



2020



ANNUAL REPORT



2020 ANNUAL REPORT • BGT CORPORATION PUBLIC COMPANY LIMITED

Message from the Chairman

Dear Shareholders,

Due to the situation of the Coronavirus disease (COVID-19) pandemic which has affected global economy and caused a great crisis, I, as the Chairman of the Board, together with Dr.Nopdol Tumwattana, Chief Executive Officer, as the Board of Directors and management team have been challenged to lead the Company through this global crisis and domestic situation from the Coronavirus epidemic. The crisis has affected the company since March 2020, for example, the government has launched a measure to temporarily shut down all department stores or shopping malls in order to reduce the spread of disease. Therefore, the normal sales of the Company's stores located in shopping centers have been directly affected. Many stores must be temporarily closed, as a result, the Company's sales revenue decreased. However, the Company has provided a wide range of distribution channels through the storefront and through E-Commerce. The Company's online channel is www.bodyglove.co.th and other platforms are Shopee, Lazada and JD Central, etc. The online sales in 2020 have grown significantly by 371.01% compared to 2019.

The Management Team has acknowledged the limitations and impacts that occurred, therefore, it has prepared a management plan to reduce expenses by coordinating with the Company's partners in reducing expenses such as rent and service fees of affected stores. Therefore, expenses were reducing. In addition, the Company has improved its marketing plan and modernized the layout of the stores in order to attract and reach more target customers.

On behalf of the Board of Directors of the BGT Corporation Public Co., Ltd. I and the management team would like to thank the shareholders, partners, business partners, customers and all involved persons who have always been very supportive to the Company, as well as the management team and employees who have driven the organization to move forward in accordance with the Company's action plan, even the company had to experience this crucial test. I would like to thank all of you and wish everyone to believe that the Company shall work hard and strive for efficiency so that the Company can step into a new normal world with sustainable growth.



A handwritten signature in black ink, appearing to read 'Nantarika Chansue'.

Assoc. Prof. Dr.Nantarika Chansue
Chairman of the Board

Financial Highlights

Financial Statements (Unit : Thousand Baht)	2020	2019	2018
Total Revenues	419,877	587,497	716,225
Profit (loss) before income tax expenses	(41,582)	(43,827)	(9,429)
Profit (loss) for the year	(35,805)	(42,029)	(7,709)
Earnings (loss) per share (Baht per share)	(0.10)	(0.12)	(0.02)
Total assets	1,081,612	590,319	607,435
Total liabilities	667,822	144,342	119,506
Total shareholders' equity	413,790	445,977	487,929
Book value per share (Baht per share)	1.14	1.23	1.34
Dividend per share (Baht per share)	-	-	-

Remark :

In the financial statements year 2020. The company has adopted TFRS 16 in place of TAS 17 Lease Agreement. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

The Company has adopted TFRSs related to financial instruments and TFRS 16 the first-time in its financial statements by applying modified retrospective approach of adoption of which the cumulative effect as an adjustment to the retained earnings as at January 1, 2020 and the comparative information was not restated.

Corporate Management

Board of Directors

Assoc. Prof. Dr.Nantarika Chansue
Chairman of the Board

Dr.Nopdol Tumwattana
Director

Mr.Goh Kok Cheng (Dickson)
Director

Mr.Goh Kok Beng
Director

Mrs.Mullika Tumwattana
Director

Dr.Dolnapa Tumwattana
Director

Pol.Gen.Sereepisuth Temeeyaves
Director, Independent Director,
Chairman of Audit Committee

Prof.Emeritus Dr.Surapone Virulrak
Director, Independent Director,
Audit Committee Member

Mr.Panu Kongtan
Director, Independent Director,
Audit Committee Member

Mr.Tan Ooi Jin
Director, Independent Director,
Audit Committee Member

Executive Officers

Dr.Nopdol Tumwattana
Chief Executive Officer

Ms.Waristha Thapanasakunvong
Chief Financial Officer,
Company Secretary

Mr.Julius Charoensook
Chief Operation Officer

Dr.Dolnapa Tumwattana
Chief Marketing Officer

Ms.Methira Thongsuwan
Accounting Manager

Mr.Chai Ratanamahawongse
Finance Manager

Mr.Songpon Kamsagun
Group Sales Manager

Corporate Information

Share Registrar
Thailand Securities Depository Co.,Ltd.
93 Ratchadaphisek Road, Dindaeng,
Bangkok 10400, Thailand.
Tel : 66 (0) 2009-9999
Fax : 66 (0) 2009-9991

Auditor
Dharmniti Auditing Co., Ltd.
178 Dharmniti Building , 6th-7th Floor,
Soi Permsap (Prachachuen 20)
Prachachuen Road, Bangsue,
Bangkok 10800, Thailand.
Tel : 66 (0) 2596-0500
Fax : 66 (0) 2596-0567

Registered Office
188 Suwinthawong Road
Minburi, Minburi,
Bangkok 10510 Thailand.
Tel : 66 (0) 2540-2888
Fax : 66 (0) 2540-1953

Corporate Website
www.bodyglove.co.th

Board of Directors



Assoc. Prof. Dr.Nantarika Chansue

Chairman of the Board

Age 59 Years. Thai

Assoc. Prof. Dr.Nantarika Chansue has been appointed as the Chairman of the Board of the BGT Corporation Public Co., Ltd. since May 15, 2020 and served as Director from 2007 until May 14, 2020. From 2000 until the present time, she is the Director of Education First Co., Ltd. Moreover, she has been appointed Associate Professor (C9) at the Department of Veterinary Medicine, Faculty of Veterinary Science, Chulalongkorn University and Director of Veterinary Medical Aquatic animal Research Center (VMARC), Faculty of Veterinary Science, Chulalongkorn University from 1989 until now.

She obtained her doctoral degree in Marine Science (Immunotoxicology) from the College of William and Mary, USA and a Doctor of Philosophy degree in Education Administration from Siam University.

Shareholding ratio: 7.82 % or 28,429,999 shares.



Dr.Nopdol Tumwattana

Chief Executive Officer /Director

Age 69 Years. Thai

Dr.Nopdol Tumwattana has been appointed as the Chief Executive Officer (CEO) of the BGT Corporation Public Co., Ltd. since May 15, 2020 and served as Chairman of the Board from June 2007 until May 14, 2020. At the beginning, he and Mr. Mark J. Walden, an American businessman, entered into a joint venture to establish the Thai Segway International Co., Ltd., in 1987 with the main objective to distribute ready-to-wear clothes and related products under the trademarks of Walt Disney and Body Glove to the US companies. That has led to the joint establishment of the Body Glove (Thailand) Co., Ltd. on March 31, 1988 with the objective to distribute ready-to-wear clothes and related products under the Body Glove trademark in Thailand.

He has a lot of experiences in management as he has been appointed the Chairman of two other companies, namely the Gold Master Public Co., Ltd. from 1991 until now, and the TSI International Co., Ltd. from 1988 until now. Also he is the Director of the DB Group Co., Ltd. from May 2015 to the present time.

For the educational background, he earned a PhD in Education Administration at Siam University, Master of Arts in Political Science (Political Management Project) from Ramkhamhaeng University and Bachelor of Laws from Ramkhamhaeng University. In addition, he received the Business Administration Degree from South Plains College, Texas, USA. He also obtained the Certificate of Lawyer program Class 23 from the Institute of Training Center of Lawyers Council in 2004.

Shareholding ratio: 13.17% or 47,889,300 shares.

Board of Directors



Mr. Goh Kok Cheng (Dickson)

Director

Age 53 Years. Malaysian

Mr. Goh Kok Cheng (Dickson) has been appointed President / CEO of the Body Glove (Thailand) Co., Ltd. from 2004 until May 14, 2020. His current position is the Director.

He has long experience in the clothing industry and has a comprehensive understanding and in-depth knowledge of the apparel market. His rises to success and prominence are attributed to his business acumen, vast experience in the retail industry and canny ability to spot business opportunities. He is also the co-founder of Body Glove (M) Sdn Bhd, the company that has introduced the Body Glove brand to the Malaysian market in 1995.

In 2004, spurred by the success in the Malaysian market, he decided to jointly venture abroad and continue to pursue success in the same business in Thailand. His other business has also expanded far and wide across the world to other countries. He is the Founding Director of Body Glove Asia Office (Body Glove Japan) and also one of the major shareholders of Yen Global Berhad, a company listed on the Malaysian Stock Exchange. He has received great attention due to his accurate and fair shareholding of Extreme Lifestyle (M) Sdn Bhd.

He obtained his secondary education at Chung Ling High School in Penang and subsequently continued his higher education in overseas for 4 years.

Shareholding ratio: 4.24% or 15,424,600 shares.



Mr. Goh Kok Beng

Director

Age 59 Years. Malaysian

He was appointed to the Director of BGT Corporation Public Co., Ltd. in 2007. He was a founding member of Body Glove (M) Sdn. Bhd. (BGM) and has more than 29 years of extensive and comprehensive experience and network in the apparel industry and market both locally and internationally. He is was one of the major shareholders of BGT Corporation Public Co., Ltd. and Executive Chairman of Yen Global Berhad a listed company on the Main board of Bursa Malaysia Berhad and sits on the Board of several private limited companies.

He obtained his secondary education at Chung Ling High School in Penang and subsequently continued his studies in Singapore.

Percentage of Shareholding in the Company: None



Mrs.Mullika Tumwattana

Director

Age 67 Years. Thai

She was appointed to the Director of BGT Corporation Public Co., Ltd. In 2007 and she also has been appointed to the Director till the present. Additionally since 2005, she has been appointed to the Director of Mallika Interfood Co., Ltd. till the present.

She obtained her Master Degree in Education from California Polytechnic University, Pomona, U.S.A. and her Bachelor degree in Education from Chiangmai University.



Dr.Dolnapa Tumwattana

Director, Chief Marketing Officer

Age 39 Years. Thai

Dr. Dolnapa Tumwattana has served as the Director of the BGT Corporation Public Co., Ltd. in April 2019 until now and has served as the Chief Marketing Officer of the BGT Corporation Public Co., Ltd. from June 2020 to the present. Previously, she was the Head of Marketing from February 2009 to May 2020. In addition, from 2015 until now, she is the Managing Director of DB Group Co., Ltd. (the copyright holder and distributor of LeTAO and Tokyo Milk Cheese Factory).

She earned a Doctor of Philosophy Degree in Marketing, Faculty of Business Administration, Kasetsart University

Percentage of Shareholding in the Company: None

Shareholding ratio: 24.72% or 89,876,750 shares

Board of Directors



Pol.Gen.Sereepisuth Temeeyaves

Director, Independent Director,

Chairman of Audit Committee

Age 72 Years. Thai

He was appointed to the Director, Independent Director and Chairman of Audit Committee of BGT Corporation Public Co., Ltd. in June 2007 till the present. He was appointed to National Police Chief of Royal Thai Police from 2007 to 2008.

He graduated from the Royal Police Cadet Academy, Thailand with a Bachelor of Science Degree, majoring in Public Administration.



Prof. Emeritus Dr.Surapone Virulrak

Director, Independent Director,

Audit Committee

Age 77 Years. Thai

He has been appointed to the Director, Independent Director and Audit Committee of BGT Corporation Public Co., Ltd. in June 2007, he still holds the position until present. He has been the Director of Gold Master Public Co., Ltd. since 1995.

He obtained his Doctor of Philosophy Degree in Drama and Theatre from University of Hawaii, U.S.A. and his Master Degree in Architecture also Master Degree in Drama and Theatre from University of Washington, U.S.A. and his Bachelor Degree in Architecture from Chulalongkorn University.

Percentage of Shareholding in the Company: None

Percentage of Shareholding in the Company: None



Mr. Panu Kongtan

**Director, Independent Director,
Audit Committee**

Age 56 Years. Thai

He has been appointed to the Director, Independent Director and Audit Committee of BGT Corporation Plc. in February 2009, he has still hold the position until present. He has been appointed to the Executive Vice President Investment Banking of Country Group Securities Pcl. since July 2013 until present. Formerly, He had been settled as Senior Vice President Investment Banking of Thai Strategic Capital Co., Ltd. since May 2012 to July 2013. He was Executive Vice President of Finansia Syrus Securities Plc. from August 2011 to April 2012.

About his educational background, he obtained the Master Degree in Business Administration and Bachelor Degree in Science from Prince of Songkla University.

Percentage of Shareholding in the Company : None



Mr. Tan Ooi Jin

**Director, Independent Director,
Audit Committee**

Age 45 Years. Malaysian

Mr. Tan Ooi Jin has served as Director, Independent Director and Audit Committee member of the BGT Corporation Public Co., Ltd. from April 2019 to the present. From September 2018 to September 2019, he served as the Vice Chairman of Vortex Consolidated BHD. Later, in October 2019 he became the Chairman of Vortex Consolidated BHD. Moreover, he has been appointed the Chairman of two more companies, namely, KTG Group BHD from February 2020 until now and DWL Resource BHD. (Spring Gallery BHD.) from October 2017 until now. He is the Independent Director of Dynaciate Group BHD from January 2015 until the present time.

He obtained Bachelor of Laws (Honours) from University of Newcastle-upon-Tyne, UK.

Percentage of Shareholding in the Company : None

Major Shareholders

Stockholder Name	No. of Shares
1 Dr.Dolnapa Tumwattana	89,876,750
2 Dr.Nopdol Tumwattana	47,889,300
3 Ms.TiaraTumwattana	32,700,050
4 Assoc.Prof.Dr.Nantarika Chansue	28,429,999
5 TSD	19,854,500
6 Mr.Sompong Piyawanitchakul	16,703,700
7 Mr.Goh Kok Cheng	15,424,600
8 Mr.Somchai Vijitsangrat	10,500,000
9 Ms.Kanungnit Tumwattana	10,000,000
10 Mr.Sutin Intai	9,586,700
11 Ms.Nantiya Thaimai	7,767,100
12 Ms.Thanaporn Sitthichaivishet	6,010,000
13 Mrs.Suwannee Sitthichaivishet	4,035,100
14 Mr.Thanachai Cheachan	3,380,200
15 Mr.Liew Kian Huat	2,763,000
16 Mr.Matthew Drake Walden	2,700,000
17 Ms.Theppharat Hemloha	2,548,500
18 Mr.Pisutti Lertwilai	2,222,200
19 Mrs.Manoon Phothipak	1,838,025
20 Mr.Taveephorn Laoprasertsom	1,711,000

Milestone of Significant Changes and Development

1987 - 1988

Dr.Nopdol Tumwattana and Mr.Mark J. Walden, an American business entrepreneur were entering into a joint venture to form Thai Segway International Co., Ltd., which its main objective to distribute ready-to-wear apparels under the trademarks of Walt Disney and Body Glove to the U.S.A based companies. As a result, Dr.Nopdol Tumwattana has gained a closed reputable business relationship with the Body Glove's trademark owner and later found the Body Glove (Thailand) Limited on March 31st, 1988 with registered capital of Baht 10 million, its main objectives is to distribute ready-to-wear apparels and accessories under the Body Glove trademark.

1991, 1994 & 2000

The Company's capital was increased to finance for the business expansion from Baht 10 million to Baht 20 million, from Baht 20 million to Baht 40 million and from Baht 40 million to Baht 60 million respectively.

2004

There was a change in the shareholding and management structure as follows; Mr.Goh Kok Cheng (Dickson) and Mr.Goh Kok Beng hold 49% of shares in the total equity of BGT. Both have experience in the management of Body Glove (M) Sdn. Bhd. which engages in distribution of apparels under Body Glove trademark in Malaysia Mr.Goh Kok Cheng (Dickson) is no longer involved in Body Glove (M) Sdn. Bhd. but is actively involved in the Thailand operations which effectively had turned around the Company's operations and performance.

2007

- On May 3rd, 2007 the Company has entered into a 99 Year exclusive operating, License and Sub-License for 6 territories in Asia, with IP Global Investments America (IPG), the holder of the license for Asia Pacific.

- On June 29th, 2007 the Company has increased its share capital to support the Company's business expansion from Baht 60 million to Baht 80 million, and changed the name from "Body Glove (Thailand) Co., Ltd." to "Body Glove (Thailand) Public Company Limited".

- On December 11th, 2007 the Company has registered as a listed company in the Stock Exchange of Thailand/mai

- At the end of 2007, YoY Revenue Growth was 27.83%, Gross Profit Margin was 53.80% and Net Profit Growth was 53.87%.

2008

- On May 6th, 2008 the Company's name has been changed from "Body Glove (Thailand) Public Company Limited" to "BGT Corporation Public Company Limited".

2009

- Establishment of a new brand called "Peoples Market", the contract has been signed with London based company, Two Agent See International Limited (TAS), in order to implement London Fashion Culture in Thailand.

- At the end of 2009, YoY Revenue Growth was 11.01%, Gross Profit margin was 49.91% and Net Profit Growth was 11.90% which performed a consistent growth for five consecutive years.

2010

- On May 20th, 2010, the Company has registered an increasing of the authorized share capital from Baht 80 million to Baht 160 million.

- June 2010, there were 100 stores in all major shopping malls and department stores throughout Thailand.

2011

- On December 31st, 2011, total stores were 143 stores in all major shopping malls and department stores throughout Thailand.
- In Q4/2011, flood disaster in Thailand affected most of our stores and 13 stores had to close down but Total Revenue was still growth 1%.
- At the end of 2011, YoY Total Revenue Growth was 13% and Net Profit Growth was 14.49%.

2012

- On May 10th, 2012, the Company has reduced its registered share from Baht 160,000,000.00 to Baht 159,786,650.00 and the paid-up registered share capital was Baht 159,786,650.00, remaining from the appropriation to support stock dividend payment.
- On May 11th, 2012, the Company has increased its registered share to support stock dividend payment from Baht 159,786,650.00 to Baht 179,759,982.00 and the paid-up registered share capital was Baht 159,786,650.00.
- On May 15th, 2012, the Company has made an allotment of 39,946,664 new ordinary shares with the par value of Baht 0.50 per share divided into registered share Baht 179,759,982.00 and the paid-up registered share capital Baht 179,756,452.00.
- On October 1st, 2012, headquarters has moved to 188 Suwinthawong Road, Minburi, Minburi, Bangkok 10510.
- On December 31st, 2012, total stores were 149 stores in all major shopping malls and department stores throughout Thailand.

2013

On January 3^d, 2013 the company established the new subsidiary called BGT Technology. BGT Corporation Public Company Limited effectively own 59.60% of the equity in the BGT Technology Company Limited. The nature of business is to distribute electronic devices and other related accessories such as mobile case, ipad case and etc. to Hypermarket

2014

In 2014, total stores were 151 stores in all major shopping malls and department stores throughout Thailand.

2015

- On March 27th, 2015, the Company had sold part of its investment in BGT Technology Co., Ltd. Thus, the Company has held paid-up capital of BGT Technology Co., Ltd. at 24.60% and has changed the status from its subsidiary to its associate. In September 2015, BGT Technology Co., Ltd has increased its registered capital more Baht 10 million. Therefore, the Company has increased the investment in its associate at Baht 2.27 million, which resulted in total investment at Baht 4.73 million and total shareholding proportion at 23.65%.
- At the end of 2015, separate financial statements showed that the Company increased its total revenues by 6.38%, gross profit margin by 48.38% and net profit by 208.24%. As of December 31st, 2015, there were totally 148 stores throughout Thailand.

2016

As of December 31st, 2016 the Company's revenue increased by 11.79, gross profit rose at 49.42% and net profit was higher to 194.46%. There were 37 stores in Bangkok and 129 stores in upcountry, which were totally 166 stores throughout Thailand.



2017

On December 31st, 2017 separate financial statements showed that the Company has total revenues at Baht 849 million, gross profit margin by 47.37% and net profit by 3.62%. There were totally 168 stores throughout Thailand.

2018

In addition to retail and online distribution channels through bgt4u.com The Company has also expanded distribution to e-commerce by joining online platform such as Lazada, Shopee and JD Central, so as to reach consumers and also to expand customer base. As of December 2018 the Company has 149 stores, total revenue of Baht 716 million.



2019

The company has opened up a new direction in order to internationalize products and become the top lifestyle brand. In addition, the company has also conducted many projects such as a website makeover, an online application to meet current customers' buying behavior and upgrading the POS system in every store as well as improving the operating system of the headquarters to be more efficient.

2020

Due to the situation of Coronavirus Disease (COVID-19) pandemic since the end of March 2020, the company has been directly affected. The government announced the closure of shopping centers; as a result, many kinds of stores have been temporarily closed to prevent the spread of the disease which the Body Glove stores also have been affected. The top management has changed the management approach by reducing Company's expenses such as rental and store service fees, etc. In December 2020, there were 131 stores in total which 30 stores were in Bangkok and 101 stores were in other provinces with a total income of 419.88 million baht.

For years, the Company has constantly developed products align with customers' and consumers' needs and expanded its distribution channels in front-end stores and E-commerce such as Lazada, Shopee, JD Central etc. in order to access more consumers and enlarge its customer base via www.bodyglove.co.th

The Company has added the new category for customers' and consumers' direct access to sportswear. This includes fitness or workout wear for men and ladies and related accessories. By the rights of Body Glove trademark, the Company has been able to expand its retail operation in 6 Asian countries : Thailand, Vietnam, Myanmar, Laos, Cambodia and Philippines.



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Report of the Audit Committee on Corporate Governance



To : The shareholders of BGT Corporation Public Company Limited

The Audit Committee was appointed by the Board of Director, comprising of three independent, namely

- | | |
|--|----------------------------------|
| 1. Police General Sereepisuth Temeeyaves | Chairman of the Audit Committee, |
| 2. Professor Emeritus Dr.Surapone Virulrak | Committee Member |
| 3. Mr. Panu Kongtan | Committee Member |
| 4. Mr.Tan Ooi Jin | Committee Member |

The Audit Committee by Mr. Panu Kongtan member of Audit Committee who has adequate expertise and experience to review creditability of the financial reports.

The Audit Committee was assigned to fulfill the responsibility according to the scope, duties and responsibilities that complied with the Regulation of the Stock Exchange of Thailand.

Our main duties and responsibilities are to review accuracy and sufficiency of financial reports of the Company, to provide adequate and effective internal audit and internal control system of the Company, to control the Company to comply with all related laws and regulations, to consider the reasonability of the connected transaction or transaction which causes conflict of the interest, to ensure sufficiency of disclosure of information by the Company, and to consider and propose the appointment of the Company auditors and their remuneration.

During the year 2020, the Audit Committee held 4 meetings which most members thereof have attended all meetings, having the followings significant matters:

1. Reviewing quarterly, annual and consolidated financial statements of the Company prior to submission to the Board of Director, the Securities Exchange Commission and the Stock Exchange of Thailand. The Audit Committee was meeting with certified auditors once a year, where executives were not allowed to attend. After due consideration of the said financial statements and discussions with auditors and management division about related account standards; changes in account standards, we are of the opinion that the above-mentioned financial statements are recorded in accordance with generally accepted accounting principles with accuracy, completeness and sufficient disclosure of information.

2. Evaluating sufficiency and appropriateness of the Company's internal control system, through the supervision, supporting and encouraging their independent operation; introducing to apply risk assessment as guideline for examining in order to mitigate from potential risk causing damage to business operation of the Company; and suggestions for enhancing efficiency of their operation and internal control.

3. Reviewing the connected transactions or transactions which may cause conflict of interest to be in compliance of the laws and regulations of Stock Exchange of Thailand. We are of the opinion that the aforesaid transactions are reasonable and for the best interest of the Company. The Company also discloses accurate and complete information.

4. Consideration and appointment of the Auditors of 2020 - The Audit Committee has taken into consideration and appointment to select the Auditor for the Year 2020 as Dharmniti Auditing Co., Ltd. to be the Auditors of the Company. Since they are appropriate, competent, professional, in addition, their performance in the past are acceptable and reliable, the auditor are independent and they have no relationship with the Company which was proposed to the Board of Directors for consideration and would be further proposed the Auditor Fees to the Meeting of Shareholders for approval.

In summary, the Audit Committee performed its duties and responsibilities stated in its Board approved charter with competence, care, prudence, and adequate independence for the equitable benefit of stakeholders. Its opinion is that financial reports are accurate, reliable, and in accordance with the generally accepted accounting principles. In addition, commands adequate risk management practices and a suitable, effective internal audit, has in place work practices aligning with good governance, and complies with laws, regulations and obligations, disclosed the connected transactions correctly, performed duties in compliance with the good corporate governance principles, adequate, transparent and reliable.



.....
(Pol.Gen Sereepisuth Temeeyaves)
Chairman of the Audit Committee

Milestones of Significant Changes and Development



- **1987-1988** Dr.Nopdol Tumwattana and Mr. Mark J. Walden, an American business entrepreneur were entering into a joint venture to form Thai Segway International Co., Ltd., which its main objective to distribute ready-to-wear apparels under the trademarks of Walt Disney and Body Glove to the U.S.A based companies. As a result, Dr.Nopdol Tumwattana has gained a closed reputable business relationship with the Body Glove's trademark owner and later found the Body Glove (Thailand) Limited on March 31st, 1988 with registered capital of Baht 10 million, its main objectives is to distribute ready-to-wear apparels and accessories under the Body Glove trademark.
- **1991, 1994 and 2000,** The Company's capital was increased to finance for the business expansion from Baht 10 million to Baht 20 million, from Baht 20 million to Baht 40 million and from Baht 40 million to Baht 60 million respectively.
- **2004** There was a change in the shareholding and management structure as follows; Mr. Goh Kok Cheng (Dickson) and Mr. Goh Kok Beng hold 49% of shares in the total equity of BGT. Both have experience in the management of Body Glove (M) Sdn. Bhd. which engages in distribution of apparels under Body Glove trademark in Malaysia. Mr.Goh Kok Cheng (Dickson) is no longer involved in Body Glove (M) Sdn. Bhd. but is actively involved in the Thailand operations which effectively had turned around the Company's operations and performance.
- **2007**
 - On May 3rd, 2007 the Company has entered into a 99-Year exclusive operating, License and Sub-License for 6 territories in Asia, with IP Global Investments America (IPG), the holder of the license for Asia Pacific.
 - On June 29th, 2007 the Company has increased its share capital to support the Company's business expansion from Baht 60 million to Baht 80 million, and changed the name from "Body Glove (Thailand) Co., Ltd." to "Body Glove (Thailand) Public Company Limited".
 - On December 11th, 2007 the Company has registered as a listed company in the Stock Exchange of Thailand/mai
 - At the end of 2007, YoY Revenue Growth was 27.83%, Gross Profit Margin was 53.80% and Net Profit Growth was 53.87%
- **2008** On May 6th, 2008 the Company's name has been changed from "Body Glove (Thailand) Public Company Limited" to "BGT Corporation Public Company Limited"
- **2009**
 - Establishment of a new brand called "Peoples Market", the contract has been signed with London based company, Two Agent See International Limited (TAS), in order to implement London Fashion Culture in Thailand.
 - At the end of 2009, YoY Revenue Growth was 11.01%, Gross Profit margin was 49.91% and Net Profit Growth was 11.90% which performed a consistent growth for five consecutive years.

