



ANNUAL REPORT 2018

THAIMUI

CORPORATION PUBLIC COMPANY LIMITED

บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)



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Vision

“To be the top business leader in providing sling knowledge services and distributing wire ropes and lifting equipment, both in Thailand and neighbouring countries.”

Mission

1. Aspire to source only high-quality products from the world-renowned manufacturers in order to create confidence for our customers;
2. Focus on providing full knowledge about our offered products and their safety usage to our customers through proper systematic trainings from certified experts, accredited by the Ministry of Labor;
3. Aim to provide amicable service with useful consultancy and advice to bring about confidence and maximum efficiency for our customers;
4. Strive to provide full and complete service, starting from sourcing the right products, offering installation and inspection services, and keeping the safety stock for our contracted customers to meet their demands and needs in a very timely manner;
5. Give emphasis to maintaining the company's competitive advantage by focusing on the predominant strengths

Core Value

Honesty	With our customers, partners and all, we always conduct business with integrity.
Accountability	We are, both legally and ethically, accountable for our customers, business partners, employees and social stakeholders and we strive to do good for other people, our community, the society and the environment as a whole.
Fairness	We treat our customers, partners, and stakeholders with fairness and impartiality.
Transparency	Transparency is a dogma for our internal and external control systems.



Message from the Chairman of the Board and the Chief Executive Officer



Mr. Pitipat Thitasirinan
Chairman of the Board



Mr. Tchakorn Leelaprachakul
Chief Executive Officer

In 2018, the company has primarily focused on achieving sustainable business growth by shaping employees' realization of the importance of internal control systems in order to ensure data accuracy and transparency in work. This will help us trace back all the information and will help create confidence among shareholders, customers and business partners of the company which in turn will fundamentally support the leaping growth of the company following the fundraising in the stock market.

As for the future goals, the company strategically moves to penetrate more markets to reach more customers in various businesses including finding more investment opportunities in other product segments in order to diversify risks in business operations. For the year 2019, with regard to economic, social and environmental sustainability, the company expects to attain mega projects such as high-speed rail projects from the government which inevitably require the use of considerably amount of wire ropes and lifting equipment to carry out the operation.

Finally, on behalf of the Board of Directors, executives and employees, we would like to express our gratitude towards our shareholders, customers, business alliances, financial institutions, government agencies, other private sectors, and all of our business partners that have given us full supports and trusts. We, as the company, are committed to our vision, missions and the beforehand well-thought frameworks for sustainable development and hereby vowed to follow this path to success. In addition, we would also like to show our deepest appreciation to all of our employees and the management team for their unwavering cooperation and dedication to the fullest for the company to succeed and continue to grow. Thank you.

(Mr. Pitipat Thitasirinant)
Chairman of the Board

(Mr. Tchakorn Leelaprachakul)
Chief Executive Officer

Financial Summary

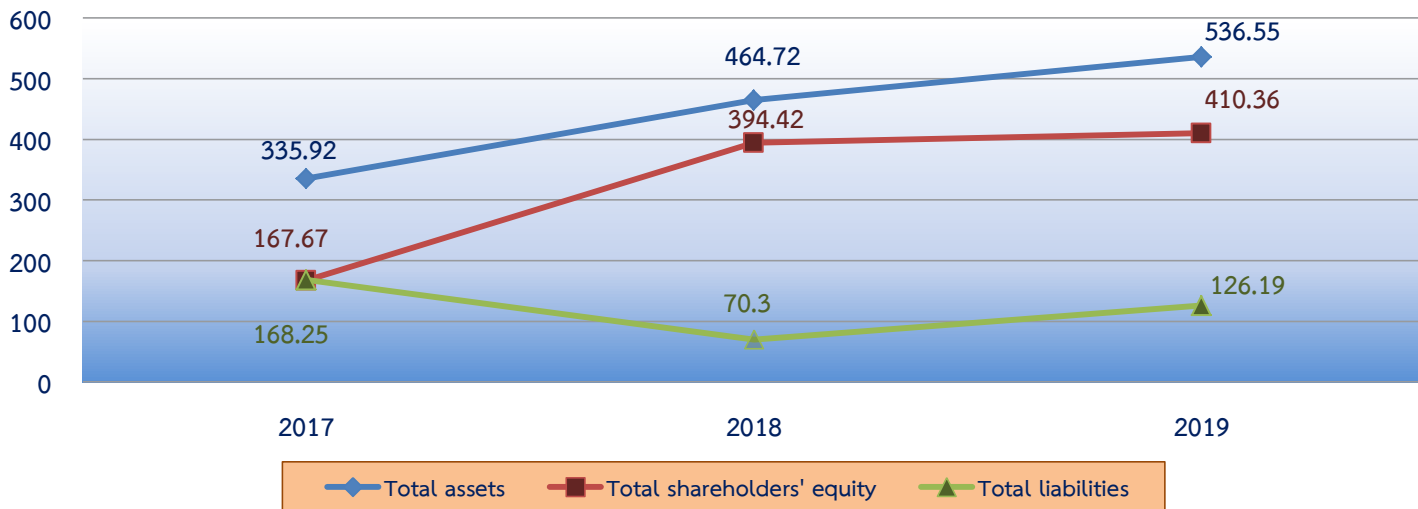
Unit: Million Baht

		2019	2018	2017
Assets				
Total assets		536.55	464.72	335.92
Liabilities and shareholders' equity				
Total liabilities		126.19	70.30	168.25
Shareholders' equity		410.36	394.42	167.67
Performance Results				
Total revenue		586.45	390.12	357.56
Cost of sales and services		(409.23)	(236.84)	(210.99)
Total cost		(136.69)	(121.89)	(113.97)
Financial cost		(1.00)	(4.20)	(6.90)
Income tax expense		(8.30)	(5.86)	(4.78)
Net profit (loss)		31.24	21.34	18.92
Important financial ratios				
Overall Liquidity ratio		Unit		
Liquidity ratio		4.13	6.99	1.80
Quick ratio		2.03	3.58	0.49
Cash flow ratio		(0.61)	(0.09)	0.16
Receivable Turnover Ratio		4.82	5.04	5.33
Average collection period	days	75.70	71.48	67.49
Inventory turnover ratio		2.00	1.23	1.08
Average selling time	days	182.07	291.77	335.77
Payable turnover ratio		7.30	3.70	2.89
Repayment period	days	50.01	97.27	124.78
Cash cycle	days	207.77	265.98	278.48
Profitability ratio				
Gross profit margin	percentage	29.51	38.86	40.30
Operating profit margin	percentage	5.96	7.39	8.35
Cash ratio to profitability	percentage	(143.06)	(31.98)	143.60
Net profit margin	percentage	5.33	5.47	5.29
Return on shareholders' equity	percentage	7.76	7.59	12.64
Operating Performance ratio				
Return on assets	percentage	6.24	5.33	5.66
Return on fixed assets	percentage	34.34	28.74	31.59
Asset rotation rate		1.17	0.97	1.07
Financial Policy Analysis Ratio				
Debt to equity ratio		0.31	0.18	1.00
Interest payment ratio		49.69	5.47	2.43
Commitment ability payment ratio		(1.92)	(0.07)	0.70
Dividend payout ratio	percentage	48.98	182.18	-

Source: Financial statements of Thai Mui Corporation Public Company Limited audited by the auditor for the year 2017 - 2019

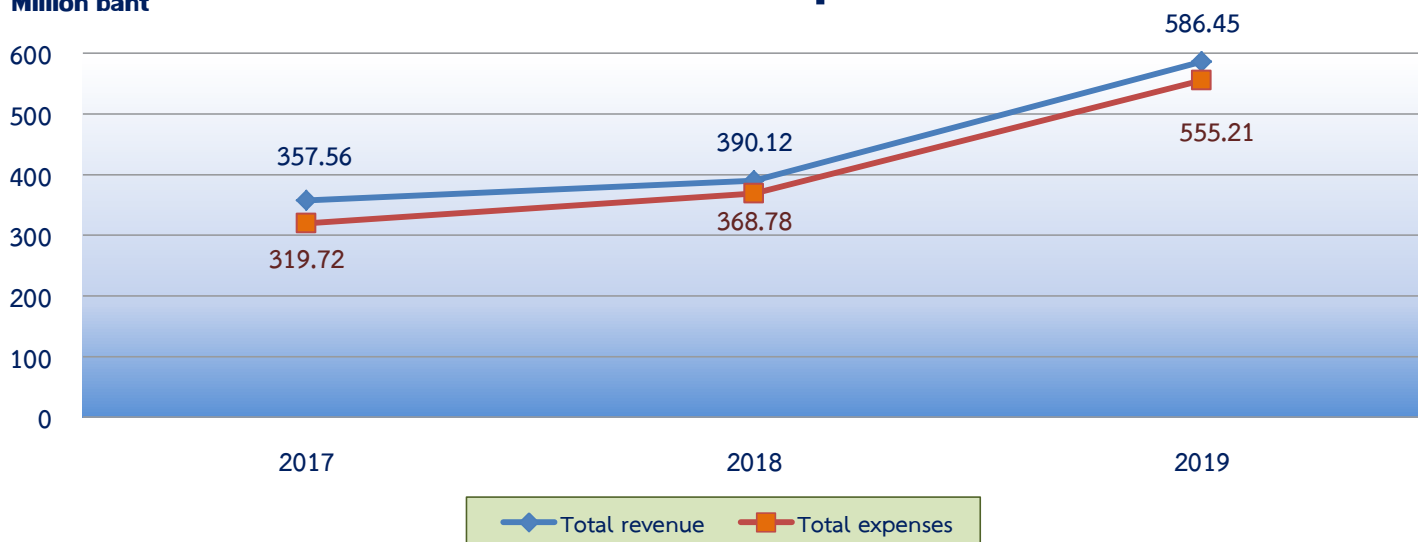
Assets Liabilities and Shareholders' equity

Million baht



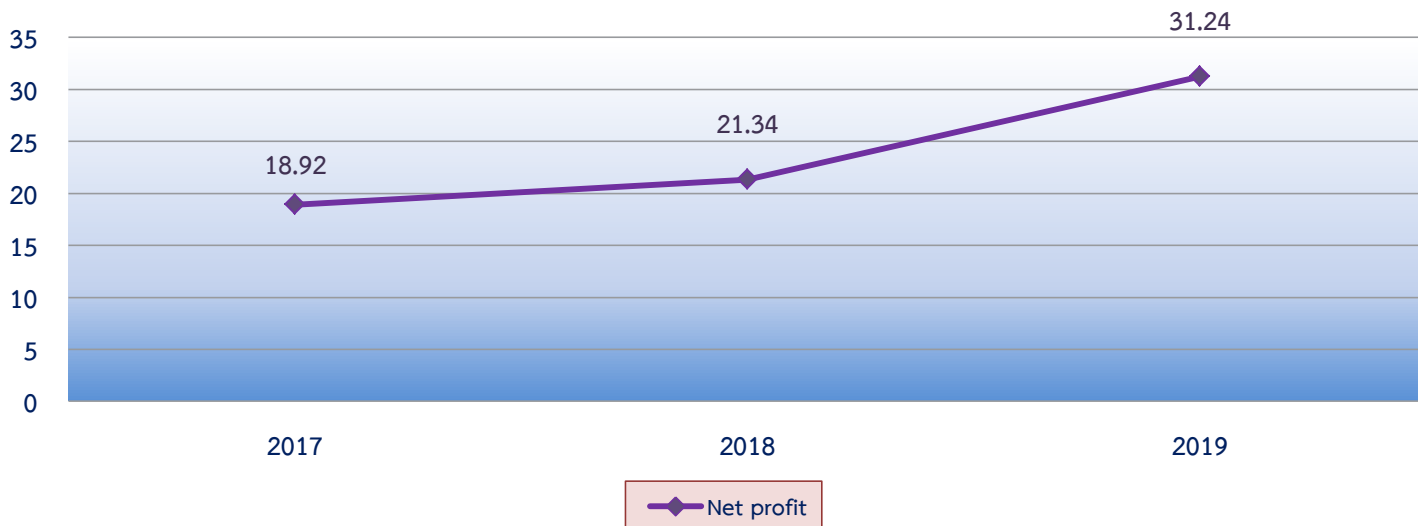
Revenue and Expenses

Million baht



Net profit

Million baht



Executives, Committee, and Secretary Thai Mui Corporation Public Company Limited



Mr. Pitipat Thitasirinant

Position Chairman of the Board of Directors,
Chairman of the Audit Committee,
Chairman of the Nomination and Remuneration Committee,
Independent Director

Education Bachelor of Arts, Bangkok University

Trainings Director Accreditation Program (DAP), Class 127/2016

Working experience within the past 5 years

- June 2017 to present Chairman of the Board of Directors,
Chairman of the Audit Committee,
Chairman of the Nomination and Remuneration Committee,
Independent Director,
Thai Mui Corporation Public Company Limited
- 2015 to present Marketing Director, Board Way Media Company Limited
- 2016 to June 2017 Director, Thai Mui Trading Corporation Limited
- 2008 to 2015 Marketing Director, VGI Global Media Public Company Limited

Mrs. Pornpan Hirunlap

Position Director, Nomination and Remuneration Committee,
Independent Director

Education Bachelor's Degree in Accounting, Thammasat University

Trainings Director Accreditation Program (DAP), Class 140/2017

Working experience within the past 5 years

- June 2017 to present Director, Nomination and Remuneration Committee,
Independent Director, Thai Mui Corporation Public
Company Limited
- 2012 to present Senior Vice President in Accounting, The Mall Group
Company Limited
- Feb to Jun 2017 Director, Thai Mui Corporation Public Company Limited



Mr. Kulawachara Bhurichayawarodom

Position Director, Chairman of Risk Management Committee, Audit Committee, Independent Director

Education Master's Degree in Economics, University of Illinois at Urbana-Champaign, USA
Bachelor of Business Studies, Kasetsart University

Trainings Director Accreditation Program (DAP), Class 127/2016
Corporate Governance for Executives 2013

Working experience within the past 5 years

- June 2017 to present Director, Chairman of the Risk Management Committee, Audit Committee, Independent Director, Thai Mui Corporation Public Company Limited
- 2014 to Present Chairman of the Executive Committee, Quinni B (Thailand) Company Limited
- 2014 to present Executive Director, Konoige-Sotus Japanese Grill Company Limited
- 2011 to present Executive Director, Al Rise Global Traders Company Limited
- 2009 to present Executive Chairman, The Original Farm Company Limited
- January 2016 to June 2017 Director, Thai Mui Trading Corporation Limited



Mr. Athapon Tangkaravakoon

Position Director, Audit Committee, Independent Director

Education Master's degree - M.B.A. Finance / Marketing Major, First Class Honors, Sasin Graduate School, Chulalongkorn University
Bachelor's degree - B.Eng Chemical Engineering, First Class Honors, Nottingham University
- Bachelor of Chemical Engineering, Thammasat University

Trainings Director Accreditation Program (DAP), Class 127/2016

Working experience within the past 5 years

- June 2017 to present Director, Audit Committee, Independent Director, Thai Mui Corporation Public Company Limited
- 2016 to present Managing Director, Color Delta Company Limited (the marketplace for trading products or services by using electronic media through network)
- 2014 to present Deputy Managing Director, Color Delta Company Limited (production of varnish oil and coating, wood oil)
- 2007 to present Managing Director, Delta Color Company Limited (clothing retail)
- January 2016 to June 2017 Director, Thai Mui Trading Corporation Limited



Ms. Duenpun Lilavivat

Position Director, Risk Management Committee

Education MS in Finance, University of Denver, USA ,
BSBA in Finance and Economics, University of South Carolina, USA

Trainings Director Accreditation Program (DAP), Class 137/2017

Working experience within the past 5 years

- Feb 2017 to present Director, Risk Management Committee,
Thai Mui Corporation Public Company Limited
- 2018 to Present Manager Director, Pioneer Advisory Company Limited
- 2012 to present Director, DC Grand Company Limited
- 2016 to present Director, DC Quality Company Limited
- 2015 to present Director, DC Square Company Limited
- 2015 to present Director, Vista Grand Company Limited
- 2012 to Present Director, Sichon Karnsila 2003 Company Limited
- 2011 to present Director, Nature Code Company Limited
- June 2017 to Present Chief Executive Officer, Ferrum Public Company Limited
- Jan 2017 to present President, Ferrum Public Company Limited
- June 2016 to December 2016 Managing Director of Accounting and Finance,
Ferrum Public Company Limited
- 2012 to 2016 Senior Vice President, Investment Banking Department,
RHB Securities (Thailand) Public Company Limited



Mr. Tchakorn Leelaprachakul

Position Director, Nomination and Remuneration Committee, Risk Management Committee, Chief Executive Officer, Thai Mui Corporation Public Company Limited

Education Master of Science, Logistics, Wollongong University, Australia
Bachelor of Business Administration, Marketing, Assumption University

Trainings Director Accreditation Program (DAP), Class 127/2016

Percentage of shares held in the company 8.50%

Family relations between directors and executives

- Spouse of Mrs. Sarinrath Leelaprachakul
- The elder brother of Mr. Arkarapol Leelaprachakul
- The elder brother of Mr. Ekbordin Leelaprachakul

Working experience within the past 5 years

- 2017 to present Director, Nomination and Remuneration Committee, Risk Management Committee, Chief Executive Officer, Thai Mui Corporation Public Company Limited
- 2011 to present Managing Director, Propoint Global Consultants Company Limited
- 2011 to present Director, Solar Max Supply Company Limited
- 2011 to Present Director, Solar Max Power Company Limited
- 2011 to Present Director, Solar Max Energy Company Limited
- 2011 to present Director, Solis Power Energy Company Limited
- 2011 to present Director, Thai Yang Power Energy Company Limited
- 2011 to present Director, VOA Enterprise Company Limited
- 2010 to 2017 Chief Operating Officer and Director, Thai Mui Trading Corporation Limited



Mr. Arkarapol Leelaprachakul

Position Director, Vice President of Bangkok Sales

Education Bachelor of Science and Technology, Assumption University

Trainings Director Accreditation Program (DAP), Class 141/2017

Percentage of shares held in the company 8.50%

Family relations between directors and executives

- The younger brother of Mr. Tchakorn Leelaprachakul
- The older brother of Mr. Ekbordin Leelaprachakul

Working experience within the past 5 years

- 2017 to present Director, Vice President of Bangkok Sales, Thai Mui Corporation Public Company Limited
- 2010 to 2017 Deputy General Manager for Sales and Marketing, Thai Mui Trading Corporation Limited

Mr. Ekbordin Leelaprachakul

Position Director, Assistant Vice President of Special Product Sales

Education Bachelor of Arts in Tourism, Huachiew Chalermprakiet University

Trainings

- Director Accreditation Program (DAP), Class 143/2017
- Inspection and selection of sling and professional lifting equipment, the Engineering Institute of Thailand under HM the King's Patronage
- In-depth engineering for installation and inspection of tower cranes, the Engineering Institute of Thailand under HM the King's Patronage
- Personnel development to be a crane / crane inspector, the Engineering Institute of Thailand under HM the King's Patronage
- Techniques for being a speaker on crane, Safety and Health at Work Promotion Association (Thailand)

Percentage of shares held in the company 8.50%

Family relations between directors and executives

- The younger brother of Mr. Tchakorn Leelaprachakul
- The younger brother of Mr. Arkapol Leelaprachakul

Working experience within the past 5 years

- 2017 to present Director, Assistant Vice President of Special Product Sales, Thai Mui Corporation Public Company Limited
- 2010 to 2017 Assistant Vice President of Special Sales, Thai Mui Trading Corporation Limited



Mrs. Sarinrath Leelaprachakul

Position Chief Financial Officer

Education Master of Science, Logistics, Wollongong University, Australia
Bachelor of Business Administration, Marketing, Assumption University

Family relations between directors and executives

Spouse of Mr. Tchakorn Leelaprachakul

Working experience within the past 5 years

- June 2017 to present Chief Financial Officer,
Thai Mui Corporation Public Company Limited
- 2011 to present Deputy General Manager of Finance,
Propoint Global Consultants Company Limited
- 2010 to June 2017 Chief Financial Officer,
Thai Mui Trading Corporation Limited





Mrs. Sunee Jantarotorn

Position Vice President of Accounting and Finance Department, Company Secretary

Education Bachelor's degree in accounting management, Kasem Bundit University

- Trainings**
- Tax law and tax accounting
 - Becoming a professional accountant
 - Company Secretary Program (CSP), Class 81/2017

Working experience within the past 5 years

- June 2017 to present Accounting and Finance Director, Company Secretary, Thai Mui Corporation Public Company Limited
- Aug 2013 to present Director, Thai Yo Power Energy Company Limited
- 2013 to Jun 2017 Accounting and Finance Manager, Thai Mui Trading Corporation Limited

Mr. Thanapong Sakulpipat

Position Vice President of Purchasing Department

Education Master's degree in International Business, University of International Business and Economics
Bachelor of Business Administration, Assumption University

Trainings ISO 9001: 2015

Working experience within the past 5 years

- June 2017 to present Director of Purchasing, Thai Mui Corporation Public Company Limited
- 2011 to Jun 2017 Purchasing Manager, Thai Mui Trading Corporation Limited



Mr. Roengsak Kaewsard

Position Vice President of Sattahip Sales Department

Education Bachelor's degree in Industrial Education Mechanical Engineering, King Mongkut's University of Technology Thonburi

- Trainings**
- Training ISO 9001: 2015 (TUV NORD)
 - Offshore Lifting Equipment Standard (Germanischer Lloyd)
 - Fundamentals of Rigging and Heavy Lift (Crosby)
 - Inspection and selection of slings and standard lifting equipment / THAI LAW, ASME, ASTM, ISO, EN, JIS (The Engineering Institute of Thailand Under H.M. The King's Patronage)

Working experience within the past 5 years

- Feb. 2018 to present Vice President of Sattahip Sales Department, Thai Mui Corporation Public Company Limited
- June 2017 to Feb 2018 Sattahip branch manager, Thai Mui Corporation Public Company Limited
- 2011 to June 2017 Sattahip branch manager, Thai Mui Trading Corporation Limited



Mrs. Wanna kjsomwang

Position Sale Showroom Department

Education Bachelor's degree in business administration, general management,
Sukhothai Thammathirat Open University

Working experience within the past 5 years

- June 2017 to present Sale Showroom Department,
Thai Mui Corporation Public Company Limited
- 2013 to June 2017 Sale Showroom Department,
Thai Mui Trading Corporation Limited



Mr. Amnat Muangcharoen

Position Factory Manager

Education Bachelor's degree in business administration, general management,
Sukhothai Thammathirat Open University

Working experience within the past 5 years

- June 2017 to the present Factory Manager,
Thai Mui Corporation Public Company Limited
- 2013 to June 2017 Factory Manager,
Thai Mui Trading Corporation Limited

Mr. Krid Leelaprachakul

Position Marketing Manager

Education Master of Science in Investment Management,
University of Reading, United Kingdom
Bachelor of Engineering in Computer and Network Engineering,
Assumption University, Bangkok

Percentage of shares held in the company 6.07%

Family relations between directors and executives

- The younger brother of Mr. Tchakorn Leelaprachakul
- The younger brother of Mr. Arkapol Leelaprachakul
- The younger brother of Mr. Ekbordin Leelaprachakul

Working experience within the past 5 years

- March 2018 to the present Marketing Manager, Thai Mui Corporation Public Company Limited
- Jan 2016 to Feb 2018 Financial officer, Lee and Sun Holding Company Limited
- Aug 2014 to Aug 2015 Investment Consultant, Phillip Securities (Thailand) Public Company Limited
- July 2014 sales representative, Thai Mui Trading Corporation Limited
- April 2011 to June 2014 Information staff, Thai Mui Trading Corporation Limited



General information and other important information

Name of the issuing company (English)	:	Thai Mui Corporation Public Company Limited ("Company" or "THMUI")
Name of the issuing company (Thai)	:	บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)
Company registration number	:	0107560000281
Nature of business	:	Distributor of wire rope products and lifting equipment
Contact information	Office Location	759 Charoenkrung Road, Talad Noi, Samphanthawong, Bangkok 10100
	Phone	: 02-235-2940 to 9
	Fax	: 02-236-8336 or 02-639-4022
	Website	: www.thaimui.co.th
Registered capital	:	170,000,000 baht (one hundred seventy million baht)
Issued and paid-up capital	:	170,000,000 baht (one hundred seventy million baht)
Type and number of shares sold	:	340,000,000 ordinary shares (three hundred and forty million shares)
Par value	:	0.50 baht per share

Reference

Company Secretary	Mrs. Sunee Jantarotorn 759 Charoen Krung Road, Talad Noi Subdistrict, Samphanthawong District, Bangkok 10100 Phone: 02-235-2940 to 9 Fax: 02-236-8336 or 02-639-4022 E-mail: sunee@thaimui.co.th
Investor Relations	Mrs. Sarinrath Leelaprachakul and Mrs. Sunee Jantarotorn Phone: 02-235-2940 to 9 Fax: 02-236-8336 or 02-639-4022 E-mail: info@thaimui.co.th
Securities Registrar	RHB Securities (Thailand) Public Company Limited 98 Sathorn Square Office Tower, 10th Floor North Sathorn Road, Silom, Bang Rak, Bangkok 10500
Auditor	Mrs. Suvimol Chrityakierne, Certified Public Accountant Registration Number 2982 DIA International Auditing Company Limited 316/32 Soi Sukhumvit 22, Sukhumvit Road, Khlong Toei Sub-district, Khlong Toei District, Bangkok 10110 Phone: 02-259-5300 Fax: 02-260-1553
Internal Auditor	Dharmniti Internal Audit Company Limited 178 Soi Phet Chuen (Prachachuen 20), Prachachuen Road, Bang Sue Bang Sue District, Bangkok 10800 Phone: 02-596-0500 ext. 327 Fax: 02-596-0539

Other important information

Investors can study additional company information from the annual registration statement (Form 56-1) of the Company as shown on the Company's website: www.thaimui.co.th

Policy and Business Overview

Thai Mui Corporation Public Company Limited ("Company" or "Thai Mui") formerly known as "Thai Mui Trading Corporation Limited" was registered as a limited company on February 17, 1998 with a registered capital of 1,000,000 baht. The core business of the Company is supplying and distributing high-quality wire rope products and lifting equipment. The beginning of the establishment of the business was initiated by the family of the company executives. Earlier, previous generations operated as a distributor for wire rope products, steel, and other general products in Xiang Kong, Yaowarat, Samphanthawong district, the old commercial area of Bangkok. Then, the management of the Company saw the opportunity for the business to grow as a distributor of wire rope products and various lifting equipment. Consequently, they registered to establish the company by focusing on customers who are aware of the importance of quality and after-sales services, namely customers in the oil and gas exploration and production business, port industry, and the construction industry because they are seen as a group of customers with good growth potential in the future. The Company then provides and sells high quality wire rope products and lifting equipment from many world-class manufacturers to cater for their needs and to create maximum satisfaction for customers in such industries.

The Company is one of the distributors of wire ropes and lifting equipment produced by leading manufacturers from various countries such as Kiswire, Bryon, Usha, and Crosby. The Company also provides the service of wire-rope extruding customization, ready for immediate use. As for the products supplied from such leading manufacturers, there are certificates from the manufacturer, known as Mill Certificate, which is the certification specifying the origin and properties of the wire rope, casing, wire diameter, and tensile strength. In addition, the Company is able to test the tensile strength of the wire rope and is able to issue a certificate in the name of the Company, known as Load Test Certificate. There are also independent experts participating in the test to issue certificates on behalf of independent experts should there be needs from the customers. In order for the customers to be more confident in the products delivered, the Company is willing to change or replace any damaged wire rope, occurring in spite of the correct usage. In addition to paying attention to the quality of products delivered, the Company also gives priority to safety from the correct usage of the products and will provide advice and trainings on how to use after every installation.

At present, the Company has its headquarters located on Charoenkrung Road, Talad Noi, Samphanthawong, Bangkok, and has a front office on Songwad Road, with the main reserve depots at Samrong and Pinthong to support the needs of customers in the Bangkok and metropolitan areas. In addition, there is a sales office and storehouse at Sattahip, which was opened during the year 2002 to support the needs of customers in the oil and natural gas exploration and production industry, shipping companies in Chonburi and nearby provinces in the eastern part of Thailand. Moreover, the Company added a sales engineer team to offer various services to cover various needs of customers in such industries, such as providing advice, maintenance and related services. This in turn will increase the opportunity to gain new base of customers in the eastern region.

Business overview

Thai Mui Corporation Public Company Limited engages in the core business as a distributor of high-quality wire rope products and lifting equipment. The core businesses of the Company can be divided into product and service sales as the following.

1. Products Sales

1.1 Distribution of products for carrying and lifting

The Company procures and sells wire ropes to be used for carrying to customers in the industrial factories, oil and natural gas exploration and production, construction industry, port, transport industry, and other industries. The products can be categorized as follows:

Wire Rope

Wire ropes can be divided into 2 main types: Single Layer or Single Strand Wire Rope and strand Rotation Resistant or Multi Strand Wire Rope. The properties of the wire ropes will vary according to the purpose of use, size, structure, axis type, wire rope grade, wire surface characteristics, wire arrangement, and spiral direction.

The Company distributes wire ropes both by cutting the length needed and by providing the ropes with the ring-ends or assembling with gripping devices according to the size and requirements of the customers for immediate usage. The Company also offers testing on wire rope and lifting equipment to know if the Sling's tensile strength when assembled and used is in line with the standards. Besides, if any customer wants to have an external expert to certify the tensile strength of the product, the service can also be provided.

Webbing Sling

Webbing sling made from polyester is a type of synthetic fiber with high tensile strength and has better properties than other types of synthetic fibers. Webbing slings can be divided into two types: Flat Webbing Sling and Round Sling. Webbing sling is more flexible and can bend easily into materials that it lifts and does not damage the surface of the lifted material. It is light, does not get rusty like wire or chain, and is suitable for use with easily-scratched-surface products.

Chain

Chain is made of steel or stainless steel that has a loop shape, brought together in a long line, and can be used for both lifting and strapping materials that need to be lifted. However, if any damage occurs at any link of the chains, it may cause the lifted material to drop immediately.

1.2 Distribution of lifting equipment

The Company distributes the lifting equipment used in conjunction with cranes or used in various industrial applications, suitable for all types of applications such as Wire Rope Clamps/Clips, Shackles, Chain Block, Level Block or Level Hoist, and Electric Chain Hoist.

1.3 Distribution of other products

In addition to the wide variety of carrying products and lifting equipment, the Company also sells other types of products, such as HDPE pipes (High-Density Polyethylene), the highly flexible pipes

that can be bent according to the desired shape. They are suitable for use in large industries including electric motors, hooks, and light bulbs. By offering these products, the Company is able to meet the customers' various needs at once.

2. Service

2.1 Tensile Strength Testing Service and Wire Rope Replacement Service

The Company has Tensile Strength Testing Service according to the needs of customers using testing machines and skilled engineers. Then, the Company can issue quality certificates to customers. In addition, the Company offers the replacement service of wire rope in the event that the customer's wire rope is damaged or expires.

2.2 Visual inspection service for crane and wire rope

The Company has one subsidiary company, namely, Propoint Global Consultants Company Limited ("ProPoint"), providing inspection of wire rope, crane and other lifting equipment. ProPoint's inspection service, by a team of knowledgeable, competent engineers and experts, checks the steadiness of crane's conditions to see if it is perfect, ready for use and if it is used with the correct manners. ProPoint provides services to both Thai Mui customers and external customers.

2.3 Non-Destructive Testing or NDT

ProPoint also offers Non-Destructive Testing or NDT which can be divided into 3 types, namely,

- 1) Electromagnetic testing
- 2) Liquid penetration inspection
- 3) Radio frequency non-destructive testing

The wire rope inspection normally uses the Electromagnetic Testing Machine. This tool-based inspection will not damage the sample, and will show the internal corrosion, any damaging conditions or a slight fracture that naked eye cannot see.

2.4 Consultation services for repairs and trainings

In addition to testing of the usability of cranes and wire ropes, ProPoint also provides trainings and repairs of wire ropes by a team of skilled and knowledgeable engineers. In addition, ProPoint also provides training services for crane operators to increase work safety standards for customers.

Throughout the course of the business from the past to the present generation, the Company has adhered to the selection of high-quality products from leading international manufacturers and to the delivery of sincere products and services, alternatives, or new innovations for customers to create maximum satisfaction. With the employment of ISO 9001: 2015 to manage the product and service quality, the Company has a strong commitment to doing business on an honesty footing. Hence, the Company is continuously recognized and trusted by its customers as well as receiving the trust of other business partners.

Important changes and developments

Month/year	important development
1998	
February	<ul style="list-style-type: none"> Registered as Thai Mui Trading Corporation Co., Ltd. by Mr. Pracha Leelaprachakul and his family member, Mr. Veerapol Leelaprachakul, a son, with the initial registered capital of 1,000,000 baht, divided into 10,000 ordinary shares with a par value of 100.00 baht per share. The main business is to be the supplier of wire rope products and quality lifting equipment. The company started off selling and being appointed as a distributor for the leading wire rope manufacturers and brands i.e. Bridon and Usha.
2000	
July	<ul style="list-style-type: none"> Increase the registered capital of 6,300,000 baht from the original registered capital of 1,000,000 baht to 7,300,000 baht for use as working capital in business operations.
December	<ul style="list-style-type: none"> The company increased the registered capital of 7,500,000 baht from the original registered capital of 7,300,000 baht to 14,800,000 baht for use as working capital in business operations.
2001	
March	<ul style="list-style-type: none"> The Company was appointed as a distributor and started selling products under the Kiswire brand. The Company invested in a 1,000-ton wire rope crimping machine for the wire rope to be ready for use before delivering to customers.
July	<ul style="list-style-type: none"> The company increased the registered capital of 8,700,000 baht from the original registered capital of 14,800,000 baht to 23,500,000 baht for use as working capital in business operations.
2002	
March	<ul style="list-style-type: none"> The Company expanded and opened a branch in Sattahip district, Chonburi province to support the expansion, create confidence for customers, and provide timely services to customers in the eastern region. The Company also invested in the 350-ton casing presses at Sattahip branch.
August	<ul style="list-style-type: none"> The company invested in a 150-ton tensile testing machine to guarantee the quality of the use of wire ropes to customers. The Company can also issue certificates for such tensile strength.
October	<ul style="list-style-type: none"> The company increased the registered capital of 19,400,000 baht from the original registered capital of 23,500,000 baht to 42,900,000 baht for use as working capital in business operations.
2005	
April	<ul style="list-style-type: none"> The company has been certified with ISO 9001: 2008, which certifies the quality in the quality-management system of products and services.
2012	
January	<ul style="list-style-type: none"> The Company changed the management system into SAP to help increase the efficiency of the internal management of the company.
July	<ul style="list-style-type: none"> Invested in a 600-ton wire rope crimping machine in order to provide the ready-to-use wire ropes to customers.

