

THAIMUI

WE UNDERSTAND

บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)



Annual Report

— 2020 —

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Vision

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

Mission

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.



Mr. Pitipat Thitasirinant

Message from

Mr. Tchakorn Leelaprachakul

the Chairman of the Board

and

the Chief Executive Officer

In the year 2020, 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.

Under the global rapidly spreading situation of Coronavirus 2019 (COVID-19) and impact on a wide range causing the global economy to be severely affected. This has resulted in millions of people infecting the world and causing deaths. Which has not stopped the transmission of the infection until now causing big changes in the economy and society as a whole It also creates new challenges for all businesses and sectors. The company has adjusted the strategy. By targeting more customers in a variety of businesses Including seeking investment opportunities in other products in order to diversify business risks and enhance the company's potential.

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

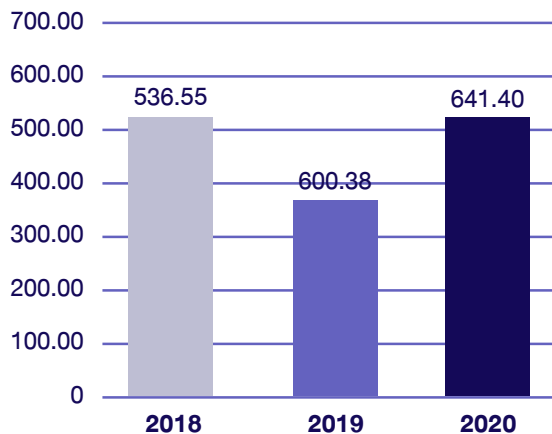
		2020	2019 (Revised version)	2018
Assets				
Total assets		641.40	600.38	536.55
Liabilities and shareholders' equity				
Total liabilities		262.51	210.47	126.19
Shareholders' equity		378.90	389.91	410.36
Performance Results				
Total revenue		329.44	360.67	586.45
Cost of sales and services		(207.91)	(224.58)	(409.23)
Total cost		(125.97)	(148.78)	(136.69)
Financial cost		(7.42)	(3.41)	(1.00)
Income tax expense		(0.87)	(1.68)	(8.30)
Net profit (loss)		(10.99)	(14.43)	31.24
Important financial ratios	Unit			
Profitability Ratio				
Return on Equity	%	(3.26)	(3.61)	7.76
Return on Asset	%	(0.72)	(2.23)	8.10
Net Profit Margin	%	(3.70)	(3.96)	5.33
EBIT Margin	%	(0.01)	(0.04)	6.91
Gross Profit Margin	%	36.71	37.28	29.51
Leverage Ratio				
D/E Ratio		0.71	0.55	0.31
Interest Coverage		0.60	3.72	40.70
Liquidity Ratio				
Current Ratio		2.99	3.49	4.13
Quick Ratio		1.09	1.04	2.03
Activity Ratio				
Fixed Asset Turnover	Days	4.56	4.29	7.16
Total Asset Turnover		0.53	0.63	1.17
Inventory Turnover	Days	0.77	0.85	2.00
Average Sale Period		473.39	427.05	182.07
Account Receivable	Days	3.99	3.04	4.82
Turnover Average Collection Period		91.43	120.07	75.70
Account Payable Turnover		3.08	3.51	7.30
Average Payment Period		118.45	103.88	50.01
Cash Cycle (Days)		446.37	443.25	207.77

Source: Financial statements of Thai Mui Corporation Public Company Limited audited by the auditor for the year 2018 – 2020

Financial Summary

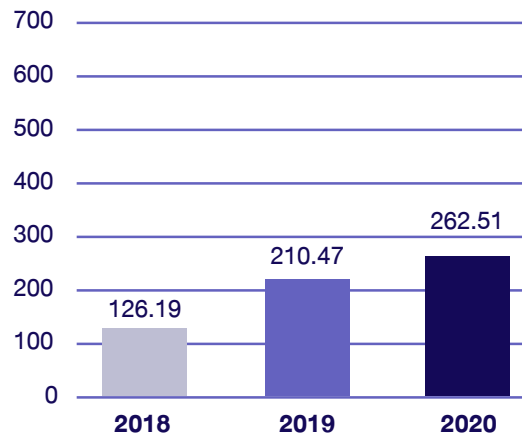
Assets

(MB)



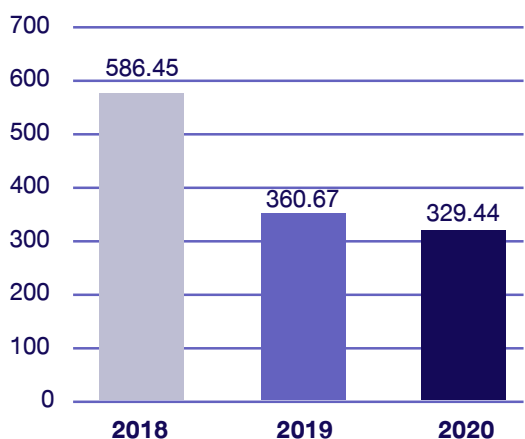
Liabilities

(MB)



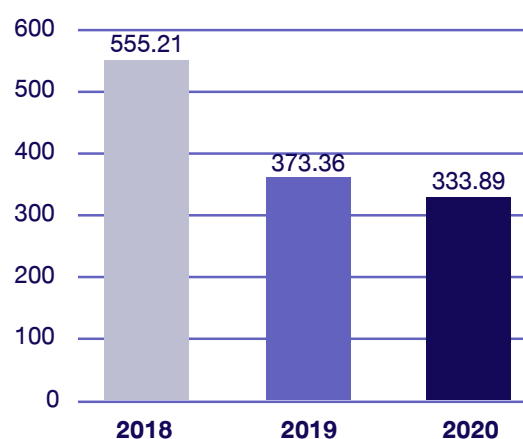
Revenue

(MB)



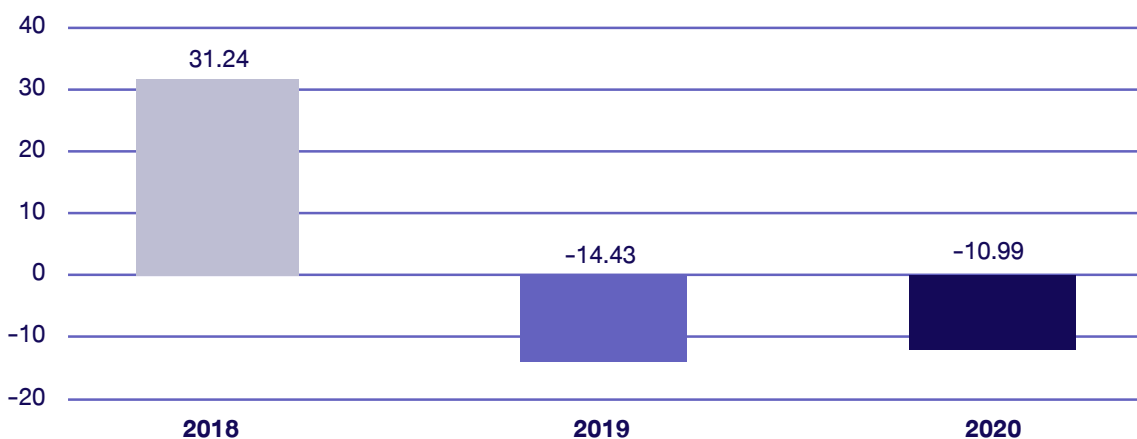
Expenses

(MB)



Net Profit (Loss)

(MB)





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
- 2019 to present Chief Executive Officer Marketing Department, Aqua 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

Mrs. Smorn Terdthampiboon**Position:** Director, Audit Committee, Independent Director**Education:** Master of Commerce (Business Administration) Thammasat University
Bachelor of Science (Statistics), Chiang Mai University**Trainings:** Director Certification Program (DCP), Class 223/2016**Working experience within the past 5 years**

- 2020 to present Director, Member of the Nomination and Remuneration Committee, Independent Director, Thai Mui Corporation Public Company Limited
- 2016 to 2019 President, Director of Thailand Post Company Limited
- 2016 to 2019 Director, Thailand Post Distribution Company Limited
- 2008 to 2015 Senior Executive Vice President Finance and Accounting and Chief Financial Officer (CFO), Thailand Post Company Limited
- 2010 to 2015 Acting Executive Vice President Information Technology Division, Thailand Post Company 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
- June 2017 to Present: Chief Executive Officer, Ferrum Public Company Limited
- Jan 2017 to present: President, Ferrum Public Company Limited
- June to Dec 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. Sarinath Leelaprachakul
- The elder brother of Ms. Narida Leelaprachakul
- The elder brother of Mr. Arkarapol 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. Arkapol 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 April 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, . (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. Arkapol 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 kjsomwang

Position Sale Showroom Department

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

Working experience within the past 5 years

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

Mr. Amnat Muangcharoen

Position Factory Manager

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

Working experience within the past 5 years

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



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	Khun Siriwan Suratepin, Certified Public Accountant Registration Number 4604 EY Office Company Limited 193 / 136-137 Lake Ratchada Building Office Complex, Floor 33, Ratchadaphisek Road, Klongtoey Subdistrict, Klongtoey District, Bangkok 10110 Phone: 02-264-0777 Fax: 02-264-0789
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	
	The Company was appointed as a distributor and started selling products under the Kiswire brand.
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	<ul style="list-style-type: none"> - The company transformed into a public company and changed the name of the new company to Thai Mui Corporation Public Company Limited. - Changed the par value from 85.00 baht per share to 0.50 baht. - Increased the registered capital of 48,535,000 baht from the original registered capital of 121,465,000 baht to 170,000,000 baht by issuing 97,070,000 new ordinary shares at a par value of 0.50 baht per share for offering to the public, entering the Market for Alternative Investment (MAI).
2018	
April	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.
2020	
June	The company has been trusted and has been appointed as the sole official distributor in Thailand. To distribute products under the brand Brunton Shaw, the world's leading wire rope manufacturer. From England.

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

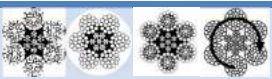
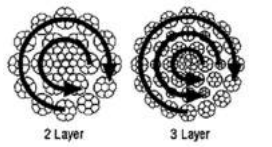
Revenue Structure (Million baht)	2018		2019		2020	
	(MB)	%	(MB)	%	(MB)	%
Sales revenue						
1. Wire rope and assembly	234.99	40.48	219.03	60.73	180.88	54.91
2. Webbing sling	16.69	2.88	12.97	3.59	11.18	3.39
3. Chain	8.45	1.46	7.97	2.21	6.26	1.90
4. Lifting equipment	64.46	11.10	58.38	16.19	47.84	14.52
5. Other products ¹	151.25	26.05	42.18	11.69	68.87	20.91
<u>Total sales revenue</u>	475.84	81.97	340.53	94.41	315.03	95.63
Services revenue and other revenue						
1. Service	80.10	13.80	17.55	4.87	13.49	4.09
2. Other revenue / interest revenue ²	24.57	4.23	2.59	0.72	0.92	0.28
<u>Total revenue services</u>	104.67	18.03	20.14	5.59	14.41	4.37
Sales and services revenue	580.51	100.00	360.67	100.00	329.44	100.00

Notes: 1) Other products are product such as revenue from pipe, electric motor, hook, light bulb and water quality improvement projects, etc.
2) Other services are services revenue from pipe and pipe tools, testing service for the company and product consult, maintenance and seminar by its subsidiary, Propoint global consultant Co., Ltd.

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.


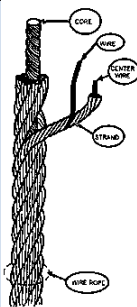
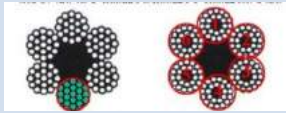


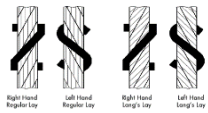
Example of Wire Rope Usage for Tower Crane

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. <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>

Properties	Details
4. Wire rope core	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.
5. Wire rope grade	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: <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	The wire surfaces of the wire rope can also be divided into 2 types: <ul style="list-style-type: none"> - Ungalvanized or Bright Finish - Galvanized or Zinc Coated Finish The zinc coating wire rope will increase the corrosion resistance properties in the working condition.
7. Lay type	The directions of the wire lay can be divided into 2 types as follows. <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	 <p>There are 2 lay directions:</p> <ul style="list-style-type: none"> - Left-hand lay - Right-hand lay <p>A proper choice of the lay type is important in relation to the requirements of crane, specifying the left-hand lay or right-hand lay. If misused, coils may loosen from the core of the wire rope.</p>
9. Minimum Breaking Force	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.
10. Termination	There are 5 types of wire rope terminations: <ul style="list-style-type: none"> - Mechanically Spliced - Hand Spliced - Zinc Spelter Socket - Wire Rope Clips or Bulldog Grips - Wedge Socket The most popular are mechanically spliced and zinc spelter socket because of their high load-bearing efficiency.
11. The desired length	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.

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.
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.
Brunton Shaw UK		Brunton Shaw UK is a leading manufacturing company. From England, where the company was appointed as a distributor for products under the aforementioned brands

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

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




1.4 Lifting Equipment

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

Type	Usage
Thimble	Used for inserting the end of the wire rope to prevent the wire rope from holding the device directly. 
(Wire Rope Clamps/Clips)	Used for fastening the ends of the loop to the wire rope. There are two types of grips: a gripper with a single saddle and a grip with two saddles, called Double Saddle.  Single Saddle  Double Saddle
(Shackles)	Shackles are used to assemble the work piece with a wire rope in a moving job. They can be divided into 2 following types according to the usage.
	Dee Shackle is popular for chain work or in limited areas. 
	Bow Shackle can be used with a variety of wire ropes, webbing slings, and chain slings. 
	Screw Pin Shackle is a bolt with a tail. It can be locked and released without using tools. 
	Bolt Pin Shackle is a bolt-lock with hex nut which locks the latch to the end of the bolt to hold the nut from loosening. 
	Round Pin Shackle is a round head shackle locked with Cotter pin. 

Type	Usage
(Chain Block)	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. 
(Level Block or Level Hoist)	looks like a chain block, but is different in that instead of manually operated, it is equipped with a handle. 
(Electric Chain Hoist)	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: <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)	is a loop that is used to combine wire ropes or other lifting products together especially when you want to use multiple wire ropes. 

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, light bulbs and water quality improvement too.

2. Services

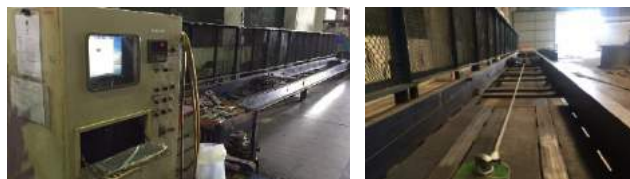
Apart from being the top distributor of wire rope products and lifting equipment, the Company also provides other services, supporting the main operations of the Company. This is considered to be the business strategy of Thai Mui. These services are run by the Company's subsidiary, Propoint Global Consultants 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.

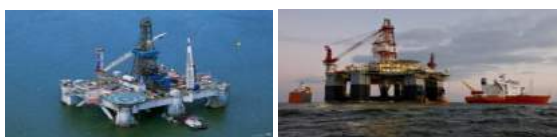
3.1 Target Customers

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.

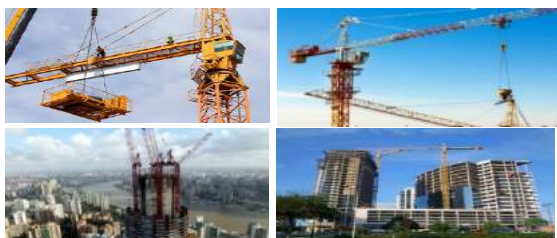
Industrial Plants



Petroleum Exploration and Production Business



Construction



Port Service Business



The income proportion can be divided between 2019 - 2020 in each industry group as follows:

Industry	Sales proportion Year 2019 (%)	Sales proportion Year 2020 (%)
1.Industrial factories	18.06	7.08
2.Petroleum Exploration and Production	10.03	13.71
3. Construction	29.59	19.95
4.Port	16.21	14.36
5.Logistics & Transportation	6.74	8.15
6.Power plants	5.34	6.04
7.Others	13.92	30.71
Total	100.00	100.00

Note 1. In the year 2019-2020, 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

Industrial economic conditions in 2020 from the Office of Industrial Economics reported that considering the Industrial Production Index (MPI) is expected to contract by 8.0 percent, while in 2019 the MPI shrank 3.6 percent, with major industries contracting in 2020. For example, automobiles are a decline in domestic and export markets due to the impact of the COVID-19 epidemic. In many countries around the world as for domestic factors, production has been temporarily halted during April - May 2020 according to measures to reduce the epidemic. Petroleum refining Production conditions decline Due to the consumption of fuel Domestic and exports this year were affected by the coronavirus outbreak. Causing the economic activity to decline, especially the tourism sector This has resulted in a decrease in the travel of people both international and domestic. Tires from the slowdown in both domestic and international markets. Which is in line with the contraction of the automobile industry the industries with good growth in 2020, such as pharmaceuticals, increased from the previous year in line with the rising demand trend from the COVID-19 outbreak situation. Of both domestic and international markets Packaged animal feed Production conditions increased from the demand for products both in the country and abroad. This was due to the continued demand for meat during the COVID-19 outbreak.

