	99.99
L.D.S. Metal Work Co., Ltd.	General custom metal work service	Direct shareholding and joint directors	92.50	92.50
<u>Indirect Subsidiary:</u>				
Joint Venture L.D.S. - N.D.P. (L.D.S. Metal Work Co., Ltd’s holding is 80% and Tirathai E&S Co., Ltd’s holding is 20%)	Submit tenders or offer to work for a foreign country (Obtained the tax ID number with the Revenue Department on January 27, 2015)	Indirect shareholding	-	-

As of December 31, 2020 and 2019, Joint Venture L.D.S - N.D.P’s capital amount Baht 100 million.

- 2) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- 3) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- 4) Significant intercompany transactions are eliminated from the consolidated financial statements.

1.4 Related parties

Through shareholding and/or director are as follow:

- Tirathai E&S Company Limited
- Thaifin Company Limited
- L.D.S. Metal Work Company Limited
- Joint Venture L.D.S. - N.D.P.
- Fuji Tusco Corrugate Company Limited

1.5 Adoption of new financial reporting standards

1.5.1 Financial Reporting Standards which are effective in the current year

During the year, the Group has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

(1) Financial Reporting Standards related to financial instruments

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

Accounting Standard

TAS 32 Financial Instruments: Presentation

Financial Reporting Standards

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Financial Reporting Standard Interpretations

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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.

The Group adopted these financial reporting standards which the cumulative effect of initially applying is recognised as an adjustment to the retained earnings as of January 1, 2020, and the comparative information was not restated. The cumulative effect of the change is described in Note 3.1 to the financial statements.

(2) TFRS 16 "Leases"

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as of January 1, 2020, and the comparative information was not restated. The cumulative effect of the change is described in Note 3.2 to the financial statements.

(3) Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives as follows:

Accounting Standards No. 12: Income tax

- Not to consider the COVID-19 situation as uncertainty information which likely impact in evaluating whether it will have sufficient taxable profit in future periods to utilise deferred tax assets.

Accounting Standards No. 36: Impairment of Assets

- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36

- Not to consider the COVID-19 situation as likely impact to future financial forecast for testing impairment of goodwill and an intangible asset with an indefinite useful life or an intangible asset not yet available for use.

Accounting Standards No. 37: Provisions, Contingent Liabilities and Contingent Assets

- Not to consider the COVID-19 situation as a result of a past event giving rise to a present obligation.

Financial Reporting Standards No. 9: Financial Instrument

- Not to take into forward - looking information using in measurement of expected credit loss for a simplified approach.

1.5.2 Financial Reporting Standards which are not effective for the current year

The Federation of Accounting Professions has issued the revised accounting standard, financial reporting standards accounting standard interpretations and financial reporting standard interpretations, which are effective for financial statements year beginning on or after January 1, 2021 are as follows:

Accounting Standard

TAS	1	Presentation of Financial Statements
TAS	8	Accounting Policies, Changes in Accounting Estimates and Errors
TAS	10	Events after the Reporting Period
TAS	34	Interim Financial Reporting
TAS	37	Provisions, Contingent Liabilities and Contingent Assets
TAS	38	Intangible Assets

Financial Reporting Standard

TFRS	2	Share - based Payment
TFRS	3	Business Combinations
TFRS	6	Exploration for and Evaluation of Mineral Resources
TFRS	7	Financial Instruments: Disclosures
TFRS	9	Financial Instruments

Accounting Standard Interpretations

TSIC	32	Intangible Assets - Web Site Costs
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Financial Reporting Standard Interpretations

TFRIC	12	Service Concession Arrangements
TFRIC	19	Extinguishing Financial Liabilities with Equity Instruments
TFRIC	20	Stripping Costs in the Production Phase of a Surface Mine
TFRIC	22	Foreign Currency Transactions and Advance Consideration

The management of the Group has assessed that TAS 1, TAS 8, TAS 10, TAS 34, TAS 37, TAS 38, TFRS 7, TFRS 9 and TFRIC 22 will not have material impact on the financial statements when it is applied. For the other TAS, TFRS, TSIC and TFRIC are not relevant to the Group business, therefore they do not have impact on the financial statement when they are applied.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Revenue recognition

Revenues from sale are recognized as revenue at the point in time when control of goods is transferred to the customer, generally by delivery of the goods, except for revenue from sale related to “Contract for special product” which are recognized as revenue by reference of the stage of completion.

Revenues from installation, repair, maintenance and other services are recognized by reference of the stage of completion.

Revenues from construction contracts are recognized using the percentage - of - completion method by refer to the completion of a physical proportion of the contract work performed as assessed by the project engineers and customers or by refer to the proportion that actual construction costs incurred for work performed up to the end of the period to the estimated total construction costs to be incurred to completion depending on the nature of the contract. When the outcome of a construction contract cannot be estimated reliably, the revenue shall be recognized only to the extent of construction costs incurred that it is probable will be recoverable and the construction costs shall be recognized as an expense in the period in which they are incurred. When it is probable that total construction costs will exceed total contract revenue, the expected loss shall be recognized immediately as an expense in the statements of income.

2.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at bank, and all highly liquid investments and not subject to withdrawal restrictions.

2.3 Current contract assets - unbilled contract revenue

Unbilled contract revenue comprises the aggregate amount of costs incurred that relate to the specific contract in progress and recognized profit to date; less the sum of recognized loss and the progress billings.

The value of progress billings exceed the value of the work in progress is presented as “Advance received” under current liabilities.

2.4 Inventories

Inventories are value at the lower of cost and net realizable value.

Finished goods and work in process are stated at standard cost (which approximates actual cost by weighted average method). Standard cost includes all production costs and appropriate share of production overheads base on normal operating capacity.

Raw materials, spare parts and factory supplies are stated at cost (FIFO) and charged to production costs whenever consumed.

The Group provides allowance for inventories declining value for inventories which cost exceeded net realizable value, for deteriorated, damaged, obsolete and slow - moving inventories.

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

2.5 Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are recorded under the cost method.

Allowances for impairment of investment have been provided by considering the operating result and the future business plan of the subsidiaries.

2.6 Borrowing Costs

Borrowing costs comprise interest and other costs associated with the borrowings. Borrowing costs incurred on qualifying assets are capitalized as a cost of the qualifying property until all the activities necessary to prepare the property for their intended uses are substantially completed. When funds are specifically borrowed for the construction or the production of asset, the amount of borrowing costs capitalized is determined from the actual borrowing costs during the year less any income on the temporary investment of those borrowings. When funds are borrowed for general purpose, the Group multiplies the capitalization rate by the capital expenditure in allocating borrowing costs to costs of assets.

All other borrowing costs are expensed in the period they incurred.

2.7 Property, plant and equipment

Land is stated at cost and other fixed assets are stated at cost net of accumulated depreciation and allowance for loss on impairment of assets.

Depreciation is calculated by reference to their costs after deducting residual value on straight - line method based on the estimated useful lives of the assets as follows:

	YEARS
Building and construction	3 - 20
Machineries, tools and equipment	5 - 20
Furniture and office equipment	3 - 10
Vehicles	5 - 10

2.8 Intangible assets

Intangible asset is stated at cost less accumulated amortization. Amortization of intangible asset is calculated by reference to its cost on the straight - line basis over 5 years.

2.9 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

2.10 Foreign currency transactions

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

Gains and losses on exchange are included in determining earnings.

2.11 Leases

For the year ended December 31, 2020

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

Right - of - use assets

The Group recognises right - of - use assets at the commencement date of the lease. Right - of - use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right - of - use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right - of - use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right - of - use assets are depreciated on a straight - line basis from the commencement date of the lease to the earlier of the end of the useful life of the right - of - use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liabilities are subsequently measured using the effective interest method and by reducing the carrying amount to reflect the lease payments made. The Group recognises interest from lease liability in the statement of income. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments (including in - substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable by the lessee under residual value guarantees;
- Exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Short - term leases and Leases of low - value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low - value assets, are recognised as expenses on a straight - line basis over the lease term.

The Group as lessor

The Group classifies each of its leases as either a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received under operating leases as income on a straight - line basis over the lease term.

Sub lease

When the Group is an intermediate lessor, it accounts for its interests in the head lease and sub - lease separately. It assesses the lease classification of a sub - lease with reference to the right - of - use asset arising from the head lease, not with reference to underlying asset. If a head lease is a short - term lease to which the Group apply the exemption described in Short - term leases and leases of low - value asset, then it classifies the sub - lease as an operating lease.

The Group as an intermediate lessor accounts for the sublease as follows:

- If the sublease is classified as an operating lease, the Group continues to account for the lease liability and right - of - use asset on the head lease like any other lease; or
- If the sublease is classified as a finance lease, the Group derecognise the right - of - use asset on the head lease at the sublease commencement date and continue to account for the original lease liability in the head lease.

Initial adoption

The group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as of January 1, 2020, and the comparative information was not restated. The cumulative effect of the change is described in Note 3.2 to the financial statements.

For the year ended December 31, 2019

Finance lease agreement

Leases of property, plant and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased property or the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long - term payables, while the interest element is charged to the statements of income over the lease period. If there is no reasonable certainty that the lessees will obtain ownership by the end of the lease term, the asset acquired under finance lease shall be fully depreciated over the shorter of the useful life of the asset or the lease term.

Operating Lease

Lease of assets under which all the risks and reward of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as expense on a straight - line basis over the lease term.

2.12 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at amortised cost.

Financial assets which are the equity in trading securities are measured at fair value through profit or loss. For equity instruments for other purposes are measured at fair value through profit or loss or through other comprehensive income. In the case, the equity securities are measured at fair value through other comprehensive income, the accumulated gain (loss) on measurement of these investments will not be reclassified to profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss.

