



Thai Textile Industry Public Company Limited

FORM 56-1 ONE REPORT

Annual Registration Statement / Annual Report

Ending 31 December 2021

Investors can obtain additional information of the Annual Company Information filing from

www.sec.or.th and www.tti.co.th

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MESSAGE FROM THE BOARD OF DIRECTORS

Thai economic expanded approximately 1.6% in 2021, as a strong recovery in exports being the main factor. This turnaround followed a 6.2% contraction recorded in 2020 as a result of the COVID-19 pandemic. The virus continued to ravage the economy by reducing private consumption and necessitating business lock downs and travel curbs. Global economic recovery stimulated demand for Thai exports.

Our economic growth in 2022 is expected to be 3.5 – 4.0% due to recovery of business activities and purchasing power. Private investment will continue to rise. Tourism on the other hand will take another few years to recover to its pre Covid level.

Our company has also managed to slowly recover from the economic slowdown due to the Covid pandemic. Our financial reports show a small profit with the anticipation that we will perform better in 2022. We would like to take this opportunity to express our appreciation for all supports and understandings given to our company

The Board of Directors

Part 1

Business Operation and Operating Results

1. Organization Structure and Operations of the Group of the Companies

1.1 Policy and Business Overview

Thai Textile Industry Public Company Limited (TTI) started business in 1970 as only a weaving factory. Later TTI expanded into other textile related business to include spinning, sizing, yarn dyeing, and garment making, which at present the Company is vertically integrated to produce fabric.

The Subsidiary is only in the yarn spinning business, with sales majority to TTI and only a small portion is sold to general customers.

1.2 Visions, Objectives, Goals, and Strategies

Since the very beginning, the textile industry is a highly competitive industry both locally and internationally in terms of quality, price, and production technologies to reduce cost and raise the quality of the products. TTI's objective is to follow and adapt constantly to the changes in the market to meet the needs of the customers in time. It is necessary for TTI to constantly update the production machinery to increase our competitiveness in cost, products, and quality of our products.

1.3 Key Development and Changes

1969	Thai Textile Industry Company Limited was established on 18 November 1969, with registered capital of 20 Million Baht.
1970	TTI purchased Thai Rung Rueng Weaving Company Limited to start textile business as manufacturer, selling and buying yarns, greige fabrics, and finished fabrics.
1975	capital by 80 Million Baht to total 100 Million Baht registered capital for business expansion.
1979	Increased capital by 50 Million Baht to total 150 Million Baht registered capital for business expansion.
1987	Increased capital by 50 Million Baht to total 200 Million Baht registered capital for business expansion. Received approval to be a listed company in the Stock Exchange of Thailand.
1989	Increased capital by 300 Million Baht to total 500 Million Baht. Withdrawn 150 Million Baht as capital to establish a yarn spinning factory which received custom tax exempt for imported machinery.
2002	Increased Paid Capital of 15 million shares to be a total of 50 million shares registered capital with par value of 10 Baht per share for a total of 500 Million Baht registered capital.

1.4 Shareholding Structure of TTI Group

TTI Group Shareholding Structure Table

TTI	TRT	TSI	RTI	TTP
Shareholding	Shareholding	Shareholding	Shareholding	Shareholding
TRT 87.31 %	TTI –	TTI 0.50 %	TTI –	TTI –
TSI 6.67 %	TSI –	TRT 1.09 %	TRT 2.00 %	TRT –
RTI 8.75 %	RTI –	RTI 5.25 %	TSI –	TSI –
TTP 3.57 %	TTP –	TTP 1.43 %	TTP –	RTI –

TTI	Thai Textile Industry Public Company Limited	Paid Capital	500	Million Baht	50.0	Million shares
TRT	Thai Rung Textile Company Limited (Subsidiary)	Registered Capital	600	„	6.0	„
TSI	Thai Standard Industries Company Limited	„	150	„	1.5	„
RTI	Rama Textile Industry (1988) Company Limited	„	250	„	2.5	„
TTP	Thai Textile Printing Public Company Limited	„	350	„	3.5	„

1.5 Business Relationship with Major Shareholder

Only Thai Winner Textile Industry Company Limited and Cassardi International Company Limited of the Boonnamsap family have business relationship as customers of TTI. Other major shareholders do not have any business relationship with TTI.

Comparison table for each company

Name	Position	TTI		TRT		TSI		RTI		TTP	
		number of shares	%	number of shares	%	number of shares	%	number of shares	%	number of shares	%
Mr. Mongkol Mungkornkanok	★/	602,300	1.2	48,231	0.8	–	–	292,500	11.7	1,130	0.0
Mr. Boonnam Boonnamsap	/	335	0.0	–	–	–	–	–	–	–	–
Mr. Tawatchai Chaiyapinunt	/▲■	2,327,070	4.6	8,185	0.1	9,000	0.6	150,000	6.0	4,941	0.1
Mr. Kumjorn Chuenchoochit	/	11,611,767	23.2	65,973	1.1	72,400	4.8	481,000	19.2	54,612	1.5
Mr. Phaiboon Jaroonsaichanakit	/	2,334,120	2.1	8,850	0.1	157,000	10.4	10,000	0.4	6,176	0.1
Mr. Preecha Chaiyaprasith	●▲■	500,000	1.0	–	–	15,000	1.0	75,000	3.0	–	–
Mr. Suchart Chantanakaracha	★	–	–	225	0.0	1,500	0.1	–	–	282	0.0
Mr. Chin Chinsetawong, Ph.D.	●▲■	278,572	0.5	–	–	–	–	–	–	2,212	0.0
Ms. Naruemon Worattichai	/	964,945	1.9	75	0.0	70,000	4.6	110,000	4.4	8,894	0.2
Mr. Charoen Laohathai	●★	–	–	50	0.0	2,250	0.1	10,000	0.4	10,000	0.2

★ = Chairman

● = Audit Committee

✕ = Director

▲ = Remuneration Committee

◆ = Chairman of the Audit Committee

/ = Executive Director

■ = Nomination Committee

★ = Independent Director

1.6 Nature of Business

TTI is in the textile industry as a manufacturer, importer and seller of raw cotton fibers, cotton yarns, blended yarns, synthetic yarns, greige fabrics, dyed fabrics, yarn dyed fabrics as per customer's orders, and finished garments to local and international customers under the brand “TTI”.

Thai Rung Textile Company Limited (TRT) (Subsidiary) is a yarn spinning factory spinning cotton yarns, blended yarns, and synthetic yarns, selling to TTI, local yarn dyeing factories, and local fabric manufacturers.

There is a revenue structure as detailed below.

(Units: Million Baht)

Product/Services	Produced by	Shareholding %	2021		2020		2019	
			Revenue	%	Revenue	%	Revenue	%
	Company	–						
Garment								
Local Sale			35.02	1.54	17.08	0.88	38.40	1.26
Export Sale			22.48	0.99	34.09	1.75	96.19	3.15
Fabric								
Local Sale			323.94	14.20	345.08	17.71	432.73	14.18
Export Sale			435.32	19.08	387.44	19.88	841.24	27.57
Raw Cotton Fiber / Yarn								
Local Sale			174.53	7.65	107.52	5.52	148.42	4.86
Export Sale			281.23	12.33	157.70	8.09	239.56	7.85
Other Sale								
Local Sale			0.00	0.00	9.89	0.51	–	–
Local Services Income			8.12	0.36	13.77	0.71	28.65	0.94
Local Other Income			39.95	1.75	19.71	1.01	21.00	0.69
Total			1,320.59	57.87	1,092.28	56.05	1,846.19	60.51
	Subsidiary	87.31						
Raw Cotton and Yarns			915.45	40.12	816.06	41.88	1,145.29	37.54
Local Services Income			14.50	0.64	14.95	0.77	25.79	0.85
Other Income			31.33	1.37	25.53	1.31	33.98	1.11
Total			961.28	42.13	856.54	43.95	1,205.06	39.49
Grand Total			2,281.87	100.00	1,948.82	100.00	3,051.25	100.00

1.7 Securities and Shareholders

Registered and Paid Capital

TTI have Registered Capital of 500 Million Baht, Paid Capital of 500 Million Baht, divided into 50 million shares with par value 10 Baht per share.

Shareholders

Top 10 Shareholders

Information as of March 11, 2021 (the latest closing date of the register book for the right to attend the meeting and receive dividends)

No	Shareholders	Number of share	shareholding%
1	Mr. Kumjorn Chuenchoochit	11,611,767	23.22
2	BOONSIRI REAL ESTATE CO., LTD.	4,360,550	8.72
3	Thai Textile International Company Limited	4,128,315	8.25
4	Mr. Tawatchai Chaiyapinunt	2,327,070	4.65
5	Ms. Supatta Boonnamsap	2,110,000	4.22
6	N.C.B.TRUST LIMITED-UBS PAINE WEBBER INC.	2,000,000	4.00
7	Great Chan Holding Company Limited	2,000,000	4.00
8	RPT Resources Company Limited	1,918,100	3.83
9	TT Resources Company Limited	1,782,305	3.56
10	Vongs Chang Enterprise Company Limited	1,100,000	2.20

Other Securities

None

Dividend Payment Policy

The Company has the policy to pay dividends to the shareholders on the annual basis based on the financial statement of the Company with the ratio of no less than 40 percent of the net profit after all deductions designated by law. The dividend payment will depend on the cash on hand, future investment plans, and conditions of the law, which the Company will take into consideration, to ensure the payment of dividends will not affect the operation of the Company. The resolution of the Board of Directors will be presented to the shareholders for approval; however, the Board of Directors have the authority to make dividend payments in between shareholder meetings should they see appropriate and does not affect the operation of the Company, which the Board of Directors will have to report to the shareholders at the next meeting.

1.8 Product and Services Procurement

The main product of the Company is woven fabrics of 100% cotton and cotton blended with polyester or other synthetic fibers. The woven fabrics are used as raw materials in the garment industry and other industries. Other than manufacturing woven fabrics for sale by the Company itself, the Company is also a subcontractor for yarn dyeing, yarn preparation of fabric weaving, and fabric weaving with the contractor providing the yarn for the processes. Since the production process from yarn to finished fabric is long, requiring high investments in machineries in each process, domestic fabric manufacturers without complete production processes will subcontract other companies to fill in their missing processes, which is a service commonly done in the industry.

1.9 Marketing and Competition

(A) Marketing

The Company has the policy to sell our products to both domestic and international customers. The customers can be broken down into 2 main groups.

1. Customers who bought the fabrics to be converted into garments. The customers in this group are garment manufacturers and fashion garment brands known both locally and internationally.
2. Customers who are traders, buying fabrics and reselling to wholesalers and retailers. The traders have customers both in the domestic and international markets, buying both greige and finished fabrics. Greige are fabrics that have not been through any processing, while finished fabrics are those that have been through the dyeing and finishing processes.

The fabrics the Company produces can be grouped into normal finished fabrics and specialized finished fabrics. The normal finished fabrics are those used in general garments without any special properties, while the specialized finished fabrics have properties such as water repellency, quick drying, anti-bacteria, fire retardant, and wrinkle free.

The Company has shipped fabrics to over 50 countries and has a customer base of over 300 customers since the Company can produce a variety of fabrics and service both domestic and international customers. The services provided to the customers are customized to their needs, therefore, the Company does not depend on any one particular kind of customer.

(B) Competition

In 2020, the textile industry consisting of yarn, fabric, and garment manufacturing was greatly affected by the COVID-19 pandemic, which caused shutdowns and lockdowns of stores, cities, and countries. The effect of the COVID-19 pandemic on the textile industry was more worrisome than the trade war between the United States and China, and BREXIT happening at the same time. The exponential rise of the number of people infected and the number of those who lost their lives causing lockdowns of cities and countries is not a business risk any company has taken into consideration before. The worldwide lockdowns of cities and countries caused the selling and delivery of products to come to a complete stop, forcing companies in the textile industry to cut and reduce costs due to stoppage of work, while overhead costs were still ongoing. Competition for survival was at an unseen level with businesses looking for buyers to keep machines operating, while trying to turn products in stock into cash to maintain financial liquidity. Competition to reduce operating expenses and operating losses resulted in reduction of working days, salary reduction of the management and employees, as well as laying off of employees. The damage to the textile industry supply chain is estimated to be more than a hundred thousand million Baht.

The COVID-19 pandemic caused a shortage in some essential consumer goods which helped some industries to grow and make a profit. While woven fabrics were in less demand by the garment industry, there was a high demand for woven fabrics in specialty products such as face masks and PPE suits. The Company is equipped with modern machinery and can produce a variety of woven fabrics adapting to the needs of the industry, which allowed the Company to support itself and create jobs for the employees, while others in the industry were forced to stop work. This helped to alleviate the suffering of the working force to a certain extent.

Small and large domestic textile enterprises have downsized their operation during the lockdowns without any clear policies on when the production capacity will return to pre-COVID-19 pandemic.

Competition in the future still gives importance to price and on time delivery.

1.10 Procurement of products or services

All finished goods and some raw materials are obtained from the two factories of the Company. And subsidiary which has the following locations and production capacity

Factory	Location	Type of Factory	Production Capacity 2021	
			Quantity	Unit
Factory 1	385 Soi Bangmakekhao, Taiban, Muang, Samutprakarn	Weaving	16,583,537	Yard
Factory 3	595 Sukhumvit Rd, Bangpoo Mai, Muang, Samutprakarn	Garment	298,084	Unit
Subsidiary	62 Soi Valilai, Bangchalong, Bangplee, Samutprakarn	Spinning	21,429,220	Pound

All finished fabrics and yarns, which is the raw material for fabric production, is sourced from TTI, the subsidiary company, as well as other manufacturers in the country. For raw materials such as raw cotton fibers, TTI import from various countries such as China, America, Australia, Sudan, and Uzbekistan, depending on the quality of the product.

When compared to the production capacity in 2020 and 2021, the continuing slowdown in demand of the textile industry for many years has forced the Company to reduce the production capacity by about 50% to coincide with the demands from the customers in 2021

The Company's production policy focuses on the production of textile products using upstream raw materials from our affiliated companies as much as possible, and maximizing the use of machinery to make it worth the investment as much as possible.

2. Risk Management

The risk factors that will greatly impact the financial and operational status of The Group are not foreseeable in the near future. The risk factors that will impact business operations are as follow:

2.1 Risk from Procurement of Raw Materials in Advance.

The Company operates businesses in yarn spinning and woven fabric manufacturing. The main raw materials are cotton and polyester fibers for spinning into yarns, and the yarns for weaving into fabrics. Cotton fiber is an agricultural product with prices mostly depending on the amount grown each crop year, while polyester fiber is synthetically produced with part of the price structure depending on the price of oil. Fiber prices also depend on the supply and demand of the market; therefore, changes in the price of fibers often do not coincide proportionally with the changes in the price of yarns, which causes the financial performances of each textile company to be different.

Since the textile industry is an international business with textile factories scattered across countries around the world, the price and overhead cost of raw materials are different depending on the location and local policies. When there is a conflict between the producers and buyers, such as the trade war between the United States and China, social exclusion factors and trade agreements intervene with the market causing textile operators to source raw materials that comply with the requirements of the customers. These conditions are only understood by the operators in the textile industry and the conditions are continuously changing depending on the market. The management manages the risks by ordering raw material fibers and yarns in advance in sufficient quantities that will not cause a shortage in case of delay or damage during delivery. The Company manages the risks of raw material price fluctuations by averaging out the purchase of the raw materials and does not concentrate the buying at any one time or another. This is a conservative approach to raw material procurement and a way of limiting the risks of profit and loss in the event that raw material prices fluctuate abnormally.

2.2 Cash Flow Risks

The Company has been in the textile industry since 1970 and since its establishment the Company has not defaulted its payment to any financial institution or suppliers. Even though the Company had to stop product delivery and extend payment duration to the customers during the COVID-19 pandemic causing shortage of income, the Company received financial support from various financial institutions with sufficient credits to allow the Company to pay off all debts on time. While the small operators might have to default on their payments during the pandemic, the Company felt the bigger operators who are stronger financially should not use the pandemic as the reason to default on the payments. Paying the debts on time showed the Company is financially stable and helped build a better business relationship with the customers.

At the same time, the Company closed, dissolved, moved, and merged some departments to be more compact to be in line with the market situation. The Company gave the affected employees a choice to stay with the company or to take a voluntary leave from the company. For employees who chose to take a voluntary leave, the Company gave a compensation severance payment in accordance with the labor laws. The Company sold off the machinery from the closed departments with the best price possible and changed the non-performing assets into cash. The cash is used to pay the debts of the financial institutions, which helped the Company to reduce expenses during the crisis and reorganize the structure of the Company to have less risk during the pandemic uncertainty.

2.3 Foreign Currency Risk

As part of the international trading, the Group has significant exposures to market risks from changes in foreign exchange rates. The Group uses forward exchange contracts to mitigate those risks. Forward exchange contracts are accounted for as foreign currency transactions. Gains or losses on derivative financial instruments used for hedging of foreign currency transactions are recognized as income or expense on the same basis as the corresponding hedged position.

As at 31 December 2021 and 2020, The Group does not have outstanding forward exchange contracts.

As at 31 December 2021 and 2020, assets and liabilities of the Group which are not hedged as follows:

	Currencies	Amount		Equivalent to approximately (In Million Baht)	
		2021	2020	2021	2020
Trade accounts receivable	U.S. Dollars	1,611,038	1,452,987	53.41	43.26
Other receivable	U.S. Dollars	6,445	387,000	0.21	11.52
Trade accounts payable	U.S. Dollars	2,108,529	465,225	70.83	14.05
	Euro	1,308	1,308	0.05	0.05
	JPY	–	525,640	–	0.15
Accrued expenses	U.S. Dollars	128,704	167,683	4.32	5.07

2.4 Interest Rate Risk

The Company has interest risks from deposits with financial institutions, overdrawn accounts, short term loans, creditors under financial contracts, and long term loans. Financial assets and liabilities interest rates have risen in accordance with the market rate. The Group does not use other derivative financial instruments to hedge such risks.

2.5 Credit Risk

Even though most customers of the Company does not have a history of default payment, however, some customers could be greatly affected by the COVID-19 pandemic making them a credit risk for the Company. The Company has to evaluate and follow up with the customers, especially foreign customers, before giving them credit for their payments. To minimize the credit risks and damage that may occur if the customers defaulted on their payments or cancel their orders, the Company uses the policy of having the customers make a partial payment for the confirmed orders. By downsizing our operations, the Company was able to reduce the pressure of dependence on the customers and allow some negotiating of conditions.

As of 31 December 2021, the Company expects no damage from default payments from customers as per the financial statement and the remark in the financial statement.

2.6 Risk from Major Shareholders

The connected transactions occur in accordance with the regular business conditions. The Audit Committee, which comprises 4 independent directors, are knowledgeable and experienced in auditing connected transactions. They have the authority and duty to consider and report any possible conflict of interests so the connected transactions can be in line with the rules and regulations of the Stock Exchange of Thailand and provide the best benefit to the Company. In addition, during the Board of Directors meeting, the policy of the Company is to have the major shareholders involved in the connected transactions who may have a conflict of interest to not be present and have no voting rights during the meeting.

3. Business sustainability development

The Chair of the Board is responsible for implementing the Sustainability Business Policy across the organization and monitoring its implementation on an ongoing basis. In order to achieve success according to the plans and goals set Report important progress issues that affect the company's sustainable business operations. to the Board of Directors

3.1 Policy and Related Agencies

In 2021, the company has set guidelines for business driving for sustainability by setting up a working group to plan. Identify important issues In this regard, the stakeholders are shareholders, employees, customers, competitors, trading partners, creditors, communities and society, environment.

Shareholders: The Company treats shareholders as stakeholders and is an important component of being a public limited company.

Employees: The Company gives importance to every Company employee; therefore, other than following the labor laws, benefits to the employees, human rights, safety, working environment and the environment were taken into consideration.

1. *Safety, Working Environment, and Environment of Working Area Policy*

The Company consider every employee as an important asset; therefore, safety, working environment, the environment, and work responsibilities are set up as follow:

- 1) Safeness is the responsibility of every employee and they must work together to create a safe working environment for themselves and others.
- 2) The safeness at work is the responsibility of the employees at all level of hierarchy.
- 3) The Company will improve the work environment and working procedures to be safe, and incorporate safety equipments as necessary.
- 4) The Company will follow the rules and regulations, announcements, and or safety standards as announced by the government.
- 5) The Company set the Directors for Safety, Work Environment, and Environment Committee to organize the safety plan.
- 6) The Company have a follow up schedule to evaluate the safety procedures and control for effectiveness.

In 2021, 3 employees out of approximately 415 employees had accidents which required more than 3 days of sick leave.

2. *Employee Remuneration and Benefits Policy*

- 1) The Company have fair equal hiring of employees, and every employee have the opportunity to promote The Company equally.
- 2) The Company give opportunities to the employees to show their capabilities by providing incentives in daily wages, monthly salary, contract work, monthly and yearly targets, bonuses, and overtime payments.
- 3) The Company evaluates the compensations equally for all employees, based on the companies with similar size, work position, experience, education level, and quality of the employee. Other than the employee's abilities, the compensation will also be based on The Company's performance.
- 4) The Company provides benefits according to the employee needs such as housing, transportation, annual health checkup, work uniform, and monetary support.

3. *Provident Fund*

The Company has set up a Provident Fund since 2011.

4. *Human Resource Development*

The Company sees the development of the employees as a means to be competitive and survival; therefore, have set up development programs for the employees in accordance to the Labor Development Law of year 2002. In year 2021, the basic development program was implemented.

5. *Employee Complaint Channels*

The Company has channels for the employees to voice their complaints through the Personnel and legal. In addition, if the employee would like to file the complaint to The Company Director, without disclosing themselves, they can do so via the complaint box, and only the Director with the key to the complaint box can open the box.

6. *Human Rights Compliance*

The Company is aware of the Human Rights Compliance and set to have employees of the following 3 nationalities (Myanmar, Laos, and Cambodia) to have equal rights to the Thai nationality in compensations such as wages, overtime payment, holiday wages, overtime payment on holidays, incentives for the month, for the year, and bonus. In addition, the rights for male and female employees are the same for compensations and benefits. There are no use of female employees doing work that are prohibited, and absolutely no child labor.

Customers: The Company aim to produce and sell products to customers according to the ISO 9001:2015 and ISO 14001:2015 standards with product inspection and on time delivery as per the agreement with all customers equally. A team is setup to contact and handle the customer's needs with the following procedures:

1. A system to protect the customer's goods that are under the care of The Company.
2. Keep sufficient assets as per the laws of the government to build confidence to the customer.
3. Will not ask for money, gifts, awards, or any compensation from the customer or any individuals; other than normal ceremonial gifts.
4. Uphold the honesty of business practices.
5. Perform under the standard business practices generally accepted.
6. Work in accordance to the law and official rules, and will not assist, encourage, or support activities or transactions that are against the law.
7. Keep and protect customer's product information, which are proprietary to the customer.

