

The background of the slide is a collage of industrial and maritime images. It includes a close-up of a ship's deck with various equipment, an offshore oil rig at sunset, and several construction cranes and equipment. The images are arranged in a collage-like fashion, with some overlapping and others partially visible. The overall color scheme is dominated by dark blue and white, with accents of yellow and orange from the images.

Annual Report 2019

THAIMUI
WE UNDERSTAND

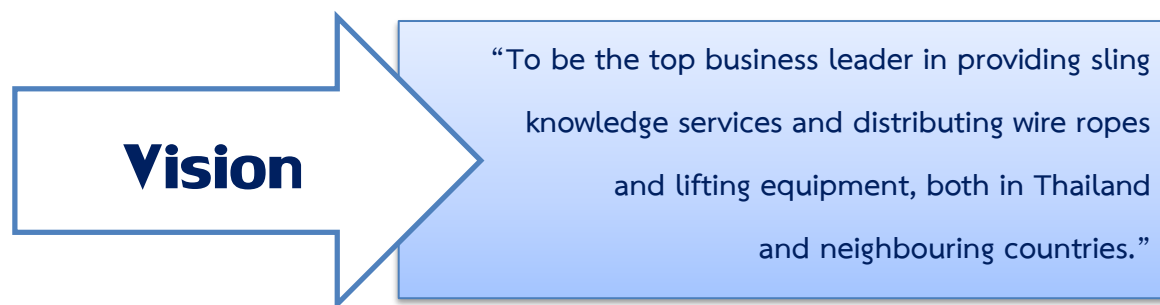
THAI MUI CORPORATION PUBLIC COMPANY LIMITED

THAI MUI CORPORATION PUBLIC COMPANY LIMITED

CONTENT

Vision Mission and Core Value	2
Message from the Chairman of the Board and the Chief Executive Officer	3
Financial Summary	4
Executives, Committee and Secretary	6
General information and other important information	14
Policy and business overview	15
Significant changes and developments	17
Nature of Business	19
Risk factors	39
Shareholding structure	42
Organization structure	43
Management structure	44
Governance	62
Corporate Social Responsibility	65
Internal control and risk management	67
Relate-Party Transactions	68
Report of the Board of Directors' Responsibilities for Financial Reports	79
Report of the Risk Management Committee	80
Report of the Nomination and Remuneration Committee	81
Report of the Audit Committee	82
Management Discussion and Analysis (MD&A)	84
Independent Auditor's Report	86
Consolidated and Company Financial Statements and Notes to the Consolidated and Company Financial Statements	93





Mission

Aspire to source only high-quality products from the world-renowned manufacturers in order to create confidence for our customers;

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;

Aim to provide amicable service with useful consultancy and advice to bring about confidence and maximum efficiency for our customers;

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;

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 customers, business partners, employees and 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 the year 2019, board of directors and executives are aware of their duties and work responsibly. For companies with business potential good corporate governance is beneficial to shareholders and society. There is a clear vision, mission, and policy that is appropriate. Consistent with the economic, social and environmental conditions. Including changing strategies to suit the situation Improving the efficiency of administration and other measures in order to manage the risk to be at a controlled level. In addition, the company is determined to operate the business progressively and in a transparent manner with good governance. In order to be a sustainable development and strengthen the confidence of the interested parties Interest for all parties.

Future goals for business operations. The company has a strategy to penetrate groups of customers into more businesses. Including finding more investment opportunities in other products. In order to spread the business risk and enhance the potential for the company in the future. While still giving importance to customer selection cost control liquidity management and the continuous development of personnel of the company.

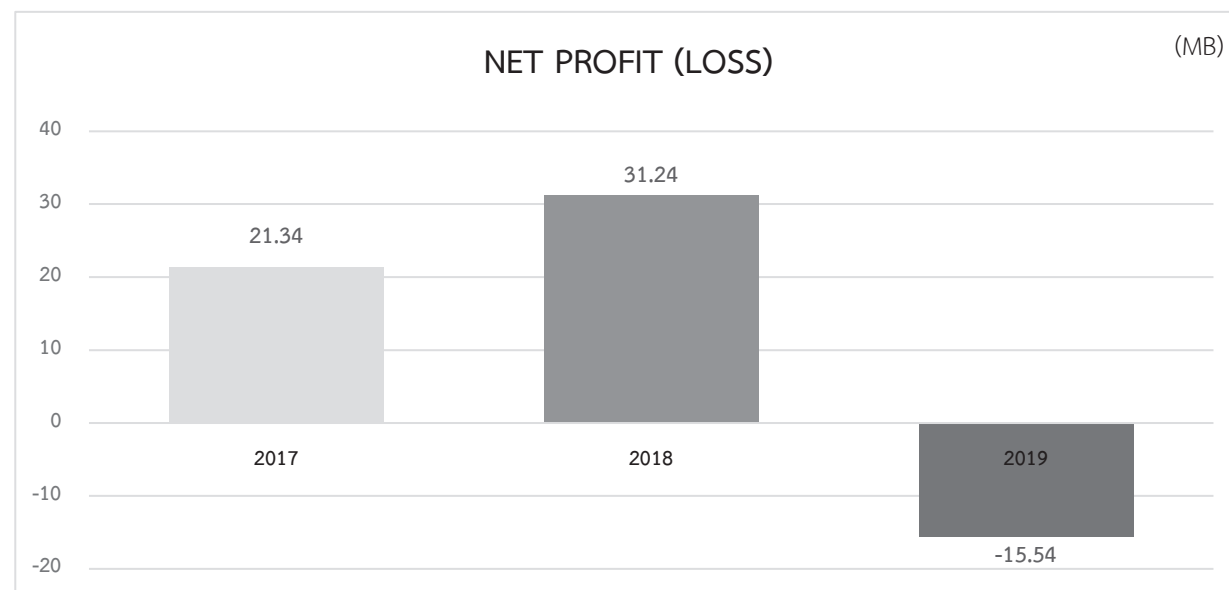
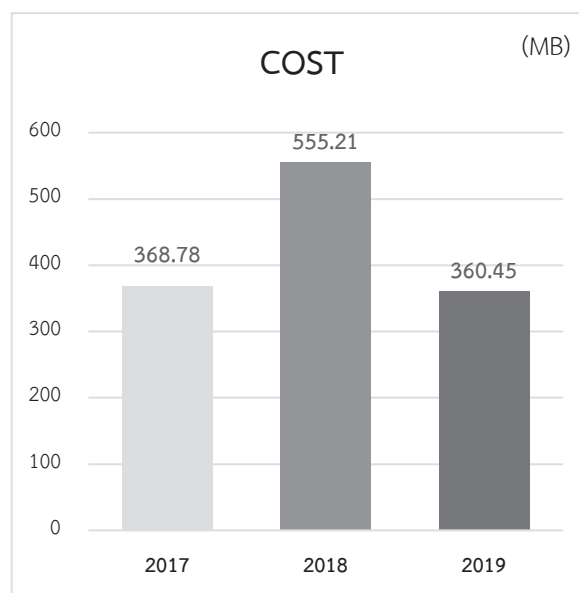
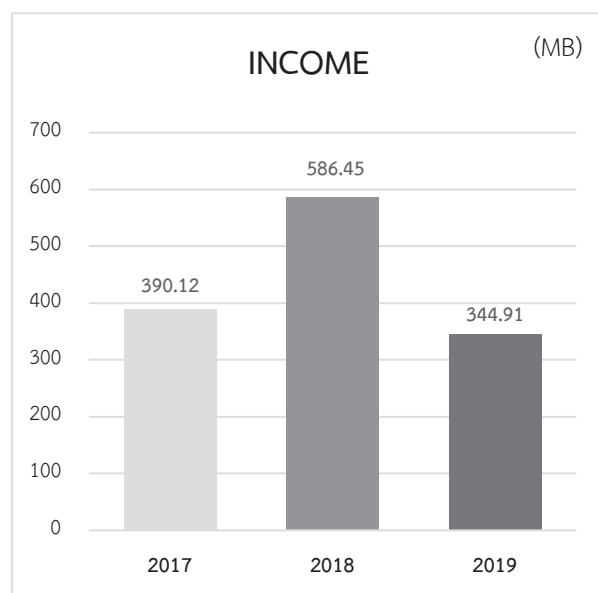
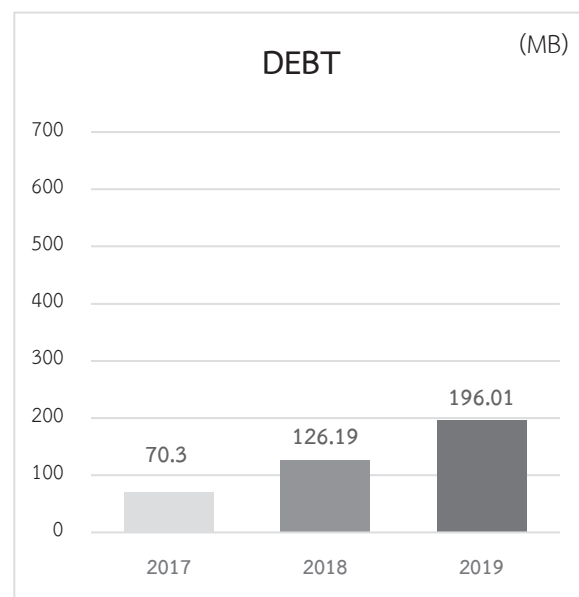
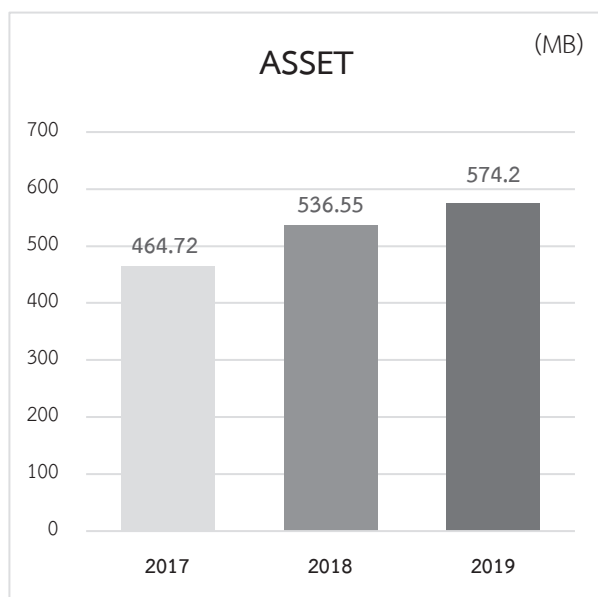
Lastly, on behalf of the Board of Directors, executives and staff. Would like to thank shareholders, customers, business partners, financial institutions Government agencies, private sectors and business allies. That has given confidence and supported the company's operations throughout. The company pledges that the company will implement the vision, mission and sustainable development framework. As well as would like to thank all the staff and management team for their efforts in working with full capacity for the company Growth together with stability and sustainability.

Financial Summary

Unit: Million Baht

		2019	2018	2017
Assets				
Total assets		574.20	536.55	464.72
Liabilities and shareholders' equity				
Total liabilities		196.01	126.19	70.30
Shareholders' equity		378.18	410.36	394.42
Performance Results				
Total revenue		344.91	586.45	390.12
Cost of sales and services		(210.01)	(409.23)	(236.84)
Total cost		(148.77)	(136.69)	(121.89)
Financial cost		(3.31)	(1.00)	(4.20)
Income tax expense		1.64	(8.30)	(5.86)
Net profit (loss)		(15.54)	31.24	21.34
Important financial ratios		Unit		
Overall Liquidity ratio				
Liquidity ratio		2.74	4.13	6.99
Quick ratio		1.04	2.03	3.58
Cash flow ratio		0.14	(0.61)	(0.09)
Receivable Turnover Ratio		3.46	4.82	5.04
Average collection period	days	105.55	75.70	71.48
Inventory turnover ratio		0.98	2.00	1.23
Average selling time	days	372.59	182.07	291.77
Payable turnover ratio		4.30	7.30	3.70
Repayment period	days	84.94	50.01	97.27
Cash cycle	days	393.20	207.77	265.98
Profitability ratio				
Gross profit margin	%	38.73	29.51	38.86
Operating profit margin	%	(4.05)	5.96	7.39
Cash ratio to profitability	%	(114.35)	(143.06)	(31.98)
Net profit margin	%	(4.50)	5.33	5.47
Return on shareholders’ equity	%	(3.94)	7.76	7.59
Operating Performance ratio				
Return on assets	%	(2.80)	6.24	5.33
Return on fixed assets	%	(2.61)	34.34	28.74
Asset rotation rate		0.62	1.17	0.97
Financial Policy Analysis Ratio				
Debt to equity ratio		0.52	0.31	0.18
Interest payment ratio		(0.92)	49.69	5.47
Commitment ability payment ratio		(0.08)	(1.92)	(0.07)
Dividend payout ratio	%	(98.46)	48.98	182.18

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





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



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 6.07%

Family relations between directors and executives

- Spouse of Mrs. Sarinrath Leelaprachakul
- The elder brother of Ms. Narida Leelaprachakul
- The elder brother of Mr. Arkapol Leelaprachakul
- The elder brother of Mr. Ekbordin Leelaprachakul
- The elder brother of Mr. Krid 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 Leelaprachaku

Position: Director, Vice President of Bangkok Sales and Marketing Department

Education: Bachelor of Science and Technology, Assumption University

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

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 Ms. Narida Leelaprachakul
- The older brother of Mr. Ekbordin Leelaprachakul
- The older brother of Mr. Krid Leelaprachakul

Working experience within the past 5 years

- 2017 to present:
Director, Vice President of Bangkok Sales and Marketing Department,
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 6.07%

Family relations between directors and executives

- The younger brother of Mr. Tchakorn Leelaprachakul
- The younger brother of Ms. Narida Leelaprachakul
- The younger brother of Mr. Arkarapol Leelaprachakul
- The older brother of Mr. Krid 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



Ms. Narida Leelaprachakul

Position Vice President of Finance Department

Education: Bachelor of Arts Assumption University

Percentage of shares held in the company 6.07%

Family relations between directors and executives

- The younger sister of Mr. Tchakorn Leelaprachakul
- The older sister of Mr. Arkapol Leelaprachakul
- The older sister of Mr. Ekbordin Leelaprachakul
- The older sister of Mr. Krid Leelaprachakul

Working experience within the past 5 years

- 25 February 2019 to the present
Vice President of Finance Department,
Thai Mui Corporation Public Company Limited
- 1 July 2017 - 24 February 2019
Manager of Finance Department. Paying Finance Department.
Thai Mui Corporation Public Company Limited
- 1 December 2010 - 30 June 2017
Assistant Deputy General Manager of Finance,
Finance Department
Thai Mui Trading Corporation Company Limited
- 1 Oct 2010 - 30 Nov 2010
Finance Manager Assistant Finance Department
Thai Mui Trading Corporation Company Limited
- 1 June 2008 - 30 September 2010
Financial staff financial department
Thai Mui Trading Corporation Company Limited
- 1 December 2005 - 31 May 2008
Inventory management staff, Purchasing department
Thai Mui Trading Corporation Company Limited



Mrs. Sunee Jantarotorn

Position: Vice President of Accounting 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

- 30 Apr 2019 to present
Director, Trend Asia Corporation Company Limited
- 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

- 30 Apr 2019 to present
Director, Trend Asia Corporation Company Limited
- 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

- 4 Jul 2019 to present
Director,
Trend Asia Corporation Company Limited
- 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



Mr. Krid Leelaprachakul

Position Assistant Vice President of Marketing

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 Ms. Narida Leelaprachakul
- The younger brother of Mr. Arkarapol Leelaprachakul
- The younger brother of Mr. Ekbordin Leelaprachakul

Working experience within the past 5 years

- 25 Feb 2019 to the present
Assistant Vice President of Marketing,
Thai Mui Corporation Public Company Limited
- March 2018 to 24 Feb 2019: 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



Mrs. Wanna Kijsonmwang

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

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 Chrityakieme, 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 Bryon, Kiswire, 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.

Also the company Has also invested in water quality improvement business for shrimp farms with ultrafiltration (Ultrafiltration) and disinfection by ozone production system (Ozone). For a large customer to expand the company's business.

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

1998

February 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 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 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 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 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 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 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 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 The company has been certified with ISO 9001: 2008, which certifies the quality in the quality-management system of products and services.

2012

January The Company changed the management system into SAP to help increase the efficiency of the internal management of the company.

July Invested in a 600-ton wire rope crimping machine in order to provide the ready-to-use wire ropes to customers.

2014

- January ■ 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 ■ 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 ■ 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 ■ 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 ■ 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 ■ The Company restructured the group of companies by purchasing shares in ProPoint Global Consultants Co., Ltd. at a rate of 99.99 % 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 ■ 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 ■ 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 ■ The company has been certified with ISO 9001: 2015 which certifies the quality in the quality-management system of products and services.
- June ■ 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.

2019

- April Invest in water quality improvement business for shrimp farms with ultrafiltration. (Ultrafiltration) and disinfection by ozone production system (Ozone). Through the purchase of 175,000 ordinary shares of Trend Asia Corporation Limited, equivalent to 70 percent of the total shares.

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 2017-2019

Revenue Structure (Million baht)	2017		2018		2019	
	(MB)	%	(MB)	%	(MB)	%
Revenue from product sales						
1. Wire rope and assembly	216.88	55.99	234.99	40.48	218.71	63.81
2. Webbing sling	13.62	3.52	16.69	2.88	12.96	3.78
3. Chain	8.69	2.24	8.45	1.46	7.95	2.32
4. Lifting equipment	67.72	17.48	64.46	11.10	58.35	17.02
5. Other products ¹	56.29	14.53	151.25	26.05	16.76	4.90
Total revenue from sales	363.20	93.76	475.84	81.97	314.73	91.83
Revenue from services						
1. Inspection ²	12.05	3.11	80.10	13.80	4.09	1.19
2. Other services ³	12.11	3.13	24.57	4.23	23.93	6.98
Total revenue from services	24.16	6.24	104.67	18.03	28.02	8.17
Total income⁴	387.36	100.00	580.51	100.00	342.75	100.00

Notes:

1) Other products sales include sales of electric motors, pipes, hooks, and lamps.

2) Revenues from inspection services consist of revenue from providing pipes and pipe fittings. And water quality improvement work, etc.

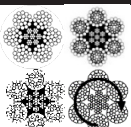
3) Other service income consists of revenue from testing service provided by the Company and revenue from installation services Providing advice on how to use, repair and train by ProPoint Global Consultants Company Limited ("ProPoint"), a subsidiary of the Company.

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

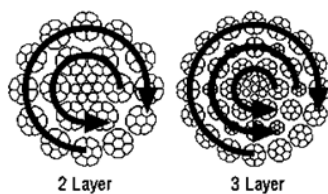
1. Details of Products and Services

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.

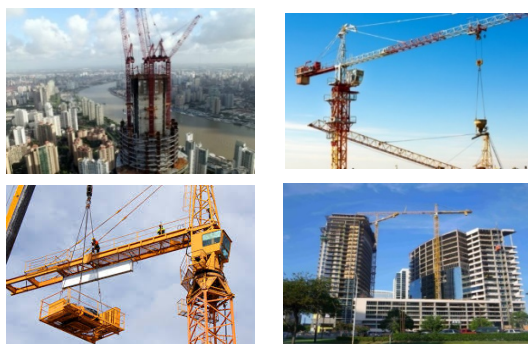
Example of Wire Rope Usage for an Overhead Crane

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.



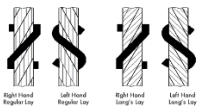
Example of Wire Rope Usage for Tower Crane

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> <ol style="list-style-type: none"> 1. Wire: the smallest component of the sling 2. Strand: the integration of the wire with a twist 3. Core: there are two types, fiber and steel type.

Properties	Details
	<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.
8. Lay Direction	<div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <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> </div> </div>
9. Minimum Breaking Force	<p>The tensile strength of the wire rope varies with the size and grade of the wire rope. 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	 <p>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.</p>
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.
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.

Manufacturer	Brand	Product Distributed
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)	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 for 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. 

Type	Usage
(Wire Rope Clamps/Clips)	<p>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.</p> <div>   </div> <div> <p>Single Saddle</p> <p>Double Saddle</p> </div>
(Shackles)	<p>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.</p>
	<p>Dee Shackle is popular for chain work or in limited areas.</p> 
	<p>Bow Shackle can be used with a variety of wire ropes, webbing slings, and chain slings.</p> 
	<p>Screw Pin Shackle is a bolt with a tail. It can be locked and released without using tools.</p> 
	<p>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.</p> 
	<p>Round Pin Shackle is a round head shackle locked with Cotter pin.</p> 
(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> 

Type	Usage
(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 Kjøettingfabriken AS		FRAM Kjøettingfabriken 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.

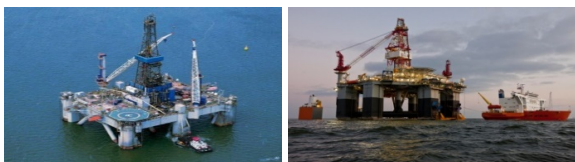
3.1 Target Customers

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.