Market Conditions: Petroleum Exploration and Production

The overview of the industry, the oil and natural gas exploration and production business It is mainly referring to the price of oil, that is, during the rising oil prices. The oil and gas exploration and production business will also have an upward trend. But if the oil price drops, it will continue to put pressure on the industry.

The Thai Industrial Economic Status Report 2020 from the Office of Industrial Economics reported that the situation of crude oil prices was lower than the same period last year. The Dubai crude oil price in October 2020 stood at US \$ 40.70 / barrel, a contraction compared to October 2019 for the year 2020 (Jan-Oct). Averaged \$ 42.22 / barrel, contraction compared to 2019 (Jan-Oct), averaging \$ 63.52

/barrel. NYMEX crude oil for October 2020 was \$ 39.53. US / barrel, where crude oil prices fell in line with the global economic slowdown. As a result, the demand for crude oil remains low. In addition, crude oil production capacity within OPEC and OPEC Plus groups remains high. That is why the price of crude oil is stable at a low level and unable to rise much.

Petrochemical Industry Overall in 2020, the output index shrank 0.45 percent compared to 2019, with exports expected to shrink 18.03 percent and imports to shrink 8.62 percent due to the global economy slowing from the epidemic situation. COVID-19 And the appreciation of the baht

Petroleum Exploration and Production in Thailand has large operators (Operators) such as Chevron affiliates and PTT Exploration and Production Public Company Limited, which are the Company's customers. That will be affected by the fluctuation of oil prices in the market. And will affect the Company's business operation as well

Market Conditions: Construction Industry

Thailand Business and Industry Outlook Report of Krungsri Research Center reports that the situation in 2020 the construction business has grown slightly. This was reflected in the construction investment worth 1.04 trillion baht, an increase of 1.9% YoY, continuing to grow from 2.7% in 2019, driven by public investment (56.5% of the total construction investment). The construction of large projects continued. As a result of the accelerated disbursement of the government's budget. Meanwhile, private investment in construction contracted in line with economic sluggishness as a result of the COVID-19 crisis and national epidemic control measures. The construction of housing in Bangkok and the metropolitan area as well as major provinces in the region shrank sharply Due to the delay in launching new projects of real estate developers This was in line with the lower consumer purchasing power and the tightening lending of financial institutions.

Government construction was valued at 608 billion baht, expanding 5.6% YoY in the first nine months of 2020, driven by an accelerated government budget disbursement. Details are as follows

Infrastructure construction (82.3% of the total government construction value) consists of:

- Government construction projects the main ones are (1) the Ministry of Transport in the Integrated Development Plan for Transport and Logistics. Most of them are large ongoing projects such as the Eastern Orange Line. (Cultural Center - Min Buri), Pink Line (Khao Rai - Min Buri), Yellow Line (Ladprao - Samrong), with construction progress of 64.2%, 56.3% and 57.9%, respectively, including the double-track train phase 1, Bangkok - Nakhon Ratchasima. Progress of about 50.0% (August 2020 Government Project Performance Monitoring Report) and (2) Ministry of Agriculture and Cooperatives in the Irrigation Infrastructure Development Program. Construction projects have been expanded to cover many areas as a result of the recent drought.

- State enterprise construction projects Most of them are ongoing projects, such as the construction of the transmission system of the Electricity Generating Authority of Thailand. The construction of the electricity distribution system of the Provincial Electricity Authority The construction of network equipment of TOT Public Company Limited, the construction of the pipe system of the Metropolitan Waterworks Authority, etc.

Other types of construction (17.7%) included housing and government buildings, shrinking 36.3% and 11.5% YoY, respectively, mostly in small-medium contractor construction projects. Many of them faced financial liquidity problems and labor shortages. As a result of the COVID-19 epidemic, construction is interrupted.

Private construction was valued at 4.310 billion baht, a contraction of 2.9% YoY in the first nine months of 2020 as a result of the contraction in residential and commercial buildings.

Construction of residential projects (53.1% of the total private construction) Construction value contracted 6.8% YoY, in line with the number of new residential projects opened in Bangkok and its vicinity and the six major provinces (Chiang Mai, Chon Buri, Rayong, Nakhon Ratchasima, Khon Kaen). And Phuket) in the whole year 2020 contracted 41.6% and 70.3%, respectively, as real estate developers delayed the launch of new projects in both low-rise and condominium projects. By focusing on stock drainage to maintain liquidity and cash flow. Through a variety of sales strategies such as higher discounts, renting and 1-2 years free giving, etc. At the same time, consumer purchasing power is severely sluggish following the economic recession. Moreover, financial institutions are cautious in granting credit. Although interest rates are low compared to the past.

Non-residential building construction (28.7% share) Construction value contracted 3.1% YoY, comprised of commercial building construction. Construction in the service and transportation category and industrial construction Construction sluggish by economic activity and investment, the outcome of the COVID-19 crisis and epidemic control measures such as the Lockdown measure, Social distancing measure.

Other construction works (18.2%) grew by 10.9% YoY, mainly non-building construction in private areas. Which are often in urban areas that are expanding in urban areas such as bridges and other buildings

Overall, in 2020, overall construction investment is projected to grow only 1.5% (worth 1.321 trillion baht), with public construction growing 5.0% and private sector shrinking 3.0% from 3.1% and 2.1% growth in 2019. Respectively

Market Conditions: Port Industry

The port is a service industry that is of great importance to the economic development of developing countries. As a point of entry for international shipping routes Thailand has ports located in different regions, which can be divided into domestic ports. Which serves as the center of trade and transportation of the country and international port Which acts as a port for dealing with foreign trade The international port is a deep sea port that can accommodate large ocean ships to dock for loading and unloading of heavy cargo. Water transport is a low-cost transportation. Which can transport large quantities of goods at the same time It is important because it can reduce the cost burden for operators who have to transport their products. Although shipping by sea can take a long time

The 2020 Business Outlook Report from the Bank of Thailand reports that shipping is currently the main transportation system for international trade. In particular, container shipments account for 60% of the world's total ocean freight shipments. For Thailand More products are exported than imports. Therefore there is an unbalanced container usage structure In addition, Thailand is still unable to produce containers that are of high quality and are certified according to international standards. This causes approximately 1.5 million TEUs to import empty boxes per year. Container shortage has resulted in a doubling of Thai shipping costs. Especially on main routes from Thailand to Europe and the US And significantly affect the export potential of Thailand Mainly due to the epidemic of COVID-19 that makes workers in the United States. And Europe has stopped work until causing a large number of imported containers to remain at the ports of the country. This also included cases where large shipping lines chose to ship containers circulating in the region mainly to Chinese and Vietnamese ports due to their export volume greater than 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

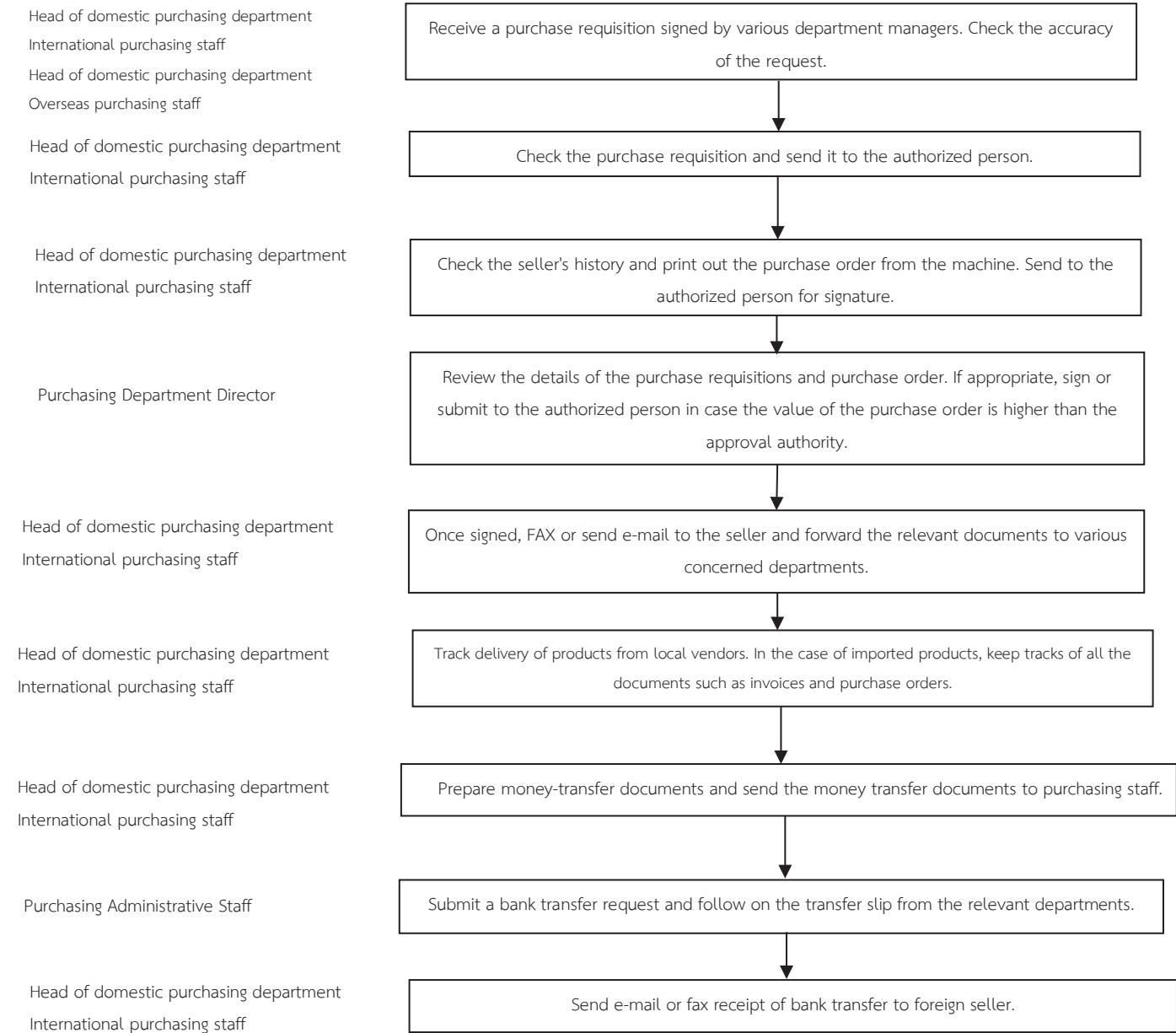
The Company purchases products directly from the manufacturer by focusing on products that meet international standards. Before the Company orders each product type, the Company will take the sample of such product to test for the quality, as well as the wire rope which will be tested for tensile strength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

The process of purchasing products



Before ordering product, the company plans to place an order. There is a meeting to plan ordering twice a year for both general sales and products under the contract with certain customers. The order quantity is determined from the sales statistics of the past 2 years and the information that the sales department has received from the customer. During the year, if certain types of products are lower than minimum stock, they will be notified to the purchasing department. In order to purchase products suitable for the Minimum Stock quantity specified in the SAP system, the Company currently supplies products from more than 100 manufacturers, totaling 3,000 items in the past. Always consider building a good relationship with manufacturers, however, the Company does not place an order with any manufacturer more than 30% in order to prevent the risk of reliance on any one manufacturer.

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.



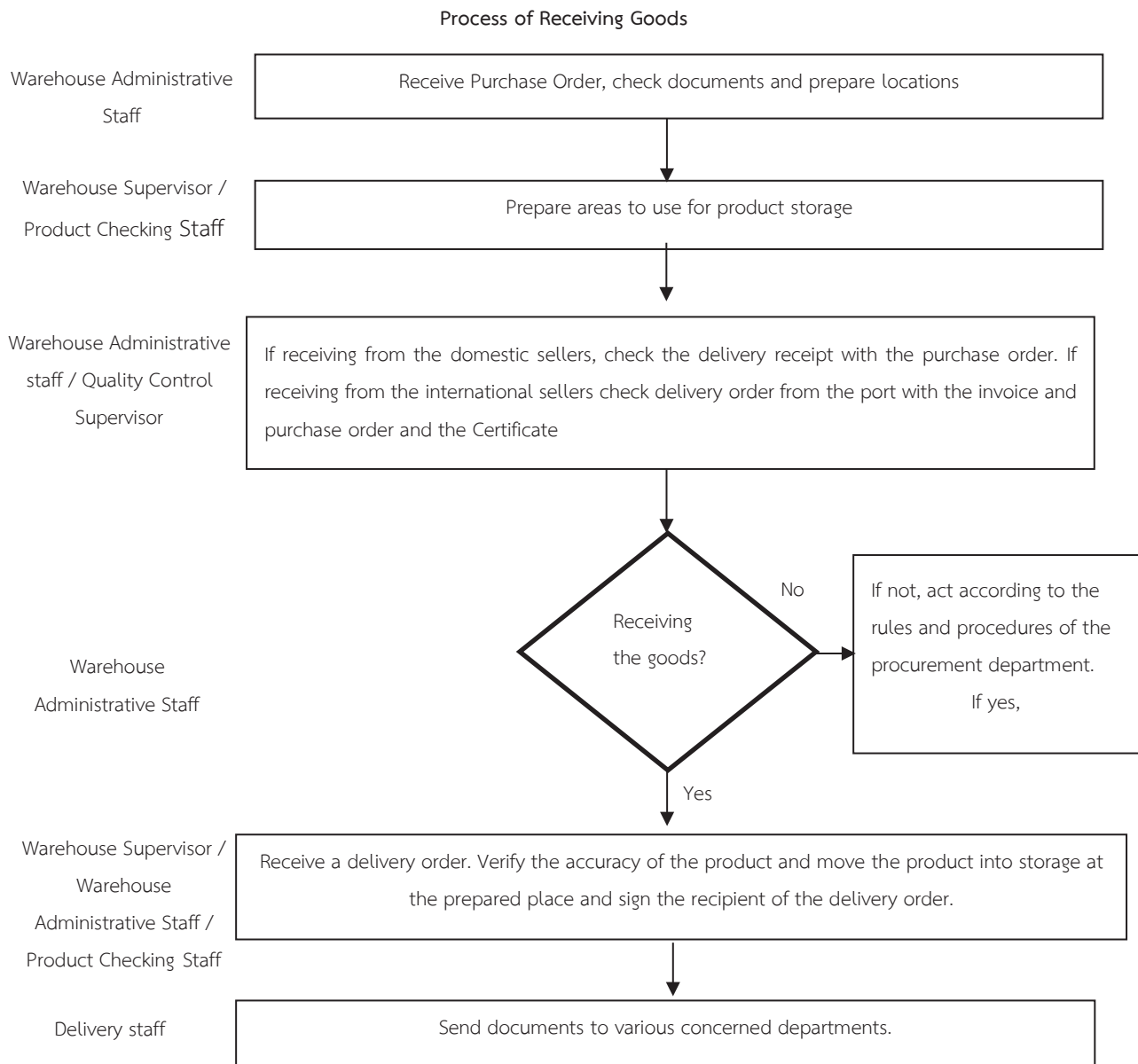
Sample image of keeping inventories at Samrong warehouse

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.

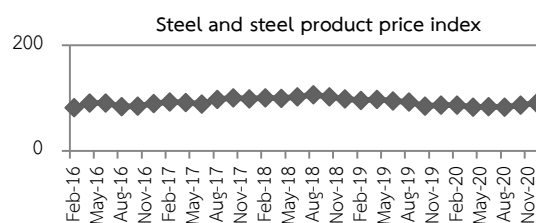
1.4 Risk from exchange rate fluctuations

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 2018, 2019 and 2020, the company has a product-purchasing proportion from foreign partners, equivalent to 100.11 million baht, 74.63 million baht and 42.12 million baht, respectively, which accounted for 28.70 percent, 42.80 percent and 33.05 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 2018 - 2020, the company has a profit (loss) from the exchange rate of 0.60million baht, 1.43 million baht, and 0.01 million baht respectively. In this regard, the Company has entered into a foreign currency trading and / or hedging facility amounting to Baht 30 million with a financial institution. This will help reduce the risk in such matters.

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 2020, the Company has inventories classified by age as follows:

Product Life	Value (Million Baht)	Percentage
Less than a year	46.03	26.21
1 - 2 years	29.13	16.59
2 - 3 years	29.28	16.67
3 - 4 years	7.37	4.20
4 - 5 years	7.87	4.48
More than 5 years	55.94	31.85
Total	175.62	100.00

However, the company is aware of the risk of keeping such inventories by planning to purchase products in accordance with the sales target and estimating the customers' needs. The period for ordering products from foreign manufacturers is approximately 4-6 months from production to receiving the average. Found that the inventories of the company 59.47% of the inventory is under 3 years old, and for the 5 years old inventories, most of the products have been moving in the past continuously. 31.85% of the remaining 8.68% movement was mostly large lifting and wire rope lifting equipment, special specifications, contract customers' products and spare samples for customers to see in real before placing an order. Buy moreover the company's products It is a product that deteriorates slowly in case of proper maintenance. In the past, in the storage of the products, the company will make a lubricant coating for the reserved wire rope waiting for sale. To maintain the durability and longevity of the wire rope. Including the staff to control, store, check and manage the inventories that are reserved for sale on a regular basis to ensure that there are enough products that can serve the needs of customers immediately. The company has set a policy to set aside allowances. For rusted goods and tipped products whose length remains less than the value set out in the policy. In order to reflect the true value of the inventories at that time.