- 2010

 - On May 20th, 2010, the Company has registered an increasing of the authorized share capital from Baht 80 million to Baht 160 million.
 - June 2010, there were 100 stores in all major shopping malls and department stores throughout Thailand.
- 2011

 - On December 31st, 2011, total stores were 143 stores in all major shopping malls and department stores throughout Thailand.
 - In Q4/2011, flood disaster in Thailand affected most of our stores and 13 stores had to close down but Total Revenue was still growth 1%.
 - At the end of 2011, YoY Total Revenue Growth was 13% and Net Profit Growth was 14.49%.
- 2012

 - On May 10th, 2012, the Company has reduced its registered share from Baht 160,000,000.00 to Baht 159,786,650.00 and the paid-up registered share capital was Baht 159,786,650.00, remaining from the appropriation to support stock dividend payment.
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 - On December 31st, 2012, total stores were 149 stores in all major shopping malls and department stores throughout Thailand.
- 2013

 - On January 3rd, 2013 the company established the new subsidiary called BGT Technology. BGT Corporation Public Company Limited effectively own 59.60% of the equity in the BGT Technology Company Limited. The nature of business is to distribute electronic devices and other related accessories such as mobile case, ipad case and etc. to Hypermarket.
- 2014

 - In 2014, total stores were 151 stores in all major shopping malls and department stores throughout Thailand.
- 2015

 - On March 27th, 2015, the Company had sold part of its investment in BGT Technology Co., Ltd. Thus, the Company has held paid-up capital of BGT Technology Co., Ltd. at 24.60% and has changed the status from its subsidiary to its associate. In September 2015, BGT Technology Co., Ltd has increased its registered capital more Baht 10 million. Therefore, the Company has increased the investment in its associate at Baht 2.27 million, which resulted in total investment at Baht 4.73 million and total shareholding proportion at 23.65%.
 - At the end of 2015, separate financial statements showed that the Company increased its total revenues by 6.38%, gross profit margin by 48.38% and net profit by 208.24%. As of December 31st, 2015, there were totally 148 stores throughout Thailand.

- 2016** As of December 31st, 2016, the Company's revenue increased by 11.79, gross profit rose at 49.42% and net profit was higher to 194.46%. There were 37 stores in Bangkok and 129 stores in upcountry, which were totally 166 stores throughout Thailand.
- 2017** On December 31st 2017, separate financial statements showed that the Company has total revenues at Baht 849 million, gross profit margin by 47.37% and net profit by 3.62%. There were totally 168 stores throughout Thailand.
- 2018** In addition to retail and online distribution channels through BGT4U.COM. The Company has also expanded distribution to e-commerce by joining online platform such as Lazada , Shopee and JD Central, so as to reach consumers and also to expand customer base. As of December 2018 the Company has 149 stores, total revenue of Baht 716 million.
- 2019** The company has opened up a new direction in order to internationalize products and become the top lifestyle brand. In addition, the company has also conducted many projects such as a website makeover, an online application to meet current customers' buying behavior and upgrading the POS system in every store as well as improving the operating system of the headquarters to be more efficient.
- 2020** Due to the situation of Coronavirus Disease (COVID-19) pandemic since the end of March 2020, the company has been directly affected. The government announced the closure of shopping centers; as a result, many kinds of stores have been temporarily closed to prevent the spread of the disease which the Body Glove stores also have been affected. The top management has changed the management approach by reducing Company's expenses such as rental and store service fees, etc. In December 2020, there were 131 stores in total which 30 stores were in Bangkok and 101 stores were in other provinces with a total income of 419.88 million baht.

For years, the Company has constantly developed products align with customers' and consumers' needs and expanded its distribution channels in front-end stores and E-commerce such as Lazada, Shopee, JD Central etc. in order to access more consumers and enlarge its customer base via www.bodyglove.co.th

The Company has added the new category for customers' and consumers' direct access to sportswear . This includes fitness or workout wear for men and ladies and related accessories. By the rights of Body Glove trademark, the Company has been able to expand its retail operation in 6 Asian countries: Thailand, Vietnam, Myanmar, Laos, Cambodia and Philippines.



Financial Highlights

	Financial Statements		
STATEMENT OF FINANCIAL POSITION (Btm)	2018	2019	2020
TOTAL ASSETS	607.43	590.32	1,081.61
TOTAL LIABILITIES	119.51	144.34	667.82
TOTAL SHAREHOLDERS' EQUITY	487.93	445.98	413.79
STATEMENT OF COMPREHENSIVE INCOME (Btm)	2018	2019	2020
Revenues from sales	714.27	584.69	416.46
Total Revenues	716.22	587.50	419.88
Cost of sales	385.43	299.45	209.12
Selling expenses	246.79	233.17	140.88
Administrative expenses	90.76	97.06	84.46
Finance costs	2.68	1.64	27.01
Total expenses	725.65	631.32	461.46
Profit (loss) before income tax expenses	(9.43)	(43.83)	(41.58)
Income tax (revenue) expenses	(1.72)	(1.80)	(5.78)
Profit (loss) for the year	(7.71)	(42.03)	(35.81)
Earnings (loss) per share (Baht per share)	(0.02)	(0.12)	(0.10)
Book value per share (Baht per share)	1.34	1.23	1.14
FINANCIAL RATIOS	2018	2019	2020
Revenue growth (%)	(15.62%)	(17.97%)	(28.53%)
Net Profit growth (%)	(125.10%)	(445.16%)	14.81%
EBIT growth (%)	(115.07%)	(524.87%)	65.46%
Gross profit margin (%)	46.04%	48.78%	49.79%
Net profit margin (%)	(1.08%)	(7.15%)	(8.53%)
DE ratio (time)	0.24 time	0.32 time	1.61 time
ROA (%)	(1.21%)	(7.02%)	(4.28%)
ROE (%)	(1.56%)	(9.00%)	(8.33%)

Remark : In the financial statements year 2020. The company has adopted TFRS 16 in place of TAS 17 Lease Agreement. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

The Company has adopted TFRSs related to financial instruments and TFRS 16 the first-time in its financial statements by applying modified retrospective approach of adoption of which the cumulative effect as an adjustment to the retained earnings as at January 1, 2020 and the comparative information was not restated.

Profiles of Board of Directors and Executives

No.	Name Position	Age (Yrs.)	Highest Education/ Training	Ratio and No. of shares	Relationship	5 Years' Working Experience		
						Period	Position	Company
1.	Assoc. Prof. Dr. Nantarika Chansue (Chairman of the Board) Date of Appointment June 2007	59	- Education > Ph.D. Marine Science (Immunotoxicology), College of William and Mary, U.S.A. >Ph.D. Program in Educational Administration, Siam University - Training Program > Director Accreditation Program (IOD) DAP 50/2006	- 0.94% or 3,429,999 shares as of Mar. 20, 2019 - 7.82% or 28,429,999 shares as of Dec. 30, 2020 Held by spouse or minor children -none-	-	15 May 2020 - present 2007 - 14 May 2020 2011 - present 1994 - present 1989 - present	Chairman of the Board Director Head of Department Director Assistant Professional (C9)	BGT Corporation Public Company Limited BGT Corporation Public Company Limited Ornamental Aquatic animals and Aquatic animals for Conservation research unit (OAAC) Veterinary Medical Aquatic Animal Research Center (VMARC), Chulalongkorn University Veterinary Medicine, Faculty of Veterinary Medicine, Chulalongkorn University (Main occupation)
Listed Companies						-none-		
Other Non-Listed Companies								
2.	Dr. Nopdol Tumwattana* (Director and Chief Executive Officer) Date of Appointment June 2007	69	- Education > Ph.D. Program in Educational Administration, Siam University - Training Program > Director Accreditation Program (IOD) DAP 50/2006	- 13.13 % or 47, 728,600 shares as of Mar. 20, 2019 - 13.17 % or 47, 889,300 shares as of Dec.30,2020 Held by spouse -None- Held by minor children 9% 32,700,050 shares as of Dec.30,2020	Mrs. Mullika Tumwattana's brother and Miss Dolnapa Tumwattana's father	15 May 2020 - present June 2007 - 14 May 2020	Director Chief Executive Officer Chairman of the Board	Education First Co., Ltd. BGT Corporation Public Company Limited (Main occupation) BGT Corporation Public Company Limited
Listed Companies						-none-		
Other Non-Listed Companies								
						1991 - present 1988 - present May 2015- present May 2016- present	Managing Director Chairman Director Director	Gold Master Public Company Limited TSI International Company Limited DB Group Company Limited Thai International School Company Limited

Profiles of Board of Directors and Executives

No.	Name Position	Age (Yrs.)	Highest Education/ Training	Ratio and No. of shares	Relationship	5 Years' Working Experience		
						Period	Position	Company
3.	Mr. Goh Kok Cheng (Dickson)* (Director) Date of Appointment June 2007	53	- Education > Chung Ling High School (A Level) - Training Program > Director Accreditation Program (IOD) DAP 62/2007	- 13.10% or 47,627,200 shares as of Mar. 20, 2019 - 4.24 % or 15,424,600 shares as of Dec.30,2020 ----- Held by spouse or minor children -none-	Mr. Goh Kok Beng's brother	15 May 2020- present	Director	BGT Corporation Public Company Limited (Main occupation)
						June 2007 - 14 May 2020	President / Chief Executive Officer	BGT Corporation Public Company Limited
						Listed Companies -none-		
						Other Non-Listed Companies		
4.	Mr. Goh Kok Beng* (Director) Date of Appointment June 2007	59	- Education > Chung Ling High School (A Level) - Training Program > Director Accreditation Program (IOD) DAP 65/2007	- 13.01 % or 47,297,450 share as of Mar. 20, 2019 As of Dec.30,2020 -None- ----- Held by spouse or minor children -none-	Mr. Goh Kok Cheng, (Dickson)'s brother	2002 - present	Director	Yen Club Asia Sdn Bhd
						2002 - present	Director	Yen Group Holding Corporation Sdn Bhd
						2013 - September 2020	Director	BGT Technology Company Limited
						June 2007 - present	Director	BGT Corporation Public Company Limited
						Listed Companies -none-		
						Other Non-Listed Companies (Aboard)		
						2002 - present	Director	Yen Group Holding Corporation Sdn Bhd (Main occupation)
						2002 - present	Director	Yen Club Asia Sdn Bhd
						1999 - present	Director	Yen Group Properties (M) Sdn Bhd
						1995 - present	Director	Yen Shoes (M) Sdn Bhd
						1995 - present	Director	Irama Pilihan Sdn Bhd

Profiles of Board of Directors and Executives

No.	Name Position	Age (Yrs.)	Highest Education/ Training	Ratio and No. of shares	Relationship	5 Years' Working Experience		
						Period	Position	Company
5.	Mrs. Mullika Tumwattana (Director) Date of Appointment June 2007	67	- Education > M.A. Education, California Polytechnic University, Pomona, USA - Training Program > Director Accreditation Program (IOD) DAP 52/2006	As of Mar. 20, 2019 -none- As of Dec.30,2020 -none- ----- Held by spouse or minor children -none-	Dr. Nopdol Tumwattana's sister and Miss Dolnapa Tumwattana's aunt	June 2007 - present	Director	BGT Corporation Public Company Limited
						Listed Companies -none-		
						Other Non-Listed Companies		
						2005 - present	Director	Mallika Interfood Company Limited (Main occupation)
						May 2016 - present	Director	Thai International School Company Limited
6.	Dr. Dolnapa Tumwattana* (Director and Chief Marketing Officer) Date of Appointment April 2019	39	- Doctor of Business Administration majoring in marketing, Kasetsart University. - Training Program > Director Accreditation Program (IOD) DAP 162/2019	- 21.48% or 78,076,750 shares as of Mar. 20, 2019 - 24.72 % or 89,876,750 shares as of Dec.30,2020 ----- Held by spouse or minor children -none-	Dr. Nopdol Tumwattana's daughter and Mrs. Mullika Tumwattana's niece	April 2019 - present June 2020 - present February 2009 - May 2020	Director Chief Marketing Officer Head of Marketing	BGT Corporation Public Company Limited BGT Corporation Public Company Limited BGT Corporation Public Company Limited
						Listed Companies -none-		
						Other Non-Listed Companies		
						May 2015 - present	Director	DB Group Company Limited

Profiles of Board of Directors and Executives

No.	Name Position	Age (Yrs.)	Highest Education/ Training	Ratio and No. of shares	Relationship	5 Years' Working Experience		
						Period	Position	Company
7.	Pol.Gen. Sereepisuth Temeeyaves (Director, Independent Director and Chairman of Audit Committee) Date of Appointment June 2007	72	- Education >B.S. Public Administration (Royal Police Cadet Academy, Thailand) - Training Program > Director Accreditation Program (IOD) DAP 62/2006	As of Mar. 20, 2019 -none- As of Dec.30,2020 -none- ----- Held by spouse or minor children -none-	-	June 2007 - present	Director, Independent Director and Chairman of Audit Committee	BGT Corporation Public Company Limited
						2007 - 2008 Present	National Police Chief Royal Thai Police a retired government official (Main occupation)	
						Listed Companies -none-		
						Other Non-Listed Companies -none-		
8.	Professor Emeritus Dr. Surapone Virulrak (Director, Independent Director and Audit Committee) Date of Appointment June 2007	77	- Education > Ph. D. (Drama and Theatre), University of Hawaii, U.S.A. - Training Program > Director Accreditation Program (IOD) DAP 62/2006	As of Mar. 20, 2019 -none- As of Dec.30,2020 -none- ----- Held by spouse or minor children -none-	-	June 2007 - present	Director, Independent Director and Audit Committee	BGT Corporation Public Company Limited
						Present		a retired government official (Main occupation)
						Listed Companies -none-		
						Other Non-Listed Companies		
						1995 - present	Director	Gold Master Public Company Limited

Profiles of Board of Directors and Executives

No.	Name Position	Age (Yrs.)	Highest Education/ Training	Ratio and No. of shares	Relationship	5 Years' Working Experience		
						Period	Position	Company
9.	Mr. Panu Kongtan (Director, Independent Director and Audit Committee) Date of Appointment February 2009	56	- Education > Master of Business Administration, Prince of Songkhla University - Training Program > Director Accreditation Program (IOD) DAP 79/2009	As of Mar. 20, 2019 -none- As of Dec.30,2020 -none- ----- Held by spouse or minor children -none-	-	February 2009 - present	Director, Independent Director and Audit Committee	BGT Corporation Public Company Limited
						July 16, 2013 - present	Executive Vice President Investment Banking	Country Group Securities Public Company Limited (Main occupation)
						May 2012 - July 15, 2013	Senior Vice President Investment Banking	Thai Strategic Capital Co., Ltd.
						August 2011 - April 2012	Executive Vice President of Corporate Finance	Finansia Syrus Securities Public Company Limited
						Listed Companies -none-		
10.	Mr.Tan Ooi Jin (Director, Independent Director and Audit Committee) Date of Appointment April 2019	45	- Education LL.B. Bachelor of Laws (Honours) from University of Newcastle- upon-Tyne, UK, - Training Program > Director Accreditation Program (IOD) DAP 166/2019	As of Mar. 20, 2019 -none- As of Dec.30,2020 -none- ----- Held by spouse or minor children -none-	-	April 2019 - present	Director, Independent Director and Audit Committee	BGT Corporation Public Company Limited
						Listed Companies October 2019 - Present		
						September 2018 - September 2019	Executive Chairman	Vortex Consolidated BHD.(Main occupation)
						February 2020 - Present	Deputy Executive Chairman	Vortex Consolidated BHD
						October 2017 - Present	Executive Director	KITG Group BHD
						January 2015- present	Executive Director	DWL Resource BHD. (Spring Gallery BHD.)
						Other Non-Listed Companies -none-		
						Listed Companies October 2019 - Present		
						September 2018 - September 2019	Deputy Executive Chairman	Vortex Consolidated BHD
						February 2020 - Present	Executive Director	KITG Group BHD
						October 2017 - Present	Executive Director	DWL Resource BHD. (Spring Gallery BHD.)
						January 2015- present	Independent, Non Executive Director	Dynaciate Group BHD.
						Other Non-Listed Companies -none-		
						Listed Companies October 2019 - Present		
						September 2018 - September 2019	Deputy Executive Chairman	Vortex Consolidated BHD
						February 2020 - Present	Executive Director	KITG Group BHD
						October 2017 - Present	Executive Director	DWL Resource BHD. (Spring Gallery BHD.)
						January 2015- present	Independent, Non Executive Director	Dynaciate Group BHD.
						Other Non-Listed Companies -none-		
						Listed Companies October 2019 - Present		
						September 2018 - September 2019	Deputy Executive Chairman	Vortex Consolidated BHD
						February 2020 - Present	Executive Director	KITG Group BHD
						October 2017 - Present	Executive Director	DWL Resource BHD. (Spring Gallery BHD.)
						January 2015- present	Independent, Non Executive Director	Dynaciate Group BHD.
						Other Non-Listed Companies -none-		

Profiles of Board of Directors and Executives

No.	Name Position	Age (Yrs.)	Highest Education/ Training	Ratio and No. of shares	Relationship	5 Years' Working Experience		
						Period	Position	Company
11.	Miss Warishta Thapanasakunvong (Chief Financial Officer) And Company Secretary	57	- B.S. Business Administration, Management, Ramkhamhaeng University	- 0.04% or 130,000 shares as of Mar. 20, 2019 - 0.02% or 90,000 shares as of Dec.30,2020 <small>As of Dec.30, 2020, the Company has 1,800,000 shares outstanding.</small> Held by spouse or minor children -none-	-	June 2007 - present	Chief Financial Officer	BGT Corporation Public Company Limited
						Listed Companies -none-		
						Other Non-Listed Companies -none-		
12.	Mr. Julius Charoensook (Chief Operation Officer)	39	- Bachelor of Science, Business Administration - Emphasis in Finance, University of California Riverside	- As of Dec.31,2018 -none- - As of Mar. 20, 2019 -none- <small>As of Mar. 20, 2019, the Company has 1,800,000 shares outstanding.</small> Held by spouse or minor children -none-	-	April 2019 - present	Chief Operation Officer	BGT Corporation Public Company Limited
						Listed Companies -none-		
						Other Non-Listed Companies		
						July 2015-Current	Business Consultant	DB GROUP Co. Ltd.

Profiles of Board of Directors and Executives

No.	Name Position	Age (Yrs.)	Highest Education/ Training	Ratio and No. of shares	Relationship	5 Years' Working Experience		
						Period	Position	Company
13.	Mr. Chai Ratanamahawongse (Finance Manager)	53	- B.S. Business Administration, Finance and Banking, Assumption University	- 0.06% or 210,000 shares as of Mar. 20, 2019 - 0.06% or 210,000 shares as of Dec.30,2020 Held by spouse or minor children -none-	-	June 2007 -present	Finance Manager	BGT Corporation Public Company Limited
						Listed Companies -none-		
						Other Non-Listed Companies -none-		
14	Miss Methira Thongsuwan (Accounting Manager)	52	- B.S. Business Administration, Department of Accounting, Ramkhamhaeng University	- 0.06% or 210,000 shares as of Mar. 20, 2019 - 0.06% or 210,000 shares as of Dec.30,2020 Held by spouse or minor children -none-	-	June 2007 - present	Accounting Manager	BGT Corporation Public Company Limited
						Listed Companies -none-		
						Other Non-Listed Companies -none-		

Remark 1 * The Director number 2, 3, 4 and 6 are authorized directors

2 ** The Director no.1 to no. 10 and Executive no. 11 to no. 14 are not in position of consultant or partner, manager in Business or organization for purpose of profit.



Major Shareholders

List of the top 10 shareholders as shown in the Share Registration Book as of December 30th, 2020

		Shares	Ratio (%)
1	Dr. Dolnapa Tumwattana	89,876,750	24.72
2	Dr. Nopdol Tumwattana	47,889,300	13.17
3	Miss TiaraTumwattana	32,700,050	9.00
4	Assoc.Prof.Dr.Nantarika Chansue	28,429,999	7.82
5	TSD	19,854,500	5.46
6	Mr. Sompong Piyawanitchakul	16,703,700	4.59
7	Mr. Goh Kok Cheng	15,424,600	4.24
8	Mr. Somchai Vijitsangrat	10,500,000	2.89
9	Miss Kanungnit Tumwattana	10,000,000	2.75
10	Mr. Sutin Intai	9,586,700	2.64
Total Shares		280,965,599	77.28

The groups major of shareholders responsible for setting company policies are from directors being Dr. Nopdol Tumwattana and Dr. Dolnapa Tumwattana, and Assoc.Prof.Dr.Nantarika Chansue. In addition, there is a member from Malaysian Investor being Mr. Goh Kok Cheng (Dickson).

Overview of Nature of business



» Vision:

To become a leader in a retail business of Ready-to-Wear apparel and related accessories under the Body Glove brand from USA in a concept of California lifestyle, which developed to carry on an intention of the twin brothers, Bob and Bill Meistrell, the legend of waterman with the plan to expand its businesses into other regions in the ASEAN.

» Mission:

1. To focus in the retail business of Ready-to-Wear apparel and accessories with the rights to manufacture and distribute, to differentiate itself with a unique brand character in a concept of Original California Lifestyle.
2. To capture the target group's demand with quality products at affordable prices.
3. To satisfy customers by carrying and serving customers' needs as well as to build sustainable customer relations.
4. To improve our client experience by providing exceptional customer service with trained staff.
5. To continue involvement in Corporate Social Responsibility programs.
6. To generate the most profit for our stakeholders.

» Business operation's goal

The company set the development plan and change pattern of the clothes including to accessories that involving under licenced "Bodyglove" brand be various, for examples the sport clothes which harmonize of lifestyle and customer's preference under idea of Surf & Easy Lifestyles by providing distributing channels which are stores and online distributing channels via www.bodyglove.co.th, Body Glove Thailand Facebook Fan Page, Instagram (@bodygloveth) and line@ (@bodygloveth) which are organization's media in order to answer the queries and help customers about their purchasing 24 hours. Besides, there are other distributing channels which are Lazada, Shopee and JD Central etc.

» The business implementation strategy

1. The strategy of products

The company realizes the variety of customers' groups, therefore, we has designed the products having various compatibilities and are modern in order to meet the needs of customers. With regard to this, we try to create the brand awareness to make it more well-known. Especially, we are emphasizing on current customer base and new customer base by doing the marketing in many advertising media such as radio, magazine and participating in several activities.

2. The strategy of distribution channels

The company has distribution channels available in department stores and Modern Trade in both Bangkok and we have expanded to every regional part in order to serve the needs of customers. Currently, at the end of year 2020, the company has 30 shops in Bangkok and 101 shops in other

provinces. We have expanded the customer base to cover online media customers. Customers are able to order the goods at www.bodyglove.co.th and also follow the promotions via Facebook, Instagram from which we get the good response from our customers.

3. The strategy to build the management's effectiveness

The company's management emphasizes on a systematic and effective management in every department. We place an importance on sorting, product's quality control and every process of work. We have a marketing plan and selling plan by implementing the promotions to draw our customers. We have a working monitoring via information technology and working control in order to make it effective. In addition, we have salesperson training and workshop to develop their working potential.

BGT Corporation Public Company Limited has been in a retail business of ready-to-wear apparels and related accessories under the trademark of Body Glove with Hand Device as its logo. The distribution has passed through both own stores and department stores since 1988 and expanded to all over regions of Thailand. In the year 2020, the company focuses on developing more diverse products as well as broadens marketing channel to e-commerce platform. Additionally, the Company differentiates itself with uniqueness in store designs and consistently redecorates existing flagship stores to be as up-to-date as newly opened stores.

As of 31 December 2020, the products have been distributed through 69 Body Glove flagship stores located in central area including distribution through 62 counters located in leading department stores in Thailand. There is also an e-commerce channel to sell products online through www.bodyglove.co.th, Lazada, Shopee and JD Central. The Company's head office is located at the address 188, Suwinthawong Road, Minburi, Minburi, Bangkok. The head office also is the strategic location for distributing products to our stores throughout Thailand.

» Nature of the Business

Product Characteristics of Body Glove

The Company's products are divided into 3 categories as follows:

1. Ready-to-wear Apparels under Body Glove Trademark

The Company is a distributor of ready-to-wear apparels designed for men and women aged 15 years and over. The product varieties are in the wide range of choices, sizes, captivating designs and colors. The products are featured with high absorbent, soft and durable fabric to make it comfortable to wear and easy to maintain. The long lasting product colors are beautiful and not easy to fade.

The ready-to-wear apparels are classified into 6 types as follows:

- (1) Active Collection: Ready-to-wear apparels that focus on seasonal designs with specific identity of the California lifestyle and imprint the Body Glove trademark and patterns on the products. The Active Collection consists of T-shirt, V-neck T-shirt, thin fabric T-shirt, seamless T-shirt, stripes joint T-shirt, collar T-shirt, tank top, 3-quarter shorts, 4-quarter shorts, casual shorts, nylon shorts, cargo pants and other modern and trendy style fashion products, etc. The target customers are teenagers and working people.

- (2) Pima Tee Collection: Ready-to-wear apparels that based its design on unique pattern and can be worn in all occasions without the emphasis on the Body Glove trademark. The Pima Tee Collection consists of polo shirt, long-sleeved shirt, collar shirt, etc. The target customers are teenagers and working people.
- (3) Body Glove Activate Collection: The apparels are perfect for men and women and suitable for exercise and comfortable to wear. The products are breathable and flexible because the fabric is made of high quality polyester spandex. The Body Glove Activate Collection consists of sport bra, a wide variety of T-shirts, tank top, polo shirt and leggings. The target customers are people who like exercising and love to take care of health.
- (4) Sport Casual collection: The casual sportswear which is comfortable to wear. The Sport Casual Collection consists of T-shirt, V-neck T-shirt, jacket, 4-quarter sweatpants. The target customers are people who like sports and love to take care of health.
- (5) Basic Collection: The casual and working apparels for men and women which are beautiful, comfortable and can be worn all season long. The Basic Collection consists of polo shirt, cool dry T-shirt, jacket, jogging pants, basic T-shirt. The target customers are all groups that like simple lifestyle clothing but good looking and suitable for all festivals.
- (6) Graphic Tee: The apparels are designed for young people and working people who love to dress beautifully and always look good with a unique pattern but not too flashy. The products are made of breathable 100% cotton fabric. The target customer are all groups and genders who like to dress in a simple and casual way but good looking all the time.