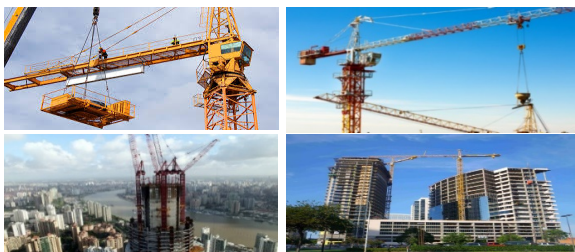
Industrial Plants



Petroleum Exploration and Production Business



Construction



Port Service Business



The income proportion can be divided between 2018 - 2019 in each industry group as follows:

Industry	Sales proportion Year 2018 (%)	Sales proportion Year 2019 (%)
1.Industrial factories	15.21	18.06
2.Petroleum Exploration and Production	38.45	10.03
3. Construction	20.80	29.59
4.Port	4.92	16.21
5.Logistics & Transportation	1.50	6.74
6.Power plants	3.27	5.34
7.Others	15.85	13.92
Total	100.00	100.00

- Note.**
1. In the year 2018-2019, there will be a business classification of customer groups in new industries.
 2. Other groups include the maritime business group and one-time customers who buy the company's products. To resell in general such as construction material stores etc.

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 attend 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 The December 2019 issue reports that the Thai economy as a whole is likely to expand below the potential level and lower than previously assessed. It is expected to expand by 2.5 and 2.8 percent in 2019 and 2020, respectively. The volume of exports is likely to recover slower than expected. In line with the world trade slowed down due to trade barriers Including the structural changes of the Thai economy affecting the export sector While government spending and private investment are likely to grow lower than expected. However, private consumption in 2019 grew better than expected due to the benefits of short-term stimulus measures from the government. But is likely to slow down in 2020 due to the slowdown in household income and drought. For the year 2021, the Thai economy is expected to continue to improve as PPP projects and some government investment projects have been postponed. In the year 2021, the details are as follows

The value of Thai exports in 2019 is likely to shrink more than estimated. The world trade volume is likely to slow down in accordance with the global economy and international trade barriers. In addition, Thai exports are also affected by (1) structural factors such as the loss of market share in ASEAN to China. (trade diversion loss), including loss of advantage in terms of production costs (2) the strengthening baht (3) the export price of the group that moves in accordance with the lower crude oil price However, Thai exports will continue to expand slightly in 2020, supported by improved global trade. The electronic product cycle is likely to recover. Including achieving initial trade agreements between the United States and China, which will informally lead to the reduction and abolition of imported goods tariffs enforced in previous periods

Service exports tend to expand continuously. According to the number of foreign tourists in almost every nationality Partly benefited from the government's tourism stimulus measures through the extension of the visa on arrival fee (VOA) until the end of April 2020, although the spending of The number of tourists per person tends to slow down slightly due to the low global economy. Private consumption in the short term is supported by government stimulus measures. But is expected to slow down in the next phase After the measure of the gradual run-down and weakening household income With the tendency of employment and working hours to decrease continuously Including the tendency to decrease in many more business branches While the income of farmers in 2020 is likely to contract according to the amount of production due to drought. In addition, high household debt remains a factor to pressure private consumption.

Private investment tends to expand lower than expected. From the impact of the slowdown in exports of products is more clear Profitability and investment confidence of business sectors continued to decline. As well as postponing investment plans for public and private joint venture projects (Public-private partnership: PPP) However, private investment going forward will be supported by the gradual recovery of the export sector. Projects that continue to invest in other infrastructure Including investment in the 5G network. Public spending tends to expand lower than estimated. According to the ability to create contingent liabilities for annual expenditure budgets of government agencies in accordance with the new budget method. Slower than expected investment in state-owned enterprises and the reduction of the investment budget framework of state enterprises in 2020

Headline inflation in 2019 and 2020 is likely to be below the target range and lower than expected. Mainly due to supply-side factors such as (1) energy prices in the past and the assumption that crude oil prices in the future are lower than previously estimated and (2) the minimum wage increase in 2020 is less than previously estimated. In addition, core inflation is low due to the slowing demand pressure. down However, headline inflation tends to increase from 0.7 percent in 2019 to 0.8 percent in 2020 and basic inflation will increase from 0.5 percent in 2019 to 0.7 percent in 2020, in line with the trend of Economic recovery and the result of the minimum wage increase And it is expected that headline inflation will reach the target in the second half of 2021.

The risk of economic projections and inflation is likely to remain low, however, the chance that the Thai economy may expand lower than the base case is (1) the volume of world trade and trade partners' economies that may be slower than expected due to trade barriers Which may return to intensify. (2) The budget expenditures of the 2020 budget which may delay government spending more than expected. Including government policies that may be delayed and discontinuous, and (3) slower household income may affect private consumption more than expected Including the impact from drought and (4) the risk of global financial stability that may affect the economy in the medium term. However, the chance that the Thai economy may expand higher than the base case from (1) the dual economy Trade may expand more than expected due to additional government stimulus measures. International trade protectionism in the next phase may be resolved. Including the electronic product cycle may recover faster and stronger than expected, and (2) domestic demand that may expand more than expected due to the government infrastructure investment and PPP projects, which may motivate the private sector to invest more and faster. Including the case that the government may issue additional stimulus measures for headline and core inflation, the risk is lower than the base case. In line with the risk of economic projections

Market Conditions: Petroleum Exploration and Production

Industrial conditions for oil and gas exploration and production businesses. Overview of the oil and gas exploration and production industry Will mainly refer to the price of oil, that is, during the time the oil price has increased the oil and natural gas exploration and production industry segment will also see an upward trend. But if the oil price goes down, it will continue to pressure the industry group

Thai business and industry trends report from Krungsri Research Center reports that the year 2019 situation in the first half Crude oil prices in the world market declined. As the demand for refined oil that grew lower than expected Due to the global economic slowdown While the production of crude oil continues to increase Especially from Non-OPEC countries that produced oil by 2.3 million barrels per day OPEC countries produced oil by 1.6 million barrels per day. Dubai crude oil price averaged at 65.2 US dollars per barrel, down from 67.9 US dollars. Per barrel in the same period last year Meanwhile, the gross refinery margins (GRM) in the first half of the year averaged at 3.4 US dollars per barrel, down from 5.7 US dollars. During the same period last year. The performance of Thai oil refineries in the first half of the year is clearly lower than last year. This was due to the decline in the global GRM and the low demand for refined oil in the country at 1.9%, slowing down from 3.9% in the previous year.

In the second half the refinery business is expected to recover from the first half of the year. Supporting factors from rising GRM in accordance with the demand for gasoline in the world market. Due to low oil prices While the demand for refined products remained stable from the first half of the year

For the year 2019, Dubai crude oil price is expected to average at 63.0 USD per barrel compared to 69.3 USD in the previous year, while the GRM in Singapore market is likely to decrease from 5.7 USD. The average annual demand for oil in the country is expected to expand by 1.7%, slowing down from 3.0% in the previous year. The full capacity utilization rate in 2019 is expected to decrease. Down from 91.6% to 88.7% due to scheduled maintenance during the second quarter.

ราคาอ้างอิง (USD/บาร์เรล)	2018F					2019F						2020F
(ค่าเฉลี่ย)	Q1	Q2	Q3	Q4	เฉลี่ย	Q1	Q2	Q3	Q4F	เฉลี่ย*	ช่วง ราคา**	เฉลี่ย*
ราคาน้ำมันดิบ WTI	63	68	70	59	65	55	60	56	55	57	54-59	55
ราคาน้ำมันดิบ Brent	67	75	75	68	71	63	68	62	62	64	60-66	62

ประมาณการราคาอ้างอิงโดย EIC
*ช่วงราคาอ้างอิงเฉลี่ยต่อปี กรณีฐาน ซึ่งประมาณการโดย Leading global houses 5 ราย (ณ 26 กันยายน 2019)

Exploration and production in Thailand There are large operators (Operators) such as Chevron affiliates and PTT Exploration and Production Public Company Limited, which is the company's customer group. That will be affected by the fluctuations in oil prices in the market. And will affect the business operations of the company as well.

Market Conditions: Construction Industry

The Thai business and industry trends report from the Krungsri Research Center reports that the year 2019 situation in the first half of the year the value of private construction stood at 2,897 billion baht, growing at a slower pace of 2.5% YoY compared to 6.9% YoY in the second half of 2018. Key factors came from the contraction in the value of residential construction. Which was affected by the new housing loan regulations (LTV) which came into effect in April 2019, causing entrepreneurs to accelerate Existing stock and delay construction of new projects Meanwhile, government construction worth 3.775 billion baht grew by 5.7% YoY, supported by the construction of large-scale projects such as the Green Line. (Morchit - Saphan Mai - Khu Khot), Orange Line (Cultural Center - Min Buri) and dual train This was in line with the disbursement of the investment budget for the first half of the year, returning to expand by 1.6% YoY.

In the second half Private construction investment continued to slow from the first half of the year due to the stagnation of the housing construction business. Which accounts for about 60% of all private construction investment as for the construction, the government sector is likely to continue expanding. From accelerated disbursement of investment by state enterprises Especially the construction of large projects such as the Orange Line (Cultural Center - Min Buri), Yellow Line (Lat Phrao - Samrong), Pink Line (Khao Rai - Min Buri) and dual train As a result, the overall construction work in 2019 is likely to grow by 3.9%, worth approximately 1.314 trillion baht, divided into government construction projects 7.479 billion baht and private sector construction 5658 billion baht.

Market Conditions: Port Industry

Jetty is a service industry that is extremely important to the economic development of developing countries. Like a hub for international shipping Thailand has ports in various regions, which may be divided into domestic ports. Which acts as the commercial and transportation center of the country and international ports Which acts as a port for foreign trade contacts the international port is characterized as a deep-sea port that can handle large ocean-going vessels that are docked to transfer large quantities and heavy goods. Water transportation is considered a low-cost transportation. Which can transport large quantities of goods at the same time Therefore it is important because it can reduce the cost burden to the operators that have to transport products. Although shipping by boat may take a long time

The Business Economics and Foundations Economy Research Center of the Government Savings Bank reported that the overall transportation service business in 2019 is expected to be "expanding at a slower rate", reflecting the GDP of transportation and communications sectors which are expected to grow by 5.8 percent (% YOY). From the previous year which grew by 6.3% (% YOY) due to private consumption. Exports and tourism are expected to slow. Transportation service business Also received significant supporting factors from the continuous growth of E-Commerce business, reflecting the market value in 2018 worth 3.1 trillion baht, up from the previous year at the market value of

2.8 trillion baht by growing in every category Both B2G B2C and B2B as well as the expansion of the airline business, especially low cost airlines. In addition, the government continues to develop the transport infrastructure continuously. In 2019, 41 transportation projects have been approved, worth 1.77 trillion baht, including double track railway construction. High speed train the construction of the airport terminal and terminal renovation project Resulting in Thailand More efficient in connecting all forms of transportation routes. Considering the trend of transportation services in 2019, waterways found that "slowed down" especially passenger and tour transportation services along the coastline. This was due to the slowdown in the number of foreign tourists, including the decrease of container freight. From Thai exports and the slowing global economy but the bulk shipping industry is still growing, which is a result of the demand for iron ore, sand, cement that must be used for infrastructure construction projects. And the number of vessels that have fallen due to scrapping of older vessels Consequently, freight rates are likely to improve. However, operators may need to find new business partners in order to reduce risks and substitute trade in the region. Affected by the trade war between the United States and China. Such as Middle East countries that still have demand for food products, electrical equipment and textiles from Thailand.

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

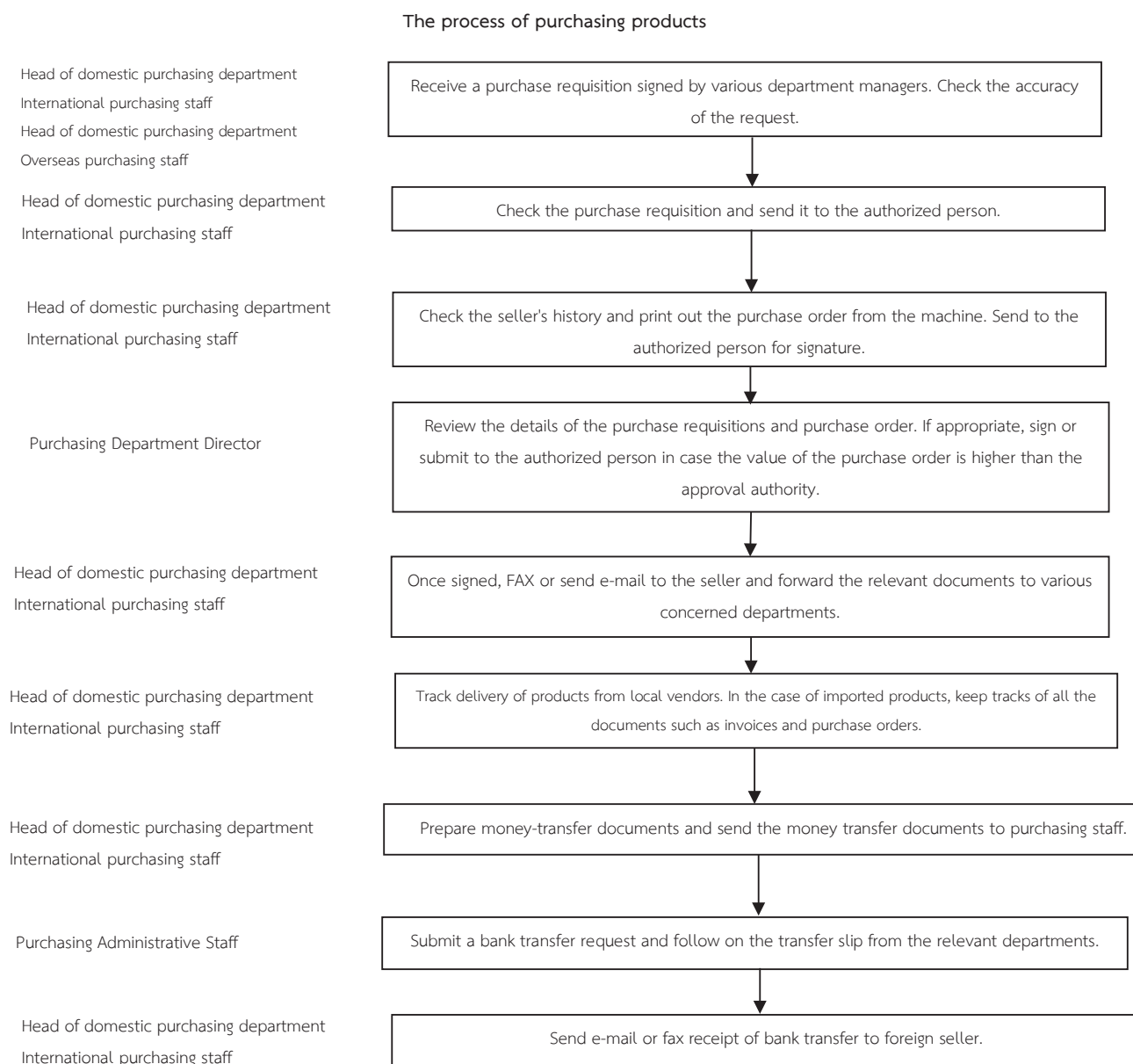
The Company purchases products directly from the manufacturer by focusing on products that meet international standards. Before the Company orders each product type, the Company will take the sample of such product to test for the quality, as well as the wire rope which will be tested for tensile strength 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.



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 2019

Foreign Suppliers	Proportion of purchase (%)
1. BRIDON SINGAPORE (PTE) LTD	26.82
2. Usha Siam Steel Industries Public Company Limited	23.32
3. High Rope (Thailand) Company Limited ¹	20.63
4. THE CROSBY GROUP INC.	6.31
5. Taymax Wire Industry Corp Company Limited	5.92
6. Condotech International (Thailand) Company Limited	5.34
7. Absolute Systems Inc./Absolute Ozone	4.45
8. KTL OFFSHORE (PTE) LTD	2.59
9. JIANGSU LANGSHAN WIRE ROPE CO.,LTD	2.32
10. Liang De Enterprise Company Limited	2.30

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.



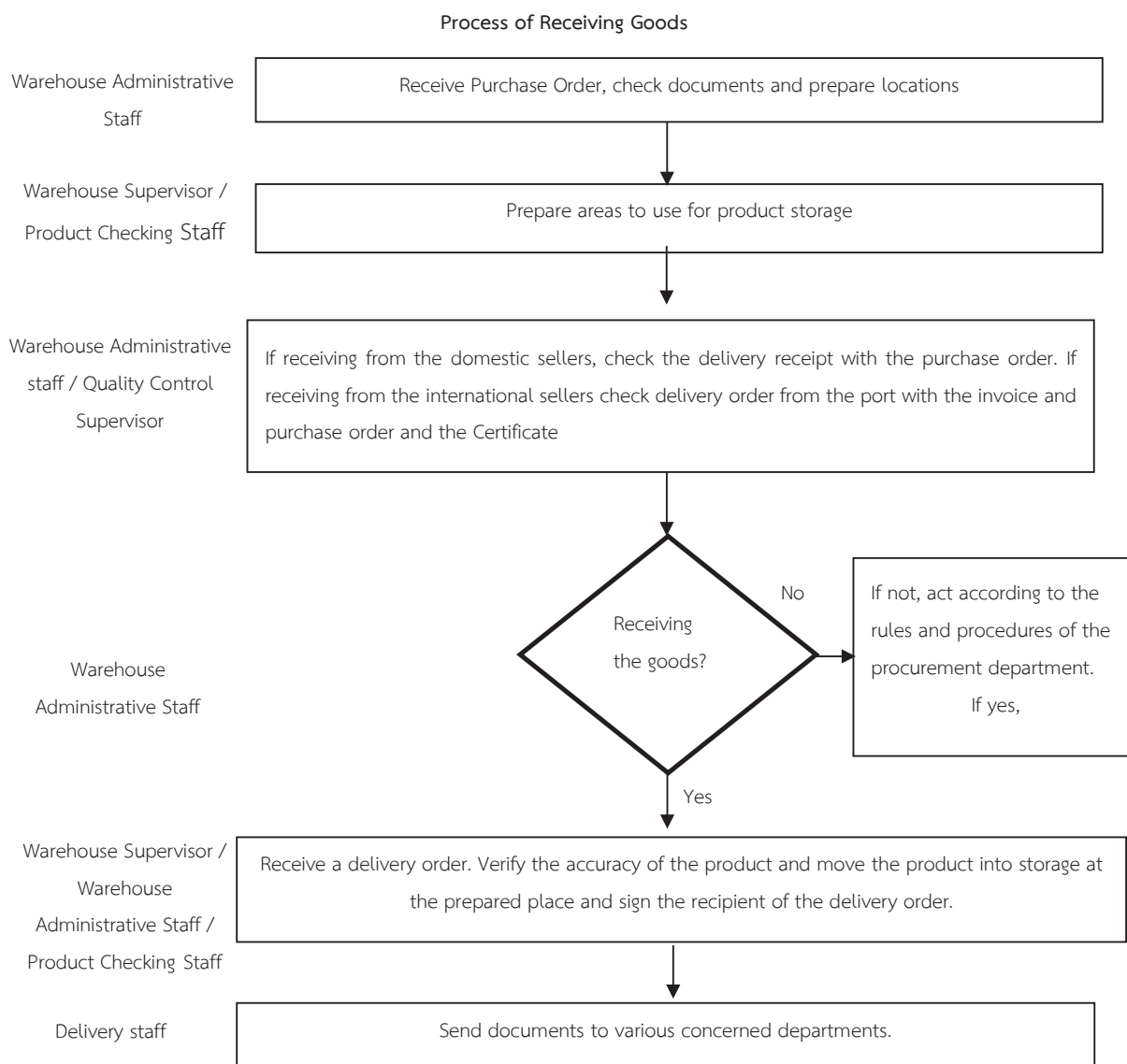
Sample image of keeping inventories at Samrong warehouse

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-foot 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.



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.

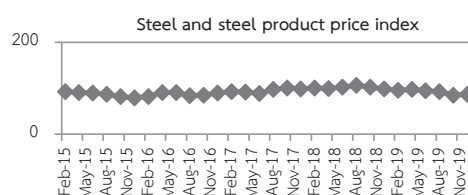
1.4 Risk from exchange rate fluctuations

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 2017, 2018 and 2019, the Company has a product-purchasing proportion from foreign partners, equivalent to 59.31 million baht, 100.11 million baht and 74.63 million baht, respectively, which accounted for 29.87 percent, 28.70 percent and 42.80 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 2017 - 2019, the Company has a profit (loss) from the exchange rate of 1.48 million baht, 0.60 million baht, and 1.67 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 2019, the Company has inventories classified by age as follows:

Product Life	Value (Million Baht)	Percentage
Less than a year	68.13	33.72
1-2 years	51.33	25.40
2-3 years	10.46	5.18
3-4 years	10.56	5.23
4-5 years	17.70	8.76
More than 5 years	43.88	21.71
Total	202.06	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 64.30 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 21.71 percent. For the rest of 13.99 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 properly 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 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 17 December 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	1.94
The top 10 major shareholders	230,046,110	67.64
Other shareholders	109,953,890	32.36
Total	340,000,000	100.00

Source: List of major shareholders as of 17 December 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 2017 - 2019

List		2017	2018	2019
Net Profit (Loss)	MB	21.34	31.24	(15.54)
Dividend paid	MB	38.87 ¹	15.30 ²	15.30 ³
Dividend Payment Ratio ⁴	%	182.15	48.98	(98.46)

Note. 1. Dividend payment in 2017 was an interim dividend payment from the retained earnings totaling 38.87 million baht which was approved by the Board of Directors Meeting No. 5/2017 on 7th of November 2017.

2. 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.