Month/year	important development
2014	
January	<ul style="list-style-type: none"> Invested in a 50-ton tensile testing machine to certify tensile testing for wire rope sling chains for customers who use small lifting products.
June	<ul style="list-style-type: none"> The Company has been entrusted and appointed as the only official distributor to Chevron Thailand Exploration and Production Co., Ltd. in Thailand in selling products under the Bridon brand, which is a leading global wire rope manufacturer from England.
September	<ul style="list-style-type: none"> Invested in a 2,000-ton casing machine, which is a casing machine that has the technology to hold the wire rope while compressing the casing to support the use of customers in large industrial groups.
2015	
June	<ul style="list-style-type: none"> Started using Bar code/QR code to manage the inventories of the Company in order to increase the efficiency of management and inventory supervision
August	<ul style="list-style-type: none"> Increased the registered capital of 100,000,000 baht from the original registered capital of 42,900,000 baht to 142,900,000 baht to be used as working capital for business operations, but the Company did not fully pay such amount.
September	<ul style="list-style-type: none"> The Company restructured the group of companies by purchasing shares in ProPoint Global Consultants Co., Ltd. at a rate of 99.99 percent from Mrs. La-or Leelaprachakul who is a person who may have a conflict of interest, causing ProPoint to become a subsidiary of the Company
2016	
March	<ul style="list-style-type: none"> Decrease the registered capital from the original registered capital of 142,900,000 baht to 121,465,000 baht by reducing the par value from the original 100.00 per share to 85.00 baht per share to reduce the registered capital that had not been paid from the capital increase in August 2015
2017	
June	<ul style="list-style-type: none"> The company transformed into a public company and changed the name of the new company to Thai Mui Corporation Public Company Limited Changed the par value from 85.00 baht per share to 0.50 baht Increased the registered capital of 48,535,000 baht from the original registered capital of 121,465,000 baht to 170,000,000 baht by issuing 97,070,000 new ordinary shares at a par value of 0.50 baht per share for offering to the public, entering the Market for Alternative Investment (MAI)
2018	
April	<ul style="list-style-type: none"> The company has been certified with ISO 9001: 2015 which certifies the quality in the quality-management system of products and services.
June	<ul style="list-style-type: none"> Invested in a 400-ton tensile testing machine to certify tensile testing for wire rope, sling canvas, and chains for customers who use large lifting products.

Nature of Business

Thai Mui Corporation Public Company Limited ("The Company" or "Thai Mui") operates the business distributing high-quality wire rope products and lifting equipment as well as providing comprehensive after-sales services. The Company has been appointed as the official distributor by world-class manufacturers such as Kiswire, Bridon, Usha and Crosby and hence the Company can provide Mill Certificates from the manufacturer specifying the materials, traction safety value, diameter, and other details used in production of the given product. In addition to the wire rope and lifting equipment distribution business, the Company also offers wire rope replacement services. With that, the Company is able to provide testing services by issuing the Load Test Certificate to the customer. Moreover, the Company also offers a crane and wire rope inspection service. The inspection service includes providing various types of services, such as providing advice on usage, installation, training and repair. These services are under the operations of the Company's subsidiary, ProPoint Global Consultants Company Limited ("ProPoint" or "A subsidiary company"). Having been able to fully meet the needs of customers and create maximum satisfaction, the Company has been trusted by customers in terms of quality of products and services from the start.

Revenue Structure of the Company and Its Subsidiaries for the Past 3 Years from 2016-2018

Revenue Structure (Million baht)	2016		2017		2018	
	(Million baht)	Percentage	(Million baht)	Percentage	Million baht)	Percentage
Revenue from product sales						
1. Wire rope and assembly ¹⁾	219.76	61.60	216.88	55.99	234.99	40.48
2. Webbing sling	16.98	4.76	13.62	3.52	16.69	2.88
3. Chain	9.29	2.60	8.69	2.24	8.45	1.46
4. Lifting equipment	68.48	19.20	67.72	17.48	64.46	11.10
5. Other products ²⁾	17.98	5.04	56.29	14.53	151.25	26.05
<u>Total revenue from sales</u>	332.49	93.20	363.20	93.76	475.84	81.97
Revenue from services						
1. Inspection	8.86	2.48	10.62	2.74	80.10	13.80
2. Other services ³⁾	18.24	5.11	15.66	4.04	24.57	4.23
<u>Total revenue from services</u>	27.10	7.59	26.28	6.78	104.67	18.03
<u>Total income⁴⁾</u>	356.74	100.00	387.36	100.00	580.51	100.00

Notes:

1) Wire rope assembly is a ready-to-use wire rope set supplied by the manufacturer.

2) Other products sales include sales of electric motors, pipes, hooks, and lamps. In the third quarter of 2017, the Company recognized revenue from sales of HDPE pipes in large projects, at the amount of 42.92 million baht.

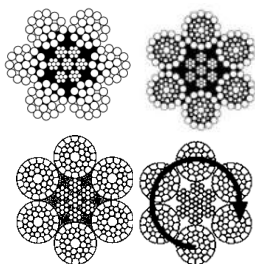
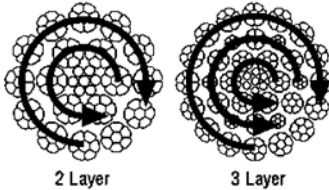
3) Other services include tensile testing, consultancy, installation, training, crane repair, other repairs and replacement of wire rope.

4) Total income includes the profit and loss transaction from the sale of assets, adjusted items, and discounted payments.

1. Details of Products and Services

1.1 Wire Rope Products

Wire rope refers to many steel wires stranded or wrapped around a single or multi-layer core. The number of strands of each strand of wire rope is different, depending on the purpose of use, strength, flexibility, bendability, and resistance to compression or deformation. The use of the wire rope is mainly related to lifting and loading. Therefore, there are many types of wire ropes with different weight-bearing properties. The features and properties are depending on the size and amount of steel wires used in producing, the characteristics of the core be it steel or fiber, design for use in various equipment. For example, special usage for lifting equipment like hoists, cranes, and elevators or for fastening applications like light towers, ship masts, and bridges require different kinds of wire ropes. The characteristics of wire ropes can be divided into 2 main types: single strand wire rope and multi strand wire rope.

Category	Example picture	Explanation
Single Layer or Single Strand Wire Rope		is a wire rope that is suitable for general use, such as lifting work, stretching and binding tasks.
Rotation Resistant or Multi Strand Wire Rope		is a wire rope with multiple strands and anti-rotation force with a wire bundle of at least 2 layers, spirally twisted around the core. The direction of the outer wire bundle is opposite to the next wire bundle in order to prevent the rotation of the wire rope. The two-spiral wire is usually a Non Rotation and a wire rope with a 3-layer spiral is often called a Low Rotation.

Example of Wire Rope Usage for an Overhead Crane

The overhead crane is a machine used for carrying items, moving heavy materials in many directions. There are 2 types, a single beam and a double beam, depending on the size and width of the crane.

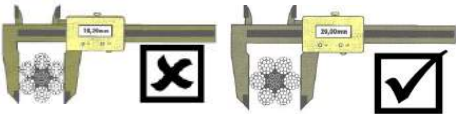
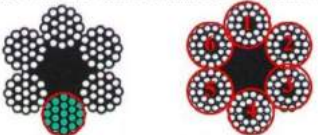


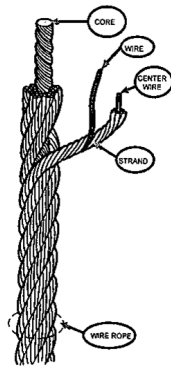
Example of Wire Rope Usage for Tower Crane

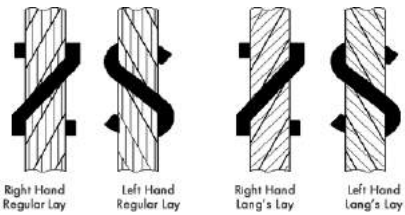
Tower crane is a machine used for vertical lifting and horizontal moving. Wire rope is used as an aid to carry and move large materials and products and is especially used in the construction industry.



Wire rope suitability is considered from the following elements and features.

Properties	Details
1. Equipment used	The strength and durability of wire rope used depends on the applications. Therefore, customers need to specify the requirements whether to be used with cranes or general lifting work. If it is used with cranes, more specific requirements are required such as types of crane, used on car or ship, in order to select the most suitable product.
2. Wire rope size	<p>The size of the wire rope is measured from the diameter, by measuring from the widest part of the wire rope. Customers should specify the desired size, for example the size of 16 mm referring to the wire rope with a diameter of 16 mm.</p> 
3. Wire rope structure	 <p>6x19 structure 6x24 structure</p> <p>The structure of the wire rope consists of 3 parts:</p> <p>1. Wire: the smallest component of the sling</p>

Properties	Details
	<p>2. Strand: the integration of the wire with a twist</p> <p>3. Core: there are two types, fiber and steel type.</p> <p>Wire rope is created by the combination of the sling core and many wire strands. The number of wires in each strand of wire rope is different depending on the purpose of use. The wire rope structure is specified by the number of strands and the number of wires in each strand. For example, the number 6x19 means a wire rope with 6 strands and each strand consists of 19 steel wires, as shown in the picture. The most popular structures for general use include 6x19, 6x24, and 6x36.</p> <p>However, the structure of the 3 types of wire ropes is different depending on flexibility and usage. Normally, the three structures have the same wire diameter. However, the more number of wires in a strand, the smaller and more flexible the ropes will be.</p>
4. Wire rope core	<p>The wire rope core serves to keep the shape of the wire rope round, supporting outer strands, and keep the stranded wire in the right position during use. The most commonly used cores are steel and fiber. For the steel core, there are 2 types: wire strand core (WSC) and independent wire rope core (IWRC). The WSC type can absorb 15% of their weight and the IWRC 50%. Moreover, the IWRC can be stretched, bent and is strongly resistant to compression or deformation. For fiber core, it is usually made of plastic or plant fiber (hemp) that is highly flexible, making them less strong than wire ropes with steel cores.</p>
5. Wire rope grade	<p>The tensile grade of the wire rope (Rope Grade: R_p) is provided to determine the tensile strength of the wire rope and the weight with which the wire rope can be safely used. The popular models are:</p> <ul style="list-style-type: none"> - 1770 Grade, with tensile strength 1770 N / mm² or 180 kg / mm² - 1960 grade, with tensile strength at 1960 N / mm² or 200 kg / mm² - 2160 grade, with tensile strength of 2160 N / mm² or 220 kg / mm²
6. Wire rope surface	<p>The wire surfaces of the wire rope can also be divided into 2 types:</p> <ul style="list-style-type: none"> - Ungalvanized or Bright Finish - Galvanized or Zinc Coated Finish <p>The zinc coating wire rope will increase the corrosion resistance properties in the working condition.</p>
7. Lay type	<p>The directions of the wire lay can be divided into 2 types as follows.</p> <ol style="list-style-type: none"> 1. Ordinary or Regular Lay Rope: a wire rope having the wires in the strands twisted in directions opposite to the strands in the rope, making it most popular for general use. 2. Lang's Lay Rope: In a Lang's lay rope, the wires in the strands and the strands themselves are laid in the same direction.


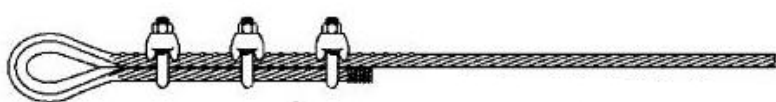
Properties	Details
8. Lay Direction	 <p>There are 2 lay directions:</p> <ul style="list-style-type: none"> - Left-hand lay - Right-hand lay <p>A proper choice of the lay type is important in relation to the requirements of crane, specifying the left-hand lay or right-hand lay. If misused, coils may loosen from the core of the wire rope.</p>
9. Minimum Breaking Force	<p>The tensile strength of the wire rope varies with the size and grade of the wire rope.</p> <p>The larger the diameter or the higher grade of wire rope, the more minimum breaking force and the more weightlifting wire rope can bear.</p>
10. Termination	<p>There are 5 types of wire rope terminations:</p> <ul style="list-style-type: none"> - Mechanically Spliced - Hand Spliced - Zinc Spelter Socket - Wire Rope Clips or Bulldog Grips - Wedge Socket <p>The most popular are mechanically spliced and zinc spelter socket because of their high load-bearing efficiency.</p>
11. The desired length	<p>The customer specifies the desired length in the purchase order and the Company will cut the wire rope according to the desired length specified by the customers. If the head is terminated, the Company will spare the length at the end of the wire rope to make sure that the customer would obtain the desired length after the rope is terminated.</p>

The details of the Company's distribution of the wire rope to length and wire rope with eyes are the following.

Sold according to length: The Company sells the wire rope according to the length required by the customers. Before cutting the wire ropes, each end will be coiled separated at the length of a diameter, then it will be cut at the middle of the loop. Afterwards, all frays are cleaned up.

Sold according to the length with the loop-end: The Company sells the wire rope according to the specified length along with the loop end fitting or assembled into a lifting device for immediate use. That being used with a lifting device helps maintain the shape of the loop, not twisting or bending during the use. This helps reduce friction or wear of the wire rope that occurs when used with machinery or equipment. The details are as the following.

Type	Assembly Method
Mechanical Splice	



Type	Assembly Method
	Mechanical Splice connects 2 wire ropes together using a hydraulic compressor to crimp and change the shape of the casing to permanently connect. There are many types of compression casing, such as a mechanical splice, Flemish Eye, and swage socket. This type of termination is suitable for wire rope used with lifting sling.
Zinc Spelter Socket	 <p>Spelter Socket is a poured socket attached by means of zinc or resins, loosening the end of the wire rope in each strand similar to shower head. Then, the ends are thoroughly washed before welding the resin to the head with the socket. This type of termination is suitable for use with sling crane.</p>
Wire Rope Clips or Bulldog Grips	 <p>In general, wire rope clips usage depends on the specified standards and sling size. Wire rope grips are used for forming an eye in the end of steel wire rope, with a U Bolt, a thimble, and 2 bolts to support the rope structure. The two wire ropes are placed in the U-bolt. When installing the bulldog grips, the grip handle will be on the wire rope that holds the weight or the active side. This type of termination is suitable for wire ropes that will be used for permanent fixed stays.</p>



Sample image of a 2,000-ton crimping machine



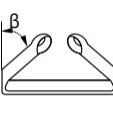

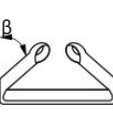
For wire rope products, the Company is a distributing agent for the following major brands.

Manufacturer	Brand	Product Distributed
Kiswire Sdn Bhd.		Kiswire Sdn Bhd. is a leading manufacturer from South Korea. The Company has been appointed as a distributor of their wire rope products.
Bridon International Ltd		Bridon International Ltd is a renowned manufacturer from England. The Company is appointed by Bridon Singapore (Pte) Ltd as a distributor of their wire rope products and lubricants.

Manufacturer	Brand	Product Distributed
Usha Siam Steel Industries PCL		Usha Siam Steel Industries PCL is a wire rope manufacturing plant in Thailand, with a parent company -- a leading manufacturer from India. The Company distributes the brand's wire rope products.
Casar Drahtseilwerk Saar GmbH		Casar Drahtseilwerk Saar GmbH is a leading German manufacturer. The Company is appointed as a distributor of their wire rope products.
Teufelberger Seil Ges.M.B.H.		Teufelberger Seil Ges.M.B.H. is a leading manufacturer from Austria. The Company has been appointed as a distributor for the products under such brand.

1.2 Webbing Sling

Synthetic fiber sling or soft sling is made from polyester, a type of synthetic fiber. Webbing sling can be divided into two major categories. One is Flat Webbing Sling. The other is a Round Sling. The use of webbing sling is to carry, generally used in many industries that require lifting. For example, such use includes lifting, carrying, moving materials in industrial plants and construction industry. Webbing sling can also be used with the environment that requires durability of weak acid chemicals, oil, grease and sea water. In addition, the webbing sling is not electrically conductive and can withstand up to 100-degrees-Celsius heat. It is also suitable for lifting that prevents scratching. Webbing sling can be classified according to the color, with the standard value of size and weight as follows.

color	Size (millimeter r)	Acceptable weight for each usage (kg)				
		Straight Lift (100%) 	β 0°-7° (200%) 	β 7°-45° (140%) 	Choked Lift (80%) 	β 45°-60° (100%) 
Purple	25	1,000	2,000	1,400	800	1,000
Green	50	2,000	4,000	2,800	1,600	2,000
Yellow	75	3,000	6,000	4,200	2,400	3,000
Grey	100	4,000	8,000	5,600	3,200	4,000
Red	125	5,000	10,000	7,000	4,000	5,000
Brown	150	6,000	12,000	8,400	4,800	6,000
Blue	200	8,000	16,000	11,200	6,400	8,000
Orange	250	10,000	20,000	14,000	8,000	10,000

Notes:

- 1) The color of the webbing sling will indicate the width of the sling. The wider the width, the more weight it can bear.
- 2) β is the distance of the angle between the webbing sling and its vertical.
- 3) Percentage number in brackets is the ability of webbing sling to receive force. The ability to receive force may be depending on the usage pattern. For example, the same color webbing sling with Straight Lift usage pattern can receive strength at 100% while Choked Lift can hold 80% of the strength, despite the same color.



Webbing sling samples



Sample images of using a webbing sling

For webbing sling products, the Company is a distributor under the following major brands.

Manufacturer	Brand	Product Distributed
Juli Sling CO.,Ltd.		Juli Sling CO., Ltd. is a manufacturer from the People's Republic of China. The Company distributes their webbing sling.

In addition, the Company also sells webbing sling under the Company's own brand as follows.

Manufacturer	Brand	Product Distributed
Thai Mui Corporation Public Company Limited		S-NEX is the Company's house brand for the webbing sling made to orders of the customers.

1.3 Steel Chain sling

Steel Chain sling is one of the lifting devices, created by the use of metal loops looped together into a long line. The metal used in such forming can be done from a variety of materials such as steel or stainless steel. Chains can be used in two ways: 1. Chain usage in overhead lifting and carrying tasks and 2. Chain work in the bundle tying for lifting or moving. The options for chains are 1-leg sling, 2-leg sling, 3-leg sling, and 4-leg sling.





Sample image of chain showing loops looped together to form a long chain.




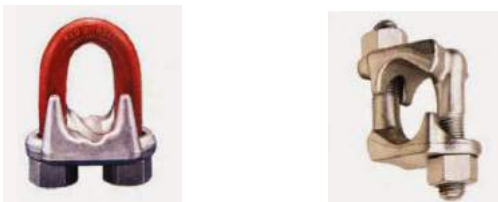
Sample image of 4-leg chain showing the assembly into a set with Master Link (top end) and hook (bottom end), ready to use.






For the chain products, the Company is a distributing agent under the following major brands.





Manufacturer	Brand	Product Distributed
The Crosby Group		The Crosby Group is a leading manufacturer from the United States of America. The Company has been appointed as a distributor of their chain products.
Kondotec Inc.		Kondotec Inc. is a leading manufacturer from Japan. The Company distributes chain products under such brand.

1.4 Lifting Equipment






Lifting device is a device used to hold the wire rope end for binding the material that needs to be lifted or moved. There are many types of gripping devices with the details below.

Type	Usage
Thimble	Used for inserting the end of the wire rope to prevent the wire rope from holding the device directly. 
(Wire Rope Clamps/Clips)	Used for fastening the ends of the loop to the wire rope. There are two types of grips: a gripper with a single saddle and a grip with two saddles, called Double Saddle. 

Type	Usage
Single Saddle	Double Saddle
(Shackles)	Shackles are used to assemble the work piece with a wire rope in a moving job. They can be divided into 2 following types according to the usage.
	Dee Shackle is popular for chain work or in limited areas.
	
	Bow Shackle can be used with a variety of wire ropes, webbing slings, and chain slings.
	
	Screw Pin Shackle is a bolt with a tail. It can be locked and released without using tools.
	
	Bolt Pin Shackle is a bolt-lock with hex nut which locks the latch to the end of the bolt to hold the nut from loosening.
	
	Round Pin Shackle is a round head shackle locked with Cotter pin.
	

Type	Usage
(Chain Block)	<p>is a hand hoist without electronic parts. The installation of the chain hoist is easier than installing other types of hoists. Therefore, it is suitable for occasional lifting tasks or in jobs where there is no electricity available.</p> 
(Level Block or Level Hoist)	<p>looks like a chain block, but is different in that instead of manually operated, it is equipped with a handle.</p> 
(Electric Chain Hoist)	<p>Electric hoists can be divided into 2 types: electric chain hoist and electric wire rope hoist. The characteristics can be divided into 3 features as follows:</p> <ul style="list-style-type: none"> - 2-directional usage: up and down with the installation of a pulley at a certain point in a permanent manner. For instance, it is used in an elevator. - 4-directional usage: up and down, left to right by placing the hoist on the I-beam rail so that it can be moved left and right by fixing the I-beam steel to the structure of the building. For example, lifting up and down the material vertically and then going to the left or right to store. - 6-directional usage: up-down, left-right, and forward-backward scrolling by installing the lifting hoist with the crane operating set. 
(Masterlink)	<p>is a loop that is used to combine wire ropes or other lifting products together especially when you want to use multiple wire ropes.</p> 

For lifting equipment, the Company is a distributor under the following major brands. Details are as follows.

Manufacturer	Brand	Product Distributed
The Crosby Group		The Crosby Group is a leading manufacturer from the United States of America. The Company has been appointed as a distributor for various lifting equipment products.
Kondotec Inc.		Kondotec Inc. is a leading manufacturer from Japan. The Company sells various lifting equipment products under this brand.
Yale Industrial Products Asia (Thailand) and Columbus McKinnon Corporation		Yale Industrial Products Asia (Thailand) and Columbus McKinnon Corporation are the leading manufacturers from Germany and the United States, respectively. The Company distributes products under the Yale brand, which is a brand of German manufacturers
OzBlok, Titan Lifting		Titan Lifting is a leading manufacturer from Australia, a subsidiary of Allan Marketing Group Pty Ltd. The Company has been appointed to be a distributor of pulley, handle and various lifting equipment under the brand OzBlok, Titan & Global Lifting.
FRAM Kjættingsfabriken AS		FRAM Kjættingsfabriken AS is a leading manufacturer from Norway. The Company has been appointed as a distributor of Master Link chain products, hooks and various lifting equipment.

1.5 Other Products

The Company has been continuously looking for opportunities to distribute other products in addition to wire rope products and lifting equipment in order to fully respond to customer needs. Other products include, for example, HDPE pipes (High-Density Polyethylene), which are highly flexible pipes. Hence, they can be bent into the desired shapes and are suitable for use in large industries. The target customers of the Company are customers who want to use plumbing in large projects. In the third quarter of 2017, the Company has recognized significant revenue from selling HDPE pipes to customers who use them for plumbing.



HDPE pipe (left) and actual usage example (right)

In addition to selling HDPE pipes, the Company also sells other products such as electric motors, hooks and light bulbs too.

2. Services

Apart from being the top distributor of wire rope products and lifting equipment, the Company also provides other services, supporting the main operations of the Company. This is considered to be the business strategy of Thai Mui. These services are run by the Company's subsidiary, Propoint Global Consultants Company Limited ("ProPoint"), providing inspection services for the functionality of cranes, wire ropes and lifting equipment and providing advice on how to befittingly use the wire rope for cranes by a team of knowledgeable engineers and experts. The Company through Propoint offers repair services, training services on safety standards to both Thai Mui's customers and external customers alike.

2.1 Inspection Service on Wire Rope Tensile Strength and Replacement Services

The Company provides a testing service of wire rope and clamping device by using the Tension Test or the "Proof Load Test" to ensure that the assembled sling is safe when used, not broken at various joints. These wire rope products and lifting equipment must be checked for loading at least once a year according to the Ministry's regulations on "Determination of standards for the management and management of safety, occupational health and working environment regarding cranes and radiators". At Thai Mui, there are 3 quality testing machines located at Pinthong Warehouse available for all customers. The machines are in sizes 50, 150 and 400 tons. Usually, when the test is completed, the Company issues a Load Test Certificate to customers. The customers can send participants or observers to participate in the testing of the tensile strength, if required by the customers.



50-ton tensile testing machine



150-ton tensile testing machine



400-ton tensile testing machine

In addition, the Company also offers a replacement service in the event that the wire rope is damaged, cannot be used as per the standard or when the wire rope expires at the end of usability period.

2.2 Visual Inspection Service of the Crane and Wire Rope

ProPoint's Crane Inspection Service is operated by a team of skilled engineers with strong expertise who have professional license from the Council of Engineers. The service examines the functionality of cranes, such as poles and arms, load bearing beam, nuts and rivets, lubrication, sling chain, and lifting equipment for external corrosion, rust detection, and the working condition of the crane. The service includes the inspection on the longitudinal lift, the electrical system, drive and control, electrical control box, power supply rail, power supply line set, gear shaft condition, ball bearing condition, the safety

equipment set such as shockproof device, warning light, warning sound, and warning sign. The crane inspection must be done at least once a year, according to the Ministry of Industry regulations, on “Determination of standards for the management and management of safety, occupational health and working environment regarding cranes and radiators”. However, such tests must also be in accordance with the notification of Department of Labor Protection and Welfare on the subject of “Criteria and methods for testing components and equipment of cranes”. The elements are as follows

Usage in Construction

- If the safety lift is not more than 3 tons as specified by the manufacturer's specifications, the crane's components and equipment must be tested every 6 months.
- If the safety lift is more than 3 tons as specified by the manufacturer's specifications, the crane's components and equipment must be tested every 3 months.
- If there is no specific detail of the safety lift determined by the manufacturer, the crane's components and equipment must be tested as often as determined by the engineer.

Other Applications

- If the safety lift is from 1 ton but not more than 3 tons as specified by the manufacturer's specifications, the crane's components and equipment must be tested every 1 year.
- If the safety lift is from 3 tons but not more than 50 tons as specified by the manufacturer's specifications, the crane's components and equipment must be tested every 6 months.
- If the safety lift is more than 50 tons as specified by the manufacturer's specifications, the crane's components and equipment must be tested every 3 months.
- If there is no specific detail of the safety lift determined by the manufacturer, the crane's components and equipment must be tested as often as determined by the engineer.

According to the regulations of the Ministry of Labor and the Department of Labor Protection and Welfare, the operators have to check the functionality of crane and wire rope according to the time period depending on the type of use. ProPoint, therefore, saw the opportunity in this inspection business. For this service, according to the specified standards, the work can be done with the naked eye. Then, the Company issues a Certificate or Por.Chor.1 for overhead crane and Por.Chor.2 for mobile crane.

2.3 Non-Destructive Testing Service

In addition to the visual inspection, ProPoint also offers non-destructive testing (NDT) services for checking the readiness of cranes. Non-Destructive Testing is a test checking for material condition, wear condition, internal corrosion, and fatigue of the wire rope without damaging the sample material tested. NDT is more accurate than the visual inspection. However, this test usually has a higher cost. Customers usually carry out this test when looking for internal damage since the piece tested is important to the

operation that is necessary to ensure safe use standards. At present, ProPoints provides the inspection service with 3 non-destructive tools below:

- 1) Magnetic Particle Inspection (MPI) is a process to check for cracks, tear marks, foreign matter, discontinuity of steel and steel materials that are deep in the material and not visible to the naked eye. The disadvantage of this method is that it can be used only with materials that can be magnetized. However, since ProPoint's examination is usually for cranes, it makes this magnetic particle inspection the most popular out of the 3 available methods.



Sample image of NDT inspection using magnetic particle method (left image) and the equipment used (right image)

- 2) Liquid Penetrant Testing (PT) is a method of checking by applying or spraying liquids over the surface. If the test material is scratched, the applied substance will penetrate into the crevice. Afterwards, the solution will be taken out, making the marks visible to the naked eye.

- 3) Ultrasonic testing (UT) is a method using sound waves to detect cracks by using the hammer head to hit the material tested. Then, the frequency is transmitted to detect corrosion. The disadvantage of this method is that it can only detect large cracks.

In addition, ProPoint also has a wire rope inspection using Electromagnetic Testing Machine, a method for detecting cracks, rips, foreign matter, discontinuities of metal materials such as iron and steel. This method will be able to check the non-continuous surface even if it is a small spot and deep from the surface.

2.4 Installation, Repair, Consultancy and Training Services

ProPoint's services are derived from the vision to provide comprehensive services for the customers' maximum satisfaction. Therefore, a crane installation service is available to provide advice on how to select the suitable wire rope for each usage, the size, and the care of the wire rope. Repair service is available in case of damage. Plus, there is also a training service for the crane operator and the signal provider where the Company arranges training by sending a lecturer and trainer to the place or training facility arranged by the customer. The Company is able to provide such services nationwide in agreement with the needs of customers.

3. Marketing and Competition

Wire rope and lifting equipment are products used in a variety of industries. However, because most users still do not acquire enough knowledge about wire rope and lifting equipment, they tend to overlook the safety and quality of the wire rope. The Company as a practiced supplier of wire rope and lifting equipment for a lengthy period of time sees the importance of this matter. Hence, the Company emphasizes on the sole distribution of high-quality products under the brands from famous manufacturers such as Kiswire, Bridon, Usha and Crosby. These products are suitable for customers who search for high quality products, require quality certificates, good usage history, and highest safety standards from reputable manufacturers. Therefore, the Company does not necessarily need to carry out a price competition policy with other competitors who may focus on the middle and lower spending customers.

3.1 Target Customers

The target customers of the company are industrial groups that require lifting and moving of materials and products. The Company focuses on the distribution of high-quality products for customers with high purchasing power who need reliable products with safety standards. At present, the Company's significant customers can be classified into the following groups.

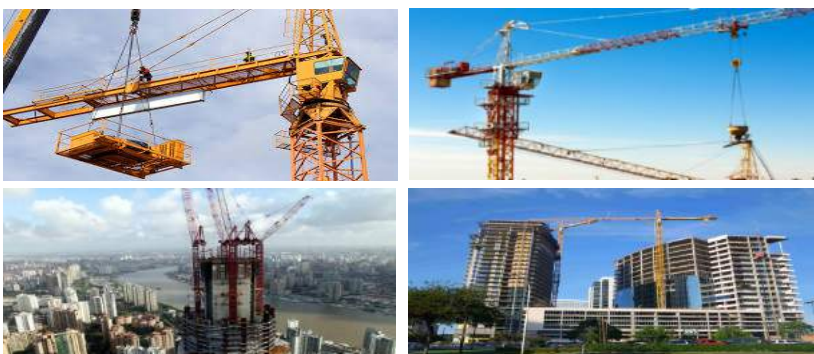
Industrial Plants



Petroleum Exploration and Production Business



Construction



Port Service Business



The average income proportion during 2015 - 2018 in each industry can be classified as the following:

Industry	Proportion of sales during the year	Sales proportion
	2015 - 2017 (%)	Year 2018 (Percentage)
1.Industrial factories	26.25	15.21
2.Petroleum Exploration and Production	19.15	38.45
3. Construction	9.62	20.80
4.Port	7.38	4.92
5.Logistics & Transportation	3.37	1.50
6.Power plants	3.78	3.27
7.Others	30.45	15.85
Total	100.00	100.00

Note:

1) Other groups include shipping business, one-time customers, general buy-to-resell customers such as construction materials stores. In the third quarter of 2017, the Company recognized revenue from selling HDPE pipes to large projects, thus increasing the proportion of this segment.

3.2 Distribution Channels

The Company has 2 main distribution channels.

Sales through the sales team

Through the sales team, sales and services normally takes place by the sales staff taking care of the customers who are entrepreneurs and corporations in various industries. The Company uses the division of sales area strategy. Bangkok and its vicinity area are looked after by the Bangkok Sales Team. Sattahip Sales Team takes care of the eastern customers who operate the port business and petroleum exploration and production. Our Sales staff are knowledgeable and experienced and have deep understanding of the needs of the customers' products. In addition, the sales team also regularly inquires about customer needs. Thus, this enables the Company to predict the demand for products according to the usage period and to be able to respond quickly in the event that there is a need for special products.

In addition, the sales team can also provide technical advice to customers along with introducing the usage with maximum suitability and efficiency.

Sales through sales offices

This is a distribution channel that provides services to one-time customers or those who generally come to the stores or contact the sales office directly for advice and purchase of various products. The Company has a knowledgeable and experienced sales staff to provide services and advice on various types of products at both front shop sales offices in Bangkok and Sattahip.

3.3 Competitive Strategy

From the past business experience and the determination to continually provide only good quality products and services, the Company has, therefore, formulated the following business strategies to achieve such objectives.

Product Quality Strategy

From generation to generation, adherence to the high-quality of products and services and integrity with partners have acquired the reputation for the Company among the customers. The Company is also recognized by the world's leading wire rope manufacturers resulting in the Company being selected to be an official distributor for many manufacturers. The customers hence trust that every product purchased from the Company meets the standards and receive quality certification, with product certificates directly issued by the manufacturer confirming the production lot and / or certificates issued by Thai Mui or independent experts.

Comprehensive After-Sales Service Strategy

The Company pays attention to the team that provides after-sales service whether it's a wire rope installation team, the engineer team providing advice and checking the condition of the product, the testing team examining and testing the tensile strength, and the sales team tracking product response. This has earned Thai Mui a place of the leading distributor of wire rope products and lifting.

Pricing strategy

The Company determines the selling price of goods by using cost plus method coupled with the pre-set minimum selling price. The Sales team is able to consider revising the sales quotation in accordance with the cost of the product. Up until now, the Company has not focused on price competition or price cuts to compete with other competitors. Instead, the Company gives high emphasis on the quality of products and that has earned the Company widespread reputation. Thai Mui is known for primarily making customers confident that the products purchased from Thai Mui are authentic from the leading manufacturers equipped with certificates. Most customers of the Company are corporations in the harbor industry, petroleum exploration and production, construction, and industrial plants. Therefore, they give priority to safety, focusing on the high quality of products because the purchased products are used in

conjunction with the high value machinery and equipment such as cranes. If the wire ropes or any lifting equipment do not meet the safety standards or are misused, it may result in shorter service life, damage to machinery and equipment, potentially causing harm to relevant employees, and result in delays in the delivery of work. With all these factors above, the Company's clients choose Thai Mui because of the quality rather than the price factor.

Customer Retention Strategy

Obviously, one of the customer-retaining strategies is integrity. With this in mind, the Company focuses on offering a solution that provides consultation on the use of wire rope and lifting equipment, recommended installation and use, after-sales services such as tensile strength testing and inspection of conditions of the equipment. Besides, giving warranty for product replacement in the case that the cause of damage is by production helps retain the customers. Delivery of products on time is another important factor. With all the mentioned strategies, the Company is able to maintain competitiveness and create confidence and trusts for customers. In addition, the Company also organizes seminars for customers to update about the technology and innovation of wire rope production. The seminars are for the customers to access the information and to learn about products and services offered by the Company. This assists the sales team and the engineer team to get to know the customers and it is also a way for effective public relations. Coupled with the fact that the sales staff regularly visits customers in order to learn the needs and problems of the customers in a timely manner, the strategies can ensure the highest satisfaction of customers and consequently further develop the sales and services for the Company.

Manufacturer Relation Strategies

In addition to having a customer retention strategy, the Company also gives importance to maintaining good relationships with manufacturers, allowing the Company to be appointed as a distributor for many official brands such as Kiswire, Bridon And Crosby and to be a partner with these top brands up until now. The Company has also developed personnel to gain more knowledge about products under various brands by sending employees of the Company to see the work at foreign manufacturers and to attends seminars with the brand owner. As a result, the sales team and the engineering team acquire deep knowledge about the products, can give advice to the customers, and can act as an intermediary agent in the communication between the product owner and the user. The team is able to immediately report problems of usage back to the product owner making the Company's partners learn of the needs of customers in each industry. In turn, that helps support the business of the Company.