2. Accessories under Body Glove Trademark

The products in this category have become a valuable component in the product mix. They are offered in wide ranges of selection with different types and designs, for example, shoulder bag, backpack, traveling bag, wallet, pencil case, cap, socks, men's underwear, etc. The target customers are teenagers and working people.

3. BG PRO (Professional Water Sport Gears)

The products in this category is another component of the product mix in which it can help create a committed brand image for Body Glove as a professional water sport brand of the California lifestyle. The product consists of wetsuits, rash guards, snorkeling gears, PFD's (vest and life jackets), body boards, and soft surfboards. This product category has focused on group of customers who like water sports, such as divers, surfers, recreational sport lovers, and kids.

Market Conditions and Competitiveness

Industry Outlook

Thai Garment Industry Association had experienced a rapid growth rate that spread over the ready-to-wear apparel industry for men, women and children. There is high competition in Thai domestic market of ready-to-wear apparels especially among local ready-to-wear entrepreneurs under license trademarks and the importers of ready-to-wear apparels under international license trademark and the importers of low-cost ready-to-wear from China, where the cost is cheaper than domestic. However, there is no collective data from any trustworthy source that verify the total market value of ready-to-wear apparels in the country.

Over the past several years, the market sector of ready-to-wear apparels in the country was steadily growing. This is because those brands have implemented a full marketing strategy to create brand awareness and value together with increasing number of distribution channels, flagship stores and counters in the department stores. Besides, the apparel industry is likely to expand at close proximity as to the rate of economic growth expansion.

However, the industry will highly remain at a competitive level for local entrepreneurs and ready-to-wear importers. Therefore, entrepreneurs shall place a strong emphasis on developing quality and up-to-date designs to match customer's preferences, as well as building brand awareness. The implementation of these strategies will create attractiveness and confidence in brand product among consumers as well.

Market Conditions and Competition Policy

1) Competitive Strategy

- Product Quality

The Company's products have unique California lifestyle identity, thus the Company places a high emphasis on product design to match customer's everyday lifestyle and requirement. The Company values in the importance of product quality and uses only the high quality fabrics to ensure high absorbency rate, softness, durability, comfortableness to wear, ease in cleaning.

- Flagship Stores Environments

The importance of Flagship Store environments was given to the Visual Merchandise Display ("VM Display"), which is consisted of products displays according to the theme in each season, POP signage displays, the installation of unique furniture piece in each of the flagship stores. Flagship stores are regularly decorated to enhance brand recognition among target customers, be giving the emphasis on modernity and unique identity of Body Glove.

Store types can be divided by size ranging from small, medium and big stores representing by different color tones.

VM Display is considered an effective way of product presentation due to

- (1) the format is clean, simple and clear that is easy to remember and select the merchandise;
- (2) the display of merchandise has clear dimension and easy to highlight the prominent product by using the light and color coordination;
- (3) able to present new collections continuously and
- (4) able to display the product by Product Theme or Store Theme to emphasize the sales volume and brand image.

- Service Area

The Company emphasizes on the value added service by serving the customers with highly trained staff to assure the customer excellent service. The staff will be able to respond to the requirement of the customer's preference and can give useful advice about the products. The staff will be trained to invite the customers to try on the clothing and take care of the customers as deem appropriate in order to increase the customer satisfaction. Moreover, the Company installed IP web camera at our stores and connected to the head office as to control and monitor service quality provided by our staff at stores on a real-time basis.

- Pricing Policy

The pricing policy for the Company's products is based on cost, type of products, model and gross profit margin as preliminary set wherein each store. The Company applied One Price Policy to every stores, however, store promotion can be varied at each period of time to achieve the requirement of each target group of customers at each location. With this, the Company had launched a super value program by offering a Combo" set or selling in pairs that customers themselves can choose to match the products easy to mix and match with other products. The program is a super value as the products are sold in pairs but can be sold separately as well, for example, Polo shirt, T-shirt, Mini Polo shirt, etc. The price range for this product category is from Baht 590-890, and the target customers are school and college students and young working professionals.

When compared the selling price of the Company to local brand distributors, it can be concluded that our company status is at the competitive edge. Especially the price of "Combo" set products is closed to that of none brand, while the Body Glove trademark is more universally accepted.

- Market Support and Public Relations

The Company has continued its market support through various advertising campaigns via mass media such as radio, on-line magazines, various media, through event marketing and social network as Facebook, Instagram, LINE@ in order to build brand awareness under Body Glove Trademark. Additionally, the Company had introduced its product through the company's website www.bodyglove.co.th and various sources of marketing platforms to promote new products and news update to the customers. The Company also organized special activities, such as, launching seasonal products and special holiday promotion, specific location promotion to attract the customer's interest and granting privilege for customers to redeem products as specified.

Offering Gift Voucher during holiday season, publicizing various promotions via different media, building strong relationship with our business alliances, i.e., joining with department stores in renting the area for product distribution and joined with the government and private entrepreneur for promotion and social contribution activities, etc.

2) Nature of Customers and Target Groups of Customer

The Company separates its target customers into 2 major groups as follows:

- (1) School and college students, men and women, ages 15-25 years
- (2) Young working professionals and adults, men and women, ages 25 years and over.

The Company placed high emphasis on the continuity of product development to be in line with the requirement of these two groups of target customers.

During the previous 3 years, the Company had not sold to any one particular customer in excess of 30% of total sales revenues due to the nature of retails business operated by the Company.

3) Sales and Distribution Channels

The Company has distributed proportion through channel by flagship stores and counters in department stores.

1. Distributes channel through flagship stores or counters in department store

Distribution channel	2018	2019	2020
Through Flagship Stores	76%	75%	71%
Through Counters in Department Stores	24%	25%	29%
Total	100%	100%	100%

2. Distributes to local of service area

Service Area	2018	2019	2020
Bangkok and vicinity areas	28%	28%	25%
Rural province	72%	72%	75%
Total	100%	100%	100%

Revenue Structure



Revenue structure of the Company is classified by product lines during 2018– 2020:

Items	Financial Statements					
	2018		2019		2020	
	MB	%	MB	%	MB	%
1. Sales revenue						
1.1 Apparel sales	668.63	93.36	537.69	91.52	399.68	95.19
1.2 Related products sales	45.64	6.37	47.00	8.00	16.78	4.00
Total sales revenue	714.27	99.73	584.69	99.52	416.46	99.19
2. Gain on exchange rate	0.71	0.10	1.07	0.18	0.00	0.00
3. Dividend	0.00	0.00	0.00	0.00	0.00	0.00
4. Other incomes	1.24	0.17	1.74	0.30	3.42	0.81
Total revenues	716.22	100.00	587.50	100.00	419.88	100.00

Additional Explanation:

- All sales revenue from the Company is from domestic sales.
- Related products included backpacks, shoulder bags, traveling bags, wallets, pencil case, caps, socks, scarf and men's underwear.

Revenue structure of the Company is classified by regions during 2018 - 2020:

Items	Operated by	Financial Statements					
		2018		2019		2020	
		MB	%	MB	%	MB	%
1. Sales revenue							
1.1 Sales revenue from Bangkok and vicinity areas	Company	200.64	28.09	161.96	27.70	103.61	24.88
1.2 Sales revenue from provincial areas	Company	513.63	71.91	422.73	72.30	312.85	75.12
Total sales revenue	Company	714.27	100.00	584.69	100.00	416.46	100.00

Additional Explanation:

- Sales revenue from Bangkok and vicinity areas during 2020 is earned from 18 shops and 12 department store counters.
- Sales revenue from provincial areas during 2020 is earned from 51 shops and 50 department store counters.



Description and analysis of financial status and operation result

1. Summary of Financial Statements

Statements of Financial Position, Statements of Comprehensive Income and Statements of Cash Flows for the past three years for fiscal year ended December 31st, 2018, 2019 and 2020 are shown in the tables hereunder.

In the financial statements year 2020. The company has adopted TFRS 16 in place of TAS 17 Lease Agreement. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

The Company has adopted TFRSs related to financial instruments and TFRS 16 the first-time in its financial statements by applying modified retrospective approach of adoption of which the cumulative effect as an adjustment to the retained earnings as at January 1, 2020 and the comparative information was not restated.

BGT Corporation Public Company Limited

The Statements of Financial Position

As at December 31st, 2018, 2019 and 2020

(Unit : Baht Thousand)

	Financial Statements					
	2018		2019		2020	
	Amount	%	Amount	%	Amount	%
Current Assets						
Cash and cash equivalents	49,144	8.09	41,289	6.99	103,492	9.56
Temporary investments	52,416	8.63	5,893	1.00	0	0.00
Trade receivables - other parties	25,982	4.28	23,683	4.01	21,898	2.02
Other receivables Prepaid expenses	1,408	0.23	895	0.15	969	0.09
Inventories	191,304	31.49	223,473	37.86	165,897	15.34
Other current financial assets	0	0.00	0	0.00	8	0.00
Other current assets						
- Vat of consignment	3,972	0.65	4,718	0.80	3,744	0.35
- Deposit of goods	4,103	0.68	17,631	2.99	11,347	1.05
- Other	4,514	0.74	6,643	1.13	3,152	0.29
Total Current Assets	332,843	54.79	324,225	54.93	310,507	28.70
Non-Current Assets						
Investment in associate	0	0.00	0	0.00	0	0.00
Long-term loans - other parties	8,394	1.38	0	0.00	0	0.00
Property, plant and equipment	175,472	28.89	164,343	27.84	138,408	12.80
Right-of-use assets	24,438	4.02	18,201	3.08	599,341	55.41
Intangible assets	4,782	0.79	21,305	3.61	7,320	0.68
Other non-current assets						
- Rental deposits	44,043	7.25	43,003	7.28	1,921	0.18
Deferred tax assets	17,463	2.88	19,242	3.26	24,115	2.23
Total Non-Current Assets	274,592	45.21	266,094	45.07	771,105	71.30
TOTAL ASSETS	607,435	100.00	590,319	100.00	1,081,612	100.00

BGT Corporation Public Company Limited

The Statements of Financial Position

As at December 31st, 2018, 2019 and 2020

(Unit : Baht Thousand)

	Financial Statements					
	2018		2019		2020	
	Amount	%	Amount	%	Amount	%
Current Liabilities						
Bank overdraft and short-term loans from the financial institutions	0	0.00	0	0.00	0	0.00
Trade payables - other parties	40,960	6.74	74,399	12.60	25,736	2.38
Other payables - Accrued expenses	15,133	2.49	13,724	2.33	8,992	0.83
- Accrued payables						
- fixed assets	828	0.14	2,592	0.44	468	0.04
- Others	389	0.06	442	0.07	335	0.03
Current portion of long-term lease liabilities	2,909	0.48	2,680	0.45	61,469	5.68
Current portion of long-term borrowings	14,010	2.31	13,800	2.34	15,860	1.47
Other current liabilities	1,231	0.20	857	0.15	1,294	0.12
Total Current Liabilities	75,460	12.42	108,494	18.38	114,154	10.55
Non-Current Liabilities						
Finance lease obligations	3,030	0.50	1,444	0.24	515,977	47.71
Long-term borrowing	14,260	2.35	460	0.08	10,000	0.92
Employee benefits obligations	11,675	1.92	16,669	2.82	14,176	1.31
Provisions for demolition costs	7,083	1.16	9,035	1.53	6,528	0.60
Other non-current liabilities	7,998	1.32	8,240	1.40	6,987	0.65
Total Non-Current Liabilities	44,046	7.25	35,848	6.07	553,668	51.19
TOTAL LIABILITIES	119,506	19.67	144,342	24.45	667,822	61.74
Shareholders' Equity						
Share capital - Issued and paid-up share capital	181,760	29.92	181,760	30.79	181,760	16.80
Premium on share capital	73,981	12.18	73,981	12.53	73,981	6.84
Retained earnings - Appropriated Legal reserve	20,620	3.40	20,620	3.49	20,620	1.91
- Unappropriated	211,568	34.83	169,616	28.74	137,429	12.71
Total shareholders' equity	487,929	80.33	445,977	75.55	413,790	38.26
Total liabilities and shareholders' equity	607,435	100.00	590,319	100.00	1,081,612	100.00

BGT Corporation Public Company Limited

The Statement of Comprehensive Income

For The Year Ended December 31st, 2018, 2019 and 2020

(Unit : Baht Thousand)

	Financial Statements					
	2018		2019		2020	
	Amount	%	Amount	%	Amount	%
Revenues						
Revenues from sales	714,268	99.73	584,686	99.52	416,463	99.19
Other income						
Gain on exchange rate	713	0.10	1,072	0.18	0	0.00
Other	1,244	0.17	1,739	0.30	3,414	0.81
Total Revenues	716,225	100.00	587,497	100.00	419,877	100.00
Expenses						
Cost of sales	385,428	53.82	299,452	50.97	209,117	49.81
Selling expenses	246,792	34.46	233,168	39.69	140,876	33.55
Administrative expenses	90,756	12.67	97,065	16.52	84,457	20.11
Total Expenses	722,976	100.95	629,685	107.18	434,450	103.47
Profit (loss) from operations	(6,751)	(0.95)	(42,188)	(7.18)	(14,573)	(3.47)
Finance costs	2,677	0.37	1,639	0.28	27,009	6.43
Profit (loss) before income tax expenses	(9,428)	(1.32)	(43,827)	(7.46)	(41,582)	(9.90)
Income tax (revenue) expenses	(1,719)	(0.24)	(1,798)	(0.31)	(5,777)	(1.37)
Profit (loss) for the year	(7,709)	(1.08)	(42,029)	(7.15)	(35,805)	(8.53)
Par Value (Baht)	0.50		0.50		0.50	
Earnings (loss) per share (Baht)	(0.02)		(0.12)		(0.10)	

BGT CORPORATION PUBLIC COMPANY LIMITED

THE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31st, 2018 2019 2020

(Unit: Baht Thousand)

	Financial Statements		
	2018	2019	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) for the year	(7,709)	(42,029)	(35,805)
Adjustment to reconcile profit for the year to net cash provided by (used in) from operating activities			
Unrealized loss (gain) on change in value of the other current financial assets	(248)	166	112
Realized loss (gain) on change in value of the other current financial assets	(121)	(644)	(117)
Allowance for the decline in value of inventories increase (reversal)	16,502	(1,895)	(3,343)
Loss (gain) on sales of assets/loss from disposal	1,159	1,300	1,794
Loss (gain) on amortization right-of-use assets	0	0	(1,789)
Loss from rental reduction	0	0	7,572
Depreciation and amortization	30,681	29,571	82,959
Unrealized loss (gain) on exchange rate	(50)	(114)	(10)
Non-current provisions for employee benefit	1,422	5,090	2,030
Demolition costs	114	429	173
Interest income	(323)	(424)	(30)
Interest expenses	2,677	1,639	27,010
Income tax (revenue) expenses	(1,719)	(1,798)	(5,777)
Loss from withholding tax write-off	0	0	12
(Increase) decrease in operating assets			
Trade receivables - other parties	4,222	2,299	1,785
Other receivables - prepaid expenses	(239)	513	(73)
Inventories	33,302	(30,274)	60,919
Other current assets	3,532	(16,587)	8,533
Other non-current assets - rental deposits	1,352	1,040	2,631
Increase (decrease) in operating liabilities			
Trade payables - other parties	(15,059)	33,553	(48,653)
Other payables - accrued expenses	(14,709)	(1,392)	(4,727)
Other payables - other	105	54	(107)
Other current liabilities	249	(375)	437
Cash paid for demolition costs	(811)	(578)	(799)
Other non-current liabilities -employee deposits	485	242	(1,253)

BGT CORPORATION PUBLIC COMPANY LIMITED

THE STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31st ,2018 2019 2020

(Unit: Baht Thousand)

	Financial Statements		
	2018	2019	2020
Refund of withholding tax	0	0	2,204
Cash paid for income tax	(7)	(4)	(1)
Net cash provided by (used in) operating activities	54,807	(20,218)	95,687
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	136	611	30
Payment for acquisition in temporary investment	(41,000)	0	0
Cash received from sales of other current financial assets	20,000	47,000	5,890
Cash received for long -term loans	(8,485)	8,394	0
Cash paid for purchase of property, plant and equipment	(11,246)	(8,191)	(8,017)
Cash received from sales of property, plant and equipment	45	104	100
Refund of right-of -use	0	0	302
Acquire right-of-use assets	0	0	(1,517)
Refund of intangible assest	0	0	15,702
Cash paid for intangible assets	0	(16,917)	(2,226)
Net cash provided by (used in) investing activities	(40,550)	31,001	10,264
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash paid for interest expenses	(2,512)	(1,472)	(1,097)
Bank overdraft and short-term loans from financial institutions (decrease)	(3,551)	0	0
Cash receipts from long-term borrowings from financial institutions	0	0	20,000
Repayment for long-term borrowings from financial institutions	(16,991)	(14,010)	(8,400)
Cash paid for lease liabilities	(2,771)	(3,156)	(54,251)
Dividend paid	(3,271)	0	0
Net cash provided by (used in) financing activities	(29,096)	(18,638)	(43,748)
INCREASE (DECREASE) IN CASH AND EQUIVALENTS - NET	(14,839)	(7,855)	62,203
CASH AND CASH EQUIVALENTS, AT THE BEGINNING OF THE YEAR	63,983	49,144	41,289
CASH AND CASH EQUIVALENTS, AT THE END OF THE YEAR	49,144	41,289	103,492

SUPPLEMENT DISCLOSURES OF CASH FLOWS INFORMATION

Increase of property, plant and equipment from asset purchase accounts payable	(1,329)	1,764	2,124
Recognition of right-of-use assets	0	0	679,628
Demolition costs - decoration: -			
- Property, plant and equipment	262	1,977	93
- Right-of-use assets	0	222	(1,808)

BGT CORPORATION PUBLIC COMPANY LIMITED

Ratio analysis

As at December 31st , 2018, 2019 and 2020

	Financial Statements		
	2018	2019	2020
LIQUIDITY RATIOS			
Liquidity ratio (times)	4.41	2.99	2.72
Quick ratio (times)	1.69	0.65	1.10
Trade receivables turnover ratio (times)	6.89	6.49	5.55
Average collection period (days)	53	56	66
Inventory turnover ratio (times)	1.79	1.45	1.08
Average selling period (days)	204	252	338
Trade payables turnover ratio (times)	7.94	5.19	4.18
Average payment period (days)	46	70	87
Cash Cycle (days)	211	238	317
PROFITABILITY RATIOS			
Gross profit margin (%)	46.04%	48.78%	49.79%
Operating profit margin (%)	(0.94%)	(7.18%)	(3.47%)
Net profit margin (%)	(1.08%)	(7.15%)	(8.53%)
ROE (%)	(1.56%)	(9.00%)	(8.33%)
EFFICIENCY RATIOS			
ROA (%)	(1.21%)	(7.02%)	(4.28%)
Total asset turnover ratio (times)	1.12	0.98	0.50
FINANCIAL POLICY RATIOS			
Debt to Equity ratio (times)	0.24	0.32	1.61
Time interest earned ratio (times)	(2.52)	(25.73)	(0.54)
SHARE PROFILE			
Par value (Baht)	0.50	0.50	0.50
Book value per share (Baht)	1.34	1.23	1.14
Basic earnings per share (Baht)	(0.02)	(0.12)	(0.10)

2. Management Clarification and Analysis on Financial Status and Operating Results

The Company's operation results for the past three years(Y2018-2020)as presented in the financial statements began to decline due to the decreasing of sales growth in total revenues. The Company's gross profit and profit (loss) from operations for the fiscal year ending December 31st, 2020 was Baht 207.35 million and Baht (14.57) million respectively. The finance cost was Baht 27.01 million and income tax (revenue) expenses was Baht (5.78) million; thus profit (loss) for the year was Baht (35.81) million, loss decreased Baht 6.22 million or decreased (14.81 %) when compared to the previous year.

Revenue

In Y2020, the sales revenues was Baht 416.46 million, decreasing 28.77% when compared to Y2019 sales revenues of Baht 584.69 million due to the economic slowdown and impact of the Covid-19 pandemic situation. During 2020, the Company has closed down in accordance with the government measures to close department stores for two periods; first between 22/03/2020 and 16/05/2020 and the second time is partial store closures between 20/12/2020 and 31/12/2020. The Company closed stores and counters in department stores Therefore, the total sales revenues were generated from 76 flagship stores and 64 counters in department stores in Y2019 to 69 stores and 62 counters at the end of Y2020.

In Y2020 the Company's revenues from flagship stores were accounted for 71.43% revenues from counters in the department stores were accounted for 28.57% of total sales revenue.

The Company believes that continuity of marketing activities and well-selection of products as to be correspondent to the demand of the target customers contribute to our success. Therefore, the Company has consistently developed and introduced newly designed ready-to-wear apparels to match the customers' needs while following the trend of unique California Lifestyle to cultivate the customers' admiration of " Body Glove " brand.

Cost of Goods Sold

In Y2020, the cost of goods sold was Baht 209.12 million, decreasing 30.17 % when compared to Y2019 of Baht 299.45 million. The gross profit margins for Y2019 and Y2020 was equivalent to 48.78% and 49.79% respectively, due to the Company's primacy on the cost of goods sold control policy as well as the efficiency of procurement plan management for retail products.

Selling & Administrative Expenses

In Y2020, the selling and administrative expenses was Baht 225.33 million, when compared to Y2019 of Baht 330.23 million, decreased from the previous year 31.77% as a result of the decrease changes in staff expenses, consulting expenses, rental and service and advertising fee whereas a result of the increase changes in depreciation of right-of-use assets and interest on lease liabilities increased 25.04 million Baht due to the adoption of financial reporting standards about the Leases (TFRS16) to practice from January 1, 2020.

Finance cost

In Y2020, the finance cost was Baht 27.01 million (included interest on right-of-use worth Baht 25.82 million) , or 6.43 % of total revenues when compared to Y2019of Baht 1.64 million, or 0.28 % of total revenues.

Net profit margin for Y2019 and Y2020 was equivalent to (7.15%) and (8.53%) respectively.

In the financial statements year 2020, the Company has adopted TFRS16 in place of TAS17 Lease Agreement. The standard sets out the principles for the recognition, measurement, presentation and disclosure of lease, and require a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.



Financial Status

Assets

As of the end of 2019 and 2020, the Company has total assets of Baht 590.32 million and Baht 1,081.61 million, respectively. The Company business nature is to operate a retailing business to distribute ready-to-wear clothing and related products through various shops in Bangkok and major provinces in all regions of the country. Thus, the assets are mainly comprised of;

- (1) Right -of- use assets as of the end of 2019 and 2020 was total of Baht 18.20 million and Baht 599.34 million, respectively. (see details in report and financial statements for the year.)
- (2) Inventories are such as finished goods and raw material. As of the end of 2019 and 2020 net inventories were total of Baht 223.47 million and Baht 165.90 million, respectively.
- (3) Property, plant and equipment such as land, building and building improvement, decorative, office supplies and vehicles. As of the end of 2019 and 2020 net property, plant and equipment were total of Baht 164.34 million and Baht 138.41 million, respectively.

The current assets as of the end of 2019 and 2020 were Baht 324.23 million and Baht 310.51 million, respectively. The current assets mainly composed of inventories, cash and cash equivalents, and trade receivable-other parties.

Asset quality

The Company has trade receivables-other parties were Baht 23.68 million and Baht 21.90 million as of the end of 2019 and 2020, respectively.

Details of receivable-other parties as of the end of 2018, 2019 and 2020

(Unit: Baht)

Trade receivables	Financial Statements		
	As at Dec 31 st , 2018	As at Dec 31 st , 2019	As at Dec 31 st , 2020
Not overdue	25,883,976.98	23,311,090.13	21,696,103.53
Overdue			
Less than 3 months	98,391.96	371,962.21	202,164.61
3 months to 6 months	-	-	-
6 months to 12 months	-	-	-
Over 12 months	-	-	-
Total Trade Receivables	25,982.368.94	23,683,052.34	21,898,268.14

On the average the Company provides credit term for customers approximately 30- 60 days. During 2019 and 2020, the Company has average collection period of 56 days and 66 days, respectively. The Company has its own policy to collect debt according to the given credit term. Presently the trade receivables decrease which mainly due to the world economic slowdown. The Company's trade receivables were Baht 23.68 million and Baht 21.90 million, respectively.

The Company has net inventories as at the end of 2019 and 2020 of Baht 223.47 million and Baht 165.90 million, respectively.

Details of Inventories as of the end of 2018, 2019 and 2020 were as follow:

(Unit: Baht)

Inventories - Net	Financial Statements		
	As at Dec 31 st , 2018	As at Dec 31 st , 2019	As at Dec 31 st , 2020
Finished goods	208,881,446.61	233,559,618.73	178,386,515.44
Goods in transit	2,277,010.57	7,772,194.37	2,127,459.49
<u>Less</u> Allowance for the decline in value of inventories	(20,043,949.34)	(18,148,698.86)	(14,805,644.38)
Net	191,114,507.84	223,183,114.24	165,708,330.55
Raw materials and supplies	189,175.42	289,458.90	188,279.98
Total	191,303,683.26	223,472,573.14	165,896,610.53

During 2019 and 2020, the Company has average inventory turnover period of 252 days and 338 days, respectively. The Company implements various marketing plans to match specific product lines or designs such as sales promotion campaign or special prices in special time period, etc. Presently inventories decrease whereas the average payment period is longer.

Trademark

The Company records Baht 17.36 million for trademark, and has accounting policy for trademark by stating at cost net of accumulated amortization, with amortization period over 10 years in straight - line method, starting from July 2007. In February 2019, the Company had deposited some money for guarantee with the original parties as mentioned above to enter into the additional agreement for the extension business channels to the new markets amounted USD 500,000 (Baht 15.70 million) is recorded in the account of trademark under the intangible assets.

In February 2020, the Company had terminated the new market channel business extension agreement and received the retention USD 500,000 (Baht 15.70 million). As of December 31st, 2020, net trademark was Baht 3.28 million.