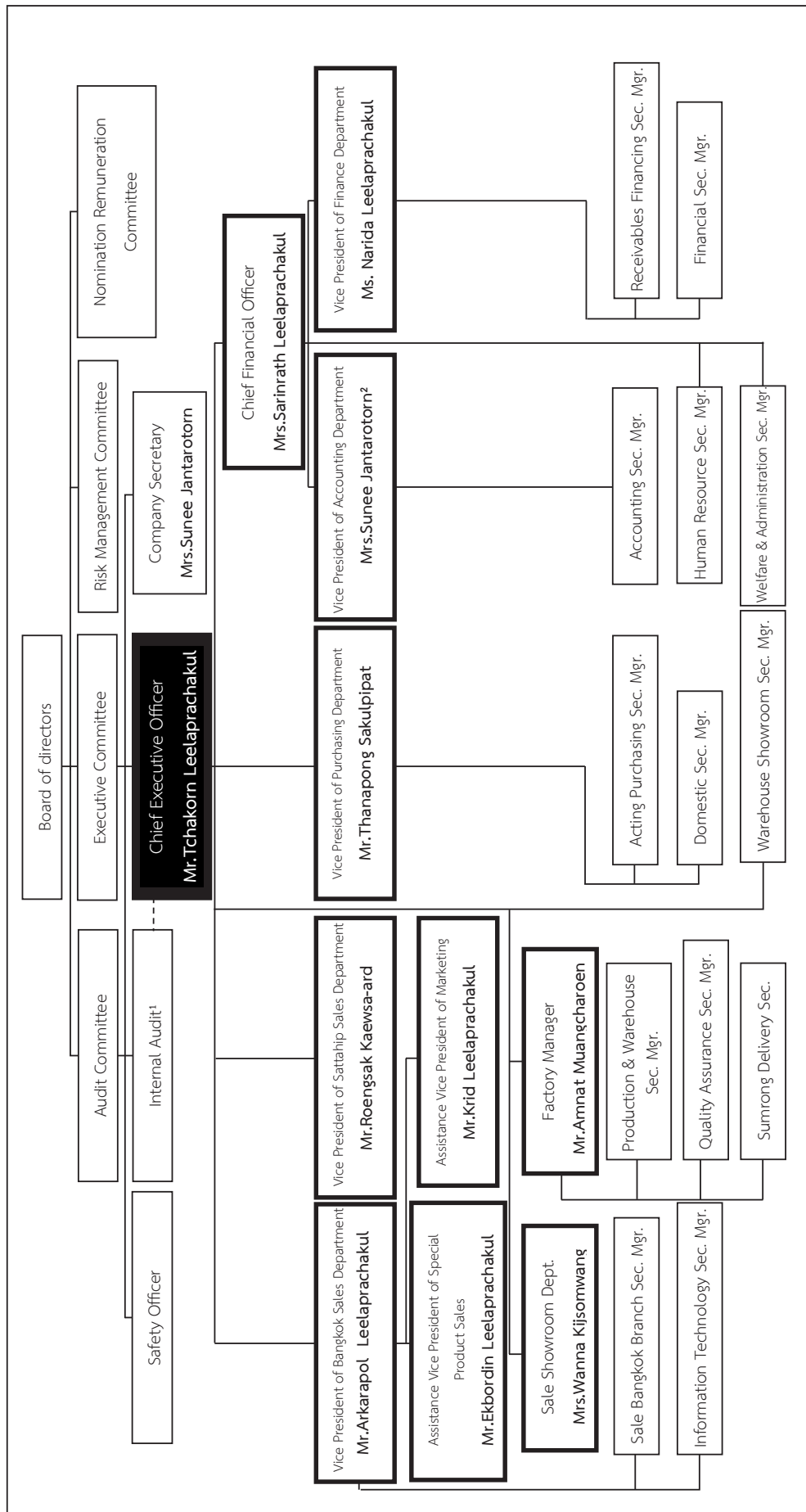
3. Dividend payments in 2019 was an interim dividend payment from the retained earnings totaling 15.30 million baht which was approved by the Board of Directors Meeting No. 5/2019 on 10th of July 2019

4. Dividend payment ratio = dividend payment / net profit

The Board of Directors Meeting No. 1/2019, held on 25 February 2019, has approved the suspension of net profit allocation for the year 2018 as dividends. Since in the year 2019 the company has the expansion plan, therefore would like to keep the 2018 profit for investment in the year 2019

ORGANIZATION STRUCTURE

As of December 31, 2019, 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 31st December 2019, the Board of Directors consists of 8 directors as the following:

List	Position	Date of appointment as a director
1. Mr. Pitipat Thitasirinant	- Chairman of the Board of Directors - Chairman of the Audit Committee - Chairman of the Nomination and Remuneration Committee - Independent Director	29 Apr 19 to Present (Agenda 2)
2. Mr. Tchakorn Leelaprachakul	- Director - Nomination and Remuneration Committee - Risk Management Committee	25 Apr 18 to Present (Agenda 2)
3. Mr. Arkarapol Leelaprachakul	- Director	28 Jun 17 to present
4. Mr. Ekbordin Leelaprachakul	- Director	28 Jun 17 to present
5. Miss Duenpun Leelavivat	- Director - Risk Management Committee	29 Apr 19 to Present (Agenda 2)
6. Mrs. Pornpun Hirunlap	- Director - Nomination and Remuneration Committee - Independent Director	29 Apr 19 to Present (Agenda 2)
7. Mr. Kulawachara Bhurichayawarodom	- Director - Chairman of the Risk Management Committee - Audit Committee - Independent Director	25 Apr 18 to Present (Agenda 2)
8. Mr. Athapon Tangkaravakoon	- Director - Audit Committee - Independent Director	25 Apr 18 to Present (Agenda 2)

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.
2. 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

3. 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.
4. 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 Thitasirinunt, Mrs. Pornpun Hirunlap and Mr. Tchakorn Leelaprachakul, with Mr. Pitipat Thitasirinunt is the chairman.
5. 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. Tchakorn Leelaprachakul, and the Committee is chaired by Mr. Kulawachara Bhurichayawarodom.
6. 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 2017 - 2019, details as follows:

Participants	Number of meetings / all meetings		
	2017 ¹	2018	2019
1. Mr. Tchakorn Leelaprachakul	10/10	5/5	7/7
2. Mr. Arkarapol Leelaprachakul	5/5	5/5	7/7
3. Mr. Ekbordin Leelaprachakul	5/5	5/5	7/7
4. Mr. Pitipat Thitasirinunt	10/10	5/5	6/7
5. Mr. Kulawachara Bhurichayawarodom	10/10	5/5	4/7
6. Mr. Athapol Tangkarawakul	7/10	3/5	4/7
7. Miss Duenpun Leelavivat	7/9	4/5	7/7
8. Mrs. Pornpun Hirunlap	2/9	3/5	3/7

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. Arkarapol 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 31st December 2019, 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

1. The Audit Committee shall report the performance to the Board of Directors in the Board of Directors meeting

2. 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 2017 - 2019, details as follows

Participants	Number of meetings / all meetings		
	2017	2018	2019
1. Mr. Pitipat Thitasirinant	6/6	4/4	4/4
2. Mr. Kulawachara Bhurichayawarodom	6/6	4/4	3/4
3. Mr. Atthapol Tangkarawakul	4/6	1/4	3/4

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 31st December 2019, 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 Thitasirinunt, 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 2017 - 2019, details as follows

Participants	Number of meetings / all meetings		
	2017 ²	2018	2019
1. Mr. Pitipat Thitasirinant	-	3/3	1/1
2. Mr. Tchakorn Leelaprachakul	-	3/3	1/1
3. Mrs. Pornpun Hirunlap	-	3/3	1/1

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

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

Authority, duties and responsibilities of the Nomination and Remuneration Committee

- 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.
- 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.
- 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.
- Give opinions in case of the Company offers newly issued securities for sale of to directors, executives or employees of the Company.
- Perform other tasks as assigned by the Board of Directors.

Risk Management Committee

As of 31st December 2019, 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 2017 - 2019, details as follows.

Participants	Number of meetings / all meetings		
	2017	2018	2019
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 2017 - 2019, 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 31st December 2019, 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 2017 - 2019 are as follows.

Participants	Number of meetings / all meetings		
	2017	2018	2019
1. Mr. Tachakorn Leelaprachakul	4/4	14/14	2/2
2. Mrs. Sarinrat Leelaprachakul	4/4	14/14	2/2
3. Mrs. Sunee Chantaroton	4/4	14/14	2/2

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

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 31st December 2019, the Company has 11 executives as follows:

Name	Position
1. Mr. Tchakorn Leelaprachakul	Chief Executive Officer
2. Mrs. Sarinrath Leelaprachakul	Chief Financial Officer
3. Mr. Arkarapol Leelaprachakul	Vice President of Bangkok Sales and Marketing Department
4. Ms. Narida Leelaprachakul	Vice President of Finance Department
5. Mr. Roengsak Kaewsart	Vice President of Sattahip Sales Department
6. Mrs. Sunee Jantarotorn	Vice President of Accounting Department
7. Mr. Thanapong Sakulpipat	Vice President of Purchasing Department
8. Mr. Ekbordin Leelaprachakul	Assistance Vice President of Special Product Sales
9. Mr. Krid Leelaprachakul	Assistance Vice President of Marketing
10. Mrs. Wanna KijSomwang	Sale Showroom Department
11. Mr. Amnat Muangcharoen	Factory 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 Jantaroton 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. 1/2019 on 25th February 2019 has determined the remuneration of the directors with the following details.

Director position	Directors' remuneration (Baht)			
	2018		2019	
	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	-	15,000	-
Nomination and Remuneration Committee ³	10,000	-	10,000	-
Chairman of the Risk Management Committee ³	15,000	-	15,000	-

Risk Management Committee ³	10,000	-	10,000	-
--	--------	---	--------	---

note

- 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.

- Executive directors are executives who receive all salaries and therefore do not set meeting allowances.

In 2018 - 2019, the Company paid remuneration in cash to the directors, with the details in the below table.

List of directors	Directors' remuneration			
	Year 2018 (Baht)		Year 2019 (Baht)	
	Director	Audit Committee	Director	Audit Committee
1. Mr. Tchakorn Leelaprachakul	-	-	-	-
2. Mr. Arkarapol Leelaprachakul	-	-	-	-
3. Mr. Ekbordin Leelaprachakul	-	-	-	-
4. Miss Duenpun Leelavivat	50,000	-	80,000	-
5. Mrs. Pornpun Hirunlap	70,000	-	40,000	-
6. Mr. Pitipat Thitasirinant ¹	135,000	60,000	120,000	60,000
7. Mr. Kulawachara Bhurichayawarodom ¹	60,000	40,000	50,000	30,000
8. Mr. Athapol Tangkarawakoon ¹	30,000	10,000	40,000	30,000
Total	345,000	110,000	330,000	120,000

Management

In the year 2017 - 2019, the Company paid monetary compensation to executives with the following details.

Executive remuneration	2017		2018		2019	
	Number ¹ (Individual)	Remuneration (Baht)	Number ¹ (Individual)	Remuneration (Baht)	Number ¹ (Individual)	Remuneration (Baht)
Salary and bonus ⁵	9 ²	8.92	10 ³	11.64	11 ⁴	13.09
Other ⁶	9 ²	3.05	10 ³	4.97	11 ⁴	5.31
Total		11.97		16.61		18.40

Note:

- 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.
- 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 Kijsonmwang, and Mr. Roengsak Kaewsart.
- On 1st March 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 Kijsonmwang, Mr. Roengsak Kaewsart, and Mr. Krid Leelaprachakul.

4. On 25th February 2019, the company approved the appointment of Ms. Narida Leelaprachakul as Vice President of Finance Department. Resulting in the company There are 11 executives, namely Mr. Tchakorn Leelaprachakun, Mrs. Sarinrath Leelaprachakul, Mr. Arkarapol Leelaprachakul, Ms. Narida Leelaprachakul, Mrs. Sunee Jantarotorn, Mr. Thanapong Sakulpipat, Mr. Roengsak Kaewsart, Mr. Ekbordin Leelaprachakul, Mr. Krit Leelaprachakul, Mr. Amnat Muangcharoen and Mrs. Wanna Kijsonwang.
5. 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.
6. 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 6th 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 31st December 2019, the Company had a total of 181 employees (excluding 11 executives) divided into 151 regular employees and 30 daily employees.

Table showing details of the number of employees in each line from 2017 – 2019

Division	staff Number as of		staff Number as of		staff Number as of	
	31 st December 2017		31 st December 2018		31 st December 2019	
	Full-time (Monthly)	Daily	Full-time (Monthly)	Daily	Full-time (Monthly)	Daily
1. Accounting Department	7	-	7	-	10	-
2. Receivable Finance Department	8	-	9	-	9	-
3. Finance Department	5	-	5	-	4	-
4. Bangkok Sales Department	8	-	7	-	7	-
5. 5. Information Department	2	-	2	-	2	-
6. Store sales department	15	-	12	-	11	-
7. Sattahip Sales Department	34	4	42	6	44	6
8. 8. Purchasing Department	6	-	5	-	5	-
9. Human Resources Department	3	-	4	-	3	-
10. Department of Welfare and Administration	11	4	12	3	11	3
11. Store front department	5	1	5	2	5	2
12. Production and warehouse department	23	13	18	18	16	17
13. Quality Control Department	9	-	11	-	10	-
14. Samrong Shipping Department	10	3	12	2	11	2
15. Marketing Department	-	-	-	-	1	-
16. Special sales department	-	-	-	-	1	-

Division	staff Number as of		staff Number as of		staff Number as of	
	31 st December 2017		31 st December 2018		31 st December 2019	
	Full-time (Monthly)	Daily	Full-time (Monthly)	Daily	Full-time (Monthly)	Daily
17. Security	-	-	-	-	1	-
Total	146	25	151	31	151	30

Employee Compensation

The Company has paid compensation to employees (Excluding 11 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 2017 - 2019

Employee compensation (Baht)	2017	2018	2019
Salary and bonus	40.29	39.16	40.57
Other	10.44	14.30	17.15
Total	50.73	53.46	57.72

Remark: 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 1st March 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 2017 - 2018 to DIA International Auditing Company Limited as follows.

Audit fee	2017	2018	2019
Compensation (Baht)	1,250,000 ¹	1,350,000 ²	1,440,000 ³

- Note:**
1. 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.
 2. The Annual General Meeting of Shareholders for the year 2018, on 25th April 2018, approved the appointment of the auditor and determined the auditor's remuneration in the amount of 1,350,000 baht.
 3. The Annual General Meeting of Shareholders for the year 2019, on 29th April 2019, approved the appointment of the auditor and determined the auditor's remuneration in the amount of 1,440,000 baht.

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 operates 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.



Donate money to disaster prevention and mitigation work (Samrong South Fire Brigade)

On the National Children's Day Activity 2019



Donate money to the Child Development Center, Municipality 3 (Mahawong)

On the National Children's Day Activity 2019



Make a donation to support the Children's Day Activity 2019. Ban Khao Baisri School, Phlu Ta Luang Subdistrict, Sattahip District, Chonburi Province

On Social and environmental issues

The company respects customs, traditions and cultures of each locality. By carrying out activities to jointly create societies, communities, and the environment Regularly. For the community to have a better quality of life Through activities that the company conducts itself and cooperates with government agencies, private sectors and communities. As well as cooperating in various activities with the community such as donating money and raising children at Ratchaburi's mental and intellectual disability home.



Donate money and raise children's food. At the mental and intellectual disability home of Ratchaburi province

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 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 Dhamniti Co., Ltd. ("Dhamniti"), 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 Dhamniti 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 Dhamniti to be the Internal Audit Department which can operate and perform jobs independently and freely from any control of the company. Dhamniti 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 continually monitor the implementation of important recommendations.

About the head of the internal audit

Head of Internal Audit

The company has appointed Dhamniti, which is an external unit to perform internal audit duties for the company since March 26, 2015. Dhamniti 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 Dhamniti team are as follows.

The appropriateness as the head of internal audit

The Company considers that Dhamniti, 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 11.42% 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 Vinitec (2002) Company Limited ("Thai Vinitec (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 Vinitec (2002), namely, Mrs. Wilaiporn Wiratkapan,

Person / entity with possible conflicts	Relationship
	Mr. Supatchai Wiratkapan, Thai Vinitec Company Limited, Mr. Veerapan Leelaprachakul and Mrs. Wimonrat Suchaidet, holding shares in Thai Vinitec (2002), accounting for 35.62 percent, 35.62 percent, 28.49 percent, 0.00 percent and 0.00 percent of the paid-up registered capital of 70.20 million baht respectively
Thai Vinitec Company Limited ("Thai Vinitec")	<ul style="list-style-type: none"> - Producing and selling PE pipes, PVC pipes, pipe fittings, pipe fittings and adhesives - The 2 directors, namely Mr. Veerapan Leelaprachakul and Mr. Lip PinKiangkrai, are a brother and a brother-in-law of Mr. Veerapol Leelaprachakul, the major shareholder of the Company - The major shareholder of Thai Vinitec is Thai Vinitec (2002) Co., Ltd. holding 86.48% of the paid-up registered capital of 23.13 million Baht.
Sue Ngai Kai Klong Co., Ltd. ("Sue Ngai Kai Klong ")	<ul style="list-style-type: none"> - Providing office management services - The director, namely Mrs. La-or Leelaracharakul, is the major shareholder of the Company - There is 1 mutual major shareholder with the Company, namely Mrs. La-or Leelaracharakul, holding 11.43% of the paid-up capital
Solis Power Energy Company Limited ("Solis Power Energy")	<ul style="list-style-type: none"> - Supplying and selling general miscellaneous products - The director, Mr. Tchakorn Leelaprachakul, is a director and the Chief Executive Officer of the Company and its subsidiaries - There are 2 mutual major shareholders with the Company, namely Mr. Tchakorn Leelaprachakul and Miss Narida Leelaprachakul, holding shares in the Company at 6.07 percent and 6.07 percent of the paid-up capital.
Mr. Tchakorn Leelaprachakul ("Mr. Tchakorn")	<ul style="list-style-type: none"> - Being a director, an Executive Director, and Chief Executive Officer - Being a shareholder of the company, having a shareholding of 6.07% of the paid-up capital
Mr. Arkarapol Leelaprachakul ("Mr. Arkarapol")	<ul style="list-style-type: none"> - Being a director and an executive - Being a shareholder of the company, having a shareholding of 6.07% of the paid-up capital
Mr. Ekbordin Leelaprachakul ("Mr. EkBordin")	<ul style="list-style-type: none"> - Being a director and an executive - Being a shareholder of the company, having a shareholding of 6.07% of the paid-up capital
Miss Narida Leelaprachakul ("Miss Narida")	<ul style="list-style-type: none"> - Being a shareholder of 6.07% of the paid-up capital - Being an employee of the company
Mr. Krid Leelaprachakul ("Mr. Krid")	<ul style="list-style-type: none"> - Being a shareholder of 6.07% of the paid-up capital - Being an employee of the company

Details of Related Party Transactions

There are related party transactions in which the Company conducted with individuals/juristic persons that may have conflicts of interest, as of 31st December 2018 and 31st December 2019 as the following.

The company has related party transactions with Mr. Veerapol Leelaprachakul as follows.

List	Item value 31 Dec 2018 (Million baht)	Item value 31 Dec 2019 (Million baht)	Necessity and Reasonableness of the transaction	Opinion of the Audit Committee
Expenses and income				
Consultant fee	1.80	1.80	The company has hired Mr. Veerapol Leelaprachakul to be a strategic business and marketing consultant since July 2017 with a contract and responsibility to provide guidance on investment strategies for expanding potential markets and helping to build good relationships with existing regular customers and old customers of the Company. The Company agreed to pay compensation to the consultant at the rate of 150,000 baht per month and other benefits such as medical expenses, Gas and travelling expense benefit, which can be withdrawn according to the actual expense, but not more than 3 times of the monthly advisory fee or not more than 450,000 baht per year. The contract with Mr. Veerapol is for a period of 6 months and can be renewed accordingly. The renewal must be approved by the Board of Directors.	The Audit Committee is of the opinion that such transaction is reasonable because Mr. Veerapol is a knowledgeable person with an understanding of the business of the Company and is able to give marketing advice which will be beneficial to the Company.
Healthcare benefit	0.28	0.45		
Gas and travelling expense benefit	0.09	0.09		

The company has related party transactions with Propoint Global Consultants Company Limited as follows.

List	Item value		Necessity and Reasonableness of the transaction	Opinion of the Audit Committee
	31 Dec 2018 (Million baht)	31 Dec 2019 (Million baht)		
Outstanding Balance				
Trade accounts receivable	0.90	0.04	At the end of the accounting period as of 31 December 2019, the Company has borrowed money from ProPoint at the amount of 5,000,000 baht. With the conditions agreed in the contract dated 26 October 2018, the Company will gradually pay the said amount according to the company's payment cycle with a 5% interest, resulting in the accrued interest of 41,780.83 baht. The company has accrued income of 24,714 baht, trade accounts receivable 37,153.61 baht, domestic creditors 9,505,077.50 baht and property creditors 38,520 baht.	The Audit Committee is of the opinion that such transactions are reasonable because they are normal business transactions of the Company and that the transactions are in fact in accordance with general trading conditions, not causing the company to lose any benefits.
Accrued income	0.16	0.02		
Domestic creditors	4.50	9.51		
Asset purchase payables	-	0.04		
Loan	5.00	5.00	The Company's revenue from ProPoints are revenue from the sale of goods 374,590.78 baht other income 309,147.50 baht Interest income 24,000 baht and the expenses from the promotion point are consultant fees 3,600,000 baht, wire rope test fee 2,439,000 baht, car rental fee 2,079,000 baht and interest payment 250,000.04 baht	The Audit Committee is of the opinion that such transactions are reasonable because they are normal business transactions of the Company and that the transactions are in fact in accordance with general trading conditions, not causing the company to lose any benefits.
Accrued interest expense	0.05	0.04		
Expenses and income				
Sale income	1.53	0.37		
Other income	0.32	0.31		
interest	0.02	0.02		
Consultant fee	3.60	3.60		
Wire rope Tests	2.34	2.44		
Car rental	2.12	2.08		
Interest	0.05	0.25		

The company has related party transactions with Lee and Sun Holding Company Limited as follows.