Competitor: Competition is normal. The Company will compete within the rules and regulations of the competition, without resorting to foul play, without seeking inside information of the competitor, and without destroying the reputation.

Suppliers: The Company gives importance to the purchase and payment to the Suppliers according to the law. The Company choose trustworthy suppliers, who are responsible to society and the environment, to ensure that the customers will receive product and services that meet the standards by the following criteria:

1. Must strictly follow the contract made with the supplier. If there is a situation that impacts either party to not be able to comply to the contract, The Company will promptly contact the supplier to work on a solution to solve the problem.
2. Prevent and control any conflict that may occur to disrupt The Company business, and will not seek unlawful advantage from the supplier.
3. Use and support the use of original licensed intellectual products, and encourage the management and employees to use intellectual products effectively.

Debtors: For any projects, the Board of Directors have a financial plan, and will avoid foreign exchange risks, by borrowing mainly from financial institutions, and small amounts from inter-related businesses, and using machinery assets as guarantee. In the past few years, The Company have not faulted on the payments; however, if an unexpected situation occurred and The Company is unable to make the payment on time, The Company is confident that the payment history can be used to negotiate with the financial institutions. In addition, the land of The Company is without legal negative pledge, which should give the financial institutions the confidence to extend the payment period in case of an unexpected situation.

Intellectual Property or Copyrights: The Board of Directors have a policy to follow the laws concerning intellectual property or Copyrights by checking that the work or information does not infringe on the intellectual property or copyrights of others.

Corruption and Bribes: The Board of Directors have a policy for the Directors, management, and employees of all levels to uphold good governance, and go against corruption and bribes by forbidding the employees to ask or receive benefits to do or not do their duties, or cause The Company to lose the rightful benefits. The employees are to avoid unlawful offering or giving benefits to other outsiders to do or not do their duties.

Community and Social Relations: The Company gives importance to the surrounding community by having a community relation on environment and community conservation to prevent and solve any environmental issues, or complaints that may occur from communities nearby The Company. In addition, The Company supports the community by donating money and things for religious events, students events, and elderly events, and providing a location within The Company area for disabled people to sell their products.

Community and Social Development: As The Company give importance to the surrounding community, The Company have impact preventive policies and social development programs in place based on the Corporate Social Responsibility, Department of Industrial Works (CSR-DIW) program. The CSR-DIW program emphasized the importance of being responsible for the surrounding community and has a sustainable development along with the community to enhance competitiveness of the business both locally and internationally.

The Company has supported the following activities and programs to develop the community:

1. Education programs
2. Cultural programs

3. Career programs, especially programs for disabled people
4. Social responsibility programs
5. Religious programs

Environment: The Company business involved yarn spinning, yarn dyeing, yarn sizing, fabric weaving, that uses steam from coal burning, which may cause air pollution, while yarn dyeing and yarn sizing, may cause water pollution to occur. The Company has pollution preventive measures for air and water as follow:

For air pollution from coal burning for steam: the coal is transported in a closed container from the manufacturer to the factory. The coal is then kept in a closed building at The Company to prevent coal dusts to be released in the air outside. For air pollution occurred during coal burning, The Company have installed the Cyclone & Ventury Scrubber system to treat the air before releasing into the atmosphere, which is constantly monitored 24 hours a day. Checking the air released into the atmosphere, the pollution level is normal and does not harm the atmosphere.

For water pollution from yarn dyeing and yarn sizing: the waste water from the processes is approximately 86.05 cubic meters per day; which can be handled by The Company's waste water treatment plant with the capacity of 1,500 cubic meters per day without any issues. The waste water treatment result is connected online to the Department of Industrial Works (COD-ONLINE), which has been installed since 2012, and since then the waste water released have always met the standards set by the Department of Industrial Works.

For solid industrial wastes such as burnt coal, and wastes from water treatment: The Company have hired government approved waste removers to take away the solid industrial wastes for disposal as per the law required.

Business Policy under Environmental Standards: The Company business must be responsible for the environment as follow:

- Follow the laws and international standards to protect the environment.
- Production process development must comply with the environmental standards.
- Instill and encourage the employees to be responsible for the environment.

In 2021, the Company held environmental seminars to educate employees on the Global Recycle Standard (GRS) V4.0, with emphasis on the use of recycled material to reduce and or eliminate dangers that may occur during production.

The Company has a quarterly report checking the environment for dust, water, sound, and air pollution, which for 2021, the reported values are all within the standards.

The Company has set up a Community Relations team to address the community concerning the environment and handle any complaints from the community.

Energy Resource Management: To achieve the highest energy resource efficiency, The Company has set the following policies:

- Set energy resource plan and re-using the water for other processes
- Set a plan to save energy for coal, water, and electricity
- Set a plan to reduce and reuse paper usage
- Set activities to encourage energy resource and environment protection
- Set media relations to encourage energy resource and environment protection

Policy for Complaint and Witness Protection: For good corporate governance, The Board of Directors give the right to every employee and those stakeholder to communicate directly with the Independent Director and or Audit Committee through mail and electronic mail, so the Directors can check the complaints.

To file complaint concerning the financial statements, internal control failures, rights infringement of the Directors and employees, the complaints could be sent via registered mail to the following:

Chairman of the Audit Committee
Mr. Chin Chinsethawong, Ph.D.
Thai Textile Industry Public Company Limited
385 Moo 1, Soi Bang Make Khao, Sukhumvit Road,
TumbonTaiban, Samutprakan, Samutprakan 10280

All complaints will be handled accordingly without disclosing the person filing the complaint. Information collected will be done in secrecy and the person filing the complaint will be protected to prevent any impact from the complaint. In case The Company has to disclose any information, only necessary information will be disclosed, keeping in mind the safety of the person filing the complaint.

In 2021, there were no complaints filed to the Audit Committee.

Channels to contact The Company

	E-mail	Telephone
Managing Director	mongkol@tti.co.th	–
Chairman of Audit Committee	chin@unionpaper.co.th	–
Secretary of the Company	rattanapom@tti.co.th	0 2389 2298 0 2703 8484
Company and Investor Relations	rattanapom@tti.co.th	0 2389 2298 0 2703 8484

Corporate Social Responsibilities – CSR

The Company was established in 1970 with the purpose that the stability of the Company must coincide with social and environmental responsibilities; therefore, the Board of Directors assigned every employee to have social responsibility in their work as follow:

Overall Policy

The Board of Directors have reviewed and approved the social responsibility policy to be a guideline for the Executive Directors and employees as follow:

(1) Fair Business Practice

The return of The Company must be from fair business practices that does not take advantage of others, as well as of the society and of the environment, and avoid conflicts of interests and copyright laws.

(2) Anti-Corruption

Does not ask for or pay for any benefits other than those agreed upon in the sales contract. If there is a case of corruption, The Company and customer/supplier will investigate and solve the problem as soon as possible.

(3) Human Rights

Avoid actions that will infringe on basic human rights, and listen to opinions of all groups with mutual benefits equally.

(4) Fair Employment Policy

Treat all employees equally and fairly with benefits, safety, and cleanliness of work area, as well as give importance to the development, and knowledge sharing with the employees. Rewards will be given for capabilities, responsibilities, and performance of the employees and employees from 3 neighboring nations (Cambodia, Laos and Myanmar) must be treated equally and fairly.

(5) Consumer Responsibility

Produce, deliver, and service with quality products that meet or exceed the expectations, as well as have a team and system to receive consumer complaints and suggestions concerning the product or services received. The Company will bring all the issues for review and improve upon in an appropriate time.

(6) Environmental Responsibility

Perform according to the rules and regulations, and does not support anyone with mutual benefits to destroy nature and the environment.

(7) Social Community Development

Support developmental community activities.

(8) Social and Environmental Responsibility

Improve production and work process continuously to prevent negative impacts that may occur, in addition to careful use of resources to reduce wastes.

Work Procedure and Reporting

(1) Reporting Procedures

The Company's resolution in conducting business is to be responsible to the environment, which will help The Company to be in business in the long term. Therefore, The Company based the environmental responsibility program on the Thai Development Institute CSR report, to be the guide as per the announcement by The Capital market supervisory board.

In pinpointing the stakeholders, the Company have evaluated the impact and benefits from producing the products in terms of business, social, and environment to the stakeholders, namely employees, shareholders, customers, suppliers, competitors.

(2) Work Procedure

The Company's practice and strategy with the stakeholders are as follow:

Stakeholders Practice and Strategy

Employees	Have developmental programs to increase knowledge and capabilities of the employees with concerns of human rights and justice.
Shareholders	Be transparent, just, and treat all shareholders equally.
Customers	Deliver quality products and services, and improve quality of products to meet the expectations of the customers.
Supplier	Follow rules and contract agreement with justice and transparency.
Competitor	Follow fair competition rules without resorting to unfair competition to hurt the competitor.
Creditors	Strictly follow the contract, agreements, and conditions with the creditors.
Community	Have procedures to protect the community around the Company and support community activities.
Environment	Encourage environment and resource conservation.

Business Practice with Responsibility to the Environment

- (1) The Company is not investigated, and not under investigation by agencies concerning unlawful practices based on 8 important criteria.
- (2) The Company practice is not involved, or accused of being involved in negatively impacting the community, environment, and not following the 8 criteria, especially in the case concerning the public, which might impact the business, reputation, or trustworthiness of The Company.

Social and Environmental Activities

The Company had the following activities to benefit the community and the environment:

- Collectively donated things to Wat PhraBatnampu, Saraburi
- Collectively donated things to Wat Suankaew Foundation and Baan Bangpakong Foster Home
- Have Big Cleaning Day activity, as well as eradication of mosquitoes and bugs around The Company, dormitories, and canteen.
- Have sporting events to unite employees within The Company and with The Group.
- Fixed the road shared with the community.

Corruption Prevention

(1) Policy for Corruption Prevention

The Company's policy in conducting business is "Moral and Quality" meaning, good moral will beget good quality, along with good management, and trustworthy work performance without corruption.

(2) Practice

The Board of Directors will cooperate with government agencies and corporations to fight against corruption using the following policies:

- A. Support and build value against corruption, by instilling the Directors, management, and employees to acknowledge and understand anti-corruption using media and seminars.
- B. Have adequate and appropriate internal control system to prevent The Company business to be involved in corruption.
- C. Have an internal audit system to check regularly and report to the Audit Committee and or Executive Directors. The evaluation for anti-corruption is part of the internal audit of The Company.
- D. Use the Collective Action Coalition against Corruption as guideline and adapt as the handbook for the employees to follow, and to be a good corporate governance business practice.

4. Management discussion and analysis (MD&A)

4.1 Overview

Operations Summary and Cause for Organizational Change

Due to the low number of infected people and the cooperation of the Thai people with the government measures to respond to the CORONA VIRUS pandemic, Thailand was rated as one of the countries that well managed and controlled the spread of the COVID-19 by some international media. As a result, the private sector in the country had confidence to start planning to resume many business activities in 2021. However, the situation changed after the government's optimistic decision to allow people in the country to travel freely during the Songkarn holiday. The number of people tested positive for COVID-19 from the new variant surged and surpassed the ability of public health agencies to cope with in a very short period of time. The government had to announce another round of lockdown to many provinces and factories where there were high infected cases. The planned business activities were put on hold. Factories were ordered to close and stop operations by the authorities. This time around, the government had no backup plan and practical solution in place to accommodate the low income infected people. Many business owners in private sector had proactively managed the situation on their own, from acquiring of ATK test kits and running the test to their employees, to the provision of quarantine space and facilities such as food and medicine for those tested positive while waiting for available hospital beds. Fortunately, the new infected cases declined and sufficient hospital beds became available again at the beginning of Q4.

Having suffered from the lockdown measures implemented by various governments around the world, the hope of humanity to return to normal life was placed on the invention of COVID-19 vaccines. The story about the type of technologies in developing the vaccines, the progress, the reliability of the vaccines, the efficacy, the hazards, and potential side effects in early, middle, and long term, pros and cons, became the hottest topic among all media on daily basis and spread out quickly in the social media to the level that conflicting beliefs increased to the level that influenced the international aids and political interests. For the domestic situation, the insufficient vaccines and the multiple mishandling of the government agencies in providing proper vaccinations to the public after the big outbreak at the end of April had caused a disruption of business activities in the country.

Overall, the world encountered another round of outbreak in 2021. Fortunately, the vaccines were invented and approved by the government to implement the vaccination process to the people despite the controversies about the safety and efficacy in the society. In the economy aspect, there were signs of recovery in many sectors even though international travelling was still banned. In the textile industry, there had been an adjustment in the prices of all raw material items from the beginning of the year throughout the end of the year. Our sales slowly picked up in Q3 and went up steeply in Q4. Still, the negative factors from the uncertainty of the global pandemic, the US-China conflicts and the trade war, the sign of inflation, the exponential rise of shipping cost and insufficient steamers in the sea transportation, caused the company to operate its business with caution by screening customers and limiting the type of textile products produced. There was the adjustment in the term of the sale for export orders from selling under CFR term, meaning the selling prices include the shipping costs to FOB term, meaning the selling prices does not include the shipping costs to reduce the risk of the fluctuating shipping costs. The rising in the raw material costs and operation costs had great impact to the cost of goods sold. Nevertheless, due to the shrinkage of the production capacity of the whole textile industry causing supply lower than demand, the company did not face the price war similar to the past and was able to pass down the rising cost in doing the products to the buyers at some comfortable level. The

year 2021 was the year that the company still operated in a conservative direction amidst the high uncertainty of the industry. Internally, the company employees had received a minimum of one vaccination and are in the process of receiving the second vaccination. ATK testing kits were provided and employees were regularly tested for COVID-19 to ensure safety in the workplace. This is to assure that the company is ready to cope with new challenges in Thailand and global situation in 2022 and beyond.

4.2 Segment Information

Major revenue for The Company are from fabrics yarn and garment, which were sold locally and exported while the revenue for The Subsidiary are from raw cotton fibers and yarns, The details are as below chart.

(Units: Million Baht)

Product/Service	2021		2020		2019	
	Income	%	Income	%	Income	%
Company						
Garment						
Local Sale	35.02	1.54	17.08	0.88	38.40	1.26
Export Sale	22.48	0.99	34.09	1.75	96.19	3.15
Fabric						
Local Sale	323.94	14.20	345.08	17.71	432.73	14.18
Export Sale	435.32	19.08	387.44	19.88	841.24	27.57
Raw Cotton and Yarns						
Local Sale	174.53	7.65	107.52	5.52	148.42	4.86
Export Sale	281.23	12.33	157.70	8.09	239.56	7.85
Other Sale						
Local Sale	0.00	0.00	9.89	0.51	-	-
Local services Income	8.12	0.36	13.77	0.71	28.65	0.94
Local Other Income	39.39	1.75	19.71	1.01	21.00	0.69
Total	1,320.59	57.87	1,092.28	56.05	1,846.19	60.51
Subsidiary						
Raw Cotton and Yarns	915.45	40.12	816.06	41.88	1,145.29	37.54
Local services Income	14.50	0.64	14.95	0.77	25.79	0.85
Other Income	31.33	1.37	25.53	1.31	33.98	1.11
Total	961.28	42.13	856.54	43.95	1,205.06	39.49
Grand Total	2,281.87	100.00	1,948.82	100.00	3,051.25	100.00

Compared to Estimate or Previously Disclosed.

The Company policy is to run every machine at it's full capacity, causing the quantity produced each month to be similar; for example, for weaving The Company can weave approximately 1.38 million yards per month and for garments The Company can cut and sew approximately 24,840 pieces per month. The Subsidiary can spin approximately 1.78 million pounds per month.

Cause and Action in case the Auditor expressed opinion with conditions, no opinion, and or important notice.

No conditions.

4.3 Performance and Profitability

In the past 5 years, the Company's Performance and Profitability is as per chart below

	Consolidated Financial Statement					Separate Financial Statement				
	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
Financial Statement										
Current Assets	1,353.2	1,620.1	1,964.5	1,643.2	1,653.7	755.6	1,151.0	1,318.5	982.1	959.8
Inventories	794.1	792.5	931.3	1,110.6	1,113.3	366.6	482.7	504.1	725.8	691.6
Total Assets	3,616.9	4,166.3	4,887.9	5,655.0	4,772.8	2,273.3	2,770.8	3,128.2	3,763.2	3,042.3
Current Liabilities	835.6	1,404.3	1,985.9	2,346.5	2,278.0	132.3	625.1	830.6	1,102.1	1,033.7
Total Liabilities	1,049.0	1,683.8	2,317.1	2,815.1	2,646.5	245.9	772.5	1,038.9	1,379.6	1,166.7
Shareholders' Equity										
Total equity attributable to the parent company	2,418.4	2,340.3	2,428.6	2,700.4	2,013.1	2027.4	1,998.3	2,089.3	2,383.6	1,875.6
Non-controlling interests	149.5	142.3	142.2	139.5	113.3	-	-	-	-	-
Operation Report										
Sale and Services	2,210.6	1,903.6	2,996.3	3,874.2	3,502.2	1281.5	1,072.6	1,845.7	2,644.0	2,355.2
Total Revenues	2,281.9	1,948.8	3,051.3	3,938.0	4,308.8	1321.5	1,092.5	1,870.3	2,728.6	3,063.6
Gross Profit (Loss)	140.2	16.5	122.7	104.3	183.5	72.9	(24.7)	52.1	25.1	73.7
Net Profit (Loss)	53.9	(92.5)	(255.5)	(109.6)	524.8	13.1	(95.2)	(278.1)	(80.6)	445.4
Financial Ratio										
Net Profit (Loss) Per Share (Baht)	1.08	(1.85)	(5.11)	(2.19)	(10.50)	0.26	(1.90)	(5.56)	(1.61)	8.91
Current Ratio	1.62	1.15	0.99	0.70	0.73	5.71	1.84	1.59	0.89	0.93
Net Profit (Loss) / Equity (%)	2.27	(3.96)	(9.96)	(4.65)	30.08	0.65	(4.77)	(12.43)	(3.78)	27.72
Return on Assets (%)	1.39	(2.22)	(4.85)	(2.10)	11.72	0.52	(3.44)	(8.07)	(2.37)	16.21
Debt to Equity Ratio	0.41	0.68	0.90	0.99	1.24	0.12	0.39	0.50	0.58	0.62
Dividend per Share (Baht)	0.00	0.00	0.00	0.50	0.50	0.00	0.00	0.00	0.50	0.50
Book Value per Share (Baht)	48.37	46.81	48.57	54.01	40.26	40.55	39.97	41.79	47.67	37.51

Total Revenues

In the year 2021 and 2020, the Group had total revenues amounted to Baht 2,282 million and Baht 1,949 million, respectively, increased by Baht 333 million or 17%. Sales and services income amounted to Baht 2,211 million, increased from the same period of the last year by Baht 307 million or 16%. The main reason for that increased was the increasing in sales.

Cost of Sales and Services

In the year 2021 and 2020, the Group had cost of sales and services amounted to Baht 2,070 million and Baht 1,887 million, respectively, increased by Baht 183 million or 10%. The main reason for that increased was the increasing in sales and services income as clarified above.

Selling and Administrative Expenses

Selling and administrative expenses by Baht 124 million decreased by Baht 8 million or 6%. The main reason for that decrease was from workforce reduction.

Finance costs

Finance costs decreased by Baht 25 million or 52%. The main reason for the decrease was from the decrease in loans.

Net Profit (Loss)

In the year 2021, the group had Baht 60 million in gain for the year, compared to baht 92 million in loss for the year 2020. Gain attributable to the parent is Baht 54 million in 2021, compared to Baht 92 million in loss in 2020. The main reasons were clarified above.

Financial Position (in comparison with as of 31 December 2020)

Overall financial position of the Group as of 31 December 2021, compared to the consolidated statement of financial position as of 31 December 2020, are as follows; (Unit : Baht million)

	2021	2020	%Change
Total Assets	3,617	4,166	-13
Total Liabilities	1,049	1,684	-38
Totalshareholders' equity	2,568	2,483	3

Total Assets

As of 31 December 2021, the Group had total assets amounting to Baht 3,617 million, decreased by Baht 549 million, having Baht 267 million decreased in current assets and Baht 282 million decreased in non-current assets. Main decreases were from selling the investment properties and property, plant and equipment.

Total Liabilities

As of 31 December 2021, total liabilities decreased by Baht 635 million, having Baht 569 million decreased in current liabilities and Baht 66 million decreased in non-current liabilities. The main reason for that decrease was from the decrease in loans and employee benefit obligations.

Total shareholders' equity

As of 31 December 2021, the Group's shareholders' equity increased by Baht 85 million.

4.4 Asset Management

(1) Account Receivable and allowance for doubtful accounts as 31 December 2021 and 2020 are as follows.

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Trade accounts receivable – related companies				
Within credit terms	5,440,210	4,040,500	347,296	748,519
Overdue: Less than 3 months	–	902,769	–	902,769
Total trade accounts receivable–related companies	5,440,210	4,943,269	347,296	1,651,288
Trade accounts receivable–other companies				
Within credit terms	156,104,640	109,321,200	69,703,792	60,217,649
Overdue:				
Less than 3 months	55,722,323	31,698,697	29,925,626	21,282,168
3 – 6 months	1,468,986	3,411,744	1,468,986	513,416
6 – 12 months	13,009	8,078,392	13,009	135,399
Over 12 months	28,151,410	32,104,777	27,973,498	31,926,865
Total trade accounts receivable–others	241,460,368	184,614,810	129,084,911	114,075,497
<u>Less</u> allowance for expected credit losses	(29,953,672)	(32,493,002)	(29,775,760)	(32,315,090)
Trade accounts receivable–other–net	211,506,696	152,121,808	99,309,151	81,760,407

For account receivable over 12 months, the full amount was reserves as allowance for doubtful accounts. For account receivable over 6 months, but not yet 12 months, parts of the amount were reserves. For account receivable that have not been reserved, The Company believe it is possible to reach settlement for all those receivable.

(2) Inventories and Allowance for obsolescence of inventories

	In Baht					
	Consolidated financial statements					
	Allowance for obsolescence of					
	Cost		inventories		Inventories – net	
	2021	2020	2021	2020	2021	2020
Finished goods	200,651,976	354,942,811	(39,641,237)	(45,681,570)	161,010,739	309,261,241
Work in process	130,737,615	131,174,956	–	–	130,737,615	131,174,956
Raw materials	496,289,337	343,981,610	(28,730,251)	(24,075,579)	467,559,086	319,906,031
Material and Supplies	34,755,593	32,138,016	–	–	34,755,593	32,138,016
Total	862,434,521	862,237,393	(68,371,488)	(69,757,149)	794,063,033	792,480,244

	In Baht					
	Separate financial statements					
	Allowance for obsolescence of					
	Cost		inventories		Inventories – net	
	2021	2020	2021	2020	2021	2020
Finished goods	154,958,221	260,605,980	(38,843,029)	(44,883,362)	116,115,192	215,722,618
Work in process	118,131,200	117,339,996	–	–	118,131,200	117,339,996
Raw materials	149,287,903	163,008,610	(28,730,251)	(24,075,579)	120,557,652	138,933,031
Material and Supplies	11,835,690	10,659,911	–	–	11,835,690	10,659,911
Total	434,213,014	551,614,497	(67,573,280)	(68,958,941)	366,639,734	482,655,556

4.5 Contingent Liabilities and Off Budget Management

(1) Commitments

The Group entered into the operating lease agreement in respect of the lease of land and building. The term of agreements were 1 years.