Impairment of financial assets

The Group assesses on a forward - looking basis the expected credit loss associated with its financial assets measured at amortised cost. The Group applies general or simplified approach for credit - impaired consideration which depends on the significant of credit risk.

Initial adoption

Since January 1, 2020, the Group adopted these financial reporting standards which the cumulative effect of initially applying is recognised as an adjustment to the retained earnings as of January 1, 2020, and the comparative information was not restated. The cumulative effect of the change is in Note 3.1 to the financial statements.

2.13 Use of estimates and judgments

The preparation of financial statements in conformity with financial reporting standards requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant areas of estimation uncertainty and critical judgments related to allowance for doubtful accounts, allowance for inventories declining value, allowance for impairment of investment, allowance for impairment of assets, depreciation, provisions for employee benefits, recognition of revenue by using the percentage of completion method, determining the lease term with extension and termination options and estimating the incremental borrowing rate.

2.14 Employee benefits

Salaries, wages, bonuses, contributions to the social security fund, provident fund and other benefits are recognized as expenses when incurred.

Severance Payment as specified in Labour Law are recognized as expenses in the income statement along the service period of employees. The Company and its subsidiaries's post - employment benefit obligations are estimated by a qualified actuary under the actuarial assumption using the Projected Unit Credit Method. However, the actual benefit obligation may be different from the estimate.

The Company and its subsidiaries recognized the actuarial gains or losses arising from defined benefit plan in the period incurred in other comprehensive income.

The Company and its subsidiaries recognized termination benefits when it is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Past service costs are recognized in the statement of income when the Company and its subsidiaries' plan amendment or curtailment occurs, or recognition in related restructuring costs or termination benefits.

2.15 Income tax

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date.

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 measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted at the reporting date.

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.

2.16 Basic earnings per share

Basic earnings per share are determined by dividing profit (loss) for the year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding.

3. EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARD

As described in Note 1.5.1 to the financial statements, during the current year, the Group has adopted financial reporting standard related to financial instruments and TFRS 16. The cumulative effect of initially applying this standard is recognised as an adjustment to retained earnings as of January 1, 2020. Therefore, the comparative information was not restated. The impacts on the financial statement from changes in accounting policies due to the adoption of these standards are presented as follows:

3.1 Group of Financial Instruments Standards

The Group has adopted financial reporting standard related to financial instruments as described in Note 1.5.1 (1) to the financial statements which have the material impact for the classification of financial assets as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
BAHT				
	Classification under previous standards as of December 31, 2019	Reclassifications	Classification under TFRS 9 as of January 1, 2020	Category
Assets				
Current				
Current investments	701,380.00	(701,380.00)	-	
- investments units				
Other current financial assets				
- investments units	-	701,380.00	701,380.00	Investment unit measured at fair value through profit or loss
Non - current				
Other long - term investments	38,001,804.93	(38,001,804.93)	-	
Other non - current financial assets				
- Fixed deposits	-	32,001,804.93	32,001,804.93	Fixed deposit measured at amortised cost
- Non - marketable equity securities	-	6,000,000.00	6,000,000.00	Equity instruments measured at fair value through other comprehensive income

SEPARATE FINANCIAL STATEMENTS

BAHT				
	Classification under		Classification under	
	previous standards		TFRS 9	
	as of		as of	
	December 31, 2019	Reclassifications	January 1, 2020	Category
Assets				
Current				
Current investments	701,380.00	(701,380.00)	-	
- investments units				
Other current financial assets				
- investments units	-	701,380.00	701,380.00	Investment unit measured at fair value through profit or loss
Non - current				
Other long - term investments	37,705,276.06	(37,705,276.06)	-	
Other non - current financial assets				
- Fixed deposits	-	31,705,276.06	31,705,276.06	Fixed deposit measured at amortised cost
- Non - marketable equity securities	-	6,000,000.00	6,000,000.00	Equity instruments measured at fair value through other comprehensive income

Besides, other financial assets and liabilities of the Group are measured at amortised cost.

3.2 TFRS 16 “Leases”

The Group has adopted TFRS16 “Leases” as described in Note 1.5.1 (2) to the financial statements as follows:

- The Group recognised a right - of - use and a lease liability previously classified as an operating lease at the present value of the remaining lease payments, discounted using the Group’s incremental borrowing rate at the date of initial application (as of January 1, 2020). Therefore, the comparative information, which presented based on TAS 17, was not restated. The Group recognised the carrying amount of the right - of - use assets and lease liabilities, previously classified as financial leases, based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

- Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low - value assets, are recognised as expenses on a straight - line basis over the lease term.

Therefore, the impacts from adoption of this standard at the date of initial application (as of January 1, 2020) as following:

	BAHT	
	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
<u>Assets</u>		
Increase in right - of - use assets	304,622,985.39	255,011,514.14
Decrease in property, plant and equipment - net	(247,722,981.12)	(246,767,293.44)
	<u>56,900,004.27</u>	<u>8,244,220.70</u>
<u>Liabilities</u>		
Increase in lease liabilities	62,199,546.00	8,963,600.00
Increase in deferred interest expenses	(5,299,541.73)	(719,379.30)
	<u>56,900,004.27</u>	<u>8,244,220.70</u>

4. TRADE RECEIVABLES - NET

BAHT				
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Trade receivables				
- Related party	-	-	-	392,483.63
- Others	997,723,410.57	535,795,839.03	984,308,364.53	446,785,447.82
Total	997,723,410.57	535,795,839.03	984,308,364.53	447,177,931.45
<u>Less</u> Allowance for doubtful accounts	<u>(16,592,258.95)</u>	<u>(16,592,258.95)</u>	<u>(15,622,358.72)</u>	<u>(15,622,358.72)</u>
Trade receivables - net	<u>981,131,151.62</u>	<u>519,203,580.08</u>	<u>968,686,005.81</u>	<u>431,555,572.73</u>

As of December 31, 2020 and 2019, the trade receivables are classified by aging are as follows:

BAHT				
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Current	946,135,004.91	480,760,033.18	935,695,950.47	410,558,865.53
Overdue				
Less than 3 months	24,860,550.49	11,979,286.82	23,578,490.94	7,433,514.18
Over 3 months to 6 months	288,900.00	7,095,405.24	288,900.00	7,095,405.24
Over 6 months to 12 months	8,069,375.84	10,954,844.45	7,427,375.84	-
Over than 12 months	18,369,579.33	25,006,269.34	17,317,647.28	22,090,146.50
Total	997,723,410.57	535,795,839.03	984,308,364.53	447,177,931.45
<u>Less</u> Allowance for doubtful accounts	<u>(16,592,258.95)</u>	<u>(16,592,258.95)</u>	<u>(15,622,358.72)</u>	<u>(15,622,358.72)</u>
Trade receivables - net	<u>981,131,151.62</u>	<u>519,203,580.08</u>	<u>968,686,005.81</u>	<u>431,555,572.73</u>

The change in the allowance for doubtful accounts for the year ended December 31, 2020, is as follow:

BAHT		
	CONSOLIDATED	SEPARATE
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
Beginning balance	(16,592,258.95)	(15,622,358.72)
Increased during the year	-	-
Received during the year	-	-
Decreased due to write - off	-	-
Ending balance	<u>(16,592,258.95)</u>	<u>(15,622,358.72)</u>

5. CURRENT CONTRACT ASSETS - UNBILLED CONTRACT REVENUE / ADVANCE RECEIVED

As of December 31, 2020 and 2019, unbilled contract revenue and advance received are as follows:

	BAHT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
<u>Unbilled contract revenue</u>				
Project value as per contract	-	15,725,000.00	-	-
Accumulated amount recognized as revenue on percentage of completion basis	-	12,533,789.25	-	-
<u>Less</u> Value of progress billings	-	(9,085,000.00)	-	-
Unbilled contract revenue	-	3,448,789.25	-	-
<u>Advance received</u>				
Project value as per contract	-	17,500,000.00	-	-
Value of progress billings	-	2,625,000.00	-	-
<u>Less</u> Accumulated amount recognized as revenue on percentage of completion basis	-	(238,373.65)	-	-
Advance received	-	2,386,626.35	-	-

As of December 31, 2019, the contract in progress costs incurred and recognized gain to date amounted Baht 10.56 million and Baht 2.21 million, respectively and the retentions amount Baht - million.

6. OTHER RECEIVABLES

Other receivables are as follows:

	BAHT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Accrued incomes	10,136,510.85	23,401,350.86	5,590,763.21	21,357,463.85
Advances payment	1,120,440.41	5,595,204.75	709,470.70	248,485.42
Prepaid expenses	29,568,790.18	17,820,476.08	28,253,094.39	12,485,071.09
Revenue Department receivable	22,550,016.62	21,599,234.37	22,443,169.68	13,172,985.03
Tax coupon	292,841.32	-	292,841.32	-
Total	<u>63,668,599.38</u>	<u>68,416,266.06</u>	<u>57,289,339.30</u>	<u>47,264,005.39</u>

7. INVENTORIES - NET

	BAHT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Finished goods	133,622,824.11	102,839,058.46	136,620,657.59	104,346,266.72
Work in process	233,633,103.88	269,102,741.66	230,380,137.13	210,682,843.87
Raw materials	431,793,749.06	554,684,065.15	398,384,759.59	401,011,218.83
Spare parts and factory supplies	20,898,413.85	23,455,352.83	-	-
Raw materials in transit	29,722,748.63	102,205,181.50	29,722,748.63	67,291,412.21
Total	849,670,839.53	1,052,286,399.60	795,108,302.94	783,331,741.63
<u>Less</u> Allowance for inventories declining value	<u>(39,853,422.22)</u>	<u>(22,456,506.32)</u>	<u>(30,189,746.04)</u>	<u>(22,456,506.32)</u>
Inventories - net	<u>809,817,417.31</u>	<u>1,029,829,893.28</u>	<u>764,918,556.90</u>	<u>760,875,235.31</u>

Inventories recognized as an expense in cost of sales.