List	Item value 31 Dec 2018 (Million baht)	Item value 31 Dec 2019 (Million baht)	Necessity and Reasonableness of the transaction	Opinion of the Audit Committee
Outstanding Balance				
Rental and service fees payable	1.48	2.08	The company has accrued utility bills with Lee and Sun due to the company renting office and warehouse buildings from Lee and Sun Holding, with the bill based on the actual electricity usage at the rate of 5.00 baht per unit, as agreed in the lease agreement. The company normally pays the amount according to the payment cycle of the company. As of December 31, 2018 and December 31, 2019, the company has accrued utility fees of 1.48 million baht and 2.08 million baht respectively.	The Audit Committee is of the opinion that such transaction is a normal business transaction and is a transaction that occurred in the past. Since 16 August 2016, the Company has entered into a new contract and changed the rental rate by using the reference rate from an independent appraiser who has already been approved by the SEC. Also, the Company has directly entered into a lease agreement on the part of the head office building with Sue Ngai Kai Klong Co., Ltd., which is the owner of the building instead of sublease from Lee and Sun in May 2017. In part of the updated contract as of September 6, 2017, the contract expands the lease from 3 years to 20 years and granting the right to the Company to be a tenant and the first buyer would result in the Company's best interest since Samrong warehouse is the main warehouse of the Company. All such transactions are considered reasonable and for the benefit of the Company.
Other payables	0.11	0.08		
Expenses and income				
Office rental	2.41	2.62	The Company entered into a lease agreement for land and buildings from Lee and Sun to be used as the location of (1) warehouses and Samrong branch offices and (2) the head office at the following rental rates: (1) Renting a vacant land and warehouses at a total rental rate of 252,680 Baht per month, separated into a rental fee of vacant land at 52,040 baht per month and a rental fee of 200,640 baht per month for warehouses, excluding utilities. The warehouse will be charged according to the actual electricity usage at the rate of 5.00 baht per unit. (2) Rent a large office building ¹ at the rental rate of 282,450 Baht per month and the office utilities are charged at the flat rate of 17,500 Baht per month.	
Utility Bills	0.30	0.26		
			The determination of this rental fee is based on the report of an independent appraiser that has been approved by the SEC. The new contract is effective from August 2016 onwards. In addition, the Company has entered into a purchase contract to buy the said vacant land from Lee and Sun and it has already been transferred as of 16 June 2017, but the Company still continues to rent the space for the warehouse area.	

The company has related party transactions with Thai-German Products Public Company Limited as follows.

List	Item value 31 Dec 2018 (Million baht)	Item value 31 Dec 2019 (Million baht)	Necessity and Reasonableness of the transaction	Opinion of the Audit Committee
Outstanding Balance				
Trade accounts receivable	0.06	0.10	The Company sells wire rope products to Thai-German Products Public Company Limited for use in their factories in normal business operations, with the selling price and profit margin that are comparable to the selling price and the profit margin when sold to other third parties. By determining the selling price based on the sales volume and trade conditions and payment similar to those offered to other customers, this commercial transaction is deemed a normal business operation. As from 31 December 2017 to 31 December 2018, the Company had revenue from sales and services worth of 0.25 million baht and 0.19 million baht respectively.	The Audit Committee is of the opinion that such transaction is reasonable because it is a normal business transaction of the Company and that the transaction is in accordance with general trading conditions which are in line with the Company's sales and service policies. The selling price, profit margin and service rate can be compared to the selling price, profit margins and service rates to those of third parties and hence do not result in the company losing any benefits.
Trade payables	0.13	0.49		
Expenses and income				
sale income	0.25	0.19		
Buy	0.12	0.46		

The company has related party transactions with Thai Vinitec (2002) Company Limited as follows.

List	Item value 31 Dec 2018 (baht)	Item value 31 Dec 2019 (baht)	Necessity and Reasonableness of the transaction	Opinion of the Audit Committee
Outstanding Balance				
Trade accounts receivable	8,217.60	13,696.00	The company sells wire rope products to Thai Vinitec (2002) Company Limited, with the selling price and profit margin that are comparable to the selling price and the profit margin when sold to other third parties. By determining the selling price based on the sales volume and trade conditions and repayment similar to those offered to other customers, this commercial transaction is deemed a normal business operation. As a result, the company has the total trade receivables as of 31 December 2018 and 31 December 2019, totaling 8,217.60 baht and 13,696 baht from 164,824.20 baht and 81,500 baht respectively.	The Audit Committee is of the opinion that such transaction is reasonable because it is a normal business transaction of the Company and that the transaction is in accordance with general trading conditions which are in line with the Company's sales and service policies. The selling price, profit margin and service rate can be compared to the selling price, profit margins and service rates to those of third parties and hence do not result in the company losing any benefits.
Expenses and income				
sale income	164,824.20	81,500.00		
Transportation income	5,000.00	-		
Cost of purchasing products	-	-		
Return products	224,548.00	-		

The company has related party transactions with Sue Ngai Kai Klong Company Limited as follows

List	Item value 31 Dec 2018 (baht)	Item value 31 Dec 2019 (baht)	Necessity and Reasonableness of the transaction	Opinion of the Audit Committee
Outstanding Balance				
Accrued office rental	282,450.00	282,450.00	The company leased the building from the Sue Ngai Kai Klong Company Limited to be used as the headquarters at the rental rate of 282,450 baht per month, starting from 1 May 2017 onwards. This is a direct lease contract with Sue Ngai Kai Klong Company Limited, the owner of the building, instead of renting through Lee and Sun Holding Co., Ltd. In addition, the company has hired Sue Ngai Kai Klong Company Limited to manage the office with the services such as security and cleaning, at a fee of 20,000 baht per month. Close to rates from third parties and have an outstanding balance of office rental fees And utility bills are recorded as other payables in the total amount of 507,460.35 baht because the company has paid the products according to the payment cycle. In this regard, the Company has the expenses which are paid to the Company for easy buying and selling, which are office rental 3,389,400 baht, utility bills 169,458.90 baht and management fees 240,000 baht.	The Audit Committee is of the opinion that such transaction is reasonable because it is a normal business support transaction of the Company and that the transaction is in accordance with general trading conditions and the rental fee is comparable to those offered by other third parties. As a result, the transaction does not cause the company to lose any benefits.
Other payables	65,798.66	55,551.45		
Expenses and income				
Office rental	3,389,400.00	3,389,400.00		
Utilities	183,588.18	169,458.90		
Management fee	240,000.00	240,000.00		

The company has related party transactions with Trend Asia Corporation Company Limited as follows

List	Item value 31 Dec 2018 (Million baht)	Item value 31 Dec 2019 (Million baht)	Necessity and Reasonableness of the transaction	Opinion of the Audit Committee
Outstanding Balance				
Accounts receivable	-	35.84	As at the end of the accounting period on 31 December 2019, the company lent Trend Asia loan amount 12,000,000 baht with the conditions agreed in the contract dated 7 May 2019 with 5% interest, resulting in accrued interest 569,671.23 baht. The company has accrued income in the amount of 1,379,436.38 baht. Trade accounts receivable 35,834,790.34 baht and advance payment of 1,330,000 baht and the company has revenue from Trend Asia, namely sales revenue of 2,695,901 baht, service income 18,203,657.88 baht and interest income 569,671.23 baht.	The Audit Committee is of the opinion that such transaction is reasonable because it is a normal business support transaction of the Company and that the transaction is in accordance with general trading conditions and the rental fee is comparable to those offered by other third parties. As a result, the transaction does not cause the company to lose any benefits.
Accrued income	-	1.38		
Accrued interest	-	0.57		
Advances	-	1.33		
Loans	-	12.00		
Expenses and income				
Sales revenue	-	2.70		
Service income	-	18.20		
Interest income	-	0.57		

The company has related party transactions with Ms. Siraya Asnapetch follows

List	Item value		Necessity and Reasonableness of the transaction	Opinion of the Audit Committee
	31 Dec 2018 (Million baht)	31 Dec 2019 (Million baht)		
Expenses and income				
Payable from purchase of shares	-	5.60	The company is still unable to pay the share price to Ms. Siraya Asnapetch because the company still have to confiscate the deduction of the expenses due to Ms. Siraya Asnapetch is still responsible for the company. Complete the water quality improvement system for 9 shrimp farms and have passed the performance test. And is ready to sell water in accordance with the terms and conditions specified in the water quality improvement contract relating to 9 shrimp farms under the share purchase agreement. When done if there is still any money left, then the company will pay the remaining amount to Ms. Siraya Asnapetch immediately.	The Audit Committee is of the opinion that such transaction is reasonable because it is a normal business support transaction of the Company and that the transaction is in accordance with general trading conditions. As a result, the transaction does not cause the company to lose any benefits.
Other receivables	-	0.02		

The company has related party transactions with International Water Management Company Limited as follows

List	Item value		Necessity and Reasonableness of the transaction	Opinion of the Audit Committee
	31 Dec 2018 (Million baht)	31 Dec 2019 (Million baht)		
Outstanding Balance				
Trade accounts payable-related companies	-	0.60	As of 31 st December 2019, the company hired International Water Management Company Limited to construct, design, install water quality improvement systems. For shrimp farms with trade payables 596,869.62 baht, advance payment for service fees 3,088,392.02 baht, advance payment for project 4,605,533.29 baht and deposit guarantee 773,093.55 baht.	The Audit Committee is of the opinion that such transaction is reasonable because it is a normal business support transaction of the Company and that the transaction is in accordance with general trading conditions and the rental fee is comparable to those offered by other third parties. As a result, the transaction does not cause the company to lose any benefits.
Advance payment for service	-	3.09		
Advance payment for project work	-	4.61	The company has service costs from the company. International Water Management Limited of 15,599,891.31 baht.	
Retention deposit	-	0.77		
Expenses and income				
Cost of service	-	15.60		

The company has related party transactions with Ms. Suvaphat Onmikool follows

List	Item value 31 Dec 2018 (baht)	Item value 31 Dec 2019 (baht)	Necessity and Reasonableness of the transaction	Opinion of the Audit Committee
Expenses and income Other receivables	-	2,889.00	The company has other receivables with Ms. Suvaphat Onmikool in the amount of 2,889.00 baht.	The Audit Committee is of the opinion that such transaction is reasonable because it is a normal business support transaction of the Company and that the transaction is in accordance with general trading conditions. As a result, the transaction does not cause the company to lose any benefits.

The company has related party transactions with Mr. Pinai Puangmanee follows

List	Item value 31 Dec 2018 (baht)	Item value 31 Dec 2019 (baht)	Necessity and Reasonableness of the transaction	Opinion of the Audit Committee
Expenses and income Other receivables	-	2,889.00	The company has other receivables with Mr. Pinai Puangmanee in the amount of 2,889.00 baht.	The Audit Committee is of the opinion that such transaction is reasonable because it is a normal business support transaction of the Company and that the transaction is in accordance with general trading conditions. As a result, the transaction does not cause the company to lose any benefits.

The company has related party transactions with Mr. Tatchaphon Leelaprachakul follows

List	Item value 31 Dec 2018 (baht)	Item value 31 Dec 2019 (baht)	Necessity and Reasonableness of the transaction	Opinion of the Audit Committee
Outstanding Balance Accrued consultant fees	-	150,000.00	The company hired Mr. Tatchaphon Leelaprachakul to be the controller of the position. "Supervisor for water quality improvement through the ultrafiltration and ozone system (Project Manager)" of the company with a contract between the parties. In order to give advice, take care, control and monitor the project's operation, the company agreed to pay compensation to the supervisor. Until project completion Totaling 150,000 baht.	The Audit Committee is of the opinion that such transaction is reasonable because it is a normal business support transaction of the Company and that the transaction is in accordance with general trading conditions. As a result, the transaction does not cause the company to lose any benefits.
Expenses and income Consultation fee	-	150,000.00		

Necessity and reasonableness of the connected transaction

The Audit Committee Meeting No. 2/2019 on 14 May 2019, No. 3/2019 on 13 August 2019, No. 4/2019 on 11 November 2019 and No. 1/2020 on 27 February 2020 the Audit Committee studied the related party transactions of the Company for the fiscal year ending 31 March 2019, 30 June 2019, 30 September 2019 and 31 December 2019. With the inquiries of the Company's management, as well as the information specified in the notes to the financial statements of the auditor, it is found that the related party transactions of the Company in the fiscal year ending 31 March 2019, 30 June 2019, 30 September 2019 and 31 December 2019, can be divided into 5 groups:

1. Normal business transactions meaning any core business transactions that the Company or its subsidiaries perform in main business activities such as trading of goods, providing services, purchasing products for resale;
2. Regular business supporting activities or programs including trade transactions which companies in the same industry usually conduct in order to support the normal business activities;
3. Rental or lease of immovable property not more than 3 years and cannot show that there are under the general commercial conditions;
4. Items relating to assets or services such as acquisition or disposal of assets, providing / receiving services, investing / selling investments in the business;
5. Providing or receiving financial assistance meaning giving or receiving financial funds by accepting or giving loans, guaranteeing assets as collateral for the debt as well as other similar circumstances.

Measures or Procedures for Approving Related Party Transactions

In the past, related party transactions were approved by the Board of Directors since the Company had not yet appointed an audit committee and there was no requirement for related party transactions. Therefore, the transactions were not approved by the Audit Committee. However, the Board of Directors has taken into account the best interests of the Company in entering into transactions with related persons or parties who may have conflicts of interest. After the Company has appointed the Audit Committee and at the meeting of the Board of Directors No. 9/2015 on 20th of October 2015, the Board of Directors resolved to approve the policies and procedures for related party transactions. The Company and its subsidiaries with individuals or juristic persons that may have conflicts of interest in order to make the transactions transparent and to protect the interests of the Company and its subsidiaries, summarized as follows:

1) Transaction or trade agreement with general trading conditions

Regular business transactions and regular business supporting activities such as land and building rentals must be operated under general commercial conditions and with fair prices. These can be compared to the inter-company transactions between the company and/or subsidiaries with the general public, to transactions between individuals who may have conflicts of interest, or to transactions conducted in the same manner of other business operators. For these transactions, the management of the Company and its subsidiaries can operate unexceptionally under the principles previously approved by the Board of Directors. Also, a summary report of such transactions that have occurred in the past period must be prepared and provided at the Audit Committee meeting every quarter. Moreover, the Company and its subsidiaries will comply to the rules and regulations, notifications, orders or requirements of the Stock Exchange of Thailand including complying with the regulations regarding the disclosure of related party transactions.

2) Transaction or trade agreement not falling under general trade conditions

For any transaction that its conditions do not fall into a general trade terms and conditions, the Company and its subsidiaries are required to have the Audit Committee consider and comment on the appropriateness of the transaction and price of that item before presenting it to Board of Directors and/or the shareholders' meeting for approval on a case-by-case basis. However, in the event that the Audit Committee does not have an expertise in considering that particular related party transactions that may occur, the Company and its subsidiaries will proceed by seeking assistance from an independent appraiser,

independent experts or the Company's and/or its subsidiaries' auditors to give opinions on such related party transactions. The opinions of the independent experts will be used by the Audit Committee in making decisions and providing opinions to the Board of Directors and/or the shareholders, as the case may be, to gain approval on such transactions before entering into the transaction. In this regard, the Company and/or its subsidiaries will disclose the related party transaction information in the notes to the financial statements that have been audited by the Company's and its subsidiaries' auditors. Additionally, the Company and/or its subsidiaries will disclose such related party transactions in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) and comply with the rules and regulations regarding Securities and Exchange, laws, notifications, orders or requirements of the Stock Exchange of Thailand. For any related party transaction, the affected person who may have a conflict of interest or is having a conflict of interest will not have the right and will be refrained from voting on such transaction.

Policy or Trend of Related Party Transactions in the Future

The Company and its subsidiaries have possible connected transactions that may occur in the future, including sales of products and services, office building rental, which have been audited and approved before entering into the transaction by the Audit Committee and the Board of Directors. In any case, the Audit Committee will review and comment on related party transactions pertaining to normal business transactions or normal business supporting activities on a quarterly basis. Nevertheless, for any transactions that do not falls into a normal business category which may arise in the future, the Company and/or its subsidiaries will every time arrange for the Audit Committee to review the necessity and reasonableness of the transaction before entering into the related party transaction.

If the Company and/or its subsidiaries are required to make related party transactions with persons or parties that may have a conflict of interest with the Company and its subsidiaries, the Company and its subsidiaries will comply with the policies and procedures regarding the approval of related party transactions, previously set to generate appropriate and fair business transactions. In this regard, the Company and its subsidiaries will ensure that the transactions have the same trade conditions similar to those conducted with other third parties.

The Company and/or its subsidiaries will allow the Audit Committee to review and give opinions on the necessity and appropriateness before entering into such transactions. In the event that the Audit Committee does not have an expertise in considering the particular related transactions that may occur, the Company and/or its subsidiaries will seek the advice from an independent appraiser, independent experts or the Company's and its subsidiaries' auditors. The opinions will be used for decision making of the Audit Committee, and/or the Board of Directors, and/or the shareholders, as the case may be. The size of the transaction will also be taken into consideration.

The company and its subsidiaries will disclose such related party transactions in the annual information disclosure form (Form 56-1) and the annual report (Form 56-2) and comply with the rules and regulations on securities and exchange, laws, announcements, orders of the Stock Exchange of Thailand. For any related party transaction, the affected person who may have a conflict of interest or is having a conflict of interest will not have the right and will be refrained from voting on such transaction.

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 2019. 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 2019 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 2019

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 the directors and executives appointed by the Board of Directors as follows:

1. Mr. Kulawachara Bhurichayawarodom, the Chairman of the risk management committee, and
2. Ms. Duenpun Lilavivat, a member of the risk management committee, and
3. Mr. Tchakorn Leelaprachakul, a member of the risk management committee

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 2019

The Nomination and Remuneration Committee consists of

1. Mr. Pitipat Thitasirinant, the Chairman of the Nomination and Remuneration Committee, and
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 2019

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 2019, 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. Pitipat Thitasirinant attended all 4 meetings while Mr. Kulawachara Bhurichayawarodom and Mr. Atthapon Tangkaravakoon attended 3 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 2019, 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 2019 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 2018 and 2019, sales and services revenue were 580.51 million baht and 342.75 million baht, respectively. Classified as sales revenue, there was 475.84 million baht and 314.73 million baht and service income of 104.67 million baht and 28.02 million baht, respectively. The company has revenue from sales and services decreased from the same period of the previous year in the amount of 237.76 million baht. The main reason is from the sales and service of pipes and pipe fittings. Sales and service income from water quality improvement projects decreased by 42.69 million baht. Sales and service income from wire rope equipment also decreased.

Sales and services revenue structure can be classified as follow:

Revenue structure (million baht)	2018		2019	
	Million baht	%	Million baht	%
Sales revenue				
1.Wirerope and sling	234.99	40.48	218.71	63.81
2.webbing sling	16.69	2.88	12.96	3.78
3.Chain	8.45	1.46	7.95	2.32
4.Lifting tool	64.46	11.10	58.35	17.02
5.Other product ¹⁾	151.25	26.05	16.76	4.90
Total sales revenue	475.84	81.97	314.73	91.83
Services revenue				
1.Examine	80.10	13.80	4.09	1.19
2.Other services ²⁾	24.57	4.23	23.93	6.98
Total services revenue	104.67	18.03	28.02	8.17
Sales and services revenue³⁾	580.51	100.00	342.75	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 2018 and 2019, Cost of sales and services was 409.23 million baht and 210.01 million baht. Cost of sales was 393.24 million baht and 190.99 million baht, respectively. Cost of services was 15.99 million baht and 19.03 million baht, respectively. The cost of sales and services decreased in the same direction with the sales revenue decreased. As a result, the company has a gross profit of 171.28 million baht and 132.74 million baht. Gross profit margin was 29.51% and 38.73%, respectively. Which causes the cost of sales and services to decrease by

199.22 million baht. The main reason is the cost of sales and service of pipes and pipe fittings. Costs from sales and services of the Water Quality Improvement Project decreased a total of 181.66 million baht and the cost of sales and services of wire rope equipment were also reduced.

Cost of sales and services	2018	2019
	Million baht	Million baht
Cost of sales	393.24	190.99
Cost of services	15.99	19.03
Total Cost of sales and services	409.23	210.01
Sales revenue	475.84	314.73
Services revenue	104.67	28.02
Gross profit from sales ¹	82.60	123.74
§ Gross profit margin from sales (%)	17.36	39.32
Gross profit from services ¹	88.68	9.00
§ Gross profit margin from services (%)	84.72	32.08
Total gross profit	171.28	132.74
Total gross profit margin (%)	29.51	38.73

Note: 1) revenue before accrual adjustment

Sales expenses

For the year 2018 and 2019, sales expenses were 37.46 million baht and 36.82 million baht, respectively. Decreased from the same period of the previous year in amount of 0.64 million baht or 1.71% decrease. The decrease in selling expenses was caused by staff expenses of 0.54 million baht.

Administrative expenses

For the year 2018 and 2019, administrative expenses were 99.23 million baht and 111.95 million baht, respectively. The administrative expenses increased 12.72 million baht or 12.82%. The increased expenses and one time occurrence is 12.16 million baht, which is the expense of buying a subsidiary 6.20 million baht, doubtful debt of 7.93 million baht, etc.

Net profit

For the year 2018 and 2019, the company has profit of 31.24 million baht and (15.54) million baht. Profit margin was 5.38% and (4.53%), respectively. Net profit decreases 46.78 million baht or 149.74%. With the result of the year 2019 having a net loss. Due to sales and service revenue from pipes and pipe fittings Sales and service income from water quality improvement project decreased and have a one-time cost of 12.16 million baht as mentioned above.