As at 31 December 2021 and 2020, the Group had future minimum lease payments under the operating lease agreements, as follows:

	In Million Baht	
	Consolidated and Separate financial statements	
	2021	2020
Repayment		
Within 1 year	0.6	0.6

The Group had commitments according to sales of machinery and equipment with counterparties in amounting to approximately Baht 34.1 million. (2020: commitments according to sales of Investment properties – land, machinery and equipment with counterparties in amounting to approximately Baht 363.5 million). The Group expects to satisfy these performance obligation within 1 years.

The Group has unused letter of credit amounting to approximately U.S. Dollars 7.1 million equivalent to approximately Baht 237.5 million. (2020: U.S. Dollars 1.8 million equivalent to approximately Baht 54.0 million)

(2) Contingent liabilities

As at 31 December 2021 and 2020, The Group has contingent liability in relation to letter of guarantees issued by the financial institutions in favor of the government and private company as follows :

	In Million Baht					
	2021			2020		
	Company	Subsidiary	Total	Company	Subsidiary	Total
Letter of Guarantee	7.77	23.00	30.77	9.77	25.00	34.77

4.6 Future Business Impacts

As The Company business is complete upstream to downstream, from yarn spinning, yarn dyeing, fabric weaving, and garment making, which the major raw material is raw cotton fiber, and have to be imported from abroad, to exporting finished fabrics and garments; therefore, business impact could be direct and indirect, local and foreign as follow:

- (1) Volatility of cotton and synthetic fibers from abroad.
- (2) Price of fabric, yarn, and garment which are dependent on foreign markets.
- (3) Obsolescence of inventories.
- (4) Impairment in investment in the Subsidiary and related companies.
- (5) Employee benefits after retirement.

5. General information and other material facts

5.1 Legal Disputes

None

5.2 General Information and other Key Information

General information	
Company Name Issuing Securities	Thai Textile Industry Public Company Limited
Registration No	0107537000441 (Previously PCL 291)
Type of Business	Manufacturer Fabric Weaving, Yarn Spinning, Garment
Paid Capital	50 Million Shares with par value 10 baht per share
Address	385 Soi Bang Make Khao, Sukhumvit Road, Taiban, MuangSamutprakan Samutprakan 10280
Tel	0 2703 8484
Fax	0 2387 0894, 0 2387 1983
Web site	http://www.tti.co.th
E-mail	thaitex@tti.co.th
Reference Person	
Securities Registrar	Thailand Securities Depository Company Limited
Address	93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand
Tel	0 2009 9000
Fax	0 2009 9991
Auditor	Mr. Pradit Rodloytook, CPA No. 218
	Ms. Nongram Laohareedeelok, CPA No. 4334
	Mrs. Pornthip Lerthanongsak, CPA No. 7633
	Ms. Chamaporn Rodloytook, CPA No. 9211 or
	Ms. Sunanta Khumsuk, CPA No. 8207
	AST Master Company Limited
Address	790/12 Thonglor Tower Soi Thonglor 18, Sukhumvit 55 Road, Klong Tan, KlongToey, Bangkok 10110
Tel	0 2185 8842-3, 0 2185 0342
Fax	0 2185 0225
Legal Consultant	Jaruttham Attorney and Accounting Firm
Address	44 Soi Ratchapruek, Ratchapruek Road, Bang Chak, Pasicharoen, Bangkok 10160
Tel	0 2389 2298
Fax	0 2389 2298
Legal Entity that TTI hold more than 10 percent of all Shares	
Legal Entity Name	Thai Rung Textile Company Limited
Address	62 Soi Vilalai, Bangna-Trad Road, Bangchalong, Bangplee, Samutprakan 10540
Tel	0 2337 2325-6
Fax	0 2337 2829
Type of business	Yarn Spinning Factory
Paid capital	6,000,000 shares with par value of 100 baht per share.
Share holding	87.31%

Part 2

Corporate Governance

6. Corporate governance Policy

6.1 Corporate governance Policy

The Company is aware of the importance of Good Corporate Governance and have followed the guidance that The Stock Exchange of Thailand, and The Securities and Exchange Commission of Thailand had set. In addition, a handbook on the business ethics and etiquette was made for the Directors, Managers, and employees to follow as company policy.

The Board of Directors have set The Company policies as follow:

- (1) Set the business scope and responsibilities to be effective and adhere to the rules and regulations with transparency and traceability.
- (2) The Board of Directors, Managers, and all employees will perform their duties to the best of their abilities with honesty and trustworthiness for the benefits of all parties, by upholding good corporate governance and following the handbook of business ethics and etiquette.
- (3) Define areas of responsibility and the authority of involved personnel in each department to ensure the benefits are protected.
- (4) Will not perform any actions that will violate or restrict the rights of the Shareholders of The Company, and will provide convenience to the Shareholders to exercise their rights other than voting at the Annual Shareholders Meeting.
- (5) Treat all Shareholders equally. Provide access to The Company information and contact information accordingly.
- (6) The Board of Directors, Managers, and all employees will uphold the business ethics and etiquette by treating all with benefits equally, as well as, taking care, controlling, and protecting against any decisions or actions that may be in conflict with the benefits.
- (7) Fully disclose important news and information of The Company in a timely manner accordingly to the rules and regulations.
- (8) Set policies, strategies, and plans necessary for the operation of The Company and systems to evaluate the effectiveness of the management.
- (9) Evaluate and set ethics and etiquette guidelines of The Company business for the Board of Directors, management, and all employees to follow, in addition to the rules and regulations of The Company.
- (10) Set annual internal self evaluation to determine the performance of the Directors.
- (11) The Board of Directors set communication channels for Shareholders, investors, and governing sectors, as well as disclose information to Shareholders and those with mutual benefits.

The Board of Directors realizes support is needed for the Directors, management, and employees to perform their duties and responsibilities to be in accordance to good corporate governance policies set forth by the Board of Directors, so good corporate governance policy and business ethics and etiquette handbooks were distributed through the following channels:

- Employee Handbook
- Good Corporate Governance Policy Handbook
- Business Ethics and Etiquette Handbook
- Company website (www.tti.co.th)
- Information Board of The Company

In addition, Good Corporate Governance policy and Business Ethics and Etiquette seminars were held during orientation of new employees.

6.2 Sub Board of Directors

(1) Board of Directors Structure

From the Board of Directors of 10 people, a Sub Board of Directors was set up as follow:

A. Executive Directors consisted of the following 6:

1. Mr. Boonnam Boonnamsap
2. Mr. Mongkol Mungkornkanok
3. Mr. Phaiboon Jaroonchaikanakij
4. Mr. Tawatchai Chaiyapinunt
5. Mr. Kumjorn Chuenchoochit
6. Miss Naruemon Worarittichai

B. Audit Committee consists of 3 people.

C. Nomination Committee consists of 3 people.

D. Remuneration Committee consists of 3 people and Management Structure

Duties and Responsibilities of each Committee Directors are as follow:

- **Board of Directors** duties and responsibilities consisted of managing according to the purpose, regulations, and resolution of the Shareholders meeting, including

1. Approval of vision, strategy, goal, and risks.
2. Observing the management operation according to The Company Policy.
3. Control and manage risks.
4. Set written policies and business ethic and etiquette for The Company to operate under.
5. Evaluate possible issues of conflict thoroughly.
6. Set policies on risk management for The Company and Subsidiary

- **Executive Directors** duties and responsibilities consisted of the following:

1. Authority to order, plan, and operate The Company business according to the policies set by the Board of Directors.
2. Set strategies for The Company under the purpose and policies of The Company.
3. Propose investment plans to the Board of Directors and or at the Shareholders Meeting for consideration.
4. Approve appointments of advisers necessary for the operation of The Company under the budget given.
5. Authorized to determine the benefits to the employees according to traditions and rules and regulations.
6. Authorized to approve purchase, hiring, rent, and lease any assets, including investing and settlement of payments necessary for the operation of The Company, within the budget, according to the details of the Authorization Chart set up by the Board of Directors.
7. Authorized to approve make loan agreement, and overdrawn funds from banks, corporations, and or financial institutions for the benefit of the operation of The Company.
8. Authorized to approve purchase of assets, or payment of assets from the operation of The Company, according to the contract and or agreement with business partner, as per the details of the Authorization Chart set up by the Board of Directors.

- **Audit Committee** duties and responsibilities consisted of the following:
 1. Review that The Company discloses correct and adequate financial statement information.
 2. Review appropriate Internal Control and Internal Audit procedures, evaluate internal audit department Independence, as well as, approval to appoint, transfer, and or cease employment of Internal Audit heads or other departments that are responsible for the Internal Audits.
 3. Review that The Company is operating under the rules and regulations set forth by the Stock Exchange of Thailand and laws governing business operation.
 4. Review, select, and or recommend individuals who are independent to audit The Company's financial statement and recommend remuneration for the individuals. In addition, attend Audit Committee meeting without involvement of the management team at least 1 time a year.
 5. Review related transactions and or conflict of interest transactions to be in line with the rules and regulations set forth by The Stock Exchange of Thailand, so those transactions are appropriate with highest benefit for The Company.
 6. Write the Audit Committee Report, signed by the Audit Committee Chairman, which is to be disclosed in the Annual Report of The Company.
 7. Perform duties assigned by the Board of Directors, with agreement from the Audit Committee.
- **Nomination Committee** has the duty and responsibility to set criteria and qualification for individuals to be on the Board of Directors and Management Team, by proposing the individual to be on the Management Team to the Board of Directors for consideration, and the individual to be on the Board of Directors to the Shareholders Meeting for consideration.
- **Remuneration Committee** has the duty and responsibility to evaluate the amount and form to pay the Directors and Management Team and propose to the Board of Directors for consideration. The Management Team remuneration will be approved by the Board of Directors, while Directors remuneration will be approved by the Shareholders Meeting.

(2) Audit Committee Directors

Qualified Audit Committee to review The Company's Financial Statement is Mr. Preecha Chaipromprasith

6.3 Nomination and Appointment of Directors and Management

In the Nomination for a Director, all Directors have the right to suggest a qualified individual to the Shareholders Meeting for approval, unless the Director position was vacant before the term is up, then the Board of Directors have the right to appoint an individual to replace the vacant position. The Shareholders still have the right to recommend qualified individuals for consideration at the Shareholders Meeting as well.

(1) Board of Directors

A. Election

As per The Company's rules under Directors, Section 4, Point 16, the Shareholders Meeting will determine the number of Directors on the Board of Directors, to be no less than 5 people and no more than 17 people. The elected persons should not prohibit according to the rules and regulations of The Company, and should be trustworthy to manage a Public Company according to the rules and regulations set by The Securities and Exchange Commission. More than half of the total Directors must have residence in the Kingdom of Thailand. The number of Independent Directors and Audit Committee must be according to the rules and regulations of the Stock Exchange of Thailand.

B. Directors Qualification

1. Must be a mature ordinary person.
2. Must not be bankrupt, or incapable of management
3. Never convicted by the highest court for corruption.
4. Never unemployed from government agency or corporation due to corruption.
5. Not a person lacking trust to manage a Public Company according to the rule and regulation set by The Securities and Exchange and exchange commission.

C. Directors Election Method

As per The Company's rules under Directors, Section 4, Point 18, the Shareholders Meeting will determine the Directors with the following methods:

1. One Shareholder has 1 vote per 1 share.
2. The Shareholder must give their suffrage to 1 candidate or many candidates to be Directors, but cannot distribute their suffrage to several candidates.
3. The candidate with the highest votes will be selected according to the number of Directors needed for that term. If case there is a tie in a number of votes for the candidates, the Chairman of the Board will have one vote to determine the candidate for the Board.

D. Directorship Terms

1. Normal Term Expiration

As per The Company's rules under Directors, Section 4, Point 20, at the Annual Shareholders Meeting, one third of the Director's term will expire. If the number of Directors cannot be evenly separated into one thirds, then the number of Directors, whose terms will expire, will be as close as possible to one thirds.

In the first and second year after The Company registration, the Directors who terms expired will be determined by a draw on who will be replaced. For the following years after, the Directors with the longest term will be selected for replacement.

The Directors whose term expired can be selected to return to the Board.

2. Extraordinary Term Expiration

As per The Company's rules under Director, Section 4, Point 21, other than the normal term expiration, the Directors term may expire upon:

- 1) Death
- 2) Resignation
- 3) Lack of Qualification according to Point 17.
- 4) Resolution of the Shareholders Meeting in accordance to Point 25.
- 5) By court's ruling.

The Company did not set consecutive number of terms. The Shareholders reserve the right to appoint an individual to the Director position.

(2) Audit Committee

A. Structure and Appointment

There must be a minimum of 3 Directors in the Audit Committee, comprising of a Chairman and a set of Committee Members. All must be The Company's Director and must be qualified according to SEC rules and regulations as follow:

1. Appointed by the Board of Directors or at the Shareholders Meeting.
2. Be an Independent Director
3. Must not be The Company Directors empowered to make business decisions for parent company, subsidiary, affiliates, partnership, other subsidiary of the parents company, or any juristic person with conflict of interest.
4. Responsible to the duties according to rule and regulations set by The Stock of Exchange of Thailand and The Company's policy.
5. Must possess knowledge and experience sufficient to perform audit functions with one member being an expert of financial reviewing.

In case there are changes in the rules and regulations of SEC and SET, the qualifications will be changes.

B. Term of Appointment

The Audit Committee tenor is 2 years, counting from the date of appoint by the Board of Directors.

1. Normal Term Expiration

Once the term expire, the Board of Directors or at the Shareholders Meeting, will appoint a new committee members within 2 months of expiration of the previous committee. The previous committee members could be re-appointed.

2. Extraordinary Term Expiration

Other than normal term expiration mentioned above, the Audit Committee will expire when

- 1) No longer a Board Director.
- 2) Resignation
- 3) Death
- 4) Removed from Committee by the Board of Directors.
- 5) Lack of qualification according to the SEC and SET rules and regulations.

If the position became vacant due to reasons under Extraordinary Terms Expiration, with more than 2 months until normal term expiration, The Company Board of Directors or the Shareholders Meeting will appoint an individual with qualifications to fill the vacant position at the next meeting. However, the replacement can only hold the position up until the expiration of that term.

The Audit Committee members can re-appointed to consecutive terms without any limitations depending on the Board of Directors decision

(3) Executive Committee

A. Structure and Appointment

The Board of Directors will appoint 7 members to the Executive Committee, which comprise of Chief Executive Officer to be the Chairman of the Executive Committee and 5 other committee members. The appointments will be based on knowledge and experience necessary to manage The Company business.

B. Terms of Appointment

1. Normal Term Expiration

Executive Committee Members term will expire once they are no longer on the Board of Directors.

2. Extraordinary Term Expiration

The Extraordinary Term Expiration includes:

- 1) Resignation
- 2) Death
- 3) Removed by the Board of Directors
- 4) Lack of qualification according to the SEC and SET rules and regulations.

If the position became vacant due to reasons under Extraordinary Terms Expiration, with more than 2 months until normal term expiration, The Company Board of Directors will appoint an individual with qualifications to fill the vacant position at the next meeting. However, the replacement can only hold the position up until the expiration of that term.

(4) Independent Directors

The Company will have 4 Independent Directors (no less than 1 / 3 of all Directors) with the following qualifications and selection as follow:

A. Independent Directors Qualifications

1. Hold no more than 1 share with voting rights of The Company, the Subsidiary Company, or a major shareholder or authorized to manage The Company. This includes the shares held by individuals related to the Independent Director.
2. Must not be a Director that participated in the management, employees, advisor with regular monthly salary, or authorized to manage The Company, the Subsidiary, major shareholder, or of those with the authority to manage The Company.
3. Not a blood relative or binding by law such as father, mother, married partner, brother, sister, and children, including in-laws of children of the Directors, major shareholders authorized to manage The Company, and individuals proposed to be a Director or with authority to manage The Company or The Subsidiary Company.

4. Must not have a business relationship with The Company, The Subsidiary Company, a major shareholder, or those authorized to manage The Company in a way that could prevent the judgment to be made independently, including never or not that shareholder with significance, or authority to influence those with business relationships with The Company, The Subsidiary Company, the major shareholder of The Company, and those with authority to control The Company.

The business relationship under this point include normal business transactions to rent or loan property, assets or services, give or receive financial assistance, guarantee, or monetary guarantee, and other similar transactions which will cause The Company or The Guarantor additional debt of 3% of the asset of The Company, or THB 20 million onwards, depending on which one is less. The calculation of the debt will be according to the rules and regulations of the related business transactions of SEC.

5. Must not be an auditor of The Company, The Subsidiary Company, the major shareholders or those with authority to manage The Company, and must not be a managing partner or shareholder of the auditing company, which audits The Company, The Subsidiary Company, the major shareholders or those with authority to manage the approve transactions.
6. Must not be an advisor or financial advisor with remuneration of over THB 2 million annually from The Company, The Subsidiary Company, major shareholders or those with authority to manage The Company, and not a shareholder with significance to control the expertise.
7. Must not be a Director appointed to represent the Directors of The Company, major shareholders of The Company, or relatives to the major shareholders of The Company.
8. Must not be in the similar business with The Company, and The Subsidiary Company, or be a partner or Executive director, the employees, with regular salary, or have shares over 1 % in a company with similar business as The Company and The Subsidiary Company.
9. No other characteristics that will hinder independent opinion concerning the management of The Company.

After installation of the Independent Directors with compliance to the rules and regulations above, the Board of Directors will allow the Independent Directors to make a collective decision on how to manage The Company and The Subsidiary Company.

B. Nomination for Independent Directors

The Nomination Committee will select and propose the individuals with enough experience and knowledge of the industry of The Company, that meet the criteria above, to the Board of Directors, who will evaluate and propose to the Shareholders Meeting for approval

(5) Appointment of Managing Directors

The Board of Directors will appoint the Managing Directors.

(6) Appointment of Management term

The Nomination Committee has the authority to propose individuals that are an employee of The Company in the management position, with the approval of the Board of Directors.

6.4 Control and Management of The Subsidiary

The Company has control mechanisms to control and be responsible for The Subsidiary Company for the benefit of The Company as follow:

- (1) The Company has sent individuals to be the representative of The Company as Directors, and Management of The Subsidiary Company as per ratio of shares held. The Board of Directors Meeting will determine the individual to be sent as the representative of The Company.
- (2) The Company policy is to appoint the same auditors for The Company and The Subsidiary Company to control the disclosure of financial information, Company performance, related Transactions between The Subsidiary and related persons to be correct and same as The Company.

6.5 Control of Inside Information Usage

The Company has policies set up to prevent the Directors and or the Management to gain benefit from the inside information of The Company as follow:

The Directors must perform their duties in accordance to the laws, purpose, and regulations of The Company, as well as the resolutions of the Shareholders Meeting. Any important information disclosure that will affect The Company's operation must be approved by the Executive Director; however, any information that will affect the investors, must be approved at the Board of Directors Meeting.

The Company Board of Directors will oversee and issue the punishments if a Director or Upper Management used inside information for their own benefits. The Managing Director will evaluate the punishments according to the procedures set at the Board of Directors Meeting if an employee is caught with the crime.

In addition, The Company have a policy that members of the Board of Directors and the Management are prohibited from selling and or buying of shares 1 month before the financial statements and other information that may affect the prices of the shares were released to the public, and also 24 hours after the release of the information.

The Secretary of the Board is appointed to be the person to handle the selling and buying transaction of shares for all Board of Directors, and must report the transactions to the Chairman of the Board every time there is a transaction.

Internal Control Policy

The Board of Directors give importance to adequate internal control system to cover all areas including the control environment, risk management, communication and follow up activities, including company operation to be in accordance with the laws for check and balance to protect and take care of Shareholders investment and The Company's assets.

The Company Board of Directors assigned the Audit Committee to evaluate the internal control system and report back directly to the Board of Directors.

The Audit Committee assigned Mrs. Rattanaporn Piriyaponsakul to be responsible for preparing reports for production, human resources and related transaction between The Company and The Subsidiary Company, and presenting to the Audit Committee Meeting to be used as information for each quarterly meeting.

6.6 Annual Remuneration for Auditors

The resolution at the Annual Shareholders Meeting 1/2020 on Wednesday, 29 April 2020, appointed Mr. Pradit Rodloytook, Certified Public Accountant No. 218, Mr. Nongram Laohaareedilok, Certified Public Accountant No. 4334, Mrs. Pornthip Lerthanongsak, Certified Public Accountant No. 7633 and Ms. Chamaporn Rodloytook, Certified Public Accountant No. 9211 of AST Masters Company Limited, with either one of them to audit and certify The Company's financial statement. Both individuals can perform their duties with independence without any relations to The Company and The Subsidiary Company. The history of both auditors and their remuneration are as follow:

Auditors History

Mr.Pradit Rodloytook	Auditor	2006–2010 and 2013–2021
Ms.Nongram Laohaareedilok	”	2007–2021
Ms.Pornthip Lerthanongsak	”	2019–2021
Ms.Chamaporn Rodloytook	”	2019–2021
Ms.Sunantha Khumsuk	”	2021

Auditor Remuneration

Remuneration	2021		2020	
	Company	Subsidiary	Company	Subsidiary
Annual Auditing	430,000	300,000	430,000	300,000
Financial Statement Reviewing (3 Quarters)	250,000	220,000	250,000	220,000
Consolidated Financial Statement Reviewing (3 Quarters)	70,000	–	70,000	–
Consolidated Financial Statement Auditing	50,000	–	50,000	–
Total	800,000	520,000	800,000	520,000

6.7 Other Good Corporate Governance Practice

Other than Following the laws and good governance in The Company operation, The Company also followed the suggestions of the Organization for Economic Co-operation and Development.

The Company also followed the Stock Exchange of Thailand by separating into 5 sections:

- (1) Shareholders rights
- (2) Equal treatment of all Shareholders
- (3) Mutual benefit roles
- (4) Information disclosure and transparency
- (5) Board of Directors responsibilities

Section 1 Shareholders rights

The Board of Director support to have the Shareholders use their rights by providing sufficient information in a timely manner, and encourage the Shareholders to exercise their rights and attend the Shareholders Meeting, without infringing on the rights of the Shareholders.