3.4 Domestic Economy and Market Conditions for the Company's Customers

Domestic Economic Conditions

Monetary policy report from the Bank of Thailand issued in December 2018 stated that the Thai economy in the third quarter of 2018 continued to expand at 3.3 percent compared to the same period last year, driven mainly by private consumption that has accelerated in almost all product categories. This is especially for the durable goods category which expanded well following the sales of passenger cars. With supportive factors from improved purchasing power and high level of consumer confidence, private investment grew faster as a result of investment in construction, particularly housing construction. The investment in machinery and equipment category continued to expand. Public spending continued to expand due to the consumption of goods and services and the transfer of non-monetary social welfare. Public investment expanded at a slower pace due to construction investment. While investment in state-owned enterprises continued to expand well, international demand for exports of goods contracted slightly from exports of agricultural products and gold. While the export of some products decreased due to direct and indirect impacts of US trade barriers such as washing machine, solar cells, and integrated circuits. Exports in September fell temporarily due to natural disasters in Japan, Hong Kong and the Philippines. On the export side, services expanded at a slower pace following the decline of Chinese tourists after the tourist boat crashes in Phuket in July.

For the fourth quarter of 2018, the latest economic indicators reflect the continued economic growth from the previous quarter with the export returning to expand after the end of temporary factors. However, exports of certain products are still affected by trade barriers. In terms of services, there is a tendency to grow at a slower pace as the number of Chinese tourists is significantly reduced since the Chinese government is now stricter for the safety standards of the countries where Chinese people travel. Moreover, the Chinese economy has started to slow down.

For domestic demand, it has contributed to economic growth. The private consumption indicators continued to expand well following the improved income and employment. Private investment indicators continued to expand. Government expenditure expanded from expenditure to purchase goods and services and personnel compensation. Public investment expanded according to state enterprise investments such as those from the State Railway of Thailand, Metropolitan Electricity Authority, and Provincial Electricity Authority.

In summary, the Thai economy continued to expand well, driven mainly by private consumption that has accelerated in almost all product categories. As exports of goods slowed down partly from the storm situation in the partner countries which is considered to be a temporary factor, and from the impact of US trade barriers, service also slowed down, especially apparent from the number of Chinese tourists that declined after the tourist boat crashes in Phuket. Private investment accelerated, especially in the construction sector while government spending has helped to continuously drive the economy.

Market Conditions: Industrial Factories

Industrial estates in Thailand are considered to be one of the major economic and employment resources in Thailand. The industrial estates of Thailand have always been able to attract investment from both domestic and foreign investors due to many factors including a competitively low minimum-wage compared to the neighboring countries and policies inducive to investment regularly offered by the government. Thailand has therefore been attractive in the eyes of investors over the years. Monetary policy report From the Bank of Thailand, the December 2018 edition, reports that private investment has a tendency to grow closer to the earlier period, with a gradual improvement from investment in machinery and equipment supported by a relocation of production bases to Thailand. This helps offset the slowing investment trend due to investors' concerns over US trade barriers and the delay of government investment projects. In addition, other additional supporting factors are derived from the special measures of the Board of Investment (BOI) to stimulate foreign investment and joint venture projects by public and private sectors (public-private partnership: PPP) in the infrastructure of the Eastern Economic Corridor (EEC), such as the high-speed rail projects connecting 3 airports, the motorway road construction, the development of Map Ta Phut Industrial Port, Laem Chabang Port, and the Sattahip Commercial Port. The development of U-Tapao Airport to become a commercial airport is also another supporting factor.

In this regard, the development of special Eastern Economic Corridors is a government investment that is considered to increase the demand for land in industrial estates in the long term. In turn, this will promote the growth of industrial factories, considered to be an important customer base for the Company. As the Company already has a warehouse in Sattahip, this project is considered to be a good supporting factor for the Company's operations in the future.

Market Conditions: Petroleum Exploration and Production

Generally, the overview of the oil and gas exploration and production business mainly depends on the global oil price. That is to say, when the global oil price rises, the oil and gas exploration and production industry is to have a better direction. However, in the event that the global oil price plummets, it becomes a factor pressuring those operate in the industry. Report of the Siam Commercial Bank Economic and Business Research Center for the fourth quarter of 2018 expected that crude oil prices trend would go upward due to the United States' sanctions against Iran. Deemed as a positive trend for oil price for the quarter since Japan, Korea, the European Union and India will conform to the US sanctions as they would

like to maintain access to the US financial aids, EIC still believes that countries having conflicts with the United States, such as Turkey and China, will continue to import oil from Iran. This US boycott will result in a supply loss from Iran, about 1 million barrels per day. Another factor causing a global oil price to rise is from the continuing decline in the volume of oil production in Venezuela due to political problems in the country. The supply of crude oil from Venezuela will be reduced to 1 million barrels per day by the end of 2018. Yet, there are also factors pressuring crude oil prices including the agreed increase in production of OPEC and Russia since July last year. Analysts expect that OPEC will produce around 38 million barrels per day in the fourth quarter, and spare capacity is around 2-3 million barrels per day.

In 2019, oil prices are still likely to rise due to the missing Iranian supply and an increase in demand for crude oil at about 1 million barrels per day compared to that of 2018 while the downside risk of oil prices is the risk of a trade war between China and the US which may affect the global economy and lower oil demand. In addition, if oil prices are stable at a high level, this may result in lower oil demand, especially from EM countries with high oil demand growth. Also, the risk of US currency appreciation may contribute to the whole situation of oil demand and supply.

On the supply side, the production from the US is likely to increase by around 500,000 barrels per day in 2019. However, the supply from the US will increase in the second quarter onwards when the oil pipeline gradually opens which may result in the decrease trend of the tightening of oil supply in the global market in the third and fourth quarters of 2019. Moreover, the supply of non-OPEC and non-OECD manufacturers such as Brazil and Russia is likely to increase by about 300,000 barrels per day and 100,000 barrels per day, respectively. However, as for the geo-political risk, the political problems in Venezuela, Syria, Nigeria and Libya will continue to put pressure on oil supply in 2019.

ราคาน้ำมัน (USD/บาร์เรล)	2017					2018F							2019F
(ค่าเฉลี่ย)	Q1	Q2	Q3	Q4	เฉลี่ย	Q1	Q2	Q3F	Q4F	เฉลี่ย	สูงสุด*	ต่ำสุด*	เฉลี่ย
ราคาน้ำมันดิบ WTI	52	48	48	55	51	63	68	69	73	68	74	59	72
ราคาน้ำมันดิบ Brent	54	50	52	61	54	67	75	73	79	73	79	62	80

*ข้อมูลจาก Leading global houses (25 กันยายน 2018)

ที่มา: การวิเคราะห์โดย EIC

Petroleum exploration and production in Thailand sees large operators doing business such as Chevron affiliates and PTT Exploration and Production Public Company Limited. Such companies are the

customers of the Company who may be affected by the oil price fluctuations in the market and in turn will have the impact on the business of the Company.

Market Conditions: Construction Industry

Krungsri Research Center reported that the total construction investment value during the year 2018-2020 is likely to grow at an average of 7-9% per year (Figure 10), derived from the acceleration of large-scale infrastructure investment of the state, with approximately 61 projects. Total investment amount is 3.2 Trillion baht by 2026 (Figure 11-12). There is also a recovery of private construction investment, another important driving factor for the expansion of the construction business.

Public construction is likely to grow from the mega projects, especially the EEC project. Public construction in 2018 is expected to return to a high growth rate of 9-11% YoY, worth 747-761 billion baht. Partly as a result of the comparison with the low base in 2017, it is expected to grow continuously in the year 2019-2020 at a rate of 8-12% due to the investment in the previously authorized large infrastructure projects in 2017 including the pink line (Minburi-Khae Rai) and the yellow line (Lat Phrao-Samrong) of the MRT. Furthermore, the 5 first double-track railway lines are to see more progress in construction. In addition, there are new projects that are prepared to open bidding during the year 2018-2019 such as the Rama III Expressway - Dao Khanong - Western Outer Ring Road, 3 high-speed trains connecting Don Mueang Airport, Suvarnabhumi Airport, and U-Tapao International Airport, and Laem Chabang Port Phase 3. It is expected that the government will accelerate the construction and will start the bidding for other projects during the year 2019-2021 (Figure 12) for the next 3 years. In addition to the government's mega project investment, there are plans to invest in medium and sub-projects under the annual budget. Most of the projects are the road network expansion and improvement project of the Department of Highways and the Department of Rural Roads, with the amount of investment limit at 144.8 billion baht in the fiscal year 2018.

Private construction is expected to recover in accordance with the economic conditions and the crowding in effects. Private construction value is likely to grow gradually at a rate of 3-5% YoY with a value of 542.0-552.5 billion baht in 2018 and it is expected to grow continuously during the year 2019-2020 at the rate of 4-7% per year (Figure 10). Partly driven by the infrastructure investment expansion from the government sector, especially in new potential projects such as EEC, if in accordance with the plan, it will help boost investor confidence in the next 3 years, improving both residential constructions, office

buildings and factories. Positive signs are seen from the expansion of residential construction permits, commercial buildings, office buildings, and hotels in the second half of 2017 (Figure 6-8). As for the construction of industrial plants, it is expected to grow in the next 3 years, partly seen from the statistics for applications to the Investment Promotion Board (Board of Investment of Thailand: BOI). In 2017, the investment growth of 22.4% YoY is worth 641.9 billion baht, concentrated mainly in the EEC and the Central region.

The real estate investment particularly condominium, hotels, and commercial use building is likely to move towards “Mixed Use” projects in the future (Figure 14, Table 6). This is partially the propeller of growth for the private construction in the next 3 years.

Market Conditions: Port Industry

Industrial port is a service industry that is extremely important to the economic development of developing countries. Thailand has many ports, a point of integration of international shipping routes, located in various regions. They can be divided into domestic ports which serves as the center of trade and transportation of the country and international ports which acts as a port for dealing with foreign trade. The international port is a deep-sea port that can accommodate a large fleet of ships in order to transport products that are heavy in volume and weight. Water transport is a low-cost transportation for large quantities of goods at one time. Therefore, it is important because it can reduce the cost burden for operators that need to transport goods although shipping by sea takes longer time.

The overall picture of the shipping business is depending on the economic conditions of the country, especially the export of goods, the increase in the freight rate index, and the expansion of border trade from the ASEAN Economic Community. The port layout generally has 2 characteristics, which is a natural harbor that is developed from Natural Harbor Configurations or ports that are designed to be constructed differently from natural harbor conditions known as Artificial Harbor Configuration. The structures of the pier to be constructed depends on the design for the proper use and the type or size of the ship to be docked. In general, there are 2 types: Wharf or Quay, which is a structure that is built parallel to the shore for the ship to be docked to the shore with a strong structure capable of supporting heavy vehicles or large equipment such as cargo trucks and lifting cranes. As for pier or Jetty, it is a harbor structure made of wood or steel, built out to the sea for ships to dock. Most importantly, the structure must not obstruct the tide and current and there must be sufficient depth of water in front of the port to

allow the ship to enter properly. This type of port is usually built in a T or L shape which acts as a combination between the breakwater and the port itself. This type of dock can be designed for multiple docking of various sizes of ships.

The future trend of the port industry is expected to receive benefits from the port investment plan. The Port Authority of Thailand has a 5-year investment plan (2017-2021) for 8 projects with a total amount of 9.7 billion baht including the Coastal Jetty Development Project Phase 1, the development of the cargo container transportation center project at Laem Chabang Port Phase 1, and the 20G Improvement Project with the Installation of High Voltage Systems. All of the 3 above projects are currently in progress. Still, there are other projects in the progress of opening bidding such as the projects of the building for export use and its management system and facilities. In addition, there are other 4 projects under study, namely Laem Chabang Port Development Phase 3, Bangkok Port Warehouse Development Project, Bangkok Full-Service Center Project, and the Port Business Development Project

Competition in the Industry

Even though there are a number of competitors in the wire rope and lifting equipment industry, only a few of those competitors are large organizations. Within the industry, the customers can be divided into a group that require high operational standards with quality certificates and a group of general customers. Most customers of the Company are large operators that require standards and quality certificates from world-class manufacturers and / or quality certificates from the Company. Since the Company has no price competition policy, the Company focuses more on product quality, comprehensive aftersales service, on-time delivery, and a quality guarantee. Hence, Thai Mui's reputation is well-known and widely accepted by its customers. In addition, the Company has further advantages from having good relationships with the world-class manufacturers as having been their partner for a long time. As a consequence, the Company can offer a variety of products that meet the usage of customers in each industry, allowing the Company to meet the needs of customers more than the competitors.

Those competitors who sell products with reliable and high-quality standards are usually corporations from abroad such as from Singapore. However, the delivery of products to customers from foreign operators will normally take longer time than that of the Company. Thus, the Company maintains its competitive advantage by offering faster delivery.

Name List of Foreign Suppliers:

Trader	Product Distributed
1. Gaylin International Pte.Ltd.	Wire rope, webbing sling, and lifting equipment
2. KTL Offshore Pte.Ltd.	Wire rope, webbing sling, and lifting equipment

3. Franklin Offshore International Pte.Ltd.	Wire rope, webbing sling, chain, and lifting equipment
4. Oceanic OffshoreEngineering Pte.Ltd.	Wire rope, webbing sling, lubricant, and lifting equipment

List of Domestic Suppliers:

Trader	Product Distributed
1. Lee and Steel Company Limited	Wire rope and chain with assembly set, hand hoist and electric hoist, various lifting equipment, steel pipe, stainless steel pipe and various stainless-steel pipe fittings, tensile testing service of sling and chain
2. PPS Steel Company Limited	Wire rope and polyester sling, chain, hand hoist and electric hoist, various lifting equipment, tensile testing of sling and chain, design and installation of crane, electric chain hoist and electric sling
3. PWA Services Company Limited	Wire rope chain, chain hook, anchor boat and lifting equipment
4. Ha Sengtai Limited Partnership	Wire rope, chain hoist, electric hoist and various hoists, shackles and various lifting equipment

4. Procurement of Products and Services

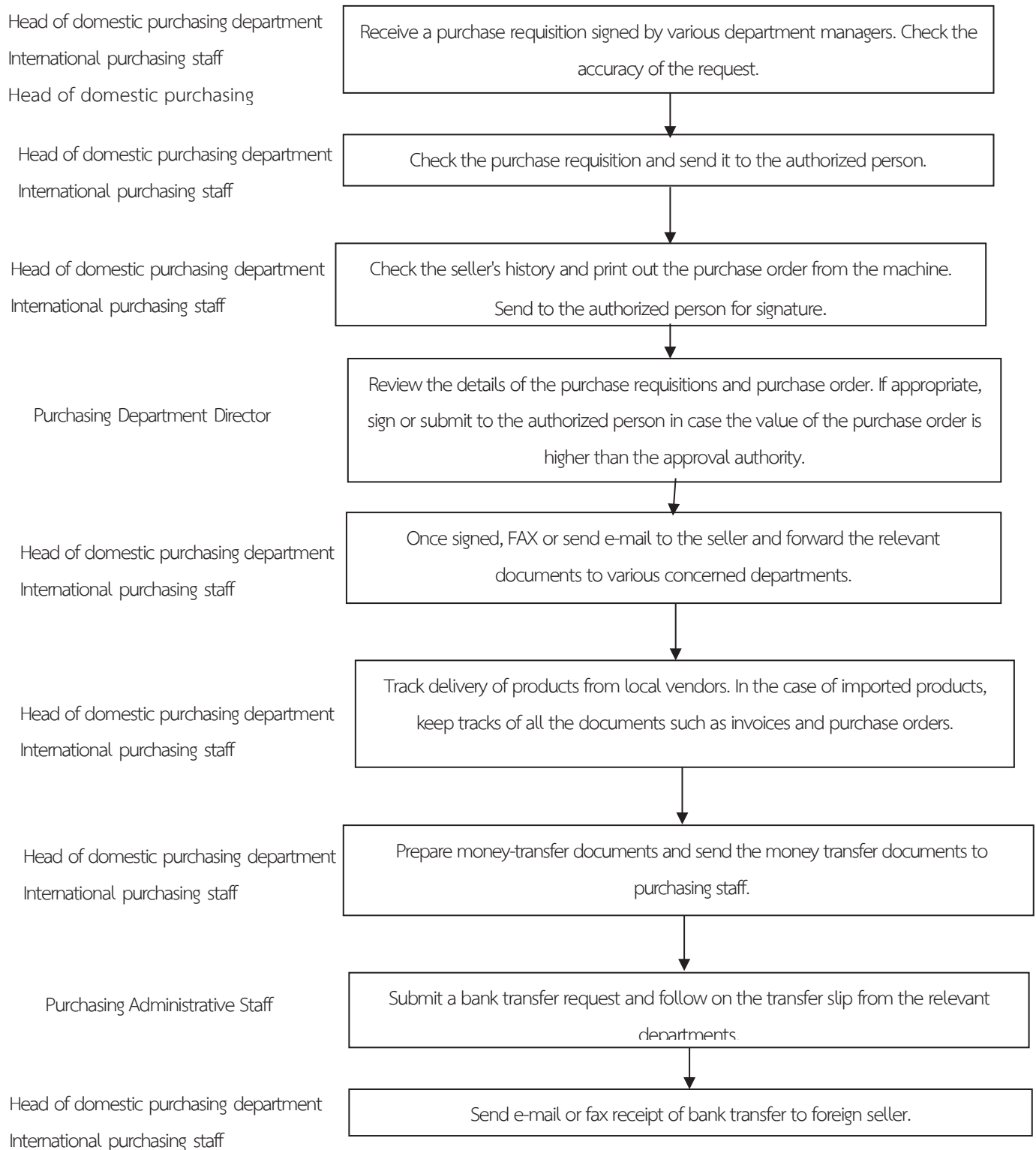
The Company purchases products directly from the manufacturer by focusing on products that meet international standards. Before the Company orders each product type, the Company will take the sample of such product to test for the quality, as well as the wire rope which will be tested for tensile strength according to the specified standards. If pass, the Company will then process the order. Up until now, the Company has set a policy and operation manual for purchasing, by comparing the prices offered from each manufacturer and evaluating the quality of products, before making purchases.

The Company then selects each product from manufacturers according to the consideration according to the policy, manual and assessment as mentioned. In case of a new manufacturer, the Company will open bidding and compare prices according to the procurement process. The main evaluation conditions are delivery of products and services on schedule, the quality and standardized products, and customers' preference. Purchasing Manager is to consider the purchase and request approval from the Chief Executive Officer prior to making purchases. There will be a review of the suppliers at the end of the year to see if the suppliers can maintain good performance. If there is any supplier who cannot maintain the standard as specified by the Company, the Company will revise the supplier list to find quality products from other manufacturers.

4.1 Ordering Process

The Company has the following steps to purchase products both locally and abroad.

The process of purchasing products



Before ordering products, the Company plans to order products by having planning meetings 2 times a year for both general sales and products that are in agreement with the orders by the customers. The order quantity will be based on the past 2 years sales statistics and the information that the sales department has received from customers. During the year, if some products have a quantity remaining below the minimum stock, the purchasing department will be notified in order to maintain the minimum stock that has been specified in the SAP system. The Company currently procures products from more than 100 manufacturers, totaling 3,000 items. In 2017, the ratio of international procurements accounts for 44% and currently it is not more than 30 percent with any given manufacturer. This is to prevent the risk of relying on one manufacturer. The proportion of orders from each major producer in 2018 are as follows.

Proportion of Purchase from Manufacturers in 2018

Foreign Suppliers	Proportion of purchase (%)
1. Siam Syndicate Technology Public Company Limited	24.57
2. High Rope (Thailand) Co., Ltd.	19.73
3. KBA Service Ltd., Part.	12.90
4. BRIDON SINGAPORE (PTE) LTD	11.81
5. Usha Siam Steel Industries Public Company Limited	9.00
6. S.A. Steel Company Limited	4.90
7. ARGAL S.R.L.	4.62
8. International Water Management Company Limited	4.48
9. Taymax Wire Rope Industries Corp Co., Ltd.	4.17
10. THE CROSBY GROUP INC.	3.82

Note: High Rope (Thailand) Co., Ltd. distributes products under the Kiswire brand.

4.2 Warehouses and Storage Procedures

The Company has two main warehouses for storing inventories, namely Samrong warehouse and Sattahip warehouse.

Samrong warehouse is the Company's main warehouse, located at Pu Chao Saming Phrai Road, Samrong, Samut Prakan Province, with an area of 2-0-87.5 rai. It is a land and building lease from Lee and Sun Holding Company Limited which is connected to those who may have conflicts of interest. (See details of related party transactions). In addition, there is also a small rented warehouse in the Samrong warehouse area, the Pinthong warehouse, which is a rented land with an area of 1,080 square meters. It is intended to be a factory for the operation of crimping and tensile strength testing.



Sample image of keeping inventories at Samrong warehouse

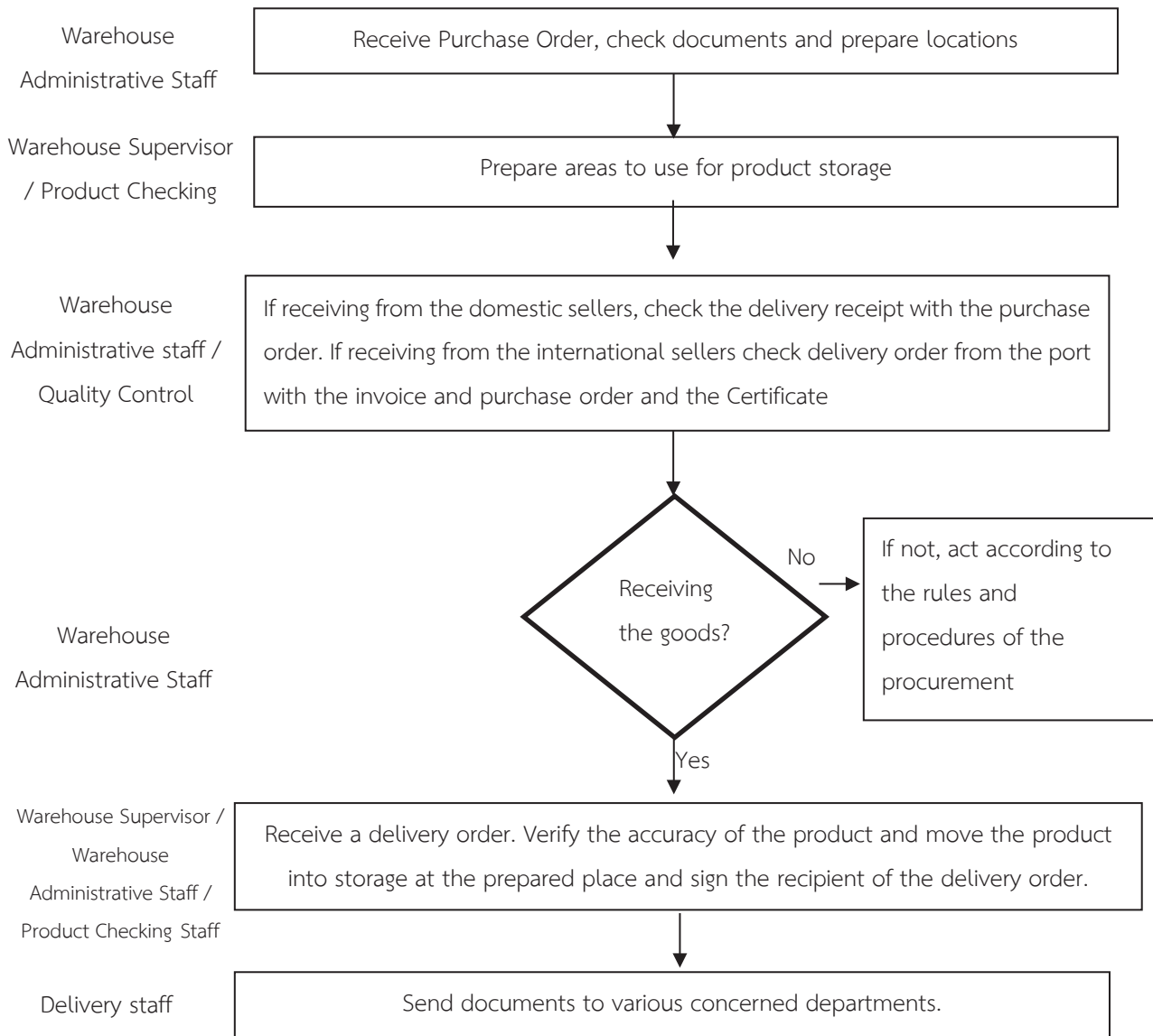
Sattahip Warehouse is located in Sattahip, Chonburi Province. There are 3 parts 1) land and building with the area of 380 square meters 2) land and building with the area of 500 square meters 3) space for storing two 40-feet containers. Sattahip warehouse is a warehouse located in the eastern region for storage of inventories to meet the needs of customers doing business in the East, such as Port industry, oil and natural gas exploration, and nearby industrial plants. The warehouse in Sattahip is a warehouse with the transfer from Samrong warehouse. The Sattahip Warehouse Manager will notify the Samrong warehouse for the replenishment. Once receiving the transfer, the staff will check the details before registering the transfer into the inventory system, with the signature of the consignee in the transfer slip.



Sample image of keeping inventory at Sattahip warehouse

For internal management operations, the Company prepares product codes and QR codes attached to the product, telling the product details such as product type, wire rope structure, thread direction, and length while the QR code indicates the Batch no. which let the Company to be able to trace back all the relevant information from the label.

Process of Receiving Goods



4.3 Product Preparation Procedures

When the sales department receives orders from customers, they notify the production department of the order and then requests the withdrawal of goods from the warehouse in order to prepare the product. The Company has several services such as the following details below. Once the products are prepared and arranged in the area for delivery, the delivery department will inspect and check the accuracy again.

Wire rope cutting

Once the production department receives the details of the production order, specifying the Batch no., number of the product, then they will check the correctness of the product from the QR code, which will record that product after paying the cut according to the specified details in the order and record the remaining product information back into the system to show the current balance.

Termination or Assembly of Wire Rope

For termination or sling assembly, the Company will check the product details, number of pieces, length required. Then, all documents will be sent to the production department. After the production department receives the production order, the assembly team will review the product list and start the termination of wire rope and / or the assembly of the wire rope set according to the needs of customers. At present, the Company processes 2 crimping machines, size 350 and 600 tons, at the Sattahip warehouse and 2 machines size 1,000, and 2,000 tons respectively at Pinthong warehouse. The Company can also put the heart loop at the end of the wire rope to prevent the wire rope from biting other equipment and carrying strap attached to the end of the wire rope.

Webbing Sling

The Company sells both webbing slings under the S-NEX brand – own brand - and other brands. There is a limitation of a purchase of webbing sling for re-sale because normally manufacturers usually produce the sling according to the standardized length. However, customers sometimes have a need for specific size and length. Therefore, sewing own's webbing sling makes the Company meet the needs of wider customers.

4.4 Delivery Procedures

According to the rules of the Company, details such as customer name, place of delivery, product list, amount of delivery are specified to check that the product delivered are correct. Furthermore, at every delivery, the Company will ensure the acceptability by having the customers inspect the product and sign the delivery documents. If accurate to the customer's requirement, the Company will provide the tensile strength testing of the product delivered in order to ensure that customers receive quality products that meet the highest standards.



Product before the delivery to customers

4.5 Environmental Impact

The business of distributing wire rope products and high-quality lifting equipment of the Company has no significant environmental impact since the Company has strict control of operation within the warehouse building -- strictly complying with relevant environmental laws. Consequently, since the beginning of the Company's operation, the Company has never had any disputes or faced any lawsuits regarding the environmental issues. Neither has it received any warnings or adjustments from the government agencies about negative impacts on the environment.

Risk Factors

1. Risk from Business Operations

1.1 Risk from not being renewed as a distributor

The company is a supplier and a distributor of high-quality wire ropes and lifting equipment, by being appointed from a variety of world-class manufacturers and brands. The Company enters into distributorship contracts which can be divided into 2 types: one with no specific end-date and the other with the expiration date of contract. Therefore, the Company faces a risk of not being renewed especially for the contract that has an expiration date. This will cause the Company to lose the opportunity for generating revenue from being that particular brand's distributor.

However, from being a business partner with brands for a long time, the Company has complied with the conditions set out by the manufacturers and has continuously ordered products from them. In addition, the Company is well known among the customers in oil and natural gas exploration, production industry, the shipping industry, and industrial factories. These groups of customers are considered to be those with a significantly high-ordering value. Since the Company has an effective sales force and a team of knowledgeable and experienced engineers who can give advice to customers in choosing the suitable product for maximum safety and correct usage. This service meets the needs of these customers in particular and can be considered as the Company's advantage in helping to distribute the manufacturers' products to the customers. For the sole distributorship contract, although the sales of the products that the Company generate does not reach the targeted goal, the Company has been a distributor for this brand for a long time and has a good relationship with this manufacturer. By all means, the chance that the Company will not receive the contract renewal from the manufacturer is therefore rather low. Hence, the management is quite confident that the Company will continue to be trusted by the brand owners to be a distributor for the products in the future.

1.2 Risk from market entrance of foreign manufacturers

Most products of the Company are imported from manufacturers or brand owners from abroad. In the event that the brand owners or manufacturers decide to enter the Thai market and run their own product distributions, this may incur a risk for the Company of being terminated as a business partner in distributing the products. Perhaps, the Company may eventually have to face with the competition of the brand owners.

However, the risk that foreign brand owners will directly enter the Thai market remains rather low since this type of business conduct requires a variety of product types and a complete after-sales service in order to fully respond to customer needs. As the brand owners or manufacturers will only be able to mainly provide their manufactured products and sell products solely in large units rather than divide into sub-units, the Company's customers might not be the targeted customers of the manufacturing companies. In addition, this business also relies on other factors such as, for example, relationships with contractors or large-entity customers, a provision of both before and after sales services. The Company is regarded as an expert and has had experience in offering the wire ropes and lifting equipment for a long period of time. At the same time, the Company has established good relationships with customers who are both large project owners, general contractors, port and transport customers, specialized contractors. With vast knowledge and understanding on various standards and requirements, enabling the company to offer variety of products that can meet the different needs of each customer, the offer of only high-quality product with acceptable standards and services has always gained trusts from the customers for the Company. From the above

factors, the management thus believes that the risk from the Thai market entrance of the brand manufacturers remains low and may not significantly affect the business of the Company.

1.3 Risks from relying on specialized personnel

The Company operates the business of supplying wire ropes and lifting equipment to customers who are in need of use in many industry groups. Therefore, the Company needs to have personnel with expertise, knowledge about wire ropes and wire rope usage in order to distribute the products. Such personnel include sales staff who need to have in-depth knowledge to advise customers about the use and standard safety of wire ropes and each type of lifting equipment and engineers who can make recommendations, install, inspect, repair and replace the wire ropes. All of these knowledge and expertise make the services meet the needs of the customers. This in turn triggers a risk for the Company relying so much on such personnel in business operations.

The Company is well aware of the risks in this area. The Company, therefore, procures personnel including directors, executives and employees with knowledge, capabilities and experience, focusing on developing and maintaining personnel to continuously stay with the Company in the long run by providing training and knowledge development for employees on a regular basis to support the business of the Company to cater for customers with diverse needs.

In addition, the company Received ISO 9001: 2015 quality system certification, which has prepared a manual for every working procedure. In case there is a change, such personnel can bring the operation manual to study and be ready to provide service. Furthermore, the Company offers attractive compensation and welfare to motivate personnel to continuously stay and grow with the Company in the long term as well.

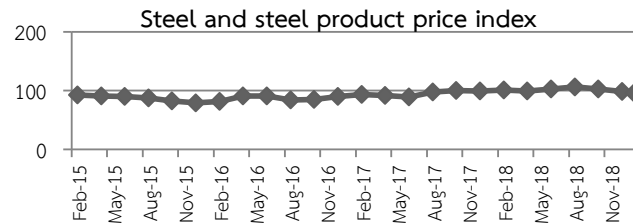
1.4 Risk from exchange rate fluctuations

Since the Company mainly import products from foreign partners, the main currencies for the payment for goods will normally be US dollars and Singapore dollars while all of the products are sold locally, primarily using Thai baht currency. For the accounting period of 2016, 2017 and 2018, the Company has a product-purchasing proportion from foreign partners, equivalent to 81.99 million baht, 59.31 million baht and 100.11 million baht, respectively, which accounted for 44.32 percent, 29.87 percent and 28.70 percent of the total order value of products respectively. Hence, the Company may face with the risk from foreign exchange rate between the US dollar to Thai baht and Singapore Dollar to Thai baht. In the case that US dollar or Singapore dollar gain appreciation against the Thai baht, the cost of the products will be higher. As a consequence, the Company will be affected by the negative impacts from the appreciation of the said currencies.

In the past, the Company did not have any financial instruments to manage such risks. However, the Company realized the importance of preventing such risks by closely monitoring news and movements of currency exchange rates in order to be able to find a suitable way to manage the risk of exchange rate fluctuations. In the consolidated financial statements by the auditor for 2016 - 2018, the Company has a profit (loss) from the exchange rate of 0.39 million baht, 1.48 million baht, and 0.60 million baht respectively. On 3rd of August 2017, the Company has made a credit line for foreign currency trading and/or foreign exchange hedging limit at the amount of 30 million baht with a financial institution. It is believed that this will help reduce the risk of such issues.

1.5 Risk from product price fluctuations

The Company's main business is the distribution of wire rope and lifting equipment products of which components are iron. For the price of steel may change and fluctuate according to the demand and supply of the steel world market in each period, this fluctuation may trigger a risk to the business of the Company in case the steel prices rise above the normal level, resulting in an increase in the Company's cost of goods sold. Based on the historical data of the past 5 years, the iron and steel price index have the following directions, as in the picture below.



Source: Ministry of Commerce

However, in the past, the Company has been keeping track of news and trends of steel prices at all times in order to be able to efficiently plan, manage the ordering of products. Besides, the Company has managed the inventory to be in line with the amount of customers' needs in order to be able to control the proportion of cost of sales and in order not to be so volatile that it has a significant impact on the Company's performance. In the past, the Company has not been significantly affected by the steel price fluctuations.

1.6 Risk from keeping inventories

The Company sells more than 3,000 items of wire ropes and lifting equipment. There is a need to reserve inventories for sale to support the needs of customers quickly and adequately. If there are no inventory reserves available for sale when the customers have immediate needs, the Company may lose the business opportunity to sell and may not be able to maintain that customer base. For some products, there may be a need for back-up stock, known as Safety Stock, for certain customers with continuous orders. For these customers with contracts, the needs for safety stock may temporarily cause some items to be in the inventories and remain in the warehouse for a longer period of time, resulting in storage costs. Plus, if not taking care properly, the inventory or the products may deteriorate which will result in the damage of such products.

As of 31 December 2018, the Company has inventories classified by age as follows:

Product Life	Value (Million Baht)	Percentage
Less than a year	111.07	51.58
1-2 years	18.88	8.77
2-3 years	15.19	7.05
3-4 years	21.50	9.99
4-5 years	7.25	3.37
More than 5 years	41.44	19.24
Total	215.33	100.00

However, the Company is aware of the risk from storing such inventories by having a plan to purchase products in accordance with the sales target and customer demand estimates. For the purchase of products from foreign manufacturers, the lead time for the order process averages at approximately 4-6 months. From the analysis of the existing inventories, it is found that the inventories of the Company's stock of 68.06 percent is under the 3 years of age. For inventories that are 5 years or older, most products have had a continuing stock movement, accounting for 87.32 percent. For the rest of 12.68 percent with a low movement, the products in this group are mainly carrying equipment and large wire ropes, products with

special specification and spare sample products for customers to see before ordering. Fortunately, most products in the Company's inventories are slow-to-deteriorate products, if proper maintained. In the past, the Company had proper maintenance regime by coating the lubricant to maintain the durability and lifespan of the wire ropes. Other measures include having control officers to store, inspect and manage inventories that are reserved for sale on a regular basis in order to ensure that there are enough products to support the immediate needs of the customers. For products that become rusty and the product that is curled at a length less than the value specified in the policy and in order to reflect the real value of inventories in that period, the consolidated financial statements of the Company by the auditor for the year 2015 - 2017 has set up an allowance for devaluation of inventories equal to 1.09 million baht, 1.41 million baht, and 1.87 million baht which equal to 0.57 percent, 0.70 percent and 1.02 percent of net inventory value.