However, if not including the one-time expenses, the company will have a net loss for the year 2019 in the amount of (3.38) million baht.

Financial statement

Total assets

As of 31st December 2018 and 31st December 2019, the company has total assets of 536.55 million baht and 574.20 million baht respectively, increasing by 37.65 million baht or 7.02%. The increased total assets of the Company consist of goodwill, property, plant and equipment.

Total asset as of 31st December 2018 and 31st December 2019 is consisted of current asset 443.44 million baht and 327.97 million baht, respectively, and non-current asset 93.10 million baht and 246.23 million baht, respectively.

Total liabilities and total equities

As of 31st December 2018 and 31st December 2019, The company has total liabilities of 126.19 million baht and 196.01 million baht respectively, increasing 69.82 million baht or 55.33%. Company's liabilities consists of liabilities arising from contracts for liabilities due within 1 year, long-term loans and employee benefit obligations.

Total equities in the same period are 410.36 million baht and 378.18 million baht, decreasing 32.18 million baht or 7.84%. By the one-time acquisition cost of the company and the company's operating results.

Respectfully,

Thai Mui Corporation Public Company Limited


(Tachorn Leelaprachakul)
Chief Executive Officer



บริษัท สอบบัญชี ดี ไอ เอ อินเตอร์เนชั่นแนล จำกัด
D I A INTERNATIONAL AUDIT CO., LTD.

A Member Of
Moore Stephens
International Limited

MOORE STEPHENS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of THAI MUI CORPORATION PUBLIC COMPANY LIMITED

Opinion

I have audited the accompanying consolidated and separate financial statements of THAI MUI CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES (the Group) and of THAI MUI CORPORATION PUBLIC COMPANY LIMITED (the Company) which comprise the consolidated and separate statements of financial position as at December 31, 2019, 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 THAI MUI CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of THAI MUI CORPORATION PUBLIC COMPANY LIMITED as at December 31, 2019, 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.

Emphasis of the matters

By not expressing qualified opinion, I draw your attention in note 4.3. On April 30, 2019, the Company entered into purchasing common share of Trend Asia Corporation Co., Ltd. agreement with another person. Under purchasing share agreement, only total revenue after deducting expenses of procurement and Static Mixer machine installation of previous business will be given to former group shareholder both complete works being collected and works in process consisting of trade receivable, accrued income and works in process. Former shareholder is solely responsible for any expenses and trade payable relating to such previous business

After April 30, 2019, Trend Asia Corporation Co.,Ltd. received letter from customer to demolish and move all of Static Mixer works referenced by all purchasing order because such works are not complete under agreement Trend Asia Corporation Co.,Ltd suddenly informed trade payable (Contractor) to proceed it. From such event, there is substantial doubt in uncollectible of such trade receivable and being sued for damage. The Management, however, has expected that there is no any damage incurred impact from Static Mixer demolish as it is obligation of former shareholder. If there is any damage, the Company is able to offset with share payable. Trend Asia Corporation Co.,Ltd. will delete such trade receivable and trade payable when obtaining assurance evidence that no damage was called for by them

As at December 31 , 2019, The Company is under process determining fair value (Due Diligence) all contingent liabilities from business acquisition of the above agreement including trade receivable and other receivables , trade payable , procurement and Static Mixer machine installation

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. 11, the Company and its subsidiary have material amount of inventories Baht 203.76 million in the financial statements as at December 31, 2019 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.

Revenue recognition from sales and service render to group of customer (Safety Stock)

The Company has policy to recognize revenue from sales when control and ownership of goods have been transferred to customers and revenue from service when service is completely rendered. Revenue from sales of Safety Stock to group of customer is recognized when installation service is completely rendered for group of customer. Since goods is delivered and reserved at the site of customer but ownership is still belonging to the Company. When making goods requisition from stockpile, goods will suddenly be deleted from inventories report in computer system. This may have risks in recording cost of sales of inventories which have not been recognized as revenue from sales because risks and rewards of ownership will be transferred to customer when installation is completely done.

I have assessed and tested the effectiveness of internal control in order to ensure the accuracy and completion of recording revenue from sales and services by.

- Obtain an understanding of operation procedure and internal control related to recognition of revenues from sales and services.
- Perform sampling test job order of installation service for group of customer (Safety stock) by considering signing in inventories delivery order for comparing with recording of revenues.
- Review reconciliation between the amount of outstanding temporary delivery note at the end of the month and inventories counted at the site report and recording returned goods to stockpile.
- Perform cutoff procedure revenue before and after reporting period.

The expected recoverable value of assets investment in subsidiary, trade receivable and loan receivable in separate financial statements water quality improvement system in shrimp farm in consolidated financial statements.

As stated in note 13 in separate financial statements and note 14 in consolidated financial statements, as at December 31, 2019, the Company has investment in subsidiary Baht 27.80 million, trade receivable and loan to subsidiary Baht 35.83 million and Baht 12 million, respectively. The consolidated financial statements have included normal assets of subsidiary to proceed hire of water quality improvement in shrimp farm consisting of water quality improvement system Baht 13.46 million and works under construction of such system Baht 96.71 million 5 years contract when the employer completely obtains volume of good quality water as defined in the contract. (In case of force majeure, service period can be extended). The Company agrees to transfer ownership of water quality improvement system to employer at once. I have defined that test of the expected recoverable value of such assets is key audit matter. In order to consider the expected recordable value of such assets, the Company has hired an independent financial advisor to assess fair value of subsidiary. Since significant judgement has been made to consider supporting assumptions the expected recoverable value of assets and book value having material. Accordingly, I have addressed such matter as key audit matter

Audit procedures in such matter are included by

- Obtain an understanding in determining the expected recoverable value of assets, fair value of subsidiary. And test principle and accuracy of calculation and assess the reasonableness of significant assumption such as analyze value sensitivity by adjusting discount rate by comparing with financial forecast approved by the Management, actual performance incurred, external source and my judgement
- Consider sources and weighted factor used by the Management and an independent financial advisor in determining fair value of subsidiary under present value of net cash flows as supporting information for considering an impairment.
- Assess knowledge and capability of independent financial advisor of the Company and subsidiary
- Assess the information relating to financial reporting standards is sufficiently disclosed.

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 27, 2020

THAI MUI CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES



STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

(Unit : Baht)

Assets	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Current assets					
Cash and cash equivalents	7.1	45,519,415	65,989,627	42,893,208	60,969,008
Trade and other current receivables	8	78,588,851	152,445,538	105,711,861	148,882,150
Unbilled works under installation value	9	-	-	1,379,436	-
Assets resulting from the contract	5.1.3	103,864	-	103,864	-
Loans to related company	10	-	-	12,000,000	-
Inventories	11	203,756,783	225,009,057	203,745,472	224,907,667
Total current assets		327,968,913	443,444,222	365,833,841	434,758,825
Non-current assets					
Deposits at financial institutions with commitments	12	16,153,647	1,054,410	16,153,647	1,054,410
Investments in subsidiary	13	-	-	44,799,800	16,999,800
Trade and other non-current receivables		37,601	72,366	34,593	69,360
Property, plant and equipment	14	193,361,079	84,851,219	81,150,441	82,367,984
Goodwill	4.3	23,849,141	-	-	-
Intangible assets	15	1,118,680	1,586,544	1,117,280	1,582,680
Deferred tax assets	16	6,522,805	2,616,971	5,121,895	2,520,533
Other non-current assets		5,184,080	2,922,167	3,379,438	1,037,070
Total non-current assets		246,227,033	93,103,677	151,757,094	105,631,837
Total assets		574,195,946	536,547,899	517,590,935	540,390,662

Notes to financial statements are parts of these financial statements.

(Sign)   **THAIMUI**
CORPORATION PUBLIC COMPANY LIMITED
บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)
Authorized Director
(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

THAI MUI CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2019

		(Unit : Baht)			
		Consolidated financial statements		Separate financial statements	
Liabilities and shareholders' equity	Notes	2019	2018	2019	2018
Current liabilities					
Short-term loan from financial institutions	17	31,831,238	36,623,829	31,831,238	36,623,829
Trade and other current payables	18	61,014,320	64,586,121	67,310,215	67,631,222
Liabilities resulting from the contract	5.1.3	976,199	-	976,199	-
Current portion of long-term debts	19	21,291,615	4,973,492	3,969,582	4,662,058
Loan from related person and company	20	4,225,000	-	5,000,000	5,000,000
Accrued income tax		312,961	1,173,183	312,961	1,173,183
Total current liabilities		119,651,333	107,356,625	109,400,195	115,090,292
Non-current liabilities					
Long-term loan	21	52,386,932	-	-	-
Trade and other non-current payables		324,190	262,441	269,820	208,702
Non-Current provisions for employee benefits	22	14,540,678	10,280,798	13,846,568	9,798,610
Liabilities under financial leases	23	9,111,397	8,287,420	8,570,105	7,421,802
Total non-current liabilities		76,363,197	18,830,659	22,686,493	17,429,114
Total liabilities		196,014,530	126,187,284	132,086,688	132,519,406
Shareholders' equity					
Share capital					
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	26	4,995,828	3,877,409	4,995,828	3,877,409
Unappropriated		(10,794,484)	21,139,142	(172,183)	23,313,245
Other components of shareholders' equity		4,663,750	4,663,750	-	-
Total shareholder' equity of the parent		379,545,696	410,360,903	385,504,247	407,871,256
Non-controlling interests		(1,364,280)	(288)	-	-
Total shareholders' equity		378,181,416	410,360,615	385,504,247	407,871,256
Total liabilities and shareholders' equity		574,195,946	536,547,899	517,590,935	540,390,662

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

THAI MUI CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Revenue from sales and services	342,752,796	580,514,548	350,635,432	565,442,520
Cost of sales and services	(210,014,502)	(409,229,734)	(213,159,858)	(392,936,069)
Gross profit	132,738,294	171,284,814	137,475,574	172,506,451
Other income				
Interest income	257,229	3,985,539	813,653	3,979,796
Gains on exchange rate	1,671,922	607,421	1,387,421	607,421
Others	243,207	1,346,052	545,363	1,341,210
Distribution costs	(36,824,785)	(37,460,770)	(41,075,660)	(41,548,551)
Administrative expenses	(111,951,019)	(99,227,595)	(103,539,563)	(96,759,947)
Financial cost	(3,313,586)	(996,026)	(3,521,388)	(1,020,660)
Profit (loss) before income tax	(17,178,738)	39,539,435	(7,914,600)	39,105,720
Income tax (expenses) revenues	25 1,640,759	(8,301,309)	1,189,495	(7,972,195)
Profit (loss) for the period	(15,537,979)	31,238,126	(6,725,105)	31,133,525
Other comprehensive income (loss)				
Components of other comprehensive income that will not be reclassified to profit or loss :				
Loss on remeasuring of defined benefit plans	(707,838)	-	(663,590)	-
Income tax relating to components of other comprehensive income that will be not reclassified to profit or loss	141,568	-	132,718	-
Total components of other comprehensive income that will not be reclassified to profit or loss	(566,270)	-	(530,872)	-
Total comprehensive income (loss) for the year	(16,104,249)	31,238,126	(7,255,977)	31,133,525




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

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

THAI MUI CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit (loss) attributable to :				
Equity holder of the parent	(15,137,905)	31,238,125	(6,725,105)	31,133,525
Non-controlling interests	(400,074)	1	-	-
	<u>(15,537,979)</u>	<u>31,238,126</u>	<u>(6,725,105)</u>	<u>31,133,525</u>
Total comprehensive income attributable to :				
Equity holder of the parent	(15,704,174)	31,238,125	(7,255,977)	31,133,525
Non-controlling interests	(400,075)	1	-	-
	<u>(16,104,249)</u>	<u>31,238,126</u>	<u>(7,255,977)</u>	<u>31,133,525</u>
Earnings (loss) per share (Baht)				
Basic earnings (loss) per share	(0.045)	0.092	(0.020)	0.092
The number of common shares issued (shares)	340,000,000	340,000,000	340,000,000	340,000,000

Notes to financial statements are parts of these financial statements.



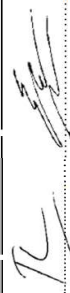

(Sign) Authorized Director
 (Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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

THAI MUI CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

	(Unit : Baht)						
	Consolidated financial statements						
	Equity holders of the Company			Non-controlling interests		Total shareholders' equity	
	Paid-up share capital	Premium on ordinary shares	Retained earnings	Other components of shareholders' equity	Total shareholder equity of the parent		
			Appropriated	Unappropriated			
			Legal reserve	Surplus from business combination under the common control			
Balance as at January 1, 2018	170,000,000	210,680,602	2,315,197	6,763,229	4,663,750	394,422,778	(289) 394,422,489
Total changes in shareholders' equity							
Dividend paid	27	-	-	(15,300,000)	-	(15,300,000)	- (15,300,000)
Transfer retained earnings into legal reserve	26	-	1,562,212	(1,562,212)	-	-	-
Total comprehensive income (loss) for the year							
Profit for the period	-	-	-	31,238,125	-	31,238,125	1 31,238,126
Other comprehensive income (loss)	-	-	-	-	-	-	-
Total comprehensive income (loss) for the year							
Balance as at December 31, 2018	170,000,000	210,680,602	3,877,409	21,139,142	4,663,750	410,360,903	(288) 410,360,615
Balance as at January 1, 2019 (Before adjusted)	170,000,000	210,680,602	3,877,409	21,139,142	4,663,750	410,360,903	(288) 410,360,615
Cumulative effect from changing accounting policy due to adoption of new financial reporting standards	3	-	-	188,968	-	188,968	- 188,968
Balance as at January 1, 2019 (After adjusted)	170,000,000	210,680,602	3,877,409	21,328,110	4,663,750	410,549,871	(288) 410,549,583
Total changes in shareholders' equity							
Dividend paid	27	-	-	(15,300,000)	-	(15,300,000)	- (15,300,000)
Transfer retained earnings into legal reserve	26	-	1,118,419	(1,118,419)	-	-	-
Total comprehensive income (loss) for the year							
Loss for the period	-	-	-	(15,137,905)	-	(15,137,905)	(400,074) (15,537,979)
Other comprehensive income (loss)	-	-	-	(566,270)	-	(566,270)	(1) (566,271)
Total comprehensive income (loss) for the year							
Acquisition in subsidiary	-	-	-	(15,704,175)	-	(15,704,175)	(400,075) (16,104,250)
Balance as at December 31, 2019	170,000,000	210,680,602	4,995,828	(10,794,484)	4,663,750	379,545,696	(963,917) 378,181,416

Notes to financial statements are parts of these financial statements.


 (Sign) Authorized Director
 (Mr.Tchai Korn Leelapachakul , Mr.Ekbordin Leelapachakul)

THAIMUI

CORPORATION PUBLIC COMPANY LIMITED
บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)

THAI MUI CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

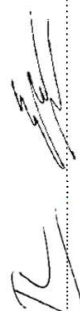
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Notes	(Unit : Baht)				
		Separate financial statements				Total shareholders' equity
		Paid-up share capital	Premium on ordinary shares	Retained earnings	Unappropriated	
				Appropriated Legal reserve		
Balance as at January 1, 2018		170,000,000	210,680,602	2,315,197	9,041,932	392,037,731
Total changes in shareholders' equity						
Dividend paid	27	-	-	-	(15,300,000)	(15,300,000)
Transfer retained earnings into legal reserve	26	-	-	1,562,212	(1,562,212)	-
Total comprehensive income (loss) for the year						
Profit for the period		-	-	-	31,133,525	31,133,525
Other comprehensive income (loss)		-	-	-	-	-
Total comprehensive income (loss) for the year						
		-	-	-	31,133,525	31,133,525
Balance as at December 31, 2018		170,000,000	210,680,602	3,877,409	23,313,245	407,871,256
Balance as at January 1, 2019 (Before adjusted)		170,000,000	210,680,602	3,877,409	23,313,245	407,871,256
Cumulative effect from changing accounting policy due to adoption of new financial reporting standards	3	-	-	-	188,968	188,968
Balance as at January 1, 2019 (After adjusted)		170,000,000	210,680,602	3,877,409	23,502,213	408,060,224
Total changes in shareholders' equity						
Dividend paid	27	-	-	-	(15,300,000)	(15,300,000)
Transfer retained earnings into legal reserve	26	-	-	1,118,419	(1,118,419)	-
Total comprehensive income (loss) for the year						
Loss for the period		-	-	-	(6,725,105)	(6,725,105)
Other comprehensive income (loss)		-	-	-	(530,872)	(530,872)
Total comprehensive income (loss) for the year						
		-	-	-	(7,255,977)	(7,255,977)
Total comprehensive income (loss) for the year						
		-	-	-	(7,255,977)	(7,255,977)
Balance as at December 31, 2019		170,000,000	210,680,602	4,995,828	(172,183)	385,504,247

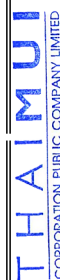
Notes to financial statements are parts of these financial statements.

(Sign)



(Mr. Tebakorn Leelapachakul, Mr. Ekborin Leelapachakul)

Authorized Director



CORPORATION PUBLIC COMPANY LIMITED

ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)

THAI MUI CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit (Loss) before corporate income tax	(17,178,738)	39,539,435	(7,914,600)	39,105,720
Adjustment to reconcile profit before tax to cash receipt (paid)				
from operating activities :				
Depreciation and amortization	11,902,245	9,206,530	9,764,127	8,514,267
Doubtful accounts (Reverse)	7,932,051	(49,951)	7,932,051	(29,354)
Loss for devaluation of inventories	616,865	348,102	616,865	348,102
Estimated goods returned	629,630	849,769	629,630	849,769
Estimated contract fee	-	353,500	-	353,500
Unrealized gain on exchange rate	(7,161)	(295,208)	(7,161)	(295,208)
(Gain) loss from disposal/disuse of assts	166	(90,567)	166	(78,015)
Employee benefit	4,427,382	2,750,446	4,259,708	2,616,322
Interest expenses	3,313,586	996,026	3,521,388	1,020,660
Profit from operation before change in operating assets				
and liabilities	11,636,026	53,608,082	18,802,174	52,405,763
(Increase) Decrease in operating assets				
Trade and other current receivables	70,716,569	(64,890,405)	34,968,608	(63,135,011)
Unbilled works under installation value	-	-	(1,379,436)	-
Assets resulting from the contract	(103,864)	-	(103,864)	-
Inventories	20,635,409	(42,090,329)	20,545,330	(42,354,488)
Trade and other non - current receivables	34,765	1,572,181	34,767	1,561,489
Other non-current assets	(1,657,062)	359,801	(2,342,368)	(190,450)
Increase (Decrease) in operating liabilities				
Trade and other current payables	(76,728,385)	16,502,395	(5,244,319)	19,918,398
Liabilities resulting from the contract	578,909	-	578,909	-
Trade and other non - current payables	61,749	(1,978,808)	61,118	(1,803,755)
Cash generated from operation	25,174,116	(36,917,083)	65,920,919	(33,598,054)
Employee benefit paid	(875,340)	(1,683,350)	(875,340)	(1,683,350)
Interest paid	(5,889,030)	(862,736)	(4,175,890)	(841,480)
Corporate income tax paid	(2,554,077)	(10,030,084)	(2,186,612)	(9,694,905)
Net cash provided by (used in) operating activities	15,855,669	(49,493,253)	58,683,077	(45,817,789)

Notes to financial statements are parts of these financial statements.

(Sign)

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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

THAI MUI CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
	Notes	2019	2018	2019	2018
Cash flows from investing activities					
Deposit at financial institution with commitment Increase		(15,099,237)	(47,750)	(15,099,237)	(47,750)
Cash received from loans to related company		-	-	-	1,000,000
Cash paid for loans to related company		-	-	(12,000,000)	-
Cash paid for investments in subsidiary		(15,911,318)	-	(22,200,000)	(15,000,000)
Cash paid for purchasing property, plant and equipment		(38,263,694)	(5,626,025)	(1,818,684)	(4,775,632)
Cash received from selling property, plant and equipment		-	107,478	-	93,458
Cash paid for purchasing intangible assets		(69,363)	(339,358)	(69,363)	(339,358)
Net cash provided by (used in) investing activities		(69,343,612)	(5,905,655)	(51,187,284)	(19,069,282)
Cash flows from financing activities					
Cash received (paid) short-term loan from financial institution		(4,623,829)	36,849,087	(4,623,829)	36,849,087
Cash received from long-term loan		71,009,641	-	-	-
Cash paid for long-term loan		(200,000)	-	-	-
Cash received from loan from related company		-	-	-	5,000,000
Cash paid for loan from related person		(11,908,883)	-	-	-
Cash paid for liabilities under financial lease		(5,959,198)	(4,412,431)	(5,647,764)	(4,286,340)
Dividend paid	27	(15,300,000)	(15,300,000)	(15,300,000)	(15,300,000)
Net cash provided by (used in) financing activities		33,017,731	17,136,656	(25,571,593)	22,262,747
Net increase (decrease) in cash and cash equivalents		(20,470,212)	(38,262,252)	(18,075,800)	(42,624,324)
Cash and cash equivalents at the beginning of the year	7.1	65,989,627	104,251,879	60,969,008	103,593,332
Cash and cash equivalents at the end of the year	7.1	45,519,415	65,989,627	42,893,208	60,969,008

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

THAI MUI CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

1. GENERAL INFORMATION

- Registration : The Company was incorporated in Thailand and on February 17, 1998 and registered and transformed as a 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, Choburi 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 and plumbing contractor project and construction of a water quality improvement system shrimp farms
2. A subsidiary company has engaged in elevator, crane inspection, iron ware and wire rope distribution, provide testing, technical analysis service, transportation and another subsidiary has engaged in distribution of equipment and machinery parts relating to environment and hire of water quality improve of shrimp farm.
- Major shareholder : Group of LEELAPRACHAKUL surname shareholding 66.43 %

Financial status of subsidiary

As at December 31, 2019, a subsidiary has current liabilities exceeding over current assets Baht 65.94 million and deficit Baht 11.55 million. In addition to, the company had loss from performance of the year 2019 Baht 6.12 million. These events have caused substantial doubt about its ability to continue as a going concern. The Management has made business plan and analyze that the situation will be better since the Company has planned to do water quality improvement for 5 years generating cash flows approximately Baht 282.15 million. The Company, therefore, will be able to continue its operation and responsible for its liabilities at present and future for period at least 12 months from December 31, 2019. These financial statements are prepared on going concern basis.