The Board of Director set up a policy to provide convenience and support to all Shareholders to attend the Shareholders Meeting as follow:

Encouragement Policy for Shareholders to attend the Shareholders Meeting

1. Set the Annual Shareholders Meeting within 4 months after the end of the fiscal year (within 30 April of every year). If there is an urgent need, an Extraordinary Shareholders Meeting could be called upon.
2. Arrange and send invitation letters to the Annual Shareholders Meeting in both Thai and English, which include details and procedures of the meeting, the location, date and time, map indicating the place of the meeting, and important necessary information for the Shareholders to consider for each agenda, including the opinions of the Board of Directors, previous year meeting minute, the annual report, and proxy letter A and B according to the Ministry of Commerce. The invitation letter is to be sent out at least 7 days before the Shareholders Meeting, and advertised in the Thai newspapers for 3 consecutive days, including having the information on The Company website.
3. Provide convenience to all Shareholders equally by providing sufficient staffs to help with registration and check all necessary documents for the meeting. The Company uses the bar code system for registration and vote counting for convenience and efficiency, as well as provides revenue stamps for the proxy letters. The location of the Shareholders Meeting is a hotel in central Bangkok for travel convenience of the Shareholders.
4. The Company will not prohibit any Shareholders to attend the Shareholders Meeting. The Shareholders can attend the Shareholders Meeting at any time while the meeting is still ongoing.
5. Before every Shareholders Meeting, the Chairman will explain the procedures of the meeting, including how to vote, and how the votes will be counted for each agenda. For each vote counting, The Company will count the votes for each agenda and conclude the results clearly at the meeting.
6. The Company will have a person to count the votes at the Shareholders Meeting, and will record the results in the Shareholders Meeting minutes.
7. The Chairman will allocate enough time for the Shareholders Meeting, and proceed with the meeting with transparency by allowing the Shareholders to exercise their rights to ask, give opinions, and vote on important issues of The Company such as the appointing or withdrawing a Director, suggesting an Independent Director, approval of Auditors, dividend payouts, increase or decrease of capital, and changing of rules and regulations.
8. The Chairman, Directors, and Executive Directors, are responsible to attend the Shareholders Meeting to answer questions to the Shareholders.
9. If the Chairman have not declared the Shareholders Meeting closed, the Shareholders have the right to join the Shareholders Meeting and vote on the agenda that is currently being discussed.
10. The Chairman will inform the Shareholders on which Directors have a mutual benefit on the certain agenda, and will ask the Director with mutual benefits to leave the Shareholders Meeting until the agenda is concluded.

11. The Company will disclose the voting results of each agenda from the Shareholders Meeting on The Company website the next day.
12. The Company will send the Shareholders Meeting minutes to the Stock Exchange of Thailand within 14 days after the Shareholders Meeting, and inform the Public Company Registrar within the time indicated by the law (within 1 month after the Shareholders Meeting), as well as on The Company website.

Section 2 Equal Treatment of Shareholders

1. The Company gives importance to the Shareholders by giving the Shareholders the opportunity to add agendas to the Annual Shareholders Meeting, and recommend individuals to be voted on the Board of Directors, at least 3 months before the Annual Shareholders Meeting. The procedures to exercise the rights will be announced on the Stock Exchange of Thailand and on The Company website.
2. The Shareholders can assign a proxy to the Shareholders Meeting, and the proxy will have equal rights as other Shareholders.
3. The Company will present an Independent Director in the proxy letter for any Shareholders who could not find a proxy to still exercise their rights by giving their voting rights to the Independent Director.
4. The Shareholders Meeting will follow the order of the agenda as indicated in the Shareholders Meeting invitation letter, with a policy to not add new agendas without informing the Shareholders beforehand so the Shareholders can have enough time to study the information before deciding on their vote.
5. The Chairman of the Board, Directors, Executive Directors have the responsibility to attend the Shareholders Meeting to answer any questions from the Shareholders, and record the discussion in the Shareholders Meeting minutes for the Shareholders to recheck.
6. Arrange 1 barcode voting ballots for each agenda for each Shareholder to vote for convenience and easy accurate rechecking. The Company will hold the voting ballots for 2 years from the voting date for rechecking if required.
7. Disclose current information of The Company on The Company website, in Thai and in English, for the Shareholders to receive important change information, after presenting to the Stock Exchange of Thailand. Open communication options on The Company website for the Shareholders to ask and receive answers.
8. The Directors and Executive Directors with mutual benefits must report their mutual benefits to the Board of Directors Meeting every time.

Conflict of Interests

The Company makes it a policy to not let the Directors, Management, or employees to use their position for their own benefit. The Board of Directors set the policy to have the individual avoid involvement to avoid conflict of interest with The Company. If the transaction is unavoidable, prices and conditions will be the same as dealing with an outsider, and the Director or employee must not be involved in the approval process, as announced by the Stock Exchange of Thailand. All transactions must strictly follow the rules and regulations set by the Stock Exchange of Thailand and information fully disclosed.

Section 3 Role of Stakeholders

The Company give importance to every party with mutual benefits, including insiders such as Shareholders, employees, and management of The Company, or outsiders such as customers, suppliers, debtors, competitors, government officials, and other departments that are involved, as well as, the community that The Company is located at, and the environment around The Company as follow:

Shareholders: The Company sees the Shareholders as those with mutual benefits and an important factor to being a Public Company Limited; therefore, have set as an important rule to treat the Shareholders as follow: 1) Shareholders Rights, and 2) Equal Treatment of Shareholders, as mentioned earlier.

Employees: The Company gives importance to every Company employee; therefore, other than following the labor laws, benefits to the employees, human rights, safety, working environment and the environment were taken into consideration.

1. Safety, Working Environment, and Environment of Working Area Policy

The Company consider every employee as an important asset; therefore, safety, working environment, the environment, and work responsibilities are set up as follow:

- 1) Safeness is the responsibility of every employee and they must work together to create a safe working environment for themselves and others.
- 2) The safeness at work is the responsibility of the employees at all level of hierarchy.
- 3) The Company will improve the work environment and working procedures to be safe, and incorporate safety equipments as necessary.
- 4) The Company will follow the rules and regulations, announcements, and or safety standards as announced by the government.
- 5) The Company set the Directors for Safety, Work Environment, and Environment Committee to organize the safety plan.
- 6) The Company have a follow up schedule to evaluate the safety procedures and control for effectiveness.

In 2021, 3 employees out of approximately 415 employees had accidents which required more than 3 days of sick leave.

2. Employee Remuneration and Benefits Policy

- 1) The Company have fair equal hiring of employees, and every employee have the opportunity to promote The Company equally.
- 2) The Company give opportunities to the employees to show their capabilities by providing incentives in daily wages, monthly salary, contract work, monthly and yearly targets, bonuses, and overtime payments.
- 3) The Company evaluates the compensations equally for all employees, based on the companies with similar size, work position, experience, education level, and quality of the employee. Other than the employee's abilities, the compensation will also be based on The Company's performance.
- 4) The Company provides benefits according to the employee needs such as housing, transportation, annual health checkup, work uniform, and monetary support.

3. Provident Fund

The Company has set up a Provident Fund since 2011.

4. Human Resource Development

The Company sees the development of the employees as a means to be competitive and survival; therefore, have set up development programs for the employees in accordance to the Labor Development Law of year 2002. In year 2021, the basic development program was implemented.

5. Employee Complaint Channels

The Company has channels for the employees to voice their complaints through the Personnel and legal. In addition, if the employee would like to file the complaint to The Company Director, without disclosing themselves, they can do so via the complaint box, and only the Director with the key to the complaint box can open the box.

6. Human Rights Compliance

The Company is aware of the Human Rights Compliance and set to have employees of the following 3 nationalities (Myanmar, Laos, and Cambodia) to have equal rights to the Thai nationality in compensations such as wages, overtime payment, holiday wages, overtime payment on holidays, incentives for the month, for the year, and bonus. In addition, the rights for male and female employees are the same for compensations and benefits. There are no use of female employees doing work that are prohibited, and absolutely no child labor.

Customers: The Company aim to produce and sell products to customers according to the ISO 9001:2015 and ISO 14001:2015 standards with product inspection and on time delivery as per the agreement with all customers equally. A team is setup to contact and handle the customer's needs with the following procedures:

1. A system to protect the customer's goods that are under the care of The Company.
2. Keep sufficient assets as per the laws of the government to build confidence to the customer.
3. Will not ask for money, gifts, awards, or any compensation from the customer or any individuals; other than normal ceremonial gifts.
4. Uphold the honesty of business practices.
5. Perform under the standard business practices generally accepted.
6. Work in accordance to the law and official rules, and will not assist, encourage, or support activities or transactions that are against the law.
7. Keep and protect customer's product information, which are proprietary to the customer.

Competitor: Competition is normal. The Company will compete within the rules and regulations of the competition, without resorting to foul play, without seeking inside information of the competitor, and without destroying the reputation.

Suppliers: The Company gives importance to the purchase and payment to the Suppliers according to the law. The Company chooses trustworthy suppliers, who are responsible to society and the environment, to ensure that the customers will receive product and services that meet the standards by the following criteria:

1. Must strictly follow the contract made with the supplier. If there is a situation that impacts either party to not be able to comply to the contract, The Company will promptly contact the supplier to work on a solution to solve the problem.
2. Prevent and control any conflict that may occur to disrupt The Company business, and will not seek unlawful advantage from the supplier.
3. Use and support the use of original licensed intellectual products, and encourage the management and employees to use intellectual products effectively.

Debtors: For any projects, the Board of Directors have a financial plan, and will avoid foreign exchange risks, by borrowing mainly from financial institutions, and small amounts from inter-related businesses, and using machinery assets as guarantee. In the past few years, The Company have not faulted on the payments; however, if an unexpected situation occurred and The Company is unable to make the payment on time, The Company is confident that the payment history can be used to negotiate with the financial institutions. In addition, the land of The Company is without legal negative pledge, which should give the financial institutions the confidence to extend the payment period in case of an unexpected situation.

Intellectual Property or Copyrights: The Board of Directors have a policy to follow the laws concerning intellectual property or Copyrights by checking that the work or information does not infringe on the intellectual property or copyrights of others.

Corruption and Bribes: The Board of Directors have a policy for the Directors, management, and employees of all levels to uphold good governance, and go against corruption and bribes by forbidding the employees to ask or receive benefits to do or not do their duties, or cause The Company to lose the rightful benefits. The employees are to avoid unlawful offering or giving benefits to other outsiders to do or not do their duties.

Community and Social Relations: The Company gives importance to the surrounding community by having a community relation on environment and community conservation to prevent and solve any environmental issues, or complaints that may occur from communities nearby The Company. In addition, The Company supports the community by donating money and things for religious events, students events, and elderly events, and providing a location within The Company area for disabled people to sell their products.

Community and Social Development: As The Company give importance to the surrounding community, The Company have impact preventive policies and social development programs in place based on the Corporate Social Responsibility, Department of Industrial Works (CSR-DIW) program. The CSR-DIW program emphasized the importance of being responsible for the surrounding community and has a sustainable development along with the community to enhance competitiveness of the business both locally and internationally.

The Company has supported the following activities and programs to develop the community:

- 1 Education programs
- 2 Cultural programs
- 3 Career programs, especially programs for disabled people
- 4 Social responsibility programs
- 5 Religious programs

Environment: The Company business involved yarn spinning, yarn dyeing, yarn sizing, fabric weaving, that uses steam from coal burning, which may cause air pollution, while yarn dyeing and yarn sizing, may cause water pollution to occur. The Company has pollution preventive measures for air and water as follow:

For air pollution from coal burning for steam: the coal is transported in a closed container from the manufacturer to the factory. The coal is then kept in a closed building at The Company to prevent coal dusts to be released in the air outside. For air pollution occurred during coal burning, The Company have installed the Cyclone & Ventury Scrubber system to treat the air before releasing into the atmosphere, which is constantly monitored 24 hours a day. Checking the air released into the atmosphere, the pollution level is normal and does not harm the atmosphere.

For water pollution from yarn dyeing and yarn sizing: the waste water from the processes is approximately 100 cubic meters per day; which can be handled by The Company's waste water treatment plant with the capacity of 1,500 cubic meters per day without any issues. The waste water treatment result is connected online to the Department of Industrial Works (COD-ONLINE), which has been installed since 2012, and since then the waste water released have always met the standards set by the Department of Industrial Works.

For solid industrial wastes such as burnt coal, and wastes from water treatment: The Company have hired government approved waste removers to take away the solid industrial wastes for disposal as per the law required.

Business Policy under Environmental Standards: The Company business must be responsible for the environment as follow:

- Follow the laws and international standards to protect the environment.
- Production process development must comply with the environmental standards.
- Instill and encourage the employees to be responsible for the environment.

In 2021, the Company held environmental seminars to educate employees on the Global Recycle Standard (GRS) V4.0, with emphasis on the use of recycled material to reduce and or eliminate dangers that may occur during production.

The Company has a quarterly report checking the environment for dust, water, sound, and air pollution, which for 2021, the reported values are all within the standards.

The Company has set up a Community Relations team to address the community concerning the environment and handle any complaints from the community.

Energy Resource Management: To achieve the highest energy resource efficiency, The Company has set the following policies:

- Set energy resource plan and re-using the water for other processes
- Set a plan to save energy for coal, water, and electricity
- Set a plan to reduce and reuse paper usage
- Set activities to encourage energy resource and environment protection
- Set media relations to encourage energy resource and environment protection

Policy for Complaint and Witness Protection: For good corporate governance, The Board of Directors give the right to every employee and those stakeholder to communicate directly with the Independent Director and or Audit Committee through mail and electronic mail, so the Directors can check the complaints.

To file complaint concerning the financial statements, internal control failures, rights infringement of the Directors and employees, the complaints could be sent via registered mail to the following:

Chairman of the Audit Committee
 Mr. Chin Chinsetta Wong, Ph.D.
 Thai Textile Industry Public Company Limited
 385 Moo 1, Soi Bang Make Khao, Sukhumvit Road,
 Tumbon Taiban, Samutprakan, Samutprakan 10280

All complaints will be handled accordingly without disclosing the person filing the complaint. Information collected will be done in secrecy and the person filing the complaint will be protected to prevent any impact from the complaint. In case The Company has to disclose any information, only necessary information will be disclosed, keeping in mind the safety of the person filing the complaint.

In 2021, there were no complaints filed to the Audit Committee.

Channels to contact The Company

	E-mail	Telephone
Managing Director	mongkol@tti.co.th	–
Chairman of Audit Committee	chin@unionpaper.co.th	–
Secretary of The Company	rattaporn@tti.co.th	0 2389 2298 0 2703 8484
Company and Investor Relations	rattaporn@tti.co.th	0 2389 2298 0 2703 8484

Section 4 Information Disclosure and Transparency

The Board of Directors give importance to information disclosure which may or may not have an impact on the stock price of The Company, or to the investor decision making, or to the benefits of the Shareholders, along with people with mutual benefits; therefore, all information is disclosed with transparency according to SEC and SET as follow:

1. Financial information consisting of financial statement 56-1 and annual report 56-2
2. Incidental information such as date of Shareholders Meeting, record date, book closing date, asset bought or sold, inter-related transactions, and changes in major shareholders structure.

Other than reporting to SET, the information is also disclosed at www.tti.co.th in both Thai and English. Any inquiries can be addressed to Investor Relations, telephone number 0 2389 2298 and 0 2703 8484

The Company has preventive policies against the use of inside information by employees of all levels for their own benefits, or for other's benefits. Any employee that discloses inside information such as those that can have an impact on The Company's stock prices, and business secrets, without the consent of the Managing Directors will be punished according to the employee rules and regulations of The Company, and may face legal actions as well.

Section 5 Directors Responsibilities

The Board of Directors of The Company are made up of individuals with knowledge and capability, as well as understanding of the textile industry, to manage The Company effectively. There are 10 members on the Board of Directors of The Company and this quantity is suitable for managing The Company effectively. The Audit Committee, which are Independent Directors, are made up of 3 members.

The Board of Directors determine the vision, mission, target, policy, direction, long term plan, work plan, and the annual financial budget of The Company, while the Executive Directors will implement the plan. The Board of Directors will review and approve the vision and mission of the Company annually.

The Directors will uphold transparency and honesty within the laws and rules and regulations of the Company.

Board of Directors Meeting

The Board of Directors of the Company will set the Board of Directors Meeting in advance and inform the Directors in advance so everyone can attend the meeting. The Ordinary Board of Directors Meeting will occur at least every 3 months, and the Extraordinary Board of Directors Meeting will be called upon when necessary. The agendas of the Board of Directors Meeting will be set beforehand and have an agenda to follow up on the performance on a regular basis. An invitation letter, along with the agenda and other information will be sent to the Directors at least 7 days before the meeting, so the Directors will have time to study the information adequately before the meeting. The Secretary of the Company will be the Secretary of the meeting, and the Secretary of the Audit Committee.

Directors and Executive Directors Remuneration

The Company has clearly set the remuneration to be of similar level as other companies in the textile industry and the remuneration amount has already been approved at the Ordinary Shareholders Meeting.

Directors Self-Evaluation

The Board of Directors will perform a self-evaluation annually by evaluating 1) individuals, 2) entire Board, and 3) sub-committees of the Board of Directors for the Board of Directors to evaluate and consider the problems and difficulties faced during the year, so issues can be rectified and efficiency can be improved. The evaluation of the Board of Directors is based on the suggestion of the SET, and adapted to fit the business of The Company. The evaluation is broken down into 6 subjects:

- 1) Organization and Qualification of the Board of Directors
- 2) Role and Responsibilities of the Board of Directors
- 3) Board of Directors Meeting
- 4) Directors Duties
- 5) Management Relations
- 6) Directors Development and Executive Directors Development

Balance between Directors and Executive Directors

As of December 31, 2020, The Board of Directors had 10 members consisted of:

- 1) 6 Executive Directors
- 2) 4 Independent Directors not in the management

From the amount of Directors above, 4 Directors, out of 10 Directors, are not involved with the management.

Shared or Separate Positions

The Board of Directors separate the Chairman of the Board to be different from the Chairman of the Management, to create a balance between management and business control.

Directors Development

The Company understands the importance of Director's knowledge and development, so the Board of Directors support the development of Directors by offering classes and seminars for the Directors to attend. The Secretary of the Board coordinates with the Directors to inform the available classes and seminars for the Directors to attend.

Currently there are 10 Directors of the Company that have attended either the Director Certification Program (DCP) or the Director Accreditation Program (DAP) held by Thai Institute of Directors.

New Directors Orientation

The Board of Directors assigned the Secretary of the Board to coordinate and set an orientation for all new Directors to help them understand their duty, responsibility, policy and regulations in controlling and managing The Company, knowledge of the business, risk management, as well as visiting each department of The Company to prepare themselves to perform the duties as a Director.

Policy for Directors, Executive Directors, and Upper Management to be Directors in another Company

To coincide with the rules and regulations concerning good governance of businesses as per the recommendations of the Stock Exchange of Thailand, the Board of Directors have a policy to limit the Directors to be a Director in other Public Company to no more than 5 companies. Currently, all 10 Directors of the Company are Directors in less than 5 other Public Companies.

The Board of Directors allow Executive Directors and Upper Management to be Directors in other companies as necessary without impact to their duties and responsibilities to The Company, and their appointment must be approved by the Board of Directors.

Mutual Benefits Report

The Board of Directors have set a policy to disclose mutual benefits between Directors and Executive Directors of The Company for transparency and prevent conflicts of interests as follow:

- 1) The Directors or Executive Directors, including family members that have mutual benefits or hold shares of the Company must prepare a report concerning their mutual benefits to the Company from the first day of holding the position.
- 2) The Board of Directors will review the reports concerning mutual benefits on January 1st of every year, or within 7 days after there are changes.
- 3) The Directors or Executive Directors have the responsibility to report to SEC and SET within 3 days after changes to their shares holding of the Company (Form 59-1 and 59-2)
- 4) The Board of Directors assigned the Secretary of the Board to keep the mutual benefits report.

7. Corporate governance policy structure and material facts related to the board, subcommittees, executives, employees and others

7.1 Company Directors

Company Board of Directors consists of 10 Directors, divided into 6 Executive Directors and 4 Independent Directors.

The Board of Directors is divided into 3 sub-Committees, namely the Audit Committee, Nomination Committee, and Remuneration Committee as follow:

1. Mr. Boonnam	Boonnamsap	Chairman
2. Mr. Mongkol	Mungkornkanok	Managing director and Chairman (Position on Feb 24, 2021)
3. Mr. Phaiboon	Jaroonchaikanakij	Executive Director
4. Mr. Tawatchai	Chaiyapinunt	Executive Director, Nomination Committee and Remuneration Committee
5. Mr. Kumjorn	Chuenchoochit	Executive Director
6. Mr. Suchart	Chantanakaracha*	Director and Independent Director
7. Mr. Chin	Chinsettawong, Ph.D.*	Chairman of the Audit Committee, Independent Director, Nomination Committee and Remuneration Committee
8. Mr. Preecha	Chaiyaprasith*	Audit Committee Director, Independent Director, Nomination Committee Directors and Remuneration Committee
9. Miss Naruemon	Worattichai	Executive Director
10. Mr. Charoen	Laohathai*	Audit Committee Director and Independent Director (Position on Feb. 24, 2021)
Mrs. Rattanaporn	Piriyapinsakul	Company Secretary and Secretary of Audit Committee

* Independent Directors

Remark For number of times of Directors' Meeting, and the attendance of each Director at each meeting, please refer to The attendance of each Director at each meeting and the Directors Remuneration

Audit Committee Directors

On 24 February 2021, the Board of Directors appointed 3 Directors to be on the Audit Committee for the duration of 2 years per term. The 3 Directors consisted of the following:

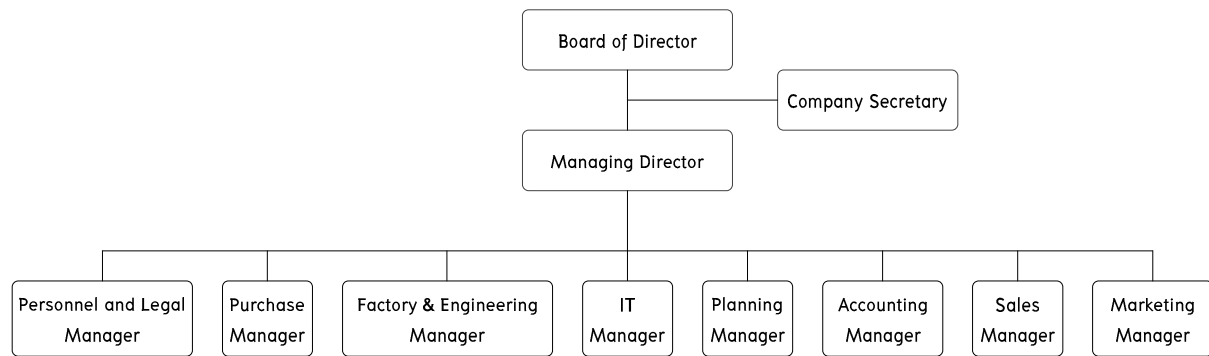
1.	Mr. Chin Chinsettawong, Ph.D.	Chairman of Audit Committee
2.	Mr. Preecha Chaiyaprasith	Audit Committee
3.	Mr. Charoen Laohathai	Audit Committee (Position on February 24, 2021)

Nomination Committee and Remuneration Committee Directors

On 24 February 2021, the Board of Directors appointed 2 sub-Committees, which were the Nomination Committee and the Remuneration Committee. The term for each Director is 2 years and consisted of 2 Independent Directors and 1 Executive Director. The Directors for both Committees are as follow:

1.	Mr. Chin Chinsettawong, Ph.D.	Independent Director and Chairman of Audit Committee
2.	Mr. Preecha Chaiyaprasith	Independent Director and Audit Committee
3.	Mr. Tawatchai Chaiyapinunt	Executive Director
	Mrs. Rattanaporn Piriyapinsakul	Secretary of the Committee

7.2 Management Structure



Managing Director	Mr. Mongkol Mungkornkanok
Personnel and Legal	Mrs. Rattaporn Piriyaprinsakul
Purchase	Miss Rattana Jamano
Factory & Engineering	Mr. Somchai Ketsakul
Information Technology	Mrs. Anchalee Tapaopong
Planning	Mr. Surasak Nampila
Accounting	Miss Naruemon Worarittichai
Sales	Mr. Nataphol Jarukittikhun
Marketing	Mr. Therawat Srivilaiwit

7.3 Company Secretary

Mrs. Rattaporn Piriyaprinsakul

7.4 Personnel

The Company's personnel for each major department in 2021 was as follow

Month	Weaving	Garment	Total
January	340	211	551
February	340	208	548
March	330	206	536
April	242	201	443
May	238	199	437
June	236	196	432
July	232	194	426
August	231	193	424
September	229	193	422
October	224	192	416
November	225	192	417
December	225	190	415

Compensation for 2021 is as follow

1.	Weaving Employee Wages	74,233,017.04	Baht	Bonus	2,310,465	Baht
2.	Garment Employee Wages	27,362,883.31	Baht	Bonus	0.00	Baht

For Personnel Development Program, The Company has regular seminars The Company also sends employees to workshops and seminars outside The Company on a regular basis.