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 12 January 2020 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. Arkapol Leelaprachakul	20,649,220	6.07
5. Ms. Narida Leelaprachakul	20,649,220	6.07
6. Mr. Ekordin 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 12 January 2020 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		2018	2019 (Revised version)	2020
Net Profit (Loss)	MB	31.24	(14.43)	(10.99)
Dividend paid	MB	15.30 ¹	15.30 ²	-
Dividend Payment Ratio ³	%	48.98	(106.03)	-

Note 1. 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.

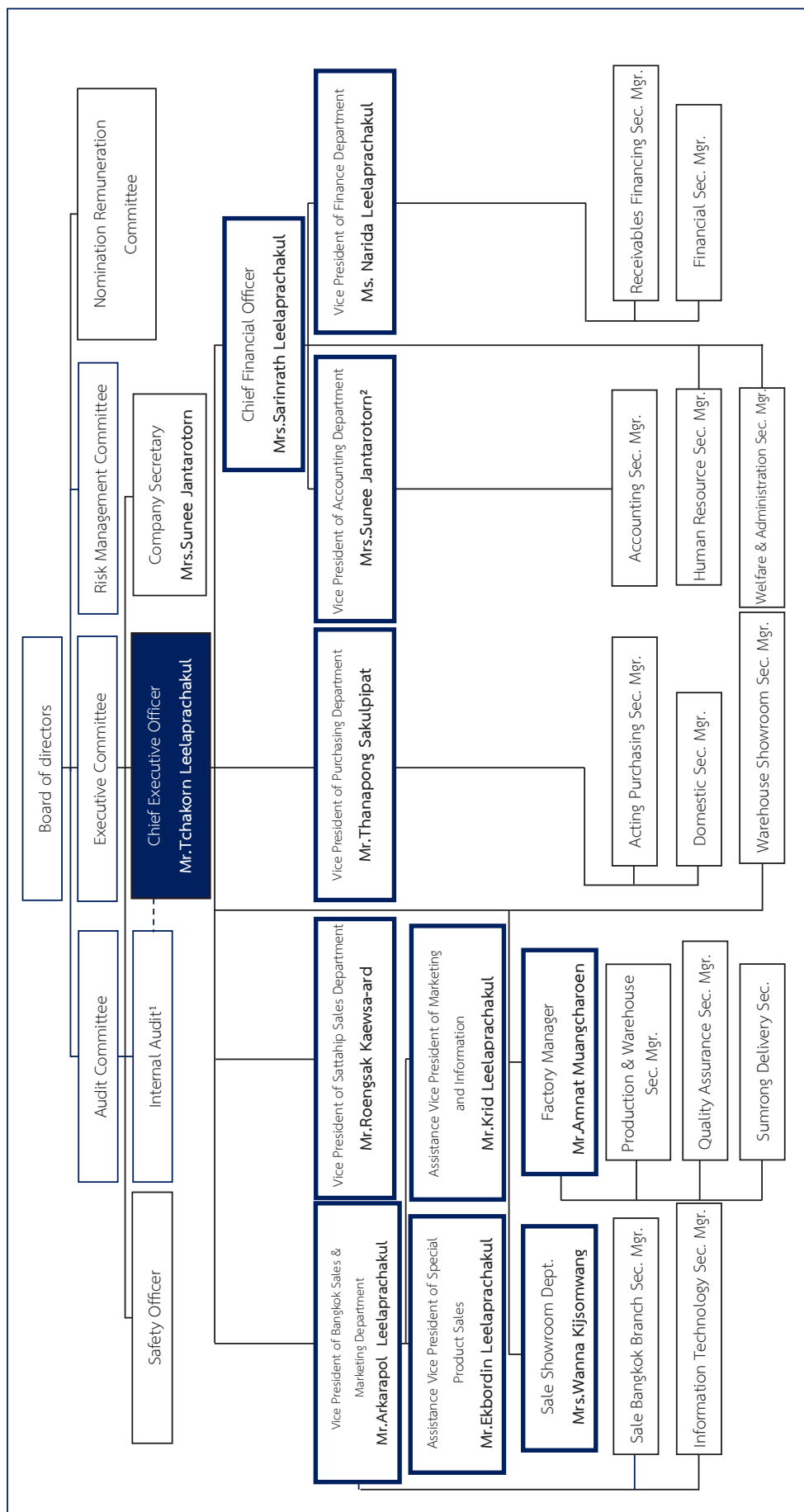
2. Dividend payments in 2019 was an interim dividend payment from the retained earnings totaling 15.30 million baht which was approved by the Board of Directors Meeting No. 5/2019 on 10th of July 2019

3. Dividend payment ratio = dividend payment / net profit

The Board of Directors Meeting No. 1/2020, held on 27 February 2020, has approved the suspension of the 2019 net profit allocation as dividends. Due to the current economic conditions Causing the Company's performance in 2019 to have a loss

ORGANIZATION STRUCTURE

As of December 31, 2020, 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	27 Apr 20 to present (Agenda 1)
4. Mr. Ekbordin Leelaprachakul	- Director	27 Apr 20 to present (Agenda 1)
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 3)
8. Mrs. Smorn Terdthampiboon	- Director - Audit Committee - Independent Director	27 Feb 20 to Present

Mrs. Sunee Jantaroton is acting as the Company Secretary.

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

- Note:**
- 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.
 - 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
 - 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.
 - 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 Thitasirinant 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. Mr. Tchakorn Leelaprachakul, and the Committee is chaired by Mr. Kulawachara Bhurichayawarodom.
6. The Board of Directors Meeting No. 1/2020 on 27th February 2020 resolved to appoint an additional director, namely Mrs. Smorn Terdthampiboon. As a director Instead of one former director, namely Mr. Athapol Tangkarawakul, effective from 27th February 2020
7. Information in details on the executives appears in the section “Executives, Committee, and Secretary of Thai Mui Corporation Public Company Limited”.

Director authorized to bind the company

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

Board of Directors Meeting

Meeting attendance of the Board of Directors for the year 2018 - 2020, details as follows:

Participants	Number of meetings / all meetings		
	2018	2019	2020
1. Mr. Tchakorn Leelaprachakul	5/5	7/7	5/5
2. Mr. Arkarapol Leelaprachakul	5/5	7/7	5/5
3. Mr. Ekbordin Leelaprachakul	5/5	7/7	4/5
4. Mr. Pitipat Thitasirinant	5/5	6/7	5/5
5. Mr. Kulawachara Bhurichayawarodom	5/5	4/7	5/5
6. Mrs. Smorn Terdthampiboon ¹	3/5	4/7	4/4
7. Miss Duenpun Leelavivat	4/5	7/7	5/5
8. Mrs. Pompun Hirunlap	3/5	3/7	0/5

Note 1. Mrs. Smorn Terdthampiboon He was appointed as a director from the Board of Directors Meeting No. 1/2020 on February 27, 2020, so the total number of meetings is not equal to the 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 2020, 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. Mrs. Smorn Terdtampiboon	Audit Committee

Note 1. Mr. Kulawachara Bhurichayawarodom is an audit committee with knowledge and experience in reviewing the reliability of financial statements.
2. Mrs. Sunee Jantarotorn is the secretary of the Audit Committee.

Report of the Audit Committee

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

(1) List of conflicts of interest

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

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

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

Audit Committee Meeting

Attendance of the Audit Committee meeting for the year 2018 - 2020, details as follows

Participants	Number of meetings / all meetings		
	2018	2019	2020
1. Mr. Pitipat Thitasirinant	4/4	4/4	5/5
2. Mr. Kulawachara Bhurichayawarodom	4/4	3/4	5/5
3. Mrs. Smorn Terdthampiboon ²	-	-	4/4

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

2. Mrs. Smorn Terdthampiboon He was appointed as a director from the Board of Directors Meeting No. 1/2020 on 27 February 2020, so the total number of meetings is not equal to the other directors.

Authority, duties and responsibilities of the Audit Committee

- to review the company's accurate and adequate financial reports
- 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.
- To review the company to comply with the Securities and Exchange Act, Stock market requirements and laws related to the business of the company.
- 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
- 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
- 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
 - Opinions on the accuracy, completeness and reliability of the Company's financial reports
 - Opinions on the adequacy of the Company's internal control system
 - Opinions on compliance with the Securities and Exchange Act Stock market requirements or laws related to the business of the company
 - Opinions about the suitability of the auditor
 - Opinions on transactions that may have conflicts of interest
 - Number of Audit Committee meetings and the attendance of each member of the Audit Committee
 - The overall opinion or observation that the Audit Committee received from performing duties in accordance with the Charter
 - Other items that shareholders and general investors should know under the scope of duties and responsibilities assigned by the Board of Directors
- 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 2020, 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

Nomination and Remuneration Committee Meeting

Meeting attendance of the Nomination and Remuneration Committee for the year 2018 - 2020, details as follows

Participants	Number of meetings / all meetings		
	2018	2019	2020
1. Mr. Pitipat Thitasirinant	3/3	1/1	1/1
2. Mr. Tchakorn Leelaprachakul	3/3	1/1	1/1
3. Mrs. Pornpun Hirunlap	3/3	1/1	1/1

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 Nomination and Remuneration Committee

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

Risk Management Committee

As of 31st December 2020, 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

Risk Management Committee Meeting

For the attendance of the Risk Management Committee meeting for the year 2018 - 2020, details as follows.

Participants	Number of meetings / all meetings		
	2018	2019	2020
1. Mr. Kulawachara Bhurichayawarodom	-	-	-
2. Mr. Tchakorn Leelaprachakul	-	-	-
3. Miss Duenpun Leelavivat	-	-	-

Note 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 2020, the Executive Committee consists of 3 members as follows:

Name	Position
1. Mr. Tachakorn Leelaprachakul	Chief Executive Officer
2. Mrs. Sarinrat Leelaprachakul	Executive Director
3. Mrs. Sunee Chantaroton	Executive Director

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 2020, 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 2018 - 2020 are as follows.

Participants	Number of meetings / all meetings		
	2018	2019	2020
1. Mr. Tachakorn Leelaprachakul	14/14	2/2	-
2. Mrs. Sarinrat Leelaprachakul	14/14	2/2	-
3. Mrs. Sunee Chantaroton	14/14	2/2	-

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 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 2020, 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 and Information
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 Jantarotorn 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.

- The Board of Directors, Chief Executive Officer, Advisors and Company employees are not eligible to receive any referral or commission fees.
- 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. 1/2020 on 27th February 2020 has determined the remuneration of the directors with the following details.

Director position	Directors' remuneration (Baht)			
	2019		2020	
	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 1. The Extraordinary General Meeting of Shareholders no. 2/2017 approved the appointment of the new Chairman, namely Mr. Pitipat Thitasirinant, who is also the Chairman of the Audit Committee in place of the former chairman who resigned from the position, namely Mr. Weerapol Leelaprachakul. The meeting approved the new rate of remuneration and considered approving the remuneration of the Board of Directors by paying in the form of meeting fees as follows:

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

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

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

In 2019 - 2020, the Company paid remuneration in cash to the directors, with the details in the below table.

List of directors	Directors' remuneration			
	Year 2019 (Baht)		Year 2020 (Baht)	
	Director	Audit Committee	Director	Audit Committee
1. Mr. Tchakorn Leelaprachakul	-	-	-	-
2. Mr. Arkapol Leelaprachakul	-	-	-	-
3. Mr. Ekbordin Leelaprachakul	-	-	-	-
4. Miss Duenpun Leelavivat	80,000	-	60,000	-
5. Mrs. Pornpun Hirunlap	40,000	-	10,000	-
6. Mr. Pitipat Thitasirinant ¹	120,000	60,000	120,000	60,000
7. Mr. Kulawachara Bhurichayawarodom	50,000	30,000	70,000	40,000

List of directors	Directors' remuneration			
	Year 2019 (Baht)		Year 2020 (Baht)	
	Director	Audit Committee	Director	Audit Committee
8.Mrs. Smorn Terdthampiboon ¹	-	-	60,000	30,000
Total	330,000	120,000	320,000	130,000

Note: 1. Mrs. Smorn Terdthampiboon He was appointed as a director from the Board of Directors Meeting No. 1/2020 on 27 February 2020, so the total number of meetings is not equal to the other directors.

Management

In the year 2018 - 2020, the Company paid monetary compensation to executives with the following details.

Executive remuneration	2018		2019		2020	
	Number (Individual)	Remuneration (Baht)	Number (Individual)	Remuneration (Baht) (บาท)	Number (Individual)	Remuneration (Baht)
Salary and bonus ³	10 ¹	11.64	11 ²	13.09	11	12.88
Other ⁴	10 ¹	4.97	11 ²	5.31	11	6.71
Total		11.97		18.40		19.59

- Note:** 1. 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 Kijomwang, Mr. Roengsak Kaewsart-art, and Mr. Krid Leelaprachakul
2. 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 Leelaprachakul, Mrs. Sarinrath Leelaprachakul, Mr. Arkarapol Leelaprachakul, Ms. Narida Leelaprachakul, Mrs. Sunee Jantarotorn, Mr. Thanapong Sakulpipat, Mr. Roengsak Kaewsart-art, Mr. Ekbordin Leelaprachakul, Mr. Krid Leelaprachakul, Mr. Amnat Muangcharoen and Mrs. Wanna Kijomwang.
3. 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.
4. 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 6 times of the monthly advisory fee or not more than 900,000 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 2020, the Company had a total of 169 employees (excluding 11 executives) divided into 153 regular employees and 16 daily employees.

Table showing details of the number of employees in each line from 2018 – 2020

Division	staff Number as of 31 st December 2018		staff Number as of 31 st December 2019		staff Number as of 31 st December 2020	
	Full-time (Monthly)	Daily	Full-time (Monthly)	Daily	Full-time (Monthly)	Daily
1. Accounting Department	7	-	10	-	10	-
2. Receivable Finance Department	9	-	9	-	7	-
3. Finance Department	5	-	4	-	4	-
4. Bangkok Sales Department	7	-	7	-	7	-
5. Information Department	2	-	2	-	2	-
6. Store sales department	12	-	11	-	11	-

Division	staff Number as of 31 st December 2018		staff Number as of 31 st December 2019		staff Number as of 31 st December 2020	
	Full-time (Monthly)	Daily	Full-time (Monthly)	Daily	Full-time (Monthly)	Daily
7. Sattahip Sales Department	42	6	44	6	46	3
8. Purchasing Department	5	-	5	-	5	-
9. Human Resources Department	4	-	3	-	3	-
10. Department of Welfare and Administration	12	3	11	3	12	2
11. Store front department	5	2	5	2	5	-
12. Production and warehouse department	18	18	16	17	20	10
13. Quality Control Department	11	-	10	-	10	-
14. Samrong Shipping Department	12	2	11	2	10	1
15. Marketing Department	-	-	1	-	-	-
16. Special sales department	-	-	1	-	-	-
17. Security	-	-	1	-	1	-
Total	151	31	151	30	153	16

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 2018 - 2020

Employee compensation (Baht)	2018	2019	2020
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 year 2018 – 2019 to DIA International Company Limited and financial statements for the year 2020 to EY Office Company Limited, details as follows:

Audit fee	2018	2019	2020
Compensation (Baht)	1,350,000 ¹	1,440,000 ²	2,200,000 ³

- Note:**
1. The Annual General Meeting of Shareholders for the year 2018, held on 25th April 2018 resolved to approve the appointment of the auditors of DIA International Company Limited and the audit fee of 1,350,000 baht.
 2. The Annual General Meeting of Shareholders for the year 2019, held on 29th April 2019, resolved to approve the appointment of the auditors of DIA International Company Limited and the audit fee of 1,440,000 baht.
 3. The Annual General Meeting of Shareholders for the year 2020, held on 27th April 2020 resolved to approve the appointment of the auditors of EY Office Company Limited and the audit fee of 2,200,000 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 funds to the Child Development Center 3 (Mahawong) in the activities of the National Children's Day 2020, donating money to support the activities of the National Children's Day 2020 at Wat Pathum Kongka School. And provide training to educate about production Loading wire rope test to the Engineering Institute of Thailand under Royal Patronage (CAT) at the Company's Samrong warehouse, D4 warehouse.



Provide training to educate about production. Loading the wire rope test

For the Engineering Institute of Thailand under the Royal Patronage (CAT)

At the Company's samrong warehouse, D4 warehouse

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 donate aid bags to help victims of COVID-19 For the community of Moo 4 and Moo 5, Plutaluang Sub-District, Sattahip District, Chonburi Province and distribute rice and dried food at the Chalermprakiat Gate.



Donate aid bags to help victims of COVID-19

For the community Moo 4 and Moo 5, Plutaluang Sub-District, Sattahip District, Chonburi Province

May 15, 2020



Distribute rice, dry food At the Chaloe Phra Kiat Arch

June 5, 2020

Internal Control and Risk Management

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

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

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

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

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

In addition, the company also has an Audit Committee to review the internal control system and the operating system of the company, by coordinating with the auditor, the Internal Control System Auditor, and the company executives so that the review of financial reports and information disclosure are to be surly sufficient and reliable. In order to ensure the operation of the company to be in line with the requirements, rules, regulations, announcements, and laws of the the Stock Exchange of Thailand, the report of the Audit Committee's performance will be submitted to the Board of Directors and will be reported in the company's annual report. The report, signed by the Chairman of the Audit Committee, is a means to ensure an adequate protection of the company's assets from the misuse of power by directors or executives, the unnecessary transaction with conflicting parties or transactions with conflicts of interests.