(Sign) Authorized Director

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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

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.

2.2 New financial reporting standards


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

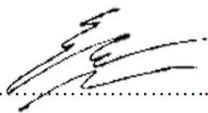
During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for the financial statements for the period beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes 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. However, new financial reporting standard has changed key principle as follows.

TFRS 15 Revenue from Contracts with Customers establishes for the entity to use in accounting for revenue arising from contracts with customers, the core principle is that the entity should recognize revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled. This standard introduces a five-step model including exercise of judgment for taking into consideration of the principle in each step of model applying. TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue.

The Company and its subsidiaries adopted TFRS 15 using the modified retrospective method of adoption of which the cumulative effect is recognized as an adjustment to the retained earnings as at 1 January 2019, and the comparative information was not restated. The Company and its subsidiaries elect to apply the practical expedients by not restate completed contracts as at 1 January 2019 for with the previous accounting policy.

The cumulative effect from changing accounting policy is presented in note 3.


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


 Authorized Director

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

2. BASIS FINANCIAL STATEMENTS PRESENTATION (CONT.)

B. Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarized below

Financial reporting standards 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:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. 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 expect that the adoption of these accounting standards to result in the following adjustments.

- Classification and measurement of investments in equity instruments of non-listed companies - The Company are to measure investments in equity instruments of non-listed companies at fair value and elect to classify the investments as financial assets at fair value, through either profit or loss or through other comprehensive income. If the Company and subsidiaries elect to present subsequent changes in the fair value of the investment through other comprehensive income, the election is irrevocable.
- Recognition of credit losses - The Company are to recognise an allowance for expected credit losses on its financial assets, and they are no longer necessary for a credit - impaired event to have occurred. The Company apply simplified approach to consider impairment of trade receivables

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.

(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.)

TFRS 16 Leases

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

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

The Management of the Company has expected that the adoption of such financial reporting standard will effect statement of financial position as at January 1, 2020 by increasing right of use assets and liabilities under leases at the same amount approximately Baht 78.14 million.

3. THE EFFECT OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

As described in Note 2.2 to the financial statements, during the current year, the Company has adopted TFRS 15 by using the modified retrospective method of adoption and comparative financial statement was not restated and additional information is disclosed as stated in note 29.

The effect on beginning retained earnings of the year 2019 from changing accounting policy due to adoption of TFRS 15 Revenue from Contracts with Customers is presented as follows.

	(Unit : Baht)
	Consolidated
	financial statements
	/Separate
	<u>financial statements</u>
Impact on retained earnings as at January 1, 2019	
The amount received or having receiving rights from customer with pending performance obligation for customer	(397,290)
Estimated service charge under the contract	633,500
Related tax expenses	(47,242)
Total	<u>188,968</u>

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

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



Authorized Director

3. THE EFFECT OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS (CONT.)

The amounts of adjustments affecting the statements of financial position as at December 31, 2019 and the income statements for the year ended December 31, 2019 from changing accounting policy due to the adoption of TFRS 15 are summarized below.

(Unit : Baht)

	Consolidated financial statements		
	Previous accounting policy	Increase (Decrease) TFRS 15	As previous reported
Statement of financial position			
Assets			
Assets resulting from the contract	-	103,864	103,864
Deferred tax assets	6,475,038	47,767	6,522,805
Liabilities			
Trade and other current payables	61,647,820	(633,500)	61,014,320
Liabilities resulting from the contract	-	976,199	976,199
Shareholders' equity			
Shareholder's equity	379,736,764	(191,068)	379,545,696
Statement of income			
Revenue from sales and services	343,227,841	(475,045)	342,752,796
Income tax expense	1,545,750	95,009	1,640,759
Loss for the period	(15,918,015)	380,036	(15,537,979)
Profit attributable to			
Equity holder of the parent	(15,517,941)	380,036	(15,137,905)
Loss per share (Baht)			
Basic loss per share	(0.046)		(0.045)

(Sign)   **THAIMUI**
CORPORATION PUBLIC COMPANY LIMITED
บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)
Authorized Director
(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

3. THE EFFECT OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS (CONT.)

(Unit : Baht)

	Separate financial statements		
	Previous accounting policy	Increase (Decrease) TFRS 15	As previous reported
Statement of financial position			
Assets			
Assets resulting from the contract	-	103,864	103,864
Deferred tax assets	5,074,128	47,767	5,121,895
Liabilities			
Trade and other current payables	67,943,715	(633,500)	67,310,215
Liabilities resulting from the contract	-	976,199	976,199
Shareholders' equity			
Shareholder's equity	385,695,315	(191,068)	385,504,247
Statement of income			
Revenue from sales and services	351,110,477	(475,045)	350,635,432
Income tax expense	1,094,486	95,009	1,189,495
Loss for the period	(7,105,141)	380,036	(6,725,105)
Loss per share (Baht)			
Basic loss per share	(0.021)		(0.020)

The above adjustment has detail as summarized as follows.

- The Company has considered some revenue from sales having 2 performance obligations. The Company has considered revenue from sales together with services allocated between the element in proportion to the delivered products and the obligations to be performed in providing services that are included in the contract using the basis of standalone selling prices of different products or services as obligated in the contract.

4. BASIS FOR CONSOLIDATED FINANCIAL STATEMENTS

4.1 These financial statements have been consolidated by including the financial statements of subsidiary in which THAI MUI 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.

4.2 These consolidated financial statements are prepared with the objective to show the consolidated financial position and the results of operation of THAI MUI 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.

(Sign)

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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

4. BASIS FOR CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

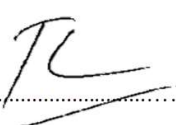


4.3 These consolidated financial statements comprise of financial statement THAI MUI CORPORATION PUBLIC COMPANY LIMITED. (Parent Company) and subsidiary THAI MUI CORPORATION PUBLIC COMPANY LIMITED. has control power and significant influence by holding share in subsidiary as follows.

Company name	Business type	Paid-up share (Million Baht)		Proportion of investments (%)	
		December 31,2019	December 31,2018	December 31,2019	December 31,2018
PROPOINT GLOBAL	Engaged in elevator crane	17.00	17.00	99.99	99.99
CONSULTANT CO., LTD.	inspection, iron ware and wire rope distribution, provide testing and technical analysis service and transportation.				
TREND ASIA	Distribution equipment ,	7.00	-	70.00	-
CORPORATION CO.,LTD.	part of machunery realing to environment and water treatment project.	(Registered capital Baht 25 million)			

On April 30, 2019, the Company entered into purchasing common share of Trend Asia Corporation Co.,Ltd. agreement with another person 175,000 shares at par Baht 100 each and paid-up Baht 25 each 70 % of registered share capital at the price Baht 123.43 per share Baht 21.60 million. The Company already made share payment to the seller Baht 16 million and changing shareholder was already proceeded on April 30, 2019 and still unpaid Baht 5.60 million as share payable. Because it is under quality inspection of service whether it is in accordance with purchasing share agreement. The amount of such unpaid share is recorded as share payable in the consolidated financial statements and separate financial statement as stated in note 8

Under purchasing share agreement, only total revenue after deducting expenses of procurement and Static Mixer machine installation of previous business will be given to former group shareholder both complete works being collected and works in process consisting of trade receivable, accrued income and works in process. Former shareholder is solely responsible for any expenses and trade payable relating to such business.

As third party such as trade receivable and trade payable have not known purchasing share agreement made between THAI MUI CORPORATION PUBLIC COMPANY LIMITED and former shareholder , they have not signed for transferring their commitment and duties yet. Therefore, trade receivable and other receivables including trade payable have not been deleted from financial statements of Trend Asia Corporation Co.,Ltd. According to purchasing share agreement, trade receivable and trade payable have not been transferred from former shareholder, such transactions are deleted in the consolidated financial statements and commitment must be returned to shareholder deducted from the price of business acquisition agreement.

(Sign)   
 (Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)
 บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)
 Authorized Director

4. BASIS FOR CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

According to the Board of Director meeting subsidiary held on December 16, 2019, group of new shareholder of has ratified to transfer merely previous business such as procurement and Static mixer machine installation to group of former shareholder under purchasing share agreement.

After April 30, 2019, Trend Asia Corporation Co.,Ltd. received letter from customer to demolish and move all of Static mixer works referenced by all purchasing order because such works are not complete under agreement. Trend Asia Corporation Co.,Ltd. suddenly informed trade payable (Contractor) to proceed it. From such event, there is substantial doubt in uncollectible of such trade receivable and being sued for damage. The Management, however, has expected that there is no any damage incurred impact from Static Mixer demolish as it is obligation of former shareholder. If there is any damage, the Company is able to offset with share payable. Trend Asia Corporation Co.,Ltd. will delete such trade receivable and trade payable when obtaining assurance evidence that no damage was called for by them.

As at December 31, 2019, The Company is under process determining fair value (Due Diligence) all contingent liabilities from business acquisition of the above agreement including trade receivable and other receivables, trade payable, procurement and Static mixer machine installation

Net book values of assets acquired and liabilities assumed from TREND ASIA CORPORATION CO.,LTD. as at acquisition date have detail as follows.

	(Unit: Baht)
Cash and cash equivalents	88,682
Trade and other current receivables	5,061,563
Building and equipment	74,733,108
Deferred tax assets	476,895
Other non-current assets	79,000
Trade and other current payables	(67,518,423)
Loans from other person	(16,133,883)
Net assets of the subsidiary	(3,213,058)
Less Non-controlling interests (30%)	963,917
Net assets of the subsidiary in the company's proportion (70%)	(2,249,141)
Goodwill	23,849,141
Cash payment for subsidiary acquisition	21,600,000
Less Share payable	(5,600,000)
Less Cash and cash equivalents	(88,682)
Net cash payment from acquisition of subsidiary	15,911,318

(Sign)

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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

4. BASIS FOR CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

The Company is under process of determining fair value of the acquired net assets and liabilities assumed form business acquisition. Allocation of business combination cost must be correctly adjusted by net value acquired. The results of allocation of business combination cost is expected to be finalized within 12 months from the acquisition date allowed under Thai Financial Reporting Standard No. 3 "Business Combinations". During the measurement period, if the Company obtains additional facts and circumstances that existed as of the acquisition date, the Company will adjust provisional amounts recognized at the acquisition date, recognize additional assets and liabilities and adjust goodwill from acquisition to reflect additional information related to facts and existing circumstances as at acquisition date.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Revenues and Expenses Recognition

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

5.1.2 Revenue from sales are recognized when the Company and subsidiaries have already transferred control of goods to customers. As when goods are delivered, revenue from sales is measured at realizable or expected realizable value for goods delivery less estimated returned goods, discount and fee in normal business excluding VAT.

5.1.3 Revenue from sales of goods together with services, the Company has considered some revenue from sales having 2 performance obligations. The Company has considered revenue from sales together with services allocated between the element in proportion to the delivered products and the obligations to be performed in providing services that are included in the contract using the basis of standalone selling prices of different products or services as obligated in the contract.




The recognised revenue which is not yet due per the contracts has been presented under the caption of "Assets resulting from the contract" in the statement of financial position. The amounts recognised as contract assets are reclassified to other receivables when the Company and a subsidiary right to consideration is unconditional.

The obligation to provide to a customer for which the Company and its subsidiaries have received from the customer is presented under the caption of "Liabilities resulting from the contract" in the statement of financial position. Contract liabilities are recognised as revenue when the Company and a subsidiary perform under the contract.

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

5.1.5 Revenue from system installation is recognized throughout installation period by measuring the ratio of completed works calculated by comparing cost of works incurred until the end of the period with expected total cost of works used in installation under the contract. The Company will provide provision for loss at once when loss incurred is known for revenue recognized in the reporting period. The amount exceeding over revenue which is collection due under the contract is presented as Unbilled works under installation value.

5.1.6 Installation cost consist of material, hire of work contractor and installation expenses is recognized on accrual basis

(Sign)   
 บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)
 Authorized Director
 (Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

5.2 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.

5.3 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.

5.4 Unbilled revenue /Retention receivable

Unbilled revenue is accumulated revenue recognized exceeding over the amount collection from customer until now. The Company and subsidiaries will record loss from impairment of unbilled revenue. The estimated loss is possibly incurred from uncollectible from customer. Unbilled revenue is classified as trade receivable when the company has unconditional right to collect payment for instance, the Company has completely provided and rendered services to customer.

Retention receivable is retention under service contract bearing no interest and unsecured. Retention receivable is classified as non-current under condition of the contract. Customer deduct retention from the amount paid from hiring to the Company and subsidiaries at the rate mutually agreed in the contract and it will be refunded when performance obligation are completely done by the Company and subsidiaries.

5.5 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

5.6 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.

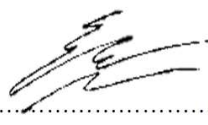
Investment in subsidiaries is recognized under equity method in the consolidated financial statements.

5.7 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.

The cost of major renovation and replacement is replacement part of buluiding and equipment according to specific period. Such cost will be included in book value of assets and charged for depreciation. The replacement cost is recorded as book value of assets and the replaced items will be written off.

(Sign)

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

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

5.7 Building and Equipment (Cont.)

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
Water quality improvement system	5 years

Assets under construction is not depreciated.

5.8 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
-------------------	------------

5.9 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.

5.10 Advance payment from customer

Advance payment from customer is advance payment for goods as indicated in the contract and will be deducted when transferring control of goods to customer.

5.11 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.

(Sign)   **THAIMUI**
CORPORATION PUBLIC COMPANY LIMITED
บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)
Authorized Director
(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

5.11 Transactions in Foreign Currencies (Cont.)

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.

5.12 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.

5.13 Financial instruments

Financial instruments that presented 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.

5.14 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.


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.


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


 Authorized Director

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

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

5.15 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.

Past service cost is recognized in profit or loss when the plan amendment or curtailment occurs, or when the entity recognizes related restructuring costs.

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.

5.16 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

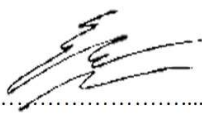
The Company and subsidiaries record deferred tax is provided on temporary differences between their carrying amounts at the end of each reporting period and the tax bases of assets and liabilities by using the tax rates enacted at the end of the reporting period.

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.

(Sign)

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

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

5.17 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.

5.18 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 the Company and subsidiaries determine that the amount of the provision is greater than the carrying amount of the assets, the Company and subsidiaries will separately recognize that amount as assets. The amount recognized should not exceed the amount of the provision.

5.19 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.

5.20 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.

5.21 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.

(Sign)

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

5.21 Measurement of fair values (Cont.)

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.

5.22 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:

Revenue from contracts with customers**Identification of performance obligations**

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.


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

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

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

5.22 Significant accounting judgements and estimates (Cont.)

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Company and its subsidiaries recognise revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

Where the above criteria are not met, revenue is recognized at a point in time. Where revenue is recognized at a point in time, the management is required to determine when the performance obligation under the contract is satisfied

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 have 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.

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.

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

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

5.22 Significant accounting judgements and estimates (Cont.)

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.

(Sign) Authorized Director

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

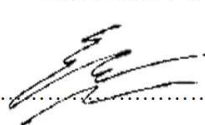
THAIMUI
CORPORATION PUBLIC COMPANY LIMITED
บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)

6. RELATED PARTIES

6.1 Relationship and pricing policy

The Company and related person name	Nature of relationships
PROPOINT GLOBAL CONSULTANT CO.,LTD.	Subsidiary (99.99% sharholding)
TREND ASIA CORPORATION CO.,LTD.	Subsidiary (70% sharholding)
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
INTERNATIONAL WATER MANAGEMENT CO.,LTD.	Director of such company is shareholder of subsidiary
RELATED PERSON	Major shareholder
RELATED PERSON	Director and shareholder of subsidiary
RELATED PERSON	Shareholder of subsidiary
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
Interest from loan to	Interest rate 7.25 % per year
Purchases of goods	Price agreed not highen than other vendors
Service cost	Price mutually agreed
Service fee	Normal price as regular customer
Car rental	As indicated in rental agreement Baht 173,250 per month
Land and office Rental	At the rate indicated in the contract Baht 483,090 per month (Jan-June 2019) and Baht 518,090 (July 2020 onwards) close to market rate
Utilities expenses (Electricity and Water)	Cost plus margin 15% and as cost
Management fee	As indicated in rental agreement Baht 20,000 per month
Consulting fee	Price mutually agreed
Advance payments	Bearing no interest
Advance received	Bearing no interest
Interest	Interest rate 5 % per year

(Sign)



(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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

6. RELATED PARTIES (CONT.)

6.2 Balance with related parties

Balance with related person and parties as at December 31, 2019 and 2018 are as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts receivable				
PROPOINT GLOBAL				
CONSULTANT CO., LTD.	-	-	37,154	896,078
TREND ASIA CORPORATION CO.,LTD.	-	-	35,834,790	-
THAI VINYTECH (2002) CO.,LTD.	13,696	8,218	13,696	8,218
THAI-GERMAN PRODUCTS				
PUBLIC COMPANY LIMITED	104,593	56,660	104,592	56,660
Total	118,289	64,878	35,990,232	960,956
Accrued rental and service income				
PROPOINT GLOBAL				
CONSULTANT CO., LTD.	-	-	24,714	160,904
Total	-	-	24,714	160,904
Advance payment for services				
INTERNATIONAL WATER				
MANAGEMENT CO.,LTD.	3,088,392	-	3,088,392	-
Total	3,088,392	-	3,088,392	-
Advance payments				
TREND ASIA CORPORATION CO.,LTD.	-	-	1,330,000	-
INTERNATIONAL WATER				
MANAGEMENT CO.,LTD.	4,605,533	-	4,605,533	-
Total	4,605,533	-	5,935,533	-
Prepaid expense				
LEE AND SON HOLDING CO.,LTD	210,000	-	210,000	-
Total	210,000	-	210,000	-
Accrued interest income				
TREND ASIA CORPORATION CO.,LTD.	-	-	569,671	-
Total	-	-	569,671	-

(Sign)

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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

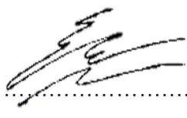
6. RELATED PARTIES (CONT.)

6.2 Balance with related parties (Cont.)

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Other receivable				
Director and shareholder of subsidiary	23,112	-	23,112	-
Shareholder of subsidiary	5,778		5,778	
Total	28,890	-	28,890	-
Unbilled works under installation value				
TREND ASIA CORPORATION CO.,LTD.	-	-	1,379,436	-
Total	-	-	1,379,436	-
Loans to related company				
TREND ASIA CORPORATION CO.,LTD.	-	-	12,000,000	-
Total	-	-	12,000,000	-
Trade accounts payable				
PROPOINT GLOBAL				
CONSULTANT CO., LTD.	-	-	9,505,077	4,504,486
INTERNATIONAL WATER				
MANAGEMENT CO.,LTD.	596,870	-	596,870	-
THAI-GERMAN PRODUCTS				
PUBLIC COMPANY LIMITED	494,340	128,486	494,340	128,486
Total	1,091,210	128,486	10,596,287	4,632,972
Assets payable				
PROPOINT GLOBAL				
CONSULTANT CO., LTD.	-	-	38,520	-
Total	-	-	38,520	-
Accrued interest expense				
PROPOINT GLOBAL				
CONSULTANT CO., LTD.	-	-	41,781	45,890
Total	-	-	41,781	45,890

(Sign)

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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

6. RELATED PARTIES (CONT.)

6.2 Balance with related parties (Cont.)

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accrued rental and service expenses				
LEE AND SON HOLDING CO.,LTD	2,079,821	1,475,098	2,079,821	1,475,098
EXCELLENT BUY & SELL CO.,LTD.	282,450	282,450	282,450	282,450
Total	2,362,271	1,757,548	2,362,271	1,757,548
Accrued consulting fee				
Major shareholder	150,000	-	150,000	-
Shareholder of subsidiary	297,498	-	-	-
Total	447,498	-	150,000	-
Retention				
INTERNATIONAL WATER				
MANAGEMENT CO.,LTD.	773,094	-	773,094	-
Total	773,094	-	773,094	-
Advance received				
Director and shareholder of subsidiary	632,203	-	-	-
Shareholder of subsidiary	268,884	-	-	-
Total	901,087	-	-	-
Other payables				
LEE AND SON HOLDING CO.,LTD	82,090	105,052	82,090	105,052
EXCELLENT BUY & SELL CO.,LTD.	55,551	65,799	55,551	65,799
Total	137,641	170,851	137,641	170,851
Share payable				
Director and shareholder of subsidiary	5,600,000	-	5,600,000	-
Total	5,600,000	-	5,600,000	-
Loans				
PROPOINT GLOBAL				
CONSULTANT CO., LTD.	-	-	5,000,000	5,000,000
Director and shareholder of subsidiary	3,450,000	-	-	-
Shareholder of subsidiary	775,000	-	-	-
Total	4,225,000	-	5,000,000	5,000,000

(Sign)

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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

6. RELATED PARTIES (CONT.)


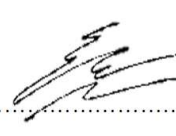
6.2 Balance with related parties (Cont.)