No.	Course Program	Participants	Duration
1	5S for employees	120	6 hours
2	Quality Awareness	115	6 hours

8 Report on key operating results related to corporate governance

8.1 Directors and Executive officer Remuneration

			Directors Meeting Attendance / Meetings		Directors Remuneration (Baht) (Remuneration and Pension)	
Directors		Position	2021	2020	2021	2020
1.	Mr. Boonnam Boonnamsap	/	4/4	4/4	60,000	60,000
2.	Mr. Mongkol Mungkornkanok	★/	4/4	4/4	60,000	60,000
3.	Mr. Phaiboon Jaroonchaikanakij	/	4/4	4/4	60,000	60,000
4.	Mr. Tawatchai Chaiyapinunt	/■▲	4/4	4/4	60,000	60,000
5.	Mr. Kumjorn Chuenchoochit	/	4/4	4/4	60,000	60,000
6.	Mr. Suchart Chantanakaracha	✕✱	4/4	4/4	60,000	60,000
7.	Mr. Chin Chinsethawong, Ph.D.	◆■▲✱	4/4	4/4	120,000	120,000
8.	Mr. Preecha Chaipromprasith	◆■▲✱	4/4	4/4	120,000	120,000
9.	Miss Naruemon Worarittichai	/	4/4	4/4	60,000	60,000
10.	Mr. Charoen Laohathai	✕✱	4/4	–	100,000	–
			Total		760,000	660,000

- ★ = Chairman
 ● = Audit Committee
 ✕ = Director
 ▲ = Remuneration Committee

- ◆ = Chairman of the Audit Committee
 / = Executive Director
 ■ = Nomination Committee
 ✱ = Independent Director

Salary Executive Officers	11,231,376.25	Baht
Remuneration for Managing director (Mr. Mongkol Mungkornkanok)	1,485,000	Baht
Non-financial Remuneration	None	

8.2 Meeting Attendance for Subcommittee Directors

Subcommittee Directors			Independent Director status	Meeting Attendance time
Audit committee				
1.	Mr. Chin	Chinsetta Wong, Ph.D. (Chairman of Audit committee)	✓	4/4
2.	Mr. Preecha	Chai Promprasith	✓	4/4
3.	Mr. Charoen	Laohathai	✓	2/4
Nomination Committee				
1.	Mr. Chin	Chinsetta Wong, Ph.D. (Chairman of Nomination committee)	✓	2/2
2.	Mr. Preecha	Chai Promprasith	✓	2/2
3.	Mr. Tawatchai	Chaiyapinunt	–	2/2
Remuneration Committee				
1.	Mr. Chin	Chinsetta Wong, Ph.D. (Chairman of Remuneration committee)	✓	2/2
2.	Mr. Preecha	Chai Promprasith	✓	2/2
3.	Mr. Tawatchai	Chaiyapinunt	–	2/2

9 Internal control and related party transactions

9.1 Resolution of the Board of Directors Concerning Internal Control

The Board of Directors set the policy for internal control based on the rules and regulations the Securities Exchange Commission and the Stock Exchange of Thailand had set. After evaluating information from the management and report from the Audit Committee, the Board of Directors concludes the internal control system is appropriate and adequate according to the 5 criteria:

(1) Internal Control

An internal control report is prepared and presented to the Audit Committee every 3 months. The report is compiled from the meetings with the management and concerned officers from various areas to collect information such as internal auditing performance, work performance (human resource management and production), financial performance, and legal performance.

The Company structure clearly indicates the order of command, which is in The Company handbook, and the organization chart in each department. The Personnel department has the duty and responsibility to manage the human resources, which includes search and hiring activities, development activities, retaining employees with knowledge and abilities, communications, work performance evaluation, incentives for industrious workers, and work position handoff.

(2) Risk Management

The main risks The Company faces are raw cotton fiber price and foreign exchange rates. For raw cotton fiber price, the management will be responsible to follow up on the prices and report to the Board of Directors every quarter.

For foreign exchange rate risks, since The Company export fabrics in the quantity similar to the import of raw cotton fibers of The Company and The Subsidiary, the foreign exchange risks is not of much concern as per the following chart for 2021.

Import and Export (TTI + TRT)

Currency	Import	Export
USD	25,216,671.40	23,264,840.84
EURO	446,565.28	–
CHF	26,025.15	–
JPY	3,037,944.00	–

TTI is Thai Textile Industry Public Company Limited

TRT is Thai Rung Textile Company Limited

(3) Work Control

Every 3 months, the Audit Committee will meet to evaluate the performance of The Company. Report on the performance will be prepared by the auditors and internal auditors, which will be presented to the Audit Committee at least 7 days before the meeting date. Present at the meeting will be Executive Directors in charge of production and accounting and finance, to verify that the information is correct.

In 2020, business transactions done with major shareholders, Directors, management, or anyone involved with the mentioned earlier, were normal business transactions according to the sales conditions, and there were no mutual benefits gained.

(4) Information Distribution

The Company gives importance to the information and communication system, and supports the continuous development of the system to hold correct and current information, which is necessary for internal control of The Company. The information system and the communication of the information is the main important factor to make the 5 major components work more effectively.

The 3 main important factors in using information technology is as follow:

A. Results Processing System

Currently The Company have implemented information systems such as Enterprise Resource Planning (ERP), an accounting system, a machine monitoring system, a finger scan system to record employee work hours, and an image documenting system to keep all documents digitally for the respective departments to use.

Manual record keeping is slow and inaccurate; therefore, monitoring electronics and computers were used to speed up information collection and for accuracy

B. Communication Systems

Communication of information is important for evaluation and fast accurate decision making, and good communication system should be usable across different platforms, and accessible from all distances.

The Company has set up information communication systems within The Company location and across branch locations using high speed air fiber and fiber optic connections. Electronic mails (E-mail) and information distributed through The Company website is protected using firewalls, and anti-virus programs.

C. Information Management

Systematic information management must be planned, set, and managed to be effective to meet the objectives of The Company. The Company manages the information with a server, and have backup plans for emergency cases to retrieve the information, which can only be accessed by individuals with information authorized access.

The information technology comes in all forms for analysis, storage, and transmitted electronically to computers, communication devices, and networks.

The collection of information within The Company is used to analyze, organize, evaluate, and control the work of management and production. E-mails are used to communicate within The Company and outside The Company for efficiency, while servers are used to handle, manage, and store the vast information within The Company.

In addition, the information is used to manage and improve the workflow, as well as, develop programs to help manage The Company resources. Information is a key factor to effectively manage and control The Company.

(5) Follow Up System

The Company will report monthly performance to the Executive Directors, and report every 3 months to Board of Directors meeting. The management and the Audit Committee must report to the Board of Directors and suggest directions to take should the performance did not meet the target.

The Company have a policy that the management must report to the Board of Directors immediately if there is corruption, or suspect there is corruption, and illegal business, which will discredit and affect the financial status of The Company. In 2020, there were not such incidents.

The Company appointed the Internal Auditors to check the performance and report directly to the Audit Committee for consideration, so the Audit Committee can suggest to the Executive Directors and report to the Board of Directors quarterly.

Audit Committee Opinion on the Internal Control System

In 2021, the Audit Committee have met with the management 4 times, and each time there was a follow up on production, human resources, accounting and finance, as well as any related transactions with mutual benefits, which for this year there were no irregular transactions.

In addition, there were meetings with the auditors without the management team and no irregular transactions were reported. The Audit Committee concluded that the Internal Control System is adequate to manage The Company.

9.2 Related Transaction

(1) Price and Conditions Policy

The price and conditions of buying and selling of products are the same as a regular non-connected customer using market price.

(2) Necessity and Suitability

For the benefit of the Company

(3) Policy for future related party transactions is to conduct as normal business transactions or under the terms of the contract that are fair and acceptable to both parties and do not cause a transfer of benefits.

(4) There were no connected transactions, including buying and selling of assets that were forbidden or against the rules and regulations of the Stock Exchange of Thailand.

(5) The Audit Committee's Report on the connected transactions

The aforementioned connected transactions have been considered and checked and deemed to be reasonable and necessary for business operation. Before each connected transaction, the Company evaluated the benefits to the Company and the stakeholders without transferring the benefits of the Company to any individual that might be in conflict of interests.

(6) Important details on pricing and related transactions are as follows:

Buying of Raw Materials	Price is in accordance to the contracts that are comparable to the market price, linked indexes, and other vendors.
Selling Products	Prices are comparable to market prices.
Dividend	In accordance with the Shareholders' Meeting.
Return Cost	As per agreement*
Reimbursement Expenses	As per agreement*
Received Interest	In accordance with the regular market.

*The nature of these expenses is not related to the Company's core business operations. Most of them are expenses according to the overhead cost basis in order to optimize profits for the Company and for related businesses.

(7) The necessity for the related transactions

The related transactions are important for the core business operation, which the related transactions between the Company and connected companies and individuals are transactions conducted as normal business with normal business conditions. Important terms and conditions, including prices are set in accordance with the market price, and or market indexes comparable to transactions with customers and or other vendors.

(8) Measure or procedures for approving connected/related transactions

All connected/related transactions have been checked and approved by the Audit Committee after careful evaluation and through detailed reviews by the Company's executives. The Audit Committee will then present to the Board of Directors and or the Shareholders to consider for approval, which is in accordance with the rules and regulations set by the Stock Exchange of Thailand on the disclosure of information and practices of listed companies on connected/related transactions. The Audit Committee, the Board of Directors, and Company executives have complied with the procedures to ensure there are no conflicts of interest when approving the transactions.

(9) Policy for future connected/related transactions

For future connected/related transactions, all important information such as details of the transaction, price, terms and conditions, and necessity of the transaction will be evaluated by the executives before presenting to the Audit Committee and the Board of Directors and or Shareholders, which is in accordance with the rules and regulations.

9.2.1 Transactions with related persons and companies

- (1) The relationship and pricing policies among the Company, subsidiary, related persons and companies are as follows:

	Relationships
<u>Subsidiary</u>	
Thai Rung Textile Co., Ltd.	Shareholding by the Company and directorship
<u>Related companies</u>	
Thai Standard Industries Co., Ltd.	Shareholding by the Company and directorship
Thai Textile Printing Public Co., Ltd.	Shareholding by the Company and directorship
Rama Textile Industry (1988) Co., Ltd.	Shareholding by the Company and directorship
Thai Unique Textile Public Co., Ltd.	Directorship
Pica Inter Co., Ltd.	Directorship
Thai Textile Development and Finishing Co., Ltd.	Directorship
Cassardi International Co., Ltd.	Directorship
Prachin Land Co., Ltd.	Directorship
United Paper Public Co., Ltd.	Directorship and Shareholding
Winner Textile Co., Ltd.	Directorship and Shareholding
Nida Trading (1997) Co., Ltd.	Shareholder of subsidiary
Thai Textile international Co., Ltd.	Directorship
R.P.T. Resources Co., Ltd.	Directorship
T.T. Resources Co., Ltd.	Directorship
R.P.T. holding Co., Ltd.	Directorship
B.M.K. holding Co., Ltd.	Directorship
<u>Related Persons</u>	The Company's and subsidiary's directors and shareholder and closed cousin of shareholder of the subsidiary

Pricing policies for the subsidiary, related persons and companies

	Pricing Policy
Sales of products and raw materials	Compare to market price
Service income	Compare to market price
Other income	Compare to market price
Rental income	At contract price
Purchase of products	Compare to market price
Service expenses	Compare to market price
Disposal of fixed assets	Compare to market price
Acquisition of fixed assets	Compare to market price
Miscellaneous expenses	Compare to market price
Rental expenses	At contract price
Loan from	Interest charge at rate of 3.00% – 3.25% per annum (2020;rate of 3.25% – 4.00% per annum)

(2) Balance, income, and expenses between the Company with the subsidiary companies, persons, and related companies for the year ended December 31, 2021, 2020 and 2019 are as follows:

Related Companies	Description	Consolidated financial statements			Separate financial statements		
		Value for period ended 31 Dec 2021	Value for period ended 31 Dec 2020	Value for period ended 31 Dec 2019	Value for period ended 31 Dec 2021	Value for period ended 31 Dec 2020	Value for period ended 31 Dec 2019
Thai Rung Textile Co., Ltd.	Trade accounts payable	0.00	0.00	0.00	0.00	17,629,452.41	101,922,547.22
Shared Directors 6 Persons	Sales of products and raw materials	0.00	0.00	0.00	904,321.77	143,986.20	20,560,833.90
1. Mr. Boonnam Boonnamsap	Disposal of fixed assets	0.00	0.00	0.00	0.00	25,000.00	22,731,500.00
2. Mr. Mongkol Mungkornkanok	Other income	0.00	0.00	0.00	0.00	0.00	2,912,169.40
3. Mr. Phaiboon Jaroonsaichanakit	Dividends income	0.00	0.00	0.00	0.00	0.00	0.00
4. Mr. Tawatchai Chaiyapinunt							
5. Mr. Kumjorn Chuenchoochit							
6. Mr. Suchart Chantanakaracha							
Rama Textile Industry (1988) Co., Ltd.	Other income	282,880.00	955,677.70	360,000.00	234,000.00	818,957.70	360,000.00
Shared Directors 6 Persons	Sales of products and raw materials	359,228,601.64	268,361,285.50	312,207,350.16	159,366,210.28	103,605,107.00	24,534,897.46
1. Mr. Boonnam Boonnamsap	Services income	1,091,955.30	1,959,841.15	5,325,099.56	0.00	1,157,185.44	3,022,172.32
2. Mr. Mongkol Mungkornkanok	Disposal of fixed assets	8,005,869.00	37,927,550.00	0.00	8,005,869.00	36,417,550.00	0.00
3. Mr. Phaiboon Jaroonsaichanakit	Trade accounts payable	0.00	6,978,138.21	2,101,220.02	0.00	6,978,138.21	2,101,220.02
4. Mr. Tawatchai Chaiyapinunt	Dividends income	1,531,250.00	1,750,000.00	1,093,750.00	1,531,250.00	1,750,000.00	1,093,750.00
5. Mr. Kumjorn Chuenchoochit	Trade accounts receivable	0.00	3,020,073.95	18,420,750.81	0.00	0.00	0.00
6. Mr. Suchart Chantanakaracha							

Related Companies	Description	Consolidated financial statements			Separate financial statements		
		Value for period ended 31 Dec 2021	Value for period ended 31 Dec 2020	Value for period ended 31 Dec 2019	Value for period ended 31 Dec 2021	Value for period ended 31 Dec 2020	Value for period ended 31 Dec 2019
Thai Standard Industries Co., Ltd.	Trade accounts payable	0.00	50,000.00	8,013,997.19	0.00	50,000.00	8,013,997.19
Shared Directors 8 Persons	Other income	0.00	475.00	383,740.00	0.00	475.00	838,740.00
1. Mr. Boonnam Boonnamsap	Revenue from Rent	0.00	0.00	1,710,000.00	0.00	0.00	1,710,000.00
2. Mr. Mongkol Mungkornkanok	Sales of products and raw materials	0.00	500.00	89,554,796.91	0.00	500.00	89,554,796.91
3. Mr. Phaiboon Jaroonsaichanakit	Assets Purchased	0.00	0.00	43,505,321.49	0.00	0.00	43,505,321.49
4. Mr. Tawatjai Chaiyapinunt	Disposal of fixed assets	2,916,000.00	0.00	0.00	2,916,000.00	0.00	0.00
5. Mr. Kumjorn Chuenchoochit							
6. Mr. Suchart Chantanakara							
7. Mr. Charoen Laohathai							
8. Mr. Preecha Chaiyaprasith							
Thai Textile Printing Public Co., Ltd.	Sales of products and raw materials	7,809,399	3,379,495.45	1,626,976.00	7,809,399.00	3,379,495.45	1,626,976.00
Shared Directors 6 Persons	Trade accounts payable	0.00	7,380,821.30	30,916,818.69	0.00	7,380,821.30	30,916,818.69
1. Mr. Boonnam Boonnamsap	Other income	84,526.24	289,200.00	45,920.00	84,526.24	289,200.00	45,920.00
2. Mr. Mongkol Mungkornkanok	Trade accounts receivable	0.00	963,798.22	110,162.39	0.00	963,798.22	110,162.39
3. Mr. Phaiboon Jaroonsaichanakit	Disposal of fixed assets	0.00	400,000.00	2,058,500.00	0.00	400,000.00	2,058,500.00
4. Mr. Tawatjai Chaiyapinunt							
5. Mr. Kumjorn Chuenchoochit							
6. Mr. Suchart Chantanakara							

Related Companies	Description	Consolidated financial statements			Separate financial statements		
		Value for period ended 31 Dec 2021	Value for period ended 31 Dec 2020	Value for period ended 31 Dec 2019	Value for period ended 31 Dec 2021	Value for period ended 31 Dec 2020	Value for period ended 31 Dec 2019
Cassardi International Co., Ltd.	Trade accounts receivable	0.00	63,464,146.42	131,553.83	0.00	464,146.42	131,553.83
Shared Directors 1 Persons	Sales of products and raw materials	1,096,100.97	2,166,493.67	10,256,957.46	1,096,100.97	2,166,493.67	10,256,957.46
1. Mr. Boonnam Boonnamsap							
Thai Textile Development and Finishing Co., Ltd.	Sales of products and raw materials	352,509.00	171,246.00	307,423.40	352,509.00	171,246.00	307,423.40
Shared Directors 4 Persons	Disposal of fixed assets	0.00	60,000.00	0.00	0.00	60,000.00	0.00
1. Mr. Mongkol Mungkornkanok	Trade accounts payable	0.00	0.00	495,880.01	0.00	0.00	495,880.01
2. Mr. Tawatchai Chaiyapinunt	Trade accounts receivable	0.00	0.00	57,641.97	0.00	0.00	57,641.97
3. Mr. Kumjorn Chuenchoochit							
4. Mr. Charoen Laohathai							
Winner Textile Co., Ltd.	Trade accounts receivable	0.00	495,250.26	1,228,850.43	0.00	223,343.56	1,045,108.95
Shared Directors 1 Persons	Other income	0.00	0.00	6,000.00	0.00	0.00	6,000.00
1. Mr. Boonnam Boonnamsap	Sales of products and raw materials	22,029,668.82	10,960,489.03	33,241,557.24	12,949,847.91	4,953,302.29	10,460,836.28
	Services income	2,964.55	399,727.19	7,717,842.99	0.00	390,137.69	7,717,842.99
Related persons	Loan	124,000,000.00	202,000,000.00	432,800,000.00			
	Interest Earned	3,967,931.47	12,520,430.14	18,171,623.52			
Related companies	Loan	435,000,000.00	429,000,000.00	574,500,000.00			
	Interest Earned	13,407,986.26	14,962,070.96	21,147,924.67			

Directors and management's remuneration

The Group had employee benefit expenses of its directors and management for the years ended 31 December 2021 and 2020 As follows;

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Directors and management's benefits				
Short-term employee benefits	17,387,916	18,977,226	11,991,376	13,083,586
Post-employment benefits	119,478	258,358	119,478	258,358
Total	17,507,394	19,235,584	12,110,854	13,341,944

9.2.2 Trade and Other Receivables

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade accounts receivable – related companies	5,440,210	4,943,269	347,296	1,651,288
Trade accounts receivable – others	211,506,696	152,121,808	99,309,151	81,760,407
Total trade accounts receivable	216,946,906	157,065,077	99,656,447	83,411,695
Advances for inventories	5,064,993	709,373	–	–
Receivables from disposal of assets	3,294,493	28,816,148	3,294,493	11,522,886
Value added tax receivable	27,068,304	15,158,263	27,068,304	15,158,263
Prepaid expenses	3,154,387	4,137,649	1,554,723	2,191,847
Unbilled input tax	1,259,008	1,715,753	1,240,914	1,693,292
Other receivables	169,295	221,417	164,460	192,035
Total	256,957,386	207,823,680	132,979,341	114,170,018

Aging of trade accounts receivable as at 31 December 2021 and 2020 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade accounts receivable – related companies				
Within credit terms	5,440,210	4,040,500	347,296	748,519
Overdue: Less than 3 months	–	902,769	–	902,769
Total trade accounts receivable – related companies	5,440,210	4,943,269	347,296	1,651,288
Trade accounts receivable – other companies				
Within credit terms	156,104,640	109,321,200	69,703,792	60,217,649
Overdue:				
Less than 3 months	55,722,323	31,698,697	29,925,626	21,282,168

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
3 – 6 months	1,468,986	3,411,744	1,468,986	513,416
6 – 12 months	13,009	8,078,392	13,009	135,399
Over 12 months	28,151,410	32,104,777	27,973,498	31,926,865
Total trade accounts receivable – others	241,460,368	184,614,810	129,084,911	114,075,497
<u>Less</u> allowance for expected credit losses	(29,953,672)	(32,493,002)	(29,775,760)	(32,315,090)
Trade accounts receivable – others – net	211,506,696	152,121,808	99,309,151	81,760,407

Set out below is the movement in the allowance for expected credit losses of trade and other receivables:

	In Baht	
	Consolidated	Separate
	financial statements	financial statements
As at 1 January 2021	32,493,002	32,315,090
Reserve for expected credit losses	1,820,997	1,820,997
Amount recovered	(4,360,327)	(4,360,327)
As at 31 December 2021	29,953,672	29,775,760

As at 31 December 2021, The Group has recognized a loss allowance of 100% against all receivables over 1 year past due because historical experience has indicated that these receivables are generally not recoverable, except receivables that receive payment after the end of the reporting period.