Liquidity

Changes in cash flow during each accounting period are as follow;

In 2019, the Company reported profit (loss) for the year in an amount of Baht (42.03) million but net cash flows from operating activities of Baht (20.22) million of cash outflow, mainly due to

- Increasing on depreciation and amortization expenses of Baht 29.57 million,
- Increasing on employee benefits expenses of Baht 5.09 million,
- Decreasing on allowance for the decline in value of inventories (reversal) of Baht (1.90) million,
- Increasing on decreased in trade receivables-other parties of Baht 2.30 million,
- Decreasing on increased in inventories of Baht (30.27) million,
- Decreasing on increased in other current assets of Baht (16.59) million and
- Increasing on increased in trade payables-other parties of Baht 33.55 million.

For net cash flows from investing activities in 2019 were Baht 31.00 million of cash inflow, due to the Company has purchased property, plant, and equipment in amount of Baht (8.19) million, increasing on net selling in temporary investment of Baht 47.00 million, increasing on cash received from long-term loans –other parties of Baht 8.39 million and decreasing on cash paid for intangible assets of Baht (16.92) million. The net cash flows were spent in financing activities during 2019 for Baht (18.64) million of cash outflow, the Company has paid interest of Baht (1.47) million, decreasing on decreased finance lease obligations of Baht (3.16) million and repaid a principal long-term borrowings from financial institutions in amount of Baht (14.01) million.

In 2020, the Company reported profit (loss) for the year in an amount of Baht (35.81) million but net cash flows from operating activities of Baht 95.69 million of cash inflows, mainly due to

- Increasing on depreciation and amortization expenses of Baht 82.96 million,
- Increasing on non-current provisions for employee benefit of Baht 2.03 million,
- Decreasing on allowance for the decline in value of inventories increase(reversal) of Baht (3.34) million,
- Increasing on interest expenses of Baht 27.01 million,
- Increasing on decreased in trade receivables -other parties of Baht 1.78 million.
- Increasing on decreased in inventories of Baht (60.92) million,
- Increasing on decreased in other current assets of Baht 8.53 million
- Decreasing on decreased in trade payables –other parties of Baht (48.65) million and
- Increasing on refund of withholding tax of Baht 2.20 million.

For net cash flows from investing activities in 2020 were Baht 10.26 million of cash inflow, due to the Company has purchased property, plant, and equipment in amount of Baht (8.02) million, increasing on net selling in other current financial assets of Baht 5.89 million, increasing on refund of intangible assets of Baht 15.70 million and decreasing on cash paid for intangible assets of Baht (2.23) million. The net cash flows were spent in financing activities during 2020 for Baht (43.75) million of cash outflow, the Company has paid interest of Baht (1.10) million, decreasing on cash paid for lease liabilities of Baht (54.25) million, decreasing on repayment for long –term borrowings from financial institutions in amount of Baht (8.40) million and increasing on cash receipts from long –term borrowings from financial institutions in amount of Baht 20.00 million.

Liquidity ratios of 2019 and 2020 were 2.99 times and 2.72 times, respectively.

Quick ratios of 2019 and 2020 were 0.65 times and 1.10 time, respectively. The Company manages its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's operations as well as the cash inflows from sale of goods as cash from the shops.

Cash cycles in 2019 and 2020 of the Company were 238 days and 317 days respectively, are mainly due to;

- (1) In 2019 and 2020, average collection periods were 56 days and 66 days due to its own policy to collect debt according to the given credit term (60 day).

- (2) In 2019 and 2020, average selling periods were 252 days and 338 days due to the longer period of the average payment period.
- (3) In 2019 and 2020, average payments in equally period have lengthen from 70 days to 87 days, which is consistent with the Company's payment credit term of 90 days.

Sources of fund

Shareholders' equity of the Company as of the end of 2019 and 2020 were at Baht 445.98 million and Baht 413.79 million, respectively due to the Company's operation result in 2020 decreased. Moreover, the funds are partly from unprofitable operation from previous years, and financial institutions also from capital increase during late of 2007. For debt to shareholders' equity ratio as of the end of 2019 and 2020 were 0.32 times and 1.61 times, respectively.

The said sources of fund shall come from working capital and/or loan and/or capital increased, depending on monetary and capital market conditions.

Liabilities

Total liabilities of the Company as at the end of 2019 and 2020 were Baht 144.34 million and Baht 667.82 million, respectively. Total liabilities were decreased by using on short-term loan from financial institutions and some long-term borrowings have been fulfilled. Liabilities were mainly comprised of trade payables-other parties, other long-term borrowings and lease liabilities with following details:

- (1) Trade payables-other parties as of the end of 2019 and 2020 were Baht 74.40 million and Baht 25.74 million, respectively. And the average payment in equally period of 70 days and 87 days, respectively.
- (2) Other long-term borrowings (including current portion which payment due within one year) as of the end of 2019 and 2020 were Baht 14.26 million and Baht 25.86 million, respectively.
- (3) Lease liabilities (including current portion which payment due within one year) as of the end of 2019 and 2020 were Baht 4.12 million and Baht 577.45 million, respectively.

During the past, the Company has strictly complied with the loan conditions and pay principal and repayments according to the repayment schedule.

Factors that may affect business operation or future financial status

The Company operates retailing business to distribute the ready-to-wear clothing and related products under trademark of "Body Glove". The performance depends on clothing preference and lifestyle of the Company's target group of customers and their purchasing power. Therefore, the Company must select the products to be consistent with the needs of prospective target group.

The Company must implement appropriate marketing strategies in term of products, pricing, distribution channels and promotion. Moreover, the Company must control cost of sales, selling - related expenses and utilize technology to ensure efficient inventories control and distribution process.



RISK FACTORS

The Company's risk factors are classified as follows:

1. Risk from Business Operations

1.1 Risk from breach of contract on significant terms

The Master Licensing Agreement for the exclusive right in Body Glove Trademark entered by and between the Company and IP Global Investments America, Inc, ("IPG"), the contract party, have set forth the significant terms as follows:

(1) The Company must pay a royalty fee which consisted of the initial fee and quarterly royalty fee based on the confirmed sales. The Company has paid an initial upfront fee as specified in the agreement and paid completely at the end of the first quarter of 2012. The Company is confident it has the sufficient cash flow to pay since the Company's sale revenues grow continuously.

(2) Responsible for Brand Regional Marketing Contribution at the rate as agreed upon mutual determination between the Company and IPG as stated in the Agreement. Presently, such contribution for the said Brand Regional Marketing had been waived for the Company.

(3) The expansion into authorized territories: Vietnam, Burma, Laos, Cambodia and the Philippines, or any other country, within the first 3 years starting from July 1st, 2007, should the Company fail to enter such country to sell Body Glove products within the terms and conditions as set forth in the Agreement., the Company may receive a written notice to remove a particular country from the authorized list.

However, should the Company expand the business into the authorized territory within 6 months after received the written notice from IPG, it deems as the Company could fulfil its task according to the condition as set forth in the Agreement.

Moreover, in the event of the Company has ceased sales or operations or failed to submit the sales reports for 6 months consecutively to the newly expanded country in the authorized territory; then, IPG has written notice, the Company must resume to operate the business in such country within 6 months. If the Company fails to do so, the said country will be terminated from the authorized list.

Presently, the abovementioned period condition for expansion into authorized territories has been thoroughly acknowledged and agreed by IPG and the Company has never received a written notice in the past years.

Incidentally the present, The Master Licensing Agreement for the exclusive right in Body Glove Trademark has changed the new parties to between the Company and Body Glove IP Holdings LP, the contract party.

1.2 Risk from Change of Target Customers and their Preference on Ready-to-wear Apparel

The Company operates a retail business of ready-to-wear apparel and accessories under the Body Glove trademark where these ready-to-wear apparel and accessories are considered as fashionable items that tend to change with popularity and demand subject to personal preference and individual lifestyle of the target customers. If the Company cannot promptly provide the products to match the target customer's preference, this may cause an effect on the Body Glove trademark:

to be unapproved by consumers and out of their consideration set, resulting in negative impact on sales revenue, operating results, as well as financial status of the Company.

Nevertheless, the Company has been operating its business under the concept of Surf Fashion and Easy Lifestyle, while also continuously researching and studying on lifestyle and patterns of the target customers and changes of ready-to-wear trends and consumer popularity towards related products. The findings from such researches and studies have played a major role in product design and development, that is; correspondent to trends and requirements of the target customers at different period of time. The target groups of customers are divided into 2 major groups, for example: school and college students, both men and women, age 15-25 years; and young working professionals to adults, both men and women, age 25 years old and over. With this, the Company continues to alter its products in every 4-6 months period, in terms of patterns, colors, designs to be in line with the changes of consumer's preference. Additionally, the Company always ensures its products to be made of high quality fabrics and materials that provide comfort and ease in caring; it is the Company's policy to deliver only the finest quality goods with the best service to the customers. As a result, the Company has earned its reputation and continuous support from our target customer up to now.

1.3 Risk from Renewal Contract of Flagship Store

The major income proportion from the Company's sales mostly 71% derived from the sales through Flagship Stores. As these aforementioned stores are under lease agreement of 1-28 years term with contract ending date from year 2020-2024 onward, the Company may risk a chance of non-renewal lease agreement or risk from rental rate and service fee increase in proportion

However, all lease agreements authorized the Company the full right option to extend the term of the lease at the expiration period of the agreement where such clause relating to the rental adjustment are clearly stated. Throughout the past years, the Company had strictly followed the terms and conditions as set in the said agreements and never once an agreement were terminated by the lessor. In addition, the Flagship Stores located in the department stores help drawing the consumer's attention to use the service from the department stores are offering which in turn benefiting both the department store business and the Company. Therefore, we believe that we will receive a continued support in extending the lease agreement from the lessor in the future.

2. Risk from Procurement and Product Accessibility

Risk from Dependency on Suppliers

The Company's main operation is retail business of ready-to-wear apparel and accessories under the Body Glove trademark where the Company has no policy to manufacture its own clothing or accessories by oneself. However, it is the Company's policy that all the clothings and accessories are purchased through the reputable suppliers under the Company's direction on product design pattern. Additionally, each supplier must get an approval from the exclusive master licensee prior to the said arrangement. In the event of the Company is unable to place product orders through quality suppliers, this may result in the shortage of different products and may have an effect on the quality of the Company's products as a whole. If this happens, it will have negative impact on the Company's reputation and Body Glove trademark as well as the sales volume.

However, the Company has a policy to order products from various reputable and worthy suppliers, both domestic and overseas. Furthermore, the Company has a policy to build up strong relationship and commitment with each supplier on a continual basis and has never faced any problem about the suppliers in the past years.

3. Risk from Management Administration

Risk in Control by Two Major Shareholder Groups with Total Shares Held Over 50%

The Company has the major shareholders who have established management policies. By sending representatives to be directors which consisted of Dr. Nopdol Tumwattana, Dr. Dolnapa Tumwattana and Assoc. Prof. Dr. Nantarika Chansue, and Malaysian Investors which consisted of Mr. Goh Kok Cheng, (Dickson) as two major shareholder groups. If such shareholders added up the vote at the Meeting, they can take control over the resolution of the Shareholder's Meeting in almost all areas including the appointment of directors or other decisions which require majority vote by shareholders with exception on the law or Company's regulations that require 3 out of 4 votes from the Shareholder's Meeting. Hence, other shareholders may not be able to control the collective voting rights for inspection and control power balance with a majority shareholder.

Nevertheless, In consideration of the Company's operation structure which consisted of Board of Directors and Audit Committee, it clearly specifies the structure of management administration providing qualified individuals with scope of responsibilities and authorization levels of the Board of Directors and Audit Committee that clearly identified and transparent. As for the procedure on any connected transactions with the Board of Directors, major shareholders, the control power authority or any party which may be potentially causing the conflicts of interest, such individual will not be allowed to authorize the respective transactions. It will be reported to the Audit Committee for control power balance to ensure transparency and confidence of the shareholders whilst controlling power balance of the Company's management administration.

Connected Transactions

1. Connected Transactions

As of December 31st, 2019 to December 31st, 2020, the Company has Connected Transactions with entity who may have conflict as follows:

PARTY WITH POTENTIAL CONFLICT	RELATIONSHIP	CONNECTING TRANSACTIONS	AMOUNT (Million Baht) End of December 31		COMMENTS OF AUDIT COMMITTEE
			2019	2020	
1. Mr.Goh Kok Cheng (Dickson)	Mr.Goh Kok Cheng(Dickson) is The Director of the Company and holds 4.24% of shares as of December 31, 2020 In addition, on May 14, 2020, the meeting of the Board of Directors of the Company passed a resolution approving the change and appointment. The new Chief Executive Officer is Dr.Nopdol Tumwattana.	Mr.Goh Kok Cheng (Dickson) holds 49% of the total shares in Great Management Company Limited, the owner of accommodation in “The Star Estate at Pattanakarn” Project and BGT Corporation Plc. has rent the building as a residence for BGT Executives. BGT Corporation Pcl. has signed on accommodation lease agreement as following details; Total area of 84.60 square wah, 3-storey residence. The term of rental agreement shall be for a period of three (3) years, commencing from January 1st, 2015 to December 31st, 2017. The rental rate is in an amount of 120,000 baht per month. On 1 January 2018, the Company agreed to renew the rental agreement for the management of the company. The rental period is 3 years from 1 January 2018 until 31 December 2020. Monthly rental rate of 120,000 baht per month. The residential lease agreement for the Company’s management was expired on 31 December 2020. And the company does not renew the contract. The transaction occurred between the entities as follows; - Rental Fee - Accrued Account Payable	1.44 -	1.44 -	The rental fee of this transaction is below the market rate when compared to the other renting residence in the same area which is around Baht 130,000 / month.

2. Necessity and Reasonability of Transactions

The Connected Transactions are based on the necessity and reasonability of transactions for the best interests of the company according to the ordinary course of business operation and the company pays the fair price.

3. Procedures for the Approval of Connected Transactions

In the case of Connected Transactions, such consideration must be approved by the Board of Directors and the Shareholder's Meeting, whichever case may be. The Board of Directors or the authorized persons from the Board of Directors will not approve any transactions that they might have conflict interests or other interests in any ways with the Company or its subsidiaries. Moreover, the Company must comply with all legal orders concerning securities and the Stock Exchange. In the event the Company has registered securities in the Stock Exchange of Thailand, the Company shall comply with all regulations, announcements, orders or procedures of the Stock Exchange of Thailand in addition to the procedures on disclosure of information on the Connected Transactions and the acquisition or disposal of assets.

4. Policy on Connected Transactions in the Future

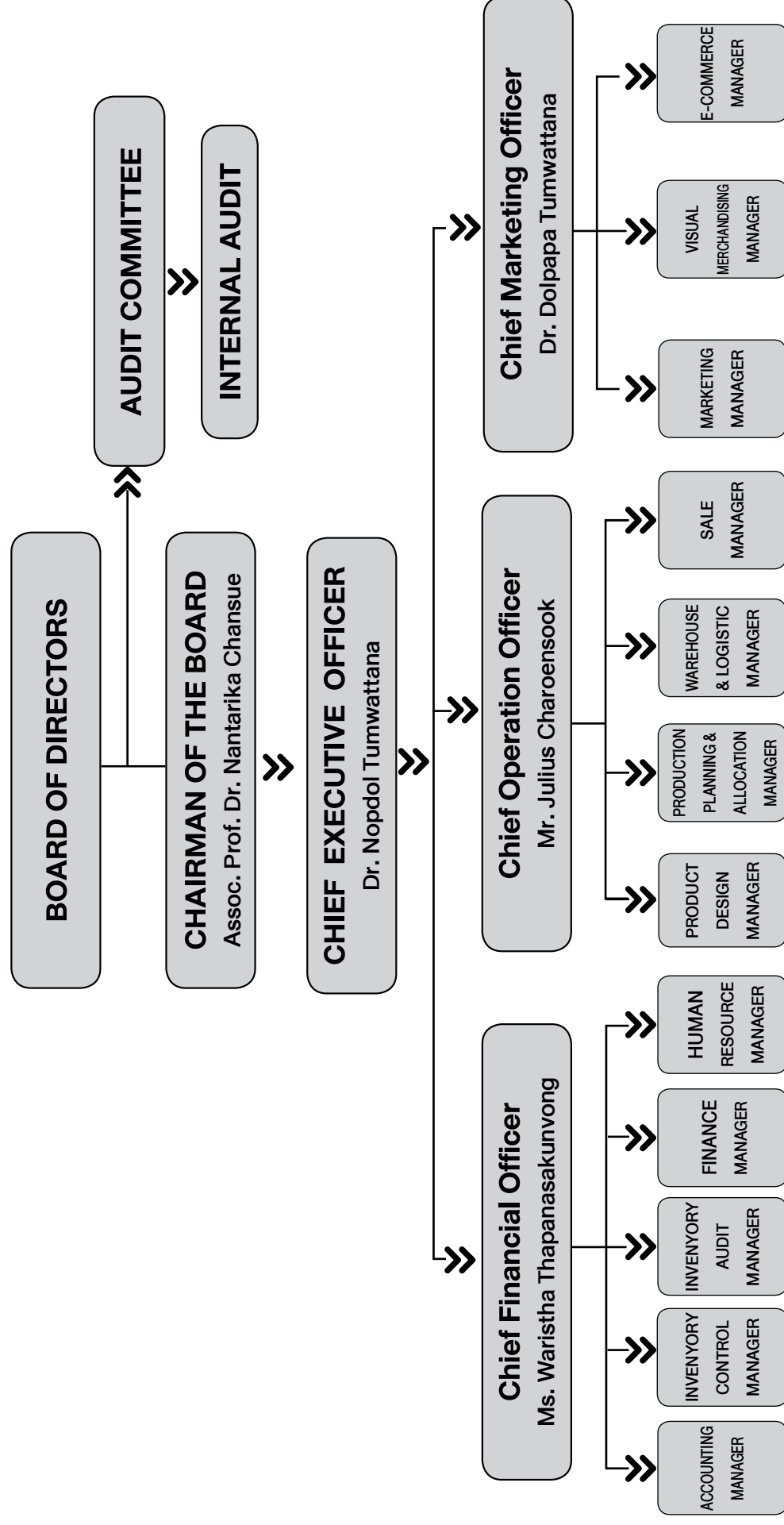
The Company has a policy that the future connected transactions may occur under the Board of Directors which will be considered based on the necessity and reasonability of the transaction conducting as well as the best interests of the company. The company will consider price fixing and transaction condition according to prevailing market which is able to be compared with the price occurred by external persons.

However, the Company will have the Audit Committee or the Company's Auditor or Independent Advisor consider and examine the reasonability of the price and the transactions which might be occurred in the future. Whereas the Company will comply with all legal and regulatory orders as stipulated by related departments on Connected Transactions, i.e. the Securities and Exchange Commission, the Stock Exchange of Thailand regarding to the Connected Transactions

Management

1. Management Structure

Organization Chart of BGT Corporation Public Company Limited



As of December 31st, 2020, the management structure of the Company has comprised of the sets of Committees, namely, the Board of Directors, Independent Directors and the Audit Committee as follows:

(a) The Board of Directors is comprised of 10 Directors as follows:

1.	Assoc. Prof. Dr. Nantarika Chansue	Chairman of the Board
2.	Dr. Nopdol Tumwattana	Chief Executive Officer
3.	Mr. Goh Kok Cheng (Dickson)	Director
4.	Mr. Goh Kok Beng	Director
5.	Mrs. Mullika Tumwattana	Director
6.	Dr. Dolnapa Tumwattana	Director
7.	Pol.Gen. Sereepisuth Temeeyaves	Director, Independent Director and Chairman of Audit Committee
8.	Professor Emeritus Dr. Surapone Virulrak	Director, Independent Director and Audit Committee Member
9.	Mr. Panu Kongtan	Director, Independent Director and Audit Committee Member
10.	Mr. Tan Ooi Jin	Director, Independent Director and Audit Committee Member

With Miss Waristha Thapanasakunvong served as Secretary to the Board of Directors

➤ Authorized Persons

The names and numbers of authorized persons to sign on behalf of the Company are Dr. Nopdol Tumwattana signed together with Mr. Goh Kok Cheng or Mr. Goh Kok Beng or Dr. Dolnapa Tumwattana, two persons with the company's stamp.

➤ Scope of Duties and Responsibilities of Board of Directors

The Board of Directors shall perform their duties and responsibility to carry out the Company's business in compliance with the laws, the objectives, the Articles of Association of the Company, and the resolutions of Shareholder's Meetings in good faith, with due diligence and care in the best interests of the Company. The importance scopes of responsibilities are as follows:

- (1) Conduct an Annual Shareholders Meeting within 4 months as from the last day of the Company's fiscal year period.
- (2) Conduct a Board of Directors meeting at least once every 3 months.
- (3) Responsible and verify the Company's financial statements with the Auditor at the end of fiscal year period and propose to the Shareholders Meeting for consideration and approval.
- (4) The Board of Directors may appoint one or more Directors or other person to carry out any act on behalf of the Board and under the monitoring of the Board, or may appoint such person an authority in a specified period, which the Board deem appropriate. The Board of Directors may abrogate, revoke change or adjust the appointed authority as deem appropriate.

With respect to the foregoing approval, a person or persons delegated shall not be able to approve any transaction in which he or any person may have conflict of interest or beneficiary's conflict with the Company or its subsidiaries (if any), unless such approval is executed on general commercial terms in accordance with the policy and criteria approved by the Board of Directors except.

(5) Define vision, mission, strategy, operating plan as well as budgetary plan of the Company including control and monitor administrative functions, and the Board of Directors operation in accordance to the Company's policy, with exception of the following which require consent from the Shareholders Meeting: capital increase; capital splitting; sales or transfer the Company operation, either whole or partial to other person; acquisition or transfer other company operation for the Company; or amend the Articles of Association or regulation, etc.

In addition, the Board of Directors should control and monitor the Company's operation to be in compliance with the law regarding the Securities and Stock Exchange policy and regulation such as making a transaction with respect to connected transactions or buying and selling significant assets in accordance to the SET policy and relating business transaction law.

(6) Review the administrative structure, appointment of the President and other Committee Member as may deem appropriate.

(7) Monitor the operation performance to assure that it is in accordance to the plan and budgetary continuously.

(8) The Director shall not perform or involve in any similar business and/or compete with the Company; become a partner in an ordinary partnership with unlimited liability; or assume a Director position in a private entrepreneur or other company with similar business and/or compete with the Company either for personal interest or others, except to acquire a consent from the Shareholders Meeting prior to the appointment.

(9) The Director must inform the Company without hesitation if there is any direct or indirect interest involving any contract conducted by the Company; or holds shares or bonds of the Company or its subsidiaries at an increasing or decreasing number.

(10) The company's Board of Directors has set the policy to the Director of another listed company Chief Executive Officer (CEO) of the company no more than 2.

(11) The Board of Directors of the company directors has policy allowed person to be Director in other listed companies no more than 5 companies but does not define as Director in a company that is not registered.

(12) In case of any member of the Company required to be directors of other companies more than 5 places shall inform of the reason and to perform such duties in the Annual Information Form (56-1) and annual reports (Form. 56-2).

(b) Authorization from the Board of Directors

The Board must scope the duties and responsibilities of Chairman of the Board and President/ Chief Executive Officer as well as administrative authority for any ordinary operation. The important responsibility and authority are summarized as follows:

» Scope of Duties and Responsibilities of Chairman of the Board

- (1) Monitor and follow-up on the Company's operating results with the management.
- (2) Review annual budgetary plan as submitted by the management prior to submission to the Board of Directors for review and approval.
- (3) Monitor and follow-up on the Company's operation as assigned by the Board of Directors.
- (4) Authorize to appoint, transfer, revoke or terminate the employment of the Executive level staff.
- (5) Approve and/or delegate authorities to approve acquisition of fixed assets other than ordinary business transaction within the credit limit of Baht 10 million per transaction.
- (6) Approve and/or delegate authorities to approve other ordinary transactions within the credit limit of Baht 10 million per transaction for the benefit of business liquidity.
- (7) Approve and/or delegate authorities to approve other ordinary transaction in business operation within the credit limit of Baht 100,000 per transaction.
- (8) Perform duties in good faith and utmost care for the benefits of the Company.
- (9) Approve on the performance of principle of trading agreement, generally for transaction processing between the company and any subsidiary firm, which may have connected transactions with Committees, Executive administrators or any person who may concern in the future. Those transactions with the same commercial terms as those an ordinary person would agree with any unrelated counterparty under the similar circumstances, on the basis of commercial negotiation, and without any dependent interest can be resulted from the status of the Director, executive or related person. Also, any transaction of greater than Baht 5 million should be reported to the Board of Director's meeting quarterly.

However, the authority of Chairman of the Board excludes an approval in any transaction, personal or person which may perceive as potentially causing conflict of interest or benefit with the Company or its subsidiary (if any) unless such approvals are deemed as ordinary course of business in accordance to the Company's policy and criteria as have been approved by the Board of Directors.

» Scope of Duties and Responsibilities of Chief Executive Officer

- (1) Execute and carry out ordinary course of business relating to the general operation of the Company.
- (2) Perform duties as assigned by the Board of Directors or the Executive Chairman.
- (3) Authorize to appoint, transfer, revoke, terminate, set and increase salary, allocate reward, compensation and bonus to all employee of the Company below management level, including appoint a representative of the employer as Provident Fund Committee of the Company.
- (4) Approve and/or delegate authorities to approve acquisition of fixed assets other than ordinary business transaction within the credit limit of Baht 10 million per transaction.
- (5) Approve and/or delegate authorities to approve other ordinary transactions within the credit limit of Baht 10 million per transaction for the benefit of business liquidity.
- (6) Approve and/or delegate authorities to approve other ordinary transaction in business operation within the credit limit of Baht 100,000 per transaction.
- (7) Authorize to issue instructions, regulations, announcement, and memos to ensure the

business operations are in compliance with the Company's policy and its best interest, with exception of matters regarding employee benefits.

(8) Authorize to act and represent the Company on related business activities that are of best interest to the Company.

(9) Perform other duties as assigned by the Board of Directors from time to time.

(10) Perform duties in good faith and utmost care for the benefits of the Company.

(11) Approve on the performance of principle of trading agreement, generally for transaction processing between the company and any subsidiary firm, which may have connected transactions with Committees, Executive administrators or any person who may concern in the future. Those transactions with the same commercial terms as those an ordinary person would agree with any unrelated counterparty under the similar circumstances, on the basis of commercial negotiation, and without any dependent interest can be resulted from the status of the Director, executive or related person. Also, any transaction of greater than Baht 5 million should be reported to the Board of Director's meeting quarterly.