	(Unit : Baht)	
	Separate financial statements	
	2019	2018
Loans to related company		
As at January 1,	-	1,000,000
Increase	12,000,000	2,000,000
Decrease	-	(3,000,000)
As at December 31,	12,000,000	-

For year ended December 31, 2019, the Company entered in to loan agreement to a subsidiary Baht 12 million bearing interest 7.25 % per annum due at call.

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Loans from related parties				
Beginning of the period	-	-	5,000,000	-
Increasing from acquisition in subsidiary (Note 4.3)	16,133,883	-	-	-
Decrease	(11,908,883)	-	-	-
Increase	-	-	-	5,000,000
End of the period	4,225,000	-	5,000,000	5,000,000

For the year ended December 31, 2019, a subsidiary entered in to loan agreement from 2 Directors Baht 4.23 million bearing no interest and due at call.

(Sign)   **THAIMUI**
CORPORATION PUBLIC COMPANY LIMITED
บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)
Authorized Director
(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)




6. RELATED PARTIES (CONT.)

6.3 Revenue and expenses with related parties

Significant transactions with related parties for year ended December 31, 2019 and 2018 are as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Revenue from sales and service	272,052	185,627	21,570,202	1,710,846
Revenue from rental and service	-	-	309,148	314,883
Transportation revenue	-	5,000	-	5,000
Interest receivable	-	-	569,671	19,452
Purchasing goods	462,000	120,270	462,000	120,270
Service cost	15,599,891	-	15,599,891	-
Service fee	-	-	6,039,000	5,943,000
Car rental	-	-	2,079,000	2,121,000
Office rental	6,007,080	5,797,080	6,007,080	5,797,080
Utilities expenses	430,380	483,608	430,380	483,608
Management fee	240,000	240,000	240,000	240,000
Consulting fee	2,886,509	2,172,232	2,486,509	2,172,232
Interest expense	-	-	250,000	45,890
Directors remuneration	450,000	455,000	450,000	455,000
Executive remuneration				
Short-term benefits	16,015,454	18,490,053	12,799,527	16,129,611
Other long-term benefits	892,998	931,990	759,721	735,325
Total	16,908,452	19,422,043	13,559,248	16,864,936

6.4 In 2019 and 2018, 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 56.76 million and Baht 59.98 million, respectively.

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

7. 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 :

7.1 Cash and cash equivalents as at December 31, 2019 and 2018 as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash	184,337	255,147	174,408	248,753
Current deposits	466,803	55,306	449,346	49,896
Savings deposits	44,683,950	65,506,321	42,117,264	60,529,357
Fixed deposits	184,325	172,853	152,190	141,002
Total	45,519,415	65,989,627	42,893,208	60,969,008

7.2 Non cash transaction for the year ended December 31, 2019 and 2018 are as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Payable from purchasing fixed assets	774,651	120,357	89,712	113,357
Liabilities under financial leases from				
purchasing fixed assets	6,103,591	8,927,608	6,103,591	7,624,465
Acquisition investment in subsidiary payable	5,600,000	-	5,600,000	-
Effect from acquisition of subsidiary	(2,337,823)	-	-	-
Total	10,140,419	9,047,965	11,793,303	7,737,822

(Sign)



(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

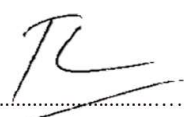
THAIMUI
CORPORATION PUBLIC COMPANY LIMITED
บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)
Authorized Director

8. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, 2019 and 2018 as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts receivable				
Trade accounts receivable - related companies	118,289	64,878	35,990,232	960,956
Trade accounts receivable - other companies	57,039,418	110,212,591	55,409,867	106,999,056
Returned checks	3,759,616	3,015,828	3,759,616	3,015,828
Notes receivable	3,453,722	20,564,064	3,398,603	20,391,528
Total trade accounts receivable	64,371,045	133,857,361	98,558,318	131,367,368
Less Allowance for doubtful accounts	(5,290,745)	(3,997,981)	(5,193,790)	(3,901,026)
Allowance for estimated goods returned	(2,744,154)	(2,114,524)	(2,744,154)	(2,114,524)
Net	56,336,146	127,744,856	90,620,374	125,351,818
Other current receivable - related companies				
Accrued rental and service income	-	-	24,714	160,904
Advance payment for services	3,088,392	-	3,088,392	-
Advance payments	4,605,533	-	5,935,533	-
Prepaid expenses	210,000	-	210,000	-
Accrued interest income	-	-	569,671	-
Other receivable	28,890	-	28,890	-
Total	7,932,815	-	9,857,200	160,904

(Sign)




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

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

8. TRADE AND OTHER CURRENT RECEIVABLES (CONT.)

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Other current receivable				
Accrued income	1,069,978	1,045,800	-	-
Other receivable- Contractor	4,184,033	-	4,184,033	-
Accrued interest income	3,718,229	3,645,998	3,718,197	3,645,966
Prepaid interest expenses	360,000	-	360,000	-
Prepaid expenses	1,223,070	1,381,320	1,036,477	1,191,310
Advance payment for goods and services	1,093,093	8,126,927	1,093,093	8,126,927
Advance payment for share	-	6,000,000	-	6,000,000
Retention	-	2,047,962	-	2,047,962
Suspense input tax	952,530	983,860	942,411	973,555
Revenue Department receivable	7,746,856	-	-	-
Others	611,388	1,468,815	539,363	1,383,708
Total	20,959,177	24,700,682	11,873,574	23,369,428
Total other current receivables	28,891,992	24,700,682	21,730,774	23,530,332
Less Allowance for doubtful accounts	(6,639,287)	-	(6,639,287)	-
Net	22,252,705	24,700,682	15,091,487	23,530,332
Total trade and other current receivables	78,588,851	152,445,538	105,711,861	148,882,150

Aging analyses for trade accounts receivable are as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts receivable - related companies				
Not yet due	112,639	40,034	149,792	605,503
Overdue				
Less than 90 days	5,650	24,844	5,819,393	285,184
Over 90 days to 180 days	-	-	15,072,788	70,269
Over 180 days to 365 days	-	-	14,948,259	-
Over 365 days	-	-	-	-
	118,289	64,878	35,990,232	960,956

(Sign)

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)



 บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)

8. TRADE AND OTHER CURRENT RECEIVABLES (CONT.)

Aging analyses for trade accounts receivable are as follows: (Cont.)

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts receivable -				
other companies				
Not yet due	44,436,385	80,392,697	43,401,014	78,612,432
Overdue				
Less than 90 days	11,831,900	35,918,684	11,279,556	16,306,780
Over 90 days to 180 days	1,968,439	10,599,260	1,968,439	31,531,796
Over 180 days to 365 days	1,165,073	2,973,656	1,165,073	144,172
Over 365 days	4,850,959	3,908,186	4,754,004	3,811,232
	64,252,756	133,792,483	62,568,086	130,406,412
Total trade accounts receivable	64,371,045	133,857,361	98,558,318	131,367,368

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

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Beginning allowance for doubtful accounts	3,997,981	4,047,932	3,901,026	3,930,380
Increase (Decrease)	7,932,051	(49,951)	7,932,051	(29,354)
Ending allowance for doubtful accounts	11,930,032	3,997,981	11,833,077	3,901,026

	(Unit : Baht)	
	Consolidated financial statements	
	/Separate financial statements	
	2019	2018
Beginning period allowance for estimated goods returned	2,114,524	1,264,755
Increase	629,630	849,769
Ending period allowance for estimated goods returned	2,744,154	2,114,524

(Sign) Authorized Director

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

9. UNBILLED WORKS UNDER INSTALLATION VALUE

Unbilled works under installation value as at December 31, 2019 and 2018 are as follows.

	(Unit : Baht)	
	Separate financial statements	
	2019	2018
Works value under the contract	91,446,538	91,446,538
Revenue recognized under percentage of completion works	83,342,042	52,562,043
(Less) works value collected	(81,962,606)	(52,562,043)
Unbilled works under installation value	1,379,436	-

10. LOANS TO RELATED COMPANY

In 2019 , the Company entered unto loan agreement to a subsidiary Baht 12 million bearing interest 7.25 % per annum due at call

11. INVENTORIES

Inventories as at December 31, 2019 and 2018 as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Inventories	200,585,324	212,599,765	200,585,324	212,599,765
Work in process	142,026	333,781	130,715	232,391
Goods in transit	5,864,788	14,294,001	5,864,788	14,294,001
Less Allowance for devaluation of goods	(2,835,355)	(2,218,490)	(2,835,355)	(2,218,490)
Total	203,756,783	225,009,057	203,745,472	224,907,667

12. DEPOSITS AT FINANCIAL INSTITUTIONS WITH COMMITMENTS

In 2019 and 2018, the Company used fixed deposit at 3 and 2 banks amount of Baht 15.57 million and Baht 0.66 million , respectively, secured letter of guarantee for fleet card for gasoline, selling goods agreement with a private company, short-term loan from financial institution and long-term loan as stated in note 17 and note 21.

(Sign)   **THAIMUI**
CORPORATION PUBLIC COMPANY LIMITED
บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)
Authorized Director
(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

13. INVESTMENTS IN SUBSIDIARY

Investment in subsidiary as at December 31, 2019 and 2018 as follows:

(Unit : Baht)

Company name	Proportion of investments (%)	Separate financial statements			
		2019		2018	
		Cost	Dividend received	Cost	Dividend received
PROPOINT GLOBAL CONSULTANT CO.,LTD.					
	99.99	16,999,800	-	16,999,800	-
TREND ASIA CORPORATION CO.,LTD.					
	70.00	27,800,000	-	-	-
Total investment in subsidiary		44,799,800	-	16,999,800	-

Separate financial statements has investment in TREND ASIA CORPORATION CO.,LTD. (Subsidiary) Baht 27.80 million as stated in note 6, trade receivable and loan to such subsidiary Baht 35.83 million and Baht 12 million, respectively as stated in note 14. Consolidated financial statements has included normal assets used to operate in water quality improvement in shrimp farm contract consisting of water quality improvement system Baht 13.46 million and works under construction of such system Baht 96.71 million. The Management has assessed that investment in subsidiary, trade receivable and such loan are valued not lower than recoverable value and water quality improvement system and works under construction have no impairment indication appraised by independent financial advisor.

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 per share by increasing from Baht 2 million to Baht 17 million divided into 170,000 common shares at par Baht 100 per share. On March 22, 2018, the Company registered to increase share capital at Department of Business Development Ministry of Commerce.

Movement of investment in subsidiaries for year ended on December 31, 2019 are as follows:

	(Unit : Baht)
	Separate financial statements
Book value as at January 1, 2019	16,999,800
Increase - Share (Note 4.3)	21,600,000
- Share acquisition expenses	6,200,000
Book value as at December 31, 2019	44,799,800

(Sign) Authorized Director

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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

14. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment for the year ended December 31, 2019 and 2018 as follows:

	Consolidated financial statements										(Unit : Baht)
	Land	Building	Building improvement	Water quality improvement system	Machinery and equipment	Office equipment	Computer	Office furniture and fixtures	Vehicle	Work under contraction and installation	Total
Cost											
As at 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 and January 1, 2019	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
Increasing from acquisition in subsidiary (Note 4.3)	-	-	-	-	-	6,000	31,748	-	-	74,707,985	74,745,733
Purchase during the year	-	204,410	499,639	424,407	271,491	614,305	326,717	42,000	6,314,841	36,444,126	45,141,936
Disposal/Write off	-	-	(42,794)	-	-	(3,190)	-	-	-	-	(45,984)
Transfer in/out	-	-	39,514	14,457,926	-	-	-	-	-	(14,497,440)	-
As at December 31, 2019	32,764,200	9,250,459	17,540,138	14,882,333	41,342,577	10,656,485	5,307,201	2,008,457	60,069,731	96,773,462	290,595,043
Accumulated depreciation											
As at 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 and January 1, 2019	-	6,962,726	7,689,067	-	21,227,323	7,232,661	3,737,457	1,519,408	37,533,497	-	85,902,139
Increasing from acquisition in subsidiary (Note 4.3)	-	-	-	-	-	1,359	11,266	-	-	-	12,625
Depreciation for the year	-	453,417	867,667	1,418,918	2,699,102	1,028,918	723,678	156,703	4,016,615	-	11,365,018
Disposal/Write off	-	-	(42,787)	-	-	(3,031)	-	-	-	-	(45,818)
As at December 31, 2019	-	7,416,143	8,513,947	1,418,918	23,926,425	8,259,907	4,472,401	1,676,111	41,550,112	-	97,233,964
Net book value											
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
As at December 31, 2019	32,764,200	1,834,316	9,026,191	13,463,415	17,416,152	2,396,578	834,800	332,346	18,519,619	96,773,462	193,361,079

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 17

Certain Equipment which was fully depreciated but still used in operation as at December 31, 2019 and 2018 have total cost in amount of Baht 64.16 million and Baht 61.08 million, respectively.

Water quality improvement system Baht 13.46 million and works under construction Baht 96.71 million are located at land of employer for operation under hire of water quality improvement work contract in 9 shrimp farms. In 2019, one farm has been completely constructed and started run waste water treatment with remaining incomplete 8 farms. The subsidiary has commitment in the estimated remaining construction cost until completely done Baht 7.28 million (In 2018: Baht 25.91 million) 5 years term of contract from the date test approved by the employer or the employer obtains volume of good quality water as defined in the contract. If there is any damage occurred during the term of contract, the Company is responsible. When water quality improvement system start to run waste water treatment, the employer will test quality of water. When test is approved, the Company is able to collect service charge by the volume of waste water treatment. When 5 years contract is ended or the employer completely obtains volume of good water as defined in the contract. (In case of force majeure, service period can be extended). The Company agrees to transfer ownership of water quality improvement system to employer at once. If the employer does not want to receive ownership, the employer the right to order the Company to demolish and move them and improve space as original condition.

The Management of subsidiary has considered that there is high possibility due to ownership transfer accepted by the employer. Therefore, provision for demolish is not provided in the financial statements

THAIMUI
CORPORATION PUBLIC COMPANY LIMITED

(Sign) Authorized Director

(Mr.Tchakern Leelaprachakul , Mr.Ekborin Leelaprachakul)

14. 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, 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)	
Transfer in/out	-	-	-	-	-	-	-	-	-	-	
As at December 31, 2018 and January 1, 2019	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	
Purchase during the year	-	-	499,639	237,583	577,763	275,752	42,000	6,314,841	64,409	8,011,987	
Disposal/Write off	-	-	(42,794)	-	(3,190)	-	-	-	-	(45,984)	
Transfer in/out	-	-	39,514	-	-	-	-	-	(39,514)	-	
As at December 31, 2019	32,764,200	9,046,049	17,540,138	40,482,755	10,222,104	4,320,138	1,961,757	54,392,373	64,409	170,793,923	
Accumulated depreciation											
As at 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 and January 1, 2019	-	6,962,726	7,689,067	20,598,763	6,956,977	3,023,784	1,472,723	33,755,896	-	80,459,936	
Depreciation for the year	-	452,302	867,667	2,626,784	966,004	613,471	156,703	3,546,433	-	9,229,364	
Disposal/Write off	-	-	(42,787)	-	(3,031)	-	-	-	-	(45,818)	
As at December 31, 2019	-	7,415,028	8,513,947	23,225,547	7,919,950	3,637,255	1,629,426	37,302,329	-	89,643,482	
Net book value											
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	
As at December 31, 2019	32,764,200	1,631,021	9,026,191	17,257,208	2,302,154	682,883	332,331	17,090,044	64,409	81,150,441	

Land and building at cost amount of Baht 59,19 million in separate financial statements is mortgaged as collateral for credit facilities with a bank as stated in note 17

Certain Equipment which was fully depreciated but still used in operation as at December 31, 2019 and 2018 have total cost in amount of Baht 58.77 million and Baht 57.14 million, respectively.

THAIMUICORPORATION PUBLIC COMPANY LIMITED
บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)(Sign) 

(Mr. Ekborin Leelapachakul, Mr. Ekborin Leelapachakul)

Authorized Director

15. INTANGIBLE ASSETS

Intangible assets as at December 31, 2019 and 2018 as follows:

	(Unit : Baht)	
	Computer software	
	Consolidated financial statements	Separate financial statements
Cost		
As at January 1, 2018	3,421,869	3,393,869
Purchase during the year	339,358	339,358
As at December 31, 2018 and January 1, 2019	3,761,227	3,733,227
Purchase during the year	69,363	69,363
As at December 31, 2019	3,830,590	3,802,590
Accumulated amortization		
As at January 1, 2018	1,681,871	1,663,054
Amortization for the year	492,812	487,493
As at December 31, 2018 and January 1, 2019	2,174,683	2,150,547
Amortization for the year	537,227	534,763
As at December 31, 2019	2,711,910	2,685,310
Net book value		
As at December 31, 2018	1,586,544	1,582,680
As at December 31, 2019	1,118,680	1,117,280
Remaining term of computer software for amortization.		
In 2018	1-9 years	5-8 years
In 2019	1-7 years	1-7 years

16. DEFERRED TAX ASSETS

Deferred tax assets as at December 31, 2019 and 2018 as follows:

	THAIMUI CORPORATION PUBLIC COMPANY LIMITED บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน) (Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax assets	6,765,286	3,276,986	5,364,376	3,180,548
Deferred tax liabilities	(242,481)	(660,015)	(242,481)	(660,015)
Net	6,522,805	2,616,971	5,121,895	2,520,533

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

16. 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, 2019	Profit or loss	Other comprehensive income	as at December 31, 2019
Deferred tax assets				
Allowance for obsolete inventory	443,698	123,373	-	567,071
Allowance for doubtful accounts	-	917,417	-	917,417
Provision for estimated goods returned	422,905	125,926	-	548,831
Non-Current provisions for employee benefits	2,056,159	851,977	-	2,908,136
Accrued rental	227,524	159,752	-	387,276
Liabilities resulting from the contract	126,700	47,767	-	174,467
Taxable deficit not more than 5 Years	-	810,291	-	810,291
Gross profit Inter-trading	-	451,797	-	451,797
Total	3,276,986	3,488,300	-	6,765,286
Deferred tax liabilities				
Assets under financial leas	660,015	(417,534)	-	242,481
Total	660,015	(417,534)	-	242,481

(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

(Sign) Authorized Director

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

16. DEFERRED TAX ASSETS (CONT.)

(Unit : Baht)

	Separate financial statements			
	(Expenses) Revenue recorded in			
	as at January 1,	Profit or	Other comprehensive	as at December 31,
	2019	loss	income	2019
Deferred tax assets				
Allowance for obsolete inventory	443,698	123,373	-	567,071
Allowance for doubtful accounts	-	917,417	-	917,417
Provision for estimated goods returned	422,905	125,926	-	548,831
Non-Current provisions for employee benefits	1,959,721	809,593	-	2,769,314
Accrued rental	227,524	159,752	-	387,276
Liabilities resulting from the contract	126,700	47,767	-	174,467
Total	3,180,548	2,183,828	-	5,364,376
Deferred tax liabilities				
Assets under financial leas	660,015	(417,534)	-	242,481
Total	660,015	(417,534)	-	242,481

(Unit : Baht)

	Separate financial statements			
	(Expenses) Revenue recorded in			
	as at January 1,	Profit or	Other comprehensive	as at December 31,
	2018	loss	income	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

(Sign)

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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

17. SHORT-TERM LOAN FROM FINANCIAL INSTITUTION

Short-term loan from financial institution as at December 31, 2019 and 2018 as follows:


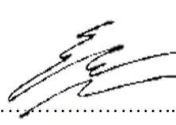

	(Unit : Baht)	
	Consolidated financial statements	
	/Separate financial statements	
	2019	2018
Promissory notes	32,000,000	20,000,000
Trust receipt	-	16,623,829
	32,000,000	36,623,829
Less discount of interest expenses	(168,762)	-
Net	31,831,238	36,623,829

In 2019 and 2018, the Company has credit line facilities with 2 banks and 1 bank Baht 147 million and Baht 97 million respectively, bearing interest rate MOR per annum 2 promissory notes drawdown payment due within 180 days and trust receipt. Such credit facilities are guaranteed by mortgaged land and building as stated in note 14, 3 Directors of the Company, Thai Credit Guarantee Corporation and fixed deposit as stated in note 12

18. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, 2019 and 2018 as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts payable				
Trade accounts payable - Related company	1,091,210	128,486	10,596,287	4,632,972
Trade accounts payable - other company	30,543,069	41,254,564	30,299,882	41,089,283
Notes payable	2,771,255	5,439,035	2,771,255	5,439,035
Total	34,405,534	46,822,085	43,667,424	51,161,290

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

18. TRADE AND OTHER CURRENT PAYABLES (CONT.)

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Other current payable- Related person and company				
Assets payable	-	-	38,520	-
Accrued interest expense	-	-	41,781	45,890
Accrued rental and service expenses	2,362,271	1,757,548	2,362,271	1,757,548
Accrued consulting fee	447,498	-	150,000	-
Retention	773,094	-	773,094	-
Advance received	901,087	-	-	-
Other payables	137,641	170,851	137,641	170,851
Share payable (Note 4.3)	5,600,000	-	5,600,000	-
Total	10,221,591	1,928,399	9,103,307	1,974,289
Other current payables				
Accrued expenses	7,640,728	5,712,821	6,923,515	5,124,241
Advance payment from customer	591,894	517,500	591,894	517,500
Retention	1,187,770	1,533,690	1,187,770	1,533,690
Assets payable	66,445	-	53,712	-
Other payables	-	1,100,166	-	1,017,319
Accrued bonus	-	1,880,865	-	1,672,919
Accrued commission	3,448,709	2,312,735	3,327,693	2,312,735
Accrued interest expense	37,461	-	11,660	133,290
Estimated service charge by contract	-	633,500	-	633,500
Payable - Revenue department	1,475,156	88,891	1,327,499	-
Suspense output tax	721,893	433,840	-	4,639
Accrued withholding tax	662,095	943,355	623,432	906,118
Others	555,044	678,274	492,309	639,692
Total	16,387,195	15,835,637	14,539,484	14,495,643
Total trade and other current payables	61,014,320	64,586,121	67,310,215	67,631,222

(Sign)




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

Authorized Director

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

19. CURRENT PORTION OF LONG-TERM DEBT CONSISTING OF

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Long-term loan	16,997,707	-	-	-
Liabilities under financial leases	4,293,908	4,973,492	3,969,582	4,662,058
Total	21,291,615	4,973,492	3,969,582	4,662,058

20. LOANS FROM RELATED PERSON AND COMPANY

In 2019 and 2018, the Company entered into loan agreement from a subsidiary amount of Baht 5 million, due at call bearing interest rate 5% per annum.