For other trade receivables which overdue not more than 1 year as at 31 December 2021, the Group determines lifetime expected credit loss using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position.

9.2.3 Non-Current Financial Assets – Investments In Equity Instruments of Non-Listed Companies

Consolidated and Separate financial statements as at 31 December 2021 and 2020

Invested company (Type of business)	Paid-up capital (Thousand Baht)	Proportion of shareholding (%)	In Baht			
			At cost	Book value	Dividends income	
					2021	2020
Investment in related companies						
Thai Standard Industries Co., Ltd.						
(Type of business: Weaving)	150,000	6.67	12,500,000	12,500,000	–	–
Thai Textile Printing Public Co., Ltd.						
(Type of business: Printing and dyeing)	350,000	3.57	12,500,000	12,500,000	–	–
Rama Textile Industry (1988) Co., Ltd.						
(Type of business: Yarn dyeing and selling)	250,000	8.75	23,750,000	23,750,000	1,531,250	1,750,000
Total			48,750,000	48,750,000	1,531,250	1,750,000

9.2.4 Trade accounts payable – related companies

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Trade accounts payable – related companies	15,392,819	14,408,960	24,629,314	32,038,412

Part 3

Financial Statement

Independent Auditor's Report

To the Board of Directors and Shareholders of

Thai Textile Industry Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of **Thai Textile Industry Public Company Limited and its subsidiary** ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2021, 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 Textile Industry 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 as at 31 December 2021, their financial performance and cash flows for the year then ended of **Thai Textile Industry Public Company Limited and its subsidiary** and separate of **Thai Textile Industry Public Company Limited** 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 Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to Note 4 to the financial statements. In the current year, the Group has changed its accounting policy for revaluation of inventories from weighted average to first-in, first-out method. The Group has restated the consolidated and separate financial statements for the year ended 31 December 2020, presented as comparative information to reflect the impact of adjustments from the change in accounting policy and present the consolidated statement of financial position and the separate statement of financial position as at 1 January 2020 for comparative purposes. It's deemed that the aforementioned accounting policy has been always applied. My conclusion has not changed due to this matter.

Key Audit Matters

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

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

Revenue recognition

Revenue from sales of yarns apparels and fabrics in domestic and export markets, representing of 95.9 percent and representing of 96.4 percent of total revenue of the Group and the Company, respectively. The Group has a large number of customers and a variety of different commercial terms. As a result, the Group's revenue recognition based on the commercial term in sale agreement and sale document. In addition, the economic slowdown has directly resulted in more intense competition in the industry. I have paid particular attention to the Group's recognition of revenue from sales of goods in order to ensure that the revenue is recorded correctly and I have identified that requires special attention in the audit.

I have examined the revenue recognition of the Group by assessing and testing the internal controls with respect to the revenue cycle, and selecting representative samples to test the operation of the designed controls, applying a sampling method to select sale agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy. On a sampling basis, examining supporting documents for actual revenue recognition transactions occurring during the year and near the end of the accounting period. Reviewing credit notes that the Group issued after the period-end. Performing analytical procedures on each product data to detect possible irregularities in revenue transactions throughout the period, particularly for accounting entries made through journal vouchers.

Allowance for diminution in value of inventories

Allowance for diminution in value of inventories of the Group and the Company are Baht 68.4 million and Baht 67.6 million, respectively, as disclosed in the Note 9 to the financial statements derives from the estimation of the allowance for diminution of outdated or obsoleted inventories which highly require the exercise of management judgment in detailed analysis on the products' life cycle, market competition and economic and industry condition. As at 31 December 2021, the inventories included in the consolidated statement of financial position and the separate statement of financial position are Baht 794.1 Million and Baht 366.6 Million, respectively, accounted for 22.0% and 16.1% of total assets, respectively. I therefore, determine this matter as significant in my audit.

I evaluated the appropriateness of the management's assumptions used in determination of the allowance for diminution in value of inventories by examining criteria used in the estimation, the consistency of such criteria and the reason in recognizing the allowance for diminution in value of inventories whether it was appropriate. I performed detail analysis on the sales incurred after the date in the financial statements compared to the cost of inventories, analyzed on the inventories turnover to identify the slow-moving inventories and considered the loss incurred from sales and write-off inventories in the past and during the year compared to the allowance for diminution in value of inventories recognized in the prior years.

Other Information

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

My opinion on the financial statements does not cover the other information and I 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.

PRADIT RODLOYTUK
Certified Public Accountant
Registration No. 218

AST Master Co., Ltd.
25 February 2022

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		In Baht					
		Consolidated financial statements			Separate financial statements		
		31 December 2021	31 December 2020 (Restated)	1 January 2020 (Restated)	31 December 2021	31 December 2020 (Restated)	1 January 2020 (Restated)
ASSETS	Notes						
CURRENT ASSETS							
Cash and cash equivalents	7	277,564,325	222,420,425	220,592,039	231,444,149	156,753,610	122,561,078
Trade and other receivables	8	256,957,386	207,823,680	295,999,710	132,979,341	114,170,018	175,131,334
Inventories	9	794,063,033	792,480,244	936,461,425	366,639,734	482,655,556	509,295,791
Non-current assets classified as held for sale	10	24,579,822	397,386,061	516,670,000	24,579,822	397,386,061	516,670,000
Total current assets		1,353,164,566	1,620,110,410	1,969,723,174	755,643,046	1,150,965,245	1,323,658,203
NON-CURRENT ASSETS							
Other non-current financial assets	11	60,790,000	60,790,000	–	60,790,000	60,790,000	–
Investment in subsidiary	12.1	–	–	–	550,325,004	550,325,004	550,325,004
Other long-term investments		–	–	60,790,000	–	–	60,790,000
Property, plant and equipment	13	2,178,627,852	2,453,342,235	2,835,269,736	889,618,009	985,397,586	1,178,570,816
Right-of-use assets	14	–	3,625,722	–	–	3,625,722	–
Computer software	15	2,917,302	6,203,745	8,720,325	2,917,302	6,203,745	8,720,325
Corporate income tax refundable		21,171,658	22,098,478	18,258,083	13,839,995	13,279,454	11,056,128
Other non-current assets		188,000	177,000	302,673	188,000	177,000	302,673
Total non-current assets		2,263,694,812	2,546,237,180	2,923,340,817	1,517,678,310	1,619,798,511	1,809,764,946
TOTAL ASSETS		3,616,859,378	4,166,347,590	4,893,063,991	2,273,321,356	2,770,763,756	3,133,423,149

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

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2021

		In Baht					
		Consolidated financial statements			Separate financial statements		
		31 December 2021	31 December 2020 (Restated)	1 January 2020 (Restated)	31 December 2021	31 December 2020 (Restated)	1 January 2020 (Restated)
LIABILITIES AND SHAREHOLDERS' EQUITY	Notes						
CURRENT LIABILITIES							
Bank overdrafts and short-term loans							
from financial institutions	16	–	399,371,585	438,791,694	–	320,000,000	360,000,000
Trade and other payables	17	235,105,395	327,246,063	395,771,515	132,057,279	269,619,248	409,602,442
Current portion of lease liabilities	18	–	470,131	–	–	470,131	–
Current portion of long-term loans	16	40,412,000	24,904,000	108,294,000	–	14,500,000	26,040,000
Short-term loans from related persons							
and related companies	6.2	559,000,000	631,000,000	1,007,300,000	–	–	–
Liabilities related to non-current assets							
classified as held for sale		–	20,267,192	34,650,978	–	20,267,192	34,650,978
Other current liabilities		1,087,242	1,087,287	1,087,872	259,765	259,810	260,395
Total current liabilities		835,604,637	1,404,346,258	1,985,896,059	132,317,044	625,116,381	830,553,815
NON-CURRENT LIABILITIES							
Lease liabilities	18	–	3,220,632	–	–	3,220,632	–
Long-term loans	16	15,509,000	39,257,000	58,111,000	–	–	28,450,000
Deferred income tax liabilities	23	146,267,906	135,580,355	161,909,379	79,410,592	70,872,610	97,160,092
Employee benefit obligations	19	51,593,340	101,422,102	112,209,351	34,189,181	73,270,104	83,818,017
Total non-current liabilities		213,370,246	279,480,089	332,229,730	113,599,773	147,363,346	209,428,109
Total liabilities		1,048,974,883	1,683,826,347	2,318,125,789	245,916,817	772,479,727	1,039,981,924
SHAREHOLDERS' EQUITY							
Share capital – common shares, Baht 10 par value							
Authorized share 50,000,000 shares		500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Issued and paid-up share 50,000,000 shares		500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Premium on common shares		623,840,000	623,840,000	623,840,000	623,840,000	623,840,000	623,840,000
Retained earnings							
Appropriated for legal reserve	20	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Appropriated for general reserve		50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Unappropriated		468,316,239	390,193,266	482,647,784	276,202,101	247,081,591	342,238,787
Revaluation surplus on assets		726,221,850	726,221,850	726,221,850	527,362,438	527,362,438	527,362,438
Total equity attributable to the parent company		2,418,378,089	2,340,255,116	2,432,709,634	2,027,404,539	1,998,284,029	2,093,441,225
Non-controlling interests	12.2	149,506,406	142,266,127	142,228,568	–	–	–
Total shareholders' equity		2,567,884,495	2,482,521,243	2,574,938,202	2,027,404,539	1,998,284,029	2,093,441,225
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,616,859,378	4,166,347,590	4,893,063,991	2,273,321,356	2,770,763,756	3,133,423,149

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

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

		In Baht			
		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Notes			(Restated)		(Restated)
REVENUES					
	Sales	2,187,961,577	1,874,869,120	1,273,409,885	1,058,947,874
	Services income	22,625,693	28,719,237	8,121,853	13,773,357
	Other income	71,284,151	45,260,473	39,952,035	19,728,836
	Total revenues	2,281,871,421	1,948,848,830	1,321,483,773	1,092,450,067
EXPENSES					
	Cost of sales	2,048,917,207	1,858,768,718	1,200,909,327	1,083,464,090
	Cost of services	21,483,470	28,268,556	7,669,035	13,764,580
	Selling expenses	40,039,349	34,948,531	33,777,911	28,104,527
	Administrative expenses	83,779,401	97,258,732	58,250,949	73,318,414
	Total expenses	2,194,219,427	2,019,244,537	1,300,607,222	1,198,651,611
	Profit (loss) from operating activities	87,651,994	(70,395,707)	20,876,551	(106,201,544)
	Finance costs	(23,342,356)	(48,350,276)	(3,278,096)	(15,243,134)
	Profit (loss) before tax income (expense)	64,309,638	(118,745,983)	17,598,455	(121,444,678)
	Tax income (expense)	(4,339,318)	26,329,024	(4,525,975)	26,287,482
	Profit (loss) for the year	59,970,320	(92,416,959)	13,072,480	(95,157,196)
Other comprehensive income for the year					
Items that will not be reclassified					
subsequently to profit or loss					
	Actuarial gain	31,741,165	–	20,060,037	–
	Less: Income tax effect	(6,348,233)	–	(4,012,007)	–
	Net	25,392,932	–	16,048,030	–
	Total comprehensive income for the year	85,363,252	(92,416,959)	29,120,510	(95,157,196)
Profit (loss) attributable to:					
	Equity holders of the parent	53,915,635	(92,454,518)	13,072,480	(95,157,196)
	Non-controlling interests	6,054,685	37,559	–	–
	Profit (loss) for the year	59,970,320	(92,416,959)	13,072,480	(95,157,196)
Total comprehensive income attributable to:					
	Equity holders of the parent	78,122,973	(92,454,518)	29,120,510	(95,157,196)
	Non-controlling interests	7,240,279	37,559	–	–
	Total comprehensive income for the year	85,363,252	(92,416,959)	29,120,510	(95,157,196)
Profit (loss) per share					
	Profit (loss) attributable to equity holders of the parent	1.08	(1.85)	0.26	(1.90)

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

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

In Baht									
Consolidated financial statements									
Notes	Equity attributable to the parent's shareholders						Total shareholders' equity of the parent	Non – controlling interests	Total
	Issued and paid-up share capital	Premium on common shares	Retained earnings		Revaluation surplus on assets				
			Appropriated for legal reserve	Appropriated for general reserve	Unappropriated				
Balance at 31 December 2019 – as reported	500,000,000	623,840,000	50,000,000	50,000,000	478,498,952	726,221,850	2,428,560,802	142,228,568	2,570,789,370
Impact of changes in accounting policies on the revaluation of inventories	4	–	–	–	4,148,832	–	4,148,832	–	4,148,832
Balance at 1 January 2020 – restated	500,000,000	623,840,000	50,000,000	50,000,000	482,647,784	726,221,850	2,432,709,634	142,228,568	2,574,938,202
Loss for the year – restated	–	–	–	–	(92,454,518)	–	(92,454,518)	37,559	(92,416,959)
Other comprehensive income for the year	–	–	–	–	–	–	–	–	–
Total comprehensive income for the year	–	–	–	–	(92,454,518)	–	(92,454,518)	37,559	(92,416,959)
Balance as at 31 December 2020	500,000,000	623,840,000	50,000,000	50,000,000	390,193,266	726,221,850	2,340,255,116	142,266,127	2,482,521,243
Balance at 31 December 2020 – as reported	500,000,000	623,840,000	50,000,000	50,000,000	383,852,246	726,221,850	2,333,914,096	142,266,127	2,476,180,223
Impact of changes in accounting policies on the revaluation of inventories	4	–	–	–	6,341,020	–	6,341,020	–	6,341,020
Balance at 1 January 2021 – restated	500,000,000	623,840,000	50,000,000	50,000,000	390,193,266	726,221,850	2,340,255,116	142,266,127	2,482,521,243
Profit for the year	–	–	–	–	53,915,635	–	53,915,635	6,054,685	59,970,320
Other comprehensive income for the year	–	–	–	–	24,207,338	–	24,207,338	1,185,594	25,392,932
Total comprehensive income for the year	–	–	–	–	78,122,973	–	78,122,973	7,240,279	85,363,252
Balance as at 31 December 2021	500,000,000	623,840,000	50,000,000	50,000,000	468,316,239	726,221,850	2,418,378,089	149,506,406	2,567,884,495

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

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

		In Baht					
		Separate financial statements					
Notes		Issued and paid-up share capital	Premium on common shares	Retained earnings		Revaluation surplus on assets	Total
				Appropriated for legal reserve	Appropriated for general reserve	Unappropriated	
	Balance at 31 December 2019 – as reported	500,000,000	623,840,000	50,000,000	50,000,000	338,089,955	2,089,292,393
	Impact of changes in accounting policies on the revaluation of inventories	4	–	–	–	4,148,832	4,148,832
	Balance at 1 January 2020 – restated	500,000,000	623,840,000	50,000,000	50,000,000	342,238,787	2,093,441,225
	Loss for the year – restated	–	–	–	–	(95,157,196)	(95,157,196)
	Other comprehensive income for the year	–	–	–	–	–	–
	Total comprehensive income for the year	–	–	–	–	(95,157,196)	(95,157,196)
	Balance as at 31 December 2020	500,000,000	623,840,000	50,000,000	50,000,000	247,081,591	1,998,284,029
	Balance at 31 December 2020 – as reported	500,000,000	623,840,000	50,000,000	50,000,000	240,740,571	1,991,943,009
	Impact of changes in accounting policies on the revaluation of inventories	4	–	–	–	6,341,020	6,341,020
	Balance at 1 January 2021 – restated	500,000,000	623,840,000	50,000,000	50,000,000	247,081,591	1,998,284,029
	Profit for the year	–	–	–	–	13,072,480	13,072,480
	Other comprehensive income for the year	–	–	–	–	16,048,030	16,048,030
	Total comprehensive income for the year	–	–	–	–	29,120,510	29,120,510
	Balance as at 31 December 2021	500,000,000	623,840,000	50,000,000	50,000,000	276,202,101	2,027,404,539

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

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020 (Restated)	2021	2020 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before tax income (expense)	64,309,638	(118,745,983)	17,598,455	(121,444,678)
Adjustments to reconcile profit (loss) to net cash provided by (used in) operating activities :				
Allowance for expected credit losses (reversal)	(2,539,330)	4,959,799	(2,539,330)	4,959,799
Loss on obsolescence of inventories (reversal)	(1,385,661)	26,538,707	(1,385,661)	26,091,664
Depreciation	181,249,734	221,294,389	50,909,084	72,689,536
Depreciation of right-of-use assets	517,960	517,960	517,960	517,960
Amortization of computer software	3,286,443	3,606,580	3,286,443	3,606,580
Gain from termination of lease	(112,870)	-	(112,870)	-
Gain on disposal of assets	(28,640,931)	(7,962,108)	(20,164,882)	(11,637,213)
Write off withholding tax deducted at source	-	71,983	-	-
Employee benefit obligations	6,935,317	17,153,671	2,947,548	13,165,355
Unrealized loss on foreign exchange rate	245,883	224,744	462,901	215,370
Dividends income	(2,003,745)	(2,329,475)	(2,003,745)	(2,329,475)
Interest expenses	23,342,356	48,350,276	3,278,096	15,243,134
Profit before changes in operating assets and liabilities	245,204,794	193,680,543	52,793,999	1,078,032
Decrease (increase) in operating assets				
Trade and other receivables	(72,385,758)	111,616,481	(24,768,113)	67,108,505
Inventories	(197,128)	117,442,474	117,401,483	548,571
Other non-current assets	(11,000)	125,673	(11,000)	125,673
Increase (decrease) in operating liabilities				
Trade and other payables	97,104,217	(91,847,548)	29,449,184	(141,459,767)
Employee benefit obligations	(25,022,914)	(27,940,920)	(21,968,434)	(23,713,268)
Cash received (paid) from operating activities	244,692,211	303,076,703	152,897,119	(96,312,254)
Income tax paid	(4,872,781)	(3,912,378)	(3,549,788)	(2,223,326)
Income tax refundable	5,799,601	-	2,989,247	-
Net cash provided by (used in) operating activities	245,619,031	299,164,325	152,336,578	(98,535,580)

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

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020 (Restated)	2021	2020 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash paid for acquisition of equipment	(6,862,532)	(2,548,484)	(6,862,532)	(1,236,799)
Proceeds from disposal of machinery and equipment	197,366,006	75,060,812	123,002,539	54,568,076
Net proceeds from disposal of investment properties – land	174,732,808	135,286,214	174,732,808	135,286,214
Increase in advance received from investment properties – land	–	36,000,000	–	36,000,000
Increase (decrease) in advance received from machinery and equipment	(54,241,134)	24,829,729	(32,243,317)	2,831,912
Cash paid for acquisition of computer software	–	(1,090,000)	–	(1,090,000)
Dividends income	2,003,745	2,329,475	2,003,745	2,329,475
Net cash provided by investing activities	312,998,893	269,867,746	260,633,243	228,688,878
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash paid for interest expenses	(23,392,263)	(48,786,072)	(3,309,106)	(15,517,262)
Decrease in short-term loans from financial institutions	(399,371,585)	(39,420,109)	(320,000,000)	(40,000,000)
Cash paid for lease liabilities	(470,131)	(452,919)	(470,131)	(452,919)
Proceeds of long-term loans	20,000,000	20,000,000	–	–
Repayments of long-term loans	(28,240,000)	(122,244,000)	(14,500,000)	(39,990,000)
Decrease in short-term loans from related persons and related companies	(72,000,000)	(376,300,000)	–	–
Cash paid for dividends	(45)	(585)	(45)	(585)
Net cash used in financing activities	(503,474,024)	(567,203,685)	(338,279,282)	(95,960,766)
Net increase in cash and cash equivalents	55,143,900	1,828,386	74,690,539	34,192,532
Cash and cash equivalents, beginning of the year	222,420,425	220,592,039	156,753,610	122,561,078
Cash and cash equivalents, end of the year	277,564,325	222,420,425	231,444,149	156,753,610

SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION

Non-cash transactions

Interest capitalized as part of the cost of assets	–	139,317	–	139,317
Decrease in advance received from disposal of investment properties – land	(135,000,000)	(37,000,000)	(135,000,000)	(37,000,000)
(Increase) decrease in receivables from disposal of assets	25,521,655	(28,816,148)	8,228,393	(11,522,886)
Increase (decrease) in payable from acquisition of assets	70,000	(20,000)	70,000	(20,000)
Transfer machinery to assets held for sale	(21,471,386)	(67,386,061)	(21,471,386)	(67,386,061)
Decrease in accrued dividends	(45)	(585)	(45)	(585)

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

1. GENERAL INFORMATION

Thai Textile Industry Public Company Limited was listed on the Stock Exchange of Thailand in 1987.

The Company is engaged in the business of manufacturing, service render and distributing yarns apparels and fabrics. The addresses of its registered office are as follows:

Head Office is located at 385 Moo 1, Soi Bang Make Khao, Sukhumvit Road, Taiban, Samutprakarn, Samutprakarn.

Branch Office 1 is located at 741 Moo 3, Soi Bang Make Khao, Sukhumvit Road, Taiban, Samutprakarn, Samutprakarn.

Branch Office 2 is located at 275 Moo 14, Soi Bang Make Khao, Sukhumvit Road, Taiban, Samutprakarn, Samutprakarn.

Branch Office 3 is located at 286 Soi Japanese School, Rama 9 Road, Bangkok, Huay Kwang, Bangkok.

Branch Office 4 is located at 595 Moo 6, Sukhumvit Road, Bangpoo Mai, Samutprakarn, Samutprakarn.

The Coronavirus disease 2019 Pandemic

The outbreak of the coronavirus 2019 (COVID-19) in Thailand and other countries is recently impacting economic, as a whole. This situation may bring uncertainties and have an impact on the environment in which the Group's operation. During the year 2020-2021, the Group announced the closure of two factories and reduced its work force. However, the Group's management is now paying close attention to the development of the COVID-19 outbreak and has continuously evaluating its impacts on the operation, the valuation of assets, provisions and contingent liabilities. In this regards, the Group's management has used estimates and judgement in respect of various issues as the situation has evolved.