	BAHT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Cost of goods sold	1,933,003,534.99	1,420,811,751.08	1,624,633,218.12	1,346,800,829.32
Increase (decrease) allowance for				
inventories declining value	21,807,899.91	9,418,498.03	12,144,223.73	9,418,498.03
Provisions for loss on sale order				
for undelivered goods	5,902,345.31	-	5,902,345.31	-
	<u>1,960,713,780.21</u>	<u>1,430,230,249.11</u>	<u>1,642,679,787.16</u>	<u>1,356,219,327.35</u>

Movement of allowance for inventories declining value for the year ended December 31, 2020, is as follows:

	BAHT	
	CONSOLIDATED	SEPARATE
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
Beginning balance	(22,456,506.32)	(22,456,506.32)
Decreased (increased) during the year:		
- Decrease (increase) allowance for		
inventories declining value	(21,807,899.91)	(12,144,223.73)
- Allowance decreased due to disposal	4,410,984.01	4,410,984.01
Ending balance	<u>(39,853,422.22)</u>	<u>(30,189,746.04)</u>

8. INVESTMENTS IN SUBSIDIARIES

		BAHT					
		Million Baht		Holding of investment		SEPARATE FINANCIAL STATEMENTS	
		Paid - up share capital				Investment	
		2020	2019	2020	2019	Cost method	Book value
Type of Business	Relationship					2020	2019
Subsidiaries Companies							
Tirathai E&S Co., Ltd.	Direct shareholding and joint directors	5.0	5.0	99.99%	99.99%	4,999,300.00	129,719,458.76
Thaifin Co., Ltd.	Direct shareholding and joint directors	15.0	15.0	99.99%	99.99%	14,999,400.00	19,777,271.18
L.D.S. Metal Work Co., Ltd.	Direct shareholding and joint directors	120.0	120.0	92.50%	92.50%	118,189,787.04	(104,536,966.41)
Total						<u>138,188,487.04</u>	<u>138,188,700.00</u>

(64,684,064.27)

9. OTHER NON - CURRENT FINANCIAL ASSETS / OTHER LONG - TERM INVESTMENTS

		BAHT			
		CONSOLIDATED		SEPARATE	
Share		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
holding		2020	2019	2020	2019
Non - marketable equity securities					
Investments in ordinary shares					
of related company					
- Fuji Tusco Corrugate Co., Ltd.	10%	6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00
Fixed deposits		27,816,515.76	32,001,804.93	27,519,061.55	31,705,276.06
Total other long - term investments		33,816,515.76	38,001,804.93	33,519,061.55	37,705,276.06

As of December 31, 2020 and 2019 fixed deposits are pledged to secure bank overdrafts and letter of guarantees for business the Company and its subsidiaries.

As of December 31, 2020 the above accounts were presented under other non - current financial assets and as of December 31, 2019, they were presented under other long - term investments are described in Note 3.1 to the financial statements.

10. LONG - TERM LOANS TO RELATED PARTIES

		BAHT			
		SEPARATE FINANCIAL STATEMENTS			
		Balance as of	Increase	Decrease	Balance as of
		December 31, 2019			December 31, 2020
Loan no.1		49,734,684.93	-	-	49,734,684.93
Loan no.2		160,000,000.00	-	-	160,000,000.00
Loan no.3		89,372,197.64	-	29,906,737.55	59,465,460.09
Loan no.4		-	4,400,000.00	800,000.00	3,600,000.00
Total		299,106,882.57	4,400,000.00	30,706,737.55	272,800,145.02
<u>Less</u>	Current portion	<u>(5,280,000.00)</u>			<u>(960,000.00)</u>
Long - term loans to related party					
- net of current portion		<u>293,826,882.57</u>			<u>271,840,145.02</u>

Subsidiaries

Loan no.1 :

In September 2014, the Company had entered into a three - years term loan of Baht 49.73 million with a subsidiary with interest at the rate of 5.30% p.a. which is unsecured. The total principal is repayable within September 25, 2017 and interest is repayable in every 3 months starting December 2014.

On September 25, 2017, the Company and the subsidiary had entered into the memorandum of loan agreement dated September 25, 2014 by extend total principal which will be repayable within September 25, 2019.

On December 28, 2018, the Company and the subsidiary had entered into the memorandum of loan agreement dated September 25, 2014 by extend total principal which will be repayable within September 25, 2024.

Loan no.2 :

On February 2, 2015, the Company had entered into a long - term loan agreement with the said subsidiary in amount of Baht 160 million. The subsidiary is able to drawdown the loan in installment when necessary and shall drawdown under this agreement within December 25, 2015 with interest at the rate of 4.50% p.a. which is unsecured. The interest is repayable in every six - months commencing the first repayment shall be paid within 6 months commencing from the 1st drawdown date. The principal are repayable equally in 4 installments in every December 25 of each year starting December 25, 2016. During the year 2015, the subsidiary drawdown 3 installments total Baht 101 million. Later, on December 25, 2015, the subsidiary drawdown the loan in amount of Baht 59 million by transfer from short - term loan to the loan under this agreement.

On December 25, 2016, the Company and the subsidiary had entered into the memorandum of loan agreement dated February 2, 2015 by extend 1 year of each installment which the 1st installment will be December 25, 2017.

On December 25, 2017, the Company and the subsidiary had entered into the memorandum of loan agreement dated February 2, 2015 by extend of each installment are as follows:

The 1st installment will be repayable within June 25, 2019

The 2nd installment will be repayable within December 25, 2019

The 3rd installment will be repayable within December 25, 2020

The 4th installment will be repayable within December 25, 2021

On December 28, 2018, the Company and the subsidiary had entered into the memorandum of loan agreement dated February 2, 2015 by extend of each installment are as follows:

The 1st installment will be repayable within December 25, 2025

The 2nd installment will be repayable within December 25, 2026

The 3rd installment will be repayable within December 25, 2027

The 4th installment will be repayable within December 25, 2028

Loan no.3 :

On December 28, 2018, the Company had entered into a long - term loan agreement with the said subsidiary in amount of Baht 77.65 million. The subsidiary drawdown the loan by transfer from short - term loan and accrued interest payable to the loan under this agreement with interest at the rate of 5.50% p.a. which is unsecured. The principal and interest are repayable in every month starting January 2019 and repayment within 120 installments are as follow:

- The 1st - 60th installment : Each installment will be repayable at Baht 0.44 million and interest
- The 61st - 119th installment : Each installment will be repayable at Baht 0.86 million and interest
- The 120th installment : The remaining amount will be repayable with interest

On April 1, 2019, the Company had entered into a long - term loan agreement with the said subsidiary in amount of Baht 17 million. with interest at the rate of 5.50% p.a. which is unsecured. And the Company and the subsidiary had enter into the memorandum of the two loan agreements in order to combine to be only one loan agreement. Under the new agreement, the principal and interest are repayable in every month starting January 2019 and repayment within 140 installments are as follow:

- The 1st - 60th installment : Each installment will be repayable at Baht 0.44 million and interest
- The 61st - 139th installment : Each installment will be repayable at Baht 0.86 million and interest
- The 140th installment : The remaining amount will be repayable with interest

At the end of the 3rd and 4th quarter in year 2020, the said subsidiary paid the full principal of the 25th - 70th installment and the partial principal of the 71th installment before maturity date, total Baht 24.63 million.

Loan no.4 :

On February 20, 2020, the Company had entered into a long - term loan agreement with the said subsidiary in amount of Baht 4.4 million with interest at the rate of 1.50% p.a. which is unsecured. The principal and interest are repayable in every month starting March 2020 and repayment within 55 installments.

11. PROPERTY, PLANT AND EQUIPMENT - NET

	BAHT								
	CONSOLIDATED FINANCIAL STATEMENTS								
	Land	Building and construction	Machineries, tools and equipment	Furniture and office equipment	Vehicles	Rental assets	Assets in progress	Assets in transit	Total
Cost									
As of December 31, 2019	272,881,245.00	513,158,016.92	1,076,633,044.74	61,317,989.12	68,226,454.06	-	4,493,020.27	-	1,996,709,770.11
Reclassification to right - of - use assets due to adoption of TFRS 16	-	-	(251,696,000.00)	(188,500.00)	(1,370,093.46)	-	-	-	(253,254,593.46)
Acquisitions	-	1,798,972.22	13,116,955.14	412,116.83	1,199,579.44	1,105,000.00	7,551,787.71	7,813,450.00	32,997,861.34
Disposal / write - off	-	(17,273,156.84)	(36,609,438.79)	(3,083,650.37)	(19,350,202.32)	-	(80,599.50)	-	(76,397,047.82)
Transfer in (out)	-	845,386.75	1,621,357.37	-	-	7,750,000.00	(10,216,744.12)	-	-
As of December 31, 2020	272,881,245.00	498,529,219.05	803,065,918.46	58,457,955.58	48,705,737.72	8,855,000.00	1,747,464.36	7,813,450.00	1,700,055,990.17
Accumulated depreciation									
As of December 31, 2019	-	(258,120,888.91)	(622,689,828.58)	(49,243,845.85)	(47,675,943.14)	-	-	-	(977,730,506.48)
Reclassification to right - of - use assets due to adoption of TFRS 16	-	-	5,026,004.08	91,202.48	414,405.78	-	-	-	5,531,612.34
Depreciation for the year	-	(13,744,586.97)	(35,006,332.94)	(3,368,174.91)	(3,971,711.32)	(782,245.70)	-	-	(56,873,051.84)
Disposal / write - off	-	7,366,758.46	21,619,203.19	2,560,086.41	14,006,810.04	-	-	-	45,552,858.10
As of December 31, 2020	-	(264,498,717.42)	(631,050,954.25)	(49,960,731.87)	(37,226,438.64)	(782,245.70)	-	-	(983,519,087.88)
Allowance for loss on impairment									
As of December 31, 2019	-	(22,595,372.31)	(1,522,359.73)	-	-	-	-	-	(24,117,732.04)
Increase	-	(5,431,093.25)	(6,516,837.59)	(612,468.26)	-	-	-	-	(12,560,399.10)
Disposal / write - off	-	5,039,157.27	4,788,156.08	162,334.06	-	-	-	-	9,989,647.41
As of December 31, 2020	-	(22,987,308.29)	(3,251,041.24)	(450,134.20)	-	-	-	-	(26,688,483.73)
Net book value									
As of December 31, 2019	272,881,245.00	232,441,755.70	452,420,856.43	12,074,143.27	20,550,510.92	-	4,493,020.27	-	994,861,531.59
As of December 31, 2020	272,881,245.00	211,043,193.34	168,763,922.97	8,047,089.51	11,479,299.08	8,072,754.30	1,747,464.36	7,813,450.00	689,848,418.56