1.7 Risks from selling products to major customers

In 2018, the Company recognized revenue from the sale of HDPE pipe products to a large utility project customer at 101.20 million baht, representing 17.90 percent of the net sales and service revenue. This customer has already paid some amount and the rest on a 90-day credit term offering. The transaction is recorded as a trade account receivable worth of 38.10 million baht or 39.17 percent of trade and other net receivables. Therefore, there may be a risk in the case where the said customer is unable to pay the debt on schedule, which will have a significant impact on the Company's operating and financial position. However, at the end of February 2018, the customer has paid off the debt in full. The value of the above products has already been settled.

1.8 Risk from competition in the industry

Due to the simplicity of the business conduct in this industry, supplying and selling wire rope products and lifting equipment, as well as the availability of other brands, there will be other distributors who sell the same products with similar standards to the products that the Company sells, allowing customers to easily switch vendors. The Company may face risks from the competition in the industry both from the same operators and the entry of new entrepreneurs which might inevitably and negatively affect the recruitment of a new customer base, maintaining the existing customer base, and eventually disturb the overall performance of the Company.

However, the Company focuses on distributing only high-quality products. By being appointed as an official distribution agent from a leading global wire rope manufacturer, there is a certificate of product quality issued by the manufacturer. In addition, the products that the Company distributes are also diverse when compared to other competitors in the country. In addition, the Company still offers after-sales service with consultancy services to advise on the use, installation, and replacement of wire ropes, tensile testing. Therefore, the Company are trusted by the customers and should be able to continuously maintain the advantage over other competitors in the industry.

2. Management Risks

2.1 Risk from having a major shareholder holding more than 50% of the total shares

At present, the family of Mrs. La-or Leelaprachakul and Mr. Veerapol Leelaprachakul is the major shareholder of the Company, holding 223.45 million shares representing 65.72% stake of the registered and paid-up capital. Therefore, the Company and/or the minority shareholders may be at risk from the group of major shareholders exerting influence over the policy into any direction since the major shareholders holds more than half of the total shares, except for any actions that are required by the law or company

regulations to gain approval from more than three forth of the issued and paid-up capital at the shareholders' meeting.

However, when considering the management structure of the Company containing the Board of Directors and the Audit Committee, it is found that the management structure and various committees are clearly and transparently defined with the scope of authority, duties and responsibilities. There are also measures and guidelines to have a related party transaction with the major shareholders, persons/parties with conflicts transparent by restricting the right of such person/party to vote in the approval for that particular item or transaction. Furthermore, for more transparency and effectiveness, independent audit committee is also required to consider and decide to ensure the shareholders that there is a mechanism for check and balance in the management structure of the Company.

2.2 Risk from relying on executives

The business operations throughout the past period have been overseen by the family of Mrs. La-or Leelaprachakul and Mr. Veerapol Leelaprachakul including Mr. Tchakorn Leelaprachakul, the current key executives. He is a knowledgeable and experienced person with trade expertise and plays an important role in determining business policies and guidelines for business operations. Therefore, the Company may be at risk from relying on the ability to manage by the core executives.

However, the Company has a clear organizational structure in segregating duties and responsibilities according to each line of work, including appropriate decentralization of administration, as well as selecting personnel with expertise and experience in the field to become executives. Many line managers are the people who have worked with the company for a very long period of time and have had a good understanding of the business of the Company. This may be a factor that helps promote the operation of the Company. The Company also recognizes the importance of personnel development by regularly arranging relevant trainings for employees in order to increase the body of knowledge and skills. By emphasizing more on organizational structure, decentralization of administration, and personnel development, it is believed that the processes will reduce the reliability on the company's main management.

Shareholding structure

Securities and shareholders information

1. Number of registered and paid-up capital. At present, the company has a registered capital of 170,000,000 baht (one hundred and seventy million baht) considering of issued and paid-up capital in full amount of 170,000,000 baht (one hundred and seventy million baht) divided into 340,000,000 ordinary shares with a par value of 0.50 baht (Fifty Satang).

2. Shareholders. The list of the top 10 major shareholders listed in the share registration book as of 6 February 2019 can be summarized as follows:

List of Shareholders	Number of shares	percent
1. Mr. Veerapol Leelaprachakul	51,015,300	15.00
2. Mrs. La-or Leelaprachakul	38,818,800	11.42
3. Mr. Tchakorn Leelaprachakul	20,649,220	6.07
4. Mr. Arkrapol Leelaprachakul	20,649,220	6.07
5. Ms. Narida Leelaprachakul	20,649,220	6.07
6. Mr. Ekbordin Leelaprachakul	20,649,050	6.07
7. Mr. Krid Leelaprachakul	20,649,050	6.07
8. Master Narispong Leelaprachakul	20,649,050	6.07
9. Mrs. Tuanghong Leelaprachakul	9,717,200	2.86
10. Mr. Wittaya Narathatsajan	6,600,000	1.65
The top 10 major shareholders	230,046,110	67.37
Other shareholders	109,953,890	32.63
Total	340,000,000	100.00

Source: List of major shareholders as of 6 February 2019 by Thailand Securities Depository Company Limited

3. Dividend payment policy

The Board of Directors may consider paying the annual dividend of the company and/or its subsidiaries by having to gain approval of the shareholders' at the shareholders' meeting of the Company and/or its subsidiaries, except for the interim dividend payment, which the Board of Directors has the authority to approve from time to time when the Company and/or its subsidiaries are considered to be reasonably profitable to do so. Then, the decision must be reported to the shareholders of the Company and/or its subsidiaries at the next meeting.

The Company and its subsidiaries have a policy to pay dividends from the separate financial statements at a rate of not less than 50.00 percent of net profit after tax, and after the legal reserve and other reserves (if any). The Board of Directors is authorized to consider paying dividends, taking into account of various factors that will maximize the shareholders' benefits, such as, reserving enough funds to repay loans, investment plan for business expansion, or to support the cash flow of the Company in the event that there is an impact from changes and fluctuation in the market conditions.

History of dividend payment to net profit for the year 2016 - 2018

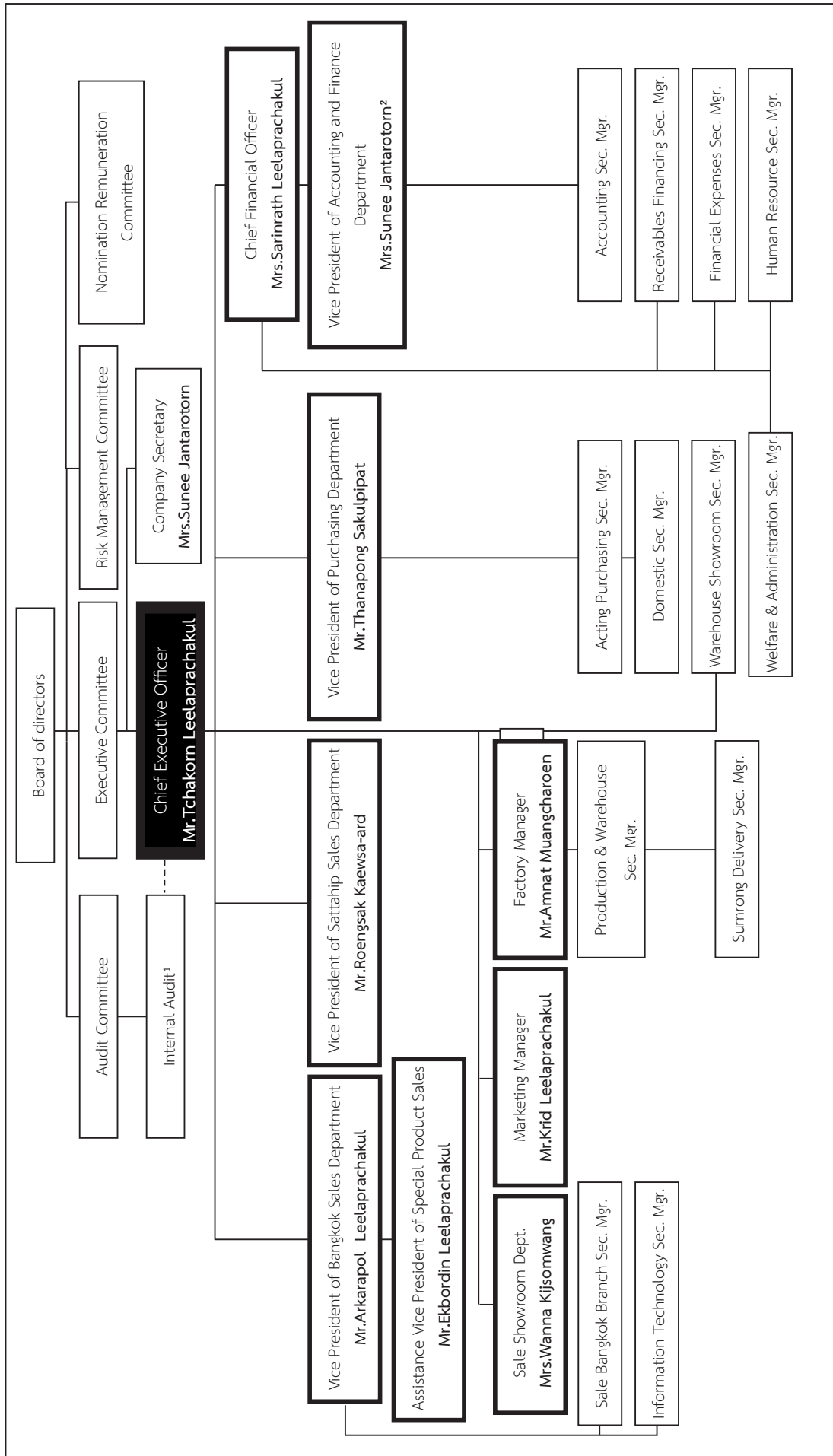
List		2016	2017	2018
Net Profit (Loss)	MB	18.92	21.34	31.24
Dividend paid	MB	-	38.87 ¹	15.30 ²
Dividend Payout Ratio	%	-	182.15	48.98

- Note
- Dividend payment in 2017 was an interim dividend payment from the retained earnings as of 30 September 2017, totaling 38.87 million baht which was approved by the Board of Directors Meeting No. 5/2017 on 7th of November 2017.
 - Dividend payments in 2018 are 2-time interim dividend payments.
 - The 1st payment was paid from the retained earnings of 8.50 million baht which was approved by the Board of Directors Meeting No. 3/2018 on 18th of May 2018.
 - The 2nd payment was paid from the retained earnings and the net profit for the period from 1st of January 2018 to 30th of June 2018, amounting to 6.80 million baht which was approved by the Board of Directors Meeting No. 4/2018 on 14th of August 2018.
 - Dividend payment ratio = dividend payment / net profit

The Board of Directors at the Meeting No. 1/2018 on 26th of February 2018 approved the suspension of the allocation of net profit for the year 2017 as dividend since the Company was to be listed on the Stock Exchange of Thailand in November 2017. Therefore, it was deemed appropriate to reserve the profit from the said operation as a working capital for future operation and possible investment of the Company.

ORGANIZATION STRUCTURE

As of December 31, 2018, the company has the following organization structure



note

1. The Company hires outsiders, Dharmniti Internal Audit Company Limited, to inspect internal control systems.
2. Mrs. Sunee Jantarotorn serves as the company secretary.

Management Structure

The management structure of the Company consists of the Board of Directors and 4 sub-committees, including the Audit Committee, the Executive Committee, the Risk Management Committee, and the Nomination and Remuneration Committee. For the structure of the Board of Directors, there are at least 3 independent directors and not less than one-third of the total number of directors of the Company. All independent directors and members of the Audit Committee are, in all respects, qualified in accordance with the rules specified in the notification of Capital Market Supervisory Board no. 28/2008 regarding the application for permission and permission to offer newly issued shares (and with additional amendments).

The Board of Directors

As of December 31, 2018, the Board of Directors consists of 8 directors as the following:

List	Position	Date of appointment as a director
1. Mr. Pitipat Thitasirinant	<ul style="list-style-type: none"> - Chairman of the Board of Directors - Chairman of the Audit Committee - Chairman of the Nomination and Remuneration Committee - Independent Director 	<ul style="list-style-type: none"> - December 24, 2015 to the present - December 24, 2015 to the present - June 30, 2017 to the present - December 24, 2015 to the present
2. Mr. Tchakorn Leelaprachakul	<ul style="list-style-type: none"> - Director - Nomination and Remuneration Committee - Risk Management Committee 	<ul style="list-style-type: none"> - May 25, 2017 – April 25, 2018 (1st term) - April 25, 2018 to the present (2nd term) - June 30, 2017 to the present - June 30, 2017 to the present
3. Mr. Arkarapol Leelaprachakul	<ul style="list-style-type: none"> - Director 	<ul style="list-style-type: none"> - June 28, 2017 to the present
4. Mr. Ekbordin Leelaprachakul	<ul style="list-style-type: none"> - Director 	<ul style="list-style-type: none"> - June 28, 2017 to the present
5. Miss Duenpun Leelavivat	<ul style="list-style-type: none"> - Director - Risk Management Committee 	<ul style="list-style-type: none"> - February 1, 2017 to the present - June 30, 2017 to the present
6. Mrs. Pornpun Hirunlap	<ul style="list-style-type: none"> - Director - Nomination and Remuneration Committee - Independent Director 	<ul style="list-style-type: none"> - February 1, 2017 to the present - June 30, 2017 to the present - January 31, 2017 to the present
7. Mr. Kulawachara Bhurichayawarodom	<ul style="list-style-type: none"> - Director - Chairman of the Risk Management Committee - Audit Committee - Independent Director 	<ul style="list-style-type: none"> - December 24, 2015 - 25 April 25, 2018 (1st term) - April 25, 2018 to the present (2nd term) - June 30, 2017 to the present - December 24, 2015 to the present - December 24, 2015 to the present

List	Position	Date of appointment as a director
8. Mr. Athapon Tangkaravakoon	<ul style="list-style-type: none"> - Director - Audit Committee - Independent Director 	<ul style="list-style-type: none"> - December 24, 2015 - 25 April 25, 2018 (1st term) - April 25, 2018 to the present (2nd term) - December 24, 2015 to the present - December 24, 2015 to the present

Mrs. Sunee Jantaroton is acting as the Company Secretary.

To note, all directors have passed and have been certified the Director Accredited Program (DAP) from the Thai Institute of Directors (IOD).

Note:

1. The Extraordinary General Meeting of Shareholders no. 6/2015 on 24th December 2015 resolved to appoint 3 additional directors, namely Mr. Pitipat Thitasirinant, Mr. Kulawachara Bhurichayawarodom and Mr. Athapon Tangkaravakoon as directors / audit committee / independent director, and Mr. Pitipat Thitasirinant acting as the Chairman of the Audit Committee. The registration date of the change of director with the Department of Business Development is effective from 14 January 2016 onward.
3. The Extraordinary General Meeting of Shareholders no. 1/2017, on 31 January 2017, resolved to appoint 2 additional directors, namely Miss Miss Duenpun Leelavivat and Mrs. Pornpun Hirunlap as directors. The appointment is effective from 1st February 2017 onwards. The registration of the change of director with the Department of Business Development was completed on 1st February 2017
4. The Extraordinary General Meeting of Shareholders no. 2/2017 on 12 June 2017 resolved to appoint 2 additional directors, namely Mr. Arkarapol Leelaprachakul and Mr. Ekbordin Leelaprachakul as directors in place of the 3 former directors, namely Mr. Weerapol Leelaprachakul, Mrs. La-or Leelaprachakul and Mrs. Wilai Leelaprachakul, effective from the date of registration of the change of director with the Department of Business Development on 28th June 2017 onwards.
5. The Board of Directors Meeting no. 1/2017 (after the Company being transformed into a public company) on 30th June 2017 resolved to appoint the Nomination and Remuneration Committee, namely Mr. Pitipat Thitasirinant, Mrs. Pornpun Hirunlap and Mr. Tchakorn Leelaprachakul, with Mr. Pitipat Thitasirinant is the chairman.
6. The Board of Directors Meeting no. 1/2017 (after the Company being transformed into a public company) on 30th June 2017 approved the appointment of the Risk Management Committee, namely, Mr. Kulawachara Bhurichayawarodom, Mrs. Duenphun Leelavivat and Mr. Mr. Tchakorn Leelaprachakul, and the Committee is chaired by Mr. Kulawachara Bhurichayawarodom.
7. Information in details on the executives appears in the section “Executives, Committee, and Secretary of Thai Mui Corporation Public Company Limited”.

Director authorized to bind the company

Mr. Tchakorn Leelaprachakul signed with Mr. Arkarapol Leelaprachakul or Mr. Ekbordin Leelaprachakul, to form the joint signature and affixed with the company's seal.

Board of Directors Meeting

Meeting attendance of the Board of Directors for the year 2016 - 2018, details as follows:

Participants	Number of meetings / all meetings		
	2016	2017 ¹	2018
1. Mr. Tchakorn Leelaprachakul	7/7	10/10	5/5
2. Mr. Arkapol Leelaprachakul	-	5/5	5/5
3. Mr. Ekbordin Leelaprachakul	-	5/5	5/5
4. Mr. Pitipat Thitasirinant	7/7	10/10	5/5
5. Mr. Kulawachara Bhurichayawarodom	7/7	10/10	5/5
6. Mr. Athapol Tangkarawakul	7/7	7/10	3/5
7. Miss Duenpun Leelavivat	-	7/9	4/5
8. Mrs. Pornpun Hirunlap	-	2/9	3/5

Note 1. Miss Duenpun Leelavivat and Mrs. Mrs. Pornpun Hirunlap were recently appointed as the directors from the Extraordinary General Meeting of Shareholders no. 1/2017 on 31st January 2017. Mr. Arkapol Leelaprachakul and Mr. Ekbordin Leelaprachakul were appointed as the Board of Directors from the Extraordinary Meeting no. 2/2017 on 12th June 2017. Therefore, the total number of meetings is not equal to that of other directors.

Authority, duties, and responsibilities of the Board of Directors

The Board of Directors has the following duties and responsibilities.

1. With honesty and care, the duties and responsibilities of the Board of Directors lie in the management and the operations of the company so that they comply with laws, objectives, regulations of the Company, along with the resolution of the shareholders' meeting, for the Company's benefits.
2. The Board of Directors shall arrange a Board meeting at least once every 3 months.
3. The Board of Directors shall arrange to have, in the auditor's audited version, a balance sheet and profit and loss statement of the Company at the end of the accounting period of the Company and presented to the shareholders' meeting for consideration and approval.
4. The Board of Directors shall set goals, guidelines, policies, business plans, the Company's budget. Also, they shall monitor and supervise, manage the operation to be in accordance with the policies, plans and budgets to make the operation efficient and effective.
5. The Board of Directors shall review, appraise, evaluate, and approve policies, directions, strategies, business plans of the Company proposed by the management.

6. The Board of Directors shall continuously monitor the operation to be in accordance with the plan and budget.
7. The Board of Directors shall lead the company to have an appropriate and efficient accounting system, provide a reliable financial reporting and auditing, and provide adequate and appropriate internal control systems and internal audit systems.
8. The Board of Directors shall consider the formulation of risk management policies to cover the entire organization and supervise to manage risk under the proper process and control systems to reduce the impact on the business of the company appropriately.
9. The Board of Directors shall consider the management structure and is fully empowered to appoint sub-committees, Chief Executive Officer, and other subcommittees as appropriate, as well as determine the scope of authority of such person.

In this regard, the delegation of authority under the scope of the specified authority shall not act as an attorney that makes the sub-committee Chief Executive Officer and various committees can consider and approve any transactions that may have conflicts, interests or conflicts of interest with the Company or subsidiaries (if any) except for approval of transactions that are in accordance with the policies and criteria approved by the Board of Directors.

10. The Board of Directors shall prepare the annual report of the Board of Directors and be responsible for the preparation and the disclosure of financial statements in order to reflect the financial status and operating results of the previous year. The Board of Directors shall also present the information to the shareholders' meeting for consideration and approval.
11. The Board of Directors may authorize one or more directors or any other person to perform any act on behalf of the Board of Directors under the control of the Board of Directors or may authorize such person to act as the Board per deem appropriate and within the period of time while the Board of Directors may cancel, revoke, change or amend such authorization when appropriate.

However, the authorization must not be empowered to allow such person to consider and approve the item in which he or the person may have a conflict or the conflicts of interest in any other manner that will be made with the company or subsidiaries (if any) as defined in the Capital Market Supervisory Board announcement and / or the Stock Exchange of Thailand and / or any other announcements of relevant agencies except for approval of items that are in accordance with the policies and criteria approved by the Board of Directors.

The Audit Committee

As of December 31, 2018, the Audit Committee consists of 3 members as follows:

Name	Position
1. Mr. Pitipat Thitasirinant	Chairman of the Audit Committee
2. Mr. Kulawachara Bhurichayawarodom	Audit Committee
3. Mr. Atthapol Tangkarawakul	Audit Committee

Note 1. Mr. Kulawachara Bhurichayawarodom is an audit committee with knowledge and experience in reviewing the reliability of financial statements.

2. Mrs. Sunee Jantarotorn is the secretary of the Audit Committee.

Report of the Audit Committee

- The Audit Committee shall report the performance to the Board of Directors in the Board of Directors meeting
- In performing the duties of the Audit Committee, if found or suspected of having the following transactions or actions Which may have a significant impact on the financial position and operating results of the Company the Audit Committee shall report to the Board of Directors of the Company. In order to proceed with rectification within the time that the Audit Committee deems appropriate

(1) List of conflicts of interest

(2) Corruption or irregularities or any significant defects in the internal control system

(3) Violation of the law or any requirements of the Stock Exchange of Thailand and other related laws

In case the Audit Committee has reported to the Board of Directors on the significant impact regarding the financial status and operating results and have discussed together with the Board of Directors and the management that they must continue to improve at the end of the specified time, if the Audit Committee finds that there is no reason to ignore such action, any audit committee member may report such findings directly to the Securities and Exchange Commission and the Stock Exchange of Thailand

Audit Committee Meeting

Attendance of the Audit Committee meeting for the year 2016 - 2018, details as follows

Participants	Number of meetings / all meetings		
	2016	2017	2018
1. Mr. Pitipat Thitasirinant	5/5	6/6	4/4
2. Mr. Kulawachara Bhurichayawarodom	5/5	6/6	4/4
3. Mr. Atthapol Tangkarawakul	5/5	4/6	1/4

Note: The numbers show the number of times that the directors attend the meeting per the number of meetings.

Authority, duties and responsibilities of the Audit Committee

1. to review the company's accurate and adequate financial reports
2. To review the company's appropriate and effective internal control system and internal audit system. And consider the independence of the internal audit unit as well as approving the appointment, transfer and dismissal of the head of the internal audit department or any other agency responsible for internal audit.
3. To review the company to comply with the Securities and Exchange Act, Stock market requirements and laws related to the business of the company.
4. To consider, select and propose the appointment of an independent person to act as the Company's auditor and to offer compensation for such person including attending meetings with auditors with no management team attending the meeting at least 1 time per year
5. To consider the connected transactions or transactions that may have conflicts of interest to comply with the laws and regulations of the Stock Exchange of Thailand in order to ensure that such transactions are reasonable and for the best benefit of the Company
6. To consider the connected transactions or transactions that may have conflicts of interest to be in accordance with the laws and regulations of the Stock Exchange of Thailand in order to ensure that such transactions are reasonable and for the best benefit of the Company. To prepare the report of the Audit Committee disclosed in the annual report of the company which the report must be signed by the Chairman of the Audit Committee And must contain at least the following information
 - (A) Opinions on the accuracy, completeness and reliability of the Company's financial reports
 - (B) Opinions on the adequacy of the Company's internal control system
 - (C) Opinions on compliance with the Securities and Exchange Act Stock market requirements or laws related to the business of the company
 - (D) Opinions about the suitability of the auditor
 - (E) Opinions on transactions that may have conflicts of interest
 - (F) Number of Audit Committee meetings and the attendance of each member of the Audit Committee

(G) The overall opinion or observation that the Audit Committee received from performing duties in accordance with the Charter

(H) Other items that shareholders and general investors should know under the scope of duties and responsibilities assigned by the Board of Directors

7. To perform any other tasks as the Board of Directors of the Company assigned with approval from the Audit Committee

Nomination and Remuneration Committee

As of December 31, 2018, the Nomination and Remuneration Committee consists of 3 directors as follows:

Name	Position
1. Mr. Pitipat Thitasirinant	Chairman of the Nomination and Remuneration Committee
2. Mr. Tchakorn Leelaprachakul	Nomination and Remuneration Committee
3. Mrs. Pornpun Hirunlap	Nomination and Remuneration Committee

Note 1. The Board of Directors' Meeting (After being transformed into a public company) No. 1/2017 on 30 June 2017 resolved to appoint the Nomination and Remuneration Committee of the Company. Which includes Mr. Pitipat Thitasirinant, Mr. Tchakorn Leelaprachakul and Mrs. Pornpun Hirunlap, with Mr. Pitipat Thitasirinant Being the Chairman of the Nomination and Remuneration Committee

Nomination and Remuneration Committee Meeting

Meeting attendance of the Nomination and Remuneration Committee for the year 2016 - year 2018, details as follows

Participants	Number of meetings / all meetings		
	2016 ²	2017 ²	2018 ¹
1. Mr. Pitipat Thitasirinant	-	-	3/3
2. Mr. Tchakorn Leelaprachakul	-	-	3/3
3. Mrs. Pornpun Hirunlap	-	-	3/3

Note 1. The numbers show the number of times that the directors attend the meeting per the number of meetings.

2. In 2016 - 2017, the Company did not hold a meeting of the Nomination and Remuneration Committee.

Authority, duties and responsibilities of the Nomination and Remuneration Committee

1. Suggest the structure, size and composition of the Board of Directors and various sub-committees as well as prescribe the rules and policies and guidelines for the nomination of candidates for directors and various sub-committees.

2. Recruit candidates with appropriate qualifications and in accordance with the law and the Company's policy and consider the selected candidates to be appointed as directors, sub-committee, and Chief Executive Officer to be presented to the Board of Directors meeting and / or the shareholders' meeting in the event of a vacancy.
3. Consider the remuneration policies, both monetary and non-monetary, for the Board, sub-committee, and Chief Executive Officer to be appropriate by taking into account the operating results of the Company and the compensation of other companies in the same industry to be presented to the Board of Directors and / or the shareholders' meeting of the Company for further approval.
4. Give opinions in case of the Company offers newly issued securities for sale of to directors, executives or employees of the Company.
5. Perform other tasks as assigned by the Board of Directors.

Risk Management Committee

As of December 31, 2018, the Risk Management Committee consists of 3 members as follows:

Name	Position
1. Mr. Kulawachara Bhurichayawarodom	Chairman of the Risk Management Committee
2. Mr. Tchakorn Leelaprachakul	Risk Management Committee
3. Miss Duenpun Leelavivat	Risk Management Committee

Note 1. The Board of Directors' Meeting no. 1/2017 on 20 January 2017 resolved to appoint the Risk Management Committee of the Company, consisting of Mr. Kulawachara Bhurichayawarodom, Mr. Tchakorn Leelaprachakul and Miss Duenpun Leelavivat, with Mr. Kulawachara Bhurichayawarodom as the Chairman of the Risk Management Committee.

Risk Management Committee Meeting

For the attendance of the Risk Management Committee meeting for the year 2016 - 2018, details as follows.

Participants	Number of meetings / all meetings		
	2016	2017	2018
1. Mr. Kulawachara Bhurichayawarodom	-	-	-
2. Mr. Tchakorn Leelaprachakul	-	-	-
3. Miss Duenpun Leelavivat	-	-	-

- Note 1. The numbers show the number of times that the directors attend the meeting per the number of meetings.
2. In 2016 - 2018, the Company had not yet held a meeting of the Risk Management Committee.

Authority, duties and responsibilities of the Risk Management Committee

1. Establish risk management policies, the level of acceptable risk (Risk Appetite), and the highest risk level that the organization will accept (Risk Tolerance) and present the risk management policies to the Board of Directors for approval. The policies must cover various types of risks both external and internal ones.
2. Formulate strategies and action plans for risk management in accordance with the risk management policy. Also, assess possible threat, monitor the amount of risk , and manage major risks of the Company to be at the acceptable level previously determined by the organization.
3. Control, monitor, examine, evaluate risks. Manage and supervise so that the Company complies with the risk management policy, set by the Company and the rules set by the supervisor.
4. Review the risk management report and proceed to ensure that the organization has appropriate risk management, adequate policy, and risk management systems that are effective and complying with the risk management guidelines.
5. Consider improvement and comment on various policies, plans and risk management processes, then propose to the Board of Directors for approval.
6. Report the risk status of the Company, completed with guidelines for improvement, and the results of operations to the Board of Directors every quarter.
7. Perform other duties as assigned by the Board of Directors from time to time.

Executive Committee

As of December 31, 2018, the Executive Committee consists of 3 members as follows:

Name	Position
1. Mr. Tchakorn Leelaprachakul	Chief Executive Officer
2. Mrs. Sarinrath Leelaprachakul	Executive Director
3. Mrs. Sunee Jantarotorn	Executive Director

note

1. The Board of Directors meeting (after the Company was transformed into a public company) no. 1/2017 on June 30, 2017, resolved to appoint 2 additional executive directors, namely, Mrs. Sarinrath Leelaprachakul and Mrs. Sunee Jantarotorn as executive directors, with Mr. Tchakorn Leelaprachakul as the Chief Executive Officer.

In addition, from January 2017 - August 2017, the Company hired 2 consultants, namely Mrs. La-or Leelaprachakul as a business consultant and Mrs. Wilai Pinkriangkrai as a financial and accounting consultant. However, since September 2017 onwards, the Company has terminated the employment of both consultants. From July 2017 - December 2018, the Company appointed Mr. Weerapol Leelaprachakul to be the Strategic Business and Marketing Consultant to provide advice on strategy formulation, expansion of potential markets, help build good relationships with regular and existing customers, and help coordinate with the manufacturers. In this regard, the consultant has also given advice on the quality of production of the manufacturer, and etc. During the time of employment, the said advisor did not participate in the management or attend meetings in various committees of the Company in any way. For this transaction, it is declared in the section of Related Party Transactions.

Executive Committee Meeting

The details on meeting attendance of the Executive Committee for the year 2016 - year 2018 are as follows.

Participants	Number of meetings / all meetings		
	2016	2017	2018
1. Mr. Tachakorn Leelaprachakul	4/4	4/4	14/14
2. Mrs. Sarinrat Leelaprachakul	-	4/4	14/14
3. Mrs. Sunee Chantaroton	-	4/4	14/14

Note 1. The numbers show the number of times that the directors attend the meeting per the number of meetings.

2. Mrs. Sarinrath Leelaprachakul and Mrs. Sunee Jantarotorn were recently appointed by the Board of Directors (after the Company was transformed into a public company) no. 1/2017 on 30 June 2017. Therefore, there is no record of attendance at the Executive Board meetings in 2016.

Authority, duties and responsibilities of the Executive Committee

1. Consider the management's proposal and present the goals, policies and business plans, and the Company's annual budget to the Board of Directors for approval.
2. Control, supervise, and monitor the Company's performance to be in keeping with the policies, goals, business plans, business strategies, the budget, and various executive powers as earlier approved by the Board of Directors.
3. Consider and approve the normal business transactions of the Company, with the credit line for each transaction to be in keeping with the pre-approved signature authority table earlier approved by the Board of Directors.
4. Consider and approve investment; determine the investment budget according to the signature authority table approved by the Board of Directors.

5. Consider new business operations or the termination of any business of the Company to be presented to the Board of Directors meeting.
6. Present the organization structure that is suitable for the operation of the Company to the Board of Directors for approval.
7. Consider and approve the budget for salary increase or annual salary adjustment and annual payouts (bonuses) for the Company's and its subsidiaries' all employees but the CEO.
8. Authorize one person or several persons to perform any action, under the control of the Executive Committee or authorize such person to have the level of authority and within the time as the Executive Committee deems appropriate. The Executive Committee may cancel, revoke, change or amend the authorized person or that authorization as appropriate.
9. From time to time, perform other duties as assigned by the Board of Directors.

Nevertheless, the authorized delegation of the Executive Committee shall not act as an attorney or approve the transaction that he or the person may have conflicts of interest (according to the definition of the Capital Market Supervisory Board and / or the Stock Exchange of Thailand and / or the relevant agencies to determine) or may have any conflict of interest with the Company or its subsidiaries and / or related companies. The Executive Committee does not have the authority to approve such actions. The matter must be proposed to the Board of Directors and / or the shareholders' meeting for prior approval. Except for approval of transactions that are in accordance with normal business and normal trading conditions which are in accordance with the notifications of the Capital Market Supervisory Board and / or the Stock Exchange of Thailand and / or related agencies.

Management

As of December 31, 2018, the Company has 10 executives as follows:

Name	Position
1. Mr. Tchakorn Leelaprachakul	Chief Executive Officer
2. Mrs. Sarinrath Leelaprachakul	Chief Financial Officer
3. Mr. Arkarapol Leelaprachakul	Bangkok Sales Director
4. Mr. Roengsak Kaewsa-art	Sattahip Sales Director
5. Mrs. Sunee Jantarotorn	Finance and Accounting Director
6. Mr. Thanapong Sakulpipat	Purchasing Director
7. Mr. Ekbordin Leelaprachakul	Assistant Director of Special Product Sales
8. Mrs. Wanna KijSomwang	Storefront manager
9. Mr. Amnat Muangcharoen	Factory manager
10. Mr. Krid Leelaprachakul	Marketing manager

Note: Mrs. Sunee Jantarotorn is assigned to prepare the account for the Company.

Mr. Tchakorn Leelaprachakul as Chief Executive Officer and Mrs. Sarinrath Leelaprachakul as Chief Financial Officer are having a relationship as a husband and wife. This may cause risks on transparency in business operations. However, in approving the entering into various transactions of the Company, the authority and the limited scope of approval of the Chief Executive Officer and the Chief Financial Officer has been defined in various matters as appropriate. For the transaction with highest monetary amount or value, every item must be considered and approved by the Executive Committee and / or the Board of Directors. In addition, the Chief Financial Officer has not been granted the authority to approve the purchase of goods, services, raw materials for production to sell or service to customers in any way. Likewise, the Chief Financial Officer is not designated as a person authorized to sign with the bank. Therefore, the Audit Committee is of the opinion that the Company has already provided an adequate internal control system or measures to prevent such risks.

Authority, duties and responsibilities of the Chief Executive Officer

1. Control the operation and / or daily management of the Company.
2. Prepare policies, business plans, business strategies, and the annual budget of the Company to propose to the Executive Committee and the Board of Directors of the Company for further approval.
3. Supervise the operation of the Company to be in accordance with policies, plans and budgets earlier approved by the Board of Directors including checking, monitoring and evaluating the performance of the Company to fulfill the specified policies. Dutifully report management performance such as operation progress to the Executive Committee, the Audit Committee and the Board of Directors.
4. Consider and approve the operations that are normal business transactions of the Company, as identified by the investment budget approved by the Board of Directors. The credit line for each transaction is as specified in the signature authority table approved by the Board of Directors. Yet, the amount should not exceed the annual budget approved by the Board of Directors.
5. Consider and approve spending in the normal business operations of the Company. According to the budget pre-approved by the Board of Directors and according to the authority approved by the Board of Directors
6. Approve manpower rates, employment, staffing, determination of wages, compensation and bonuses and appointment, transfer of employees; Consider duties and responsibilities of each unit and position, for every position under the department director.