2. BASIS FOR FINANCIAL STATEMENTS PREPARATION

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRSs) and guidelines promulgated by the Thailand Federation of Accounting Professions ("TFAC") and applicable rules and regulations of the Thai Securities and Exchange Commission.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The consolidated and separate financial statements are presented in Thai Baht, which is also the functional currency of the Group. All financial information presented in Thai Baht has been rounded in the notes to the financial statements unless otherwise stated.

The consolidated and separate financial statements have been prepared on the basis of the Group's ability to continuous a going concern by the historical cost convention except for the revaluation of certain assets and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period as disclosed in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and service at transaction date.

The consolidated financial statements include the financial statements of Thai Textile Industry Public Company Limited and subsidiary, Thai Rung Textile Company Limited, which are engaged in the business of manufacturing and distributing yarns. The Company holds 87.31% of the subsidiary's registered share capital.

“The Company” represents “Thai Textile Industry Public Company Limited,” while “The Group” represents “Thai Textile Industry Public Company Limited” and subsidiary which is “Thai Rung Textile Company Limited”.

The significant transactions between the Company and a subsidiary have been eliminated in the consolidated financial statements.

Non-controlling interests represent the portion of net income or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated statement of comprehensive income and within shareholders’ equity in the consolidated statement of financial position.

For the convenience of the user, an English translation of the consolidated and separate financial statements has been prepared from the financial statements that are issued in the Thai language.

3. NEW FINANCIAL REPORTING STANDARDS

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

During current year, the Group has adopted the revised Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting, which are effective for the financial statements for the period 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 revisions to reference to the Conceptual Framework in TFRSs, revising the definition of materiality, definition of business and accounting requirement for Interest Rate Benchmark Reform. In addition, the Group has adopted the revised TFRS 16, in connection with the revision of accounting requirement for Covid-19-Related Rent Concessions which meet specified conditions which is effective for financial statements for the period beginning on or after 1 June 2020, onwards.

The adoption of these standards does not have any significant impact on the Group’s financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022.

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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, for some financial reporting standards, providing temporary reliefs or temporary exemptions for users of the standards.

The Group’s management will adopt the relevant TFRSs in the preparation of the Group’s financial statements when they become effective. The Group’s management is on the evaluating process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

4. CHANGE IN ACCOUNTING POLICY REGARDING REVALUATION OF INVENTORIES

In the current year, the Group has changed its accounting policy for revaluation of inventories, raw materials (exclude raw cotton), material and supplies, work-in-process and finished goods from weighted average to first-in, first-out method to be consistent with the actual practice method. This will result in a more accurate cost of inventories through restated the consolidated and separate financial statements for the year ended 31 December 2020, presented as comparative information to reflect the impact of adjustments from the change in accounting policy and present the consolidated statement of financial position and the separate statement of financial position as at 1 January 2020 for comparative purposes. It's deemed that the aforementioned accounting policy has been always applied. The Company has been approved by the Revenue Department to change the rules for calculating the cost of inventories on 4 August 2021.

The adjustments in each line items in the statements of financial position upon changes in accounting policies are as following.

	In Baht					
	Consolidated financial statements			Separate financial statements		
	As at 31 December 2019		As at 1 January 2020	As at 31 December 2019		As at 1 January 2020
	– as reported	Adjustments	– restated	– as reported	Adjustments	– restated
Current assets						
Inventories	931,275,385	5,186,040	936,461,425	504,109,751	5,186,040	509,295,791
Non-current liabilities						
Deferred tax liabilities	160,872,171	1,037,208	161,909,379	96,122,884	1,037,208	97,160,092
Equity						
Retained earnings Unappropriated	478,498,952	4,148,832	482,647,784	338,089,955	4,148,832	342,238,787

	In Baht					
	Consolidated financial statements			Separate financial statements		
	As at 31 December 2020		As at 31 December 2020	As at 31 December 2020		As at 31 December 2020
	– as reported	Adjustments	– restated	– as reported	Adjustments	– restated
Current assets						
Inventories	784,553,969	7,926,275	792,480,244	474,729,281	7,926,275	482,655,556
Non-current liabilities						
Deferred tax liabilities	133,995,100	1,585,255	135,580,355	69,287,355	1,585,255	70,872,610
Equity						
Retained earnings Unappropriated	383,852,246	6,341,020	390,193,266	240,740,571	6,341,020	247,081,591

The adjustments in each line items in the statements of comprehensive income for the year periods ended 31 December 2020 upon changes in accounting policies are as following.

	In Baht					
	Consolidated financial statements			Separate financial statements		
	For the year ended		For the year ended	For the year ended		For the year ended
	31 December 2020		31 December 2020	31 December 2020		31 December 2020
	– as reported	Adjustments	– restated	– as reported	Adjustments	– restated
Cost of sales	1,861,528,218	(2,759,500)	1,858,768,718	1,086,223,590	(2,759,500)	1,083,464,090
Cost of services	28,249,291	19,265	28,268,556	13,745,315	19,265	13,764,580
Income tax effect	26,877,071	(548,047)	26,329,024	26,835,529	(548,047)	26,287,482
Loss for the year	(94,609,147)	2,192,188	(92,416,959)	(97,349,384)	2,192,188	(95,157,196)
Loss per share (Baht)	(1.89)	0.04	(1.85)	(1.95)	0.04	(1.90)

The adjustments in each line items in the statement of cash flows for the year ended 31 December 2020 upon changes in accounting policies are as following.

	In Baht					
	Consolidated financial statements			Separate financial statements		
	For the year ended		For the year ended	For the year ended		For the year ended
	31 December 2020		31 December 2020	31 December 2020		31 December 2020
	– as reported	Adjustments	– restated	– as reported	Adjustments	– restated
Loss before tax income	121,486,218	(2,740,235)	118,745,983	124,184,913	(2,740,235)	121,444,678
Decrease in inventories	120,182,709	(2,740,235)	117,442,474	3,288,806	(2,740,235)	548,571

5. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below;

5.1 Cash and cash equivalents

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

5.2 Inventories

Accounting policies adopted since 1 January 2021

Inventories are stated at the lower of cost or net realizable value. Cost is determined by:

Raw Cotton	Specific cost method
Raw materials and Supplies	First-in, first-out method
Work in Process	First-in, first-out method
Finished Goods	First-in, first-out method

Accounting policies adopted before 31 December 2020

Inventories are stated at the lower of cost or net realizable value. Cost is determined by:

Raw Cotton	Specific cost method
Raw materials and Supplies	Weighted average method
Work in Process	Weighted average method
Finished Goods	Weighted average method

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

5.3 Non-current assets classified as held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use of the asset and measured at the lower of their carrying amount and fair value less cost to sell.

5.4 Investment in subsidiary

Subsidiary is an all entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains (losses) on transactions between group companies are eliminated, accounting policies of subsidiary has been changed to ensure consistency with the policies adopted by the Group.

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

In the Company's separated financial statements, investment in subsidiary is accounted for at cost less impairment (if any).

5.5 Investment properties

The Group are measured initially investment properties at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in profit or loss when incurred.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

5.6 Property, plant and equipment

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

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

When an asset's carrying amount is increased as a result of a revaluation of the Company's and its subsidiaries' assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognized in equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.

When an asset's carrying amount is decreased as a result of a revaluation of the Company's and its subsidiaries' assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

Depreciation is calculated on the straight line method to write off the cost of each asset, except for land which is considered to have an indefinite life, to its residual value over the estimated useful life as follows:

Buildings and structures	5–20 years
Machineries and equipment	3–10 years
Furniture and office equipment	3–5 years
Vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Repairs and maintenance are charged in profit or loss during the financial period in which they are incurred. The cost of the replacement part is included in the carrying amount of the asset and is depreciated over the remaining useful life of the related asset.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalized as part of cost of the asset, during the period of time required to complete and prepare the property for its intended use. The borrowing costs include interest on borrowing net of amortization of related deferred financial cost.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss. When revalued assets are sold, the amounts included in gain on asset revaluation are transferred to retained earnings.

Asset under installation are stated at cost. These assets are not depreciated until such time as the relevant assets are completed and ready for their intended operational use.

5.7 Leases

Right-of-use assets

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

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

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

Depreciation of right-of-use assets are as follows:

Land and structures	8 years
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Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted 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 modification or reassessment.

Short-term leases and Leases of low-value assets

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

5.8 Computer software

Costs associated with developing or maintaining computer software program are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group and will probably generate economic benefits exceeding costs beyond one year are recognized as computer software.

Expenditure which enhances or extends the performance of computer software program beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Computer software development costs recognised as assets are amortised using the straight-line method over their useful life for 5 years.

5.9 Impairment of land, building and equipment and other intangible assets

The Group reviewed the impairment of land, building and equipment and other assets whenever events or changes in circumstances indicate that the recoverable amount of assets is below the carrying amount. the Group recognizes the impairment losses and a reversal of impairment loss is recognized as income when there is an indication that the expected recoverable amount is higher than the amount recognized provided that such a reversal should not exceed the carrying amount that would have been determined (net of amortization and depreciation) had no impairment loss been recognized for the asset in prior periods.

5.10 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 recognise deferred tax liabilities for all taxable temporary differences while they recognise 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 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.

5.11 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 contributions are recognised as expenses when the employee have rendered service to the Group during the year.

Defined benefit plans

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiary treat these severance payment obligations as a defined benefit plan.

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

Actuarial gains and losses arising from other long-term benefits are recognised immediately in other comprehensive income that will not be reclassified.

5.12 Revenue recognition

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. A receivable is recognized when the goods are delivered to the customer's specific location at which the Group has right to receive payment of that consideration is due. Revenue is measured at the amount of the consideration received or receivable.

Revenue from rendering services is recognised at the point in time when the service is rendered.

Revenue from leases is recognised on a straight-line basis over the lease term.

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends are recognised when the right to receive the dividends is established.

5.13 Foreign currency translation

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the statement of financial position date. Gains and losses, resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss.

5.14 Basic earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing the income (loss) attributable to shareholders by the weighted average number of common shares during the year.

5.15 Financial instruments

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, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). 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.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss. These financial assets include equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial 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.

Impairment of financial assets

For trade receivables and contract assets, the Group applies a simplified and 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.

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).

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 consolidated 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.

5.16 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 Company and its subsidiaries apply 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 Company and its subsidiaries measure 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 observable 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 Company and its subsidiaries determine 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.

5.17 Provision

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

5.18 Related parties

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

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

5.19 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:

Allowance for expected credit losses of trade receivables and contract assets

In determining an allowance for expected credit losses of trade receivables, 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.

Allowance for net realizable value of inventories

The Group considers the allowance for net realizable value based on the estimate of selling price in the ordinary course of business and normal condition of inventory. The net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Investment property – land

The Group present investment property – land at the fair value estimated by an independent appraiser, and recognises changes in the fair value in profit or loss. The independent valuer using the market approach for land. The valuation involves certain assumptions and estimates.

Property plant and equipment/Depreciation

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

The Group measure land at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land. The valuation involves certain assumptions and estimates.

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.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, base on the estimate future taxable profit in each time period.

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.

6 TRANSACTIONS WITH RELATED PERSONS AND COMPANIES

6.1 Relationships and pricing policies

The relationship and pricing policies among the Company, subsidiary, related persons and companies are as follows:

	Relationships
<u>Subsidiary</u>	
Thai Rung Textile Co., Ltd.	Shareholding by the Company and directorship
<u>Related companies</u>	
Thai Standard Industries Co., Ltd.	Shareholding by the Company and directorship
Thai Textile Printing Public Co., Ltd.	Shareholding by the Company and directorship
Rama Textile Industry (1988) Co., Ltd.	Shareholding by the Company and directorship
Thai Unique Textile Public Co., Ltd.	Directorship
Pica Inter Co., Ltd.	Directorship
Thai Textile Development and Finishing Co., Ltd.	Directorship
Cassardi International Co., Ltd.	Directorship
Prachin Land Co., Ltd.	Directorship
United Paper Public Co., Ltd.	Directorship and Shareholding
Winner Textile Co., Ltd.	Directorship and Shareholding
Nida Trading (1997) Co., Ltd.	Shareholder of subsidiary
Thai Textile international Co., Ltd.	Directorship
R.P.T. Resources Co., Ltd.	Directorship
T.T. Resources Co., Ltd.	Directorship
R.P.T. Holding Co., Ltd.	Directorship
B.M.K. Holding Co., Ltd.	Directorship
<u>Related Persons</u>	The Company's and subsidiary's directors and shareholder and closed cousin of shareholder of the subsidiary
<u>Pricing Policy</u>	
Sales of products and raw materials	Compare to market price
Service income	Compare to market price
Disposal of assets	Compare to market price
Other income	Compare to market price
Purchase of products	Compare to market price
Service expenses	Compare to market price
Miscellaneous expenses	Compare to market price
Rental expenses	At contract price
Loan from	Interest charge at rate of 3.00% – 3.25% per annum (2020: rate of 3.25% – 4.00% per annum)

6.2 Balances of transactions with subsidiary, related persons and companies

Significant balances with subsidiary, related persons and companies as at 31 December 2021 and 2020 are as follows:

	In Baht			
	Consolidated	financial	Separate	
	statements		financial statements	
	2021	2020	2021	2020
Trade accounts receivable				
Related companies	5,440,210	4,943,269	347,296	1,651,288
Trade accounts payable				
Subsidiary	–	–	9,236,495	17,629,452
Related companies	15,392,819	14,408,960	15,392,819	14,408,960
Total	15,392,819	14,408,960	24,629,314	32,038,412

The outstanding balance as at 31 December 2021 and the movement of short-term loan from related persons and companies for the year ended 31 December 2021 are as follows:

	In Baht			
	Consolidated financial statements			
	Balance as at	Movement		Balance as at
	1 January 2021	Increase	Decrease	31 December 2021
Related companies	429,000,000	84,000,000	(78,000,000)	435,000,000
Related persons	202,000,000	–	(78,000,000)	124,000,000
Total	631,000,000	84,000,000	(156,000,000)	559,000,000

The outstanding balance as at 31 December 2020 and the movement of short-term loan from related persons and companies for the year ended 31 December 2020 are as follows:

	In Baht			
	Consolidated financial statements			
	Balance as at	Movement		Balance as at
	1 January 2020	Increase	Decrease	31 December 2020
Related companies	574,500,000	79,000,000	(224,500,000)	429,000,000
Related persons	432,800,000	36,000,000	(266,800,000)	202,000,000
Total	1,007,300,000	115,000,000	(491,300,000)	631,000,000

6.3 Revenues and expenses transactions with subsidiary, related persons and companies

Revenues and expenses transactions with subsidiary, related persons and companies for the years ended 31 December 2021 and 2020 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Sales of products and raw materials				
Subsidiary	-	-	904,322	143,986
Related companies	390,516,279	285,039,870	181,574,067	114,276,144
Total	390,516,279	285,039,870	182,478,389	114,420,130
Services income				
Related companies	1,094,920	2,359,568	-	1,547,323
Disposal of fixed assets				
Subsidiary	-	-	-	25,000
Related companies	10,921,869	38,387,550	10,921,869	36,877,550
Total	10,921,869	38,387,550	10,921,869	36,902,550
Other income				
Related companies	367,406	1,245,353	318,526	1,108,633
Dividends income				
Related companies (Note 11)	1,531,250	1,750,000	1,531,250	1,750,000
Purchase of products				
Subsidiary	-	-	481,428,236	446,068,203
Related companies	223,094,746	148,013,120	223,094,746	148,013,120
Total	223,094,746	148,013,120	704,522,982	594,081,323
Service expenses				
Subsidiary	-	-	350,250	299,978
Related companies	84,504,998	105,969,510	84,504,998	105,969,510
Total	84,504,998	105,969,510	84,855,248	106,269,488
Miscellaneous expenses				
Subsidiary	-	-	-	12,491
Related companies	64,529	171,721	64,529	153,023
Total	64,529	171,721	64,529	165,514
Rental expenses				
Related companies	600,000	600,000	600,000	600,000
Interest				
Related companies	13,407,986	14,962,071	-	-
Related persons	3,967,932	12,520,430	-	-
Total	17,375,918	27,482,501	-	-

Directors and management's remuneration

The Group had employee benefit expenses of its directors and management for the years ended 31 December 2021 and 2020 as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Directors and management's benefits				
Short-term employee benefits	17,387,916	18,977,226	11,991,376	13,083,586
Post-employment benefits	119,478	258,358	119,478	258,358
Total	17,507,394	19,235,584	12,110,854	13,341,944

7 CASH AND CASH EQUIVALENTS

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Cash on hand	2,458,063	2,932,709	2,273,032	2,798,520
Regular checking accounts	128,320,625	104,610,180	116,376,636	96,348,227
Saving accounts	146,785,637	114,877,536	112,794,481	57,606,863
Total	277,564,325	222,420,425	231,444,149	156,753,610

Deposits at financial institutions are bearing interest rate of 0.05 – 0.125% per annum (2020: 0.05 – 0.125% per annum).

8 TRADE AND OTHER RECEIVABLES

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Trade accounts receivable – related companies (Note 6.2)	5,440,210	4,943,269	347,296	1,651,288
Trade accounts receivable – others	211,506,696	152,121,808	99,309,151	81,760,407
Total trade accounts receivable	216,946,906	157,065,077	99,656,447	83,411,695
Advances for inventories	5,064,993	709,373	–	–
Receivables from disposal of assets	3,294,493	28,816,148	3,294,493	11,522,886
Value added tax receivable	27,068,304	15,158,263	27,068,304	15,158,263
Prepaid expenses	3,154,387	4,137,649	1,554,723	2,191,847
Unbilled input tax	1,259,008	1,715,753	1,240,914	1,693,292
Other receivables	169,295	221,417	164,460	192,035
Total	256,957,386	207,823,680	132,979,341	114,170,018

Aging of trade accounts receivable as at 31 December 2021 and 2020 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Trade accounts receivable – related companies				
Within credit terms	5,440,210	4,040,500	347,296	748,519
Overdue: Less than 3 months	–	902,769	–	902,769
Total trade accounts receivable – related companies	5,440,210	4,943,269	347,296	1,651,288
Trade accounts receivable – other companies				
Within credit terms	156,104,640	109,321,200	69,703,792	60,217,649
Overdue:				
Less than 3 months	55,722,323	31,698,697	29,925,626	21,282,168
3 – 6 months	1,468,986	3,411,744	1,468,986	513,416
6 – 12 months	13,009	8,078,392	13,009	135,399
Over 12 months	28,151,410	32,104,777	27,973,498	31,926,865
Total trade accounts receivable – others	241,460,368	184,614,810	129,084,911	114,075,497
Less allowance for expected credit losses	(29,953,672)	(32,493,002)	(29,775,760)	(32,315,090)
Trade accounts receivable – others – net	211,506,696	152,121,808	99,309,151	81,760,407

Set out below is the movement in the allowance for expected credit losses of trade and other receivables:

	In Baht	
	Consolidated financial statements	Separate financial statements
As at 1 January 2021	32,493,002	32,315,090
Reserve for expected credit losses	1,820,997	1,820,997
Amount recovered	(4,360,327)	(4,360,327)
As at 31 December 2021	29,953,672	29,775,760

As at 31 December 2021, The Group has recognized a loss allowance of 100% against all receivables over 1 year past due because historical experience has indicated that these receivables are generally not recoverable, except receivables that receive payment after the end of the reporting period.

For other trade receivables which overdue not more than 1 year as at 31 December 2021, the Group determines lifetime expected credit loss using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position.

9 INVENTORIES

	In Baht								
	Consolidated financial statements								
	Cost			Allowance for obsolescence of inventories			Inventories – net		
	31 December 2021	31 December 2020	1 January 2020	31 December 2021	31 December 2020	1 January 2020	31 December 2021	31 December 2020	1 January 2020
Finished goods	200,651,976	354,942,811	331,746,654	(39,641,237)	(45,681,570)	(36,901,200)	161,010,739	309,261,241	294,845,454
Work in process	130,737,615	131,174,956	141,836,390	–	–	–	130,737,615	131,174,956	141,836,390
Raw materials	496,289,337	343,981,610	460,995,751	(28,730,251)	(24,075,579)	(6,317,242)	467,559,086	319,906,031	454,678,509
Material and supplies	34,755,593	32,138,016	45,101,072	–	–	–	34,755,593	32,138,016	45,101,072
Total	862,434,521	862,237,393	979,679,867	(68,371,488)	(69,757,149)	(43,218,442)	794,063,033	792,480,244	936,461,425

During the current year, the Group reversed the write-down of cost of inventories by Baht 1.4 million reduced the amount of inventories recognised as expenses during the year. (2020: the Group recorded allowance for obsolescence of inventories by Baht 26.5 million to reflect the net realisable value. This was included in cost of sales)

	In Baht								
	Separate financial statements								
	Cost			Allowance for obsolescence of inventories			Inventories – net		
	31 December 2021	31 December 2020	1 January 2020	31 December 2021	31 December 2020	1 January 2020	31 December 2021	31 December 2020	1 January 2020
Finished goods	154,958,221	260,605,980	208,657,299	(38,843,029)	(44,883,362)	(36,550,035)	116,115,192	215,722,618	172,107,264
Work in process	118,131,200	117,339,996	126,454,450	–	–	–	118,131,200	117,339,996	126,454,450
Raw materials	149,287,903	163,008,610	192,801,416	(28,730,251)	(24,075,579)	(6,317,242)	120,557,652	138,933,031	186,484,174
Material and supplies	11,835,690	10,659,911	24,249,903	–	–	–	11,835,690	10,659,911	24,249,903
Total	434,213,014	551,614,497	552,163,068	(67,573,280)	(68,958,941)	(42,867,277)	366,639,734	482,655,556	509,295,791

During the current year, the Company reversed the write-down of cost of inventories by Baht 1.4 million reduced the amount of inventories recognised as expenses during the year. (2020: the Company recorded allowance for obsolescence of inventories by Baht 26.1 million to reflect the net realisable value. This was included in cost of sales)

10 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	In Baht		
	Consolidated and Separate financial statements		
	Investment properties – land	Machinery	Total
For the year ended 31 December 2020			
Net book value, beginning of year	516,670,000	–	516,670,000
Add Transfer machinery from property, plant and equipment	–	67,386,061	67,386,061
Less Disposals	(186,670,000)	–	(186,670,000)
Net book value, end of year	330,000,000	67,386,061	397,386,061
For the year ended 31 December 2021			
Net book value, beginning of year	330,000,000	67,386,061	397,386,061
Add Transfer machinery from property, plant and equipment	–	21,471,386	21,471,386
Less Disposal	(330,000,000)	(64,277,625)	(394,277,625)
Net book value, end of year	–	24,579,822	24,579,822

During the year 2021, the Group and the Company have transferred machinery as assets held for sale amounted to Baht 21.5 million (2020: Baht 67.4 million).