Depreciation charges for the years 2020 and 2019 amounted to Baht 56,873,051.84 and Baht 80,292,460.46 respectively, are included in the statement of income.

BAHT

SEPARATE FINANCIAL STATEMENTS

	Land	Building and construction	Machineries, tools and equipment	Furniture and office equipment	Vehicles	Rental assets	Assets in progress	Assets in transit	Total
<u>Cost</u>									
As of December 31, 2019	264,421,245.00	433,027,444.85	904,972,810.29	42,354,023.62	29,085,900.11	-	4,344,397.34	-	1,678,205,821.21
Reclassification to right-of-use assets due to adoption of TFRS 16	-	-	(251,696,000.00)	(188,500.00)	-	-	-	-	(251,884,500.00)
Acquisitions	-	665,415.89	8,933,252.50	231,252.33	1,199,579.44	1,105,000.00	5,682,704.04	7,813,450.00	25,630,654.20
Disposal / write - off	-	-	-	-	(75,742.99)	-	-	-	(75,742.99)
Transfer in (out)	-	-	1,145,015.10	-	-	7,750,000.00	(8,895,015.10)	-	-
As of December 31, 2020	264,421,245.00	433,692,860.74	663,355,077.89	42,396,775.95	30,209,736.56	8,855,000.00	1,132,086.28	7,813,450.00	1,451,876,232.42
<u>Accumulated depreciation</u>									
As of December 31, 2019	-	(224,776,858.34)	(494,297,576.51)	(33,957,117.29)	(22,456,600.27)	-	-	-	(775,488,152.41)
Reclassification to right-of-use assets due to adoption of TFRS 16	-	-	5,026,004.08	91,202.48	-	-	-	-	5,117,206.56
Depreciation for the year	-	(13,598,229.81)	(22,400,703.93)	(1,726,593.47)	(1,325,478.53)	(782,245.70)	-	-	(39,833,251.44)
Disposal / write - off	-	-	-	-	75,740.99	-	-	-	75,740.99
As of December 31, 2020	-	(238,375,088.15)	(511,672,276.36)	(35,592,508.28)	(23,706,337.81)	(782,245.70)	-	-	(810,128,456.30)
<u>Net book value</u>									
As of December 31, 2019	264,421,245.00	208,250,586.51	410,675,233.78	8,396,906.33	6,629,299.84	-	4,344,397.34	-	902,717,668.80
As of December 31, 2020	264,421,245.00	195,317,772.59	151,682,801.53	6,804,267.67	6,503,398.75	8,072,754.30	1,132,086.28	7,813,450.00	641,747,776.12

Depreciation charges for the years 2020 and 2019 amounted to Baht 39,833,251.44 and Baht 51,054,166.13, respectively are included in the statement of income.

As of December 31, 2020 and 2019, certain land, building and construction, and machineries are mortgaged to several local banks and financial institutions as security against loans from banks, letter of credit and letter of guarantees.

As of December 31, 2020 and 2019, fixed assets have been fully depreciated but are still in use in the original cost are as follows:

	MILLION BAHT	
	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
As of December 31, 2020	743.94	637.96
As of December 31, 2019	726.82	631.66

12. RIGHT - OF - USE ASSETS - NET

BAHT

	CONSOLIDATED FINANCIAL STATEMENTS			
	Land	Machineries, tools and equipment	Furniture and office equipment	Vehicles
				Total
<u>Cost</u>				
As of December 31, 2019	-	-	-	-
Effect of the adopted of TFRS 16:				
- Reclassification from property, plant and equipment				
- Recognized from operating leases		251,696,000.00	188,500.00	1,370,093.46
As of January 1, 2020	46,347,451.03	66,791.42	1,681,452.10	8,804,309.72
Increase	46,347,451.03	251,762,791.42	1,869,952.10	10,174,403.18
As of December 31, 2020	46,347,451.03	767,986.24	5,143,550.84	1,788,785.05
<u>Accumulated depreciation</u>				
As of December 31, 2019	-	-	-	-
Effect of the adopted of TFRS 16:				
- Reclassification from property, plant and equipment		(5,026,004.08)	(91,202.48)	(414,405.78)
As of January 1, 2020	-	(5,026,004.08)	(91,202.48)	(414,405.78)
Increase	(13,042,544.86)	(12,126,431.33)	(1,581,202.15)	(2,720,832.08)
As of December 31, 2020	(13,042,544.86)	(17,152,435.41)	(1,672,404.63)	(3,135,237.86)
<u>Net book value</u>				
As of December 31, 2019	-	-	-	-
As of December 31, 2020	33,304,906.17	235,378,342.25	5,341,098.31	8,827,950.37
				282,852,297.10

BAHT

	SEPARATE FINANCIAL STATEMENTS			
	Machineries, tools and equipment	Furniture and office equipment	Vehicles	Total
<u>Cost</u>				
As of December 31, 2019	-	-	-	-
Effect of the adopted of TFRS 16:				
- Reclassification from property, plant and equipment	251,696,000.00	188,500.00	-	251,884,500.00
- Recognized from operating leases	-	1,264,000.32	6,980,220.38	8,244,220.70
As of January 1, 2020	251,696,000.00	1,452,500.32	6,980,220.38	260,128,720.70
Increase	-	5,143,550.84	1,788,785.05	6,932,335.89
As of December 31, 2020	251,696,000.00	6,596,051.16	8,769,005.43	267,061,056.59
<u>Accumulated depreciation</u>				
As of December 31, 2019	-	-	-	-
Effect of the adopted of TFRS 16:				
- Reclassification from property, plant and equipment	(5,026,004.08)	(91,202.48)	-	(5,117,206.56)
As of January 1, 2020	(5,026,004.08)	(91,202.48)	-	(5,117,206.56)
Increase	(11,944,918.81)	(1,412,468.83)	(1,853,626.03)	(15,211,013.67)
As of December 31, 2020	(16,970,922.89)	(1,503,671.31)	(1,853,626.03)	(20,328,220.23)
<u>Net book value</u>				
As of December 31, 2019	-	-	-	-
As of December 31, 2020	234,725,077.11	5,092,379.85	6,915,379.40	246,732,836.36

The following are the amounts recognized in profit or loss for the year ended December 31, 2020.

	BAHT	
	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
Depreciation of right - of - use assets	29,471,010.42	15,211,013.67
Interest expense on lease liabilities	10,495,200.61	8,356,863.10
Expense relating to short - term lease and leases of low - value assets	4,499,391.17	3,599,131.61
Total	44,465,602.20	27,167,008.38

13. INTANGIBLE ASSETS - NET

	BAHT			
	CONSOLIDATED FINANCIAL STATEMENTS			
	Deferred product design expenses	Computer software	Expense for quality certification	Total
<u>Cost</u>				
As of December 31, 2019	42,112,408.06	45,708,449.84	21,501,583.27	109,322,441.17
Increase	30,724,500.14	38,000.00	3,483,235.00	34,245,735.14
Decrease	-	-	-	-
Transfer in (out)	-	-	-	-
As of December 31, 2020	72,836,908.20	45,746,449.84	24,984,818.27	143,568,176.31
<u>Accumulated amortization</u>				
As of December 31, 2019	(42,112,408.06)	(41,558,996.70)	(20,139,752.16)	(103,811,156.92)
Amortization for the year	(1,540,435.44)	(2,834,602.01)	(1,118,226.85)	(5,493,264.30)
Decrease	-	-	-	-
As of December 31, 2020	(43,652,843.50)	(44,393,598.71)	(21,257,979.01)	(109,304,421.22)
<u>Net book value</u>				
As of December 31, 2019	-	4,149,453.14	1,361,831.11	5,511,284.25
As of December 31, 2020	29,184,064.70	1,352,851.13	3,726,839.26	34,263,755.09

Amortization for the years 2020 and 2019 amounted to Baht 5,493,264.30 and Baht 5,272,945.31, respectively are included in the statement of income.