7. Issue orders, regulations, announcements and memorandums for effective operations as identified in the Company's policy, including maintaining discipline within the organization.
8. Coordinate with the Head of the Internal Audit and the Internal Audit Committee to ensure that the business operations and risk management of the Company are in accordance with the objectives, policies, regulations, and good governance of the Company.
9. For the benefit and efficiency of good and transparent management, appoint committees or working groups; authorize one person or several persons to perform any action under the control of the Chief Executive Officer or may authorize such person to have the authority and within the period of time as the Chief Executive Officer deems appropriate. The Chief Executive Officer may cancel, revoke, change or amend the authorized person or that authorization as appropriate.
10. Perform other duties as assigned by the Executive Committee or the Board of Directors.

Nevertheless, the authorized delegation of the Executive Committee shall not have the power of attorney or approve the transaction that he or the person may have conflicts of interest (according to the definition of the Capital Market Supervisory Board and / or the Stock Exchange of Thailand and / or the relevant agencies to determine) or may have any conflict of interest with the Company or its subsidiaries and / or related companies. The Executive Committee does not have the authority to approve such actions. The matter must be proposed to the Board of Directors and / or the shareholders' meeting for (depending on the case) prior approval. Except for approval of transactions that are in accordance with normal business and normal trading conditions which are in accordance with the notifications of the Capital Market Supervisory Board and / or the Stock Exchange of Thailand and / or related agencies.

Company Secretary

The Board of Directors Meeting (after the Company was converted to a public company) no. 1/2017 on June 30, 2017 approved the appointment of Mrs. Sunee Chantaroton as the Company Secretary. According to the provisions of Section 89/15 of the Public Company Act BE 2535. The Secretary shall work with responsibility, carefulness, honesty, and law compliance in keeping with the objectives, regulations of the Company, resolutions of the Board of Directors Meeting and the shareholders' meeting. The roles, duties and responsibilities are the following.

The Company Secretary must perform duties with responsibility, carefulness and honesty according to the Securities and Exchange Act (no. 4) BE 2551 which has especially defined roles, duties and responsibilities for the Company Secretary as follows:

- 1) Prepare and maintain the following documents:

- (A) Registration of directors,
 - (B) Notice of the Board of Directors Meeting, meeting minutes, and the annual report of the Company
 - (C) Notice of shareholders meeting and meeting minutes.
- 2) Maintain the Stakeholder Report or Related Party Transaction Report, reported by the director or executive.
 - 3) Submit a copy of Stakeholder Report or Related Party Transaction Report according to the Section 89/14 to the Chairman of the Board and the Chairman of the Audit Committee within 7 business days from the date that the Company received the report. The Company must provide a document storage system with any evidence related to information displayed to be the correct, complete and valid. Supervise and archive the document to keep within a period of not less than 10 years from the date that such documents or information are prepared.
 - 4) Perform other activities as specified by the Capital Market Supervisory Board.

Recruitment and Appointment of Directors and Senior Management

1) Director

The Nomination and Remuneration Committee will consider the nomination of the Board of Directors by qualifications and propose to the Board of Directors 'meeting and / or the shareholders' meeting in which the election of the Company's directors shall be made and approved. The criteria for the selection are the following:

1. Each shareholder has votes equal to 1 share per 1 vote.
2. In the election of directors, the voting method may be used to elect one or several directors at a time depending on what the shareholders' meeting sees suitable. However, each shareholder cannot divide their votes in the election of directors.
3. The person receiving the highest score in descending order will be elected as a director equal to the number of directors that should be or should be elected at that time. In the event that there are more than one person elected with equal votes for the particular order, in excess of the number of directors to be elected or elected at that time, the director shall be chosen by casting lot.
4. In accordance with the company's regulations, the Board of Directors is responsible for the term of office of directors. For example, at every annual general meeting of shareholders, one-third (1/3) of the number of directors shall retire from office at that time. If the number of

directors cannot be divided into exactly three parts, the number should be the number closest to one third (1/3) of the directors. Those who vacate office may be chosen to return to the position again.

5. In addition to vacating office at the end of the term, Directors vacate office when he or she
 - (A) dies;
 - (B) resigns;
 - (C) lacks the qualifications and develops prohibiting characteristics under the law on public companies or securities and exchange laws;
 - (D) is expired before the end of term by the resolution issued by the shareholders' meeting, with a vote of not less than three-fourths (3/4) of the number of shareholders attending the meeting and having a total of not less than half of the shares held by the shareholders attending the meeting and having voting rights; or
 - (E) is ordered by the court.
6. Any director who will resign from the position shall submit a resignation letter to the Company. The resignation will be effective from the date the resignation letter reaches the Company.
7. The director who resigns under the first paragraph of number 6 may also notify his resignation to the registrar.
8. In the event that the position of the director is vacant due to reasons other than the expiration of the term, the Committee may choose the person with the qualifications and with no prohibited characteristics under the law on public limited companies or securities and exchange laws to become a director in the next board meeting unless the term of that director is less than two (2) months. The person who is appointed as the replacement director will be in the position for the remaining term of the expiring director. The resolution of the committee under the first paragraph shall consist of votes of not less than three-fourths (3/4) of the remaining directors.

2) Independent Director

The Nomination and Remuneration Committee will consider the qualifications and nomination, according to the Securities and Exchange Act, notifications of the Securities and Exchange and Commission Capital Market Board, other announcements, regulations and related regulations, of independent directors and present to the Board of Directors for approval. The number of independent directors must be at least one-third of the total number of directors and not less than 3 persons.

Qualifications of Independent Directors are as follows:

1. Holding shares not more than 1 percent of the total voting rights of the Company including that of parent company, subsidiary company, associated company, major shareholder or the person having control power of the company, as well as counting that of the related person of that independent director.
2. Not being or used to be a Director who is involved in the management of work, employees, consultants who receive regular salary or controlling person of the company, parent company, subsidiary company, associated company, same-level subsidiary, related to that of major shareholder or of the controlling person of the company unless he has been terminated for not less than 2 years prior to the date of being appointed as an independent director. However, this restriction is not applied to a consultant of government agencies which are major shareholders or the controlling person of the Company.
3. Not having a blood relationship with or by legal registration in the form of father, mother, spouse, sibling, and child, including spouse of the children of other directors, executives, major shareholders, controlling person or the person who will be nominated as a director, executives or authorized persons of the Company or its subsidiary.
4. Not having a business relationship with the Company, parent company, subsidiary company, associate company or being major shareholder or the controlling person of the Company in a manner that may interfere with his independent judgment. Not being or having been a significant shareholder, the controlling person, or having had business relationship with the Company, parent company, subsidiary company, associate company, major shareholder or the controlling person of the Company unless he/she has been terminated for not less than 2 years before the date of appointment as an independent director.
5. Not having any business relationship including making commercial transactions both normal business operations such as renting or renting real estate, assets or services and giving or receiving financial assistance by accepting or lending loans, guaranteeing assets as collateral for liabilities or other similar circumstances resulting in the Company or the counterparty has a debt obligation of more than 3% of the net tangible assets of the Company or from 20 million baht or more. However, the calculation of such debt burden shall be in accordance with the method of calculating the value of related party transactions in accordance with the Notification of the Capital Market Supervisory Board Re: Rules on Related Party Transactions mutatis mutandis. However, the calculation of debt burden takes into account the amount of debt incurred during 1 year before the date of such business relationship.

6. Not being or having been an auditor of the Company, parent company, subsidiary company, associate company, major shareholder or the controlling person of the company and not being a significant shareholder controlling person or partner of the audit office which has the auditor of the company, the parent company, subsidiary company, associate company, major shareholder or the controlling person of the Company under the jurisdiction of the Company, unless he has been terminated for not less than 2 years before the date of appointment as an independent director.
7. Not being or having been a professional service provider as a legal advisor or financial advisor with the service fees in excess of 2 million baht per year from the Company, its parent company, subsidiary company, associated company, major shareholder or the controlling person of the Company. Not being a significant shareholder, controlling person or a partner of that professional service provider unless he/she has been terminated for not less than 2 years before the date of appointment as an independent director.
8. Not being a director appointed as a representative of the Company's directors, major shareholder, or shareholders who are related to major shareholders.
9. Not operating a business that has the same conditions and is a significant competition with the business of the Company or its subsidiary. Neither being a significant partner in limited partnership nor being a director who is involved in the management of employees, is an employee, a consultant who receive regular salary or is holding more than 1% of the total voting rights of other companies which operate a business that has the same conditions and is a significant competition with the business of the Company or its subsidiary.
10. There is no other condition that makes it impossible to give independent opinions about the operations of the Company.

3) Audit Committee

The Nomination and Remuneration Committee will consider qualifications and the nomination of the Audit Committee and propose to the Board of Directors for approval. The details of the Audit Committee are as the following:

1. The Audit Committee consists of at least 3 independent directors.
2. The Audit Committee has the skills and expertise suitable to the assigned mission. At least 1 audit committee member must have knowledge, understanding or experience in accounting or finance.

3. The Board of Directors of the Company selects and appoints one Audit Committee member to be the Chairman of the Audit Committee.

Qualifications of Members of the Audit Committee are as follows:

1. Be appointed by the Board of Directors of the Company;
2. Have qualifications as specified in the public law, Securities and Exchange Act and SET regulations;
3. At least 1 member of the Audit Committee must be knowledgeable in accounting and finance.
4. Audit Committee members must be independent directors and possess the qualifications as independent directors as follows:
 - 1) Holding shares not more than 1 % of the total number of shares with voting rights of the Company, parent company, subsidiary company, associated company, major shareholder or the controlling person of the company, including the shareholding of the related person of that independent director;
 - 2) Not being a director who is involved in the management of work, is an employee, a consultant who receives regular salary or is the controlling person of the Company, parent company, subsidiary company, associated company, same-level subsidiary, major shareholder, or of the controlling person of the Company unless he/she has been terminated for not less than 2 years before being appointed to be an independent director. However, this restriction is not applied to a consultant of government agencies which are major shareholders or the controlling person of the Company.
 - 3) Not having a blood relationship with or by legal registration in the form of father, mother, spouse, sibling, and child, including spouse of the children of other directors, executives, major shareholders, controlling person or the person who will be nominated as a director, executives or authorized persons of the Company or its subsidiary.
 - 4) Not having or having a business relationship with the Company, parent company, subsidiary company, associate company, major shareholder or the controlling person of the Company in a manner that may interfere with his independent judgment. Not being or having been a significant shareholder or the controlling person who has business relationship with the company, parent company, subsidiary company, associate company, major shareholder or the controlling person of the Company unless he/she has been terminated from the aforementioned position for at least 2 years before being appointed as an independent director.

- 5) Not being an auditor of the Company, parent company, subsidiary company, associate company, major shareholder or the controlling person of the Company and not being a significant shareholder, controlling person or partner of the audit office where there is no auditor of the Company, the parent company, subsidiary company, associate company, major shareholder or the controlling person working unless he/she has been terminated for not less than 2 years before being appointed as an independent director.
 - 6) Not being or having been a professional service provider as a legal advisor or financial advisor with the service fees in excess of 2 million baht per year from the Company, its parent company, subsidiary company, associated company, major shareholder or the controlling person of the Company. Not being a significant shareholder, controlling person or a partner of that professional service provider unless he/she has been terminated for not less than 2 years before the date of appointment as an independent director.
 - 7) Not being a director appointed as a representative of the Company's directors, major shareholder, or shareholders who are related to major shareholders.
 - 8) Not operating a business that has the same conditions and is a significant competition with the business of the Company or its subsidiary. Neither being a significant partner in limited partnership nor being a director who is involved in the management of employees, is an employee, a consultant who receive regular salary or is holding more than 1% of the total voting rights of other companies which operate a business that has the same conditions and is a significant competition with the business of the Company or its subsidiary.
 - 9) Not having any other characteristics that prevent him or her from giving independent opinions regarding the Company's operations. Being able to independently perform duties and express opinions or report the performance in accordance with the duties assigned without being under the control of the management, major shareholders of the Company including those involved or close relatives of such candidate,
5. Being a person who is generally acknowledged and accepted.
 6. Be able to devote sufficient time to perform the duties of the Audit Committee.

The term of the Audit Committee is as follows:

1. The Audit Committee shall hold office for a term of 3 years.
2. In addition to the retirement of the above term, the Audit Committee vacates office upon
 - (A) death,

- (B) resignation,
 - (C) lack of qualifications for being an audit committee according to this charter or the rules of the Stock Exchange of Thailand, and
 - (D) termination of the director position of the Company
3. Any member of the Audit Committee who would like to resign from the position shall submit a resignation letter to the Chairman of the Board of Directors, in writing at least 1 month in advance, together with the reasons and for the Board of Directors to approve. Then, the Company shall notify the Stock Exchange of Thailand of the resignation coupled with the copy of resignation. In the case that the entire Audit Committee vacates the office at the same time, it is required for that committee to maintain in the position until the new Audit Committee takes office.
4. In the event that the position of the Audit Committee is vacated for other reasons than the expiration of the term, the Board of Directors shall appoint a qualified person to be a member of the Audit Committee within 90 days for the audit committee to have the number as specified by the Board of Directors. The person who is appointed as an audit committee member is in the position only for the remaining term of the member whom he/she replaces.

4) Executive Directors

The Nomination and Remuneration Committee will consider qualifications and the nomination of executive directors and present to the Board of Directors for approval. The Executive Committee is responsible for considering various matters before presenting to the Board of Directors, managing the business in accordance with the policies, plans and goals set, and monitoring the implementation of various policies and guidelines for the management of the Company to be effective.

5) Risk Management Committee

The Nomination and Remuneration Committee will consider qualifications and the nomination of the Risk Management Committee and present to the Board of Directors for approval. The Risk Management Committee is responsible for determining the policy, the overall risk management structure, and guidelines for corporate risk management, including for regularly reporting risk management results to the Board of Directors.

6) High level executives

The Nomination and Remuneration Committee will consider the qualifications and the recruitment of Chief Executive Officer to ensure that the candidate is appropriate, knowledgeable, competent and has skills and experience that are beneficial to the operation of the Company. Then, the nomination is

proposed to the Board of Directors for approval. For other senior-level executives, the qualifications will be considered by the Chief Executive Officer.

Supervision of the Use of Internal Information

The Company has a policy for the acceptable use of internal information and monitors the use of such information by directors, executives and employees (including unmarried spouses) who are aware of the Company's information, with the following details.

1. Educate directors, executives, particularly those in accounting or finance positions, department managers or higher or equivalent, regarding the duty to prepare and submit reports of their securities holdings, their spouses', and their underage children's to the Securities and Exchange Commission under Section 59 and penalties under Section 275 of the Securities and Exchange Act BE 2535.
2. Request the directors and executives, particularly those in accounting or finance positions, department managers or higher or equivalent, to prepare and submit reports of their securities holdings, their spouses', and their underage children's (Form 59-1) to be passed to the Secretary of the Company prior to submitting to the Office of the Securities and Exchange Commission every time within 30 days from the date of being appointed as an executive director. Request the executive director to report of changes in securities holdings (Form 59-2) within 3 working days from the date of purchase, sale, transfer or acceptance of such securities transfers.
3. Request the directors and executives, particularly those in accounting or finance positions, department managers or higher or equivalent and related workers who learn of important inside information which may affect the price change of securities, to suspend trading of the Company's securities in the period before the public publishing and disclosure of the financial statements or the financial status of the Company. The Company will inform in writing the directors and executives as well as those holding executive positions in the accounting or finance field who are department managers or higher or equivalent to stop trading the Company's securities for at least 30 days in advance before the public disclosure of the information and to wait at least 24 hours after the disclosure to the public. They are also prohibited to disclose any important information to other people.
4. Determine disciplinary action if there is a violation of the use of internal information for personal gain, starting from written warnings, a cut on salary, temporary suspension of work

without receiving wages, or to leave the job. The punishment is determined by the intent of the action and the seriousness of the offense.

Commission Payment to Third Parties

In order to promote the sale and expansion of the Company's product sales, the company therefore allows the incentives for and the payment of referral fees to third parties who can recommend customers to the Company in return. However, in order to achieve transparency in business operations, the Company has control over the payment of referral fees to third parties through the preparation of a history of payment of job referral, a record of the recipient's history, the recommended work, and a contract for a job advisory service to the Company. The important details of the policy regarding commission payment for job recommendations are as follows.

1. The commission fees and payment is to be approved by the Chief Executive Officer Executive, the Executive Committee, and the Board of Directors, considering primarily the amount of sales.
 - a. In the case that the sales amount is not more than 5.00 million baht, the recommendation fee will not be more than 10.00% from the sales amount and must be considered and approved by the Chief Executive Officer.
 - b. In the case that the sales amount is not more than 10.00 million baht, the payment of recommendation fees will be from 10.00% or more but not more than 20.00% from the sales and it must be approved by the Executive Committee.
 - c. In the event that the sales amount is more than 10.00 million baht or the payment of the recommendation fee is more than from 20.00 percent or more from the value of the sales, the commission payment must be considered by the Board of Directors.
2. The commission payment will be paid to the referrer when the Company has already received the payment.
3. The Company will pay the recommendation fee in baht. If trading in foreign currency, the calculation of commission is to use the exchange rate of the government on the day the Company receives payment from customers.
4. The Board of Directors, Chief Executive Officer, Advisors and Company employees are not eligible to receive any referral or commission fees.

5. In the event that the Chief Executive Officer consider other fees for referral or advice service other than those specified in this policy, the payment is to be presented to the Board of Directors for approval on a case-by-case basis.

Remuneration for Directors and Executives

The Company has clearly and transparently determined the remuneration for directors in keeping with their roles and responsibilities for the Company. The suitability of the remuneration takes into account the maximum benefit to the Company and shareholders. The details are as follows:

1. Monetary Compensation

Board of Directors

The Board of Directors Meeting no. 1/2018 on 26th February 2018 has determined the remuneration of the directors with the following details.

Director position	Directors' remuneration (Baht)			
	2017		2018	
	Meeting fee per time	Monthly compensation	Meeting fee per time	Monthly compensation
Chairman ¹	15,000	-	15,000	-
Director	10,000	-	10,000	-
Independent Director	10,000	-	10,000	-
<u>Sub-Committee</u>				
Chairman of the Audit Committee	15,000	-	15,000	-
Audit Committee	10,000	-	10,000	-
Executive Director ²	-	-	-	-
Chairman of the Nomination and Remuneration Committee ³	-	-	15,000	-
Nomination and Remuneration Committee ³	-	-	10,000	-
Chairman of the Risk Management Committee ³	-	-	15,000	-
Risk Management Committee ³	-	-	10,000	-

note

1. The Extraordinary General Meeting of Shareholders no. 2/2017 approved the appointment of the new Chairman, namely Mr. Pitipat Thitasirinant, who is also the Chairman of the Audit Committee in place of the former chairman who resigned from the position, namely Mr. Weerapol Leelaprachakul. The meeting approved the new rate of remuneration and considered approving the remuneration of the Board of Directors by paying in the form of meeting fees as follows:

- Chairman, 15,000 baht per time
- Director and Independent Director 10,000 baht per time

However, the executive director will not receive remuneration as a director, both in the form of monthly salary and meeting allowance.

2. Executive directors are executives who receive all salaries and therefore do not set meeting allowances.
3. The Nomination and Remuneration Committee and the Risk Management Committee were appointed by the Board of Directors (After the Company was transformed into a public company) no. 1/2017 on 30th June 2017. Therefore, no remuneration had been set for the year 2017. However, the Company has the criteria for determining the remuneration of such subcommittees in the same manner as other faculties. The director or executive director who receives salary will not receive any meeting allowance. The Chairman of the Board and non-executive directors will receive meeting allowance of 15,000 and 10,000 baht per time respectively.

In 2017 - 2018, the Company paid remuneration in cash to the directors, with the details in the below table.

List of directors	Directors' remuneration			
	Year 2017 (Baht)		Year 2018 (Baht)	
	Director	Audit Committee	Director	Audit Committee
1. Mr. Tchakorn Leelaprachakul	-	-	-	-
2. Mr. Arkarapol Leelaprachakul	-	-	-	-
3. Mr. Ekbordin Leelaprachakul	-	-	-	-
4. Miss Duenpun Leelavivat	70,000	-	50,000	-
5. Mrs. Pornpun Hirunlap	20,000	-	70,000	-
6. Mr. Pitipat Thitasirinant ¹	150,000	-	135,000	60,000
7. Mr. Kulawachara Bhurichayawarodom ¹	100,000	-	60,000	40,000
8. Mr. Athapol Tangkarawakoon ¹	70,000	-	30,000	10,000
Total	410,000	-	345,000	110,000

Note: 1. In the year 2017, the company paid compensation to Mr. Pitipat Thitasirinant, Mr. Kulawachara Bhurichayawarodom, and Mr. Athapol Tangkarawakoon for the director position only. There was no compensation payment for the position of audit committee.

Management

In the year 2016 - 2018, the Company paid monetary compensation to executives with the following details.

Executive remuneration	2016		2017		2018	
	Number ¹ (Individual)	Remuneration (Baht)	Number ¹ (Individual)	Remuneration (Baht)	Number ¹ (Individual)	Remuneration (Baht)
Salary and bonus ⁴	7	8.40	9 ²	8.92	10 ³	11.64
Other ⁵	6	0.43	9 ²	3.05	10 ³	4.97
Total		8.83		11.97		16.61

Note:

1. Year 2016 and the first quarter of 2017, the Company has 7 executives, namely Mr. Weerapol Leelaprachakul, Mr. Tchakorn Leelaprachakul, Mrs. Sarinrath Leelaprachakul, Mrs. Sunee Jantarotorn, Mr. Arkarapol Leelaprachakul, Mr. EkBordin Leelaprachakul, and Mr. Thanapong Sakulpipat.
2. The Board of Directors Meeting no. 4/2017 on 11th May 2017 resolved to approve the reorganization of the Company. Hence, there are 9 executives, namely, Mr. Tchakorn Leelaprachakul, Mrs. Sarinrath Leelaprachakul, Mrs. Sunee Jantarotorn, Mr. Arkarapol Leelaprachakul, Mr. EkBordin Leelaprachakul, Mr. Thanapong Sakulpipat, Mr. Amnat Muangcharoen, Mrs. Wanna Kijsonwang, and Mr. Roengsak Kaewsart.
3. On March 1, 2018, the Company approved the appointment of Mr. Krid Leelaprachakul as Marketing Manager. Hence, there are 10 executives, including Mr. Tchakorn Leelaprachakul, Mrs. Sarinrath Leelaprachakul, Mrs. Sunee Jantarotorn, Mr. Arkarapol Leelaprachakul, Mr. EkBordin Leelaprachakul, Mr. Thanapong Sakulpipat, Mr. Amnat Muangcharoen, Mrs. Wanna Kijsonwang, Mr. Roengsak Kaewsart, and Mr. Krid Leelaprachakul
4. The Company pays the monetary compensation to the executives in the bonus section twice a year, divided into the 1st time during the Chinese New Year and the 2nd time before the Songkran festival every year.
5. Other remunerations, for example, include vehicle fees, medical expenses, position money.

The Company has hired Mr. Weerapol Leelaprachakul as a business and marketing strategic advisor since July 2017, with an agreement between 6 September 2017 to provide advice on determining the investment strategy to expand the market and to build good relationships with regular customers and existing customers of the Company. The Company pays remuneration to the consultants on a monthly basis, at the rate of 150,000 baht per month with other benefits such as medical expenses which can be withdrawn according to the actual cost but not more than 3 times of the monthly advisory fee or not more than 450,000 baht per year. For the renewal of the consultancy contract of Mr. Weerapol, the Company will get the foremost importance to the benefits the Company and will get the Audit Committee to consider and comment on such transactions, ensuring if such transaction is in line with the policies and procedures of related party transactions between the Company and individuals or juristic persons that

may have conflicts of interest. Then, the renewal is to be proposed to the Board of Directors meeting for further approval.

2. Number of personnel

As of December 31, 2018, the Company had a total of 182 employees (excluding 10 executives) divided into 151 regular employees and 31 daily employees.

Table showing details of the number of employees in each line from 2016 – 2018

Division	staff Number as of		staff Number as of		staff Number as of	
	December 31, 2016		December 31, 2017		December 31, 2018	
	Full-time (Monthly)	Daily	Full-time (Monthly)	Daily	Full-time (Monthly)	Daily
1. Accounting Department	7	-	7	-	7	-
2. Receivable Finance Department	9	-	8	-	9	-
3. Finance Department	5	-	5	-	5	-
4. Bangkok Sales Department	9	-	8	-	7	-
5. 5. Information Department	1	-	2	-	2	-
6. Store sales department	15	-	15	-	12	-
7. Sattahip Sales Department	32	12	34	4	42	6
8. 8. Purchasing Department	7	-	6	-	5	-
9. Human Resources Department	4	-	3	-	4	-
10. Department of Welfare and Administration	13	3	11	4	12	3
11. Store front department	3	4	5	1	5	2
12. Production and warehouse department	21	16	23	13	18	18
13. Quality Control Department	10	-	9	-	11	-
14. Samrong Shipping Department	12	2	10	3	12	2
15. Marketing Department	-	-	-	-	-	-
16. Special sales department	-	-	-	-	-	-
Total	148	37	146	25	151	31

Employee Compensation

The Company has paid compensation to employees (Excluding 10 executives) in various ways, including salary, bonus, provident fund contribution, and contributions to the social security fund, as the following details.

Table showing remuneration for employee compensation for 2016 - 2018

Employee compensation (Baht)	2016	2017	2018
Salary and bonus	42.96	40.29	39.16
Other ¹	12.41	10.44	14.30
Total	55.37	50.73	53.46

Remark 1. Other remunerations are, for instance, social security fund contribution, overtime pay, allowance, position money and diligent premiums.

3. Provident Fund

The Company has established a provident fund under the management of TISCO Asset Management Company Limited as a fund management company, according to the Provident Fund Act BE 2530 (including amendments) on March 1, 2016.

4. Significant changes in the number of employees over the past 3 years

-none-

5. Significant labor disputes over the past 3 years

-none-

6. Personnel development policy of the Company

The Company has a policy to enhance knowledge and develop the potential of employees' performance by organizing training within the Company and sending staff to train outside the Company with various agencies to promote skills, knowledge, and ability of employees.

Auditor's Remuneration

The Company paid compensation for the auditing of financial statements for the fiscal year 2016 - 2018 to DIA International Auditing Company Limited as follows.

Audit fee	2016	2017	2018
Compensation (Baht)	1,190,000 ¹	1,250,000 ²	1,350,000

- Note:
1. The 2016 Annual General Meeting of Shareholders on April 30, 2016 approved the appointment of the auditor and determined the auditor's remuneration in the amount of 1,090,000 baht. As of August 25, 2016, the Company agreed to pay additional compensation for the audit of the Company's information technology system in the amount of 100,000 baht.
 2. The Annual General Meeting of Shareholders for the year 2017, held on 28th April 2017, resolved to approve the appointment of the auditor and determined the auditor's remuneration in the amount of 1,250,000 baht.
 3. The Annual General Meeting of Shareholders for the year 2018, on April 25, 2018, approved the appointment of the auditor and determined the auditor's remuneration in the amount of Baht 1,350,000.

Corporate Governance Policy

The Company's emphasis on good corporate governance practice is in accordance with the principles set by the Stock Exchange of Thailand ("The Stock Exchange"). This indicates the Company's performance that is in line with the international standards with strengthened transparency and effective management, which will in turn build confidence for shareholders, investors, and all stakeholders alike. It is believed that this will lead to the stable progress and it is viewed as an effective tool to increase and promote the value of the Company's sustainable growth. The Company has set the rules and regulations in compliance with the Principles of Good Corporate Governance for Listed Companies, 2012, providing the guidelines that cover 5 principles of corporate governance, including:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Roles of Stakeholders
4. Information Disclosure and Transparency
5. Responsibilities of the Board of Directors

Section 1: Rights of shareholders

The Company has a policy to treat all shareholders equally and with impartiality. In accordance with the rules and regulations of the relevant authorities, the shareholders' meeting process is conducted openly, transparently, and fairly. Every shareholder is entitled to equal rights set out below.

1. The Company shall send meeting invitations together with supporting information for the meeting in regard to various agendas with specified objectives and reasons, together with the opinions of the Board of Directors for every and each agenda in order to allow shareholders to study the information in advance before the date of the shareholders' meeting. With respect to the time period prescribed by laws, notifications and other related regulations, the Company allows the shareholders to appoint an independent director or any other person to attend the meeting on their behalf, using the proxy form enclosed with the invitation letter, in the event that they are unable to attend the meeting in person.
2. The Company shall facilitate the equitable treatment of all shareholders in attending the meeting both in terms of the appropriate time and location.
3. In the shareholders' meeting, the meeting will consider and cast vote in keeping with the specified agenda without changing any important information or adding an agenda in an unexpected manner during the meeting. The Company shall also provide opportunities for shareholders to have equal rights in monitoring and inquiring, expressing opinions and suggestions on the operations of the Company. The Directors and related executives must attend the shareholders' meeting to answer any questions that may arise in the meeting.
4. The Company shall increase the channels for communication of the news for the shareholders via the company's website. By bringing various news and details on the Company's website, particularly the invitation to the shareholders' meeting, the Company

shall publish in advance the necessary information before the meeting date so that the shareholders can conveniently and completely download the meeting agenda and review all the relevant information.

5. All directors shall in unison attend the meeting to answer the questions from the shareholders.
6. The Company shall record the minutes of the meeting, including the questions, the suggestions, and the resolutions of the meeting and the number of votes that agree, disagree or abstain on each agenda in writing for the shareholders and related parties to check. There must also be the dissemination of the minutes of the meeting on the Company's website after the meeting has been completed and submitted to the Stock Exchange of Thailand within 14 days from the date of the shareholders' meeting.
7. The Company shall increase the convenience for shareholders to receive dividends by directly transferring the money to their relative bank accounts (if there is a dividend payment) in order to facilitate the receipt of dividend payment on time, preventing any problems that may arise from the damage, delay, or loss of checks sent.

Section 2: Equitable Treatment of Shareholders

The Company has a guideline for a fair and equal treatment of all shareholders including foreign shareholders, be they executives or not, be they major shareholders or minority shareholders, by setting and defining good practices as follows.

1. The Board of Directors gives all shareholders equal rights to monitor the operation of the Company in every shareholder meeting. The shareholders are able to ask fully and free to express their opinions and suggestions.
2. The Company shall facilitate the minority shareholders to be able to nominate directors or adding agenda to the meeting in advance of the shareholders' meeting. The Company must set clear rules in advance on methods allowing the minority shareholders to do so.
3. The Company shall provide convenience for shareholders who are unable to attend the meeting in person by allowing shareholders to appoint a person or any independent directors of the company to attend the meeting and vote on their behalf. The Company will propose at least 1 independent director in the notice or the invitation of the shareholders' meeting.
4. The meeting will be conducted in keeping with the Company's regulations and in the order of the meeting agenda for which the Company must provide sufficient and clear documents for consideration of each agenda, without adding further agenda not previously notified in advance, unless compulsory, especially for the critical agenda that shareholders may need time to study the information before making a decision.
5. The Company shall treat all shareholders equally whether they are major shareholders or minority shareholders, whether they are Thai or of foreign nationalities.

6. The Company shall make use of ballots for decision making on important items of the meeting's agenda such as selling or acquisition transactions, related party transactions to increase the transparency and trustworthiness.

Section 3: Roles of Stakeholders

The Company recognizes the importance of overseeing the internal stakeholders including shareholders and employees and external stakeholders including customers, partners, creditors, competitors, other agencies, and related communities. The stakeholders will be taken care of by the Company. According to the rights that are in accordance with relevant laws or the agreement with the Company, the Company will not violate the rights of those stakeholders. The Company has established policies and guidelines for various groups of stakeholders as stated below.

1. Policy guidelines for treatment of shareholders

The Company, along with its directors, has to conduct business with honesty, prudence, care and a broad vision, not seeking benefits for themselves and their kinfolk and not exploiting the confidential information of the organization that has not yet been disclosed to the public. The Company may not take any action which may instigate any conflicts of interest.

2. Policy guidelines for treatment of employees

The Company has a clear set of policy to treat employees fairly, to manage with unbiased judgement, to support the potential enhancement of work efficiency, to provide appropriate welfare, to treat employees with honesty, and to listen to comments and suggestions with kind understandings and sound logic. The Company shall also encourage the employees to understand the business ethics which they should follow.

3. Policy guidelines for treatment of customers

The Company has a policy to treat the customers according to the business ethics that the Company has strictly specified as follows:

- Treat customers fairly in terms of providing products and services and without discrimination;
- Do not disclose any information of the customers derived from any business operations. The information regarding the customers is to be reserved and not disclosed in any event, except where obliged by laws;
- Enable the customers to make complaints about the lack of products and services;
- Disclose accurate and complete information about products and services;
- Fairly comply with various terms and conditions agreed with customers. If not able to comply due to any adequate reasons, the Company and its staff must notify the customers and must together find a solution acceptable for both parties.

4. Policy guidelines for treatment of partners and / or creditors

The Company has a policy to treat business partners fairly by not claiming or receiving any benefits that cannot be justified by the partners. In case of not being able to comply with

any earlier agreed conditions, the Company and its staff shall promptly inform the partners in advance to find solutions.

5. Policy guidelines for treatments of competitors

The Company has a policy to treat competitors under the framework of fair competition and good rules, not seeking the confidential information of competitors in any dishonest manner.

6. Policy guidelines for treatment of the community, society and environment

The Company has a policy to comply with relevant laws and regulations. The Company shall operate the business with social responsibility by providing assistance and support and volunteering for activities that are beneficial to the community and society.

Section 4: Information Disclosure and Transparency

The Board of Directors has a policy to disclose only accurate, complete, and adequate financial and other information, related to the business and operating performance of the Company in a consistent and timely manner, reflecting the true financial status and entrepreneurship, as well as the future of the business of the Company.

The Board of Directors is committed to ensuring compliance with laws, regulations relating to information disclosure and transparency. The Company shall provide information on the Company's website, in both Thai and English, and through the media distribution channels Media of the Stock Exchange of Thailand, for shareholders and other related parties to learn about the company information thoroughly. The Company shall make changes in accordance with the guidelines of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. The Company shall also offer the service of investor relations officer to communicate with the investors, shareholders, institutional investors, and minority shareholders. The Company will regularly arrange a meeting to analyze the Company's performance and disseminate the corporate information, both financial and general information to shareholders, securities analyst, credit rating companies, and related government agencies via various channels, such as reporting to the SET Securities and Exchange Commission and the website of the Company. In addition, the Company also emphasizes the importance of regular disclosing information in both Thai and English so that shareholders receive regular news through the Company's website. On the website, the information on vision, mission, financial statements, press releases, annual report, the Company's structure and management, and the shareholding structure is always updated.