The company has appointed the company Internal Audit Dharmniti Co., Ltd. ("Dharmniti"), which is an outsource agency to inspect and evaluate the adequacy of the Company's internal control system (Overview Audit) and continuously monitor the performance of the company work under the company's internal control system. To ensure that the company has an effective and efficient internal control system, the internal auditor will prepare the audit report of the internal control system of the company and present the internal audit report to the Audit Committee meeting. This in turn will enable the company to have improve the quality of the internal control system which will eventually lead to the creation of good corporate governance for the company in the long run. Also, this is also a mechanism which will support operations of the employees and the organization to be efficient and smooth, meanwhile in accordance with the plans and goals set by the management. The Audit Committee is of the opinion that Dharmniti is qualified to be an internal auditor of the company due to its reliability, history, and experience of auditing companies listed on the Stock Exchange of Thailand.

Internal auditor's opinion on internal control system

The Company has appointed Dharmniti to be the Internal Audit Department which can operate and perform jobs independently and freely from any control of the company. Dharmniti has assigned Ms. Korakot Wanasawat, the head of internal audit, to be the main responsible person to perform the duties of the internal auditor. This is because Ms. Korakot Wanasawat has appropriate and suitable qualifications to perform internal audit duties of the company because of her knowledge, ability and experience in internal audit work.

In this regard, the Audit Committee Meeting No. 1/2020 on February 27, 2020, the Audit Committee Meeting No. 3/2020 on May 13, 2020, the Audit Committee Meeting No. 4/2020 on 13. August 2020 and the Audit Committee Meeting No. 5/2020 on 13 November 2020, the Internal Auditor has presented the internal control monitoring report to the Audit Committee Meeting. However, the Company should have a regular monitoring process for implementation of important recommendations.

About the head of the internal audit

Head of Internal Audit

The company has appointed Dharmniti, which is an external unit to perform internal audit duties for the company since March 26, 2015. Dharmniti has assigned Ms. Korakot Wanasawat to be the head of internal audit, the main responsible person to perform the duties of the internal auditor of the company to monitor and evaluate the internal control system of the company according to the agreed audit plan and prepare reports and suggestions to improve the operations to be in accordance with the company's internal control plan and policies in order to comply with the 5 criteria of COSO as mentioned above.

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

The appropriateness as the head of internal audit

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

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

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

Related Party Transactions

Relationship

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

Person / entity with possible conflicts	Relationship
Mrs. La-or Leelaprachakul ("Mrs. La-or")	<ul style="list-style-type: none"> - Being a major shareholder of the company, having a shareholding ratio of 11.42% 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 Vintec (2002) Company Limited ("Thai Vintec (2002)")	<ul style="list-style-type: none"> - The 3 directors, namely Mr. Veerapan Leelaprachakul, Mrs. Wimonrat Suchaidet and Mr. Supatsai Wiratkapan, whose relationships, with Mr. Veerapol Leelaprachakul, the major shareholders of the company, are a brother, a sister and a brother-in-law. - Producing and selling PE pipes, PVC pipes, pipe fittings, pipe fittings and adhesives - Major shareholders of Thai Vintec (2002), namely, Mrs. Wilaiporn Wiratkapan, Mr. Supatchai Wiratkapan, Thai Vintec Company Limited, Mr. Veerapan Leelaprachakul and Mrs. Wimonrat Suchaidet, holding shares in Thai Vintec (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 Vintec Company Limited ("Thai Vintec")	<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 PinKriangkrai, are a brother and a brother-in-law of Mr. Veerapol Leelaprachakul, the major

Person / entity with possible conflicts	Relationship
	shareholder of the Company - The major shareholder of Thai Vintec is Thai Vintec (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 ")	- 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")	- 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")	- 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. Arkapol Leelaprachakul ("Mr. Arkapol")	- Being a director and an executive - Being a shareholder of the company, having a shareholding of 6.07% of the paid-up capital
Mr. Ekborderin Leelaprachakul ("Mr. EkBordin")	- 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")	- Being a shareholder of 6.07% of the paid-up capital - Being an employee of the company
Mr. Krid Leelaprachakul ("Mr. Krid")	- 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 2019 and 31st December 2020 as the following.

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

List	Item value 31 Dec 2020 (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	0.87	0.45		
Gas and travelling expense benefit	0.07	0.09		

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

List	Item value 31 Dec 2020 (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	0.08	0.04	As of the end of the accounting period on December 31, 2020, the Company has borrowed money from Propoint in the amount of 3,500,000 baht with conditions agreed in the agreement dated 26 October 2018 and the company will gradually pay the said amount. According to the payment cycle of the company with interest of 5%, resulting in accrued interest of 29,166.66 baht, the company had accrued income of 23,725.85 baht, trade accounts receivable 75,177.13 baht and domestic creditors. 13,069,675.50 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	0.02	0.02		
Domestic creditors	413.07	9.51		
Asset purchase payables	-	0.04		
Loan	3.50	5.00		
Accrued interest	0.03	0.04		

List	Item value		Necessity and Reasonableness of the transaction	Opinion of the Audit Committee
	31 Dec 2020 (Million baht)	31 Dec 2019 (Million baht)		
expense				
Expenses and income				
Sale income	0.61	0.37	The company earns revenue from Propoint, which includes revenue from sales of products 607,125.90 baht, other income 290,456 baht, and expenses from Propoint include consultancy fee 3,600,000 baht, wire rope test fee 2,371,000 baht, tool repair cost 168,400 baht, service fee. Other 50,000 baht, car rental fee 2,079,000 baht and interest expense 232,513.13 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.
Other income	0.29	0.31		
interest	-	0.02		
Consultant fee	3.60	3.60		
Wire rope Tests	2.37	2.44		
Repair	0.17	-		
Other service fees	0.05	-		
Car rental	2.08	2.08		
Interest	0.23	0.25		

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

List	Item value		Necessity and Reasonableness of the transaction	Opinion of the Audit Committee
	31 Dec 2020 (Million baht)	31 Dec 2019 (Million baht)		
Outstanding Balance				
Rental and service fees payable	0.47	2.08	The Company has an accrued utility bill with Lee & Son due to the fact that the Company Rented office buildings and warehouses from Lee & Sons Holding, charged at the actual electricity usage rate of 5.00 baht per unit according to the conditions agreed in the lease agreement, and the Company will gradually pay the amount according to the cycle. Company payment as a result, the outstanding balance is as at the end of the accounting period. As of December 31, 2019 and December 31, 2020, the Company has a total of 2.08 million baht and 0.47 million baht of accrued rental and service expenses, respectively. The Company entered into a land and building lease agreement from Lee & Son for the location of its warehouse and Samrong branch office and head office. In the rental rates as follows	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	0.07	0.08		
Expenses in advance	0.21	-		
Expenses and income				
Office rental	4.87	2.62	<ul style="list-style-type: none"> Rent land and warehouse at the total rental rate of 245,800 baht per month. Head office building rental At the rental rate of 220,704 baht per month Not including utility bills The rental fee is determined from an independent appraiser, approved by the SEC, with the	
Utility Bills	0.21	0.26		
Sales revenue	0.03	-		

List	Item value 31 Dec 2020 (Million baht)	Item value 31 Dec 2019 (Million baht)	Necessity and Reasonableness of the transaction	Opinion of the Audit Committee
			new contract effective from August 2016 onwards. Such vacant land from Lee & Sun has been transferred successfully as of June 16, 2017, but still leases space in the warehouse area. Total office rental expenses were 262 million baht and 487 million baht, utility expenses 0.26 million baht and 0.21 million baht.	

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

List	Item value 31 Dec 2020 (Million baht)	Item value 31 Dec 2019 (Million baht)	Necessity and Reasonableness of the transaction	Opinion of the Audit Committee
<u>Outstanding Balance</u>				
Trade accounts receivable	0.11	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 2019 to 31 December 2020, the Company had revenue from sales and services worth of 0.19 million baht and 0.10 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	0.49	0.49		
<u>Expenses and income</u>				
sale income	0.10	0.19		
Buy	-	0.46		

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

List	Item value 31 Dec 2020 (Baht)	Item value 31 Dec 2019 (Baht)	Necessity and Reasonableness of the transaction	Opinion of the Audit Committee
<u>Outstanding Balance</u>				
Trade accounts receivable	4,074.56	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 2019 and 31 December 2020, totaling 13,696 baht and 4,074.56 baht from 81,500 baht and 71,572 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.
<u>Expenses and income</u>				
sale income	71,572.00	81,500.00		

The company has related party transactions with Excellent Buy & Sell Company Limited as follows

List	Item value 31 Dec 2020 (Baht)	Item value 31 Dec 2019 (Baht)	Reasonableness and Necessity of the transaction	Opinion of the Audit Committee
Outstanding Balance				
Accrued office rental	310,695.00	282,450.00	The company leased the building from the Excellent Buy & Sell Company Limited to be used as the headquarters at the rental rate of 310,695 baht per month, starting from 1 May 2020 onwards. This is a direct lease contract with Excellent Buy & Sell Company Limited, the owner of the building, instead of renting through Lee and Sun Holding Co., Ltd. In addition, the company has hired Excellent Buy & Sell 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 has an outstanding balance of office rent payments and utilities are recorded as other payable, totaling 49,204,011 baht because the company has made payment according to the payment cycle. The company has the amount of expenses paid. Easy to buy and sell easily, including office rent 3,615,360 baht, utility fee 153,431.63 baht, and management fee 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	49,204.01	55,551.45		
Expenses and income				
Office rental	3,615,360.00	3,389,400.00		
Utilities	153,431.63	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 2020 (Million baht)	Item value 31 Dec 2019 (Million baht)	Reasonableness and Necessity of the transaction	Opinion of the Audit Committee
Outstanding Balance				
Accounts receivable	38.36	35.84	As of May 7, 2019, Trend Asia borrowed money from the Company in the amount of 12,000,000 baht with 5% interest, resulting in the accounting period ending December 31, 2020, accrued interest income of 1.44 million baht, the company had accrued income of 1.60 million. Baht, trade accounts receivable 38.36 million baht and advance payment of 4 million baht, and the company has revenue from trend Asia, including product sales revenue 2.36 million baht, service income 0.22 baht and interest income 0.87 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	1.60	1.38		
Accrued interest	1.44	0.57		
Advances	4.00	1.33		
Loans	12.00	12.00		
Expenses and income				
Sales revenue	2.36	2.70		
Service income	0.22	18.20		
Interest income	0.87	0.57		

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

List	Item value 31 Dec 2020 (Million baht)	Item value 31 Dec 2019 (Million baht)	Necessity and Reasonableness of the transaction	Opinion of the Audit Committee
Expenses and income				
Payable from purchase of shares	5.60	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	0.02		

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

List	Item value 31 Dec 2020 (Million baht)	Item value 31 Dec 2019 (Million baht)	Necessity and Reasonableness of the transaction	Opinion of the Audit Committee
Outstanding Balance				
Trade accounts payable-related companies	0.60	0.60	As of December 31, 2020, the Company hired International Water Management Company Limited to undertake the construction, design, installation of the water quality improvement system. For shrimp farms with trade payable 0.60 million baht, advance payment for service fee 3.09 million baht and performance guarantee 0.77 million 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	3.09		
Retention deposit	0.77	0.77		

The company has related party transactions with Solis Power Energy Company Limited as follows

List	Item value 31 Dec 2020 (Million baht)	Item value 31 Dec 2019 (Million baht)	Necessity and Reasonableness of the transaction	Opinion of the Audit Committee
Expenses and income				
Accrued expenses	23,141.96	-	The Company has accrued expenses from Solis Power Energy Company Limited in the amount of 23,141.96 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 Ms. Suvaphat Onmikool follows

List	Item value 31 Dec 2020 (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	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 2020 (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	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 2020 (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	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.

Necessity and reasonableness of the connected transaction

Audit Committee Meeting No. 3/2020 on 13 May 2020 Audit Committee Meeting No. 4/2020 on 13 August 2020 Audit Committee Meeting No. 5/2020 on 13 November the meeting of the Audit Committee No. 1/2021 on March 1, 2021 considered the Company's related transactions. In the fiscal year ended March 31, 2020, June 30, 2020, September 30, 2020 and December 31, 2020, together with inquiries from the Company's management. As well as reviewing information as specified in the notes to the Company's auditors' financial statements and of the opinion that inter-company transactions of the Company In the fiscal year ended March 31, 2020, June 30, 2020, September 30, 2020 and December 31, 2020, the transaction is 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 2020. 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 EY Office 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 2020 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 2020

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. The Board of Directors has reviewed and take action on important matters Summarized as follows.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

- Trade receivables and contract assets

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables and contract assets are regularly monitored. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries. An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating.

- Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Market risk

There are two types of market risk comprising interest rate risk and currency risk.

- Interest rate risk

The Group's exposure to interest rate risk relates primarily to its bank overdrafts and long-term loans. The Group's financial assets and liabilities which have bear floating interest rates or fixed interest rates which are close to the market rate. As at 31 December 2020, the Group's exposure to interest rate changes is not material. The Group manages its interest rate risk by obtain variety sources of funds which bear fixed or floating interest rate at appropriate level.

- Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. As at 31 December 2020 and 2019, the Group's exposure to foreign currency changes is not material.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. The Group has assessed the concentration of risk with respect to refinancing its debt and conclude it to be low. The Group has access to sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with exiting lender.



(Mr. Kulawachara Bhurichayawarodom)

Chairman of the Risk Management Committee

Report of the Nomination and Remuneration Committee for the year 2020

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.

In the past 2020, there was a crisis of the coronavirus outbreak 2019 (COVID-19) affecting the internal and external economy, the company was also affected. Therefore, there is no consideration to adjust the compensation within the organization.



(Mr. Pitipat Thitasirinant)

Report of the Audit Committee for the year 2020

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. Mrs. Smorn Terdthampiboon, a member of the Audit Committee

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

In 2020, the Audit Committee held five meetings together, performing duties as assigned by the Board of Directors. And in accordance with the charter of the Audit Committee fully By Mr. Pitipat Thitasirinant and Mr. Kulawachara Bhurichayawarodom attended all 5 meetings. Attended 4 out of 4 meetings due to Mrs. Smorn Terdthampiboon. He was appointed as an audit committee member from the Board of Directors' Meeting No. 1/2020 on February 27, 2020, so the total number of meetings is not equal to other directors. The meeting will meet with the auditor. And internal auditors The Audit Committee has reviewed and take action on important matters Summarized as 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 considered the performance of the auditor, Khun Siriwan Suratepin from EY Office Company Limited in the past accounting period. And to consider the audit fee Presented to the board of directors the 2020 Annual General Meeting of Shareholders has approved to appoint Khun Siriwan Suratepin, Certified Public Accountant Registration No. 4604, EY Office 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 2019 and 2020, sales and services revenue was 360.67 million baht and 329.44 million baht, respectively. Classified as sales revenue, there was 340.53 million baht and 315.03 million baht and service revenue of 20.14 million baht and 14.41 million baht, respectively. In this regard, the Company had revenue from sales and services decreased from the same period of the previous year by 31.23 million baht or 8.66%, mainly due to the revenue from sales and service of wire rope equipment decreased 57.92 million baht. Revenue from sales and services of water quality improvement projects increased by 26.60 million baht, etc.

Sales and services revenue structure can be classified as follow:

Revenue structure (million baht)	2019		2020	
	Million baht	%	Million baht	%
<u>Sales revenue</u>				
1. Wirerope and sling	219.03	60.73	180.88	54.91
2. Webbing sling	12.97	3.59	11.18	3.39
3. Chain	7.97	2.21	6.26	1.90
4. Lifting tool	58.38	16.19	47.84	14.52
5. Other product ¹⁾	42.18	11.69	68.87	20.91
Total sales revenue	340.53	94.41	315.03	95.63

Revenue structure (million baht)	2019		2020	
	Million baht	%	Million baht	%
<u>Services revenue and other revenue</u>				
1. Service	17.55	4.87	13.49	4.09
2. Other revenue / interest revenue	2.59	0.72	0.92	0.28
Total services revenue	20.14	5.59	14.41	4.37
Sales and services revenue	360.67	100.00	329.44	100.00

- Notes:
1. Other products are product such as revenue from pipe, electric motor, hook, light bulb and water quality improvement projects, etc.
 2. Other services are services revenue from pipe and pipe tools, 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 2019 and 2020, Cost of sales and services was 224.58 million baht and 207.91 million baht. Cost of sales was 207.17 million baht and 195.58 million baht, respectively. Cost of services was 17.41 million baht and 12.33 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 136.09 million baht and 121.53 million baht. Gross profit margin was 37.73% and 36.89%, respectively. The reason that the cost of sales and services decreased by 16.67 million baht or 7.42% was due to the cost of sales and services of water quality improvement project decreased by 11.12 million baht, depreciation decreased by 1.29 million baht, etc.