	BAHT			
	SEPARATE FINANCIAL STATEMENTS			
	Deferred product design expenses	Computer software	Expense for quality certification	Total
<u>Cost</u>				
As of December 31, 2019	42,112,408.06	39,474,879.77	19,400,709.04	100,987,996.87
Increase	30,724,500.14	38,000.00	3,449,735.00	34,212,235.14
Decrease	-	-	-	-
Transfer in (out)	-	-	-	-
As of December 31, 2020	<u>72,836,908.20</u>	<u>39,512,879.77</u>	<u>22,850,444.04</u>	<u>135,200,232.01</u>
<u>Accumulated amortization</u>				
As of December 31, 2019	(42,112,408.06)	(36,789,738.00)	(18,249,107.60)	(97,151,253.66)
Amortization for the year	(1,540,435.44)	(2,162,841.22)	(911,091.91)	(4,614,368.57)
Decrease	-	-	-	-
As of December 31, 2020	<u>(43,652,843.50)</u>	<u>(38,952,579.22)</u>	<u>(19,160,199.51)</u>	<u>(101,765,622.23)</u>
<u>Net book value</u>				
As of December 31, 2019	<u>-</u>	<u>2,685,141.77</u>	<u>1,151,601.44</u>	<u>3,836,743.21</u>
As of December 31, 2020	<u>29,184,064.70</u>	<u>560,300.55</u>	<u>3,690,244.53</u>	<u>33,434,609.78</u>

Amortization for the years 2020 and 2019 amounted to Baht 4,614,368.57 and Baht 3,000,540.46, respectively are included in the statement of income.

As of December 31, 2020 and 2019, intangible assets have been fully amortized but expected to utilize in the original cost amounted Baht 98.85 million and Baht 94.37 million, respectively (the Company only : amounted to Baht 93.39 million and Baht 91.94 million, respectively).

14. BANK OVERDRAFTS AND SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS

	BAHT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	2020	2019	2020	2019
Bank overdrafts	26,083,009.98	25,469,776.88	-	-
Promissory note				
(Interest at the rate of 3.20% - 4.00% p.a. as of December 31, 2020 and interest at the rate of 3.01%-3.75% p.a., as of December 31, 2019)	350,000,000.00	350,000,000.00	350,000,000.00	350,000,000.00
Trust receipts	569,326,054.81	509,879,109.21	538,714,537.87	294,965,274.66
Total	<u>945,409,064.79</u>	<u>885,348,886.09</u>	<u>888,714,537.87</u>	<u>644,965,274.66</u>

Bank overdrafts are guaranteed by cash at banks and a subsidiary.

In January - February 2021, 4 promissory notes from several local bank amount of Baht 200 million was due and the total amount was repaid and the Company had entered into 4 promissory note from that bank in the amount of Baht 200 million with interest at the rate of 3.20% - 4.00% p.a., which is unsecured.

15. SHORT - TERM LOAN FROM RELATED PARTIES

	BAHT			
	SEPARATE FINANCIAL STATEMENTS			
	Balance as of December 31, 2019	Increase	Decrease	Balance as of December 31, 2020
Short - term loan	-	52,000,000.00	-	52,000,000.00

As of December 31, 2020, Short - term loan are 4 promissory notes at call with interest at the rate of 1.50% p.a. which is unsecured.

16. OTHER PAYABLES

Other payable of the following

	BAHT			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Accrued expenses	148,623,615.50	113,773,989.59	136,687,958.23	88,978,228.02
Payable on purchase of assets	15,901,793.34	4,703,281.90	23,401,793.34	4,703,281.90
Revenue Department payable	25,662,307.50	17,430,142.25	21,894,487.19	11,125,114.16
Total	190,187,716.34	135,907,413.743	181,984,238.76	104,806,624.08

17. LONG - TERM LOANS

		BAHT			
		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Loans from					
	financial institution	421,340,000.00	278,550,000.00	421,340,000.00	278,550,000.00
<u>Less</u>	Deferred cost of				
	financing loans	(12,000,000.00)	(4,500,000.00)	(12,000,000.00)	(4,500,000.00)
<u>Add</u>	Accumulated amortization				
	of deferred cost of				
	financing loans	2,431,696.53	689,883.27	2,431,696.53	689,883.27
Total		411,771,696.53	274,739,883.27	411,771,696.53	274,739,883.27
<u>Less</u>	Current portion	(69,389,318.13)	(41,618,287.93)	(69,389,318.13)	(41,618,287.93)
Long - term loans					
	- net of current portion	<u>342,382,378.40</u>	<u>233,121,595.34</u>	<u>342,382,378.40</u>	<u>233,121,595.34</u>

Movements in the long - term loans during the year ended December 31, 2020, is as follow:

		BAHT	
		CONSOLIDATED	SEPARATE
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
Beginning balances as of December 31, 2019		278,550,000.00	278,550,000.00
<u>Add</u>	Borrowing	200,000,000.00	200,000,000.00
<u>Less</u>	Repayments	(57,210,000.00)	(57,210,000.00)
Ending balances as of December 31, 2020		<u>421,340,000.00</u>	<u>421,340,000.00</u>

On June 17, 2019, the Company had entered into 2 long - term loans agreement with a local bank in the total amount of Baht 500 million to be for supporting repayment of debentures with interest at the rate of MLR - 2.25% p.a. and the Company has drawn down the loans amounting to Baht 300 million. The principal and interest are repayable in every month starting July 2019, and paid within 84 months commencing from the date of first paid. The remaining amount of Baht 200 million shall have to drawn down within June 30, 2020. On June 18, 2020, the Company has drawn down the remaining loans. The principal and interest are repayable in every month within 84 months commencing from July 2020.

This loan is secured by the mortgage of certain land, building and construction.

Under the loan agreement, the Group shall comply with various conditions and obligations i. e. the maintenance of financial ratios.

18. LEASE LIABILITIES

	BAHT	
	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
Lease liabilities as of December 31, 2019	196,551,050.90	195,892,787.11
Effects of the adoption of TFRS16:		
Operating lease commitments as of December 31, 2019	30,612,493.00	10,557,900.00
<u>Less</u> Short - term leases and leases of low - value assets	(1,647,355.00)	(1,594,300.00)
<u>Add</u> Extension and termination options reasonably certain to be exercised	33,234,408.00	-
<u>Less</u> Deferred interest expenses	(5,299,541.73)	(719,379.30)
Lease liabilities as of January 1, 2020	253,451,055.17	204,137,007.81
Increase (decrease) during the year:		
<u>Add</u> Lease payments at the commencement date	8,275,446.66	7,447,446.66
<u>Less</u> Deferred interest expenses	(575,124.53)	(515,110.77)
<u>Add</u> Recognition of deferred interest expenses	10,495,200.61	8,356,863.10
<u>Add</u> Recognition of deferred cost of financing loans	572,545.97	572,545.97
<u>Less</u> Recognition of deferred gain from sale and leaseback	(1,499,826.79)	(1,499,826.79)
<u>Less</u> Payments	(51,624,683.23)	(37,194,577.92)
Lease liabilities as of December 31, 2020	219,094,613.86	181,304,348.06
<u>Less</u> Current portion	(46,369,162.06)	(31,260,166.39)
Lease liabilities - net of current portion	172,725,451.80	150,044,181.67

During July 2019, the Company has entered into the machinery sale with a leasing company which their book value amounted Baht 241.22 million and the machineries have been leased back at Baht 251.70 million. Resulting, the surplus of Baht 10.48 million shall be deferred and amortised over the lease term (7 years).

As of December 31, 2020 and 2019, the Group have committed to pay the lease under the lease agreements are as follows:

	BAHT				
	CONSOLIDATED FINANCIAL STATEMENTS				
	As of December 31, 2020				
	Principal	Deferred gain from sale and leaseback	Deferred Interest expenses	Deferred cost of financing loans	Total
Current portion	47,864,890.96	(1,495,728.90)	8,795,306.35	570,981.64	55,735,450.05
1 - 5 years	159,035,633.96	(5,987,013.49)	15,973,473.10	2,285,490.89	171,307,584.46
Over 5 years	20,541,485.72	(864,654.39)	284,945.83	330,074.18	20,291,851.34
Total	227,442,010.64	(8,347,396.78)	25,053,725.28	3,186,546.71	247,334,885.85

BAHT

SEPARATE FINANCIAL STATEMENTS

As of December 31, 2020

	Principal	Deferred gain from sale and leaseback	Deferred Interest expenses	Deferred cost of financing loans	Total
Current portion	32,755,895.29	(1,495,728.90)	7,162,276.65	570,981.64	38,993,424.68
1 - 5 years	136,354,363.83	(5,987,013.49)	14,926,007.94	2,285,490.89	147,578,849.17
Over 5 years	20,541,485.72	(864,654.39)	284,945.83	330,074.18	20,291,851.34
Total	189,651,744.84	(8,347,396.78)	22,373,230.42	3,186,546.71	206,864,125.19

BAHT

CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2019

	Principal	Deferred gain from sale and leaseback	Deferred Interest expenses	Deferred cost of financing loans	Total
Current portion	28,106,636.67	(1,499,826.79)	7,950,900.90	572,545.97	35,130,256.75
1 - 5 years	123,646,347.73	(5,987,013.49)	19,671,558.80	2,285,490.89	139,616,383.93
Over 5 years	54,645,290.07	(2,360,383.29)	1,905,384.56	901,055.82	55,091,347.16
Total	206,398,274.47	(9,847,223.57)	29,527,844.26	3,759,092.68	229,837,987.84

BAHT

SEPARATE FINANCIAL STATEMENTS

As of December 31, 2019

	Principal	Deferred gain from sale and leaseback	Deferred Interest expenses	Deferred cost of financing loans	Total
Current portion	27,850,679.17	(1,499,826.79)	7,930,656.56	572,545.97	34,854,054.91
1 - 5 years	123,244,041.44	(5,987,013.49)	19,659,562.33	2,285,490.89	139,202,081.17
Over 5 years	54,645,290.07	(2,360,383.29)	1,905,384.56	901,055.82	55,091,347.16
Total	205,740,010.68	(9,847,223.57)	29,495,603.45	3,759,092.68	229,147,483.24