Moreover, the Company sees the significance of financial reports used in reflecting the actual financial status and operating results of the Company, which must be based on accurate, complete and adequate accounting information in accordance with the generally accepted accounting standards. The Company will disclose information on each director as well as the roles and duties of the Board of Directors and the Sub-Committees of the Company in the Company's annual report (Form 56-2) and the Annual Registration Statement (Form 56-1). The Company will also disclose the remuneration of directors and the top management in the Company's annual report (Form 56-2) and in the annual registration statement (Form 56-1)

Section 5: Responsibilities of the Board

1. Composition of the Board of Directors

Board of Directors must hold the following elements:

- 1.1 According to the Company's regulations, the Board of Directors must comprise of not less than 5 members and not less than half of the total number of directors must have residence in the Kingdom of Thailand. The Director of the Company must be qualified as required by law and the director may or may not be the shareholder of the company.
- 1.2 The Board of Directors must consist of executive directors, non-executive director, and independent directors, with the number of independent director accounting for at least one third of the total directors and not less than 3 persons. Qualifications of independent directors must be as prescribed by the SEC.
- 1.3 The Board of Directors is to select one director from non-executive directors as the chairman of the board.
- 1.4 The Board of Directors is to select one person to act as the Secretary of the Board of Directors. The Secretary of the Board of Directors may or may not be a director.
- 1.5 The Board of Directors is to select one person to act as the Company Secretary.

2. Meeting of the Board of Directors

The Company sets the criteria for the Board of Directors meeting as follows.

- 2.1 The Board of Directors must arrange a meeting to acknowledge the Company's performance at least every 3 months and at least 6 times per year. In the meeting, directors must express their opinions and use independent discretion. The directors should attend every meeting, except in the event of an unforeseen circumstance for which the directors must inform the secretary of the Board of Directors in advance. The Company must report the number of meeting attendance of the Board in the annual report. The Secretary to the Board of Directors must send the invitation letter to all directors specifying the date, time, place and agenda of the meeting at least 7 days in advance. The Secretary shall collect documents for the meeting from the directors and the management to deliver to the Board in advance and such documents must provide sufficient information for decision-making. The Secretary to the Board of Directors must be the record holder of the meeting in order to prepare a meeting report which requires complete content and the minutes must be completed within 15 days from the date of the completion of the meeting to submit to the Chairman of the Board of Directors for signature. The Secretary must provide a good storage system that is easy for retrieval and maintain the confidentiality of the information.
- 2.2 Any director who may have a conflict of interest in any matter has no right to vote on that particular matter.

2.3 Regarding the voting at the Board of Directors' Meeting, decisions should be made based on the majority of votes. In the case of equal votes, the chairman of the meeting shall have an additional vote as a casting vote. However, the opinion of other directors which did not vote to agree must be specified in the minutes of the meeting.

3. Performance evaluation of the Board of Directors

The Company has set an annual performance evaluation of the Board of Directors in order to jointly consider and summarize the results of the work and to review the past performance, problems and obstacles, and jointly find solutions to improve the work of the Board of Directors to be more effective.

4. Directors' remuneration

The Company has set the criteria for consideration and approval of remuneration for directors as follows:

4.1 The remuneration is to be comparable to the level that is accepted in the industry and to that of other listed companies in the stock market which operates in a similar business and has a comparable size.

4.2 The remuneration shall be considered according to the experience, roles, duties and responsibilities.

4.3 The remuneration shall be considered according to the expected contribution from each director.

4.4 The remuneration shall be in accordance with the principles and policies set by the Board of Directors, within the framework approved by the shareholders' meeting, for the maximum benefit of the company. At the same time, the remuneration should be attractive and able to motivate the director's participation while taking into account the best benefits of the shareholders.

5. Development of directors and executives

In order to increase the efficiency of the work of various committees, the Company encourages the Board of Directors and senior management to participate in seminars that are beneficial to the performance of duties, including regular meetings with the Board of Directors and senior executives from various organizations. This can be done through attending a course organized by an organization that oversees the training of its employees, courses organized by government regulators or other independent organizations such as the course "Company Directors Program" by Thai Institute of Directors which The Securities and Exchange Commission requires that directors of any listed companies must attend at least one course. For example, the courses include, namely, Directors Certification Program (DCP), Directors Accreditation Program (DAP) and Audit Committee Program (ACP). This is to bring wider knowledge and new experience for the development of the Company.

Corporate Social Responsibilities

1. Overview Policy

The Company and its subsidiaries are determined to run and to grow the business under the framework of good governance, by being transparent and regularly monitored. It also strives to develop business while creating a balance in the economy, community, society and environment. By taking into account the impact of business operations on those involved with the Company in all aspects, the Company is committed to maintaining itself to be a good example in operating business with sustainability, ethics, and good governance principles. In order to harmoniously co-exist within the community, the Company believes that development is able to go hand in hand with social responsibility. Therefore, in order to comply with the above determinations and concepts, the Company has set up the policies on social and environmental responsibilities, as listed in the 7 items below:

1) Conduct business with fairness

The Company has a policy to compete in the business environment by fair marketing and consumer protection by taking into account the impact of all stakeholders of the Company. The Company is entirely against market-dumping and corruption in all forms and at all level; it encourages all of its executives and employees to always learn and develop themselves and to strictly comply with the fair competition policy and renounce any unfair or unethical competition methods.

2) Work against all forms of corruptions

The Company is aware of the negative impact of corruption. Therefore, the Company has a strict anti-corruption policy and is against corruption of all forms at all level in the organization. If there is a clear evidence of any kind of corruption by an employee or an executive, there is the highest penalty for that convicted and the Company will take an appropriate legal action. In addition, in order to prevent any corruption that may occur within the organization or between organizations, the Company has set up a clear system for operating procedures within the organization. Also, there is a review mechanism between individuals or between various departments at almost every step of operations. Besides that, the Company also hires an external audit agency to act as a head of the internal audit. To instill the personnel's awareness of the impact of corruption, the Company has set guidelines for this matter in "the Code of Business Ethics Manual". With this regard, the Company is open for the opportunity for an informant both from internal personnel or third parties to report clues or complaints in the case of possible misconduct, as indicated in the established "Whistleblowing or Complaints" policy.

3) Respect human rights

The Company gives high importance to respect, treating all stakeholders both inside and outside of the organization with impartiality and equality by holding onto the international standards and principles of respect for human rights: basic rights to life and work, the right to express opinions and expressions, economic rights, social rights, cultural rights, religious rights and political rights without discrimination on race, religion and with non-infringement of rights. By not taking advantage of all groups

of stakeholders and including those who need special care, such as children, women, people with disabilities, the elderly, the Company does not support the violation of any rights and liberties of individuals both directly and indirectly.

4) Treat workers fairly

One of the Company's policies is to allow all employees to work together under a happy working environment. The Company treats all employees at all levels as family members, with no exploitation of each other, respecting and complying with laws and ethics. The Company will not tolerate any discrimination against workers, and they must be protected and must be provided with the basic rights, fair compensation, proper welfare arrangements, as well as being safe and having a good working environment. Moreover, the Company encourages personnel to always improve and develop while maintaining a good level of morality and ethics, and to always work as a team.

5) Be responsible to consumers

The Company has a policy to focus on doing business with customers with integrity, adhering to the contract terms made with customers, delivering products that meet quality standards and meets the needs of customers, and providing accurate and sufficient information to customers for their decision-making. The staff are encouraged to prioritize building good relationships with customers, focusing on creating maximum satisfaction for customers, by being responsible, caring and always paying attention to the problems and needs of the customers first.

6) Engage in community and social developments

The Company has a policy to promote engagement in helping and connecting with the nearby communities and societies. Encouraging the executives and employees to treat local communities with friendliness, to respect the rights of local people, to be responsible to the environment, to provide opportunities for local communities' engagement, to give support for the development in various fields, the Company engages and supports good living of the community and its people on issues such as promotion of education, culture, public health, economy, job creation, and income generation, where appropriate. The Company and its subsidiaries are committed to supporting activities that are beneficial to the society and to cooperating with the government and various local agencies, and to providing corrective actions with eagerness in the event where various difficulties that may be caused by the company's operations.

7) Protect the environment

The Company has an environmental responsibility policy. With strict compliance with the environmental laws, the Company promotes efficient environmental management by allowing the executives and its employees to jointly take care of and improve the production process to produce the least impact on the environment and surrounding communities. More importantly, the Company is determined to take immediate and serious remedial actions if receiving environmental complaints. In addition, it also promotes and educates its employees on the issues of environmental problems in order to instill a conscience in taking care of the society and the environment as a whole.

2. Operation and report preparation

The Company has to comply with the overall policies of social responsibilities as follows.

1) Business execution to reach the set goals and policies

The Company focuses on cultivating an understanding of the organization's goals to the employees and hopes that the staff recognize the importance of social responsibility while carrying out their responsibilities. The Company has regularly communicated its social responsibility policies to their staff so that all employees can follow in the same direction and it has also encouraged employees to regularly attend trainings and participate in various activities to increase their work skills for the benefit of society and the environment.

2) Report-preparation process

The Company has taken into account the guidelines on social responsibility and policy implementation. It has annually prepared a report of compliance with the social responsibility policy and proposed to the management which also will be disclosed in the annual registration statement. The sustainability report is also to be published every year after listing in the stock exchange.

3. Activities for the benefits of the society, community, and environment

Conducting business together with the engagement in social and community development and environmental protection is a central part of the Company's sustainable development goals by recognizing the benefits of giving back to the society. Therefore, the Company takes part in instilling in everyone at the organization to be an active citizen of the society, and the Company has hence taken parts in activities in various occasions as follows.

On Education

Realizing the importance of education on the youth of the country, a future major work force in the country, the Company sees that education is critical to the developments of the country in various fields, whether economic, financial, social and scientific. Hence, the Company has participated in the activities relating to education as follows.



Donation to support the National Children's Day event 2018, at Wat Pathum Kongka School, Samphanthawong District, Bangkok



Donation to the Children Development Center, Municipality 3 (Mahawong), on the occasion of the National Children's Day 2018



Donation to support the National Children's Day event 2018, at
Ban Khao Baisi School, Phlu Ta Luang Subdistrict, Sattahip District, Chonburi Province

On Social and environmental issues

The Company respects the local traditions and cultures in which the Company is located and conducting its business. Therefore, the Company consistently engages in conducting activities to contribute to the development of the local community and the environment to achieve a better quality of life, through both self-initiated activities and those initiated by the local government agencies, the private sector, and the community. In various activities, when appropriate, the Company is willing to provide cooperation. For example, the Company donated some financial funds to help the local temples, makes merit at the Pattaya Orphanage with donations of essential items, hosts a dinner for orphans and disabled children, as well as the Company's management joining in the candle-offering ceremony at the Wat Pathum Khongkha.



Join the candle-offering ceremony on Buddhist Lent
Day, together with the community of Wat Pathum
Khongkha



Making donation to the Buddhist School for
Young Children, Wat Pathum Khongkha,
Samphanthawong District, Bangkok, on the
occasion of Mother's Day

Internal Control and Risk Management

Opinion of the Board of Directors on the internal control system of the Company

The company realizes the importance of a good management of the internal control system as it contributes to the efficiency, effectiveness, transparency, and verifiability of the operations of the company. This is considered to be a mechanism for check and balance. The Board of Directors has assigned the Audit Committee to review the internal operations, as well as reviewing the operation of the company in accordance with the guidelines of the Stock Exchange of Thailand and the Securities and Exchange Commission, so that the company will ultimately have good internal control system and internal audit system.

At the Board of Directors' Meeting No. 1/2017, on 30 June 2017, after the company being transformed into a public company, the Board of Directors, with the 3 members of the Audit Committee attending the meeting, evaluated the adequacy of the Company's internal control system. According to the assessment form of the adequacy of the internal control system of the Office of the Securities and Exchange Commission ("SEC"), the evaluation of the internal control system of the company captures all 5 areas including:

1. Organization and environment
2. Risk management
3. Operational control
4. Information and communication systems
5. Monitoring system

The Board of Directors is of the opinion that, in the current situation, the company has an effective management and internal control system that is sufficient and suitable for the nature of the business, while at the same time being consistent with the internal control assessment form of the SEC, and the company has a strong and efficient system to control and prevent any suspicious transactions with major shareholders, directors, executives or related persons.

In addition, the company also has an Audit Committee to review the internal control system and the operating system of the company, by coordinating with the auditor, the Internal Control System Auditor, and the company executives so that the review of financial reports and information disclosure are to be surly sufficient and reliable.

In order to ensure the operation of the company to be in line with the requirements, rules, regulations, announcements, and laws of the the Stock Exchange of Thailand, the report of the Audit Committee's performance will be submitted to the Board of Directors and will be reported in the company's annual report.

The report, signed by the Chairman of the Audit Committee, is a means to ensure an adequate protection of the company's assets from the misuse of power by directors or executives, the unnecessary transaction with conflicting parties or transactions with conflicts of interests.

The company has appointed the company Internal Audit Dharmniti Co., Ltd. ("Dharmniti"), which is an outsource agency to inspect and evaluate the adequacy of the Company's internal control system (Overview Audit) and continuously monitor the performance of the company work under the company's internal control system.

To ensure that the company has an effective and efficient internal control system, the internal auditor will prepare the audit report of the internal control system of the company and present the internal audit report to the Audit Committee meeting.

This in turn will enable the company to have improve the quality of the internal control system which will eventually lead to the creation of good corporate governance for the company in the long run. Also, this is also a mechanism which will support operations of the employees and the organization to be efficient and smooth, meanwhile in accordance with the plans and goals set by the management.

The Audit Committee is of the opinion that Dharmniti is qualified to be an internal auditor of the company due to its reliability, history, and experience of auditing companies listed on the Stock Exchange of Thailand.

Internal auditor's opinion on internal control system

The Company has appointed Dharmniti to be the Internal Audit Department which can operate and perform jobs independently and freely from any control of the company.

Dharmniti has assigned Ms. Korakot Wanasawat, the head of internal audit, to be the main responsible person to perform the duties of the internal auditor.

This is because Ms. Korakot Wanasawat has appropriate and suitable qualifications to perform internal audit duties of the company because of her knowledge, ability and experience in internal audit work.

In this regard, at the Audit Committee Meeting No. 4/2018 on November 13, 2018, the internal auditor presented the internal control monitoring report no. 4/2561 to the Audit Committee meeting, stating that the company has complied with policies and internal control systems on every issue. However, the company should have a continuous process to continuingly monitor the implementation of important recommendations.

About the head of the internal audit

Head of Internal Audit

The company has appointed Dharmniti, which is an external unit to perform internal audit duties for the company since March 26, 2015. Dharmniti has assigned Ms. Korakot Wanasawat to be the head of

internal audit, the main responsible person to perform the duties of the internal auditor of the company to monitor and evaluate the internal control system of the company according to the agreed audit plan and prepare reports and suggestions to improve the operations to be in accordance with the company's internal control plan and policies in order to comply with the 5 criteria of COSO as mentioned above.

Details of the supervision of the internal audit work and the Dharmniti team are as follows.

The appropriateness as the head of internal audit

The Company considers that Dharmniti, being an external and independent agency directly reporting the audit results to the Audit Committee, has sufficient qualifications to effectively perform the duties of the internal audit of the company by having Ms. Korakot Wanasawat as the head of internal audit. She has appropriate and suitable qualifications to perform internal audit duties of the company since she has more than 5 years of knowledge, competence and has regularly attended relevant trainings in internal audit work.

Guidelines for the appointment, removal and transfer of the head of internal audit

Appointment, removal and transfer of the head of internal audit of the company must be approved by the Audit Committee, to be in accordance with the authority duties and responsibilities of the Audit Committee of the Company, approved by the resolution of the Board of Directors Meeting No. 7/2016 on 15 November 2016.

Related Party Transactions

Relationship

The Company has conducted related party transactions with persons/parties who may have conflicts of interest, including directors, shareholders, executives and related companies whose relationship can be summarized as follows.

Person / entity with possible conflicts	Relationship
Mrs. La-or Leelaprachakul ("Mrs. La-or")	<ul style="list-style-type: none"> - Being a major shareholder of the company, having a shareholding ratio of 11.43% of the paid-up capital - Being the grandmother of Mr. Tachakorn Leelaprachakul who is a director and the Chief Executive Officer of the Company and its subsidiaries
Mr. Veerapol Leelaprachakul ("Mr. Veerapol")	<ul style="list-style-type: none"> - Being a major shareholder of the company, having a stake of 15.00% of the paid-up capital - A son of Mrs. La-or Leelaprachakul and the father of Mr. Tachakorn Leelaprachakul, who is a director and the Chief Executive Officer of the Company and its subsidiaries
Next P&L Company Limited ("Next P&L")	<ul style="list-style-type: none"> - There is 1 mutual major shareholder with the Company, namely Mrs. La-or Leelaprachakul, currently holding 11.43% of the paid-up capital - Providing consulting services, property rental, and investment management in other companies
Lee and Sun Holding Company Limited ("Lee & Son")	<ul style="list-style-type: none"> - There is 1 mutual major shareholder with the Company, namely Mrs. La-or Leelaprachakul, currently holding 11.43% of the paid-up capital - Providing consulting services and real estate rental
Thai-German Products Public Company Limited ("Thai-German Products")	<ul style="list-style-type: none"> - Mr. Rachata Leelaprachakul, a director, is a brother of Mr. Veerapol Leelaprachakul who is the major shareholder of the Company. - Manufacturing and distributing stainless steel products, including stainless steel pipes, stainless steel sheets and stainless-steel tools under the brand TGPRO - Major shareholders of Thai-German Products are Mr. Rachata Leelaprachakul and Miss Montira Leelaprachakul, holding 24.02% and 15.42% of the paid-up capital of 3,439.58 million baht respectively
Thai Vintec (2002) Company Limited ("Thai Vintec (2002)")	<ul style="list-style-type: none"> - The 3 directors, namely Mr. Veerapan Leelaprachakul, Mrs. Wimonrat Suchaidet and Mr. Supatsai Wiratkapan, whose relationships, with Mr. Veerapol Leelaprachakul, the major shareholders of the company, are a brother, a sister and a brother-in-law. - Producing and selling PE pipes, PVC pipes, pipe fittings, pipe fittings and adhesives - Major shareholders of Thai Vintec (2002), namely, Mrs. Wilaiporn Wiratkapan, Mr. Supatchai Wiratkapan, Thai Vintec Company Limited, Mr.

Report of the Board of Directors' Responsibilities for Financial Reports

The Board of Directors of Thai Mui Corporation Public Company Limited is responsible for the preparation, disclosure and presentation of the Company's financial statements, including the financial information appearing in the annual report of 2018. The financial statements were prepared fittingly and in accordance with general financial reporting standards and internal control system. To make the preparation of the financial statements free from factual misstatement, either derived from corruption or errors, the Board of Directors uses careful discretion in choosing accounting policies, feasible and proper financial estimates, as well as taking the consistent practice for the preparation to assure that the financial reports are without inaccuracy, displaying the information that is beneficial to shareholders and general investors in a transparent manner.

The Board of Directors has appointed the Audit Committee which consists of independent directors to review accounting policies and to take care of the quality of financial reports, the internal control review, the internal audit, the risk management system, and the disclosure of related transactions. The opinion of the Audit Committee regarding this matter appears in the report from the Audit Committee which is also shown in this annual report.

The financial statements of the company have been audited by an authorized auditor from DIA International Auditing Company Limited, which has performed the audit in accordance with the auditing standards and the ethical requirements. Correspondingly, the roles of the auditor include planning and performing audit work in order to obtain reasonable assurance that the accounting information is accurate, complete and sufficient to maintain the Company's assets, meanwhile preventing any significant fraud or irregular operations. In the auditor's report of this annual report, the auditor's opinion is also shown herewith.

The Board of Directors has established a risk management and control system, including effective internal control systems that are appropriate to ensure that accounting information is accurate, complete and adequate in order to prevent fraud or significant irregular operations.

The Board of Directors is of the opinion that the Company has a good, sufficient, and appropriate internal control system. Hence, it can be stated with reasonable confidence that the financial statements of the company for the year ended 31 December 2018 are reliable according to the financial reporting standards and are in compliance with the relevant laws and regulations.



(Mr. Pitipat Thitasirinant)
Chairman of the Board



(Mr. Tchakorn Leelaprachakul)
Chief Executive Officer

Report of the Risk Management Committee for the year 2018

The Board of Directors realizes the importance and gives priority to the risk management of the organization, which is an important element that will continue to support the business operations of the company, enabling the company to achieve the goal set, to reduce any negative impact, to create opportunities and to increase the competitiveness of the company. The Board of Directors, therefore, appointed the Risk Management Committee to oversee and assess any high-impact risks in order to propose the appropriate risk management guidelines. The Risk Management Committee consists of directors and executives appointed by the Board of Directors.

The Company by the Risk Management Committee has monitored the risk management results to ensure that there is sufficient and effective risk management in place, with vigilant supervision and close monitoring of the risks and having dutiful risk management plans. This will allow the company to run smoothly and continuously to achieve the goals set within the business plan of the organization whilst being in accordance with the principles of good corporate governance, resulting in the creation of added value contributing to the organization's sustainable growth.



(Mr. Kulawachara Bhurichayawarodom)

Chairman of the Risk Management Committee

Report of the Nomination and Remuneration Committee for the year 2018

The Nomination and Remuneration Committee consists of

1. Mr. Pitipat Thitasirinant, the Chairman of the Nomination and Remuneration Committee,
2. Mr. Tchakorn Leelaprachakul, a member of the Nomination and Remuneration Committee, and
3. Mrs. Pornpun Hirunlap, a member of the Nomination and Remuneration Committee.

The Board of Directors has appointed the Nomination and Remuneration Committee to be responsible for recruiting and nominating qualified personnel to serve for the positions of directors, sub-committees, and managing director, as well as for considering the compensation before propositioning to the Board of Directors.

According to the roles and responsibilities assigned by the Board of Directors, the Nomination and Remuneration Committee has performed its duties with care, prudence and full capacity in compliance with the good corporate governance principles: be transparent for maximum benefit to all stakeholders.



(Mr. Pitipat Thitasirinant)

Chairman of the Nomination and Remuneration Committee

Report of the Audit Committee for the year 2018

The Audit Committee of Thai Mui Corporation Public Company Limited currently consists of 3 independent and qualified directors, according to the requirements and best practice guidelines of the Stock Exchange of Thailand. The 3 directors who have been appointed as the Audit Committee by the Board of Directors are the following:

1. Mr. Pitipat Thitasirinant, the Chairman of the Audit Committee.
2. Mr. Kulawachara Bhurichayawarodom, a member of the Audit Committee.
3. Mr. Athapon Tangkaravakoon, a member of the Audit Committee

Note: Mrs. Sunee Jantarotorn, the Company Secretary acting as the Secretary of the Audit Committee

In 2018, the Audit Committee held 4 meetings and performed the tasks assigned by the Board of Directors and by the regulations of the Audit Committee. Mr. Pitiphat Thitasirinan and Mr. Kulwachara Phurichyawareodom attended all 4 meetings while Mr. Attapol Tangkawangkhun attended 1 meeting out of the 4. The Audit committee meetings, attended by both the auditor and the internal auditors, have reviewed, taken actions on important matters, and summarized as what follows.

For **the review of the quarterly financial statements and the annual financial statements of the company**, the committee invites the auditor to attend every meeting, held for the review and the appraisal of the quarterly and annual financial statements. The Audit Committee reviewed the financial statements by inquiring the auditor about the accuracy, completeness, reliability of the financial statements, and the adequacy of financial statement disclosure which reflects the financial status of the company in order to ensure that the preparation of the financial statements is in accordance with the requirements of the law, the financial reporting standards, and the generally-accepted accounting principles. By all means, the Audit Committee together with the auditor has agreed that such financial statements are in essence accurate in accordance with the financial reporting standards.

For **the internal control and the internal audit**, the Audit Committee ensured that the internal control system and the internal audits which are in place are appropriately effective to prevent conflicts or any violation of the company's rules and regulations. The committee also offers recommendations to the management so that the business operation is to be concise, prudent and accurate. Moreover, in order to ensure efficiency and effectiveness, the committee follows up and monitors that improvement steps are taken according to the recommendations of the audit report, generated by the internal and external auditors. Therefore, the Audit Committee is of the opinion that the internal control of the company is adequately appropriate, finding no significant defects.

The Audit Committee has, in 2018, considered selecting Miss Korakoj Wanasawad from Dharmniti Internal Audit Company Limited as the internal auditor of the Company. With the duties to assess the adequacy of the internal control system and the internal audit, to assess adequacy, appropriateness, and the effectiveness of the internal control system, Miss Wanasawad's responsibilities include giving suggestions

to the company for correcting the business operations to be transparent, in accordance with the principles of good corporate governance.

For **the consideration and the selection of auditors and his/her compensation**, the Audit Committee has considered the selection of auditors and the remuneration by considering the quality of work, the status of the auditor, important limitations or requirements of the SET or other relating agencies. The committee regularly holds meetings between the Audit Committee and the Company's auditor on a quarterly basis to discuss the audit, discussing problems found from the examination and finding ways to resolve the arisen issues.

The Audit Committee has reviewed the performance of the auditor, Mrs. Suvimol Krittayakiern from DIA International Auditing Company Limited in the past accounting period and considered the auditor's remuneration then presented to the Board of Directors. The Annual General Meeting of Shareholders for the year 2018 approved the appointment of Mrs. Suvimol Krittayakiern, Certified Public Accountant Registration No. 2982, from DIA International Auditing Company Limited to be the Company's auditor.

As for **related items**, the Audit Committee has considered giving opinions on related transactions and persons who may have conflicts of interest and reflected whether the transaction is reasonable, including the disclosure of such transaction in accordance with the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission by means of regularly and quarterly considering the interests of the stakeholders.

The Audit Committee has performed its duties independently according to the scope and responsibilities assigned by the Board of Directors and as specified in the Charter of the Audit Committee. The Audit Committee is of the opinion that the Company's financial reports have been prepared correctly according to generally-accepted practices and financial reporting standards, as well as government regulations; there is sufficiently accurate information disclosure. In summary, there are no issues that are contrary to the facts found.

The company operates under a transparent internal control system, with the effective and efficient risk management. In compliance with relevant laws and regulations, there is sufficient disclosure of information. The Company's business practice is consistent with the good corporate governance system. With transparency, trustworthiness and corporate responsibility to the economy, society and environment, it is ensured that Thai Mui Corporation Public Company Limited is ready to grow and is able to maintain good corporate governance within the organization.



(Mr. Pitipat Thitasirinant)

Chairman of the Audit Committee

Management Discussion and Analysis (MD&A)

Explanation and analysis of financial status and operating results

The core businesses of the company include being a supplier and distributor of high-quality wire rope products and lifting equipment. With the focus on customers who give emphasis on the quality of products and after-sales services, the company regards these group of customers to be the ones with high potentials for future business growth. The aforementioned groups of customers include those from the following industries: factories and plants in industrial estates, petroleum exploration and production, construction, and port. More importantly, the company selects only premium-quality wire ropes and lifting equipment manufactured by leading and renowned wire rope manufacturers from various countries around the world such as Bridon, Kiswire, Usha and Crosby. Moreover, the company provides the wire-rope extruding service to cater to the customers' needs, ready for immediate use. In addition, the company is able to provide a certificate from the manufacturer, known as Mill Certificate, that certifies the origin and the properties of the wire rope, the casing of the given carrying equipment. In the certificate, the material, diameter of wire rope, and the tensile strength will be specified. In addition, the company is able to test the tensile strength of the wire rope and issue a certificate in the name of the company, known as Load Test Certificate. Besides, the company is able to provide service by independent experts, issuing certificates according to the needs of customers to ensure confidence in the products delivered.

Up until now, the company has been giving great emphasis on procuring and selling solely quality products and giving importance to building good relationships between business partners, both product manufacturers and customers. As per our vision, the company sets a goal to be a leader in the distribution of wire ropes and quality lifting equipment by paying close attention to the selection of good and high-quality products from world-class manufacturers that are accepted by the international safety standards. Apart from selecting first rate products, the company aims to cater and supply products according to customers' needs as quickly as possible. Moreover, the company is committed to providing services and assistance to our customers in every situation, with a dedicated team to advise on the use of products and provide after-sales services.

Sales and services revenue

For the year 2017 and 2018, sales and services revenue was 387.36 million baht and 580.51 million baht, respectively. Classified as sales revenue, there was 363.20 million baht and 475.84 million baht and service income of 24.16 million baht and 104.67 million baht, respectively. Sales revenue increases from the same period last year 193.15 million baht from the realization of HDPE pipe and tools order from client in utilities project, which is accounted for 114.61 million baht of sales revenue.

Sales and services revenue structure can be classified as follow:

Revenue structure (million baht)	2017		2018	
	Million baht	%	Million baht	%
Sales revenue				
1.Wirerope and sling	216.88	55.99	234.99	40.48
2.webbing sling	13.62	3.52	16.69	2.88
3.Chain	8.69	2.24	8.45	1.46

Revenue structure (million baht)	2017		2018	
	Million baht	%	Million baht	%
4.Lifting tool	67.72	17.48	64.46	11.10
5.Other product ¹⁾	56.29	14.53	151.25	26.05
Total sales revenue	363.20	93.76	475.84	81.97
Services revenue				
1.Examine	12.05	3.11	80.10	13.80
2.Other services ²⁾	12.11	3.13	24.57	4.23
Total services revenue	24.16	6.24	104.67	18.03
Sales and services revenue³⁾	387.36	100.00	580.51	100.00

- Notes:
1. Other products are product such as electric motor, pipe, hook, light bulb.
 2. Other services are testing service for the company and product consult, maintenance and seminar by its subsidiary, Propoint global consultant Co., LTD.
 3. Revenue after accrual adjustment such as sales discount and other adjustments.

Cost of sales and services and gross profit

For the year 2017 and 2018, Cost of sales and services was 236.84 million baht and 409.23 million baht. Cost of sales was 223.43 million baht and 393.24 million baht, respectively. Cost of services was 13.41 million baht and 15.99 million baht, respectively. Cost of sales and services moves along with sales and services revenue. The company had gross profit of 150.52 million baht and 171.28 million baht. The gross profit margin was 38.86% and 29.51%. Gross profit margin in 2018 falls since the HDPE pipe and tools was a big lot order. The company has a low gross margin because it is a project.

Cost of sales and services	2017	2018
	Million baht	Million baht
Cost of sales	223.43	393.24
Cost of services	13.41	15.99
Total Cost of sales and services	236.84	409.23
Sales revenue	363.20	475.84
Services revenue	24.16	104.67
Gross profit from sales ¹	139.77	82.60
\$ Gross profit margin from sales (%)	38.48%	17.36%
Gross profit from services ¹	10.75	88.68
\$ Gross profit margin from services (%)	44.50%	84.72%
Total gross profit	150.52	171.28
Total gross profit margin (%)	38.86%	29.51%

Note: 1) revenue before accrual adjustment

The company has higher cost of sales from the increase revenue from selling HDPE pipes and pipe fittings. And the cost of wire rope and service costs increased from employee expenses, tools, appliances, electricity, project consultant fees, etc.

Sales expenses

For the year 2017 and 2018, sales expenses were 34.29 million baht and 37.46 million baht, respectively. The sales expenses increased 3.17 million baht or 9.24%. The increase in selling expenses is caused by the employee expenses of 3.43 million baht.

Administrative expenses

For the year 2017 and 2018, administrative expenses were 87.60 million baht and 99.23 million baht, respectively. The administrative expenses increased 11.63 million baht or 13.28%. The increase in administrative expenses was due to an increase in employee expenses of 3.92 million baht, employee benefits for retirement of 1.10 million baht, consultant fees of 4.21 million baht, etc. However, administrative expenses were not changed. Significantly, compared with increased revenue.

Net profit

For the year 2017 and 2018, the company has profit of 21.34 million baht and 31.24 million baht. Profit margin was 5.51% and 5.38%, respectively. Net profit increases 9.90 million baht or 46.39%. The increase in net profit was affected by realization of HDPE pipe and related products revenue. Also, the company has more efficient in management.

Financial statement

Total assets

As of 31st December 2017 and 31st December 2018, the company has total assets of 464.72 million baht and 536.55 million baht, respectively, increasing 71.83 million baht or 15.46%. Total assets are consisted of account receivable and other receivable, inventories, and plant, property and equipment.

Total asset as of 31st December 2017 and 31st December 2018 is consisted of current asset 375.87 million baht and 443.44 million baht, respectively, and non-current asset 88.85 million baht and 93.10 million baht, respectively.

Total liabilities and total equities

As of 31st December 2017 and 31st December 2018, the company has total liabilities of 70.30 million baht and 126.19 million baht, respectively, increasing 55.89 million baht or 79.50%. The increase in liabilities came from increasing in short-term loan from financial institutions, Trade and other current payables and employee beneficiary.

Total equities in the same period are 394.42 million baht and 410.36 million baht, increasing 15.94 million baht or 4.04% from the company's operating results.

Respectfully,

Thai Mui Corporation Public Company Limited



(Tchakorn Leelaprachakul)

Chief Executive Officer



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D I A INTERNATIONAL AUDIT CO., LTD.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **THAIMUI CORPORATION PUBLIC COMPANY LIMITED**

Opinion

I have audited the accompanying consolidated and separate financial statements of **THAIMUI CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES** (the Group) and of **THAIMUI CORPORATION PUBLIC COMPANY LIMITED** (the Company) which comprise the consolidated and separate statements of financial position as at December 31, 2018 , and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity and consolidated and separate statements 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 consolidated and separate financial statements present fairly, in all material respects, the financial position of **THAIMUI CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES** and of **THAIMUI CORPORATION PUBLIC COMPANY LIMITED** as at December 31, 2018, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

Key audit matters and auditing procedure are as follows.

Provision for devaluation of inventories.

As stated in notes to financial statements no. 9, the Company and its subsidiary have material amount of inventories Baht 225 million in the financial statements as at December 31, 2018 stated at the lower of cost or net realizable value. The Management, therefore, has made significant judgment and assumption to consider the suitable amount of provision for devaluation of inventories against incomplete inventories by considering the end of wire rope which has insufficient length for usage and analyzing slow-moving inventories having net realizable value exceeding cost as well as using work of an expert for slow-moving inventories inspection whether inventories are certified as normal or incomplete inventories

I have obtained assurance relating to the suitable of assumption used by the Management for calculation provision for devaluation of inventories by.

- Obtain an understanding of operation procedure and internal control related to consideration of provision for devaluation of inventories.
- Review the design and implementation of internal control procedure.
- Perform operating effectiveness testing over the internal control procedure of provision for devaluation of inventories process.

- Perform substantive test as follows.
 - Observing inventories physical count.
 - Review certified report from an expert whether slow moving inventories are in good condition or no
 - Compare cost of goods with net realizable value calculated by selling price after reporting period or price list after deducted by maximum discount or current cost price for non-moving of inventories more than 5 years.
 - Analyze turnover rate of inventories in order to indicate slow-moving inventories.
 - Test calculation of provision for devaluation of inventories.

Other Information

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

D I A International Audit Co., Ltd.



(Mrs. Suvimol Chrityakierne)

C.P.A. (Thailand)

Registration No. 2982

February 25, 2019

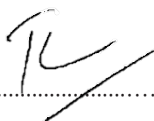
THAIMUI CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

					(Unit : Baht)
Assets	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Current assets					
Cash and cash equivalents	6.1	65,989,627	104,251,879	60,969,008	103,593,332
Trade and other current receivables	7	152,445,538	88,354,951	148,882,150	86,567,554
Loans to related company	8	-	-	-	1,000,000
Inventories	9	225,009,057	183,266,830	224,907,667	182,901,281
Total current assets		443,444,222	375,873,660	434,758,825	374,062,167
Non-current assets					
Deposits at financial institutions with commitments	10	1,054,410	1,006,660	1,054,410	1,006,660
Investments in subsidiary	11	-	-	16,999,800	1,999,800
Trade and other non - current receivables		72,366	1,644,547	69,360	1,630,849
Property, plant and equipment	12	84,851,219	78,907,858	82,367,984	77,896,747
Intangible assets	13	1,586,544	1,739,998	1,582,680	1,730,815
Deferred tax assets	14	2,616,971	2,266,504	2,520,533	2,176,131
Other non-current assets		2,922,167	3,281,968	1,037,070	846,620
Total non-current assets		93,103,677	88,847,535	105,631,837	87,287,622
Total assets		536,547,899	464,721,195	540,390,662	461,349,789

Notes to financial statements are parts of these financial statements.