Cost of sales and services	2019	2020
	Million baht	Million baht
Cost of sales	207.17	195.58
Cost of services	17.41	12.33
Total Cost of sales and services	224.58	207.91
Sales revenue	340.53	315.03
Services revenue	20.14	14.41
Total revenue from sales and services	360.67	329.44
Gross profit from sales	133.36	119.45
- Gross profit margin from sales (%)	39.16	37.92
Gross profit from services	2.73	2.08
- Gross profit margin from services (%)	13.56	14.43
Total gross profit	136.09	121.53
Total gross profit margin (%)	37.73	36.89

Note: revenue before accrual adjustment

Sales expenses

For the year 2019 and 2020, sales expenses were 36.83 million baht and 31.97 million baht, respectively, decreased from the same period of the previous year by 4.86 million baht or 13.20%. Sales decline It is expenses related to salespeople such as commissions. Allowances, overtime pay and employee retirement benefits, etc.

Administrative expenses

For the year 2018 and 2019, administrative expenses were 99.23 million baht and 111.95 million baht, respectively, decreased from the same period of the previous year by 17.95 million baht or 16.03%. Administration is reduced the lower part is expenses related to investment in subsidiary 6.20 million baht, reserve for doubtful debt 7.54 million baht, depreciation 3 million baht, overtime cost 2.26 million baht, etc.

Net profit (loss)

For the year 2019 and 2020, the Company had a net profit (loss) of (14.43) million baht and (10.99) million baht, representing (4) and (3.34) %. The net loss decreased from the same period of the previous year by 3.44 million baht or 23.84%.

Financial statement**Total assets**

As of 31st December 2019 and 31st December 2020, the company has total assets of 600.38 million baht and 641.40 million baht respectively, increasing by 41.02 million baht or 6.83%. The increase consisted of cash and cash equivalents debtor under contract and right-of-use assets the reduced part consists of trade and other receivables, inventories and property, plant and equipment.

Total asset as of 31st December 2019 and 31st December 2020 is consisted of current asset 432.71 million baht and 401.01 million baht, respectively, and non-current asset 167.67 million baht and 240.39 million baht, respectively.

Total liabilities and total equities

As of 31st December 2019 and 31st December 2020, The company has total liabilities of 210.47 million baht and 262.51 million baht respectively, increasing 52.04 million baht or 24.73%. The Company's liabilities consisted of trade payables and other payables. Long term loan and liabilities under lease agreements, etc.

Total equities in the same period are 389.91 million baht and 378.90 million baht, decreasing 11.01 million baht or 2.82%

Respectfully,

Thai Mui Corporation Public Company Limited



(Tchakorn Leelaprachakul)

Chief Executive Officer

Thai Mui Corporation Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2020

Independent Auditor's Report

To the Shareholders of Thai Mui Corporation Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Thai Mui Corporation Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Thai Mui Corporation Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Mui Corporation Public Company Limited and its subsidiaries and of Thai Mui Corporation Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of matters

I draw attention to the following notes to the financial statements:

- 1) As discussed in Note 4 and Note 15.2 to the consolidated financial statements, regarding the corrections of the Group's prior year errors and the acquisition of investment in Trend Asia Corporation Co., Ltd. (a subsidiary), the Company completed the measurement of the fair value of the identifiable assets and liabilities assumed as at acquisition date, and the measurement of related goodwill in the current period. Therefore, the Group had to make retrospective adjustments of the consolidated statement of financial position as at 31 December 2019 and the consolidated statement of comprehensive income for year ended 31 December 2019, presented herein as comparative information, to reflect to these adjustments transactions.

- 2) As discussed in Note 15.3 to the consolidated financial statements, on 30 April 2019, the Company entered into an agreement to purchase common shares of Trend Asia Corporation Co., Ltd. with a person (the existing shareholder). Under the agreement, only total revenue after deducting expenses generated from the procurements and the installation of Static Mixer machines, whether completed, pending or in process, will be given to the group of existing shareholders, consisting of trade receivables, accrued income and works in process. The existing shareholder is solely responsible for any expenses and trade payable relating to such business.

After 30 April 2019, the subsidiary received a letter from a customer to dismantle and remove all of Static Mixer machines because they did not function as agreed. The subsidiary suddenly notified trade payable (Contractor) to proceed. From such event, there is a substantial doubt about uncollectibility of trade receivable and demand for damages. The management of the Company however expects that there will be no damage inflicted from the claim of the customer which impacts the dismantling of the Static Mixer as it is an obligation of the group of existing shareholders. If case of damage claim, the Company is able to offset with share payable. Trend Asia Corporation Co., Ltd., will delete such trade receivable and trade payable when obtaining evidence that assures that no compensatory damages are demanded.

My opinion is not modified in respect of the above matters.

Key Audit Matter

Key audit matter is a matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to this matter. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for this matter are described below.

Revenue recognition

The revenue amount is material and has a significant impact on the financial statements as the Group has a large number of sales transactions. In addition, the Covid-19 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. Therefore, I draw a special attention to the revenue recognition of the Group.

I examined the revenue recognition of the Group by assessing and testing the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I applied a sampling method to select sales to assess whether revenue recognition was consistent with the conditions of sales and in compliance with the Group's policy. On a sampling basis, I examined supporting documents for actual sales transactions occurring during the year and near the end of the accounting period. I reviewed credit notes that the Group had issued after the period end as well as performed analytical procedures to detect possible irregularities in sales transactions throughout the period.

Other Matter

The consolidated statement of financial position of Thai Mui Corporation Public Company Limited and its subsidiaries, and the separate statement of financial position of Thai Mui Corporation Public Company Limited as at 31 December 2019, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, presented herein as comparative information, were audited by another auditor who expressed an unmodified opinion on those statements and draw attention to uncertainty, under her report dated 27 February 2020, that the subsidiary company may be demanded to pay for compensatory damages by a customer of procurement Static Mixer installation work as described above.

Other Information

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

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Group'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 Financial Statements

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

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

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

I am responsible for the audit resulting in this independent auditor's report.

Siriwan Suratepin

Certified Public Accountant (Thailand) No. 4604

EY Office Limited

Bangkok: 1 March 2021

Thai Mui Corporation Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
			(Restated)		
Assets					
Current assets					
Cash and cash equivalents	9	64,460,976	45,477,280	62,863,338	42,883,208
Current investments		-	42,136	-	10,000
Trade and other receivables	10	81,448,423	83,140,569	107,436,673	110,335,146
Current portion of lease receivable	11	14,157,576	3,539,394	-	-
Short-term loan to related party	8	-	-	12,000,000	12,000,000
Inventories	12	238,805,951	300,509,725	179,278,352	203,745,472
Other current financial assets	13	42,463	-	10,104	-
Other current assets		2,096,243	-	1,428,800	-
Total current assets		401,011,632	432,709,104	363,017,267	368,973,826
Non-current assets					
Restricted bank deposits	14	15,919,612	16,153,648	15,919,612	16,153,648
Lease receivable - net of current portion	11	47,754,424	11,884,168	-	-
Investments in subsidiaries	15.1	-	-	44,799,800	44,799,800
Property, plant and equipment	16	61,259,180	83,267,888	60,365,241	81,150,441
Right-of-use assets	21	59,409,156	-	58,402,532	-
Intangible assets	17	43,481,075	44,426,418	628,363	1,117,280
Deferred tax assets	25	7,602,422	6,522,805	5,869,677	5,121,895
Other non-current assets		4,965,145	5,413,025	3,771,283	3,678,557
Total non-current assets		240,391,014	167,667,952	189,756,508	152,021,621
Total assets		641,402,646	600,377,056	552,773,775	520,995,447

The accompanying notes are an integral part of the financial statements.

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Thai Mui Corporation Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
			(Restated)		
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	18	32,000,000	32,000,000	32,000,000	32,000,000
Trade and other payables	19	71,704,740	63,244,789	74,867,712	68,556,234
Short-term loans from related parties	8	4,225,000	4,225,000	3,500,000	5,000,000
Current portion of long-term loan					
from financial institution	20	12,584,000	16,997,305	-	-
Current portion of liabilities under					
finance lease agreements		-	4,499,364	-	4,162,058
Current portion of long-term lease liabilities	21.1	12,014,692	-	11,663,922	-
Income tax payable		-	312,962	-	312,962
Other current liabilities		1,640,785	2,744,154	678,229	2,744,154
Total current liabilities		134,169,217	124,023,574	122,709,863	112,775,408
Non-current liabilities					
Long-term loan from financial institution					
- net of current portion	20	58,175,641	53,812,336	-	-
Liabilities under finance lease agreements					
- net of current portion		-	9,431,068	-	8,869,224
Long-term lease liabilities - net of current portion	21.1	45,353,189	-	45,142,116	-
Provision for long-term employee benefits	22	16,237,420	14,540,678	15,385,925	13,846,568
Deferred tax liabilities	25	8,570,263	8,661,548	-	-
Total non-current liabilities		128,336,513	86,445,630	60,528,041	22,715,792
Total liabilities		262,505,730	210,469,204	183,237,904	135,491,200

The accompanying notes are an integral part of the financial statements.

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Thai Mui Corporation Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
			(Restated)		
Shareholders' equity					
Share capital					
Registered					
340,000,000 ordinary shares of Baht 0.50 each		170,000,000	170,000,000	170,000,000	170,000,000
Issued and fully paid up					
340,000,000 ordinary shares of Baht 0.50 each		170,000,000	170,000,000	170,000,000	170,000,000
Share premium		210,680,602	210,680,602	210,680,602	210,680,602
Surplus on business combination		4,663,750	4,663,750	-	-
Retained earnings					
Appropriated-statutory reserve	23	4,995,828	4,995,828	4,995,828	4,995,828
Unappropriated (retained deficit)		(22,132,909)	(9,922,603)	(16,140,559)	(172,183)
Equity attributable to owners of the Company		368,207,271	380,417,577	369,535,871	385,504,247
Non-controlling interests of the subsidiaries		10,689,645	9,490,275	-	-
Total shareholders' equity		378,896,916	389,907,852	369,535,871	385,504,247
Total liabilities and shareholders' equity		641,402,646	600,377,056	552,773,775	520,995,447

The accompanying notes are an integral part of the financial statements.



Directors

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

Thai Mui Corporation Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
			(Restated)		
Profit or loss:					
Revenues					
Sales income		315,031,220	340,533,348	265,600,716	324,069,778
Service income		13,490,319	17,550,275	5,252,805	26,565,654
Interest income		381,959	349,964	1,006,926	813,653
Other income		540,250	2,233,913	830,696	1,932,784
Total revenues		329,443,748	360,667,500	272,691,143	353,381,869
Expenses					
Cost of sales		195,584,380	207,168,010	154,273,955	191,108,157
Cost of services		12,332,076	17,414,046	1,382,992	22,051,701
Selling and distribution expenses		31,970,989	36,824,785	36,057,742	41,075,660
Administrative expenses		94,001,663	111,951,019	91,706,270	103,539,563
Total expenses		333,889,108	373,357,860	283,420,959	357,775,081
Operating loss		(4,445,360)	(12,690,360)	(10,729,816)	(4,393,212)
Finance cost		(7,418,163)	(3,414,267)	(5,987,458)	(3,521,388)
Loss before income tax income		(11,863,523)	(16,104,627)	(16,717,274)	(7,914,600)
Income tax income	25	873,093	1,675,571	748,005	1,189,495
Loss for the year		(10,990,430)	(14,429,056)	(15,969,269)	(6,725,105)
Other comprehensive income:					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial gain on defined benefit plan		739,313	(707,838)	766,061	(663,590)
Less: Income tax effect	25	(147,863)	141,568	(153,212)	132,718
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		591,450	(566,270)	612,849	(530,872)
Other comprehensive income for the year		591,450	(566,270)	612,849	(530,872)
Total comprehensive income for the year		(10,398,980)	(14,995,326)	(15,356,420)	(7,255,977)

The accompanying notes are an integral part of the financial statements.

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Thai Mui Corporation Public Company Limited and its subsidiaries

Statement of comprehensive income (Continued)

For the year ended 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
			(Restated)		
Loss attributable to:					
Equity holders of the Company		(12,189,800)	(14,266,024)	<u>(15,969,269)</u>	<u>(6,725,105)</u>
Non-controlling interests of the subsidiaries		<u>1,199,370</u>	<u>(163,032)</u>		
		<u>(10,990,430)</u>	<u>(14,429,056)</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		(11,598,350)	(14,832,293)	<u>(15,356,420)</u>	<u>(7,255,977)</u>
Non-controlling interests of the subsidiaries		<u>1,199,370</u>	<u>(163,033)</u>		
		<u>(10,398,980)</u>	<u>(14,995,326)</u>		
Loss per share (Baht)	26				
Basic loss per share					
Loss attributable to equity holders of the Company		<u>(0.036)</u>	<u>(0.042)</u>	<u>(0.047)</u>	<u>(0.020)</u>
Weighted average number of ordinary shares		<u>340,000,000</u>	<u>340,000,000</u>	<u>340,000,000</u>	<u>340,000,000</u>

The accompanying notes are an integral part of the financial statements.

Thai Mui Corporation Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2020

	Consolidated financial statements						(Unit: Baht)
	Equity attributable to owners of the Company			Equity attributable to non-controlling interests of the subsidiaries		Total shareholders' equity	
	Issued and fully paid-up share capital	Share premium	Surplus on business combination under common control	Appropriated	Retained earnings (Unappropriated (retained deficit))		
Balance as at 31 December 2018	170,000,000	210,680,602	4,663,750	3,877,409	21,328,110	(288)	410,549,583
Loss for the year (Restated)	-	-	-	-	(14,266,024)	(163,032)	(14,429,056)
Other comprehensive income for the year	-	-	-	-	(566,270)	(1)	(566,271)
Total comprehensive income for the year	-	-	-	-	(14,832,294)	(163,033)	(14,995,327)
Transferred unappropriated retained earnings to statutory reserve (Note 23)	-	-	-	1,118,419	(1,118,419)	-	-
Dividend paid (Note 29)	-	-	-	-	(15,300,000)	-	(15,300,000)
Increase in non-controlling interests of the subsidiaries from acquisition in subsidiary	-	-	-	-	-	9,653,596	9,653,596
Balance as at 31 December 2019 - as restated	170,000,000	210,680,602	4,663,750	4,995,828	(9,922,603)	9,490,275	389,907,852
Balance as at 31 December 2019 - as previously reported	170,000,000	210,680,602	4,663,750	4,995,828	(10,794,484)	(1,364,280)	378,181,416
Effects of adjustments of prior years (Note 4.1)	-	-	-	-	871,881	10,854,555	11,726,436
Balance as at 1 January 2020	170,000,000	210,680,602	4,663,750	4,995,828	(9,922,603)	9,490,275	389,907,852
Effects of change in accounting policies (Note 4.2)	-	-	-	-	(611,956)	-	(611,956)
Balance as at 1 January 2020 - as restated	170,000,000	210,680,602	4,663,750	4,995,828	(10,534,559)	9,490,275	389,295,896
Loss for the year	-	-	-	-	(12,189,800)	1,199,370	(10,990,430)
Other comprehensive income for the year	-	-	-	-	591,450	-	591,450
Total comprehensive income for the year	-	-	-	-	(11,598,350)	1,199,370	(10,398,980)
Balance as at 31 December 2020	170,000,000	210,680,602	4,663,750	4,995,828	(22,132,909)	10,689,645	378,896,916

The accompanying notes are an integral part of the financial statements.

Thai Mui Corporation Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

	Separate financial statements				
	Issued and		Retained earnings		Total
	fully paid-up			Unappropriated	shareholders'
	share capital	Share premium	Appropriated	(retained deficit)	equity
Balance as at 31 December 2018	170,000,000	210,680,602	3,877,409	23,502,213	408,060,224
Loss for the year	-	-	-	(6,725,105)	(6,725,105)
Other comprehensive income for the year	-	-	-	(530,872)	(530,872)
Total comprehensive income for the year	-	-	-	(7,255,977)	(7,255,977)
Transferred unappropriated retained earnings					-
to statutory reserve (Note 23)	-	-	1,118,419	(1,118,419)	-
Dividend paid (Note 29)	-	-	-	(15,300,000)	(15,300,000)
Balance as at 31 December 2019	170,000,000	210,680,602	4,995,828	(172,183)	385,504,247
Balance as at 31 December 2019					
- as previously reported	170,000,000	210,680,602	4,995,828	(172,183)	385,504,247
Effects of change in accounting policies					
(Note 4.2)	-	-	-	(611,956)	(611,956)
Balance as at 1 January 2020 - as restated	170,000,000	210,680,602	4,995,828	(784,139)	384,892,291
Loss for the year	-	-	-	(15,969,269)	(15,969,269)
Other comprehensive income for the year	-	-	-	612,849	612,849
Total comprehensive income for the year	-	-	-	(15,356,420)	(15,356,420)
Balance as at 31 December 2020	170,000,000	210,680,602	4,995,828	(16,140,559)	369,535,871

The accompanying notes are an integral part of the financial statements.