19. DEBENTURES

Balance of debentures consisted of the following:

		BAHT	
		CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
		As of December 31, 2020	As of December 31, 2019
Debentures issued no.5		-	100,000,000.00
Debentures issued no.7		-	100,000,000.00
Debentures issued no.9		200,000,000.00	400,000,000.00
Debentures issued no.10		-	100,000,000.00
Total		200,000,000.00	700,000,000.00
<u>Less</u>	Redemption debentures issued no.5	-	(100,000,000.00)
	Redemption debentures issued no.7	-	(100,000,000.00)
	Redemption debentures issued no.9	(200,000,000.00)	(200,000,000.00)
	Redemption debentures issued no.10	-	(100,000,000.00)
	Deferred cost of issuing debentures	-	(1,090,000.00)
<u>Add</u>	Accumulated amortization of deferred cost of issuing debentures	-	916,956.66
Total		-	199,826,956.66
<u>Less</u>	Current portion	-	(199,826,956.66)
Debentures - net of current portion		-	-

Debentures issued no.5

In August 2016, the Company issued and offered 100,000 units of unsubordinated and unsecured debentures with a par value of Baht 1,000 each, or a total Baht 100 million to be used for supporting the Company's business expanding, and working capital requirement. The maturity period of the debentures is 3 years, with the redemption date being August 5, 2019. The debenture holders are entitled to receive interest at a rate of 3.80 percent per annum. Such interest is payable quarterly in February, May, August, and November of every year. The terms and conditions of the debenture holders' rights contain covenants, and restrictions pertaining to matters such as the maintenance of financial ratios, and the assumption of guarantees or commitments.

In August 5, 2019, the debentures have been redeemed.

Debentures issued no.7

In September 2016, the Company issued and offered 100,000 units of unsubordinated and unsecured debentures with a par value of Baht 1,000 each, or a total Baht 100 million to be used for supporting the Company's business expanding, and working capital requirement. The maturity period of the debentures is 3 years, with the redemption date being September 14, 2019. The debenture holders are entitled to receive interest at a rate of 3.80 percent per annum. Such interest is payable quarterly in March, June, September, and December of every year. The terms and conditions of the debenture holders' rights contain covenants, and restrictions pertaining to matters such as the maintenance of financial ratios, and the assumption of guarantees or commitments.

In September 16, 2019, the debentures have been redeemed.

Debentures issued no.9

In June 2017, the Company issued and offered 400,000 units of unsubordinated and unsecured debentures with a par value of Baht 1,000 each, or a total Baht 400 million to be used for supporting the Company's business expanding, and working capital requirement. The maturity period of 200,000 debentures is 2 years and 200,000 debentures is 3 years, with the redemption date being June 23, 2019 and June 23, 2020, respectively. The debenture holders are entitled to receive interest at a rate of 4.95 percent per annum and 5.10 percent per annum, respectively. Such interest is payable quarterly in March, June, September and December of every year. The terms and conditions of the debenture holders' rights contain covenants, and restrictions pertaining to matters such as the maintenance of financial ratios, and the assumption of guarantees or commitments.

In June 24, 2019, the debentures 200,000 unit have been redeemed.

In June 23, 2020, the debentures 200,000 unit have been redeemed.

Debentures issued no.10

In June 2018, the Company issued and offered 100,000 units of unsubordinated and unsecured debentures with a par value of Baht 1,000 each, or a total Baht 100 million to be used for supporting the Company's business expanding, and working capital requirement. The maturity period of the debentures is 1 years, with the redemption date being June 20, 2019. The debenture holders are entitled to receive interest at a rate of 5.25 percent per annum. Such interest is payable quarterly in March, June, September, and December of every year. The terms and conditions of the debenture holders' rights contain covenants, and restrictions pertaining to matters such as the maintenance of financial ratios, and the assumption of guarantees or commitments.

In June 20, 2019, the debentures have been redeemed.

At the Annual General Meeting of Shareholders held on April 30, 2018, the shareholders approved issue and offer debentures not exceeding Baht 1,000 million and not longer than 7 years from the date of each issuance. The terms and conditions of the debentures shall be determined by the Board of Directors. Currently, the Company has issued and offered a part of the said debentures amount of Baht 100 million (Debentures issued no. 10).

20. PROVISIONS FOR EMPLOYEE BENEFITS

- Movement in the present value of the provisions for employee benefits for the years ended December 31, 2020 and 2019 are as follows:

	MILLION BAHT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Provisions for employee benefits at beginning of the years	105.31	85.99	84.12	66.13
Current service cost and interest	8.74	8.74	6.52	6.21
Past service costs	-	23.58	-	20.56
Benefits paid	(4.87)	(11.63)	(3.00)	(8.78)
Actuarial losses (gains) on defined employee benefit plans	(1.67)	(1.37)	-	-
Provisions for employee benefits at ending of the years	<u>107.51</u>	<u>105.31</u>	<u>87.64</u>	<u>84.12</u>

- Expenses recognized in the statement of income for the years ended December 31, 2020 and 2019 are as follows:

	MILLION BAHT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Current service costs	6.37	6.41	4.50	4.38
Past service costs	-	23.58	-	20.56
Interest cost	2.37	2.33	2.02	1.83
Total	<u>8.74</u>	<u>32.32</u>	<u>6.52</u>	<u>26.77</u>

Total actuarial losses (gains) recognized in the other comprehensive income in Consolidated financial statements for the years ended December 31, 2020 and 2019 amounted of gains Baht 1.67 million and Baht 1.37 million, respectively (the Company only: amounted of gains Baht - million and Baht - million, respectively).

- Principal actuarial assumptions as of December 31, 2020 and 2019 are as follows:

	PERCENT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Discount rate	1.71 - 3.19	2.66 - 3.19	3.02	3.02
Salary increase rate	5.00 - 6.00	5.00 - 6.00	5.00	5.00
Employee turnover rate	1.43 - 34.38*	1.43 - 34.38*	1.53 - 18.34*	1.53 - 18.34*
Mortality rate	TMO2017, 105% of TMO2017**	TMO2017, 105% of TMO2017**	TMO2017**	TMO2017**

* Based on the weighted average by age group of employees

** Reference from TMO2017 : Thai Mortality Ordinary Table 2017

- Sensitivity analysis of significant actuarial assumptions

Significant actuarial assumptions for sensitivity analysis are discount rate, salary increase rate, employee turnover rate and mortality rate, while holding all other assumptions constant. The sensitivity analysis of change in the relevant actuarial assumption that were reasonably possible as of December 31, 2020 is as follows:

- If the discount rate increases (decreases) by 1%, the provisions for employee benefits in Consolidated financial statements would decrease Baht 9.48 million (increase Baht 11.23 million) and Separate financial statements would decrease Baht 7.73 million (increase Baht 9.18 million).
- If the salary increase rate increases (decreases) by 1%, the provisions for employee benefits in Consolidated financial statements would increase Baht 12.58 million (decrease 10.37 million) and Separate financial statements would increase Baht 10.40 million (decrease Baht 8.84 million).
- If the employee turnover rate increases (decrease) by 20%, the provisions for employee benefits in Consolidated financial statements would decrease Bath 5.50 million (increase Bath 6.28 million) and Separate financial statements would decrease Baht 3.71 million (increase Baht 4.07 million).
- If the mortality rate increases (decrease) by 20%, the provisions for employee benefits in Consolidated financial statements would decrease Baht 1.19 million (increase Baht 1.21 million) and Separate financial statements would decrease Baht 0.95 million (increase Baht 0.96 million).

In presenting the above sensitivity analysis, the present value of the provisions for employee benefits has been calculated by using the same method that applied in calculating the provisions for employee benefits recognized in the statements of financial position.

On May 5, 2019, the Group have amended its post-employment benefits plan to conform with Labour Protection Act which the main point is to increase the rate of benefit of an employee who has past service 20 years or more from 300 days to 400 days. The Group have recorded the effect of the change by recognizing past service cost as expenses immediately in the 2nd quarter income statement of the year 2019 amounted to Baht 23.58 million (the Company : amounted to Baht 20.56 million).

21. FINANCIAL INSTRUMENTS

21.1 Interest rate risk

The Company and its subsidiaries, principally comprise deposits with financial institutions, trade receivables, trade payable and loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

a) Trade receivables

The Company and its subsidiaries, is exposed to credit risk primarily with respect to trade receivables. The Company and its Subsidiaries, the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of trade receivables as stated in the statements of financial position.

b) Deposits with financial institutions

The Company and its subsidiaries, is exposed to risk arising from deposit with financial institutions. However, the counterparties are banks with a good credit rating, for which the Company and its Subsidiaries, considers to have low credit risk.

Liquidity risk

The Company and its subsidiaries monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company and its Subsidiaries operation and to mitigate the effects of fluctuations in cash flows.