However, the authority of President and Chief Executive Officer excludes an approval in any transaction, personal or person which may perceive as potentially causing conflict of interest or benefit with the Company or its subsidiary (if any) unless such approvals are deemed as ordinary course of business in accordance to the Company's policy and criteria as have been approved by the Board of Directors

(c) The Audit Committee is comprised with 4 members as follows:

- | | |
|---|-----------------------------|
| 1. Pol.Gen. Sereepisuth Temeeyaves | Chairman of Audit Committee |
| 2. Professor Emeritus Dr. Surapone Virulrak | Audit Committee Member |
| 3. Mr. Panu Kongtan | Audit Committee Member |
| 4. Mr.Tan Ooi Jin | Audit Committee Member |

The Audit Committee number 3, Mr.Panu Kongtan has adequately expertise and experience to review creditability of financial reports.

Term of Officer for Audit Committee is 3 years.

With Miss Thitima Joralee served as the Secretary to the Audit Committee.

➤ Scope of Duties and Responsibilities of Audit Committee

(1) To review the Company's financial reporting process to ensure that it is accurate and adequate;

(2) To review the Company's internal control system and Internal Audit system to ensure that they are suitable and efficient, to determine an Internal Audit unit's independence, as well as to approve the appointment, transfer and dismissal of the Chief of an Internal Audit unit or any other unit in charge of an Internal Audit;

(3) To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business;

(4) To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;

(5) To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the Laws and the Exchange's Regulations, and are reasonable and for the highest benefit of the Company;

(6) To prepare, and to disclose in the Company's annual report, an Audit Committee's report which must be signed by the Audit Committee's Chairman and consist of at least the following information:

- (a) an opinion on the accuracy, completeness and creditability of the Company's financial report,
- (b) an opinion on the adequacy of the Company's internal control system,
- (c) an opinion on the compliance with the law on securities and exchange, the Exchange's Regulations, 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 lead to conflicts of interest,
- (f) the number of the Audit Committee meetings, and the attendance of such meetings by each committee member,
- (g) an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter.
- (h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors.

(7) To perform any other act as assigned by the Company's Board of Directors, with the approval of the Audit Committee.

(8) In its performance of duties, if it is found or suspected that there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results, the Audit Committee shall report it to the Board of Directors for rectification within the period or time that the Audit Committee thinks fit:

- (1) transaction which causes a conflict of interest;
- (2) any fraud, irregularity, or material defect in an internal control system; or
- (3) an infringement of the Law on Securities and Exchange, the Exchange's Regulations or any law relating to the Company's business.

If the Company's Board of Directors or Management fails to make a rectification within the period of time under the first paragraph, any Audit Committee member may report on the transaction or act under the first paragraph to the Office of the Securities and Exchange Commission or the Exchange.

(d) The Independent Directors Committee is comprised with 4 members as follows:

- | | |
|---|----------------------|
| 1. Pol.Gen. Sereepisuth Temeeyaves | Independent Director |
| 2. Professor Emeritus Dr. Surapone Virulrak | Independent Director |
| 3. Mr.Panu Kongtan | Independent Director |
| 4. Mr.Tan Ooi Jin | Independent Director |

(e) The Executives Members are consisted of 6 persons as follows:

- | | | |
|----|--------------------------------|-------------------------|
| 1. | Dr. Nopdol Tumwattana | Chief Executive Officer |
| 2. | Miss Waristha Thapanasakunvong | Chief Financial Officer |
| 3. | Mr. Julius Charoensook | Chief Operation Officer |
| 4. | Dr. Dolnapa Tumwattana | Chief Marketing Officer |
| 5. | Mr. Chai Ratanamahawongse | Finance Manager |
| 6. | Miss Methira Thongsuwan | Accounting Manager |

(f) Company Secretary

Company Secretary is a key person to help the Company perform according to laws and related regulations. The Company Secretary is responsible not only for collecting the information of the meetings but also oversee the meetings of the Board and shareholders' meetings to be orderly and correct. Also, the Company Secretary must be a representative of the Company to contact with any compliance officers. Thus, the Company Secretary must be skillful and be responsible for any duty in the authority. The Board of Directors has appointed Miss Waristha Thapanasakunvong as a Company Secretary and scoped the duties and responsibilities as follows:

» Scope of Duties and Responsibilities of the Company Secretary

- (1) Meeting of the Board of Directors.
 - Set the meeting agendas with the Executive Committee.
 - Prepare the meeting agendas and documentations to be delivered with notice of Director meeting.
 - Conduct the meetings as smoothly and legitimately.
 - Participate in the meetings and prepare minutes of the meeting.
 - Certify copy of the minutes of the Board of Directors meeting to various organizations.
 - Record and file the minutes of the meeting.
- (2) Meeting of the Particular Committees
 - Set the meeting agendas with the Chairman of the Particular Committees.
 - Prepare meeting agendas and documentation to be delivered with notice of Particular Committee meeting.
 - Conduct the meetings as smoothly and legitimately.
 - Participate in the meetings and prepare minutes of the meeting.
 - Certify the minutes of the Particular Committee meeting.
 - Record and file the minutes of meeting.
- (3) Meeting of Shareholders
 - Prepare a meeting of shareholders as to be compliantly with the law.
 - Prepare and send notice of shareholder meetings and the company's annual report to shareholders and compliance officers.
 - Coordinate with shareholders to bring various proposals to management and executives for reviewing.
 - Prepare shareholders' meeting agenda for the Chairman of the meeting.

- Participate in the shareholders' meetings and maintain in the meeting as smooth legitimacy.
 - Prepare and keep records on the minutes of shareholders meeting for delivering to any compliance officers, shareholders and be responsible for posting the meeting minutes on the website.
- (4) Preparation of the registration and file the company documents.
- Prepare and collect the Directors' registration forms as well as Annual Reports of the Company.
 - Track and collect reports on interest filed by a Director or an Executive.
 - File records of various policies and regulations of the Company which are to be approved, completed, and verified by the Board of Directors, such as the original rules, etc.
- (5) Tasks of SET, SEC, Office of the National Anti-Corruption Commission (NACC)
- To ensure that the listed company, Directors and Executives are in compliance with the regulations of SET, SEC and NACC.
 - Act as a coordinator for various matters with SET, SEC and NACC.
 - Notify to SET and SEC in regards to Directors and Executives of the listed company.
- (6) Duties and Responsibilities of the Board of Directors and other Particular Committee.
- Consult and give advice for a new establishment of Company's Director.
 - Give advice and report to the Directors on responsibilities in terms of legitimacy and regulations according to SET and SEC as part of the Director of the Company's duty.
 - File the records of the Board of Directors.
 - Consult and give advice to the Directors of the Company and be responsible for communications between the Directors.
 - Prepare any necessary information to the Board for recruiting the company's Directors and Particular Committee and remuneration.
 - Act as a coordinator between the Board and other Executives.
 - Prepare and collect the performance assessment of the Board of Directors and Particular Committee.
 - Conduct the orientation and give advice for new- appointed committee
- (7) Duties and Responsibilities to the Shareholders.
- Coordinate with a good relationship to the shareholders.
 - Answer questions and consider the proposals from shareholders.
 - Report to the Board and Executives as in regards to the shareholders' requirements.
 - Act as a mediator between shareholders, the Board and Executives.
 - Notify the shareholders on any matters, such as the minutes of shareholders' meeting.
- (8) Compliance of Rules and regulations
- To ensure that the Company is in compliance with the rules and regulations, such as to process Information Disclosure Report (Form 56-1).
- (9) Corporate Governance
- Support and provide information of Corporate Governance, and carry forward the

Board to follow as well as to monitor the compliant requirements of these principles.

- Provide information and give advice to the Directors and Executives for making various reports which to be complied with laws or regulations. As given, the information must be disclosed to the public for transparency such as to acknowledge of obligations as regards to the stocks holding reports and any reports of stock holding.
- To ensure that the operation of the Company is in compliance with the Article of Association of the Company and SET.

(10) Registration of Directors

- Coordinate any registration of Directors as based on Directors or the regulations.

2. Selection of Directors and Executives

(a) Selection of Directors

The Company has not appointed a Nomination Committee. In the selection of candidates, the Directors shall be elected in accordance with the following rules and procedures:

(1) The Board of Directors shall consist of at least 5 members being elected at the meeting of shareholders based on majority votes in accordance with the following criteria and methods:

- (1.1) each shareholder shall have a number of votes equal to the number of shares held;
- (1.2) each shareholder may exercise all the votes he or she has under (1.1) to elect one or several persons as Director or Directors, but may not allot his or votes to any person.
- (1.3) after the vote, the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as Directors in that order, until all of the Director positions are filled. Where there is an equality of votes cast for candidates in descending order causing the number of Directors to be exceeded, the Chairman of the meeting shall cast one extra vote.

(2) At every annual ordinary meeting of shareholders, one-third of the Directors shall vacate in proportion where the Committee members who were in the post for the longest period shall be retired. If the number of Directors is not a multiple of three, the number of Directors closest to one-third shall vacate.

(b) Selection of Independent Directors and Audit Committee

The Independent Directors and Audit Committee shall be elected in accordance with the following criteria:

- (1) Holding no more than 1% of the Company's paid up capital, or that of an affiliated company, a related company or an associate company, including the shares holding by related persons.
- (2) Not involve in the day to day management of the Company, an affiliated company, a related company, an associate company; and not an employee, staff or an advisor receiving a regular salary from the Company, an affiliated company, a related company, an associate company, or major shareholders of the Company.
- (3) Administrative operation of the Company, an affiliated company, a related company, an associate company, or major shareholders of the Company; and have no benefit or conflict of interest

with reference to the aforementioned for 2 years during an accounting year prior to the appointment as Independent Directors or Audit Committee unless approved by the Board of Directors after careful consideration that such benefit or conflict of interest shall have no influence to the performance and ability to give opinion in an independent manner.

- (4) No relationship or being related to the Executives or major shareholders of the Company.
- (5) Not be appointed as a representative or to safeguard the interests of the Company's Directors, major shareholders or shareholders who are related to the Company's major shareholders.
- (6) Must be capable of his or her performing duties, giving his or her opinions or reporting the results of work performance according to the duties delegated by the Board, free and clear of the control of management or major shareholders of the Company including related persons or close relatives of the said persons.
- (7) Not an Audit Committee of other corporates in the same industry.
- (8) At least 1 person of Audit Committee must have adequate expertise and experience to review creditability of financial reports.

(c) Number of Directors who are major shareholders

Number of Directors who are major shareholders is consisted to 4 Directors as follows:

Director who is major shareholder from namely: (1) Dr.Nopdol Tumwattana (2) Dr.Dolnapa Tumwattana (3) Assoc.Prof.Dr.Nantarika Chansue and (4) Malaysian Investor is Mr.Goh Kok Cheng (Dickson).

3. Executive Remuneration

(a) Monetary Compensation

Directors

Name	Year 2020	
	Attendance Fee (Baht)	Director Pension (Baht)
1. Dr. Nopdol Tumwattana	90,000.-	-
2. Mr. Goh Kok Cheng, (Dickson)	60,000.-	-
3. Mr. Goh Kok Beng	40,000.-	-
4. Mrs. Mullika Tumwattana	80,000.-	-
5. Assoc. Prof. Dr. Nantarika Chansue	90,000.-	-
6. Dr.Dolnapa Tumwattana	80,000.-	-
7. Pol.Gen. Sereepisuth Temeeyaves	45,000.-	-
8. Professor Emeritus Dr. Surapone Virulrak	160,000.-	-
9. Mr.Panu Kongtan	160,000.-	-
10. Mr.Tan Ooi Jin	120,000.-	-
Total	925,000.-	-

Executive remuneration whose names are listed as Executive Members

Remuneration	Year 2020	
	No. of Executive (Person)	Total Remuneration (Baht)
Salary / Allowance	7	11,106,513.-
Bonus / Comission	1	12,000.-
Provident Fund	6	290,550.-
Insurance Policy	1	1,000,054.-
Entertainment	2	104,082.-
Employee Benefits after Termination	6	829,655.-
Other	-	-
Total		13,342,854.-

(b) Other Moneraty Compensation

The Company and its employee had established a Provident Fund in which the Company's contribution equivalent 2 - 3% of monthly salary. The Company started to pay the said contribution for the executives and employees as from June, 2007 onward.



Corporate Governance

The Company recognizes the importance of carry out the responsibilities of business operation, in nurturing a good corporate governance practice. Therefore, the Company strives to operate its business in compliance with the guidelines of the Stock Exchange of Thailand's (SET) Code of Best Practice for Directors of Listed Companies.

In addition, the Company resolved to adopt the Principle of Good Corporate Governance following the guidelines of the SET to ensure the highest benefits to the Company and to strengthen the transparency and efficiency of the management that could strengthen the confidence of the shareholders, investors and all related parties concerned as follows:

Section 1 Right of the Shareholder

(1) The Company shall place utmost importance on the rights of every shareholder. On each Shareholder's meeting, the Company shall send a written notice calling the meeting with relevant information to the shareholders not less than 7 days prior to the date of the meeting. Moreover, in the event the Securities & Exchange Commission or the Stock Exchange of Thailand requiring that the Company should send a written notice calling the meeting to the shareholders more than 7 days in advance, the Company shall promptly comply with such regulation, i.e., a written notice calling the meeting to consider connected transactions or acquisitions and dispositions of assets; or a written notice calling the meeting to consider Employee Stock Option Program, etc., the Company shall send such written notice calling the meeting of shareholders not less than 14 days prior to the date of the meeting. On the day of shareholders' meeting, the Company shall provide equal opportunity for every shareholder to audit the Company's performance and express opinion and comment freely and the Company shall prepare minutes of all shareholders' meetings that are accurate and complete in order to be examined by the shareholders.

(2) Shareholders' Meeting

At the Shareholders' Meeting, the Chairman of the Meeting provides equal opportunity for every shareholder to examine the Company's operation, to ask questions or comment on any suggestions.

The Company recognizes the importance of the shareholders' meeting; thus, it is the Company's policy to prepare and provide sufficient and adequate information to the shareholders providing equitable treatment to express their opinions and raise any questions at the shareholders' meeting. The following procedures relating to preparation of the shareholders' meeting are adopted by the Company, namely:

(a) Receive Notice of the Meeting: The Company shall prepare a written notice calling the meeting that indicate the place, date, time, agenda of the meeting and the matters to be proposed to the meeting together with sufficient detail to the shareholders not less than 14 days prior to the date of the meeting. The notice calling for the meeting shall also be posted in the Company's website.

(b) Conduct the Meeting: At the Shareholders' Meeting, the Chairman of the Meeting shall

explain the voting procedure and vote count prior to the commencement of the meeting, and provide opportunity for the shareholders to ask questions, express opinions and suggestions on various agendas in which significant topics in questions and suggestions will be recorded in the minutes of the meeting. In addition, the Company shall arrange to have representatives from the Board of Directors, the Management, the Audit Committee, the Auditor and Legal Advisor to attend the Shareholders' Meeting for questions clarification.

(c) Minutes of the Shareholders' Meeting: The Company shall disclose the Minutes of the Shareholders' Meeting via the Company's website and shall propose to the shareholders to consider confirmation of the Minutes at the next meeting. The Company shall maintain the Minutes of Shareholders' Meeting and keep them at a safe place for related party to examine.

Section 2 Right and Equitable Treatment

(1) For shareholders who are unable to attend the meeting, the Company provides a proxy form to allow the shareholders to appoint an Independent Director or Audit Committee as a proxy to vote on behalf of the shareholders.

(2) Control and Usage of Insider's Information

The Company place importance on the effective controlling system and the Internal Audit for both the Executives and operation level staff. Therefore, clear job descriptions and lines of authority and reporting and responsibilities for each unit are defined in writing to support the control and monitoring the use of company's assets for the benefits of the Company. There are segregation of positions for operation staff, management staff and performance appraisal staff to balance off the power and cross-examination as appropriate. In addition, there is an internal control system for Sales in which the Company has set up reporting system for submission to respective Executive for approval. With this, the Company has hired the Company's Internal Audit to review the internal control system, with the scope of responsibilities consisted of 4 systems as follows:

(2.1) Sales and Collection System

(2.2) Procurement and Payment System

(2.3) Inventory Control and Warehouse System

(2.4) Human Resources Management System

The Company's Internal Audit officer shall submit the report of performance appraisal on Internal Audit activities to the Audit Committee. Additionally, the Company's Internal Audit officer shall review any significant connected transactions as assigned by the Audit Committee for submission to the Audit Committee. The Secretary of Audit Committee shall act as a coordinator between an Internal Auditor and the Company's Executive.

The Board of Directors highly recognizes the importance of Risk Management. Therefore, the Company has set up a risk assessment for the operation and has set a preventive measurement and mitigation, including the risk that will have an impact on the Company's business operation as specified in the risk factors.

Section 3 Role to Stakeholders

(1) Rights of Stakeholders

The Committee assigns the highest priority to the rights of all stakeholders as follows:

(a) Employees: The Company treats all employees as equal, fair with reasonable compensation whilst continues to hold training and development on skilled knowledge and foreign language.

(b) Business Partners and Creditors: The Company strictly observes and adheres to all its obligations to partners and creditors on a fair basis in compliance with the commercial conditions and/or joint agreement for mutual benefits of both parties.

(c) Customers: The Company is honest and sincere to the customers and continues to provide quality products whilst gathering feedback and comments from the customer.

(d) Competitors: The Company abides by rules and ethics of fair competition, and will not destroy its competitors through unethical strategies.

(e) Shareholders: The Company continues to develop the organization toward continuous growth for higher sales revenues and increase of net profit which shall benefit the shareholders in terms of reasonable return on investment based on the present business situation.

(f) Society and Community: The Company continues to play an active role in the community environment and society, including takes part in social activities for the benefit of the community.

(2) Anti-Corruption policy

The Company concerns the importance of conducting its business with moral and shows a keen of sense to social responsibility and every interested person in alignment with the good corporate governance. Therefore, The Company has strived to make organization's staff intensively understand and emphasize on Anti - corruption issue. The Company has set the Anti-corruption policy and the guidelines approved by the board on February 27, 2017. It has been effective on April 7, 2017. The policy has also published in company's website www.bodyglove.co.th.

In case of interested persons find corruption and performing against company's regulation and business ethics, which will be affect the company's reputation whether direct or indirect manner, you can notify such act to company or make requisitions. The company will inspect the facts until the conclusion comes to the end. The company will provide safeguard for Whistleblower as stated in the company policy.

Here are the channels to notify clues or make requisition.

1) Send mail to Chairman of Audit committee

BGT Corporation PLC. 188 Suwinthawong road, Minburi, Minburi Bangkok 10510

2) E-mail to Chairman of Audit committee

audit_committee@bodyglove.co.th

In year 2020, there were no any requisitions

Section 4 Disclosure of Information and Transparency

(1) Corporate Governance Policy

The Board of Directors adopted the principal good governance policy as it recognizes the significant roles in nurturing the practice which facilitating continous growth and stability. The Board

is determined and intended to follow the principal by setting policy and direction for the Company's operation to place importance on the internal control system and the internal audit; to monitor the administrative management in carry out the operation effectively for the long-term benefit of the shareholders under the governing laws and business ethics including the disclosure of information and transparency and appropriate risk management.

(2) Business Ethics

The Company has clear regulations on Code of Ethics or Statement concerning the duty of the Board of Directors, the Executives and all employees of the Company, as guidelines in performing one's duties with honesty, integrity and moral principles. The Company shall sincerely monitor and follow-up to encourage the best practice on Code of Ethics or Statement among the employees as well as the disciplinary action otherwise. "Code of Conduct" was publicly disclosed on the Company's website (www.bodyglove.co.th)

(3) Investor Relation

The Board of Directors understands the importance of disclosed the Company's information regarding finance and non-finance information in terms of transparency and accuracy. Thus, the Company has appointed Miss Waristha Thapanasakunvong to be responsible for the disclosure of the Company's important information, including creating a good relationship and communicate to investors, shareholders and other analysts. General investors can contact the Company for more information at Telephone: 02-540-2888 Ext. 818 or www.bodyglove.co.th

Section 5 Responsibilities of Board of Directors

(1) The Board of Directors specifies the policy and participate in the consideration and approve to determines the vision, missions, strategies, business plan and budget of the Company, as well as having good corporate governance so that the executives perform the work under the policy as specified effectively and efficiency whilst increase more valued added at the height of the economy for the business and the highest stability for the shareholders.

(2) Balance of Power for Non-Executive Directors

There are 10 persons on the Board of Directors, namely

- 2 Directors from the Executives
- 4 Directors not from the Executives
- 4 Directors as Independent Directors

Therefore, the Company has 4 Directors as Independent Directors who represent 40% of the whole Board of Directors.

Moreover, the numbers of Director from major shareholders are consisted of 4 Directors, or 40% of the whole Board of Directors, namely (1) Dr.Nopdol Tumwattana (2) Dr.Dolnapa Tumwattana (3) Assoc.Prof.Dr.Nantarika Chansue and (4) Malaysian Investors is Mr.Goh Kok Cheng (Dickson).

(3) Aggregation or Segregation of Positions

The Chairman of the Board is not the same person as the President as to clearly define and separate role of duties in directing the Company's policies and management.

(4) Conflict of Interest

In order to prevent conflict of interest transaction, it is the Board of Director's authorization to specify that an authorized person shall not approve any transaction of his own or a person who may have conflict of interest or benefit unless such transaction is of ordinary business transaction of the Company under general commercial terms. In addition, the Company shall comply with the Security and Exchange of Thailand's notification governing the connected transaction of the registered company, or on the acquisition or disposition of assets of the registered company, whichever case may be. Furthermore, the Company shall set policy and procedure that no members of the Executives or related parties can use non-disclosure information of the Company for personal benefit.

- The Company has potential conflict of interest transactions : None
- The Company shall require that the Executives report changes of the securities hold to the Securities Exchange Commission, Section 59, of the Securities and Exchange Act, B.E. 2535 within three working days. In addition, the Directors, Executives or employees who receive the internal information are prohibited to disclose internal information to outside individual or non-related person, and the said Directors, Executives or employees must not buy or sell shares of the Company for a period of one month before the release of the Company's financial statements to the public.

The Company's policies on transactions that may have potential conflict of interest or connected transactions are as follows:

- to set a price and term following the same procedure as may entered with other individual.
- to strictly follow the procedures of the Stock Exchange of Thailand.
- to disclose information on connected transactions in the Company's Financial Statements, Annual Report and Information Disclosure Report (Form 56-1) for inspection by the shareholders.

(5) Remuneration for the Board of Directors and Executives.

Remuneration for the Board: The Company has defined a clear and transparent remuneration policy, which is determined to be an equitable manner with the industry standards as approximately as the size of the operation base and must be approved by the Shareholders' Meeting.

Remuneration for the Executives: Remuneration for the Executives is in compliance with the principle and policy as set by the Board of Directors which related to the Company's performance and individual performance of the Executives. The Company has no Remuneration Committee at present.

(6) The orientation for new board of director

There was an orientation for new board of director members whose positions were appointed as the first-time in the company. The company had them study Code of Conduct for Executive and Employees, important company's information, Securities and Exchange Act., Public Limited Company Act., and other regulations of The Stock Exchange of Thailand and the Securities and Exchange Commission. They also attended the Director Certification Program training curriculum.

(7) Board of Directors Meeting

The Board of Directors shall hold a meeting at least once every 3 months and hold additional meetings as deem necessary. The Company Secretary served a written notice, the agenda, and any documents to the Directors not less than 7 days prior to the date of meeting to ensure sufficient time for the Directors to study and review the agenda before attending the meeting. The Company shall maintain the minutes of meetings and keep the said documents receiving the confirmation from the Board of Directors for future examine by the Board or related party.

In 2020 the Board of Directors held meetings as follows:

BOARD OF DIRECTORS	Year 2020	
	No. of Attendance / No. of Meeting	
	Board of Directors Meeting	Audit Committee Meeting
1. Dr. Nopdol Tumwattana	4/4	
2. Mr. Goh Kok Cheng (Dickson)	3/4	
3. Mr. Goh Kok Beng	2/4	
4. Mrs. Mullika Tumwattana	4/4	
5. Assoc. Prof. Dr. Nantarika Chansue	4/4	
6. Dr. Dolnapa Tumwattana	4/4	
7. Pol.Gen. Sereepisuth Temeeyaves	1/4	1/4
8. Professor Emeritus Dr. Surapone Virulrak	4/4	4/4
9. Mr. Panu Kongtan	4/4	4/4
10. Mr. Tan Ooi Jin	3/4	3/4

(8) The Minimum Quorum Policy of The Board of Director

To pass a resolution of board of director, there must be at least two thirds of all the directors' members in the meeting.

(9) Sub-Committee

The Company appointed the Audit Committee to monitor and review the Company's operation with clear scope of duties and responsibilities of Audit Committee (details as shown in Item 1 (c)).

The Company has no Remuneration Sub-Committee. However, the Company has taken appropriate procedure in consideration for the remuneration, and determined in a manner equitable with industry standards of approximately the size operation, and is performance-based.

(10) Board of Directors's Report

The Board of Directors is responsible for the financial statements of the Company and the financial information as shown in the Annual Report. The financial statements shall comply with the generally accepted accounting standards in Thailand, which considered appropriate for the Company.

In addition, the Board of Directors is accountable for reviewing the accuracy of the Company's financial statements and ensures there is adequate disclosure in notes to financial statements.

Moreover, the Company has stipulated the Audit Committee to scrutinize and review the financial statements as well as to disclose the financial statements of the Company.

Internal Information Usage

The Company has a concise policy and procedure on the control and usage of internal information, especially the information on the Company's financial status that must be audited / reviewed by the Certified Public Accountant and receive approval from the Audit Committee Meeting every time before propose to the Board of Directors and the Stock Exchange of Thailand or general public.

The Company has come up with the rules to prevent the usage of internal data for personal benefits for the Board of Directors, Executives and employees as follows:

(1) To prohibit the Board of Directors, Executives as well as their spouses and children under legal age the use of internal information for the purpose of acquisition, disposition, transfer or take over the securities of the Company before such information is disclosed to the general public, especially within 30 days before the disclosure of the Company's financial statements to the public. Moreover, following the release of such information, the aforementioned individuals are prohibited to acquire or dispose of the securities of the Company until the public acknowledge the information receipt for appropriate time (7 days from the disclosure date).

(2) To acknowledge the Board of Directors and Executives as well as their spouses and children under legal age to be aware of their duties that they have the duties to submit reports on the securities holding of the Company in accordance to the Securities and Exchange Commission Notification No. Sor. Jor. 14/2540, Re: Preparation and Disclosure of Reports on Securities Holding of Directors, Executives and Auditor of the Company.

In case of any violation of the aforementioned regulations, the Company shall proceed with a disciplinary action as may deem appropriate, i.e., verbal warning with written confirmation, deduction of salary, suspend, or termination of employment, etc.