Thai Mui Corporation Public Company Limited and its subsidiaries

Cash flows statement

For the year ended 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
			(Restated)		
Cash flows from operating activities					
Loss before tax		(11,863,523)	(16,104,627)	(16,717,274)	(7,914,600)
Adjustments to reconcile loss before tax to					
net cash provided by (paid from) operating activities:					
Depreciation and amortisation	16, 17, 21	18,653,357	11,902,245	17,675,263	9,764,127
Allowance for expected credit losses	10	1,161,364	-	1,158,655	-
Allowance for doubtful debts	10	-	7,932,051	-	7,932,051
Inventory reduction cost to net realisable value	12	554,195	616,865	554,195	616,865
Provision for returned goods (Reversal)		(2,065,925)	629,630	(2,065,925)	629,630
Gain on price bargaining	15.2	-	(318,784)	-	-
Write-off withholding tax deducted at source		443,234	-	-	-
Provision for long-term employee benefits		2,633,042	4,427,382	2,502,405	4,259,708
Unrealised gain on exchange		(11,656)	(7,161)	(11,656)	(7,161)
Loss on disposal of equipment		18,254	166	18,254	166
Interest income		(926,962)	-	(926,962)	-
Interest expenses		7,418,163	3,313,586	5,987,458	3,521,388
Profit from operating activities before					
changes in operating assets and liabilities		16,013,543	12,391,353	8,174,413	18,802,174
Operating assets (increase) decrease					
Trade and other receivables		(45,957,656)	55,293,007	1,739,818	33,520,075
Inventories		61,149,579	20,635,409	23,912,926	20,545,330
Other current assets		2,096,243	-	1,428,800	-
Other non-current assets		447,880	(1,657,062)	(92,726)	(2,342,368)
Operating liabilities increase (decrease)					
Trade and other payables		(199,030)	(61,530,726)	604,309	(4,614,382)
Other current liabilities		962,529	-	-	-
Cash flows from operating activities		34,513,088	25,131,981	35,767,540	65,910,829
Employee benefits paid during the year		(196,987)	(875,340)	(196,987)	(875,340)
Cash paid for corporate income tax		(898,327)	(2,554,077)	(312,962)	(2,186,612)
Net cash flows from operating activities		33,417,774	21,702,564	35,257,591	62,848,877

The accompanying notes are an integral part of the financial statements.

Thai Mui Corporation Public Company Limited and its subsidiaries

Cash flows statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
			(Restated)		
Cash flows from investing activities					
(Increase) decrease in restricted bank deposits		234,036	(15,099,237)	234,036	(15,099,237)
Cash paid to provide short-term loans to related parties		-	-	-	(12,000,000)
Cash paid for acquisition in subsidiary		-	(15,911,318)	-	(22,200,000)
Acquisition of property, plant and equipment	16	(2,813,603)	(38,263,694)	(2,508,820)	(1,818,684)
Acquisition of intangible assets	17	-	(69,363)	-	(69,363)
Cash received from interest income		138,596	-	136,926	-
Net cash flows used in investing activities		(2,440,971)	(69,343,612)	(2,137,858)	(51,187,284)
Cash flows from financing activities					
Cash paid to settle short-term loans from					
financial institutions		-	(4,623,829)	-	(4,623,829)
Cash received from long-term loans from financial institutions		-	71,009,641	-	-
Cash paid to settle long-term loans from					
financial institutions	20	(50,000)	(200,000)	-	-
Cash received from short-term loan from related party	8	-	4,225,000	-	-
Cash paid to settle short-term loan from related party	8	-	-	(1,500,000)	-
Cash paid for short-term loans from related person		-	(16,133,883)	-	-
Cash paid for principal and interest of lease liabilities	21	(11,943,107)	-	(11,639,603)	-
Cash paid for lease liabilities		-	(5,959,198)	-	(5,647,674)
Dividend paid	29	-	(15,300,000)	-	(15,300,000)
Cash paid for interest expenses		-	(5,889,030)	-	(4,175,890)
Net cash flows from (used in) financing activities		(11,993,107)	27,128,701	(13,139,603)	(29,747,393)
Net increase (decrease) in cash and cash equivalents		18,983,696	(20,512,347)	19,980,130	(18,085,800)
Cash and cash equivalents at beginning of year		45,477,280	65,989,627	42,883,208	60,969,008
Cash and cash equivalents at end of year		64,460,976	45,477,280	62,863,338	42,883,208

Supplement disclosures of cash flows information

Non-cash item

Increase in lease liability for land and building	9,630,652	-	9,630,652	-
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The accompanying notes are an integral part of the financial statements.

Thai Mui Corporation Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

1. General information

1.1 The Company's general information

Thai Mui Corporation Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in retail and wholesales of iron ware, wire rope saw and pipe and provides loop wire rope and equipment installation and inspection and plumbing contractor project and construction of a water quality improvement business for shrimp farm. The registered office of the Company is at 759 Chareonkrung Road, Taladnoi, Sumphantawong, Bangkok. In addition, the Company's branches are as follows:

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 Rd., Tambon Plutaluang, Amphoe Sattaheep, Chonburi 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.

1.2 Coronavirus disease 2019 Pandemic

A second wave of the Coronavirus disease 2019 pandemic has slowed down the economic recovery and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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.

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Thai Mui Corporation Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries") (collectively as "the Group"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020 Percent	2019 Percent
Propoint Global Consultant Co., Ltd.	Providing elevator, crane inspection, iron ware and wire rope distribution, provide testing, technical analysis service, transportation	Thailand	100	100
Trend Asia Corporation Co., Ltd.	Distribution of equipment and machinery parts relating to environment and hire of a water quality improvement business for shrimp farm	Thailand	70	70

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

a) Financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised (revised 2019) and new 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. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

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

The impact of the adoption of these standards on the Group's financial statements is as follows.

- Recognition of credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 3 to the financial statements.

TFRS 16 Leases

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

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

The Group adopted this financial reporting standard of initial adoption of which the cumulative effect is recognised as an adjustment to the statement of financial position as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 3 to the financial statements.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic

The Federation of Accounting Professions announced Accounting Treatment Guidance on "Temporary Relief Measures for Accounting Alternatives in Response to the impact of the COVID-19 Pandemic". Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

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

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach and impairment of assets.

In the fourth quarter of 2020, the Group has assessed some of the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives with no significant impact on the Group's financial statements.

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

4. Effect of prior year adjustments of the financial statements

4.1 Cumulative impact of prior year adjustments of the financial statements

- a) As at 31 December 2019, the Company recorded the excess of cost of business combination over the fair value of the net assets acquired as goodwill amounting to Baht 23.8 million since the Company was in the process of assessing the fair values of identifiable assets acquired and liabilities assumed which was within the measurement period of twelve months from the acquisition dates pursuant to the period allowed by TFRS 3 Business Combination.

Subsequently in April 2020, the Company completed the assessment of the fair values of identifiable assets acquired and liabilities assumed and retrospectively adjusted the provisional amount recognised at the acquisition date. Such adjustment resulted the decrease in goodwill and the increase in intangible assets as the contract operation rights, deferred tax liabilities, gain on price bargaining and non-controlling interests of subsidiaries. The Company also retrospectively adjusted the amortisation of such intangible.

Therefore, the net loss for the year ended 31 December 2019 after retrospectively adjusted decreased by Baht 0.2 million.

- b) As at 31 December 2019, a subsidiary company under recorded the amortisation of prepaid expenses of Baht 0.2 million resulting in understatement of inventories – project in progress by Baht 0.1 million and understatement of net loss for the year ended 31 December 2019 by Baht 0.1 million.
- c) As at 31 December 2019, a subsidiary company has not recognised the transaction related to lease contract during the year 2019. Therefore, the Group retrospectively adjusted the related transaction by recording lease receivables, building and equipment (net), sales income, service income, interest income, cost of sales and cost of service. Such adjustments resulted the decrease in net loss of Baht 0.7 million for the year ended 31 December 2019 and non-controlling interests of subsidiaries increased by Baht 0.3 million.
- d) As at 31 December 2019, a subsidiary company under recognised inventories - project in progress amounting to Baht 98 million and over recognised building and equipment in the same amount. The retrospective adjustment had no effects on net loss for the year ended 31 December 2019.

The Group decided to retrospectively adjustment the consolidated statement of financial position as at 31 December 2019 and the consolidated statement of comprehensive income for the year ended 31 December 2019. The amounts of adjustment affecting the consolidated financial statements are summarised below.

	(Unit: Thousand Baht)
	Consolidated
	financial statements
	As at
	31 December 2019
Statement of financial position	
Decrease in trade and other receivables	(224)
Increase in lease receivable	15,423
Increase in inventories	98,081
Decrease in property, plant and equipment - net	(112,352)
Decrease in goodwill	(23,849)
Increase in intangible assets	43,308
Increase in deferred tax liabilities	(8,661)
Increase in unappropriated retained earnings	(872)
Increase in non-controlling interests of the subsidiaries	(10,854)

(Unit: Thousand Baht)

Consolidated
financial statements
For the year ended
31 December 2019

Statement of comprehensive income

Increase in sales income	(16,000)
Decrease in service income	669
Increase in intertest income	(92)
Increase in other income	(319)
Increase in cost of sales	15,812
Decrease in cost of service	(1,245)
Increase in finance cost	101
Increase in income tax income	(35)
Decrease in net loss	(1,109)
Increase in non-controlling interests of the subsidiaries	237
Decrease in basic loss per share (Baht)	(0.003)

Since the adjustments had no effect on the consolidated and separated statements of financial position as at 1 January 2019 and the separated statements of comprehensive income for the year ended 31 December 2019, the Group decided not to present such financial statements herein for comparative purpose.

4.2 Financial instruments

Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

(Unit: Thousand Baht)
Consolidated/Separate
financial statements

Recognition of an allowance for expected credit losses on financial assets increased - net income tax	612
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	612

5. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current year, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the statement of financial position at the beginning of 2020 of changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	The impacts of			
	Financial reporting			
31 December	standards related to			1 January 2020
2019	financial instruments	TFRS 16		
(Restated)				
Statement of financial position				
Assets				
Current assets				
Current investments	42	(42)	-	-
Trade and other receivables	83,141	(765)	-	82,376
Other current financial assets	-	42	-	42
Non-current assets				
Property, plant and equipment	83,268	-	(19,039)	64,229
Right-of-use assets	-	-	61,722	61,722
Deferred tax assets	6,523	153	-	6,676
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	63,246	-	(1,879)	61,367
Current portion of financial lease liabilities	4,499	-	(4,499)	-
Current portion of lease liabilities	-	-	8,820	8,820
Non-current liabilities				
Financial lease liabilities - net of current portion	9,431	-	(9,431)	-
Lease liabilities - net of current portion	-	-	49,147	49,147
Shareholders' equity				
Retained deficit	9,923	612	-	10,535

(Unit: Thousand Baht)

	Separate financial statements			
	The impacts of			1 January 2020
	31 December 2019 (Restated)	Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Current investments	10	(10)	-	-
Trade and other receivables	110,335	(765)	-	109,570
Other current financial assets	-	10	-	10
Non-current assets				
Property, plant and equipment	81,150	-	(17,729)	63,421
Right-of-use assets	-	-	60,412	60,412
Deferred tax assets	5,122	153	-	5,275
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	68,556	-	(1,879)	66,677
Current portion of financial lease liabilities	4,162	-	(4,162)	-
Current portion of lease liabilities	-	-	8,688	8,688
Non-current liabilities				
Financial lease liabilities - net of current portion	8,869	-	(8,869)	-
Lease liabilities - net of current portion	-	-	48,905	48,905
Shareholders' equity				
Retained deficit	172	612	-	784

5.1 Financial instruments

As at 1 January 2020, classifications and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amounts, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	The former carrying amounts	Classification and measurement in accordance with TFRS 9		
	(Restated)	Fair value through profit or loss	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	45,477	-	45,477	45,477
Current investments	42	-	42	42
Trade and other receivables	83,141	-	82,376	82,376
Restricted bank deposits	16,154	-	16,154	16,154
Total financial assets	144,814	-	144,049	144,049

(Unit: Thousand Baht)

	Separate financial statements			
	The former carrying amounts	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	42,883	-	42,883	42,883
Current investments	10	-	10	10
Trade and other receivables	110,335	-	109,570	109,570
Short-term loans to related parties	12,000	-	12,000	12,000
Restricted bank deposits	16,154	-	16,154	16,154
Total financial assets	181,382	-	180,617	180,617

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

5.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases that previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	74,448	74,448
Less: Short-term leases and leases of low-value assets	(170)	(170)
Less: Deferred interest expenses	(29,716)	(29,716)
Increase in lease liabilities due to TFRS 16 adoption	44,562	44,562
Liabilities under finance lease agreements as at 31 December 2019	13,930	13,031
Lease liabilities as at 1 January 2020	58,492	57,593
Weighted average incremental borrowing rate (<i>percent per annum</i>)	6.30	6.30
Comprise of:		
Current lease liabilities	9,025	8,688
Non-current lease liabilities	49,467	48,905
	58,492	57,593

6. Significant accounting policies

6.1 Revenue and expense recognition

Revenues from contracts with customers

The Group accounts for a contract with a customer when it has entered into an agreement between counter parties that creates enforceable rights and obligations. The Group has to identify its performance obligations and allocate a transaction price to each obligation on an appropriate basis.

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, net of value added tax ("VAT"). Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at a point in time.

The Group principally earns revenue are as follows:

Sales of goods

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

Rendering of services

Service revenue is recognised at a point in time upon completion of the service.

Sales under financial lease agreements

Lease receivables have been recorded based on the contractual value. The difference between the contractual value and the value equivalent to the cash price of the products is recognised as revenue based on the units of production method over the lease term.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

6.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

6.3 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories includes all production costs and attributable factory overheads.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

Project in progress is cost of project of which revenue has not yet been recognised. Project in progress is value at actual cost which are comprised the costs and fees of equipment, design and structure buildings and other expenses which directly related to projects.

6.4 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

6.5 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Buildings	-	20 years
Machinery and equipment	-	5 - 20 years
Furniture, fixtures and office equipment	-	3 - 5 years
Motor vehicles	-	5 years

Depreciation is included in determining income. No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

6.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

6.7 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Licenses	5 years
Patents	10 years
Computer software	5 years
Contractual right	Based on the physical unit-of-production method over their estimated commercial lives

6.8 Leases

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

The Group as a lessee

Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

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

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

Land and building	2 - 20 years
Machinery and equipment	10 years
Motor vehicles	5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Group as a lessor

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

6.9 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

6.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

6.11 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use asset and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

6.12 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

6.13 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

6.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

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

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

6.15 Financial instruments

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost. The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

6.16 Fair value measurement

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

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

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

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

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

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

7. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements 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.

Leases

Determining the lease term with extension and termination options – The Group as lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease classification - The Group as lessor

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

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

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.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is 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.

8. Related party transactions

During the year, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	For the year ended 31 December				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and service	-	-	3,476	21,607	With reference to market prices
Purchase of merchandise and service	-	-	6,189	21,639	With reference to market prices/ contract prices
Rental expenses	-	-	2,079	2,079	Contract prices
Interest income	-	-	870	570	7.25 percent per annum
Interest expenses	-	-	233	250	5.00 percent per annum
<u>Transactions with related companies</u>					
Sales of goods	204	272	204	272	With reference to market prices
Purchase of merchandise and service	-	462	-	462	With reference to market prices
Rental expenses	8,490	6,007	8,490	6,007	Contract prices
Other expenses	3,337	3,156	3,337	3,156	Contract prices

The balances of the accounts as at 31 December 2020 and 2019 between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<u>Trade receivables - related parties (Note 10)</u>				
Subsidiary companies	-	-	38,432	35,872
Related companies	115	118	115	118
Total trade receivables - related parties	115	118	38,547	35,990
<u>Other receivables - related parties (Note 10)</u>				
Subsidiary companies	-	-	7,115	1,924
Related companies	3,088	4,606	3,088	4,606
Subsidiary's shareholder and director	29	29	29	29
Total other receivables - related parties	3,117	4,635	10,232	6,559
<u>Prepaid expenses - related parties (Note 10)</u>				
Related companies	210	3,298	210	3,298
Total prepaid expenses - related parties	210	3,298	210	3,298
<u>Trade payables - related parties (Note 19)</u>				
Subsidiary companies	-	-	13,070	9,505
Related companies	1,091	1,091	1,091	1,091
Total trade payables - related parties	1,091	1,091	14,161	10,596
<u>Other payables - related parties (Note 19)</u>				
Subsidiary companies	-	-	-	39
Related companies	888	911	888	910
Subsidiary's shareholder and director	11,582	6,501	5,600	5,600
Total other payables - related parties	12,470	7,412	6,488	6,549
<u>Accrued expenses - related parties (Note 19)</u>				
Subsidiary companies	-	-	29	42
Related companies	801	2,613	801	2,512
Subsidiary's shareholder and director	201	197	-	-
Total accrued expenses - related parties	1,002	2,810	830	2,554

Loans to related parties and loan from related parties

As at 31 December 2020 and 2019, the balance of loans between the Company and those related companies and the movement are as follows:

Short-term loan to related party

(Unit: Thousand Baht)

		Separate financial statements			
Short-term loan to subsidiary	Related by	Balance as at	During the year		Balance as at
		31 December 2019	Increase	Decrease	31 December 2020
Trend Asia Corporation Co., Ltd.	Subsidiary	12,000	-	-	12,000
Total short-term loan to subsidiary		12,000	-	-	12,000

Short-term loan from related parties

(Unit: Thousand Baht)

		Consolidated financial statements			
Short-term loan from related parties (with no interest charged)	Related by	Balance as at	During the year		Balance as at
		31 December 2019	Increase	Decrease	31 December 2020
Subsidiary's director and shareholder	Related person	3,450	-	-	3,450
Subsidiary's shareholders	Related person	775	-	-	775
Total short-term loan from related parties		4,225	-	-	4,225

(Unit: Thousand Baht)

		Separate financial statements			
Short-term loan from subsidiary	Related by	Balance as at	During the year		Balance as at
		31 December 2019	Increase	Decrease	31 December 2020
Propoint Global Consultant Co., Ltd.	Subsidiary	5,000	-	(1,500)	3,500
Total short-term loan from subsidiary		5,000	-	(1,500)	3,500

Directors and management's benefits

For the year ended 31 December 2020 and 2019, the Group had employee benefit expenses of their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	16,323	15,852	13,192	12,852
Post-employment benefits	1,062	794	951	697
Total	17,385	16,646	14,143	13,549

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 30.3 to the financial statements.

9. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Cash	175	184	170	174
Bank deposits	64,123	45,151	62,530	42,567
Fixed deposits with maturity of three-months	163	142	163	142
Total cash and cash equivalent	64,461	45,477	62,863	42,883

As at 31 December 2020, bank deposits in saving accounts and fixed deposits carried interests between 0.05 to 0.25 percent per annum (31 December 2019: between 0.13 to 0.50 percent per annum).

10. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	(Restated)			
<u>Trade receivables - related parties</u> (Note 8)				
Aged on the basis of due dates				
Not yet due	7	112	93	150
Past due				
Up to 3 months	66	6	66	5,819
3 - 6 months	18	-	2,529	15,073
6 - 12 months	24	-	24	14,948
Over 12 months	-	-	35,835	-
Total trade receivables - related parties	115	118	38,547	35,990
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	32,854	44,436	31,589	43,401
Past due				
Up to 3 months	13,772	11,832	12,588	11,280
3 - 6 months	268	1,969	268	1,968
6 - 12 months	1,139	1,165	968	1,165
Over 12 months	5,081	4,851	4,975	4,754
Total trade receivables - unrelated parties	53,114	64,253	50,388	62,568
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful debts)	(6,452)	(5,291)	(6,352)	(5,194)
Total trade receivables - unrelated parties, net	46,662	58,962	44,036	57,374
Total trade receivables - net	46,777	59,080	82,583	93,364
<u>Other receivables</u>				
Other receivables - related parties (Note 8)	3,117	4,635	10,232	6,559
Other receivables - unrelated parties	28,577	11,873	19,952	11,095
Prepaid expenses - related parties (Note 8)	210	3,298	210	3,298
Prepaid expenses - unrelated parties	1,661	3,147	1,098	2,658
Vat refundable	7,745	7,747	-	-
Total	41,310	30,700	31,492	23,610
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(6,639)	(6,639)	(6,639)	(6,639)
Total other receivables - net	34,671	24,061	24,853	16,971
Total trade and other receivables - net	81,448	83,141	107,436	110,335

Set out below is the movement in the allowance for expected credit losses of loans to related parties and accrued interest receivables.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
As at 1 January 2020	11,930	11,833
Increase in provision for expected credit losses	1,161	1,158
As at 31 December 2020	13,091	12,991

11. Lease receivables

Term of lease receivables are 5 years on average and payable installments, with interest charged based on unit of production throughout contracts. As at 31 December 2020 and 2019, lease receivables are as follows.

(Unit: Thousand Baht)

	2020	2019 (Restated)
Lease receivable	61,912	15,423
Less: current portion	(14,158)	(3,539)
Lease receivable - net of current portion	47,754	11,884

12. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019 (Restated)	2020	2019	2020	2019 (Restated)
Finished goods	181,541	206,450	(3,390)	(2,835)	178,151	203,615
Project in progress	59,528	96,764	-	-	59,528	96,764
Raw materials	1,127	131	-	-	1,127	131
Total	242,196	303,345	(3,390)	(2,835)	238,806	300,510

(Unit: Thousand Baht)

.	Separate financial statements					
	Reduce cost to net					
	Cost		realisable value		Inventories - net	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Finished goods	181,541	206,450	(3,390)	(2,835)	178,151	203,615
Raw materials	1,127	131	-	-	1,127	131
Total	182,668	206,581	(3,390)	(2,835)	179,278	203,746

During the current year, the Group reduced cost of inventories by Baht 0.6 million (2019: Baht 0.6 million) (The Company only: Baht 0.6 million and 2019: Baht 0.6 million), to reflect the net realisable value. This was included in cost of sales.

As at 31 December 2020, the Group had an outstanding balance of project in progress amounting to Baht 59.5 million (2019: Baht 96.8 million). The project in progress has been financed with a loan from a financial institution. Borrowing costs amounting to Baht 2.5 million were capitalised during the year ended 31 December 2020 (2019: Baht 2.3 million). The rate of 5.125 percent to 6.650 percent per annum have been used to determine the amount of borrowing costs eligible for capitalisation (2019: 6.650 percent to 6.775 percent per annum).

13. Other financial current assets

As at 31 December 2020, the Group has other financial current assets (debt instruments at amortised cost) which were fixed deposits at a bank. The fixed deposits carried interest at 0.20 percent and 0.60 percent per annum and will be matured within 2021. (31 December 2019: 0.70 percent and 1.05 percent per annum)

14. Restricted bank deposits

As at 31 December 2020, restricted bank deposits were fixed deposits amounting to Baht 15.9 million (31 December 2019: Baht 16.2 million) that the Company has pledged with two banks to secure long-term loan from financial institutions of a subsidiary and to guarantee contractual performance and others, as described in Note 20 and Note 30.3 to the financial statements.

15. Investments in subsidiaries

15.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the years	
	2020	2019	2020	2019	2020	2019	2020	2019
			(percent)	(percent)				
Propoint Global Consultant Co., Ltd.	17,000	17,000	100	100	17,000	17,000	-	-
Trend Asia Corporation Co., Ltd	7,000	7,000	70	70	27,800	27,800	-	-
Total					44,800	44,800	-	-

15.2 The meeting of the Board of Directors No.3/2019 of the Company passed a resolution approving the Company to invest in a water quality improvement business for shrimp farms through the acquisition of 175,000 ordinary shares of Trend Asia Corporation Co., Ltd., representing a 70% interest in that company, from its existing shareholders, totaling Baht 21.6 million.

On 30 April 2019, the Company entered into an agreement to purchase ordinary shares of Trend Asia Corporation Co., Ltd. from the existing shareholders of that company in accordance with the resolution of the meeting of the Board of Director of the Company. The Company had made a partial payment for share subscription of Baht 16 million. The remainder of Baht 5.6 million for the acquisition of investment in subsidiary company is presented as share payable in the separate financial statements.

The Company assessed the fair values of identifiable assets acquired and liabilities assumed as at the date of acquisition of Trend Asia Corporation Co., Ltd. The assessment was completed in April 2020 and within the measurement period of 12 months from the acquisition date, in accordance with Thai Financial Reporting Standard No. 3. During the measurement period, the Company obtained additional information on the fair values of some of the assets and liabilities, and restated the consolidated statement of financial position as at 31 December 2019 and the consolidated statements of comprehensive income for the year ended 31 December 2019, presented as comparative information, to reflect the fair values of the identifiable assets acquired and liabilities assumed of Trend Asia Corporation Co., Ltd. as from the acquisition date. The amounts of the adjustments are as follows:

(Unit: Thousand Baht)
Consolidated financial
statements
As at
31 December 2019

Statement of financial position

Decrease in goodwill	(23,849)
Increase in intangible assets	43,482
Increase in deferred tax liabilities	(8,696)
Increase in unappropriated retained earnings	(319)
Increase in non-controlling interests of the subsidiaries	(10,618)

(Unit: Thousand Baht)
Consolidated financial
statements
For the year ended
31 December 2019

Statement of comprehensive income

Increase in other income	(319)
Decrease in net loss	(319)
Decrease in basic loss per share (Baht)	(0.001)

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life on the units of production method and tested for impairment whenever there is an indication that the intangible asset may be impaired.

The adjustments had no effect to the consolidated and separated statements of financial position as at 1 January 2019 and the separated statements of comprehensive income for the year ended 31 December 2019, as described in Note 4 to the financial statements.

The fair values of the identifiable assets acquired and liabilities assumed from Trend Asia Corporation Co., Ltd. as at the acquisition date were as follows:

	(Unit: Thousand Baht)
Cash and cash equivalents	89
Trade and other receivables	5,061
Plant and equipment	74,689
Intangible assets (Contractual)	43,482
Other non-current assets	79
Trade and other payables	(67,111)
Short-term loans from related person	(16,134)
Provision for long-term employee benefits	(146)
Deferred tax liabilities	(8,696)
Net assets	31,313
Shareholding percentage	70%
Fair values of net assets	21,919
Consideration transferred	21,600
Gain on price bargaining	319

15.3 Under the Share Purchase Agreement as described in Note 15.2 to the financial statements, the Company agrees that the revenue after deducting expenses from complete and pending work, trade receivables, accrued revenue and work in process, which is related to the previous business (the procurements and the installation of Static Mixer), belongs to the existing shareholder. The existing shareholder is solely responsible for expenses and payables related to such business.

Subsequently, the subsidiary received a letter from a customer to dismantle and remove all works from the premises. The subsidiary notified the Contractor to proceed. Currently, the dismantling and removal of the works were completed. From such event, there is a substantial doubt about uncollectibility of trade receivable and demand for damages.

As at 31 December 2020, the Group management believes that there will be no impact of such event because it is an obligation of the existing shareholder. The subsidiary will eliminate the transactions related to such business when the subsidiary can assure that there will be no impact of such event. However, the transactions related to the business were excluded from the consolidated financial statements for the year ended 31 December 2020 and 2019.

16. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							Total
	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Water quality improvement system	Assets under installation and under construction	
Cost amount:								
1 January 2019	32,764	26,104	41,071	16,875	53,755	-	184	170,753
Additions	-	705	336	1,062	6,315	424	36,300	45,142
Disposals	-	(43)	-	(3)	-	-	-	(46)
Transfers in (Transfer out)	-	39	-	-	-	14,458	(14,497)	-
Increase from acquisition in subsidiary	-	-	-	38	-	-	76,967	77,005
31 December 2019 - as previously reported	32,764	26,805	41,407	17,972	60,070	14,882	98,954	292,854
Adjustment of prior year	-	-	-	-	-	(14,882)	(98,889)	(113,771)
31 December 2019 - as restated	32,764	26,805	41,407	17,972	60,070	-	65	179,083
Adjustments due to TFRS 16 adoption (Note 5)	-	-	(8,438)	-	(17,363)	-	-	(25,801)
1 January 2020	32,764	26,805	32,969	17,972	42,707	-	65	153,282
Additions	-	8	1,083	571	360	-	791	2,813
Disposals	-	-	-	(306)	-	-	-	(306)
Transfers in (Transfer out)	-	496	212	148	-	-	(856)	-
31 December 2020	32,764	27,309	34,264	18,385	43,067	-	-	155,789
Accumulated depreciation:								
1 January 2019	-	14,652	21,227	12,489	37,534	-	-	85,902
Depreciation for the year	-	1,321	2,699	1,909	4,017	1,419	-	11,365
Depreciation on disposals	-	(43)	-	(3)	-	-	-	(46)
Increase from acquisition in subsidiary	-	-	-	13	-	-	-	13
31 December 2019 - as previously reported	-	15,930	23,926	14,408	41,551	1,419	-	97,234
Adjustment of prior year	-	-	-	-	-	(1,419)	-	(1,419)
31 December 2019 - as restated	-	15,930	23,926	14,408	41,551	-	-	95,815
Adjustments due to TFRS 16 adoption (Note 5)	-	-	(1,218)	-	(5,544)	-	-	(6,762)
1 January 2020	-	15,930	22,708	14,408	36,007	-	-	89,053
Depreciation for the year	-	1,385	1,876	1,462	1,042	-	-	5,765
Depreciation on disposals	-	-	-	(288)	-	-	-	(288)
31 December 2020	-	17,315	24,584	15,582	37,049	-	-	94,530
Net book value:								
31 December 2019 - as restated	32,764	10,875	17,481	3,564	18,519	-	65	83,268
31 December 2020	32,764	9,994	9,680	2,803	6,018	-	-	61,259
Depreciation for the year								
2019 (Bah 3.5 million included in manufacturing cost, and the balance in selling and administrative expenses)								9,946
2020 (Bah 2.2 million included in manufacturing cost, and the balance in selling and administrative expenses)								5,765

(Unit: Thousand Baht)

	Separate financial statements						
		Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost amount:							
1 January 2019	32,764	26,090	40,245	15,612	48,077	39	162,827
Additions	-	500	238	895	6,315	65	8,013
Disposals	-	(43)	-	(3)	-	-	(46)
Transfers in (Transfer out)	-	39	-	-	-	(39)	-
31 December 2019	32,764	26,586	40,483	16,504	54,392	65	170,794
Adjustments due to TFRS 16 adoption (Note 5)	-	-	(8,438)	-	(15,610)	-	(24,048)
1 January 2020	32,764	26,586	32,045	16,504	38,782	65	146,746
Additions	-	8	817	533	360	791	2,509
Disposals	-	-	-	(306)	-	-	(306)
Transfers in (Transfer out)	-	496	212	148	-	(856)	-
31 December 2020	32,764	27,090	33,074	16,879	39,142	-	148,949
Accumulated depreciation:							
1 January 2019	-	14,652	20,598	11,454	33,756	-	80,460
Depreciation for the year	-	1,320	2,627	1,736	3,546	-	9,229
Depreciation on disposals	-	(43)	-	(3)	-	-	(46)
31 December 2019	-	15,929	23,225	13,187	37,302	-	89,643
Adjustments due to TFRS 16 adoption (Note 5)	-	-	(1,217)	-	(5,102)	-	(6,319)
1 January 2020	-	15,929	22,008	13,187	32,200	-	83,324
Depreciation for the year	-	1,376	1,808	1,321	1,043	-	5,548
Depreciation on disposals	-	-	-	(288)	-	-	(288)
31 December 2020	-	17,305	23,816	14,220	33,243	-	88,584
Net book value:							
31 December 2019	32,764	10,657	17,257	3,317	17,090	65	81,151
31 December 2020	32,764	9,785	9,258	2,659	5,899	-	60,365
Depreciation for the year							
2019 (Bah 3 million included in manufacturing cost, and the balance in selling and administrative expenses)							9,229
2020 (Bah 2.2 million included in manufacturing cost, and the balance in selling and administrative expenses)							5,547

As at 31 December 2020, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 74.2 million (2019: Baht 68.8 million) (the Company only: Baht 68.8 million, 2019: Baht 63.5 million).

As at 31 December 2020, the Company has pledged its land amounting to Bah 32.8 million (31 December 2019: Baht 32.8 million) as collateral against credit facilities received from financial institutions.

17. Intangible assets

The net book value of intangible assets as at 31 December 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements		
	Patents and licenses	Computer software	Contractual right	Total	Patents and licenses	Computer software	Total
As at 31 December 2020							
Cost	3,214	616	43,482	47,312	3,186	616	3,802
Less: Accumulated amortisation	(2,585)	(616)	(630)	(3,831)	(2,558)	(616)	(3,174)
Net book value	629	-	42,852	43,481	628	-	628
As at 31 December 2019							
Cost	3,214	616	43,482	47,312	3,186	616	3,802
Less: Accumulated amortisation	(2,186)	(526)	(174)	(2,886)	(2,159)	(526)	(2,685)
Net book value	1,028	90	43,308	44,426	1,027	90	1,117

A reconciliation of the net book value of intangible assets for the years 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(Restated)			
Net book value at beginning of year	44,426	1,587	1,117	1,583
Increase	-	43,551	-	69
Amortisation for the year	(945)	(712)	(489)	(535)
Net book value at end of year	43,481	44,426	628	1,117

18. Short-term loans from financial institutions

As at 31 December 2020, the Company has short-term loans from financial institution amounting to Baht 32 million carried interests MLR -1.00 percent per annum (31 December 2019: Baht 32 million).

19. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Trade payables - related parties (Note 8)	1,091	1,091	14,161	10,596
Trade payables - unrelated parties	41,769	30,744	41,646	33,071
Other payables - related parties (Note 8)	12,470	7,412	6,488	6,549
Other payables - unrelated parties	6,138	7,161	3,387	3,701
Accrued expenses - related parties (Note 8)	1,002	2,810	830	2,554
Accrued expenses - unrelated parties	7,363	12,057	6,666	10,263
Vat payable	984	1,475	802	1,327
Dividend payable	888	495	888	495
Total trade and other payables	71,705	63,245	74,868	68,556

20. Long-term loan from financial institution/current portion of long-term loan

The detail of long-term loans from financial institutions as at 31 December 2020 and 2019 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2020	2019
Long-term loans from financial institution	70,760	70,810
Less: current portion	(12,584)	(16,998)
Long-term loans from financial institution - net of current portion	58,176	53,812

Movement in the long-term loans account the year ended 31 December 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
Balance as at 31 December 2019	70,810	
Less: Repayment	(50)	
Balance as at 31 December 2020	70,760	

During the year 2019, a subsidiary entered into a credit facility agreement with a financial institution, with total credit facility of Baht 125 million. The long-term loan facility of Baht 71 million was drawn down by the subsidiary. The loan bears interest at the rate of MLR per annum throughout the loan period and the principal is repayable with interest on a monthly basis in 50 installments. The first installment with an interest was paid in September 2019.