In 2019, the subsidiary has loan from a related person Baht 4.23 million evidenced by Promissory note due at call bearing no interest.

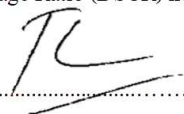
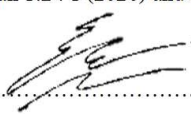

21. LONG - TERM LOAN

Long - term loan as at December 31, 2019 and 2018 as follows:

	(Unit : Baht)	
	Consolidated financial statements	
	December 31, 2019	December 31, 2018
Long-term loan	70,809,641	-
Less discount of interest expenses	(1,425,002)	-
	69,384,639	-
Less Current portion	(16,997,707)	-
Net	52,386,932	-

In 2019, the subsidiary has credit line facilities Baht 125 million bearing interest rate MLR per annum with a bank drawdown as long-term loan Baht 71.01 million by making principal installment payment 50 installments Baht 50,000 each from September 2019 until January 2020 and Baht 1,572,436.47 each from February 2020 onwards until fully paid in October 2023. Such credit lines are guaranteed by Thaimui Corporation Public Company Limited and fixed deposit on behalf of Thaimui Corporation Public Company Limited as stated in note 12 and transfer right for receiving money under hiring contract water quality improvement with a private company. Such credit line facility contract has been defined additional special condition having significant detail as follows.

- To maintain Debt to equity ratio (D/E ratio) not exceeding 4 : 1 (2020) and 2 : 1 (2021 onwards)
- To maintain Debt-Service Coverage Ratio (DSCR) not less than 1.2 : 1 (2020) and 1.3 : 1 (2021 onwards)

(Sign)   

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

22. 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	
	2019	2018	2019	2018
Present value of provisions	14,540,678	10,280,798	13,846,568	9,798,610

Change in the present value of employee benefits provisions project for the years ended December 31, 2019 and 2018.

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Defined benefit provisions at January 1	10,280,798	9,213,702	9,798,610	8,865,638
Include in profit or loss:				
Current service costs	1,921,910	1,393,208	1,826,601	1,309,126
Past service cost	2,471,987	-	2,412,098	-
Interest costs	271,352	237,990	258,876	187,948
	4,665,249	1,631,198	4,497,575	1,497,074
Included in other comprehensive income:				
Actuarial loss	707,838	-	663,590	-
	707,838	-	663,590	-
Other:				
Transfer in (Transfer out)	(237,867)	1,119,248	(237,867)	1,119,248
Employee benefits paid	(875,340)	(1,683,350)	(875,340)	(1,683,350)
	(1,113,207)	(564,102)	(1,113,207)	(564,102)
Defined benefit provisions at December 31	14,540,678	10,280,798	13,846,568	9,798,610

(Sign)   Authorized Director

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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

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

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	
	2019	2018	2019	2018
Year ended December 31				
Financial assumptions	707,838	-	663,590	-
Total	707,838	-	663,590	-

Principal actuarial assumptions at the reporting date (expressed as weighted averages) for the year ended December 31, 2019 and 2018.

	(Unit : Percentage)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	1.44 - 1.52	2.12 - 2.30	1.44	2.12
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.

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)			
	2019			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Defined benefit provisions December 31,				
Discount rate (1% movement)	(1,010,254)	1,167,740	(954,548)	1,101,571
Future salary growth (1% movement)	1,346,309	(1,183,877)	1,270,695	(1,119,057)
Turnover rate (1% movement)	(1,100,921)	776,825	(1,037,183)	721,522

(Sign)

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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

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

(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

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.

On December 13, 2018, the National Legislative Assembly passed the resolution to approve the draft of new Labour Protection Act which was announced in the Royal Gazette on April 5, 2019. This new Act stipulates additional compensation 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. Such change is correction post-employment benefit resulting in increasing in provision for long-term employee benefit. The Company, therefore, recognizes the effect from such change as part service cost in statement of income of 2019

23. LIABILITIES UNDER FINANCIAL LEASES

Liabilities under financial leases as at December 31, 2019 and 2018 as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Liabilities under financial leases	13,405,305	13,260,912	12,539,687	12,083,860
Less Current portion	(4,293,908)	(4,973,492)	(3,969,582)	(4,662,058)
Net	9,111,397	8,287,420	8,570,105	7,421,802

(Sign) Authorized Director

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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

23. LIABILITIES UNDER FINANCIAL LEASES (CONT.)

(Unit : Baht)

	Consolidated financial statements			
	Minimum amount to be paid		Present value of the minimum amount to be paid	
	2019	2018	2019	2018
Within 1 year	4,812,493	5,536,443	4,293,908	4,973,492
Over 1 year within 5 years	9,575,632	8,854,396	9,111,397	8,287,420
Total	14,388,125	14,390,839	13,405,305	13,260,912
Less Future interest of financial leases	(982,820)	(1,129,926)	-	-
Present value of liabilities under financial leases	13,405,305	13,260,912	13,405,305	13,260,912

(Unit : Baht)

	Separate financial statements			
	Minimum amount to be paid		Present value of the minimum amount to be paid	
	2019	2018	2019	2018
Within 1 year	4,458,862	5,182,811	3,969,582	4,662,058
Over 1 year within 5 years	9,015,715	7,940,846	8,570,105	7,421,802
Total	13,474,577	13,123,657	12,539,687	12,083,860
Less Future interest of financial leases	(934,890)	(1,039,797)	-	-
Present value of liabilities under financial leases	12,539,687	12,083,860	12,539,687	12,083,860

Assets under financial leases In 2019 and 2018 consist of :

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Vehicles	17,321,878	28,761,878	15,569,355	27,009,355
Machinery and equipment	8,438,273	8,438,273	8,438,273	8,438,273
Less Accumulated depreciation	(6,761,841)	(16,725,063)	(6,319,447)	(16,586,173)
Net book value	18,998,310	20,475,088	17,688,181	18,861,455

(Sign)

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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

23. LIABILITIES UNDER FINANCIAL LEASES (CONT.)

In 2019 and 2018, the Company and subsidiaries made hire-purchase and financial lease contracts with 4 and 5 financial institutions respectively payment condition by 48-60 installments Baht 471,867.96 each for consolidated financial statements and Baht 441,316.96 each for separate financial statements due on January 18, 2020 until January 31, 2024

24. 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, 2019, the Company and a subsidiary made contribution to the provident fund amounting to Baht 1 million in consolidated financial statements and Baht 0.87 million in separate financial statements.

25. INCOME TAX

25.1 Calculation of income tax for the current period

In 2019 and 2018, the Company and a subsidiary calculated income tax by using tax rate at 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).

25.2 Expense of the income tax recognized in profit or loss

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>Current income tax:</i>				
For the current year	1,693,855	8,651,776	1,326,390	8,316,597
<i>Deferred tax:</i>				
Changing in temporary	(3,334,614)	(350,467)	(2,515,885)	(344,402)
Total	(1,640,759)	8,301,309	(1,189,495)	7,972,195
<i>Income tax recognized in other comprehensive income :</i>				
Actuarial loss from defined benefit plan	(141,568)	-	(132,718)	-
Total	(141,568)	-	(132,718)	-

(Sign)

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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

25. INCOME TAX (CONT.)

25.2 Expense of the income tax recognized in profit or loss (Cont.)

Reconciliation of effective tax rate

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accounting profit (loss) before corporate income tax				
income tax	(17,178,738)	39,539,435	(7,914,600)	39,105,720
Applicable tax rate	20%	20%	20%	20%
Income tax using the corporate income tax rate	(1,902,001)	7,907,887	(1,582,920)	7,821,144
<i>Effects of:</i>				
Difference of deferred income tax rate	-	(30,124)	-	-
Non-deductible expenses	261,242	423,546	393,425	151,051
Total	261,242	393,422	393,425	151,051
Income tax expense (revenue) presented in the statement of comprehensive income	(1,640,759)	8,301,309	(1,189,495)	7,972,195
Effective income tax rate	9.55%	21.00%	15.03%	20.39%


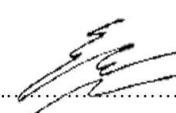

26. LEGAL RESERVES

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.

27. DIVIDEND PAID

According to the Board of Director meeting no. 5/2019 held on July 10, 2019, the meeting passed resolution to pay interim dividend Baht 0.045 for 340,000,000 shares from retained earnings as at March 31, 2019 total amount of Baht 15.30 million and set aside additional legal reserve Baht 1.12 million. Such dividend was already paid to shareholders on August 9, 2019.

According to the Board of Director meeting No. 1/2019 held on February 25, 2019, the Company passed 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. Which was proposed and approved in the annual ordinary shareholder meeting of the year 2019 held on April 29, 2019.

(Sign)   
 (Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)
 บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)
 Authorized Director

28. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2019 and 2018 as follows :

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Changing in finished goods	(21,252,274)	41,034,041	(21,162,195)	41,298,200
Purchasing goods	175,639,880	360,165,872	173,662,564	357,058,397
Staff expenses	66,569,498	67,357,312	58,919,367	57,827,431
Depreciation and amortization	11,902,244	9,206,533	9,764,127	8,514,266
Commission	5,594,142	4,960,486	5,434,672	4,693,479
Transportation	242,763	797,401	242,393	797,401
Inventories test	2,018,275	1,882,750	4,457,275	4,225,750
Consulting fee	6,631,515	4,133,744	9,831,515	7,733,744
Office rental	6,858,643	6,620,043	6,832,243	6,620,043
Directors remuneration	450,000	455,000	450,000	455,000
Executive remuneration	16,908,452	19,422,043	13,559,248	16,864,936

29. UNBILLED REVENUE / RETENTION RECEIVABLE / UNEARNED REVENUE FROM SERVICES AND ADVANCE

PAYMENT FROM CUSTOMER

Outstanding balance under the contract

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Unbilled revenue	-	-	1,379,436	-
Retention receivable	-	2,047,962	-	2,047,962
Less Allowance for doubtful accounts	-	-	-	-
Retention receivable-Net	-	2,047,962	-	2,047,962
Unearned revenue from services and advance payment from customer				
Advance payment from customer	591,894	517,500	591,894	517,500
Advance received for service	-	-	-	-
Total Unearned revenue from services and advance payment from customer	591,894	517,500	591,894	517,500

Revenue expected to be recognized for incomplete performance obligation

(Sign)

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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

29. UNBILLED REVENUE / RETENTION RECEIVABLE / UNEARNED REVENUE FROM SERVICES AND ADVANCE
PAYMENT FROM CUSTOMER (CONT.)

As at December 31, 2019, the Company and subsidiaries expected to have revenue to be recognized in the future for incomplete performance obligation (or partial incomplete) of contract made with customer Baht 41.25 million. The Group has expected that performance obligation will be completely done under the contract within 2 years

30. 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.

30.1 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

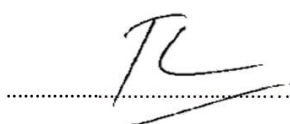
Business segments as at December 31, 2019 and 2018

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

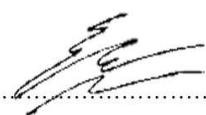
Segment 1 Sales and service.

Segment 2 Project work.

(Sign)



(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)




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

30. SEGMENT INFORMATION (CONT.)

Presented segment information for the year ended December 31, 2019 and 2018 as follow:

	Consolidated financial statements					(Unit : Baht)
	Sales and service.		Project work.		Total	
	2019	2018	2019	2018	2019	2018
Revenue from sales and services	331,742,896	358,961,698	11,009,900	221,552,850	342,752,796	580,514,548
Cost of sales and services	(197,066,260)	(218,020,383)	(12,948,242)	(191,209,351)	(210,014,502)	(409,229,734)
Gross profit	134,676,636	140,941,315	(1,938,342)	30,343,499	132,738,294	171,284,814
Other income					2,172,358	5,939,012
Expense unallocated amounts					(152,089,390)	(137,684,391)
Profit (Loss) before income tax expense					(17,178,738)	39,539,435

	Separate financial statements					(Unit : Baht)
	Sales and service.		Project work.		Total	
	2019	2018	2019	2018	2019	2018
Revenue from sales and services	319,855,432	343,889,670	30,780,000	221,552,850	350,635,432	565,442,520
Cost of sales and services	(183,512,936)	(201,726,718)	(29,646,922)	(191,209,351)	(213,159,858)	(392,936,069)
Gross profit	136,342,496	142,162,952	1,133,078	30,343,499	137,475,574	172,506,451
Other income					2,746,437	5,928,427
Expense unallocated amounts					(148,136,611)	(139,329,158)
Profit (Loss) before income tax expense					(7,914,600)	39,105,720

(Sign)  Authorized Director
(Mr. T. Chakorn Leelaprachakul , Mr. Ekboordin Leelaprachakul)

THAI MUI
CORPORATION PUBLIC COMPANY LIMITED
บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)

30. SEGMENT INFORMATION (CONT.)

30.2 Major customers

For the year ended December 31, 2019 and 2018, the Company and a subsidiary have revenues from selling wire rope to 4 and 1 major customer amount of Baht 67.71 million and Baht 168.99 million, respectively.

31. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

31.1 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 5.11

31.2 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.

31.3 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.

31.4 Foreign currency exchange rate risk

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

In 2019 and 2018, the Company has exchange rate risk as the Company held assets and liabilities in foreign currency as follows :

	(Unit : USD and EUR)	
	Consolidated financial statements	
	/Separate financial statements	
	2019	2018
Trust receipt		
United States Dollars (USD)	-	133,625
Euro Dollars (EUR)	-	327,186
	-	460,811

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

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

31.4 Foreign currency exchange rate risk (Cont.)

		(Unit : USD and EUR)	
		Consolidated financial statements	
		/Separate financial statements	
		2019	2018
Trade accounts payable			
United States Dollars (USD)		148,177	394,013
Euro Dollars (EUR)		5,560	56,880
		153,737	450,893
Total		153,737	911,704

31.5 Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its short-term borrowings and long-term loan. 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.

31.6 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, long-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.

32. COMMITMENT AND CONTINGENT LIABILITIES

32.1 The Company and a subsidiary have commitment in non-cancellable operating lease as at December 31, 2019 and 2018 as follows.

		(Unit : Baht)	
		Consolidated financial statements	
		/Separate financial statements	
		2019	2018
Within 1 year		6,049,093	9,465,677
Over 1 year within 5 years		14,565,373	14,343,623
Over 5 year		40,772,797	44,005,640
Total		61,387,263	67,814,940

(Sign)

(Mr.Tchakorn Leelaprachakul , Mr.Ekbordin Leelaprachakul)

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

32. COMMITMENT AND CONTINGENT LIABILITIES (CONT.)


32.2 In 2019 and 2018, the Company has contingent liabilities from letter of guarantee issued by 2 banks for oil fleet card and selling goods contract with a private company Baht 0.75 million and Baht 0.66 million, respectively.

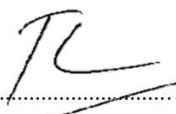
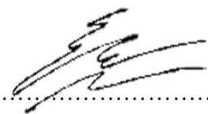
33. EVENTS AFTER THE REPORTING PERIOD

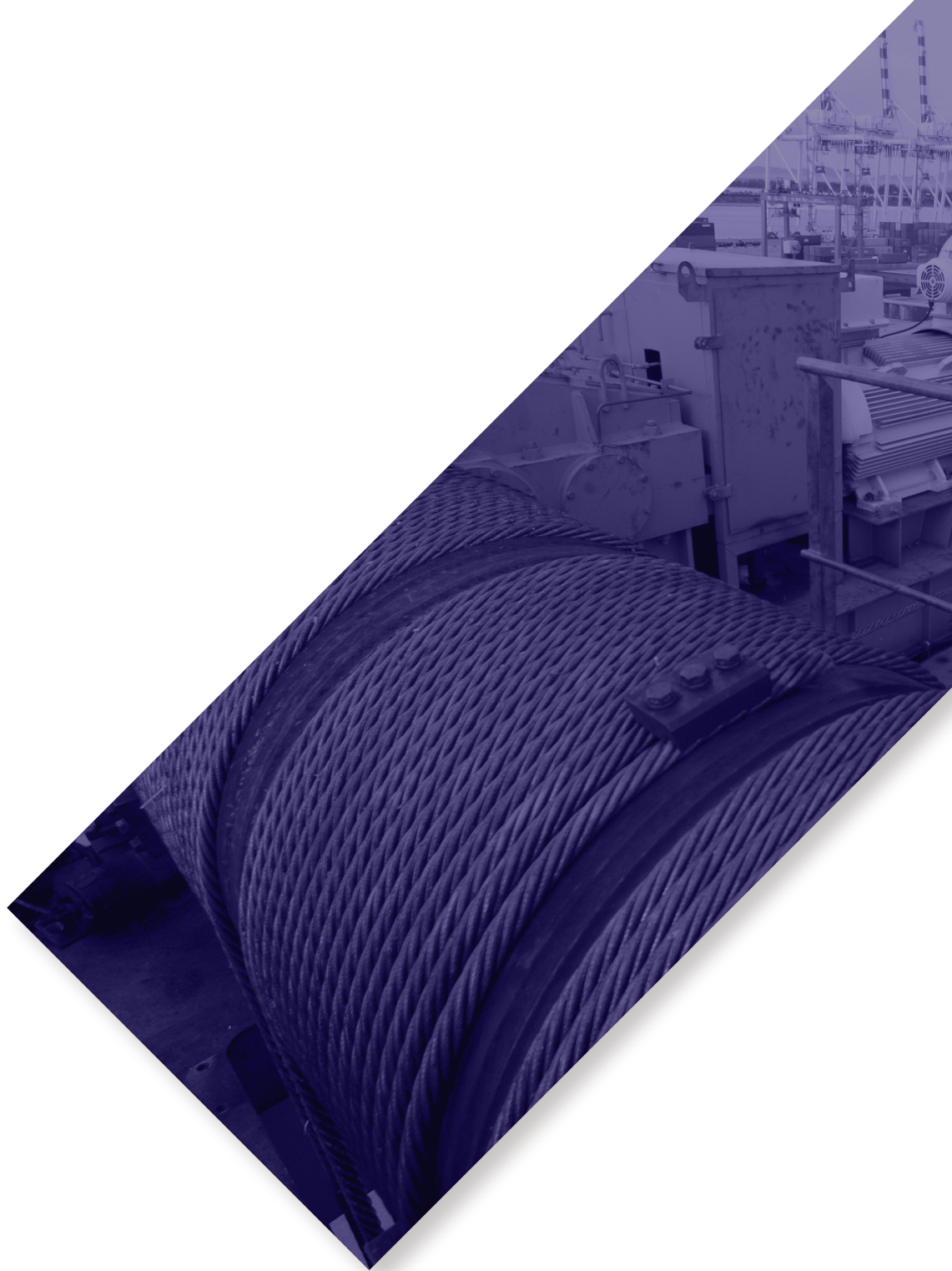
On February 14, 2020, the Company received collection letter from lawyer authorized person from share payable Baht 5.60 million together with interest as stated in note 4.3. The Company has clarified not able to make payment. Because the Company still has commitment to complete water quality improvement system at shrimp farm to be qualified inspection ready to run waste water treatment in accordance with share purchasing agreement. If there are expenses incurred until works completely done, the Company will offset and pay the remaining amount.

34. FINANCIAL STATEMENTS APPROVAL

These financial statements have been approved to be issued by the Company's Board of Directors February 27, 2020


 CORPORATION PUBLIC COMPANY LIMITED
 บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)

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



THAIMUI

WE UNDERSTAND

บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)

บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน) | THAI MUI CORPORATION PUBLIC COMPANY LIMITED

1620/4 ถนนทรงวาด แขวงสัมพันธวงศ์ เขตสัมพันธวงศ์ กรุงเทพฯ 10100 โทรศัพท์ : 0-2235-2940-9 แฟกซ์ : 0-2236-8336, 0-2639-4022, 0-2639-5454
1620/4 Songward Road, Samphanthawong, Bangkok 10100 Tel : (+662) 235-2940-9 Fax : (+662) 236-8336, (+662) 639-4022, (+662) 639-5454

สาขาสัตหีบ

36/34 หมู่ 5 ถนนสาย 332 ตำบลพลูตาหลวง อำเภอสัตหีบ จังหวัดชลบุรี 20180 โทร : 0-3367-9840-1 แฟกซ์ : 0-3367-9842, 0-3818-1756
36/34 Moo 5, 332 Road, Plutaluang, Sattahip, Choburi 20180 Tel : 0-3367-9840-1 Fax : 0-3367-9842, 0-3818-1756