 (Sign) Authorized Director
 (Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

THAIMUI
 CORPORATION PUBLIC COMPANY LIMITED
 บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)

THAIMUI CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2018

(Unit : Baht)

Liabilities and shareholders' equity	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Current liabilities					
Short-term loan from financial institutions	15	36,623,829	-	36,623,829	-
Trade and other current payables	16	64,586,121	47,546,529	67,631,222	47,136,737
Current portion of long-term debts	19	4,973,492	3,688,516	4,662,058	3,688,516
Loans from related company	17	-	-	5,000,000	-
Accrued income tax		1,173,183	2,551,491	1,173,183	2,551,491
Total current liabilities		107,356,625	53,786,536	115,090,292	53,376,744
Non-current liabilities					
Trade and other non-current payables		262,441	2,241,249	208,702	2,012,457
Non-Current provisions for employee benefits	18	10,280,798	9,213,702	9,798,610	8,865,638
Liabilities under financial leases	19	8,287,420	5,057,219	7,421,802	5,057,219
Total non-current liabilities		18,830,659	16,512,170	17,429,114	15,935,314
Total liabilities		126,187,284	70,298,706	132,519,406	69,312,058
Shareholders' equity					
Share capital	22				
Authorized share capital					
340,000,000 common shares of Baht 0.50 each,		170,000,000	170,000,000	170,000,000	170,000,000
Paid-up share capital					
340,000,000 common shares of Baht 0.50 each,		170,000,000	170,000,000	170,000,000	170,000,000
Premium on ordinary shares		210,680,602	210,680,602	210,680,602	210,680,602
Retained earnings					
Appropriated					
Legal reserve	23	3,877,409	2,315,197	3,877,409	2,315,197
Unappropriated		21,139,142	6,763,229	23,313,245	9,041,932
Other components of shareholders' equity		4,663,750	4,663,750	-	-
Total shareholder' equity of the parent		410,360,903	394,422,778	407,871,256	392,037,731
Non-controlling interests		(288)	(289)	-	-
Total shareholders' equity		410,360,615	394,422,489	407,871,256	392,037,731
Total liabilities and shareholders' equity		536,547,899	464,721,195	540,390,662	461,349,789

Notes to financial statements are parts of these financial statements.

(Sign)

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

THAIMUI
CORPORATION PUBLIC COMPANY LIMITED
บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)
Authorized Director

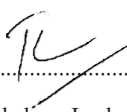
THAIMUI CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

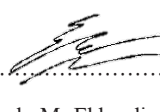
STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Revenue from sales and services		580,514,548	387,356,630	565,442,520	373,678,609
Cost of sales and services		(409,229,734)	(236,840,344)	(392,936,069)	(223,973,649)
Gross profit		171,284,814	150,516,286	172,506,451	149,704,960
Other income					
Dividend income		-	-	-	6,379,362
Interest income		3,985,539	91,634	3,979,796	98,299
Gains on exchange rate		607,421	1,482,908	607,421	1,482,908
Others		1,346,052	1,191,384	1,341,210	1,613,217
Distribution costs		(37,460,770)	(34,290,776)	(41,548,551)	(38,574,566)
Administrative expenses		(99,227,595)	(87,596,036)	(96,759,947)	(86,601,159)
Financial cost		(996,026)	(4,200,481)	(1,020,660)	(4,194,684)
Profit before income		39,539,435	27,194,919	39,105,720	29,908,337
Income tax expense	21	(8,301,309)	(5,858,956)	(7,972,195)	(5,536,008)
Profit for the period		31,238,126	21,335,963	31,133,525	24,372,329
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss :					
Gains on remeasurements of defined benefit plan		-	2,542,088	-	1,858,490
Income tax relating to components of other comprehensive income that will be not reclassified to profit or loss		-	(474,238)	-	(371,698)
Total components of other comprehensive income that will not be reclassified to profit or loss		-	2,067,850	-	1,486,792
Other comprehensive income for the year, net of tax		-	2,067,850	-	1,486,792
Total comprehensive income for the year		31,238,126	23,403,813	31,133,525	25,859,121


 (Sign)
 (Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)



 Authorized Director

THAIMUI
 CORPORATION PUBLIC COMPANY LIMITED
 บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)

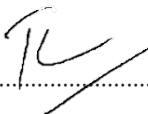
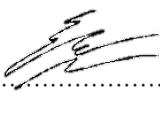

THAIMUI CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2018

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit attributable to :				
Equity holder of the parent	31,238,125	21,335,687	31,133,525	24,372,329
Non-controlling interests	1	276	-	-
	<u>31,238,126</u>	<u>21,335,963</u>	<u>31,133,525</u>	<u>24,372,329</u>
Total comprehensive income attributable to :				
Equity holder of the parent	31,238,125	23,403,479	31,133,525	25,859,121
Non-controlling interests	1	334	-	-
	<u>31,238,126</u>	<u>23,403,813</u>	<u>31,133,525</u>	<u>25,859,121</u>
Basic earnings per share				
Profit equity holder of the parent (Baht)	0.09	0.08	0.09	0.10
Weighted average number of ordinary share (share)	340,000,000	253,833,753	340,000,000	253,833,753

Notes to financial statements are parts of these financial statements.


(Sign)   
 (Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

THAIMUI CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

Consolidated financial statements										(Unit : Baht)	
Equity holders of the Company										Non-controlling interests	Total shareholders' equity
	Paid-up share capital	Receivable of shareholder	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity		Total shareholder' equity of the parent			
				Appropriated Legal reserve	Unappropriated	Surplus from business combination under the common control					
Notes											
Balance as at January 1, 2017											
Changes in shareholders' equity											
22	Increase authorized share capital	48,535,000	-	-	-	-	-	48,535,000	-	48,535,000	
22	Share premium on ordinary shares	-	-	190,680,602	-	-	-	190,680,602	-	190,680,602	
	Receiving common shares payment	-	3,000,000	-	-	-	-	3,000,000	-	3,000,000	
	Dividend paid by subsidiaries to existing shareholders of subsidiaries	-	-	-	-	-	-	-	(638)	(638)	
24	Dividend paid	-	-	-	-	(38,868,800)	-	(38,868,800)	-	(38,868,800)	
23	Transfer retained earnings into legal reserve	-	-	-	2,115,197	(2,115,197)	-	-	-	-	
Comprehensive income for the year											
	Profit for the period	-	-	-	-	21,335,629	-	21,335,629	334	21,335,963	
	Other comprehensive income	-	-	-	-	2,067,850	-	2,067,850	-	2,067,850	
	Total comprehensive income for the year	-	-	-	-	23,403,479	-	23,403,479	334	23,403,813	
Balance as at December 31,2017											
	Total changes in shareholders' equity	170,000,000	-	210,680,602	2,315,197	6,763,229	4,663,750	394,422,778	(289)	394,422,489	
24	Dividend paid	-	-	-	-	(15,300,000)	-	(15,300,000)	-	(15,300,000)	
23	Transfer retained earnings into legal reserve	-	-	-	1,562,212	(1,562,212)	-	-	-	-	
Comprehensive income for the year											
	Profit for the period	-	-	-	-	31,238,125	-	31,238,125	1	31,238,126	
	Other comprehensive income	-	-	-	-	-	-	-	-	-	
	Total comprehensive income for the year	-	-	-	-	31,238,125	-	31,238,125	1	31,238,126	
Balance as at December 31,2018											
	Total comprehensive income for the year	170,000,000	-	210,680,602	3,877,409	21,139,142	4,663,750	410,360,903	(288)	410,360,615	

Notes to financial statements are parts of these financial statements.

THAIMUI
CORPORATION PUBLIC COMPANY LIMITED
บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)

(Sign)  Authorized Director

(Mr. Tachorn Leelapachakul , Mr. Ekbordin Leelapachakul)

THAIMUI CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2018

	Separate financial statements					(Unit : Baht)
	Paid-up share capital	Receivable of shareholder	Premium on ordinary shares	Retained earnings	Total	
				Appropriated Legal reserve	shareholders' equity	

พันโทหญิง

THAIMUI

CORPORATION PUBLIC COMPANY LIMITED

บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)

(Sign) Authorized Director

(Mr. Tchakorn Leelapachakul, Mr. Ekbornin Leelapachakul)

Notes to financial statements are parts of these financial statements.

THAIMUI CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit before corporate income tax	39,539,435	27,194,919	39,105,720	29,908,337
Adjustment of profit for the period cash receipt (disbursement)				
Depreciation and amortization	9,206,530	8,976,991	8,514,267	8,166,141
Doubtful accounts (Reverse)	(49,951)	67,732	(29,354)	47,134
Loss for devaluation of inventories	348,102	462,167	348,102	462,167
Estimated goods returned	849,769	638,610	849,769	638,610
Estimated contract fee	353,500	280,000	353,500	280,000
Unrealized gain on exchange rate	(295,208)	(143,615)	(295,208)	(143,615)
(Gain) loss from disposal/disuse of assts	(90,567)	346,828	(78,015)	346,828
Employee benefit	2,750,446	1,907,208	2,616,322	1,640,893
Interest expenses	996,026	4,200,481	1,020,660	4,194,684
Profit from operation before change in operating assets				
and liabilities	53,608,082	43,931,321	52,405,763	45,541,179
(Increase) Decrease in operating assets				
Trade and other current receivables	(64,890,405)	(23,599,027)	(63,135,011)	(22,227,815)
Inventories	(42,090,329)	16,902,896	(42,354,488)	17,268,444
Trade and other non - current receivables	1,572,181	(1,618,615)	1,561,489	(1,613,516)
Other non-current assets	359,801	(418,058)	(190,450)	12,880
Increase (Decrease) in operating liabilities				
Trade and other current payables	16,502,395	(32,857,786)	19,918,398	(36,267,713)
Trade and other non - current payables	(1,978,808)	1,106,254	(1,803,755)	1,212,710
Cash generated from operation	(36,917,083)	3,446,985	(33,598,054)	3,926,169
Employee benefit paid	(1,683,350)	(218,860)	(1,683,350)	(218,860)
Interest paid	(862,736)	(4,420,936)	(841,480)	(4,415,139)
Corporate income tax paid	(10,030,084)	(7,962,419)	(9,694,905)	(7,587,551)
Net cash provided by (used in) operating activities	(49,493,253)	(9,155,230)	(45,817,789)	(8,295,381)

Notes to financial statements are parts of these financial statements.

(Sign)
 (Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

THAIMUI

CORPORATION PUBLIC COMPANY LIMITED

บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)

Authorized Director

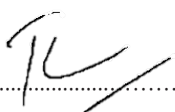
THAIMUI CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2018

		(Unit : Baht)			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Cash flows from investing activities					
Deposit at financial institution with commitment (Increase) Decrease		(47,750)	3,799,040	(47,750)	3,767,748
Cash received from loans to related company		-	-	1,000,000	-
Cash paid for loans to related company		-	-	-	(1,000,000)
Cash paid for investments in subsidiary		-	-	(15,000,000)	-
Cash paid for purchasing property, plant and equipment		(5,626,025)	(37,032,538)	(4,775,632)	(36,928,731)
Cash received from selling property, plant and equipment		107,478	654,206	93,458	654,206
Cash paid for purchasing intangible assets		(339,358)	(168,000)	(339,358)	(168,000)
Net cash provided by (used in) investing activities		(5,905,655)	(32,747,292)	(19,069,282)	(33,674,777)
Cash flows from financing activities					
Cash received from short-term loan from financial institutions		36,849,087	-	36,849,087	-
Cash received from loan from related company		-	-	5,000,000	-
Cash paid for loan from related person		-	(64,180,000)	-	(64,180,000)
Cash paid for liabilities under financial lease		(4,412,431)	(3,205,972)	(4,286,340)	(2,899,661)
Cash received for increase authorized share capital		-	48,535,000	-	48,535,000
Cash received for increase authorized share capital (Premium)		-	190,680,602	-	190,680,602
Cash received from receiving common shares payment		-	3,000,000	-	3,000,000
Dividend paid to non-controlling interests		-	(638)	-	-
Dividend paid	23	(15,300,000)	(38,868,800)	(15,300,000)	(38,868,800)
Net cash provided by (used in) financing activities		17,136,656	135,960,192	22,262,747	136,267,141
Net increase (decrease) in cash and cash equivalents		(38,262,252)	94,057,670	(42,624,324)	94,296,983
Cash and cash equivalents at the beginning of the year	6.1	104,251,879	10,194,209	103,593,332	9,296,349
Cash and cash equivalents at the end of the year	6.1	65,989,627	104,251,879	60,969,008	103,593,332

Notes to financial statements are parts of these financial statements.


 (Sign) Authorized Director
 (Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

THAIMUI
 CORPORATION PUBLIC COMPANY LIMITED
 บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)

THAI MUI CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

1. GENERAL INFORMATION

- Registration** : The Company was incorporated in Thailand and on February 17, 1998 Registration no. 0105541010291
The Company was registered to change its name to be THAI MUI CORPORATION CO.,LTD. (Previously named as THAI MUI TRADING CORPORATION CO.,LTD.) and converted to Public Company Limited on June 28, 2017 Registration no. 0107560000281.
- Location** : Head office is located at 759 Charoenkrung Rd. Talard Noi Samphantawong Bangkok.
Branch 1 is located at 1620/4 Songvard Rd. Samphantawong Samphantawong Bangkok.
Branch 2 is located at 1634-6 Songvard Rd. Samphantawong Samphantawong Bangkok.
Branch 3 is located at 36/34 Moo.5 332 Road, Tambon Plutaluang, Amphoe Sattaheep, Cholburi Province.
Branch 4 is located at 649 Vanich Rd. Samphantawong Samphantawong Bangkok.
Branch 5 is located at 116/1 Moo. 4, Soi Watmahawong, Poochaosamingprai Road, Tambon Samrong, Amphoe Phra Pradaeng, Samut Prakarn Province.
Branch 6 is located at 45/1 Moo. 4 Tambon Samrong, Amphoe Phra Pradaeng, Samut Prakarn Province.
- Business type** : 1. The Company has engaged in retail and wholesales of iron ware, wire rope, saw and pipe and provides loop wire rope and wire rope and equipment installation and inspection.
2. Subsidiary company has engaged in elevator, crane inspection, iron ware and wire rope distribution, provide testing and technical analysis service and transportation.
- Major shareholder** : During the financial year were group of LEELAPRACHAKUL family with 66.43% shareholding

2. BASIS FINANCIAL STATEMENTS PRESENTATION



2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professional ("FAP"), and the Regulation of The Stock Exchange of Thailand (SET) dated 2 October 2017, regarding the preparation and submission of financial statements and reports for the financial position and financial performance of the listed companies B.E. 2560 and presented in accordance with the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statements (No. 2) B.E. 2559" dated 11 October 2016.

The financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

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 the Thai language financial statements.

These financial statements are prepared and presented in Baht currency used in operation of the Company.

THAIMUI
CORPORATION PUBLIC COMPANY LIMITED
บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)

(Sign)   Authorized Director
(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

2. BASIS FINANCIAL STATEMENTS PRESENTATION (CONT.)

2.2 New financial reporting standards

A. Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted a number of revised financial reporting standards and interpretations (revised 2017) which are effective for the financial statements for the period beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of those financial reporting standards does not have any significant impacts on the Company and its subsidiaries' financial statements.

1 January 2019

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

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

TFRS 15 Revenue from Contracts with Customers

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

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

Entities must apply TFRS no.15 to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

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

(Sign)
(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

THAIMUI
CORPORATION PUBLIC COMPANY LIMITED
บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)
Authorized Director

2. BASIS FINANCIAL STATEMENTS PRESENTATION (CONT.)

C. Financial reporting standards that will become effective for fiscal years beginning on or after 1

January 2020

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

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

IFRIC 16 Hedges of a Net Investment in a Foreign Operation

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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

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

3. BASIS FOR INTERIM CONSOLIDATED FINANCIAL STATEMENTS

3.1 These financial statements have been consolidated by including the financial statements of subsidiary in which THAIMUI CORPORATION PUBLIC COMPANY LIMITED. has a power to control such company. Balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements on the controllable date up to the date of control is ceased.

3.2 These consolidated financial statements are prepared with the objective to show the consolidated financial position and the results of operation of THAIMUI CORPORATION PUBLIC COMPANY LIMITED. And its subsidiary only. The usefulness of these financial statements for other purposes may be limited due to the difference in types of business of those consolidated companies.

3.3 These consolidated financial statements comprise of financial statement THAIMUI CORPORATION PUBLIC COMPANY LIMITED. (Parent Company) and subsidiary THAIMUI CORPORATION PUBLIC COMPANY LIMITED. has control power and significant influence by holding share in subsidiary as follows.

Company name	Business type	Paid-up share (Million Baht)		Proportion of investments (%)	
		December 31,2018	December 31,2017	December 31,2018	December 31,2017
PROPOINT GLOBAL	Engaged in elevator crane	17.00	2.00	99.99	99.99
CONSULTANT CO., LTD	inspection, iron ware and wire rope distribution, provide testing and technical analysis service and transportation.				

(Sign)
(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenues and Expenses Recognition

4.1.1 The Company and subsidiaries revenues and expenses are recognized on an accrual basis.

4.1.2 Revenue from sales of goods is recognized when significant portion of risks and rewards of ownership are transferred to the buyer and stated at the invoice amount excluding VAT less returned goods and discount.

4.1.3 Revenue from services is recognized when service is completely rendered in accordance with service agreement.

4.1.4 Revenues from system installation contract recognized by the percentage of completion in each installation job period under contract estimated by engineer supervisor.

4.2 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call with banks and other high-liquidity short-term investments which have original maturities within three months.

4.3 Trade and other current receivables

Trade accounts receivable and other receivable are stated at invoice amount less allowance for doubtful accounts.

Allowance for doubtful accounts is estimated from review of each receivable as at the year end. Bad debt is recognized as administrative expenses in the statement of comprehensive income.

4.4 Inventories

Inventories are stated at the lower of cost or net realizable value.

Cost of goods is calculated by using the weighted average method. That cost comprises of acquisition cost, conversion cost or other cost incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the necessary expenses to make the sale.

4.5 Investments in subsidiary

Investments in subsidiaries is presented in the separate financial statements at cost less allowance for impairment of the investments (if any) at the end of fiscal period.

Investment in subsidiaries is recognized under equity method in the consolidated financial statements.

4.6 Building and Equipment

Building and equipment the Company and subsidiaries are stated at cost less accumulated depreciation and allowance for impairment (if any). Cost is included direct expense incurred in bringing the assets to their present location and condition.

Repair and maintenance expenses were recognized in the statement of income during the year when occurred. The cost of major renovation and replacement cost of plant and equipment according to specific period will be included in book value of assets and charged for depreciation. However, in case the replaced items were included in book value of assets will be written off.

Depreciation is recorded as expense in the statement of comprehensive income by calculation with straight-line method over estimated useful lives which separately depreciated for significant component part and the useful lives of assets are presented as follows :

Building	20 years
Building improvement	10 - 20 years
Machinery and equipment	5 - 20 years
Office equipment	5 years
Computer	3 - 5 years
Office furniture and fixtures	5 years
Vehicle	5 years

Assets under construction is not depreciated.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

4.7 Intangible Assets

Intangible assets that are acquired by the Company and subsidiaries, which have definite useful lives, are stated at cost less accumulated amortization and allowance for devaluation (if any). Amortization is charged to the statement of comprehensive income on a straight-line basis from the date that intangible assets are available for use over the economic lives of the assets. The economic lives are as follows:

Computer software	5-10 years
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4.8 Impairment of assets

The Company and subsidiaries will consider an impairment if there is an indicator that the carrying amount of an asset exceeds its net realizable value, by considering each of the assets or cash generating unit, whichever practise. In case the carrying amount of an assets exceeds its net realizable value, the Company will recognize an impairment loss in the statement of comprehensive income and reverse loss on impairment if such indicator no longer exists or remain decrease by recorded in "Gain from reversal of asset impairment" account.

4.9 Transactions in Foreign Currencies

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies as at the financial position statement date are translated to Thai Baht by using the closing rates ruling at that date. Gains or losses on exchange rate is recorded in statement of income.

Non - monetary assets and liabilities measured at historical cost in foreign currencies are translated to Thai Baht at the date of the transactions.

4.10 Related Parties Transaction

Enterprise and individuals that directly, or indirectly control or are controlled by, or are under common control with the Company.

Associates and individuals owning that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company which has a power in planning and operating control.


4.11 Financial instruments

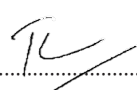
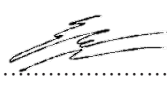
Financial instruments in the statement of financial position comprise cash and cash equivalent, temporary investments, trade and other current receivables, trade and other current payable, and liabilities under financial leases. Accounting policies and basis for recognition and measurement for each item are disclosed separately for each item.

4.12 Long-term Lease Contract

Financial leased Contract - The leased assets

Leases which transferring portion or the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses (if any). Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Financial charges are charged directly to the statement of comprehensive income.


 CORPORATION PUBLIC COMPANY LIMITED
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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

4.12 Long-term Lease Contract (Cont.)

Financial cost

Interest expense and similar costs are charged to the statement of income in the occurring period except for the case that was recorded as a cost of the asset as such asset takes a substantial period of time to be prepared, constructed and manufactured before intended for use or sale. The interest component of finance lease payments is recognized in the statement of income using the effective interest rate method.

Operating leases

Payment under operating leases is recorded in the statement of comprehensive income using straight-line method over the lease term. The potential rental will be recorded in the statement of comprehensive income in the occurrence period.

4.13 Employee Benefit Obligations

Employee benefit obligations

The obligation in respect of post-employment benefits that provide compensation according to labor law is recognised in the financial statements based on calculations by a qualified actuary using the projected unit credit method.

The Company and subsidiaries recognized all actuarial gain and loss arising from employee benefit obligations in other comprehensive income and all expenses related to employee benefit obligations in profit or loss.

On December 13, 2018, the National Legislative Assembly passed the resolution to approve the draft of new Labour Protection Act which determined the additional rate of severance pay in the case of termination of employment for a terminated employee who has worked for 20 consecutive years or more and shall be entitled to receive payment not less than the last rate of wages for 400 days. However, new Labour Protection Act is being announced in the Government Gazette. The Company, therefore, shall record the effects of new Labour Protection Act when it becomes effective.

Short-term employee benefits

Short-term employee benefit obligations are measured on are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company and subsidiaries has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

4.14 Income Tax

Income tax expense for the year comprises current income tax and deferred tax.

Current income tax

The Company and subsidiaries record current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

The Company and subsidiaries record deferred tax is provided on temporary differences between their carrying amounts at the end of each reporting period and the tax bases of assets and liabilities by using the tax rates enacted at the end of the reporting period.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

4.14 Income Tax (Cont.)

The Company and subsidiaries recognize deferred tax liabilities of temporary differences liable to tax for all items. However, deferred tax assets for temporary differences used for tax deduction including unutilized tax loss in the amount probable that the Company has sufficient taxable profit to utilize such temporary difference to deduct tax and unutilized tax loss.

The Company and subsidiaries will review carrying amount of deferred tax assets at each reporting date and will reduce such carrying amount if it is probable that the Company and subsidiaries will have no sufficient future taxable profits for benefit utilization of partial or all deferred tax assets.

The Company and subsidiaries will record deferred tax directly to shareholders' equity in case income tax incurred is related to the transaction recorded directly to shareholders' equity.

4.15 Provision for Liabilities

The preparation of financial statements in conformity with Thai Financial reporting standards require, management to make estimates and assumptions that may affect to amounts reported in the financial statements and notes related there to. Subsequent actual results may differ from estimates.

The Company and subsidiaries make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, not necessarily equal the related actual results. As at the date of the statement of financial position, the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are to allowance for doubtful accounts, allowance for devaluation of inventories, allowance for impairment of assets. The accounting estimates for each item are disclosed separately in its related items in note to the financial statements.

4.16 Provision of contingent liabilities and contingent assets

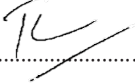
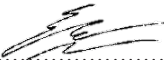
The Company and subsidiaries recognize provision for liabilities when an entity has present legal or constructive obligation as a result of past events. It is probable that an outflow of economic benefits resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. If some or all the expenditure under the provision are virtually expected to be reimbursed, the Company and subsidiary will separately recognize that amount as assets. The amount recognized should not exceed the amount of the provision.

4.17 Basic earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year.

4.18 Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

4.19 Measurement of fair values

A number of the Company and subsidiaries' accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company and subsidiaries have an established control framework with respect to the measurement of fair values. This includes a valuation that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to CFO.

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

Significant valuation issues are reported to the Company Audit Committee.

When measuring the fair value of an asset or a liability, the Company and subsidiaries use market observable data as fair as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows :

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

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company and subsidiaries recognized transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4.20 Significant accounting judgements and estimates

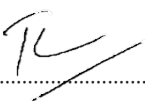

The preparation of financial statements in conformity with financial reporting standards at times requires management to make and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these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

Leases

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

Allowance for doubtful accounts

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

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

4.20 Significant accounting judgements and estimates (Cont.)

Allowance for diminution in value of inventory

The determination of allowance for diminution in the value of inventory, requires management to make judgements and estimates. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business; and provision for obsolete, slow-moving and deteriorated inventories, is estimated based on the approximate useful life of each type of inventory.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Impairment of equity investments

The Company treat available-for-sale investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Property, plant and equipment/Depreciation

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

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

Intangible assets

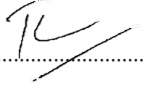
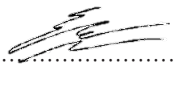
The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows

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 estimate future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plans and other long-term employee benefit plans are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

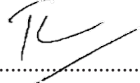

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5. RELATED PARTIES

5.1 Relationship and pricing policy

The Company and related person name	Nature of relationships
PROPOINT GLOBAL CONSULTANT CO.,LTD.	Subsidiary
NEXT P&L COMPANY LIMITED	Some common shareholder
LEE AND SON HOLDING CO.,LTD.	Some common shareholder
THAI VINYTECH (2002) CO.,LTD.	Some relative Director
THAI-GERMAN PRODUCTS PUBLIC COMPANY LIMITED	Some relative Director
EXCELLENT BUY & SELL CO.,LTD.	Some common shareholder
SOLIS POWER ENERGY CO.,LTD	Some common director
MR. VEERAPOL LEELAPRACHAKUL	15 % shareholding

Pricing policy with related parties	Pricing policy
Revenue from sales and service	Normal price as regular customer
Revenue from rental and service	Price mutually agreed Baht 20,000 per month
Other service income-electricity	At cost
Transportation income	Price mutually agreed
Dividend income	Right to receive dividends
Purchases of goods	Price agreed not higher than other vendors
Purchases of land	Lower than appraisal value 3.85% from Department of Lands
Service fee	Normal price as regular customer
Car rental	As indicated in rental agreement Baht 181,650 per month (Jan - May) and Baht 173,250 per month (Jun.61 up)
Land and office Rental	As indicated in rental agreement Baht 483,090 per month
Utilities expenses (Electricity and Water)	Cost plus margin 15%
Management fee	As indicated in rental agreement Baht 20,000 per month
Other expenses	Price mutually agreed
Interest expenses	Interest rate 7.00% per year
Interest receivable	Interest rate 5.00% per year


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5. RELATED PARTIES (CONT.)

5.2 Balance with related parties

Balance with related person and parties as at December 31, 2018 and 2017 are as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade accounts receivable				
PROPOINT GLOBAL				
CONSULTANT CO., LTD.	-	-	896,078	601,834
THAI VINYTECH (2002) CO.,LTD.	8,218	287,475	8,218	287,475
THAI-GERMAN PRODUCTS				
PUBLIC COMPANY LIMITED	56,660	85,899	56,660	85,899
Total	64,878	373,374	960,956	975,208
Notes receivable				
THAI-GERMAN PRODUCTS				
PUBLIC COMPANY LIMITED	-	35,750	-	35,750
Total	-	35,750	-	35,750
Accrued rental and service income				
PROPOINT GLOBAL				
CONSULTANT CO., LTD.	-	-	160,904	324,870
Total	-	-	160,904	324,870
Loans to related company				
PROPOINT GLOBAL				
CONSULTANT CO., LTD.	-	-	-	1,000,000
Total	-	-	-	1,000,000
Purchases of land				
LEE AND SON HOLDING CO., LTD.	-	32,764,200	-	32,764,200
Total	-	32,764,200	-	32,764,200
Trade accounts payable				
PROPOINT GLOBAL				
CONSULTANT CO., LTD.	-	-	4,504,486	887,351
THAI-GERMAN PRODUCTS				
PUBLIC COMPANY LIMITED	128,486	-	128,486	-
Total	128,486	-	4,632,972	887,351
Accrued interest expense				
PROPOINT GLOBAL				
CONSULTANT CO., LTD.	-	-	45,890	-
Total	-	-	45,890	-

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Authorized Director

5. RELATED PARTIES (CONT.)

5.2 Balance with related parties (Cont.)

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accrued rental and service expenses				
LEE AND SON HOLDING CO.,LTD	1,475,098	797,970	1,475,098	797,970
EXCELLENT BUY & SELL CO.,LTD.	282,450	282,450	282,450	282,450
Total	1,757,548	1,080,420	1,757,548	1,080,420
Other payables				
LEE AND SON HOLDING CO.,LTD	105,052	94,979	105,052	94,979
EXCELLENT BUY & SELL CO.,LTD.	65,799	62,000	65,799	62,000
Total	170,851	156,979	170,851	156,979
Loans				
PROPOINT GLOBAL				
CONSULTANT CO., LTD.	-	-	5,000,000	-
Total	-	-	5,000,000	-

(Unit : Baht)

	Separate financial statements	
	2018	2017
Loans to related company		
As at January 1,	1,000,000	-
Increase	2,000,000	1,000,000
Decrease	(3,000,000)	-
As at December 31,	-	1,000,000

(Unit : Baht)

	Separate financial statements	
	2018	2017
Loans from related company		
As at January 1,	-	-
Increase	5,000,000	-
As at December 31,	5,000,000	-

(Unit : Baht)

	Consolidated financial statements	
	2018	2017
Loan from related person		
As at January 1,	-	64,180,000
Decrease	-	(64,180,000)
As at December 31,	-	-

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5. RELATED PARTIES (CONT.)

5.3 Revenue and expenses with related parties

Significant transactions with related parties for year ended December 31, 2018 and 2017 are as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Revenue from sales and service	185,627	4,537,460	1,710,846	5,099,922
Revenue from rental and service	-	-	314,883	315,393
Transportation revenue	5,000	5,000	5,000	5,000
Interest receivable	-	-	19,452	9,041
Dividend income	-	-	-	6,379,362
Purchasing goods	120,270	30,118,731	120,270	30,118,731
Service fee	-	10,228	2,343,000	2,359,228
Car rental	-	-	2,121,000	1,998,150
Office rental	5,797,080	6,083,300	5,797,080	6,083,300
Utilities expenses	483,608	496,667	483,608	496,667
Management fee	240,000	240,000	240,000	240,000
Other expenses	2,172,232	-	5,772,232	3,888,000
Interest expense	-	662,353	45,890	662,353
Directors remuneration	455,000	410,000	455,000	410,000
Executive remuneration				
Short-term benefits	18,490,053	13,764,308	16,129,611	11,884,075
Other long-term benefits	931,990	587,586	735,325	447,808
Total	19,422,043	14,351,894	16,864,936	12,331,883

5.4 In 2018 and 2017, the Company entered into land and office rental agreement with a related company for 20 years period which is being legally registered at Land Department. The Company has commitment to pay Baht 59.98 million and Baht 63.19 million, respectively.


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6. ADDITIONAL INFORMATION OF CASH FLOWS

Cash and cash equivalents consist of cash on hand and deposits at bank. Cash and cash equivalents in the statement of cash flows comprise the transactions presented in the statement of financial position as follow :

6.1 Cash and cash equivalents as at December 31, 2018 and 2017 as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash	255,147	187,847	248,753	176,477
Current deposits	55,306	400,975	49,896	68,896
Savings deposits	65,506,321	103,631,487	60,529,357	103,347,959
Fixed deposits	172,853	31,570	141,002	-
Total	65,989,627	104,251,879	60,969,008	103,593,332

6.2 Non cash transaction for the year ended December 31, 2018 and 2017 are as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Payable from purchasing fixed assets	120,357	125,284	113,357	125,284
Liabilities under financial leases from purchasing fixed assets	8,927,608	3,685,780	7,624,465	3,685,780
Total	9,047,965	3,811,064	7,737,822	3,811,064

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, 2018 and 2017 as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade accounts receivable - related companies				
Trade accounts receivable	64,878	373,374	960,956	975,208
Notes receivable	-	35,750	-	35,750
Total	64,878	409,124	960,956	1,010,958

(Sign)

Authorized Director

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

7. TRADE AND OTHER CURRENT RECEIVABLES (CONT.)

(Unit : Baht)				
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade accounts receivable - other companies				
Trade accounts receivable	110,212,591	44,435,338	106,999,056	42,276,542
Returned checks	3,015,828	2,863,592	3,015,828	2,863,592
Notes receivable	20,564,064	40,064,800	20,391,528	40,054,400
Total	133,792,483	87,363,730	130,406,412	85,194,534
Total trade accounts receivable	133,857,361	87,772,854	131,367,368	86,205,492
Less Allowance for doubtful accounts	(3,997,981)	(4,047,932)	(3,901,026)	(3,930,380)
Allowance for estimated goods returned	(2,114,524)	(1,264,755)	(2,114,524)	(1,264,755)
Net	127,744,856	82,460,167	125,351,818	81,010,357
Other current receivable - related companies				
Accrued rental and service income	-	-	160,904	324,870
Total	-	-	160,904	324,870
Other current receivable				
Accrued income	1,045,800	408,366	-	-
Accrued interest income	3,645,998	-	3,645,966	-
Prepaid expenses	1,381,320	919,314	1,191,310	742,172
Deposit for assests	-	2,757,720	-	2,757,720
Advance payment for goods	8,126,927	744,781	8,126,927	744,781
Advance payments	61,283	257,112	3,000	207,143
Advance payment for share	6,000,000	-	6,000,000	-
Retention	2,047,962	-	2,047,962	-
Suspense input tax	983,860	434,882	973,555	419,029
Others	1,407,532	372,609	1,380,708	361,482
Total	24,700,682	5,894,784	23,369,428	5,232,327
Total trade and other current receivables	152,445,538	88,354,951	148,882,150	86,567,554

In 2018, the Company entered into purchasing share of a private company from a shareholder by making advance payment for share Baht 6 million.

(Sign) Authorized Director

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

7. TRADE AND OTHER CURRENT RECEIVABLES (CONT.)

Aging analyses for trade accounts receivable are as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade accounts receivable - related companies				
Not yet due	40,034	317,926	605,503	412,022
Overdue				
Less than 90 days	24,844	91,198	285,184	234,045
Over 90 days to 180 days	-	-	70,269	66,250
Over 180 days to 365 days	-	-	-	298,641
Over 365 days	-	-	-	-
	64,878	409,124	960,956	1,010,958
Trade accounts receivable - other companies				
Not yet due	80,392,697	31,960,615	78,612,432	30,872,485
Overdue				
Less than 90 days	35,918,684	12,947,697	16,306,780	12,111,844
Over 90 days to 180 days	10,599,260	38,290,122	31,531,796	38,218,850
Over 180 days to 365 days	2,973,656	175,786	144,172	119,397
Over 365 days	3,908,186	3,989,510	3,811,232	3,871,958
	133,792,483	87,363,730	130,406,412	85,194,534
Total trade accounts receivable	133,857,361	87,772,854	131,367,368	86,205,492

Movement of allowance for doubtful accounts and allowance for estimated good returned are as follows.