During the current year, the Subsidiary entered into a revised memorandum with the bank to extend the repayment period of such loan with January 2025 and to change the interest rate from MLR per annum to MLR - 1.00 percent per annum from July 2020 onwards.

The credit facilities of the Subsidiary were guaranteed by a fixed deposit of the Company as described in Note 14 and Note 30.3 to the financial statements, and the transfer of the subsidiary's collection right under the agreements between the subsidiary and a company.

The loan agreement contains several covenants which, among other things, require the Subsidiary to maintain debt service coverage ratio and debt-to-equity ratio at the rate prescribed in the agreements.

As at 31 December 2020, the long-term credit facility of the subsidiary that has not been drawn down amounted to Baht 54 million (31 December 2019: Baht 54 million).

21. Leases

21.1 The Group as a lessee

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 2 to 20 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	Land and building	Machinery	Motor vehicles	Total
As at 1 January 2020	42,683	7,220	11,819	61,722
Increase	9,630	-	-	9,630
Depreciation for the year	(8,185)	(794)	(2,964)	(11,943)
As at 31 December 2020	44,128	6,426	8,855	59,409

	(Unit: Thousand Baht)			
	Separate financial statements			
	Land and building	Machinery	Motor vehicles	Total
As at 1 January 2020	42,683	7,220	10,509	60,412
Increase	9,630	-	-	9,630
Depreciation for the year	(8,185)	(794)	(2,661)	(11,640)
As at 31 December 2020	44,128	6,426	7,848	58,402

b) Lease liabilities

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Lease payments	83,267	82,686
Less: Deferred interest expenses	(25,899)	(25,880)
Total	57,368	56,806
Less: Portion due within one year	(12,015)	(11,664)
Lease liabilities - net of current portion	45,353	45,142

A maturity analysis of lease payments is disclosed in Note 31.2 under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)	
	For the year ended 31 December 2020	
	Consolidated financial statements	Separate financial statements
Depreciation expense of right-of-use assets	11,943	11,640
Interest expense on lease liabilities	519	489
Expense relating to short-term leases	1,186	3,265
Expense relating to leases of low-value assets	20	20

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 13.1 million, including the cash outflow related to short-term lease and leases of low-value assets.

21.2 Group as a lessor

The Company has entered into operating leases for office for rent which the lease terms are between 1 and 10 years.

As at 31 December 2020 and 2019, the Company has future minimum rentals receivable under non-cancellable operating leases amounting to Baht 0.2 Million (2019: Baht 0.2 million).

During 2020 the Company has sub-lease income amounting to Baht 0.2 Million (2019: Baht 0.2 million).

22. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Provision for long-term employee benefits at beginning of year	14,541	10,281	13,847	9,799
Included in profit or loss:				
Current service cost	2,437	1,922	2,318	1,827
Interest cost	195	271	184	259
Past service costs and gains or losses on settlement	-	2,234	-	2,174
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	677	-	677	-
Financial assumptions changes	862	708	818	663
Experience adjustments	(2,278)	-	(2,261)	-
Benefits paid during the year	(197)	(875)	(197)	(875)
Provision for long-term employee benefits at end of year	16,237	14,541	15,386	13,847

The Group expects to pay Baht 0.73 million of long-term employee benefits during the next year (2019: Baht 0.41 million) (the Company only: Baht 0.73 million (2019: Baht 0.21 million)).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 6.74 - 7.42 years (2019: 5.78 - 8.87 years) (the Company only: 7.42 years (2019: 8.87 years)).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	1.41 - 1.56	1.44 - 1.52	1.41	1.44
Salary increase rate	5	5	5	5
Turnover rate	0 - 31	0 - 31	0 - 31	0 - 31

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

(Unit: million Baht)

	2020			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1.23)	1.42	(1.18)	1.34
Salary increase rate	1.31	(1.16)	1.25	(1.11)
Turnover rate	(1.34)	0.95	(1.27)	0.89

(Unit: million Baht)

	2019			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1.01)	1.17	(0.95)	1.1
Salary increase rate	1.35	(1.19)	1.27	(1.12)
Turnover rate	(1.1)	0.78	(1.04)	0.72

23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

During the year ended 31 December 2019, the Company Board of Director Meeting on 10 July 2019, approved to set aside an additional statutory reserve of Baht 1.1 million.

24. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Purchase of merchandise	124,213	172,071	123,019	171,910
Salaries and wages and other employee benefits	82,667	85,088	71,597	73,574
Depreciation	18,653	11,902	17,675	9,764
Consultant fee	4,500	4,585	7,500	7,785
Rental fee	1,186	2,377	1,186	2,377

25. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements	Separate financial statements	2020	2019
	2020	2019	2020	2019
	(Restate)			
Current income tax:				
Current income tax charge	293	1,694	-	1,326
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,166)	(3,369)	(748)	(2,516)
Income tax expense reported in profit or loss	(873)	(1,675)	(748)	(1,190)

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements	Separate financial statements	2020	2019
	2020	2019	2020	2019
Deferred tax on actuarial gains (losses)	148	(142)	153	(133)
	148	(142)	153	(133)

The reconciliation between accounting loss and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated financial statements	Separate financial statements	2020	2019
	2020	2019	2020	2019
	(Restated)			
Accounting loss before tax	(11,864)	(16,105)	(16,717)	(7,915)
Applicable tax rate	20%	20%	20%	20%
Accounting loss before tax multiplied by income tax rate	(2,373)	(3,221)	(3,343)	(1,583)
Effects of:				
Non-deductible expenses	584	1,559	492	1,046
Addition expense deduction allowed	(1,798)	(13)	(631)	(653)
Others	(20)	-	-	-
Total	(1,234)	1,546	(139)	(393)
Unrecognised tax losses as deferred tax assets	2,734	-	2,734	-
Income tax income reported in profit or loss	(873)	(1,675)	(748)	(1,190)

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

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(Restated)			
Deferred tax assets				
Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	1,090	917	1,070	917
Allowance for diminution in value of inventories	678	567	678	567
Unused tax losses	1,042	810	-	-
Provision for long-term employee benefits	3,247	3,396	3,077	2,769
Lease	654	387	654	387
Others	891	445	391	482
Total	7,602	6,522	5,870	5,122
Deferred tax liabilities				
Contractual right	(8,570)	(8,661)	-	-
Total	(8,570)	(8,661)	-	-

As at 31 December 2020, the Company has deductible temporary differences and unused tax losses totaling Baht 13.7 million (2019: Nil), on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses. Such unused tax losses will expire by 2024.

26. Loss per share

Basic loss per share is calculated by dividing loss for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

27. Segment information

For management purposes, the Group is organised into business units based on its products and services and have two reportable segments as follows:

- **Sale and services**
Sales of wire rope and lifting equipment including replacement and installation and provide technical inspection, testing and analysis equipment.
- **Projects**
The project segment consists of a water quality assessment through the Ultrafiltration system and the ozone system for shrimp farms.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Group's operating segments for the year ended 31 December 2020 and 2019

(Unit: Thousand Baht)

	For the year ended 31 December							
	Sales and services		Projects		Adjustments and eliminating		Consolidated financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Restated)		(Restated)		(Restated)		(Restated)	
Revenue from sales, services								
Revenue from external customers	328,226	348,202	-	9,211	-	-	328,226	357,413
Revenue from related parties	9,171	9,187	2,578	21,569	(11,454)	(30,085)	295	671
Cost of sales and services	(207,432)	(215,589)	(3,461)	(29,647)	2,977	20,654	(207,916)	(224,582)
Gross profit	<u>129,965</u>	<u>141,800</u>	<u>(883)</u>	<u>1,133</u>	<u>(8,477)</u>	<u>(9,431)</u>	<u>120,605</u>	<u>133,502</u>
Other income							922	2,584
Selling and distribution expenses							(31,971)	(36,825)
Administrative expenses							(94,002)	(111,951)
Finance cost							(7,418)	(3,414)
Income tax income							873	1,675
Non-controlling interests of the subsidiaries							(1,199)	163
Loss for the year							<u>(12,190)</u>	<u>(14,266)</u>

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	328,521	348,873	268,276	319,855
Revenue recognised over time	-	9,211	2,578	30,780
Total revenue from contracts with customers	<u>328,521</u>	<u>358,084</u>	<u>270,854</u>	<u>350,635</u>

Geographic information

The Group operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customer

For the year 2020 and 2019, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

28. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contribute to the fund monthly at the rate of 2 percent of basic salary. The fund, which is managed by TISCO provident fund, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to approximately Baht 1.7 million (2019: Baht 1.7 million) were recognised as expenses.

29. Dividends

Approved by		Total dividends (Million Baht)	Dividend per share (Baht)	Paid on
2020				
The Company had no dividend payment for the year ended 31 December 2020.				
2019				
Interim dividend paid on earnings	Board of Director Meeting			
as at 31 March 2019	on 10 July 2019	15.3	0.045	9 August 2019
Total dividends paid for the				
year ended 31 December 2019		15.3	0.045	

30. Commitments and contingent liabilities

The Group has commitments and contingent liabilities other than those disclosed in other notes as follows:

30.1 Operating lease commitments

The Group has entered into several lease agreements in respect of office building space and motor vehicles. The terms of the agreements are generally between 1 and 10 years.

As at 31 December 2020, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	(Unit: Million Baht)
	Consolidated/ Separate financial statements
Payable:	
In up to 1 year	1.2
In over 1 and up to 5 years	0.1
In over 5 years	0.1

30.2 Service commitments

The Company entered into service agreements with various companies with respect to consultation, security and other services related to the Company's business. The term of the service agreements was not over 1 year. The Company is obliged to pay a monthly fixed service fees at the rates as stipulated in the agreements.

As at 31 December 2020, the Company has future minimum payments required under these service agreements amounting to Baht 4.4 million (31 December 2019: Baht 4 million).

30.3 Guarantees

As at 31 December 2020, the Company has outstanding guarantees as follows.

- The Company has guaranteed bank credit facility of its subsidiary amounting to Baht 125 million (31 December 2019: Baht 125 million).
- The Company has bank guarantees of Baht 15 million (31 December 2019: Baht 15 million) issued by bank on behalf of the Company in respect of credit facility of its subsidiary as described in Note 20 to the financial statements.
- The Company has bank guarantees of Baht 0.3 million (31 December 2019: Baht 0.6 million) issued by bank on behalf of the Company in respect of contractual performance, among others.

31. Financial instruments

Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

31.1 Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables and contract assets

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables and contract assets are regularly monitored. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, the Group considers the value of outstanding trade receivables and write off trade receivables that are past due more than one year or subjected to enforcement activity in case debt collection process by the Group is final.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

31.2 Market risk

There are two types of market risk comprising interest rate risk and currency risk.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its bank overdrafts and long-term loans. The Group's financial assets and liabilities which have bear floating interest rates or fixed interest rates which are close to the market rate. As at 31 December 2020, the Group's exposure to interest rate changes is not material.

The Group manages its interest rate risk by obtain variety sources of funds which bear fixed or floating interest rate at appropriate level.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2020							
Fixed interest rates							Effective interest rate (% per annum)
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total		
<u>Financial Assets</u>							
Cash and cash equivalent	-	-	-	64.28	0.18	64.46	0.05 - 0.25
Trade and other receivables	-	-	-	-	81.45	81.45	-
Restricted bank deposits	-	-	-	15.92	-	15.92	0.20 - 0.25
	-	-	-	80.20	81.63	161.83	
<u>Financial liabilities</u>							
Bank overdrafts and short-term							
loans from financial institutions	-	-	-	32.00	-	32.00	MLR-1
Trade and other payables	-	-	-	-	71.70	71.70	-
Short-term loans from related							
parties	-	-	-	-	4.23	4.23	-
Long-term loans	-	-	-	70.76	-	70.76	MLR-1
	-	-	-	102.76	75.93	178.99	

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2019						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate
							(% per annum)
<u>Financial Assets</u>							
Cash and cash equivalent	-	-	-	45.30	0.18	45.48	0.13 - 0.50
Trade and other receivables	-	-	-	-	83.14	83.14	-
Deposits at bank with restrictions	-	-	-	16.15	-	16.15	0.65 - 0.90
	-	-	-	61.45	83.32	144.77	
<u>Financial liabilities</u>							
Bank overdrafts and short-term							
loans from financial institutions	-	-	-	32.00	-	32.00	MLR
Trade and other payables	-	-	-	-	63.25	63.25	-
Short-term loans from related							
parties	-	-	-	-	4.23	4.23	-
Long-term loans	-	-	-	70.81	-	70.81	MLR
	-	-	-	102.81	67.48	170.29	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2020							
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate
							(% per annum)
<u>Financial Assets</u>							
Cash and cash equivalent	-	-	-	62.69	0.17	62.86	0.05 - 0.25
Trade and other receivables	-	-	-	-	107.44	107.44	-
Short-term loans to related parties	12.00	-	-	-	-	12.00	7.25
Restricted bank deposits	-	-	-	15.92	-	15.92	0.20 - 0.25
	12.00	-	-	78.61	107.61	198.22	
<u>Financial liabilities</u>							
Bank overdrafts and short-term loans from financial institutions	-	-	-	32.00	-	32.00	MLR-1
Trade and other payables	-	-	-	-	74.87	74.87	-
Short-term loans from related parties	3.50	-	-	-	-	3.50	5.00
	3.50	-	-	32.00	74.87	110.37	

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2019						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate
							(% per annum)
<u>Financial Assets</u>							
Cash and cash equivalent	-	-	-	42.71	0.17	42.88	0.13 - 0.50
Trade and other receivables	-	-	-	-	110.34	110.34	-
Short-term loans to related parties	12.00	-	-	-	-	12.00	7.25
Deposits at bank with restrictions	-	-	-	16.15	-	16.15	0.65 - 0.90
	12.00	-	-	58.86	110.51	181.37	
<u>Financial liabilities</u>							
Bank overdrafts and short-term							
loans from financial institutions	-	-	-	32.00	-	32.00	MLR
Trade and other payables	-	-	-	-	68.56	68.56	-
Short-term loans from related							
parties	5.00	-	-	-	-	5.00	5.00
	5.00	-	-	32.00	68.56	105.56	

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies.

As at 31 December 2020 and 2019, the balances of financial liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated		Separate		Exchange rate as at	
	financial statements		financial statements			
	2020	2019	2020	2019	2020	2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Financial liabilities						
US dollar	0.2	0.1	0.1	0.1	30.2068	30.3313
US dollar	0.1	-	0.1	-	37.2578	34.0846

Foreign currency sensitivity

As at 31 December 2020 and 2019, the Group's exposure to foreign currency changes is not material.

31.3 Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. The Group has assessed the concentration of risk with respect to refinancing its debt and conclude it to be low. The Group has access to sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with exiting lender.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Bank overdrafts and short-term loans					
from financial institutions	-	32,000	-	-	32,000
Trade and other payables	-	71,705	-	-	71,705
Short-term loans from related parties	-	4,225	-	-	4,225
Lease liabilities	-	12,015	45,353	-	57,368
Long-term loans	-	12,584	58,176	-	70,760
Total	-	135,529	103,529	-	236,058

(Unit: Thousand Baht)

	Separate financial statements				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Bank overdrafts and short-term loans					
from financial institutions	-	32,000	-	-	32,000
Trade and other payables	-	74,868	-	-	74,868
Short-term loans from related parties	-	3,500	-	-	3,500
Lease liabilities	-	11,664	45,142	-	56,806
Total derivatives	-	122,032	45,142	-	167,174

31.4 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

32. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 0.69:1.00 (2019: 0.54:1) and the Company's was 0.50:1.00 (2019: 0.35:1).

33. Reclassification

Certain amounts in the Group's financial position statement for the year ended 31 December 2019 have been reclassified to conform to the current year's classification, as shown in the statement of financial position are as follows

			(Unit: Thousand Baht)	
	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Cash and cash equivalents	45,477	45,519	42,883	42,893
Current investments	42	-	10	-
Trade and other receivables	83,366	78,589	110,335	105,712
Unbilled work under installation value	-	-	-	1,379
Assets resulting from the contract assets	-	104	-	104
Trade and other non-current receivables	-	38	-	35
Other non-current assets	5,413	5,184	3,679	3,380
Short-term loans from financial institutions	32,000	31,831	32,000	31,831
Trade and other payables	62,315	61,014	68,556	67,310
Liabilities resulting from the contract	-	976	-	976
Current portion of liabilities under finance lease agreements	4,499	4,294	4,162	3,970
Other current liabilities	2,744	-	2,744	-
Trade and other non-current payables	-	324	-	270
Long-term loans from financial institution - net of current portion	53,812	52,387	-	-
Liabilities under finance lease agreements - net of current portion	9,431	9,111	8,869	8,570

The reclassifications had no effect to previously reported loss or shareholders' equity.

34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 1 March 2021.

THAIMUI

WE UNDERSTAND

บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)

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