Employees

Board of Director has concerned the importance of employees who are our valued resource and a heart driving the organization, so the company considers employee's life safety, health and welfare as well as working environment with fairness in order to lead organization to sustainable success.

Important Data of Employee in Year 2020

(a) The numbers of employees as of December 31st, 2020 are 389 employees consisting 64 males and 325 females.

(b) The numbers of sick leave in Year 2020 are average 2.51 days per year.

(c) The accident rate at work in Year 2020 is 3 employee making 2.51% of all employees.

(d) Total remuneration and type of compensation provided to the employees (excluded Directors and Executives)

Types of Remuneration	Year 2020 (Baht)
Salary / Allowance	69,247,277.-
Bonus / Commission	4,313,224.-
Employees benefits expenses	13,755,316.-
Total	87,315,817.-

(E) Policy on Human Resources Development

As the Company's operation is distribution of ready-to-wear apparels and accessories under Body Glove Trademark which place high emphasis on the continuation of product development and quality service to promote sales. The Company, therefore, recognizes the importance of Human Resources Development to ensure the highest benefits for the Company and for the customer's satisfaction on impressive service rendered. With these objectives, we strive to strengthen the effectiveness in various areas, such as, (1) the administrative management of Flagship Store and product presentation; (2) the complete quality service rendered by skillful staff who understand the products and brand trademark; (3) increment sales volumes and profits; and (4) building strong and binding relationship among co-workers and working effectively as teamwork.

The Company's Human Resources Department is in charge of the training, both in-house and public. For in-house training, the speaker is represented by the Company member and/or special guest speaker from outside. For public training, the Company will send the employees to attend courses by considering the position, duty and responsibility for selection of suitable courses and contents as well as the Training Institution for the benefit of the employee and the Company as a whole.

Internal Control

The Company recognizes the importance of an internal control system with sufficiency to protect or minimize probable risks. Whereas the Board of Directors has established an Internal Audit Department by hiring an inside company, to review the operation systems in accordance to the annual audit plan as approved by the Audit Committee. It is the Company's objectives to ensure and evaluate the efficiency and sufficiency of the Company Internal Control System; to ensure that all resources are utilized to full benefits whilst control on other company's operations are in line with the law governing and the government regulations, and important financial transactions of the Company are conducted efficiently and accurately. Therefore, in order for the Internal Audit Department to be independent and to be able to assess and perform its checks and balances task, the Board of Directors has stipulated that the Internal Audit Department report directly to the Audit Committee.

As for the Risk Management, the Company views the importance of the risk management procedure by consider the present risk factors and expected risk together and thus analyze probable impact or possibility that such risk will take affect in order to set a preventive measurement and manage such risk. After careful consideration, the Company has prepared a report on Risk Management and constantly follow-up on the results. For major Risk Factors of the Company, details are summarized in a separate topic under Risk Factors.

The Board of Directors and the Audit Committee had evaluated the Internal Control System in accordant to the Appraisal of the Sufficiency of Internal Control and concluded that the Company had sufficient Internal Control System and appropriate for the business operation. In addition, there was no significant faults relating to the Internal Control System and that the system can protect the Company's assets from unjustified or wrongly usage by the Executives. The Audit Committee Board had expressed that the Company develop the 15 Principles of Good Corporate Governance as set by the Stock Exchange of Thailand to the full extent.

Dividend Policy

The Company has a policy of making annual dividend payment to its shareholders at a rate of no less than 40% of the Company's net profit after deduction of income tax; however, are subject to change to a lower rate than aforementioned depending on the Company's investment plan on business operation.





BGT Corporation Public Company Limited conducts its business based on the corporate culture which focuses on “**Business Development Along With Social Development and Environmental Preservation**”. We encourage our employees to be diligent, honest, patient and good people for the benefits of themselves and others. Our employees have received adequate training regularly to ensure that our customers receive the best service possible providing fairness and equity. As part of our business operations, we employ Corporate Social Responsibility on organizational commitment when doing our business to lead a successful and sustainable business practices by adopted the CSR-in-Process policies as follows:

➤➤ **Good Corporate Governance**

The Company recognizes the importance of good corporate governance in practice. The Board of Directors is committed to do business in compliance with the Code of Best Practice for Directors of Listed Companies and the Principles of Good Corporate Governance of the Stock Exchange of Thailand whilst operated in accordance to the law and related regulations. The Board realizes the importance of equal and fair treatment to all shareholders; thus, announces its shareholders rights to propose the agenda and to nominate persons to be considered as the Directors for the Annual General Meeting. At the Shareholders Meeting, all shareholders are given a chance to equally exercise their rights to examine the company’s business operations as well as to raise any questions, express their opinions or suggestions to the Board of Directors. In addition, the Company has placed the announcement in the newspaper for information of the shareholders on the agenda, date, time and venue for the Annual General Meeting as well as providing an Annual Report by sending to all shareholders prior to the Annual General Meeting every year in which all shareholders can examine the validity of the Company’s administration and management accordingly.

➤➤ **Fairness in Business Management**

To achieve fairness in business management, the company has established guidelines to care for all stakeholders in the “Code of Conduct and Business Ethics for Management and Employee Handbook”, which was approved by the Board of Directors. Our company is committed to operating the business based on corporate social responsibility for all stakeholders including shareholders, employees, customers, suppliers, business partners, other communities and the environment and will not be in favor of other benefits that may be derived from the incorrect sanctioned as we place great importance in complying with measures to prevent corruption and bribery in accordance with applicable laws. Moreover, we also recognize the stakeholders’ rights and possess no action that may violate those rights including any action that can be considered in violation of the stakeholders’ rights should be prohibited. The Board of Directors has prepared Code of Conduct and Business Ethics as the Board recognizes the substantial benefits in compliance with the Principles of Corporate Governance

and believed that the business is responsible for adhering to fairness and sustainable benefits of all stakeholders, including the society and the nation in the long run.

»» Human Rights and Treatment of Employees

The Company has a corporate culture that supports and respects all employees and their inherently entitled human rights. We provide fair and equal treatment to all employees as we consider human resources as the key element of the business in creating value and increase productivity. It is our commitment to provide safe, healthy, and comfortable workplace environments to suit all employees as we recognize the importance of the staff's health; thus, we have provided the exercise room and allocate time for exercise for the benefits of all employee's health. In addition, we also provide annual leave, appropriate over-time and provident fund for employees. The Company also provides personnel training and development to all employees in order to increase professional work quality. We continuously look to improve and facilitate workplace change and innovation by encouraging employees to proactively provide solutions and ideas. Moreover, the Company has focused on training our employees to enhance our services to satisfy the needs and expectations of all our customers. Our employees are highly trained to deliver quality products and offer the opportunity for customers to try more products with proper service to win the customer's satisfaction toward the decision-making process.

»» Responsibility to Customers

The Company aims to develop products and services that are environmentally and people friendly product. Our company recognizes the importance of the responsibility to customers, especially in terms of "ready-to-wear" clothing providing the diversity of product designs, sizes, models, colors, quality fabrics that are highly absorbent, soft, durable, comfortable, easy care and resistant to fading. We seeks to launch a new trendy product that promote and support a better quality of life for the consumers with our new exercise outfits to encourage the consumers to exercise for good health. Moreover, we strive to improve the quality of service by providing training to our employees on necessary product knowledge and quality service. We also emphasize to our employees the importance of giving the correct and adequate product information to the consumers by taking into account the satisfaction and interests of the consumers including the honesty and integrity in the workplace; being honest with the customers, the company and oneself is valued in every communication and transaction. We are also committed to protecting the privacy and confidentiality of all sensitive information about our customers whereas customer information is not disseminated in any way to outside parties for the benefit of the Company.

»» Participation in Social and Community Development

The Company holds our principles of integrity in social and community development in order to develop and promote a strong economic, social and cultural promotion. We encourage the utilization of business processes to improve the quality of life under our willingness and available resources to lead to self-sufficiency and improving social quality; as a result to increase and strengthen the economy and society as a whole.

In 2020, the Company has continued its commitment to participate in the activities of social and environmental development or corporate social responsibility (CSR) together with many local communities as follows:

1. To provide scholarships for the Children's Day organized by Bang Khen Metropolitan Police Station.
2. To support the budget for the Youth Fellowship Training Program organized by the Bangkok Metropolitan Police Station
3. To donate clothes for the project of disaster relief during cold weather season
4. To uphold and nourish Buddhism, e.g. supporting fund for Kathin Unity
5. To support the polo shirts in the public events of the Veterinary Medical Aquatic animal Research Center (VMARC), Faculty of Veterinary Science, Chulalongkorn University

»» Environmental Preservation

The Company recognizes the importance of environmental resources; thus, encouraging the organization and its employees to worthily use the resources such as electricity and water by creating and instilling awareness on an energy conservation campaign and encouraging all employees to set air conditioning temperatures at 25 degrees Celsius and 27-28 degrees Celsius during lunch break; turn-off air conditioning 15-20 minutes before getting off work; turn off air conditioning and lights in the office and restrooms during lunch hour from 12:00 to 13:00 hours; turn off lights when not in use including setting computer sleep mode to save energy and reducing the organization cost in addition to save paper campaign by encouraging the use of both sides of paper and recycled paper to maximize the benefits and to achieve its objectives efficiently and effectively.

We will continue our commitment to improve the core business whilst innovate new business processes and models to foster continuous improvement in environmental preservation and improvement of the community. Simultaneously, we will continue our initiatives and partnerships to the social and environmental benefits to the public coupled with the aims to achieve the higher quality and sustainable growth.



Report of the Board of Directors' Responsibilities to Financial Report

The Board of Directors of BGT Corporation Plc. is responsible for the financial statements of Company including the financial information that appears on the annual report 2020. The said financial statements for the year ended 31 December 2020 are prepared according to the generally accepted accounting standard with appropriate accounting policies and usual practices adopted, with utmost care and reasonable estimates with best projection where essential information is sufficiently disclosed in the notes attached thereto for the benefit of the Company, shareholders and investors. The mentioned financial statements have been audited and expressed an opinion in accordance with generally accepted auditing standards.

The Board of Directors has established and maintained an appropriate and efficient internal control system in order to provide a reasonable assurance that accounting records are accurate, complete and adequate for protection of assets of the Company, prevention of frauds and materially irregular transactions.

In this regard, the Board of Directors has appointed an Audit Committee, whose members are independent directors, to review the quality of the financial reporting, internal control system, connected transactions and report the review result to the Board of Directors.

The Board of Directors are of the opinion that the overall internal control system of the Company is satisfactorily effective and can provide reasonable assurance of the reliability of the financial statements of the Company for the year ended 31 December 2020 has shown the financial statement and operation result correctly, compliance with the generally accepted accounting standard, the laws and regulations applicable thereto.

(Assoc. Prof. Dr. Nantarika Chansue)

Chairman of the Board

(Dr. Nopdol Tumwattana)

Chief Executive Officer



BGT CORPORATION PUBLIC COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020



Independent Auditor's Report

To The Shareholders and Board of Directors of BGT Corporation Public Company Limited

Opinion

I have audited the financial statements of BGT Corporation Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2020, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of 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 financial statements present fairly, in all material respects, the financial position of BGT Corporation Public Company Limited as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

Value of inventory

The inventory of the Company is retail business of ready-to-wear apparels and clothes such as suitcase, wallet, cap, sport product and water recreation, etc. These products are the fashion group products that are continuously changing according to fashion trends and may be outdated. As at December 31, 2020, the inventory balance is Baht 178.39 million according to Note 8 in the notes to the financial statements. The management must exercise the judgment in determining the presentation at cost or net realizable value, whichever is lower, and determining appropriate allowance for declining

in value of inventory for slow-moving or obsolete product in each group and the estimates are subject to judgment that may affect the value of inventory.

In addition, the inventory is scattered throughout the regions of Thailand. Thus, my observation of the inventory counting is limited in quantities compared to all shops and branches available while the Company has significant inventory value on the financial statements. As a result, the consideration of the internal control system reliability and evaluation of the inventory count report during the year whether it is sufficient to prevent the loss and existence of the inventory is important to the volume of inventory. I have stated that the existence of the volume and value of inventory pose a significant risk that requires special attention in the audit.

Risk response by auditor

The audit approach of the value stated at cost or net realizable value of the inventory includes consideration of the reasonableness of the approach used by the management to calculate cost or net realizable value, whichever is lower, and the allowance for declining in value of inventory, the checking of accuracy, completeness and approval of the record of net realizable value, adjustment of the selling price. The allowance for the declining in value of inventory that occurred follows the defined policy without any omission or discrimination for the eligible product. It is included the checking of the actual selling price and the adjustment of the selling price after the end of year compared to the cost.

Regarding the audit approach on the amount of inventory, I have audited the internal control and tested the computer software system of inventory that is scattered throughout the regions of Thailand. I have considered the internal control of the internal inventory count, planning, setting the count of the shops and distributor, checking the result of the inventory count report, finding the cause of the difference from counting and approval from the management in the adjustment of the difference of the value of inventory. I have participated in the inventory count observation at the end of the year at the warehouse of the head office, the Company's shops, and consigned branches at distributor. In addition, I have audited and monitored the cause of unusual transactions in the inventory report such as overspend product, find the cause of the effect on the value of inventory, and verify the adjustment transaction of the inventory value of the consigned group at department store back to the Company's product.

Revenue Recognition

The Company's sales revenue consists of revenue from sales through different channels to various customers, including retail shops, sales through the online system, sales through distributors under a variety of sales conditions along with revenue from sales which arises from the sales of retail shops and distributors that are spread throughout the regions of the Thailand. At present from more intense competition in the clothing business and changing consumer behaviour, I considered the revenue recognition as key audit matter and focused on the audit of occurrence and the timing of revenue recognition.

Risk response by the auditor

I have examined the revenue recognition of the Company by assessing and testing the Company's IT system and its internal control system with respect to the revenue cycle by making enquiry of

responsible executives, gaining an understanding of the nature and sales condition of each channel, testing compliance of control designed by the company by applying sampling method to each type of sales document to assess whether revenue recognition was consistent with the conditions of the agreement, and whether it was in compliance with the Company's policy. On a sampling basis, examining supporting documents for sales transactions, reviewing credit notes that occurred during the year and near the end of the accounting period, examining cash receipt from retail shops and distributors and examining significant revenue account adjustment transactions.

Adoption of TFRS 16 – Leases

As at 31 December 2020, the Company recognised right-of-use assets and lease liabilities under the lease agreements in the consolidated financial statements in the amount of Baht 599.34 million and Baht 577.45 million, respectively, which represent 55.41 percent or 86.47 percent of total assets and liabilities in the financial statements, respectively, in reference to Note 2.2, the financial reporting standards that become effective in the current year - Financial Reporting Standard No.16 : Leases, Note 4, cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards and Note 3.8 including accounting policy - lease agreement.

As this standard has significant effect on the financial statements and the Company has numerous asset lease agreements, including assumptions and estimates related to the assessment of the lease agreement term and determination of appropriate discount rate require judgment by the management. I, therefore, considered the adoption of TFRS 16 as a significant matter in my audit.

Risk response by the auditor

Regarding my significant audit methods, I audited by obtaining an understanding of lease contracts and evaluated the accounting treatment of leases adopted by the Company to determine whether it was consistent with the requirements of TFRS 16 by testing the completeness of the lease data used in the lease liability calculation and comparing them with the lease contract listing and reconciling total lease payments under lease contracts with rental expense during the year, testing the accuracy of the lease data through the inspection, on a sample basis, of lease contracts, inquiring management to assess the appropriateness of the discount rates and lease terms by considering the renewal options, recalculating right-of-use assets and lease liabilities, including depreciation on the right-of-use assets and interest expense on lease liabilities recognized during the year and verifying adjustments arising from re-measurement of lease liabilities in case of lease modification or termination, as well as evaluating the appropriateness of the associated presentation and disclosure made by the management in the financial statements under the requirements of TFRS.

Other Information

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information 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 in order for those charged with governance to correct the misstatement.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain appropriate and adequate audit evidence with respect to the Company's financial information in the associate to express an opinion on the financial statements in which investments in associates is presented by the equity method. I am responsible to define the direction, monitor and oversee and audit the business of the associate. I am solely responsible for my own 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 we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Miss Chutinant Kopraserthaworn.

Chutinant Kopraserthaworn

(Miss Chutinant Kopraserthaworn)

Certified Public Accountant

Registration No. 9201

Dharmniti Auditing Company Limited

Bangkok, Thailand

March 1, 2021

BGT CORPORATION PUBLIC COMPANY LIMITED
THE STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

ASSETS

	Note	In Baht	
		2020	2019
Current assets			
Cash and cash equivalents	6	103,492,027.04	41,288,808.06
Temporary investments	4	-	5,892,946.50
Trade receivables - other parties	7	21,898,268.14	23,683,052.34
Other receivables - Prepaid expenses		968,583.04	895,566.65
Inventories	8	165,896,610.53	223,472,573.14
Other current financial assets	9	8,326.13	-
Other current assets			
Vat of consignment		3,744,130.33	4,718,392.03
Deposit of goods		11,346,969.59	17,631,052.84
Other		3,151,990.96	6,642,845.95
Total current assets		<u>310,506,905.76</u>	<u>324,225,237.51</u>
Non-current assets			
Investment in associate	10	-	-
Property, plant and equipment	11, 15, 17	138,408,292.51	164,342,380.97
Right-of-use assets	12, 15, 17	599,341,310.94	18,200,900.14
Intangible assets	13	7,320,345.16	21,305,181.35
Other non-current assets - Rental deposits		1,920,568.27	43,003,132.29
Deferred tax assets	14	24,114,539.23	19,242,062.30
Total non-current assets		<u>771,105,056.11</u>	<u>266,093,657.05</u>
Total assets		<u><u>1,081,611,961.87</u></u>	<u><u>590,318,894.56</u></u>

BGT CORPORATION PUBLIC COMPANY LIMITED

THE STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	In Baht	
		2020	2019
Current liabilities			
Bank overdrafts and short-term loan from the financial institution	15	-	-
Trade payables - other parties		25,736,079.63	74,398,622.05
Other payables			
Accrued expenses		8,991,823.81	13,724,621.67
Accrued payables - fixed assets		468,477.57	2,592,084.20
Others		335,263.28	442,319.38
Current portion of long-term lease liabilities	16	61,469,029.84	2,679,849.29
Current portion of long-term borrowings	17	15,860,000.00	13,800,000.00
Other current liabilities		1,294,054.81	856,947.28
Total current liabilities		<u>114,154,728.94</u>	<u>108,494,443.87</u>
Non-current liabilities			
Long-term lease liabilities	16	515,976,870.41	1,444,213.27
Long-term borrowings	17	10,000,000.00	460,000.00
Non-current provisions for employee benefit	18	14,176,140.00	16,669,086.00
Provisions for demolition costs	19	6,527,806.95	9,035,165.11
Other non-current liabilities		6,986,678.73	8,239,310.73
Total non-current liabilities		<u>553,667,496.09</u>	<u>35,847,775.11</u>
Total liabilities		<u>667,822,225.03</u>	<u>144,342,218.98</u>

BGT CORPORATION PUBLIC COMPANY LIMITED

THE STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Note	In Baht	
		2020	2019
Shareholders' equity			
Share capital			
Authorized share capital			
513,318,064 ordinary shares of Baht 0.50 each		<u>256,659,032.00</u>	<u>256,659,032.00</u>
Issued and paid-up share capital			
363,519,904 ordinary shares of Baht 0.50 each		181,759,952.00	181,759,952.00
Premium on share capital		73,980,713.10	73,980,713.10
Retained earnings			
Appropriated Legal reserve	20	20,620,355.90	20,620,355.90
Unappropriated		<u>137,428,715.84</u>	<u>169,615,654.58</u>
Total shareholders' equity		<u>413,789,736.84</u>	<u>445,976,675.58</u>
Total liabilities and shareholders' equity		<u>1,081,611,961.87</u>	<u>590,318,894.56</u>

BGT CORPORATION PUBLIC COMPANY LIMITED
THE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	In Baht	
		2020	2019
Revenues			
Revenues from sales		416,462,733.15	584,686,267.38
Other income			
Gain on exchange rate		-	1,072,114.03
Other		3,414,298.46	1,739,109.94
Total Revenues		<u>419,877,031.61</u>	<u>587,497,491.35</u>
Expenses			
Cost of sales		209,117,133.10	299,452,156.39
Selling expenses		140,875,701.97	233,168,290.50
Administrative expenses		84,456,899.39	97,064,589.64
Total expenses		<u>434,449,734.46</u>	<u>629,685,036.53</u>
Profit (loss) from operations		<u>(14,572,702.85)</u>	<u>(42,187,545.18)</u>
Finance costs		27,009,634.82	1,639,453.63
Profit (loss) before income tax expenses		<u>(41,582,337.67)</u>	<u>(43,826,998.81)</u>
Income tax (revenue) expenses	25	<u>(5,777,061.33)</u>	<u>(1,798,211.27)</u>
Profit (loss) for the year		<u>(35,805,276.34)</u>	<u>(42,028,787.54)</u>
Other comprehensive income :			
Items that will not be reclassified to profit or loss			
Actuarial gains from post-employee benefit, net of income tax		<u>3,618,337.60</u>	<u>76,574.40</u>
Other comprehensive income for the year, net of income tax		<u>3,618,337.60</u>	<u>76,574.40</u>
Total comprehensive income (expense) for the year		<u><u>(32,186,938.74)</u></u>	<u><u>(41,952,213.14)</u></u>

BGT CORPORATION PUBLIC COMPANY LIMITED

THE STATEMENT OF COMPREHENSIVE INCOME (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	In Baht	
		2020	2019
Profit (loss) attributable to :			
Equity of parent company		(35,805,276.34)	(42,028,787.54)
Non-controlling interests		-	-
		<u>(35,805,276.34)</u>	<u>(42,028,787.54)</u>
Total comprehensive income (expense) attributable to :			
Equity of parent company		(32,186,938.74)	(41,952,213.14)
Non-controlling interests		-	-
		<u>(32,186,938.74)</u>	<u>(41,952,123.14)</u>
Earnings per share	21		
Basic earnings (loss) per share (Baht per share)		<u>(0.10)</u>	<u>(0.12)</u>

BGT CORPORATION PUBLIC COMPANY LIMITED

THE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

	In Baht				Total shareholder's equity
	Share capital issued and paid-up	Premium on share capital	Retained earnings		
			Appropriated-Legal reserve	Unappropriated	
Balance as at January 1, 2019	181,759,952.00	73,980,713.10	20,620,355.90	211,567,867.72	487,928,888.72
Comprehensive income (expense)					
Profit (loss) for the year	-	-	-	(42,028,787.54)	(42,028,787.54)
Other comprehensive income for the year	-	-	-	76,574.40	76,574.40
Balance as at December 31, 2019	181,759,952.00	73,980,713.10	20,620,355.90	169,615,654.58	445,976,675.58
Comprehensive income (expense)					
Profit (loss) for the year	-	-	-	(35,805,276.34)	(35,805,276.34)
Other comprehensive income for the year	-	-	-	3,618,337.60	3,618,337.60
Balance as at December 31, 2020	181,759,952.00	73,980,713.10	20,620,355.90	137,428,715.84	413,789,736.84

BGT CORPORATION PUBLIC COMPANY LIMITED

THE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

	In Baht	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) for the year	(35,805,276.34)	(42,028,787.54)
Adjustmant to reconcile profit for the year		
to net cash provided by (used in) from operating activities		
Unrealized loss (gain) on change in value of the other current financial assets	112,049.06	166,363.85
Realized loss (gain) on change in value of the other current financial assets	(117,428.69)	(643,746.78)
Allowance for the decline in value of inventories increase (reversal)	(3,343,054.48)	(1,895,250.48)
Loss (gain) on sales of assets/loss from disposal	1,794,199.17	1,299,807.60
Loss (gain) on amortization right-of-use assets	(1,788,469.90)	-
Loss from rental reduction	7,571,871.30	-
Depreciation and amortization	82,958,574.98	29,571,207.84
Unrealized loss (gain) on exchange rate	(9,699.03)	(113,844.29)
Non-current provisions for employee benefit	2,029,976.00	5,089,518.00
Demolition costs	172,978.81	428,611.60
Interest income	(30,000.28)	(424,367.30)
Interest expenses	27,009,634.82	1,639,453.63
Income tax (revenue) expenses	(5,777,061.33)	(1,798,211.27)
Loss from withholding tax write-off	12,152.13	-
Profit (loss) from operating before changes		
in operating assets and liabilities	74,790,446.22	(8,709,245.14)
(Increase) decrease in operating assets		
Trade receivables - other parties	1,784,784.20	2,299,316.60
Other receivables - prepaid expenses	(73,016.39)	512,574.92
Inventories	60,919,017.09	(30,273,639.40)
Other current assets	8,533,016.51	(16,586,897.70)
Other non-current assets - rental deposits	2,630,896.61	1,039,823.05
Increase (decrease) in operating liabilities		
Trade payables - other parties	(48,652,843.39)	33,552,734.52
Other payables - accrued expenses	(4,727,478.27)	(1,391,944.54)

BGT CORPORATION PUBLIC COMPANY LIMITED
THE STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2020

	In Baht	
	2020	2019
Other payables - other	(107,056.10)	53,536.00
Other current liabilities	437,107.53	(374,510.21)
Cash paid for demolition costs	(799,046.70)	(578,080.00)
Other non-current liabilities - employee deposits	(1,252,632.00)	241,819.10
Refund of withholding tax	2,204,770.77	-
Cash paid for income tax	(739.47)	(4,040.81)
Net cash provided by (used in) operating activities	95,687,226.61	(20,218,553.61)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	30,000.28	611,442.23
Cash received from sales of other current financial assets	5,890,000.00	47,000,000.00
Cash received for long - term loans	-	8,394,048.00
Cash paid for purchase of property, plant and equipment	(8,017,405.81)	(8,190,854.52)
Cash received from sales of property, plant and equipment	100,420.56	103,394.40
Refund of right-of-use	302,481.97	-
Acquire right-of-use assets	(1,517,466.99)	-
Refund of intangible assets	15,702,250.00	-
Cash paid for intangible assets	(2,225,987.10)	(16,917,205.00)
Net cash provided by (used in) investing activities	10,264,292.91	31,000,825.11
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid for interest expenses	(1,096,823.19)	(1,472,000.44)
Cash receipts from long-term borrowings from financial institutions	20,000,000.00	-
Repayment for long-term borrowings from financial institutions	(8,400,000.00)	(14,010,000.00)
Cash paid for lease liabilities	(54,251,477.35)	(3,155,839.82)
Net cash provided by (used in) financing activities	(43,748,300.54)	(18,637,840.26)
INCREASE (DECREASE) IN CASH AND EQUIVALENTS - NET	62,203,218.98	(7,855,568.76)
CASH AND CASH EQUIVALENTS, AT THE BEGINNING OF THE YEAR	41,288,808.06	49,144,376.82
CASH AND CASH EQUIVALENTS, AT THE END OF THE YEAR	103,492,027.04	41,288,808.06

BGT CORPORATION PUBLIC COMPANY LIMITED
THE STATEMENT OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2020

	In Baht	
	2020	2019
SUPPLEMENT DISCLOSURES OF CASH FLOWS INFORMATION		
Increase of property, plant and equipment from asset purchase accounts payable	2,123,606.63	1,763,542.57
Recognition of right-of-use assets	679,628,000.75	-
Demolition costs - decoration :-		
- Property, plant and equipment	92,740.63	1,976,676.75
- Right-of-use assets	(1,808,285.73)	222,363.78



Notes To Financial Statements

BGT CORPORATION PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. GENERAL INFORMATION

(a) General matter

The Company was incorporated as a limited company under the Thai Civil and Commercial Code on March 31, 1988, and changed its status to a public limited company under the Public Limited Company Act on June 29, 2007. The Company's shares had been approved to be listed on the Market for Alternative Investment (MAI) on December 11, 2007.