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Beginning allowance for doubtful accounts	4,047,932	3,980,200	3,930,380	3,883,246
Increase (Decrease)	(49,951)	67,732	(29,354)	47,134
Ending allowance for doubtful accounts	3,997,981	4,047,932	3,901,026	3,930,380

(Sign) Authorized Director
 (Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

THAIMUI

CORPORATION PUBLIC COMPANY LIMITED

บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)

7. TRADE AND OTHER CURRENT RECEIVABLES (CONT.)

Movement of allowance for doubtful accounts and allowance for estimated good returned are as follows. (Cont.)

(Unit : Baht)

	Consolidated financial statements	/Separate financial statements
Beginning period allowance for estimated goods returned	1,264,755	626,145
Increase	849,769	638,610
Ending period allowance for estimated goods returned	2,114,524	1,264,755

8. LOANS TO RELATED COMPANY

In 2017, the Company entered into loan agreement to a related company amount of Baht 1 million, due at call at bearing interest rate 5% per annum and the Company already received payment such loan in full amount on March 23, 2018.

9. INVENTORIES

Inventories as at December 31, 2018 and 2017 as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Inventories	212,599,765	177,662,142	212,599,765	177,662,142
Work in process	333,781	1,953,481	232,391	1,587,932
Goods in transit	14,294,001	5,521,595	14,294,001	5,521,595
Less Allowance for devaluation of goods	(2,218,490)	(1,870,388)	(2,218,490)	(1,870,388)
Total	225,009,057	183,266,830	224,907,667	182,901,281

10. DEPOSITS AT FINANCIAL INSTITUTIONS WITH COMMITMENTS

In 2018 and 2017, the Company has fixed deposit 2 and 3 banks amount of Baht 1.05 million and Baht 1.01 million, respectively to guarantee letter of guarantee for oil fleet card and selling goods contract with a private company (In 2018 and 2017), electricity usage with Metropolitan Electricity Authority (In 2017) as stated in note 28.3.


 CORPORATION PUBLIC COMPANY LIMITED
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(Sign)
 (Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

Authorized Director

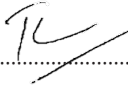
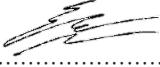
11. INVESTMENTS IN SUBSIDIARY

Investment in subsidiary as at December 31, 2018 and 2017 as follows:

(Unit : Baht)

Company name	Proportion of investments (%)	Separate financial statements			
		2018		2017	
		Cost	Dividend received	Cost	Dividend received
PROPOINT GLOBAL CONSULTANT CO., LTD.					
	99.99	16,999,800	-	1,999,800	6,379,362

According to ordinary shareholder meeting No.1 /2018 of PROPOINT GLOBAL CONSULTANT Co.,LTD held on March 19, 2018, the Company passed special resolution to increase its share capital 150,000 shares at par Baht 100.00 per share by increasing from Baht 2 million to Baht 17 million divided into 170,000 common shares at par Baht 100.00 per share. On March 22, 2018, the Company registered to increase share capital at Department of Business Development Ministry of Commerce.

(Sign)   Authorized Director
(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

13. INTANGIBLE ASSETS

Intangible assets as at December 31, 2018 and 2017 as follows:

(Unit : Baht)

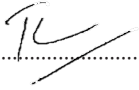

	Computer software	
	Consolidated financial statements	Separate financial statements
Cost		
As at January 1, 2017	3,253,869	3,225,869
Amortization for the year	168,000	168,000
As at December 31, 2017 and January 1, 2018	3,421,869	3,393,869
Amortization for the year	339,358	339,358
As at December 31, 2018	3,761,227	3,733,227
Accumulated amortization		
As at January 1, 2017	1,247,030	1,233,533
Amortization for the year	434,841	429,521
As at December 31, 2017 and January 1, 2018	1,681,871	1,663,054
Amortization for the year	492,812	487,493
As at December 31, 2018	2,174,683	2,150,547
Net book value		
As at December 31, 2017	1,739,998	1,730,815
As at December 31, 2018	1,586,544	1,582,680
Remaining term of computer software for amortization.		
In 2017	2-9 years	6-9 years
In 2018	1-9 years	5-8 years

14. DEFERRED TAX ASSETS

Deferred tax assets as at December 31, 2018 and 2017 as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax assets	3,276,986	2,612,540	3,180,548	2,522,167
Deferred tax liabilities	(660,015)	(346,036)	(660,015)	(346,036)
Net	2,616,971	2,266,504	2,520,533	2,176,131

(Sign)   Authorized Director
(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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14. DEFERRED TAX ASSETS (CONT.)


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

(Unit : Baht)

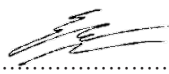
	Consolidated financial statements			
	(Expenses) Revenue recorded in			
	as at January 1, 2018	Profit or loss	Other comprehensive income	as at December 31, 2018
Deferred tax assets				
Allowance for obsolete inventory	374,078	69,620	-	443,698
Provision for estimated goods returned	252,951	169,954	-	422,905
Non-Current provisions for employee benefits	1,825,337	230,822	-	2,056,159
Accrued rental	104,174	123,350	-	227,524
Estimated contract fee	56,000	70,700	-	126,700
Total	2,612,540	664,446	-	3,276,986
Deferred tax liabilities				
Assets under financial leas	346,036	313,979	-	660,015
Total	346,036	313,979	-	660,015

(Unit : Baht)

	Consolidated financial statements			
	(Expenses) Revenue recorded in			
	as at January 1, 2017	Profit or loss	Other comprehensive income	as at December 31, 2017
Deferred tax assets				
Allowance for obsolete inventory	281,644	92,434	-	374,078
Provision for estimated goods returned	125,229	127,722	-	252,951
Non-Current provisions for employee benefits	1,975,221	324,354	(474,238)	1,825,337
Accrued rental	26,191	77,983	-	104,174
Estimated contract fee	-	56,000	-	56,000
Total	2,408,285	678,493	(474,238)	2,612,540
Deferred tax liabilities				
Assets under financial leas	85,069	260,967	-	346,036
Total	85,069	260,967	-	346,036

(Sign) 

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)



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CORPORATION PUBLIC COMPANY LIMITED

บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)

Authorized Director

14. DEFERRED TAX ASSETS (CONT.)

(Unit : Baht)

	Separate financial statements			
	(Expenses) Revenue recorded in			
	as at January 1, 2018	Profit or loss	Other comprehensive income	as at December 31, 2018
Deferred tax assets				
Allowance for obsolete inventory	374,078	69,620	-	443,698
Provision for estimated goods returned	252,951	169,954	-	422,905
Non-Current provisions for employee benefits	1,773,127	186,594	-	1,959,721
Accrued rental	66,011	161,513	-	227,524
Estimated contract fee	56,000	70,700	-	126,700
Total	2,522,167	658,381	-	3,180,548
Deferred tax liabilities				
Assets under financial leas	346,036	313,979	-	660,015
Total	346,036	313,979	-	660,015

(Unit : Baht)

	Separate financial statements			
	(Expenses) Revenue recorded in			
	as at January 1, 2017	Profit or loss	Other comprehensive income	as at December 31, 2017
Deferred tax assets				
Allowance for obsolete inventory	281,644	92,434	-	374,078
Provision for estimated goods returned	125,229	127,722	-	252,951
Non-Current provisions for employee benefits	1,860,419	284,406	(371,698)	1,773,127
Accrued rental	-	66,011	-	66,011
Estimated contract fee	-	56,000	-	56,000
Total	2,267,292	626,573	(371,698)	2,522,167
Deferred tax liabilities				
Assets under financial leas	85,069	260,967	-	346,036
Total	85,069	260,967	-	346,036

(Sign) Authorized Director

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

15. SHORT-TERM LOAN FROM FINANCIAL INSTITUTION

Short-term loan from financial institution as at December 31, 2018 and 2017 as follows:

	(Unit : Baht)	
	Consolidated financial statements	
	/Separate financial statements	
	2018	2017
Promissory notes	20,000,000	-
Trust receipt	16,623,829	-
รวม	36,623,829	-

The Company has short-term loan from a bank in 2 promissory notes Baht 20 million bearing interest rate MOR per annum maturity in 120 days and trust receipt Baht 16.62 million secured by mortgaged land and building as stated in note 12, 3 Directors and Thai Credit Guarantee Corporation (TCG).

16. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, 2018 and 2017 as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade accounts payable				
Trade accounts payable -				
Related company	128,486	-	4,632,972	887,351
Trade accounts payable - other company	41,254,564	34,196,673	41,089,283	33,942,708
Notes payable	5,439,035	41,077	5,439,035	41,077
Total	46,822,085	34,237,750	51,161,290	34,871,136
Other current payable- Related person				
and company				
Accrued interest expense	-	-	45,890	-
Accrued rental and service expenses	1,757,548	1,080,420	1,757,548	1,080,420
Other payables	170,851	156,979	170,851	156,979
Total	1,928,399	1,237,399	1,974,289	1,237,399


 CORPORATION PUBLIC COMPANY LIMITED
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(Sign)  Authorized Director
 (Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

16. TRADE AND OTHER CURRENT PAYABLES (CONT.)

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Other current payables				
Accrued expenses	5,579,531	4,732,034	5,124,241	4,328,108
Advance received for goods	517,500	284,293	517,500	284,293
Retention	1,533,690	-	1,533,690	-
Other payables	1,100,166	3,240,798	1,017,319	3,211,213
Accrued bonus	1,880,865	-	1,672,919	-
Accrued commission	2,312,735	2,086,942	2,312,735	1,872,365
Accrued interest expense	133,290		133,290	
Estimated service charge by contract	633,500	280,000	633,500	280,000
Payable - Revenue department	88,891	152,825	-	-
Suspense output tax	433,840	186,108	4,639	8,729
Accrued withholding tax	943,355	603,578	906,118	574,900
Others	678,274	504,802	639,692	468,594
Total	15,835,637	12,071,380	14,495,643	11,028,202
Total trade and other current payables	64,586,121	47,546,529	67,631,222	47,136,737

17. LOANS FROM RELATED COMPANY

In 2018, the Company entered into loan agreement from a related company amount of Baht 5 million, due at call at bearing interest rate 5% per annum.

18. NON - CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

The Company and its' subsidiary operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Company and its' subsidiary to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk

The statement of financial position provisions was determined as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Present value of provisions	10,280,798	9,213,702	9,798,610	8,865,638

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(Sign) Authorized Director

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

18. NON - CURRENT PROVISIONS FOR EMPLOYEE BENEFITS (CONT.)

Change in the present value of employee benefits provisions project for the years ended December 31, 2018 and 2017.

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Defined benefit provisions at January 1				
Include in profit or loss:	9,213,702	10,067,442	8,865,638	9,302,095
Current service costs	1,393,208	1,646,872	1,309,126	1,402,721
Interest costs	237,990	260,336	187,948	238,172
	1,631,198	1,907,208	1,497,074	1,640,893
Included in other comprehensive income:				
Actuarial gains	-	(2,542,088)	-	(1,858,490)
	-	(2,542,088)	-	(1,858,490)
Other:				
Transfer in	1,119,248	-	1,119,248	-
Employee benefits paid	(1,683,350)	(218,860)	(1,683,350)	(218,860)
	(564,102)	(218,860)	(564,102)	(218,860)
Defined benefit provisions at December 31	10,280,798	9,213,702	9,798,610	8,865,638

Actuarial gains recognized in other comprehensive income as of the end of the reporting period arising from:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Year ended December 31				
Demographic assumptions	-	(2,993,578)	-	(2,497,923)
Financial assumptions	-	611,950	-	555,208
Experience adjustment	-	(160,460)	-	84,225
Total	-	(2,542,088)	-	(1,858,490)

Principal actuarial assumptions at the reporting date (expressed as weighted averages) for the year ended December 31, 2018 and 2017.

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	2.12 - 2.30	2.12 - 2.30	2.12	2.76
Future salary increases	5.00	5.00	5.00	5.00
Changing rate in the number of employee				
(Varied by the age of employee)	0.00-31.00	0.00-31.00	0.00-31.00	0.00-31.00

Assumptions regarding future mortality are based on published statistics and mortality tables.

(Sign) Authorized Director

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

THAIMUI
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บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)

18. NON - CURRENT PROVISIONS FOR EMPLOYEE BENEFITS (CONT.)

Sensitivity analysis

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

(Unit : Baht)

	2018			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Defined benefit provisions December 31,				
Discount rate (1% movement)	(799,287)	922,291	(760,121)	874,994
Future salary growth (1% movement)	963,693	(853,285)	914,077	(810,555)
Turnover rate (1% movement)	(875,554)	598,423	(829,794)	559,589

(Unit : Baht)

	2017			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Defined benefit provisions December 31,				
Discount rate (1% movement)	(543,699)	625,041	(518,310)	595,078
Future salary growth (1% movement)	568,262	(505,345)	540,437	(481,250)
Turnover rate (1% movement)	(593,778)	390,636	(564,890)	367,796

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

As stated in note 4.13 to financial statements, the Company and subsidiaries shall record the effects of new Labour Protection Act when it is announced in the Government Gazette which may be effective in 2019. The Company expects that the additional employee benefits to be paid amount of Baht 2.47 million will be provided when it becomes effective.

19. LIABILITIES UNDER FINANCIAL LEASES

Liabilities under financial leases as at December 31, 2018 and 2017 as follows:

(Unit : Baht)


	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Liabilities under financial leases	13,260,912	8,745,735	12,083,860	8,745,735
Less Current portion	(4,973,492)	(3,688,516)	(4,662,058)	(3,688,516)
Net	8,287,420	5,057,219	7,421,802	5,057,219

THAIMUI

CORPORATION PUBLIC COMPANY LIMITED

บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)

(Sign)




Authorized Director

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

19. LIABILITIES UNDER FINANCIAL LEASES (CONT.)

(Unit : Baht)

	Consolidated financial statements			
	Minimum amount to be paid		Present value of the minimum amount to be paid	
	2018	2017	2018	2017
Within 1 year	5,536,443	4,130,292	4,973,492	3,688,516
Over 1 year within 5 years	8,854,396	5,335,327	8,287,420	5,057,219
Total	14,390,839	9,465,619	13,260,912	8,745,735
Less Future interest of financial leases	(1,129,926)	(719,884)	-	-
Present value of liabilities under financial leases	13,260,912	8,745,735	13,260,912	8,745,735

(Unit : Baht)


	Separate financial statements			
	Minimum amount to be paid		Present value of the minimum amount to be paid	
	2018	2017	2018	2017
Within 1 year	5,182,811	4,130,292	4,662,058	3,688,516
Over 1 year within 5 years	7,940,846	5,335,327	7,421,802	5,057,219
Total	13,123,657	9,465,619	12,083,860	8,745,735
Less Future interest of financial leases	(1,039,797)	(719,884)	-	-
Present value of liabilities under financial leases	12,083,860	8,745,735	12,083,860	8,745,735

Assets under financial leases consist of :

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Vehicles	28,761,878	25,194,308	27,009,355	25,194,308
Machinery and equipment	8,438,273	-	8,438,273	-
Less Accumulated depreciation	(16,725,063)	(14,060,784)	(16,586,173)	(14,060,784)
Net book value	20,475,088	11,133,524	18,861,455	11,133,524

In 2018 and 2017, the Company made hire-Purdue and financial lease contracts with 5 financial institutions 36-60 instalmentsof Baht 572,005 each instalment due on April 23,2018 until August 18, 2022.

(Sign) 



Authorized Director

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

19. PROVIDENT FUND

In July 2017, the Company and a subsidiary have established provident fund for all full-time employees of the Company in accordance with the provident fund Act B.E. 2530.

Employees and the Company have made contribution to this fund at rate 2% of the employee's salary. The employees will receive the portion of the Company's contribution according to the regulation of the fund based on working period with the Company. The Company has assigned a fund manager to administrate the fund in accordance with the provident fund Act B.E. 2530.

For the year ended December 31, 2018, the Company and a subsidiary made contribution to the provident fund amounting to Baht 0.97 million in consolidated financial statements and Baht 0.83 million in separate financial statements.

21. INCOME TAX

21.1 Calculation of income tax for the current period

In 2018 and 2017, the Company and a subsidiary calculated income tax by using tax rate at 20% and 0-20% from profit before income tax after adjusted by allowance and any expenses which shall not be allowed as expenses in tax calculation (if any).

21.2 Expense of the income tax recognized in profit or loss

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<i>Current income tax:</i>				
For the current year	8,651,776	6,276,482	8,316,597	5,901,615
<i>Deferred tax:</i>				
Changing in temporary	(350,467)	(417,526)	(344,402)	(365,607)
Total	8,301,309	5,858,956	7,972,195	5,536,008
<i>Income tax recognized in other comprehensive income</i>				
Actuarial loss from defined benefit plan	-	474,238	-	371,698
Total	-	474,238	-	371,698
<i>Reconciliation of effective tax rate</i>				

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accounting profit before corporate income tax	39,539,435	27,194,919	39,105,720	29,908,337
Applicable tax rate	20%	10 - 20%	20%	20%
Income tax using the corporate income tax rate	7,907,887	6,318,262	7,821,144	5,981,667
<i>Effects of:</i>				
Income not subject to tax	-	(1,275,872)	-	(1,275,872)
Difference of deferred income tax rate	(30,124)	(17,307)	-	-
Non-deductible expenses	423,546	833,873	151,051	830,213
Total	393,422	(459,306)	151,051	(445,659)
Income tax expense (revenue) presented in the statement of comprehensive income	8,301,309	5,858,956	7,972,195	5,536,008
Effective income tax rate	21.00%	21.54%	20.39%	18.51%

(Sign) Authorized Director
(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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22. SHARE CAPITAL

Consisted of: -

	(Unit : Baht)			
	Consolidated financial statements and Separate financial statements			
	Paid-up share capital	Receivable of shareholder	Share premium on ordinary shares	Total
As at December 31, 2016	121,465,000	(3,000,000)	20,000,000	138,465,000
Share capital increase	48,535,000	-	198,993,500	247,528,500
Receiving common shares payment	-	3,000,000	-	3,000,000
Expenses related to disposal of ordinary shares	-		(8,312,898)	(8,312,898)
As at December 31, 2017	170,000,000	-	210,680,602	380,680,602

According to extra-ordinary shareholder meeting no. 2/2017 held on June 12, 2017, the meeting passed resolution to convert company to be Public Company Limited and other matters relating to Public Company Limited conversion. The Company already registered at Department of Business Development on June 28, 2017 as follows.

- To approve by changing previous par value Baht 85.00 each to be Baht 0.50 each making number of 242,930,000 common shares from previous 1,429,000 shares, The Company revised Memorandum of Association no. 4 “Par Value”

- To approve by register increasing share capital Baht 48,535,000 from previous registered share capital Baht 121,465,000 to be Baht 170,000,000. The Company already revised Memorandum of Association no. 4 “Registered Share Capital”

During November 15 - 17, 2017, the Company has initially offered 97.07 million of increasing share to the public for Managing Director, Management and employees 9.71 million shares, sponsor 14.56 million shares and general public 72.80 million shares at par value Baht 0.50 per share at the offered selling price Baht 2.55 per share.

During such periods, the Company received share subscription amounting to Baht 247.53 million for 97.07 million ordinary shares and shares premium amounting to Baht 198.99 million. As a result, the issued and fully paid-up share capital increase from Baht 121.47 million (242.93 million ordinary shares with a par value of Baht 0.50 per share) to Baht 170 million (340 million ordinary shares with a par value of Baht 0.50 per share). The Company registered the increase in its paid up share capital with the Ministry of Commerce on November 20, 2017 and the Stock Exchange of Thailand approved the 340 million ordinary shares with a par value of Baht 0.50 each as listed securities for trading, effective from November 23, 2017. The Company incurred expenses relating to the share offering totaling Baht 8.31 million, which were presented as a deduction from the premium.

23. LEGAL RESERVES

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account (If any) until such reserve reaches 10% of authorized share capital. Such reserve is not available for dividend payment.

24. DIVIDEND PAID

According to the Board of Director meeting No. 4/2018 held on August 14, 2018. The company has approved to pay interim dividend Baht 0.045 per share amount of 340,000,000 shares from retained earnings as at December 31, 2017 and profit for the period January 1, 2018 until June 30, 2018. total amount of dividend Baht 15.30 million which has remaining dividend Baht 6.8 million. Such dividend was paid to shareholder on September 12, 2018.

(Sign) Authorized Director
(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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24. DIVIDEND PAID (CONT.)

According to the Board of Director meeting No. 3/2018 held on May 18, 2018 The company has approved to pay interim dividend Baht 0.025 per share amount of 340,000,000 shares from retained earnings as at December 31, 2017 total amount of dividend Baht 8.5 million. Such dividend was paid to shareholder on June 15, 2018.

According to the annual shareholders' ordinary meeting held on April 25, 2016. The company has approved to pay dividend Baht 0.16 per share amount of 242,930,000 shares from retained earnings as at September 30, 2017 total amount of dividend Baht 38.87 million. Such dividend was paid to shareholder on November 7, 2017.

According to the Board of annual shareholders' ordinary meeting of PROPOINT GLOBAL CONSULTANT Co., LTD held on April 30, 2018, The company has approved to pay dividend of the year 2017 Baht 319 per shares amount of 20,000 share for the retained earnings as at September 30, 2017 total amount of dividend Baht 6.38 million. Such dividend was paid to shareholder on October 25, 2017.

25. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2018 and 2017 as follows :

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Changing in finished goods	41,034,041	(17,366,405)	41,298,200	(17,731,953)
Purchasing goods	360,165,872	208,784,446	357,058,397	207,158,597
Staff expenses	67,357,312	62,379,659	57,827,431	54,771,168
Depreciation and amortization	9,206,533	8,976,990	8,514,266	8,166,140
Commission	4,960,486	4,179,175	4,693,479	3,853,984
Transportation	797,401	1,260,754	797,401	1,403,299
Inventories test	1,882,750	1,606,500	4,225,750	3,955,500
Consulting fee	4,133,744	2,315,000	7,733,744	5,915,000
Office rental	6,620,043	6,371,554	6,620,043	6,371,554
Directors remuneration	455,000	410,000	455,000	410,000
Executive remuneration	19,422,043	14,351,894	16,864,936	12,331,883

26. SEGMENT INFORMATION

Segment information is the management views for reporting the Company and a subsidiary's operation information which referenced from the internal information that the most authorized operation officer has consistently received and reviewed.

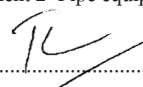
26.1 The Company and subsidiary has a single geographical operation in Thailand and have presented segment information by considering different kind of business as significant in defining segment. Assets and liabilities of each segment are not reported and Management believes that net profit before income tax used for performance measurement is appropriate information for performance assessment of segment

Business segments as at December 31, 2018 and 2017

The Company and a subsidiary comprises the following main business segments :

Segment 1 Wire rope equipment and service

Segment 2 Pipe equipment

(Sign)  Authorized Director
(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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26. SEGMENT INFORMATION (CONT.)

26.2 Major customers

For the year ended December 31, 2018 and 2017, the Company and a subsidiary have revenues from selling wire rope to 1 and 2 major customer amount of Baht 168.99 million and Baht 80.86 million, respectively.

27. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

27.1 Accounting policies

The details of significant accounting policies, the methods used including recognition and measurement basis relating to each category of financial/liabilities assets are disclosed in Note 4.11

27.2 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity, and also monitors the level of dividends to ordinary shareholders.

27.3 Default risk

The risk from breach of agreement arises from the other party not in compliance with the covenants in the agreement causing damage to the Company and subsidiary. The Company and subsidiary has policy to hedge this risk by analyzing financial status of customers for financial assets presented in the statement of financial position. Net value of assets after allowance of doubtful accounts is regarded as maximum value of the risk from the breach of agreement.

27.4 Foreign currency exchange rate risk

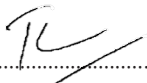

The Company has exchange rate risk arising from goods purchase and sale in foreign currency.

In 2018 and 2017, the Company has exchange rate risk as the Company held assets and liabilities in foreign currency as follows :

		(Unit : Baht)	
		Consolidated financial statements /Separate financial statements	
		2018	2017
Trust receipt			
	United States Dollars (USD)	133,625	-
	Euro Dollars (EURO)	327,186	-
		460,811	-
Trade accounts payable			
	United States Dollars (USD)	394,013	272,983
	Euro Dollars (EURO)	56,880	18,327
		450,893	291,310
	Total	911,704	291,310

27.5 Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its short-term borrowings. The Company and its subsidiaries' liabilities bear floating interest rates. However, the Company and its subsidiaries believe that there will be no material impact on the Company and its subsidiaries' financial statements because the amounts of such financial assets and liabilities are immaterial.

(Sign)   Authorized Director
(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

27. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS (CONT.)

27.6 Fair value of financial instruments

The following methods and assumptions were used by the Company and subsidiary in estimating the fair value of the financial instrument cash and cash equivalents, trade and other current receivable, trade and other current payable, short term loan and liabilities under financial leases have the carrying values approximate their fair values. The Company management believes that fair values of such financial assets and liabilities will not be significantly different.

28. COMMITMENT AND CONTINGENT LIABILITIES

28.1 The Company and a subsidiary have commitment in non-cancellable operating lease as at December 31, 2018 and 2017 as follows.

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Within 1 year	9,465,677	10,323,490	9,465,677	9,759,677
Over 1 year within 5 years	14,343,623	22,665,708	14,343,623	20,410,456
Over 5 year	44,005,640	49,122,385	44,005,640	48,041,744
Total	67,814,940	82,111,583	67,814,940	78,211,877

28.2 In 2018 , the Company has commitment from purchasing goods order and hire of project works total amount of Baht 25.91 million.

28.3 In 2018 and 2017, the Company has contingent liabilities from letter of guarantee issued by 2 and 3 banks for oil fleet card and selling goods contract with a private company (In 2018 and 2017), electricity usage with Metropolitan Electricity Authority (In 2017) Baht 0.66 million and Baht 0.58 million, respectively.

28.4 Other commitments

In 2018 and 2017, the Company has unused credit facilities with a bank secured by mortgaged land and building as stated in note 12. And 3 Directors of the Company as follow:

	(Unit : Baht)	
	Consolidated financial statements	
	2018	2017
Bank overdrafts	5,000,000	5,000,000
Promissory notes	22,000,000	32,000,000
Overseas loan facility	3,376,171	30,000,000
Foreign currency forward contract and Derivatives	30,000,000	30,000,000
Total	60,376,171	97,000,000

(Sign) Authorized Director
(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

29. EVENTS AFTER THE REPORTING PERIOD

According to the Board of Director meeting No. 1/2019 held on February 25, 2019, the Company pass resolution not to pay dividend from profit for the period from July 1, 2018 to December 31, 2018. During 2018, the Company paid the interim dividend from retained earnings as at December 31, 2017 and profit for the period from January 1, 2018 to June 30, 2018 for 340,000,000 shares at 0.045 per share, totally amount of Baht 15.30 million, as stated in note 24. The Company will propose in the annual ordinary shareholder meeting of 2019 for approval.

30. FINANCIAL STATEMENTS APPROVAL

These financial statements have been approved to be issued by the Company's Board of Directors February 25, 2019

(Sign) Authorized Director

12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment for the year ended December 31, 2018 and 2017 as follows:

	Consolidated financial statements								(Unit : Baht)	
	Land	Building	Building improvement	Machinery and equipment	Office equipment	Computer	Office furniture and fixtures	Vehicle	Work under contraction and installation	Total
Cost										
As at January 1, 2017	-	9,046,049	17,082,352	35,495,487	10,038,258	4,412,364	1,595,057	48,464,115	-	126,133,682
Purchase during the year	32,764,200	-	-	661,568	784,333	414,518	371,400	4,886,757	960,826	40,843,602
Disposal/Write off	-	-	-	(4,155,716)	(1,984,248)	(516,325)	-	(3,158,879)	-	(9,815,168)
Transfer in/out	-	-	296,000	362,401	302,425	-	-	-	(960,826)	-
As at December 31, 2017 and January 1, 2018	32,764,200	9,046,049	17,378,352	32,363,740	9,140,768	4,310,557	1,966,457	50,191,993	-	157,162,116
Purchase during the year	-	-	141,112	8,991,582	1,216,756	638,179	-	3,567,570	118,791	14,673,990
Disposal/Write off	-	-	(475,685)	(284,236)	(318,154)	-	-	(4,673)	-	(1,082,748)
As at December 31, 2018	32,764,200	9,046,049	17,043,779	41,071,086	10,039,370	4,948,736	1,966,457	53,754,890	118,791	170,753,358
Accumulated depreciation										
As at January 1, 2017	-	6,058,121	6,199,736	21,597,787	6,976,851	2,854,144	1,097,925	33,741,678	-	78,526,242
Depreciation for the year	-	452,302	1,056,564	1,754,636	1,345,336	691,066	229,511	3,012,735	-	8,542,150
Disposal/Write off	-	-	-	(4,142,952)	(1,943,654)	(516,313)	-	(2,211,215)	-	(8,814,134)
As at December 31, 2017 and January 1, 2018	-	6,510,423	7,256,300	19,209,471	6,378,533	3,028,897	1,327,436	34,543,198	-	78,254,258
Depreciation for the year	-	452,303	908,447	2,302,080	1,156,852	708,560	191,972	2,993,504	-	8,713,718
Disposal/Write off	-	-	(475,680)	(284,228)	(302,724)	-	-	(3,205)	-	(1,065,837)
As at December 31, 2018	-	6,962,726	7,689,067	21,227,323	7,232,661	3,737,457	1,519,408	37,533,497	-	85,902,139
Net book value										
As at December 31, 2017	32,764,200	2,535,626	10,122,052	13,154,269	2,762,235	1,281,660	639,021	15,648,795	-	78,907,858
As at December 31, 2018	32,764,200	2,083,323	9,354,712	19,843,763	2,806,709	1,211,279	447,049	16,221,393	118,791	84,851,219

Land and building at cost amount of Baht 59.19 million in consolidated financial statements is mortgaged as collateral for credit facilities with a bank as stated in note 28.4

Certain Equipment which was fully depreciated but still used in operation as at December 31, 2018 and 2017 have total cost in amount of Baht 61.08 million and Baht 49.31 million, respectively.

(Sign) Authorized Director
(Mr.Tchakom Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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12. PROPERTY, PLANT AND EQUIPMENT (CONT.)

	Separate financial statements								(Unit : Baht)	
	Land	Building	Building improvement	Machinery and equipment	Office equipment	Computer	Office furniture and fixtures	Vehicle	Work under contraction and installation	Total
Cost										
As at January 1, 2017	-	9,046,049	17,082,352	34,838,475	9,731,559	3,686,515	1,548,357	44,534,607	-	120,467,914
Purchase during the year	32,764,200	-	-	642,968	734,026	379,618	371,400	4,886,757	960,826	40,739,795
Disposal/Write off	-	-	-	(4,155,716)	(1,984,248)	(516,325)	-	(3,158,879)	-	(9,815,168)
Transfer in/out	-	-	296,000	362,401	302,425	-	-	-	(960,826)	-
As at December 31, 2017 and January 1, 2018	32,764,200	9,046,049	17,378,352	31,688,128	8,783,762	3,549,808	1,919,757	46,262,485	-	151,392,541
Purchase during the year	-	-	141,112	8,841,280	1,181,923	494,578	-	1,815,047	39,514	12,513,454
Disposal/Write off	-	-	(475,685)	(284,236)	(318,154)	-	-	-	-	(1,078,075)
As at December 31, 2018	32,764,200	9,046,049	17,043,779	40,245,172	9,647,531	4,044,386	1,919,757	48,077,532	39,514	162,827,920
Accumulated depreciation										
As at January 1, 2017	-	6,058,121	6,199,736	21,120,730	6,823,660	2,275,478	1,051,239	31,044,344	-	74,573,308
Depreciation for the year	-	452,302	1,056,564	1,684,147	1,287,775	639,631	229,511	2,386,690	-	7,736,620
Disposal/Write off	-	-	-	(4,142,952)	(1,943,654)	(516,313)	-	(2,211,215)	-	(8,814,134)
As at December 31, 2017 and January 1, 2018	-	6,510,423	7,256,300	18,661,925	6,167,781	2,398,796	1,280,750	31,219,819	-	73,495,794
Depreciation for the year	-	452,303	908,447	2,221,066	1,091,920	624,988	191,973	2,536,077	-	8,026,774
Disposal/Write off	-	-	(475,680)	(284,228)	(302,724)	-	-	-	-	(1,062,632)
As at December 31, 2018	-	6,962,726	7,689,067	20,598,763	6,956,977	3,023,784	1,472,723	33,755,896	-	80,459,936
Net book value										
As at December 31, 2017	32,764,200	2,535,626	10,122,052	13,026,203	2,615,981	1,151,012	639,007	15,042,666	-	77,896,747
As at December 31, 2018	32,764,200	2,083,323	9,354,712	19,646,409	2,690,554	1,020,602	447,034	14,321,636	39,514	82,367,984

Land and building at cost amount of Baht 59.19 million in consolidated financial statements is mortgaged as collateral for credit facilities with a bank as stated in note 28.4

Certain Equipment which was fully depreciated but still used in operation as at December 31, 2018 and 2017 have total cost in amount of Baht 57.14 million and Baht 46.80 million, respectively.

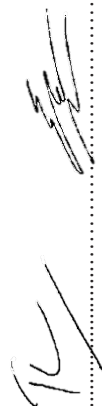
(Sign) Authorized Director
(Mr. Tchakorn Leelaprachakul , Mr. Ekkordin Leelaprachakul)

THAIMUI
CORPORATION PUBLIC COMPANY LIMITED
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26. SEGMENT INFORMATION (CONT.)

Presented segment information for the year ended December 31, 2018 and 2017 as follow:

	Consolidated financial statements					(Unit : Baht)
	Sales and service.		Project work.		Total	
	2018	2017	2018	2017		
Revenue from sales and services	358,961,698	339,451,149	221,552,850	47,905,481	580,514,548	387,356,630
Cost of sales and services	(218,020,383)	(201,681,068)	(191,209,351)	(35,159,276)	(409,229,734)	(236,840,344)
Gross profit	140,941,315	137,770,081	30,343,499	-	171,284,814	150,516,286
Other income					5,939,012	2,765,926
Expense unallocated amounts					(137,684,391)	(126,087,293)
Profit before income tax expense					39,539,435	27,194,919
	Separate financial statements					(Unit : Baht)
	Sales and service.		Project work.		Total	
	2018	2017	2018	2017		
Revenue from sales and services	343,889,670	325,773,128	221,552,850	47,905,481	565,442,520	373,678,609
Cost of sales and services	(201,726,718)	(188,814,373)	(191,209,351)	(35,159,276)	(392,936,069)	(223,973,649)
Gross profit	142,162,952	136,958,755	30,343,499	-	172,506,451	149,704,960
Other income					5,928,427	9,573,786
Expense unallocated amounts					(139,329,158)	(129,370,409)
Profit before income tax expense					39,105,720	29,908,337

(Sign)  (Mr. Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

Authorized Director

THAIMUI
CORPORATION PUBLIC COMPANY LIMITED
บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)



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