The remaining contractual maturities of financial liabilities at the reporting date are as follows:

MILLION BAHT						
CONSOLIDATED FINANCIAL STATEMENTS						
Carrying amount	Contractual cash flows					Total
	1 year or less	More than 1 year but Less than 2 years	More than 2 years but Less than 5 years	More than 5 years		
<u>As at 31 December 2020</u>						
<u>Non - derivative financial liabilities</u>						
- Bank overdrafts and short - term loans from financial institutions	945.41	945.41	-	-	-	945.41
- Trade payables	248.87	248.87	-	-	-	248.87
- Other payables	190.19	190.19	-	-	-	190.19
- Long - term loans	411.77	69.39	69.39	209.89	63.10	411.77
- Lease liabilities	219.09	46.37	45.38	107.67	19.67	219.09
- Income tax payable	18.28	18.28	-	-	-	18.28
- Other current liabilities	131.25	131.25	-	-	-	131.25
	<u>2,164.86</u>	<u>1,649.76</u>	<u>114.77</u>	<u>317.56</u>	<u>82.77</u>	<u>2,164.86</u>
<u>Derivative financial liabilities</u>	-	-	-	-	-	-

MILLION BAHT
SEPARATE FINANCIAL STATEMENTS

	Contractual cash flows					Total
	Carrying amount	1 year or less	More than 1 year but Less than 2 years	More than 2 years but Less than 5 years	More than 5 years	
<u>As at 31 December 2020</u>						
<u>Non - derivative financial liabilities</u>						
- Bank overdrafts and short - term loans from financial institutions	888.71	888.71	-	-	-	888.71
- Trade payables	281.70	281.70	-	-	-	281.70
- Other payables	181.98	181.98	-	-	-	181.98
- Short - term loans	52.00	52.00	-	-	-	52.00
- Long - term loans	411.77	69.39	69.39	209.89	63.10	411.77
- Lease liabilities	181.30	31.26	31.82	98.54	19.68	181.30
- Income tax payable	5.85	5.85	-	-	-	5.85
- Other current liabilities	129.68	129.68	-	-	-	129.68
	<u>2,132.99</u>	<u>1,640.57</u>	<u>101.21</u>	<u>308.43</u>	<u>82.78</u>	<u>2,132.99</u>
<u>Derivative financial liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Market risk

(a) Interest rate risk

The Company and its subsidiaries exposure to interest rate risk relates primarily to its cash at financial institutions. However, since most of the Company and its subsidiaries financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

(b) Foreign currency risk

As of December 31, 2020 and 2019, the Company and its subsidiaries are exposed to foreign currency risk primarily to foreign currency denominated asset and liabilities are as follows

	UNIT : MILLION			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	2020	2019	2020	2019
<u>Foreign currency denominated assets</u>				
Cash and cash equivalents				
- US DOLLAR	0.70	0.79	0.70	0.79
- SINGAPORE DOLLAR	1.88	1.20	1.88	1.20
Trade receivables				
- US DOLLAR	2.02	2.00	2.02	1.97
- EURO	0.06	0.48	-	-
- SINGAPORE DOLLAR	1.81	4.00	1.81	4.00
<u>Foreign currency denominate liabilities</u>				
Trust receipts				
- US DOLLAR	7.17	7.08	7.17	5.28
- EURO	1.96	0.23	1.96	0.23
- SWEDISH KRONA	5.61	2.48	5.61	2.48
- SWISS FRANC	0.51	0.34	0.51	0.34
Trade payables				
- US DOLLAR	2.30	4.49	2.30	3.58
- EURO	1.36	2.25	1.22	1.89
- SWEDISH KRONA	0.22	0.36	0.02	0.36
- SWISS FRANC	-	0.21	-	0.21
Other payables - accrued expenses				
- US DOLLAR	0.15	0.40	0.15	0.40
- EURO	0.42	0.38	0.42	0.38
- SINGAPORE DOLLAR	0.14	0.28	0.14	0.28
Other payables - payable on purchase of assets				
- EURO	0.43	-	0.43	-

However, the Company and its subsidiaries has outstanding foreign currency purchase and sales agreements as of December 31, 2020 and 2019 are as follows:

		UNIT : MILLION							
		CONSOLIDATED				SEPARATE			
		FINANCIAL STATEMENTS				FINANCIAL STATEMENTS			
		Purchase Agreements		Sales Agreements		Purchase Agreements		Sales Agreements	
		20120	2019	2020	2019	2020	2019	2020	2019
-	US DOLLAR	-	0.26	-	-	-	0.26	-	-

21.2 Fair values of financial instruments

The Company and its subsidiaries financial assets and financial liabilities measured at amortised cost and the majority of the Company and its subsidiaries financial instruments are short - term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

22. LEGAL RESERVE

Under the Public Limited Companies Act., the Company is required to set aside as legal reserve of at least 5% of its net income at each dividend declaration until the reserve reaches 10% of authorized share capital. This reserve is not available for dividend distribution.

23. DIVIDEND PAID

At the annual General Meeting of Shareholders held on April 28, 2020, the shareholders approved to pay the dividend amounted Baht 36.96 million at Baht 0.12 per share.

24. PROVIDENT FUND

Under Provident Fund Act., the Company, its subsidiaries and their employees have joined a TISCO Ruamtun 2 Registered Provident Fund scheme in September 2005. This fund is managed by an approved financial institution.

Each employee contributes an amount depending on his/her length of service and the Company contributes the same amount.

25. ADMINISTRATIVE EXPENSES

	BAHT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Employee expenses	148,667,390.62	224,694,819.43	98,689,530.25	130,420,431.08
Depreciation and amortization expenses	20,948,614.60	12,004,163.28	9,642,841.80	6,897,000.83
Professional and consultant fees	27,799,466.45	19,146,172.23	17,892,312.91	12,859,672.23
Other	67,967,155.68	117,202,366.39	46,638,130.34	58,810,351.42
Total	<u>265,382,627.35</u>	<u>373,047,521.33</u>	<u>172,862,815.30</u>	<u>208,987,455.56</u>

26. EXPENSES BY NATURE

The significant expenses classified by nature for the years ended December 31, 2020 and 2019 are as follows:

	BAHT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Changes in inventories of finished goods and work in process				
decrease (increase)	4,685,872.13	32,933,617.54	(51,971,684.13)	65,909,098.55
Purchase finished goods	125,000.00	782,100.00	125,000.00	782,100.00
Raw materials and consumables used	1,808,189,197.97	1,388,749,031.08	1,369,668,243.54	1,017,324,898.28
Employee benefits expenses	389,136,323.94	517,112,334.18	256,853,777.56	258,300,798.01
Management and directors benefit expenses	35,448,779.52	51,477,625.74	25,904,779.52	35,268,842.52
Depreciation and amortization expenses	91,837,326.56	85,565,405.77	59,658,633.68	54,054,706.59
Vat - not to be refundable	-	23,937,179.56	-	-
Loss on impairment of assets	12,560,399.10	24,117,732.04	-	-
Loss on devaluation of inventories	21,807,899.91	9,418,498.03	12,144,223.73	9,418,498.03
Loss on exchange rate	3,721,359.88	-	2,416,997.12	-

27. TAX INCOME (EXPENSES)

Tax income (expenses) for the years ended December 31, 2020 and 2019 consisted of:

	BAHT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Current tax expense	(18,001,285.44)	(48,178,641.38)	(13,816,184.77)	(32,800,193.64)
Deferred tax income (expenses) of temporary differences	4,171,299.08	(15,655,283.26)	3,191,126.79	(2,995,108.55)
Adjustment recognized in the years for current tax of prior years	-	(382,681.93)	-	-
Tax income (expenses) reported in the statement of income	<u>(13,829,986.36)</u>	<u>(64,216,606.57)</u>	<u>(10,625,057.98)</u>	<u>(35,795,302.19)</u>

Income tax relating to each component of other comprehensive income for the years ended December 31, 2020 and 2019, consisted of:

	BAHT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Deferred tax income (expenses) relating to actuarial losses on defined employee benefit plans	<u>(334,931.58)</u>	<u>(274,360.15)</u>	<u>-</u>	<u>-</u>

Reconciliation between tax income (expenses) and the product of accounting profit multiplied by the applicable tax rates for the years ended December 31, 2020 and 2019, are as follows:

	BAHT	
	CONSOLIDATED FINANCIAL STATEMENTS	
	2020	2019
Accounting profit (loss) before tax	<u>38,167,000.21</u>	<u>128,395,037.00</u>
Applicable tax rate	20%	20%
Tax income (expenses) before tax effect	(7,633,400.04)	(25,679,007.40)
Tax effect of :		
- Losses of current year which no deferred tax assets was recognized	(2,120,807.06)	(16,751,588.98)
- Adjustment losses of prior year which deferred tax assets was recognized	-	(16,048,144.39)
- Adjustments recognized in the year for the current tax of prior year	-	(382,681.93)
- Non - deductible expenses	(5,752,962.54)	(7,120,754.51)
- Added deductible expenses	<u>1,677,183.28</u>	<u>1,765,570.64</u>
Tax income (expense) reported in the statements of income	<u>(13,829,986.36)</u>	<u>(64,216,606.57)</u>

	BAHT	
	SEPARATE FINANCIAL STATEMENTS	
	2020	2019
Accounting profit (loss) before tax	58,690,740.09	182,294,433.32
Applicable tax rate	20%	20%
Tax income (expenses) before tax effect	(11,738,148.02)	(36,458,886.66)
Tax effect of :		
- Adjustment losses of prior year which deferred tax assets was recognized	-	(625,525.97)
- Non - deductible expenses	(518,634.72)	(424,281.68)
- Added deductible expenses	1,631,724.76	1,713,392.12
Tax income (expenses) reported in the statements of income	(10,625,057.98)	(35,795,302.19)