The address of its registered office is at 188 Suwinthawong Road, Minburi, Bangkok.

(b) Nature of the Company's business

The Company operates in Thailand and its principal business activity is retail of ready-to-wear apparels and related accessories under the trademark of Body Glove.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENT

2.1 Basis for preparation of the financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

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

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from such financial statements in Thai language version.

2.2 Financial reporting standards that became effective in the current year

During the year, the Company have adopted the revised and new financial reporting standards, interpretations and the accounting guidance, 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. Except, the new standard involves changes to key principles, as summarized below.

Financial reporting standards related to financial instruments:

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

- TFRS 7 Financial Instruments: Disclosures
- TFRS 9 Financial Instruments
- TAS 32 Financial Instruments: Presentation
- TFRIC 16 Hedges of a Net Investment in a Foreign Operation
- TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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

TFRS 16 Leases

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

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

As at January 1, 2020, had adopted TFRS 16, which the Group recognized the cumulative effects of the initial application of this financial reporting standard without restated the previous year's financial statements presented for comparative. However, the Group had chosen to comply with this financial reporting standard with the lease that was previously classified as operating lease by recognizing the liabilities under the lease as at January 1, 2020 with the present value of the remaining lease payment and discounted by the interest rate of the additional borrowing of the Group as at the initial application date. It was recognized the contractual use rights in the amount of liabilities under lease agreements adjusted by the amount of the prepaid or accrued lease payments which were related to the lease agreement recognized in the statement of financial position before the date of application of this financial reporting standard.

The effect of the change in accounting policy is stated in Note 4 to the financial statements.

Accounting Treatment Guidance on Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation

The Federation of Accounting Professions announced Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation". Its objectives are to alleviate some of the impact of applying certain financial reporting

standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 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 Company has elected to apply the following temporary relief measures on accounting alternatives:

- Not to account for any reduction in lease payments by lessors as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognized in each period reversed in proportion to the reduction, with any differences then recognized in profit or loss.
- Not to include information relating to the uncertain COVID-19 situation, which may affect the estimation of future taxable profits. Into data to estimate the adequacy of future taxable profits in order to take advantage of deferred tax assets.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

2.3 Financial reporting standards that will become effective in the future

During the year, the Federation of Accounting Professions issued a notification of the Federation of Accounting Professions and published in the Government Gazette for the conceptual framework of financial reporting (new) and several revised financial reporting standards from the year 2019 by becomes effective for the accounting period beginning on or after January 1, 2021 onwards. Which such adjustments are improve/revise principles the financial reporting is as follows:

Adjustment is reference to the conceptual framework in the financial reporting standards

Several financial reporting standards are reference to “IASC’s Framework for the Preparation and Presentation of Financial Statements.” The adjustment of reference project on the conceptual framework in the financial reporting standards has updated reference or partial reference adjustment and other to describe clearly whether each document is reference to “the conceptual framework” of which year.

Conceptual Framework for Financial Reporting

The conceptual framework for financial reporting consisted of revised definitions of assets and liabilities. Criteria for recognition assets and liabilities in the financial statements. It also includes the following new principles and guidance:

1. Measurement, including factors that must be considered in selecting the valuation criteria
2. Presentation and disclosure which includes when the income and expenses are classified into other comprehensive income.
3. Reporting entities
4. When the assets and liabilities derecognition from the financial statements

In addition, this Conceptual Framework for Financial Reporting clearly clarifies management's stewardship of the entity's economic resources, prudence, and measurement uncertainty of financial information.

Definition of Business

Business definition revised in the financial reporting standard No. 3 "Business Combination" describes more clearly on definition of business. The objective is for the business to establish that such transaction has to be recorded as "business combination" or "purchase of assets" or not. Adjustments are as follows:

1. Describe clearly on the consideration of "business", activity group and acquired assets must include input data factor, key process that at least combined will significantly generate outputs.
2. Eliminate the assessment that the market partner can substitute input factor or missing process and generate further outputs from the standards.
3. Add practice guide and example to support understanding and help the company assess whether the key process is acquired.
4. Narrow down the definition of business and definition of outputs by placing interest in the product and service provided to the customer and eliminate the reference on ability to reduce cost from the standards.
5. Add the intention test as an alternative which allows to make assessment easily whether the activity group and acquired assets are business or not.

Definition of significance

The definition of significance resulted in revising the accounting standard No.1 "Presentation of Financial Statements, Presentation of Financial Statements and Accounting Standards No.8 - Accounting Policy, Change of Accounting Estimates and Error and the revision that resulted in other financial reporting standards. The adjustment creates better understanding of the definition of significance by

1. For the definition to follow the same direction of the financial reporting standards and conceptual framework to avoid the confusion that may arise from the definition difference.
2. Include the requirements together of the accounting standard No.1 "Presentation of financial statements" in the definition for it to become clearer and describe how the materiality can be clearly applied.
3. Applying existing practice guidance of the definition of the materiality in the same place as the definition.

Reform of swap interest rate

The reform of swap interest rate resulted in the adjustment of the financial reporting standards No. 9 financial instruments and financial reporting standards No.7 financial instrument disclosure. Such adjustment has changed the hedge accounting requirements, especially to reduce the impact arising from the uncertainty as a result of the swap interest rate reform such as interbank offer rates-IBORs. In addition, the adjustment requires the business to provide additional information to investors regarding the relation of hedging directly impacted from any uncertainties.

The management of the Company is in the process to assess the impact of these TFRSs to the financial statements in the year when they are adopted.

2.4 Thai Financial Reporting Standard No.16 “Leases”

The Federation of Accounting Professions has revised TFRS 16 lease agreements and published in the Government Gazette on January 27, 2021 with the following revisions.

1. The Rent Concessions related to COVID-19, which is effective from June 1, 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications.

2. Added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted.

The management of the Company is in the process to assess the impact of these TFRSs to the financial statements in the year when they are adopted.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue and expense recognition

Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

Interest income

Interest income is recognized as income on the accrual basis based on the effective rate method.

Dividends

Dividends are recognized as income when having the rights to receive the dividends.

Other income and other expenses

Other income and other expenses are recognized on an accrual basis.

3.2 Financial assets and financial liabilities

Applicable from January 1, 2020

Classification and measurement of financial assets

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company classify its debt instruments in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and

- those to be measured at amortised cost.

The Company reclassify debt instruments when and only when its business model for managing those assets changes.

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

At initial recognition, the Company measure a financial asset at its fair value plus or minus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Company classify its debt instruments:

- **Amortized cost:** A financial assets will be measured at amortized cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.
- **FVOCI:** A financial assets will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognized on other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Dividends from such investments continue to be recognized in profit or loss when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the

statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Classification and measurement of financial liabilities and equity

Financial instruments issued by the Company must be classified as financial liabilities or equity securities by considering contractual obligations.

- Where the Company have an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Company's own equity instruments.
- Where the Company have no contractual obligation or have an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

At initial recognition, the Company measure financial liabilities at fair value. The Company reclassify all financial liabilities as subsequently measured at amortised cost, except for derivatives.

Recognition and derecognition

The Company shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the Company become party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commit to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company have transferred substantially all the risks and rewards of ownership of the financial assets.

Impairment

The Company assess on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company apply general approach for credit-impaired consideration.

3.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at bank, and highly liquid short-term investment with an original maturity of three months or less and not subject to withdrawal restrictions.

3.4 Trade receivables

Applicable from January 1, 2020

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at its present value.

Trade receivables are stated at the amount expected to be collectible, the Company apply the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company have identified the GDP, the unemployment rate and the consumer price index of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The impairment losses are recognized in profit or loss within administrative expenses.

Applicable prior to January 1, 2020

Trade accounts receivable are stated at the net realizable value. The Company record allowance for doubtful accounts is provided for the estimated losses that may be incurred in the collection of receivables. This allowance is generally based on individual collection experience and analysis of debtor aging.

3.5 Inventories

Inventories are valued at the lower of cost (weighted average method) or net realizable value. Allowance for the decline in value of inventories is provided for slow-moving and obsolete stocks.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

The net realizable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete the sale.

3.6 Investments

Applicable from January 1, 2020

Current Investment

Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded as gains or losses in the statements of comprehensive income and recorded as gains or losses in the statement of comprehensive income when those securities are sold.

The fair value of unit trusts is calculated from the net asset value of the fund.

Investments in associates

Associates are all entities over which the Company has significant influence but not control generally accompanying a shareholding of between 20% and 50% of the voting rights. In the consolidated financial statement, investments in associates are initially recognized at cost and are accounted for using the equity method.

Investments in associates are stated at cost net from allowance on impairment (if any) in the separate financial statements.

3.7 Property, plant equipment and depreciation

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance on impairment (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company (if any).

Depreciation of plant and equipment is calculated by cost less residual value on the straight-line basis over the following estimated useful lives:

	Year
Building and building improvement	20
Furniture, fixture and office equipment	5
Vehicles	5 and 8
Demolition costs - decoration on rental area	6 and 9

The Company has reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and equipment under installation.

Property, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

3.8 Leases

Applicable from January 1, 2020

At inception of a contract, the Company assess whether the 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 Company assess the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases at the date of initial application (as at January 1, 2020) together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

Right-of-use assets-as a lessee

Right-of-use assets are recognized 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 recognized, 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.

Right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right-of-use assets.

Lease liabilities

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company use its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company apply the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognized as expense in profit and loss on a straight-line basis over the lease term.

Applicable prior to January 1, 2020

Long-term leases - leasehold right

Leasehold right is stated at cost after deducted accumulated amortization. Amortization is calculated by the straight-line method in accordance with the rental contract term of 6-29 years.

Operating lease

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

Financial leases

The Company record assets under finance leases as assets and liabilities at the amounts equal to the fair value of the leased assets at the inception of the lease or the present value of the

minimum lease payments, whichever is lower. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease agreements. The interest charge is recorded to the different periods over the entire lease term based on the remaining balance of payable under financial lease agreement in each period.

3.9 Intangible assets

Intangible assets that are acquired by the Company with finite useful lives are stated at cost less accumulated amortization and allowance on impairment (if any).

Intangible assets are amortized in the statement of comprehensive income on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are as follows:

	Year
Trademark	27
Computer software	5

3.10 Borrowing costs

Borrowing costs directly attributed to the acquisition or construction of an asset that necessarily takes long time to put in ready to use or available for sale state are capitalized as part of the cost of the respective asset until that asset condition is ready for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs arising from such borrowing.

3.11 Related party transactions

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

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

3.12 Foreign currencies

Transactions in foreign currencies are translated into Baht at the rates ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currency outstanding at the statement of financial position date are translated into Baht at the rates ruling on the statement of financial position date.

Exchange gains and losses are included in determining earnings.

3.13 Impairment of non-financial assets

As at the statement of financial position date, the Company assesses whether there is an indication of asset impairment. If any such indication exists, the Company will make an estimate of the asset's recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income. In addition, impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization. The recoverable amount of the asset is the asset's value in use or fair value less costs to sell.

3.14 Employee benefits

Short-term employment benefits

The Company recognize salary, wage, bonus and contributions to social security fund and provident fund as expenses when incurred.

Post-employment benefits (Defined contribution plans)

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

Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments that it must pay to the employees upon retirement under the labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in other comprehensive income.

3.15 Income tax expenses (income)

Income tax

Income tax comprises current income tax and deferred tax.

Current tax

The Company records income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates (year 2020 and 2019 : 20%) of net profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax. And less certain transactions which are exemption or allowable from income tax.

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiary expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

Thus, the Company offsets deferred tax asset and deferred tax liabilities for presentation in the statement of financial position, rather than presenting them separately.

3.16 Earnings per share

Basic earnings per share is calculated by dividing profit for the year by the weighted average number of ordinary shares which are issued during the year and held by outside party.

Diluted earnings per share is computed by dividing profit (loss) for the year by the aggregate amount of the weighted average number of ordinary shares issued during the year and the weighted average number of ordinary shares which the Company may have to issue for conversion of warrants to ordinary shares.

3.17 Significant accounting judgement and estimates

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

Allowance for declining in value of inventory

The determination of allowance for declining in the value of inventory, requires management to make judgements and estimates of the loss expected to occur. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense. The provision for obsolete slow-moving and deteriorated inventory, is estimated

based on the approximate useful life of each type of inventory. The allowance for diminution in value of inventory as determined is compared with the original balance in the books of account and the increase or decrease in the allowance for diminution in value of inventory will be recognized as cost of sales and service in profit or loss.

Property, plant and equipment, right-of-use assets, depreciation

In determining depreciation of plant, equipment and right-of-use assets, the management is required to make estimates of the useful lives and residual values of the plant, equipment and right-of-use assets, to review the estimated useful lives and residual values when there are any changes.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

Post-employment benefits (Defined benefit plans)

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

Provisions for demolition costs

Provisions are used for demolition costs in decoration on rental area. The estimates are based on the present value of estimated actual average demolition costs according to the historical data by recording as part of the assets and amortized over their estimated useful lives. However, the actual demolition costs may differ from the estimated amount.

Determining the lease term of contracts with renewal and termination options

The Company determine the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Leases

Applicable prior to January 1, 2020

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement in evaluating the conditions and details of the agreement whether significant risk and rewards of ownership of the leased asset has been transferred.

4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

As described in Note 2.2 to the interim financial statements, during the current period, the Company have impacts from adoption of TFRSs related to financial instruments and TFRS 16. The cumulative effect of the changes in accounting policies are recognized as an adjustment to retained earnings as at January 1, 2020 and the comparative information was not restated.

The changes in accounting policies due to the adoption of above financial reporting standards, are summarized below.

	In Baht			
	As at December 31, 2019	The impacts of TFRSs related to financial instruments	The impacts of TFRS 16	As at January 1, 2020
Statement of financial position				
Current assets				
Temporary investments	5,892,946.50	(5,892,946.50)	-	-
Other current financial assets	-	5,892,946.50	-	5,892,946.50
Non-current assets				
Property, plant and equipment	164,342,380.97	-	(14,304,568.40)	150,037,812.57
Right-of-use assets	18,200,900.14	-	731,018,691.92	749,219,592.06
Other non-current assets - rental deposits	43,003,132.29	-	(39,264,134.41)	3,738,997.88
Total assets	590,318,894.56	-	677,449,989.11	1,267,768,883.67
Current liabilities				
Current portion of long-term lease liabilities	2,679,849.29	-	49,909,080.62	52,588,929.91
Non-current liabilities				
Long - term lease liabilities	1,444,213.27	-	627,540,908.49	628,985,121.76
Total liabilities	144,342,218.98	-	677,449,989.11	821,792,208.09

4.1 Financial instruments

Classification and measurement

On January 1, 2020 (the date of initial application), the Company's management has assessed which business models applied to the financial assets and liabilities held by the Company has classified the financial assets and liabilities as below.

	In Baht		
	FVPL	Amortized cost	Total
Financial assets as at January 1, 2020			
Cash and cash equivalents	-	41,288,808.06	41,288,808.06
Trade receivable - other parties	-	23,683,052.34	23,683,052.34
Other current financial assets	5,892,946.50	-	5,892,946.50
	<u>5,892,946.50</u>	<u>64,971,860.40</u>	<u>70,864,806.90</u>

Financial assets mandatorily measured at FVPL include the following:

	In Baht
As at January 1, 2020	
Open - end fund	5,892,946.50
Total other current financial assets	<u>5,892,946.50</u>

	In Baht		
	FVPL	Amortized cost	Total
Financial liabilities as at January 1, 2020			
Trade payables - other parties	-	74,398,622.05	74,398,622.05
Lease liabilities	-	681,574,051.67	681,574,051.67
Long - term borrowing	-	14,260,000.00	14,260,000.00
	<u>-</u>	<u>770,232,673.72</u>	<u>770,232,673.72</u>

4.2 Leases

These liabilities were measured at the present value of the remaining lease payments, discounted using the Company and its subsidiaries' incremental borrowing rates. The Company and its subsidiaries incremental borrowing rates applied to the lease liabilities as at January 1, 2020 was ranged 5.675%.

For leases previously classified as finance leases applying TAS 17, the Company and its subsidiaries reclassified the carrying amount of the lease assets and lease liabilities immediately before adoption of TFRS 16 as the carrying amount of the right-of-use assets and the lease liabilities at the date of initial application.

	In Baht
Operating lease commitments disclosed as at December 31, 2019	117,777,762.97
Add Right to purchase or probable time extension to exercise the right	751,917,144.99
Less Leases recognized on expenses	(1,440,000.00)
	868,254,907.96
Less Deferred interest expenses	(190,804,918.85)
Additional lease liabilities from TFRS 16 adoption	677,449,989.11
Finance lease liabilities as at December 31, 2019	4,124,062.56
Lease liabilities recognized as at January 1, 2020	681,574,051.67
Of which are:	
Current lease liabilities	52,588,929.91
Non-current lease liabilities	628,985,121.76
	681,574,051.67

The recognized right-of-use assets relate to the following types of assets:

	In Baht
As at January 1, 2020	
Building and building improvements	711,794,128.02
Leasehold rights - shop area	28,393,037.61
Vehicles	9,032,426.43
Total right-of-use assets	749,219,592.06

5. RELATED PARTY TRANSACTIONS

During the year, the Company had significant business transactions with related persons and related companies (related by ways of common shareholders and/or common directors). These transactions follow the trade terms and rules agreed between the Company and those companies in the normal course of business.

Details of the relationship between the Company and its related parties and companies are as follows:

5.1 Associate

- BGT Technology Co., Ltd.

5.2 Related companies through common directors and/or related through the key management personnel

- Great Management Co., Ltd.

Significant transactions with related companies for the years ended December 31, 2020 and 2019 are as follows:

	In Million Baht		Pricing policy
	2020	2019	
Transaction with related companies:			
Rental expenses			
- Great management Co., Ltd.	1.44	1.44	At the rate specified in the agreements

Management benefit expenses

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

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

	In Million Baht	
	2020	2019
Management		
Management benefit expenses		
Short-term employment benefits	13.44	21.94
Post-employment benefits	0.83	3.20
Total	14.27	25.14

6. CASH AND CASH EQUIVALENTS

This account consisted of:

	In Baht	
	2020	2019
Cash on hand	1,925,060.50	3,188,118.00
Cash at bank - current accounts	40,482,640.63	15,488,088.77
Cash at bank - savings accounts	60,551,743.45	22,083,966.36
Fixed deposit - 3 months	532,582.46	528,634.93
Total	103,492,027.04	41,288,808.06

Savings accounts carry interest at the floating rates which are set by the bank.

7. TRADE RECEIVABLES - OTHER PARTIES

As at December 31, 2020 and 2019, the Company has the outstanding balance of trade receivables - other parties aging are as follows:

	In Baht	
	2020	2019
Non overdue	21,696,103.53	23,311,090.13
Overdue		
Less than 3 months	202,164.61	371,962.21
Total	21,898,268.14	23,683,052.34

8. INVENTORIES

This account consisted of:

	In Baht	
	2020	2019
Finished goods	178,386,515.44	233,559,618.73
Goods in transit	2,127,459.49	7,772,194.37
<u>Less</u> Allowance for the decline in value of inventories	(14,805,644.38)	(18,148,698.86)
Net	165,708,330.55	223,183,114.24
Raw materials and supplies	188,279.98	289,458.90
Total	165,896,610.53	223,472,573.14

The change in the allowance for the decline in value of inventories for the years ended December 31, 2020 is as follows :

	In Baht
Balance as at December 31, 2019	18,148,698.86
Increasing (Decreasing) during the year	(3,343,054.48)
Balance as at December 31, 2020	14,805,644.38

9. OTHER CURRENT FINANCIAL ASSETS

As at December 31, 2020, the details of other current financial assets were as follows:

	In Baht
Open-end fund	8,112.64
Add Unrealized profit from change in value	213.49
Total other current financial assets	8,326.13

10. INVESTMENT IN ASSOCIATE

As at December 31, 2020 and 2019, investment in associate the details is as follows:

Company name	In Baht		Percentage of shareholding		In Baht	
	Paid-up capital				Cost method	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
BGT Technology Co., Ltd.	5,000,000.00	5,000,000.00	23.65	23.65	1,182,500.00	1,182,500.00
<u>Less</u> Allowance for impairment in the investment					(1,182,500.00)	(1,182,500.00)
Net					-	-

Since 2019, the Company has not presented the financial statements which states investment by the equity method because the associated company has registered to terminate the company and is under liquidation process. There are no more significant transactions in the financial statements of the associated company.

11. PROPERTY, PLANT AND EQUIPMENT

This account consisted of:

	In Baht				
	Land	Building and building improvement	Furniture, fixture and office equipment	Vehicles	Total
<u>At cost</u>					
Balance as at December 31, 2019	46,871,955.00	102,893,807.98	197,415,414.11	28,505,969.44	375,687,146.53
Effects of the adoption of TFRS16 as at January 1, 2020	-	-	(6,476,647.33)	(20,283,000.00)	(26,759,647.33)
Balance as at January 1, 2020	46,871,955.00	102,893,807.98	190,938,766.78	8,222,969.44	348,927,499.20
Acquisitions	-	11,000.00	5,874,116.43	67,712.28	5,952,828.71
Disposals and write-off	-	-	(8,254,775.21)	(186,915.89)	(8,441,691.10)
Transfer in (out)	-	-	-	14,974,000.00	14,974,000.00
Balance as at December 31, 2020	46,871,955.00	102,904,807.98	188,558,108.00	23,077,765.83	361,412,636.81
<u>Accumulated depreciation</u>					
Balance as at December 31, 2019	-	(35,971,827.34)	(159,649,605.28)	(15,723,332.94)	(211,344,765.56)
Effects of the adoption of TFRS16 as at January 1, 2020	-	-	1,204,505.36	11,250,573.57	12,455,078.93
Balance as at January 1, 2020	-	(35,971,827.34)	(158,445,099.92)	(4,472,759.37)	(198,889,686.63)
Depreciation for the year	-	(5,145,147.98)	(12,821,502.32)	(766,330.65)	(18,732,980.95)
Disposals and write-off	-	-	6,235,428.74	116,894.54	6,352,323.28
Transfer out (in)	-	-	-	(11,734,000.00)	(11,734,000.00)
Balance as at December 31, 2020	-	(41,116,975.32)	(165,031,173.50)	(16,856,195.48)	(223,004,344.30)
<u>Net book Value</u>					
Balance as at December 31, 2019	46,871,955.00	66,921,980.64	37,765,808.83	12,782,636.50	164,342,380.97
Balance as at January 1, 2020	46,871,955.00	66,921,980.64	32,493,666.86	3,750,210.07	150,037,812.57
Balance as at December 31, 2020	46,871,955.00	61,787,832.66	23,526,934.50	6,221,570.35	138,408,292.51

	In Baht				
	Land	Building and building improvement	Furniture, fixture and office equipment	Vehicles	Total
<u>At cost</u>					
Balance as at January 1, 2019	46,871,955.00	101,631,987.98	199,083,733.96	26,716,969.44	374,304,646.38
Acquisitions	-	1,261,820.00	10,222,003.84	1,789,000.00	13,272,823.84
Disposals and write-off	-	-	(11,890,323.69)	-	(11,890,323.69)
Transfer in (out)	-	-	-	-	-
Balance as at December 31, 2019	46,871,955.00	102,893,807.98	197,415,414.11	28,505,969.44	375,687,146.53
<u>Accumulated depreciation</u>					
Balance as at January 1, 2019	-	(30,860,413.62)	(155,982,343.31)	(11,989,738.59)	(198,832,495.52)
Depreciation for the year	-	(5,111,413.72)	(13,872,712.89)	(3,733,594.35)	(22,717,720.96)
Accumulated depreciation on disposals and write-off	-	-	10,205,450.92	-	10,205,450.92
Transfer out (in)	-	-	-	-	-
Balance as at December 31, 2019	-	(35,971,827.34)	(159,649,605.28)	(15,723,332.94)	(211,344,765.56)
<u>Net book Value</u>					
Balance as at December 31, 2019	46,871,955.00	66,921,980.64	37,765,808.83	12,782,636.50	164,342,380.97
Balance as at December 31, 2018	46,871,955.00	70,771,574.36	43,101,390.65	14,727,230.85	175,472,150.86

As at December 31, 2020 and 2019, the Company have the gross carrying amount of any fully depreciated property, plant and equipment that is still in use of Baht 145.16 million and Baht 125.42 million, respectively.

Land and building are mortgaged to secure credit facilities of several financial institutions as discussed in Note 15 and 17.

	In Baht	
	2020	2019
Depreciation for the year	18,732,980.95	22,717,720.96
Loss from disused of asset / loss from disposal	1,682,197.71	1,357,795.29
Gain (Loss) on sales of asset	(112,001.46)	57,987.69

As at December 31, 2019 the Company had the assets under the financial lease agreement at the net book value of Baht 9.03 million.