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

	BAHT	
	CONSOLIDATED FINANCIAL STATEMENTS	
	As of December 31, 2020	As of December 31, 2019
Deferred tax assets		
Allowance for diminution in value of investments	76,834.00	59,724.00
Allowance for doubtful accounts	3,420,753.16	3,420,753.16
Allowance for inventories declining value	6,037,949.21	4,491,301.26
Right - of - use assets	234,780.94	-
Provisions for loss on sale order for undelivered goods	1,180,469.06	-
Provisions for employee benefits	21,502,583.64	21,062,278.58
Deferred gain from sale and leaseback	1,669,479.36	1,969,444.71
Unused tax benefits on loss carry forward	4,745,517.27	4,174,916.50
Total	38,868,366.64	35,178,418.21
Deferred tax liabilities		
Effects of changes in accounting policy from revenue recognition	-	146,419.07
Total	-	146,419.07
Deferred tax assets - net	38,868,366.64	35,031,999.14

	BAHT	
	SEPARATE FINANCIAL STATEMENTS	
	As of December 31, 2020	As of December 31, 2019
Deferred tax assets		
Allowance for diminution in value of investments	76,834.00	59,724.00
Allowance for doubtful accounts	3,124,471.74	3,124,471.74
Allowance for inventories declining value	6,037,949.21	4,491,301.26
Right - of - use assets	41,969.20	-
Provisions for loss on sale order for undelivered goods	1,180,469.06	-
Provisions for employee benefits	17,528,908.09	16,824,012.16
Deferred gain from sale and leaseback	1,669,479.36	1,969,444.71
Total	<u>29,660,080.66</u>	<u>26,468,953.87</u>
Deferred tax liabilities		
Effects of changes in accounting policy from revenue recognition	-	-
Total	<u>-</u>	<u>-</u>
Deferred tax assets - net	<u>29,660,080.66</u>	<u>26,468,953.87</u>

As of December 31, 2020, its two subsidiary's unused tax losses amount of Baht 213.82 million, allowance for inventories declining value amount of Baht 9.66 million and allowance for impairment of assets amount of Baht 26.69 million for which no deferred tax assets are recognised due to the managements considered that it is not probable its subsidiary's future taxable profit will be available against which the deferred tax assets can be utilized

28. EARNINGS PER SHARE

Earnings per share computation in the consolidated and separate financial statements for the years ended December 31, 2020 and 2019, consisted of:

	BASIC EARNING PER SHARE			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Profit (loss) attributable to equity holders of the parent	11.92	75.37	48.07	146.50
Adjustment of profit (loss) for the years	-	-	-	-
Profit (loss) for the calculation of earning per share (million Baht)	<u>11.92</u>	<u>75.37</u>	<u>48.07</u>	<u>146.50</u>
The weighted average number of ordinary shares outstanding (million shares)	<u>308.01</u>	<u>308.01</u>	<u>308.01</u>	<u>308.01</u>
Earnings (loss) per share (Baht / share)	<u>0.039</u>	<u>0.245</u>	<u>0.156</u>	<u>0.476</u>

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Information about major customers

For the year ended December 31, 2020, the Company and its subsidiaries' revenues from sales and service amounted Baht 1,625.70 million from two customers.

For the year ended December 31, 2019, the Company and its subsidiaries' revenues from sales and service amounted Baht 1,240.34 million from two customers.

MILLION BAHT					
CONSOLIDATED FINANCIAL STATEMENTS					
AS OF DECEMBER 31,					
	Domestic		Foreign		Total
	2020	2019	2020	2019	2019
Trade receivables - net	873.40	312.38	107.73	206.82	519.20
Property, plant and equipment - net				689.85	994.86
Other assets				1,667.20	1,863.53
Total assets				3,338.18	3,377.59

30. TRANSACTIONS WITH RELATED PARTIES

The significant business transactions with related parties for the years ended December 31, 2020 and 2019 are as follows:

	MILLION BAHT				
	CONSOLIDATED		SEPARATE		
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	2020	2019	2020	2019	Transfer pricing policy
Revenues from sales	-	-	0.93	4.16	Cost plus agreed margin
Revenues from services	-	-	1.46	6.06	Cost plus agreed margin
Other income	-	-	-	0.18	Cost plus agreed margin
Interest income	-	-	14.36	14.68	According to note 10 to the financial statements
Rental income	-	-	1.49	0.62	Contract prices
Purchase	-	-	71.23	67.77	Not different from the unrelated parties
Purchase	4.64	3.31	160.17	97.71	At the rate agreed upon
Interest expense	-	-	0.10	-	According to note 15 to the financial statements

The outstanding balances of the transactions with related parties as presented in the statements of financial position are as follows:

	MILLION BAHT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	2020	2019	2020	2019
Trade receivables	-	-	-	0.39
Long - term loans	-	-	272.80	299.11
Accrued interest income	-	-	1.64	21.13
Advances payment for goods and service	-	-	1.95	16.10
Trade payables	-	3.07	53.57	26.65
Other payables	-	-	7.60	-
Short - term loans	-	-	52.00	-

Management and directors benefit expenses

Management and directors benefit expenses consist the benefits paid to the Company's management and directors such as salaries and related benefit including the benefit paid by other means. The Company's management are the persons who are defined under the Securities and Exchange.

Management and directors benefit expenses for the years ended December 31, 2020 and 2019 are as follows:

	BAHT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Short - term employee benefits	35,448,779.52	44,721,911.24	25,904,779.52	29,332,484.64
Post - employment benefits	-	6,755,714.50	-	5,936,357.88
Total	<u>35,448,779.52</u>	<u>51,477,625.74</u>	<u>25,904,779.52</u>	<u>35,268,842.52</u>

31. AGREEMENTS

As of December 31, 2020, the Company and its subsidiaries have commitments of the contract are as follows:

31.1 Lease agreement

The Company and its subsidiaries have long - term lease commitments outstanding on a land, building and construction, vehicles and equipment for the expiration dates range from 2021 - 2025. Future minimum payments under the leases are as follows:

	PERIODS (MILLION BAHT)			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	Not later than one year	Later than one year and not later than five years	Not later than one year	Later than one year and not later than five years
Lease agreements				
Land, building and construction	10.94	5.53	-	-
Vehicles	2.42	4.65	1.80	3.97
Equipment	2.40	4.05	1.92	3.50

As of December 31, 2020, the Company and its subsidiaries had recorded commitments under the lease agreements due to the adoption of TFRS 16 as of January 1, 2020. Therefore the Company and its subsidiaries recognised the remaining lease liabilities previously classified as operating lease at the present value of the lease payments discounted using the Company and its subsidiaries's incremental borrowing rate, as described in Note 18 to the financial statements.

31.2 Service agreement

The Company and its subsidiaries have long - term commitments outstanding on consultant fee for the expiration dates range from 2021. Future minimum payments are as follows:

Agreements	PERIODS (MILLION BAHT)			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	Not later than one year	Later than one year and not later than five years	Not later than one year	Later than one year and not later than five years
Consultant fee	0.96	-	-	-

Consultant fee under the above leases for the year ended December 31, 2020 amounted to Baht 1.92 million (the Company only : amounted to Baht - million).

31.3 The Company has signed a license agreement with a foreign company and has been committed to pay fees at the rate specified in the agreements.

32. COMMITMENT AND CONTINGENT LIABILITIES

As of December 31, 2020 and 2019, the Company and its subsidiaries have commitments and contingent liabilities are as follows:

	MILLION BAHT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
32.1 Unused letter of credits	48.82	151.01	48.82	77.68
32.2 Contingent liabilities to bank for letter of guarantees	737.72	903.51	547.75	599.72

32.3 As of December 31, 2020 and 2019 the Company has contingent liabilities for guarantee to subsidiaries company's credit facilities of Baht 1,307.95 million and Baht 1,309.24 million, respectively, with financial institutions.

33. CAPITAL MANAGEMENT

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

The Group manages its capital position with reference to its debt - to - equity ratio also to comply with a condition in long - term loan (agreement date on June 17, 2019), which require the Group to maintain debt - to - equity ratio not more than 2 : 1.

According to the statements of financial position as of December 31, 2020 and 2019, are as follows:

	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2020	2019
Debt - to - equity ratio	2.15 : 1	2.11 : 1

However, the lender waived the requirements to maintain the debt - to - equity ratio as stated.

34. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved on February 25, 2021 by the Board of Directors of the Company.

General Information

Name	Tirathai Public Company Limited
Nature of Business	The company operates in the manufacturing, distribution and installation of transformers. Maintenance, Transformer Repair, Transformer Testing and Transformer Rental.
Head office	516/1 Moo 4 (Bangpoo Industrial Estate), Sukhumvit Road, Tambon Prakekasa, Ampur Muang, Samutprakan, 10280
Registration Number	0107574800498
Website	www.tirathai.co.th
Telephone	(02) 769-7699
Fax	(02) 323-0910, (02) 709-3236
Registered Capital	359,202,865 Baht
Paid-up Capital	308,008,272 Baht (as of 31 December 2020)
Number of Issued Ordinary Shares	308,008,272 shares (as of 31 December 2020)
Par Value	Baht 1 per share
Investor Relation	Mr. Upakrom Thaweephoke Executive Director and Company Secretary
Email	ir@tirathai.co.th
Tel	(02) 769-7699 ext. 1220

Reference

Registrar	Thailand Securities Depository Company Limited
Address	93 Ratchadaphisek Road, The Stock Exchange of Thailand Building Dindaeng, Bangkok 10400
Telephone	(02) 009-9000
Facsimile	(02) 009-9001
Auditor	1. Mr. Chaiyut Angsuwittaya CPA No. 3885 or 2. Mrs. Natsarak Sarochahunjeen CPA No. 4563 or 3. Miss.Daranee Somkamnerd CPA No. 5007 or 4. Miss.Jarunee Nuammae CPA No. 5596
Address	A.M.T Associates Company Limited 491/27 Silom Plaza, Silom Road Bangrak, Bangkok 10500
Tel	(02) 234-1676
Fax	(02) 237-2133



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