12. RIGHT-OF-USE ASSETS

This account consisted of:

	In Baht			
	Building and building improvements	Leasehold rights - shop area	Vehicles	Total
<u>At cost</u>				
Balance as at December 31, 2019	-	93,933,396.98	-	93,933,396.98
Effects of the adoption of TFRS16 as at January 1, 2020	712,998,633.38	10,192,137.47	20,283,000.00	743,473,770.85
Balance as at January 1, 2020	712,998,633.38	104,125,534.45	20,283,000.00	837,407,167.83
Increasing during the year	3,695,478.64	-	-	3,695,478.64
Transfer out	(812,467.00)	-	(14,974,000.00)	(15,786,467.00)
Amortization	(69,414,336.53)	(89,449.39)	-	(69,503,785.92)
Balance as at December 31, 2020	646,467,308.49	104,036,085.06	5,309,000.00	755,812,393.55
<u>Accumulated depreciation</u>				
Balance as at December 31, 2019	-	(75,732,496.84)	-	(75,732,496.84)
Effects of the adoption of TFRS16 as at January 1, 2020	(1,204,505.36)	-	(11,250,573.57)	(12,455,078.93)
Balance as at January 1, 2020	(1,204,505.36)	(75,732,496.84)	(11,250,573.57)	(88,187,575.77)
Depreciation for the year	(51,240,862.95)	(10,102,674.18)	(2,519,932.00)	(63,863,469.13)
Transfer out	-	-	11,734,000.00	11,734,000.00
Depreciation - Amortization	4,790,489.86	9,938.71	-	4,800,428.57
Difference from rental reduction	(20,954,466.28)	-	-	(20,954,466.28)
Balance as at December 31, 2020	(68,609,344.73)	(85,825,232.31)	(2,036,505.57)	(156,471,082.61)
<u>Net book value</u>				
Balance as at December 31, 2019	-	18,200,900.14	-	18,200,900.14
Balance as at January 1, 2020	711,794,128.02	28,393,037.61	9,032,426.43	749,219,592.06
Balance as at December 31, 2020	577,857,963.76	18,210,852.75	3,272,494.43	599,341,310.94

Leasehold rights - shop area are mortgaged to secure credit facilities of several financial institutions, as discussed in Note 15 and 17.

13. INTANGIBLE ASSETS

This account consisted of:

	In Baht		
		Computer	
	Trademark	Software	Total
<u>At cost</u>			
Balance as at January 1, 2020	33,065,950.00	8,507,915.37	41,573,865.37
Acquisitions	-	2,225,987.10	2,225,987.10
Amortization	(15,702,250.00)	-	(15,702,250.00)
Transfer in (out)	-	-	-
Balance as at December 31, 2020	17,363,700.00	10,733,902.47	28,097,602.47
<u>Accumulated amortization</u>			
Balance as at January 1, 2020	(13,842,124.83)	(6,426,559.19)	(20,268,684.02)
Amortization for the year	(238,750.92)	(269,822.37)	(508,573.29)
Amortization for write-off	-	-	-
Transfer out (in)	-	-	-
Balance as at December 31, 2020	(14,080,875.75)	(6,696,381.56)	(20,777,257.31)
<u>Net book value</u>			
Balance as at December 31, 2020	3,282,824.25	4,037,520.91	7,320,345.16
Balance as at December 31, 2019	19,223,825.17	2,081,356.18	21,305,181.35

	In Baht		
	Trademark	Computer Software	Total
<u>At cost</u>			
Balance as at January 1, 2019	17,363,700.00	7,292,960.37	24,656,660.37
Acquisitions	15,702,250.00	1,214,955.00	16,917,205.00
Amortization	-	-	-
Transfer in (out)	-	-	-
Balance as at December 31, 2019	33,065,950.00	8,507,915.37	41,573,865.37
<u>Accumulated amortization</u>			
Balance as at January 1, 2019	(13,603,373.91)	(6,271,298.43)	(19,874,672.34)
Amortization for the year	(238,750.92)	(155,260.76)	(394,011.68)
Amortization for write-off	-	-	-
Transfer out (in)	-	-	-
Balance as at December 31, 2019	(13,842,124.83)	(6,426,559.19)	(20,268,684.02)
<u>Net book value</u>			
Balance as at December 31, 2019	19,223,825.17	2,081,356.18	21,305,181.35
Balance as at December 31, 2018	3,760,326.09	1,021,661.94	4,781,988.03

	In Baht	
	2020	2019
Amortization for the year	508,573.29	394,011.68

14. DEFERRED TAX ASSETS

Changes in deferred tax assets for the years ended December 31, 2020 and 2019 are summarized as follows:

	In Baht			
	Balance as at	Revenue (expenses) during the year		Balance as at
	Dec. 31, 19	In profit or loss	In other comprehensive income	Dec. 31, 20
Deferred tax assets:				
Allowance for the decline in value of inventories	3,629,739.77	(668,610.89)	-	2,961,128.88
Consignment	9,110,560.49	(1,342,333.43)	-	7,768,227.06
Right-of-use assets	-	7,382,010.45	-	7,382,010.45
Employee benefits obligation	3,333,817.20	405,995.20	(904,584.40)	2,835,228.00
Tax deficit	3,167,944.84	-	-	3,167,944.84
Total	19,242,062.30	5,777,061.33	(904,584.40)	24,114,539.23

	In Baht			
	Balance as at	Revenue (expenses) during the year		Balance as at
	Dec. 31, 18	In profit or loss	In other comprehensive income	Dec. 31, 19
Deferred tax assets:				
Allowance for the decline in value of inventories	4,008,789.91	(379,050.14)	-	3,629,739.77
Consignment	7,951,202.68	1,159,357.81	-	9,110,560.49
Employee benefits obligation	2,335,057.20	1,017,903.60	(19,143.60)	3,333,817.20
Tax deficit	3,167,944.84	-	-	3,167,944.84
Total	17,462,994.63	1,798,211.27	(19,143.60)	19,242,062.30

As at December 31, 2020 and 2019 the Company has unused tax losses amounting to approximately Baht 15.21 million and Baht 33.78 million, respectively. The Company has not recorded deferred tax assets from such tax losses because is still uncertainty that the Company will have sufficient tax profits to utilize deferred tax assets.

15. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTION

As at December 31, 2020 and 2019, the Company has bank overdraft from several local commercial banks with a total credit line of Baht 65 million and Baht 90 million respectively, carrying interest MOR per annum. This loan is guaranteed by land with construction and some leasehold right the company.

As at December 31, 2020 and 2019, the Company has short-term loan from several local commercial banks with a total credit line of Baht 95 million and Baht 155 million respectively, carrying interest at the Market rate and the loans are guaranteed by land with construction and some leasehold right the company.

16. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for the years ended December 31, 2020 are presented below.

	In Baht
As at December 31, 2019	4,124,062.56
Effects of the adoption of TFRS16	677,449,989.11
As at January 1, 2020	681,574,051.67
Addition	2,178,011.64
Accretion of interest	25,824,959.74
Payments	(54,251,477.35)
Difference from rental reduction	(13,382,594.98)
Decrease from contract cancellation	(64,497,050.47)
As at December 31, 2020	577,445,900.25
<u>Less</u> current portion	(61,469,029.84)
Lease liabilities - net of current portion	515,976,870.41

The following are the amounts recognized in profit or loss:

	In Baht
Depreciation of right-of-use assets	63,863,469.13
Interest expense on lease liabilities	25,824,959.74
Total	89,688,428.87

The Company had total cash outflows for leases of Baht 54.25 and also had non-cash additions to right-of-use assets and lease liabilities of Baht 679.63 million.

17. LONG-TERM BORROWINGS

As at December 31, 2020 and 2019 the Company has long-term borrowings are as follows:

	In Baht	
	2020	2019
Loans from local banks	25,860,000.00	14,260,000.00
<u>Less</u> Current portion	(15,860,000.00)	(13,800,000.00)
Net	10,000,000.00	460,000.00

As at December 31, 2020 and 2019, the Company has long-term borrowing are as follows:

	In Baht	
	2020	2019
Long term borrowings, at the beginning of the year	14,260,000.00	28,270,000.00
Add Additional loan during the year	20,000,000.00	-
Less Repayment during the year	(8,400,000.00)	(14,010,000.00)
Long-term borrowings, at the end of the year	25,860,000.00	14,260,000.00

The above borrowings are guaranteed by mortgage of land with construction and some leasehold right the company.

As at December 31, 2020, the Company has 2 credit lines of long-term borrowing with a local financial institutions. Each credit line has the details as follows:

Credit Line	Credit Line (Million Baht)	(Million Baht) As at Dec. 31, 2020	Interest Rate per annum	Monthly installment (Million Baht)	Payment term
1	120.00	5.86	MLR-1% the first 2 years and MLR-0.5%	0.55	Year 2012 to 2021
2	20.00	20.00	2%	1.25	Year 2021 to 2022
	140.00	25.86		1.80	

On April 14, 2020, the Company changed the terms of the long-term borrowing repayment with a financial institution from the principal payment at Baht 1.15 million throughout the agreement period to Baht 0.55 million in April 2020 to October 2021 and pay the remaining principal in November 2021 in the full amount.

On August 27, 2020, the Company entered into a long-term loan with a financial institution with months 1-8 pay only interest and from month 9 onwards principal payment at Baht 1.25 million starting the payment in May 2021 until August 2022.

As at December 31, 2019, the Company has 1 credit lines of long-term borrowing with a local financial institution. Details as follows:

Credit Line	Credit Line (Million Baht)	(Million Baht) As at Dec. 31, 2019	Interest Rate per annum	Monthly installment (Million Baht)	Payment term
1	120.00	14.26	MLR-1% the first 2 years and MLR-0.5%	1.15	Year 2012 to 2021
	<u>120.00</u>	<u>14.26</u>		<u>1.15</u>	

Under the long-term borrowing agreements, the Company shall have to comply with certain conditions and restrictions as specified in the agreement.

18. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

18.1 Non-current provisions for employee benefit for the year ended December 31, 2020 and 2019 are shown as follows:

The statements of financial position

	In Baht	
	2020	2019
Non-current provisions for employee benefit, at the beginning of the year	16,669,086.00	11,675,286.00
Actuarial gains from post-employee benefit	(4,522,922.00)	(95,718.00)
Past service costs and interest		
- change a considered a post - employment plan amendment	-	3,261,914.00
Current service costs and interest	2,029,976.00	1,827,604.00
Non-current provisions for employee benefit, at the end of the year	<u>14,176,140.00</u>	<u>16,669,086.00</u>

Expense recognized in the statements of comprehensive income

For the years ended December 31, 2020 and 2019

	In Baht	
	2020	2019
The statement of comprehensive income		
Recognized in profit or loss		
Past service costs and interest	-	3,261,914.00
Current service costs		
Selling expenses	638,985.00	529,283.00
Administrative expenses	999,371.00	949,613.00
Interest on obligation	391,620.00	348,708.00
Total	2,029,976.00	5,089,518.00

18.2 Principal actuarial assumptions at the reporting date

For the years ended December 31, 2020 and 2019

	Percentage	
	2020	2019
Discount rate	0.82	2.35
Salary increase rate	2	4
Employee turnover rate	0 - 42.00	0 - 42.00
Mortality rate	From Thai Mortality Ordinary Tables of 2017	From Thai Mortality Ordinary Tables of 2017

18.3 Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2020 and 2019 are summarized below:

	Million Baht			
	As at December 31, 2020		As at December 31, 2019	
	1% increase	1% decrease	1% increase	1% decrease
Discount Rate	(0.67)	0.63	(0.90)	1.02
Salary increase rate	0.76	(0.67)	1.27	(1.13)
Turnover rate	(0.03)	0.03	(0.95)	0.21

18.4 Employee benefits obligations

On April 5, 2019, the Labour Protection Act has been enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. This Act shall come into force after the expiration of thirty days from the enacted date in the Royal Gazette onwards. This change is considered a post-employment benefits plan amendment. The effect of the change is recognized past service costs as expenses in the income statement.

Gain and loss from the estimate based on actuarial principles recognized in the statement of comprehensive income for the year ended December 31, 2020 and 2019 arise from

	In Baht	
	2020	2019
Recognize in the statement of comprehensive income		
Improvement from experience	(4,303,791.00)	(835,650.00)
Population assumption	101,307.00	231,680.00
Financial assumption	(320,438.00)	508,252.00
Total	<u>(4,522,922.00)</u>	<u>(95,718.00)</u>

19. PROVISIONS FOR DEMOLITION COSTS

	In Baht	
	2020	2019
Provisions for demolition costs, beginning of the year	9,035,165.11	7,083,405.63
Decreasing provisions for demolition cost paid	(799,046.70)	(578,080.00)
Addition during the year	(1,708,311.46)	2,529,839.48
Provisions for demolition costs, end of the year	<u>6,527,806.95</u>	<u>9,035,165.11</u>

Provisions for demolition costs are the estimated cost for demolition in decoration on rental area.

20. APPROPRIATED - LEGAL RESERVE

In accordance with the provisions of the Public Limited Company Act, the Company has to set aside a minimum of 5% of its net profit of each year after deduction of deficit (if any) until the reserve reaches 10% of authorized capital. The reserve is not available for dividend distribution.

21. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit (loss) for the year by the weighted average number of ordinary shares which are issued during the year and held by outside party.

For the years ended December 31, 2020 and 2019 consisted of:

	2020	2019
Net profit (loss) for the year (Baht)	(35,805,276.34)	(42,028,787.54)
Weighted average number of ordinary (shares)	363,519,904	363,519,904
Basic earnings per share (Baht per share)		
Net profit (loss) for the year	(0.10)	(0.12)

22. OPERATING SEGMENT

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources and assess its performance to the company's operating segment.

The one main operating segment of the Company is retail business of ready-to-wear apparels and related accessories under the trademark of Body Glove. And the single geographical area of their operations is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

23. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

On January 1, 2020 (the date of initial application of new financial reporting standards), the Company's management have assessed which business models applied to the financial assets and liabilities and have classified the financial assets and liabilities balances as at January 1, 2020 has been disclosed in Note 4.

	Baht		
	FVPL	Amortized cost	Total
Financial assets as at			
31 December 2020			
Cash and cash equivalents	-	103,492,027.04	103,492,027.04
Trade receivable - other parties	-	21,898,268.14	21,898,268.14
Other current financial assets	8,326.13	-	8,326.13
	8,326.13	125,390,295.18	125,398,621.31

Financial assets mandatorily measured at FVPL include the following:

	In Baht
As at December 31, 2020	
Open-end fund	8,326.13
Total Other current financial assets	8,326.13

	In Baht		
	FVPL	Amortized cost	Total
Financial liabilities as at December 31, 2020			
Trade payables - other parties	-	25,736,079.63	25,736,079.63
Lease liabilities	-	577,445,900.25	577,445,900.25
Long-term borrowings	-	25,860,000.00	25,860,000.00
	-	629,041,979.88	629,041,979.88

24. EXPENSES BY NATURE

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

	In Baht	
	2020	2019
Changes in inventories of finished goods	55,173,103.29	(24,678,172.12)
Purchase of finished goods	140,675,147.54	302,699,016.34
Raw material used	632,690.13	1,805,558.47
Allowance for the decline in value of inventories (reversal)	(3,343,054.48)	(1,895,250.48)
Royalty fee	16,165,474.98	21,917,833.22
Employee benefits expenses	87,315,816.74	121,130,550.65
Depreciation and amortization expenses	82,958,574.98	29,571,207.84
Rental and service expenses	2,400,416.85	106,721,686.29

25. INCOME TAX (REVENUE) EXPENSES

25.1 Major components of tax (revenue) expenses

For the years ended December 31, 2020 and 2019 consisted of:

	In Baht	
	2020	2019
Income tax (revenue) expenses shown in profit or loss :		
Current tax expense :		
Income tax expenses for the year	-	-
Deferred tax (revenue) expenses :		
Changes in temporary differences relating to the original recognition and reversal	(5,777,061.33)	(1,798,211.27)
Total	(5,777,061.33)	(1,798,211.27)

25.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2020 and 2019 which are summarized as follows:

	In Baht	
	2020	2019
Accounting profit (loss) for the year	(41,582,337.67)	(43,826,998.81)
The applicable tax rate (%)	20%	20%
Tax expense (income) at the applicable tax rate	(8,316,467.54)	(8,765,399.70)
Reconciliation items:		
Tax effect of expenses that are not deductible in determining tax profit:		
- Expenses not allowed as expenses in determining taxable profit	416,060.05	658,556.47
- Additional deductible expense	(918,178.35)	(448,306.12)
Tax losses that are not recognized for deferred tax assets	3,041,524.51	6,756,938.08
Total reconciliation items	2,539,406.21	6,967,188.43
Total tax expense (income)	(5,777,061.33)	(1,798,211.27)

25.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate

For the years ended December 31, 2020 and 2019 are summarized as follows:

	2020		2019	
	Tax amount In (Baht)	Tax rate (%)	Tax amount In (Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	(41,582,337.67)		(43,826,998.81)	
Tax expense (income) at the applicable tax rate	(8,316,467.54)	(20.00)	(8,765,399.70)	(20.00)
Reconciliation items	2,539,406.21	6.11	6,967,188.43	15.90
Tax expense (income) at the average effective tax rate	(5,777,061.33)	(13.89)	(1,798,211.27)	(4.10)

26. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2020 and 2019 are as follows:

	In Baht			
	Balance as at January 1, 2020	Cash flows Increase (decrease)*	Non-cash transaction Increase (decrease)	Balance as at December 31, 2020
Long-term borrowings from financial institutions	14,260,000.00	11,600,000.00	-	25,860,000.00
Lease liabilities	681,574,051.67	(54,251,477.35)	28,002,971.38	(77,879,645.45)
Total	695,834,051.67	(42,651,477.35)	28,002,971.38	(77,879,645.45)
				603,305,900.25

	In Baht			
	Balance as at January 1, 2019	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2019
Long-term borrowings from financial institutions	28,270,000.00	(14,010,000.00)	-	14,260,000.00
Lease liabilities	5,938,152.38	(3,155,839.82)	1,341,750.00	4,124,062.56
Total	34,208,152.38	(17,165,839.82)	1,341,750.00	18,384,062.56

* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

27. OPERATION, TRADEMARK LICENSE AND SUB-LICENSE AGREEMENTS

On May 3, 2007, the Company entered into an agreement with a foreign company to operate its local product retail and distribution business as specified in the agreement with the permission of the license and sub-license in using the trademark “BODY GLOVE” and the hand device. The said agreement has term of 99 years by automatic renewal for 9 successive time at 10 years per time with a final term of 9 years. The said agreement shall be effective commencing July 1, 2007. Under the agreement, the Company has to pay the following fees :

- 1) Royalty fee at the specified rate with the minimum fee as specified in the agreement;
- 2) Advertising contribution at the rate specified in the agreement;
- 3) Initial upfront fee as specified in the agreement (pay within 120 days following the signing date of the addendum);
- 4) Upfront fee as specified in the agreement (pay in quarterly installments commencing April 2009 to January 2012) ;

However, on September 12, 2007, the Company had been informed by the above foreign company that currently the Company does not require to set up the advertising fund as specified in the agreement until it receives a given notice 90 days in advance from the said foreign company.

In February 2019, the Company had deposited some money for guarantee with the original parties as mentioned above to enter into the additional agreement for the extension business channels to the new markets amounted USD 500,000 (Baht 15.70 million) is recorded in the account of trademark under the intangible assets.

In February 2020, the Company had terminated the new market channel business extension agreement and received the retention USD 500,000 (Baht 15.70 million) (see Note 13).

28. PROVIDENT FUND

On June 15, 2007, the Company has joined an employee provident fund scheme with a local fund. The employee shall contribute at the rate of 2% - 3% of the gross salary and the Company contributes at the same rate.

The Company's contributions to the fund for the years ended December 31, 2020 and 2019 amounted to Baht 1.27 million and Baht 1.50 million, respectively.

29. OPERATING LEASE AGREEMENTS

As at December 31, 2020, the Company had no commitments under the related service lease agreement from the adoption of TFRS 16 as at January 1, 2020. The Company recognised right-of-use assets for the lease agreement and liabilities under the related service lease agreement previously classified as operating lease by the present value of payments under the remaining lease agreement discounted by the additional loan interest rate as described in Note 4.2.

30. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2020, the Company had contingent liabilities to a bank for the letters of guarantee amounting to Baht 0.48 million, which are guaranteed by fixed deposit 3 months.

31. FINANCIAL INSTRUMENTS

31.1 Accounting policies

Details of significant accounting policies and methods adopted, including criteria for recognition of revenues and expenses relating to financial assets and financial liabilities are disclosed in note 3.

31.2 Financial risk management for financial instruments

The Company manages its financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system, and the Company does not hold or issue any derivative financial instruments.

31.3 Credit risk

The Company is exposed to credit risk primarily relating to trade accounts receivable and other accounts receivable and long-term loans to other parties. The management of the Company manages this risk by establishing appropriate credit control policies and procedures. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for doubtful accounts.

31.4 Interest rate risk

The Company is exposed to interest rate risk that relates primarily to deposit at financial institution, other current financial assets, bank overdrafts, lease liabilities and long-term borrowings from financial institutions. Since most of the Company's financial assets and financial liabilities carry floating interest rates or have fixed interest rates, which are close to the market rates, the interest rate risk is low.

As at December 2020 and 2019, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

		In Baht			
		As at December 31, 2020			
		Floating interest rate	Fixed interest rate	Interest - free	Total
Financial assets					
Cash at bank	- savings accounts	60,551,743.45	-	-	60,551,743.45
	- current accounts	-	-	40,482,640.63	40,482,640.63
	- fixed deposit	532,582.46	-	-	532,582.46
Other current financial assets		8,326.13	-	-	8,326.13
Trade receivables - other parties		-	-	21,898,268.14	21,898,268.14
Financial liabilities					
Trade payables- other parties		-	-	25,736,079.63	25,736,079.63
Lease liabilities		-	577,445,900.25	-	577,445,900.25
Long-term borrowings		25,860,000.00	-	-	25,860,000.00

		In Baht			
		As at December 31, 2019			
		Floating interest rate	Fixed interest rate	Interest - free	Total
Financial assets					
Cash at bank	- savings accounts	22,083,966.36	-	-	22,083,966.36
	- current accounts	-	-	15,488,088.77	15,488,088.77
	- fixed deposit	528,634.93	-	-	528,634.93
Temporary investments		5,892,946.50	-	-	5,892,946.50
Trade receivables - other parties		-	-	23,683,052.34	23,683,052.34
Financial liabilities					
Trade payables - other parties		-	-	74,398,622.05	74,398,622.05
Liabilities under financial lease agreements		-	4,124,062.56	-	4,124,062.56
Long-term borrowings		14,260,000.00	-	-	14,260,000.00

31.5 Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from transactions in foreign currencies and foreign currency assets and liabilities, which it has not entered into hedging contracts.

As at December 31, 2020 and 2019, the Company's foreign currency assets and liabilities were as follows:

	Million USD	
	2020	2019
The value of foreign currency liabilities	0.12	1.41

31.6 Liquidity risk

The Company manages its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.

31.7 Fair value

The fair values of significant financial assets and financial liabilities do not differ from their carrying values.

32. FAIR VALUE OF FINANCIAL INSTRUMENT

The Company uses the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

Level 1 - Use of quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Use of inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (e.g. prices) or indirectly (e.g. derived from prices).

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

As at December 31, 2020, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

	In Baht			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other current financial assets				
- Open-end fund	-	8,326.13	-	8,326.13
Total	-	8,326.13	-	8,326.13

As at December 31, 2019, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

	In Baht			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments				
- Unit trust	-	5,892,946.50	-	5,892,946.50
Total	-	5,892,946.50	-	5,892,946.50

Valuation techniques on fair value and inputs for Level 2 valuations

- (a) The fair value of investments in non-listed investment units on the Stock Exchange of Thailand, is calculated by using the net assets value per unit as announced by the fund managers.
- (b) During the current period, there were no transfers within the fair value hierarchy.

33. CORONAVIRUS DISEASE 2019 PANDEMIC

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries as a whole. The situation affects the results of operations of the Company, recognition and measurement of assets and liabilities in the financial statements. Nevertheless, the management will continue to monitor the ongoing development and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

34. AUTHORIZATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statement have been approved by Company's Board of Director on March 1, 2021.

Remuneration of the Auditors



During the fiscal year ending December 31st, 2020, the Company paid the remuneration to Company's Auditor, in the amount of Baht 1,257,802.- which consisted of audit fee of Baht 1,075,000.- and other related expenses such as traveling and miscellaneous expenses of Baht 182,802.- In addition to the said remuneration, the Company had no other obligation to pay to the Auditor, the Audit Firm of the Certified Public Accountant and individual or business relating to the Auditor or the Audit Firm of the Auditor.





Company Profile

Name : BGT Corporation Public Company Limited
Type of Business : The main business lines in readymade clothing and accessories for retail industry, i.e., backpacks, shoulder bag, traveling bag, wallet, pencil case, cap, socks, etc., under the trademark of “Body Glove” and distinctively recognized “Hand Device” black on yellow background.

Head Office Address : No. 188 Suwinthawong Road, Minburi, Minburi, Bangkok 10510.

Registration No. : 0107550000106

Homepage : www.bodyglove.co.th

Telephone : 66 (0) 2540-2888

Fax: : 66 (0) 2540-1953

Capital as of December 31st, 2020

Authorized Capital : Baht 256,659,032.00 (Share Capital 513,318,064 shares, par value Baht 0.50)

Paid up Capital : Baht 181,759,952.00 (Share Capital 363,519,904 shares, par value Baht 0.50)

References

(a) Registrar

Thailand Securities Depository Company Limited
93 Ratchadapisek Road, Dindaeng, Bangkok 10400
Telephone: 66 (0) 2009-9999 Fax: 66 (0) 2009-9991

(b) Auditors

- | | |
|-----------------------------------|---|
| 1. Ms. Chutinant Kopraserthaworn | Certified Public Accountant No. 9201 or |
| 2. Ms. Chotima Kitsirakorn | Certified Public Accountant No. 7318 or |
| 3. Ms. Sulalit Ardsawang | Certified Public Accountant No. 7517 or |
| 4. Mr. Thanawut Piboonsawat | Certified Public Accountant No. 6699 or |
| 5. Ms. Thanyaphorn Tangthanopajai | Certified Public Accountant No. 9169 or |

Another auditor who is approved by the Securities and Exchange Commission who would be assigned by Dharmniti Auditing Co., Ltd.

Dharmniti Auditing Co., Ltd.
178 Dharmniti Building, 6th - 7th Floor, Soi Permsap (Prachachuen 20)
Prachachuen Road, Bangsue, Bangkok 10800
Tel. (662) 596-0500 Fax. (662) 596-0567
Email : center@daa.co.th <http://www.daa.co.th>

Remark*

Investors are able to learn more information from the Company’s annual registration statement (Form 56-1) at www.sec.or.th or the Company’s website: www.bodyglove.co.th.



BGT
CORPORATION PLC.

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โทรศัพท์ 662-540-2888 โทรสาร 662-540-1953