11 NON-CURRENT FINANCIAL ASSETS – INVESTMENTS IN EQUITY INSTRUMENTS OF NON-LISTED COMPANIES

Consolidated and Separate financial statements as at 31 December 2021 and 2020

Invested company (Type of business)	Paid-up capital (Thousand Baht)	Proportion of shareholding (%)	In Baht			
			At cost	Book value	Dividends income	
					2021	2020
Investment in related companies						
Thai Standard Industries Co., Ltd. (Type of business: Weaving)	150,000	6.67	12,500,000	12,500,000	–	–
Thai Textile Printing Public Co., Ltd. (Type of business: Printing and dyeing)	350,000	3.57	12,500,000	12,500,000	–	–
Rama Textile Industry (1988) Co., Ltd. (Type of business: Yarn dyeing and selling)	250,000	8.75	23,750,000	23,750,000	1,531,250	1,750,000
Total			48,750,000	48,750,000	1,531,250	1,750,000
Investment in other companies						
Tajin Polyester Co., Ltd. (Type of business: Polyester producer)	548,224	1.63	11,915,000	11,915,000	472,495	579,475
Chantaburi Country Club Co., Ltd. (Type of business: Real estate)	75,000	0.17	2,000,000	125,000	–	–
Total			13,915,000	12,040,000	472,495	579,475
Total other long-term investments			62,665,000	60,790,000	2,003,745	2,329,475

The fair value of investment in equity instruments of non-listed companies has been determined by analysis and considering change in the invested companies' financial position and operating performance, including other several factors. The Company's management believes carrying value of those investments has appropriately represented the fair value of the investments.

12 INVESTMENT IN SUBSIDIARY

12.1 Details of investments in subsidiaries

Separate financial statements as at 31 December 2021 and 2020

Invested company (Type of business)	Paid-up capital (Thousand Baht)	Proportion of shareholding (%)	In Baht		
			At cost	Dividends income	
				2021	2020
Thai Rung Textile Co., Ltd.					
(Type of business : Yarn spinning)	600,000	87.31	550,325,004	-	-

12.2 Details of investments in subsidiaries that have material non-controlling interests are as below:

Company name	Proportion of equity interest held by non- controlling interests (%)	In Baht					
		Accumulated balance of non-controlling interests		Comprehensive income allocated to non-controlling interests during the year		Dividend paid to non- controlling interests	
		2021	2020	2021	2020	2021	2020
Thai Rung Textile Co., Ltd.	12.69	149,506,406	142,266,127	7,240,279	37,559	-	-

12.3 Summarized financial information of subsidiaries with significant non-controlling interests which information before elimination of related transactions

	In Baht	
	2021	2020
Summarised information about financial position		
Current assets	609,354,391	487,012,477
Non-current assets	1,301,411,171	1,483,366,413
Current liabilities	712,524,090	796,859,330
Non-current liabilities	83,781,504	116,127,775
Assets-net	1,114,459,968	1,057,391,785

	In Baht	
	For the year ended 31 December	
	2021	2020
Summarised information about comprehensive income		
Total revenues	1,446,458,711	1,306,598,527
Total expense	1,398,735,430	1,306,302,490
Profit for the year	47,723,281	296,037
Other comprehensive income for the year	9,344,902	-
Total comprehensive income for the year	57,068,183	296,037

13 PROPERTY, PLANT AND EQUIPMENT

	In Baht								
	Consolidated financial statements								
	Land			Building & structures	Machineries & equipment	Furniture & office equipment	Vehicles	Assets under installation	Total
	Original cost	Appraised value	Total						
As at 1 January 2020									
Cost	292,975,630	943,896,570	1,236,872,200	891,371,337	4,200,559,868	64,453,047	23,896,133	53,013,164	6,470,165,749
Less Accumulated depreciation	-	-	-	(701,301,024)	(2,852,611,132)	(63,406,687)	(17,577,170)	-	(3,634,896,013)
Net book value	292,975,630	943,896,570	1,236,872,200	190,070,313	1,347,948,736	1,046,360	6,318,963	53,013,164	2,835,269,736
For the year ended 31 December 2020									
Net book value, beginning of year	292,975,630	943,896,570	1,236,872,200	190,070,313	1,347,948,736	1,046,360	6,318,963	53,013,164	2,835,269,736
Acquisition	-	-	-	886,685	1,438,700	26,500	-	315,916	2,667,801
Transfer in (out)	-	-	-	-	53,009,102	190,800	-	(53,199,902)	-
Transfer machinery to assets held for sale	-	-	-	-	(67,386,061)	-	-	-	(67,386,061)
Disposal	-	-	-	-	(95,387,027)	(104,065)	(423,760)	-	(95,914,852)
Depreciation	-	-	-	(19,504,554)	(198,650,393)	(561,751)	(2,577,691)	-	(221,294,389)
Net book value, end of year	292,975,630	943,896,570	1,236,872,200	171,452,444	1,040,973,057	597,844	3,317,512	129,178	2,453,342,235
As at 31 December 2020									
Cost	292,975,630	943,896,570	1,236,872,200	892,258,022	3,720,135,019	64,368,197	22,937,173	129,178	5,936,699,789
Less Accumulated depreciation	-	-	-	(720,805,578)	(2,679,161,962)	(63,770,353)	(19,619,661)	-	(3,483,357,554)
Net book value	292,975,630	943,896,570	1,236,872,200	171,452,444	1,040,973,057	597,844	3,317,512	129,178	2,453,342,235

	In Baht								
	Consolidated financial statements								
	Land			Building & structures	Machineries & equipment	Furniture & office equipment	Vehicles	Assets under installation	Total
	Original cost	Appraised value	Total						
For the year ended 31 December 2021									
Net book value, beginning of year	292,975,630	943,896,570	1,236,872,200	171,452,444	1,040,973,057	597,844	3,317,512	129,178	2,453,342,235
Acquisition	-	-	-	1,046,565	241,699	16,268	5,628,000	-	6,932,532
Transfer in (out)	-	-	-	-	29,518	(29,518)	-	-	-
Transfer machinery to assets held for sale	-	-	-	-	(21,471,386)	-	-	-	(21,471,386)
Disposal	-	-	-	(988,652)	(77,900,538)	(36,602)	(3)	-	(78,925,795)
Depreciation	-	-	-	(18,551,957)	(160,137,454)	(204,744)	(2,355,579)	-	(181,249,734)
Net book value, end of year	292,975,630	943,896,570	1,236,872,200	152,958,400	781,734,896	343,248	6,589,930	129,178	2,178,627,852
As at 31 December 2021									
Cost	292,975,630	943,896,570	1,236,872,200	874,476,984	3,067,313,425	63,109,840	23,542,621	129,178	5,265,444,248
<u>Less</u> Accumulated depreciation	-	-	-	(721,518,584)	(2,285,578,529)	(62,766,592)	(16,952,691)	-	(3,086,816,396)
Net book value	292,975,630	943,896,570	1,236,872,200	152,958,400	781,734,896	343,248	6,589,930	129,178	2,178,627,852

As at 31 December 2021, the Group's some of assets items have been fully depreciated. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 1,604.7 million (2020: Baht 1,976.8 million).

As at 31 December 2021, the Group's machineries with net book value of Baht 148.3 million (2020: Baht 550.3 million) are mortgaged as collateral of credit facilities to financial institution as discussed in Note 16 to the financial statements.

During the year 2020, The Group has borrowing costs of Baht 0.1 million, arising from financing specifically entered into for the construction of machinery and manufacturing equipment, which were capitalised as part of such assets during the year and are included in acquisition.

During the year 2021, the Group has transferred machinery as assets held for sale amounted to Baht 21.5 million. (2020: Baht 67.4 million)

	In Baht								
	Separate financial statements								
	Land			Building & structures	Machineries & equipment	Furniture & office equipment	Vehicles	Assets under installation	Total
	Original cost	Appraised value	Total						
As at 1 January 2020									
Cost	33,116,953	659,203,047	692,320,000	507,940,493	1,618,575,564	41,059,632	19,200,988	30,883,164	2,909,979,841
<u>Less</u> Accumulated depreciation	-	-	-	(446,122,140)	(1,230,462,548)	(40,406,943)	(14,417,394)	-	(1,731,409,025)
Net book value	33,116,953	659,203,047	692,320,000	61,818,353	388,113,016	652,689	4,783,594	30,883,164	1,178,570,816
For the year ended 31 December 2020									
Net book value, beginning of year	33,116,953	659,203,047	692,320,000	61,818,353	388,113,016	652,689	4,783,594	30,883,164	1,178,570,816
Acquisition	-	-	-	-	1,013,700	26,500	-	315,916	1,356,116
Transfer in (out)	-	-	-	-	30,879,102	190,800	-	(31,069,902)	-
Transfer machinery to assets held for sale	-	-	-	-	(67,386,061)	-	-	-	(67,386,061)
Disposal	-	-	-	-	(53,925,924)	(104,065)	(423,760)	-	(54,453,749)
Depreciation	-	-	-	(9,820,390)	(60,484,560)	(385,187)	(1,999,399)	-	(72,689,536)
Net book value, end of year	33,116,953	659,203,047	692,320,000	51,997,963	238,209,273	380,737	2,360,435	129,178	985,397,586
As at 31 December 2020									
Cost	33,116,953	659,203,047	692,320,000	507,940,493	1,231,057,619	40,974,783	18,242,027	129,178	2,490,664,100
<u>Less</u> Accumulated depreciation	-	-	-	(455,942,530)	(992,848,346)	(40,594,046)	(15,881,592)	-	(1,505,266,514)
Net book value	33,116,953	659,203,047	692,320,000	51,997,963	238,209,273	380,737	2,360,435	129,178	985,397,586

	In Baht								
	Separate financial statements								
	Land			Building & structures	Machineries & equipment	Furniture & office equipment	Vehicles	Assets under installation	Total
	Original cost	Appraised value	Total						
For the year ended 31 December 2021									
Net book value, beginning of year	33,116,953	659,203,047	692,320,000	51,997,963	238,209,273	380,737	2,360,435	129,178	985,397,586
Acquisition	-	-	-	1,046,565	241,699	16,268	5,628,000	-	6,932,532
Transfer in (out)	-	-	-	-	29,518	(29,518)	-	-	-
Transfer machinery to assets held for sale	-	-	-	-	(21,471,386)	-	-	-	(21,471,386)
Disposal	-	-	-	(988,626)	(29,306,408)	(36,602)	(3)	-	(30,331,639)
Depreciation	-	-	-	(9,125,138)	(39,720,062)	(158,677)	(1,905,207)	-	(50,909,084)
Net book value, end of year	33,116,953	659,203,047	692,320,000	42,930,764	147,982,634	172,208	6,083,225	129,178	889,618,009
As at 31 December 2021									
Cost	33,116,953	659,203,047	692,320,000	506,525,058	924,075,695	39,716,425	18,847,477	129,178	2,181,613,833
<u>Less</u> Accumulated depreciation	-	-	-	(463,594,294)	(776,093,061)	(39,544,217)	(12,764,252)	-	(1,291,995,824)
Net book value	33,116,953	659,203,047	692,320,000	42,930,764	147,982,634	172,208	6,083,225	129,178	889,618,009

As at 31 December 2021, the Company's some of assets items have been fully depreciated. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 964.0 million (2020: Baht 1,149.5 million).

As at 31 December 2021, the Company's machineries with net book value of Baht 68.7 million (2020: Baht 117.8 million) are mortgaged as collateral of credit facilities to financial institution as discussed in Note 16 to the financial statements.

During the year 2020, The Company have borrowing costs of Baht 0.1 million, arising from financing specifically entered into for the construction of machinery and manufacturing equipment, which were capitalised as part of such assets during the year and are included in acquisition.

During the year 2021, the Company has transferred machinery as assets held for sale amounted to Baht 21.5 million. (2020: Baht 67.4 million)

14 RIGHT-OF-USE ASSETS

Movements of the right-of-use assets – land and structures for the year ended 31 December 2021 and 2020 are summarised below.

	In Baht
	Consolidated and Separate financial statements
As at 1 January 2020	–
For the year ended 31 December 2020	
Net book value, beginning of year	–
Adjustments of right-of-use assets due to TFRS 16 adoption	4,143,682
Depreciation	(517,960)
Net book value	3,625,722
As at 31 December 2020	
Cost	4,143,682
<u>Less</u> Accumulated depreciation	(517,960)
Net book value	3,625,722
For the year ended 31 December 2021	
Net book value, beginning of year	3,625,722
Decrease from the termination of the lease	(3,107,762)
Depreciation	(517,960)
Net book value	–

For the year 2021, the Company has terminated the lease of land and structures and recognized profit from the termination of the lease in the amount of Baht 0.11 million in the statement of comprehensive income (Note 18).

15 COMPUTER SOFTWARE

	In Baht	
	Consolidated and Separate	
	financial statements	
	2021	2020
As at 1 January		
Cost	26,747,847	25,657,847
<u>Less</u> Accumulated amortization	(20,544,102)	(16,937,522)
Net book value	6,203,745	8,720,325
Transactions during the year ended 31 December		
Net book value, beginning of year	6,203,745	8,720,325
Acquisition of computer software	–	1,090,000
Amortization	(3,286,443)	(3,606,580)
Net book value, end of year	2,917,302	6,203,745
As at 31 December		
Cost	26,747,847	26,747,847
<u>Less</u> Accumulated amortization	(23,830,545)	(20,544,102)
Net book value	2,917,302	6,203,745

16 BANK OVERDRAFTS AND LOANS FROM FINANCIAL INSTITUTIONS

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Interest rate (%) p.a.		2021	2020	2021	2020
Bank overdraft and short-term loans					
Overdraft	- MOR+1.25	-	13,333,992	-	-
Liabilities under					
trust receipts	- 2.10-2.99	-	66,037,593	-	-
Promissory notes	- 2.20-3.70	-	320,000,000	-	320,000,000
Total		-	399,371,585	-	320,000,000
Long-term loans					
2.00-3.00, MLR-					
Long-term loans	2.00-3.00, MLR-2 2, MLR-2.25	55,921,000	64,161,000	-	14,500,000
Less Current portion of long-term loans		(40,412,000)	(24,904,000)	-	(14,500,000)
Long-term loans – net of current portion		15,509,000	39,257,000	-	-

The movements of long-term loans from financial institutions as at 31 December 2021 and 2020 are as follows:

In Baht			
Consolidated		Separate	
financial statements		financial statements	
2021	2020	2021	2020
Balance, beginning of year	64,161,000	14,500,000	54,490,000
Add Receive during the year	20,000,000	-	-
Less Repayment during the year	(28,240,000)	(14,500,000)	(39,990,000)
Balance, the end of year	55,921,000	-	14,500,000

As at 31 December 2021 and 2020, the Group has overdrafts and short – term trade financing facilities from financial institutions according to the loan agreements with a total maximum credit limit of Baht 1,745 million and Baht 2,102 million, respectively. (Separate: Baht 991 million (2020: Baht 1,041 million))

Under the terms of the agreements covering the Group's liabilities under trust receipts, certain imported raw materials, parts and supplies have been released to the Group in trust for the financial institutions. The Group is accountable to the financial institutions for the trusted items or their sales proceeds.

The Group's long – term loans from financial institutions are guaranteed by the Group's machines as discussed in Note 13 including providing negative pledge of property, plant and equipment.

In addition, the borrowing agreements of the Subsidiary contain certain covenants that, among other things, require the Subsidiary to maintain financial ratios.

17 TRADE AND OTHER PAYABLES

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Trade accounts payable – related companies (Note 6.2)	15,392,819	14,408,960	24,629,314	32,038,412
Trade accounts payable – other companies	104,120,618	46,136,602	18,652,003	15,638,257
Total trade accounts payable	119,513,437	60,545,562	43,281,317	47,676,669
Accrued expenses	38,688,483	32,371,354	17,103,557	14,350,684
Payable from acquisition of assets	70,000	–	70,000	–
Advance received from sales of goods	46,648,596	15,269,628	46,596,416	15,219,384
Advance received from machinery and equipment	24,248,187	78,489,321	24,248,187	56,491,504
Advance received from investment properties – land	–	135,000,000	–	135,000,000
Value added tax payable	5,029,134	4,641,546	–	–
Social security and other taxes	907,558	928,652	757,802	881,007
Total	235,105,395	327,246,063	132,057,279	269,619,248

Advance received from sales of goods as at 31 December 2020 is recognized as revenue in 2021 in the amount of Baht 15.2 million and advance received from sales of goods as at 31 December 2021 estimated to be recognized as revenue in 2022 in the amount of Baht 46.6 million.

18 LEASE LIABILITIES

	In Baht	
	Consolidated and Separate financial statements	
	2021	2020
Lease liabilities	3,600,000	4,200,000
Less Deferred interest expenses	(379,368)	(509,237)
Decrease from the termination of the lease	(3,220,632)	–
Total	–	3,690,763
Less Current portion	–	(470,131)
Lease liabilities – net of current portion	–	3,220,632

The Company has entered into lease agreements for rental of land and structures for use in the operation, whereby it committed to pay rental fixed rate on a monthly basis. The term of agreements were 8 years. Subsequently, in 2021, the Company terminated the long-term lease agreement. The new contract is a short-term contract with a contract term of 12 months.

Future minimum lease payments required under the finance lease agreements were as follows:

	In Baht			
	Consolidated and Separate financial statements			
	31 December 2020			
	Less than 1 year	1 – 5 years	Over 5 years	Total
Future minimum lease payments	600,000	2,400,000	1,200,000	4,200,000
Deferred interest expenses	(129,869)	(333,909)	(45,459)	(509,237)
Present value of future minimum lease payments	470,131	2,066,091	1,154,541	3,690,763

The following are the expenses (income) amounts for the years ended 31 December 2021 and 2020 regarding the lease agreements recognised in profit or loss:

	In Baht	
	Consolidated and Separate financial statements	
	2021	2020
Depreciation of right-of-use assets	517,960	517,960
Interest expense from lease liabilities	129,869	147,080
Profit from termination of lease	(112,870)	–
Total	534,959	665,040

19 EMPLOYEE BENEFIT OBLIGATIONS

Movements in the present value of the defined benefit obligations:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Defined benefit obligations at 1 January	101,422,102	112,209,351	73,270,104	83,818,017
Included in profit or loss:				
Current service cost	5,793,254	13,287,014	2,449,295	10,028,641
Interest cost	1,142,063	2,633,709	498,253	1,903,766
Curtailment	–	1,232,948	–	1,232,948
Included in other comprehensive income:				
Actuarial gain (loss) arising from				
Financial assumptions changes	1,825,903	–	1,500,482	–
Demographic assumptions changes	(11,123,633)	–	(8,068,022)	–
Experience adjustments	(22,443,435)	–	(13,492,497)	–
Total	(31,741,165)	–	(20,060,037)	–
Benefits paid during the year	(25,022,914)	(27,940,920)	(21,968,434)	(23,713,268)
Defined benefit obligations at 31 December	51,593,340	101,422,102	34,189,181	73,270,104

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Cost of sales and services	5,620,977	14,856,456	1,820,353	11,168,940
Administrative expenses	1,314,340	2,297,215	1,127,195	1,996,415
Total expenses recognized in profit or loss	6,935,317	17,153,671	2,947,548	13,165,355

The Group expect to pay Baht 6.2 million of long-term employee benefits during the next year (Separate financial statements: Baht 4.3 million)

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit of the Group is 4–12 years (Separate financial statements: 4–8 years).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit of the Group is 4–8 years (Separate financial statements: 8 years).

Principal actuarial assumptions at the reporting date

	2021	2020
Discount Rate	0.86 – 2.27% per annum	2.39 – 2.41% per annum
Salary Increase rate	3%	5%
Turnover Rate	Scale related to Age ranging from 0 – 71%	Scale related to Age ranging from 0 – 59%
Mortality rate	According to Thailand TMO 2017 male and female tables	According to Thailand TMO 2017 male and female tables

Sensitivity analysis

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

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
Defined benefit obligation 31 December 2p021				
Discount Rate (0.5% movement)	(1,574,453)	1,750,792	(974,153)	1,112,616
Salary Increase Rate (0.5% movement)	1,632,841	(1,564,209)	1,003,431	(966,068)
Turnover Rate (1% movement)	(1,640,697)	1,721,736	(993,418)	1,036,940
Defined benefit obligation 31 December 2020				
Discount Rate (1% movement)	(5,920,323)	6,594,243	(4,147,088)	4,586,708
Salary Increase Rate (1% movement)	8,966,392	(8,117,613)	6,308,556	(5,744,376)
Turnover Rate (1% movement)	(6,355,127)	3,460,384	(4,447,495)	2,242,065

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

20 LEGAL RESERVE

The legal reserve of the Company was established in accordance with the provisions of the Thai Public Company Limited Act B.E. 2535, which requires the appropriation as legal reserve of at least 5% of net income for the year after deduction of the deficit brought forward (if any) until the reserve reaches 10% of the authorized share capital. This reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside

21 OTHER INCOME

Other income for the years ended 31 December 2021 and 2020 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Rental income	25,368,480	25,357,224	28,800	17,544
Gain on disposal of fixed assets	28,640,931	7,962,108	20,164,882	11,637,213
Gain on foreign exchange rate	6,556,967	4,950,162	9,945,222	1,946,806
Dividends income	2,003,745	2,329,475	2,003,745	2,329,475
Other income	8,714,028	4,661,504	7,809,386	3,797,798
Total	71,284,151	45,260,473	39,952,035	19,728,836

22 EXPENSES BY NATURE

Significant expenses by nature for the years ended 31 December 2021 and 2020 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Changes in finished goods and work in process	154,728,176	(12,534,723)	104,856,555	(42,834,227)
Raw materials and consumable used	1,183,717,747	1,300,970,973	826,284,880	1,055,163,721
Staff costs	211,872,913	266,223,505	103,906,366	149,936,622
Depreciation and amortization	185,054,137	225,418,929	54,713,487	76,814,076
Utility expenses	266,960,311	306,689,483	61,456,164	83,956,726

23 INCOME TAX

Income tax for the years ended 31 December 2021 and 2020 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Current income tax				
Corporate income tax for the year	–	–	–	–
Deferred tax				
Relating to origination and reversal of temporary differences	4,339,318	(26,329,024)	4,525,975	(26,287,482)
Tax (income) expense presented in profit or loss	4,339,318	(26,329,024)	4,525,975	(26,287,482)
Other comprehensive income				
Deferred tax relating to actuarial gain	6,348,233	–	4,012,007	–

Reconciliation of effective tax rate

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Accounting profit (loss) before corporate income tax	64,309,638	(118,745,983)	17,598,455	(121,444,678)
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before corporate income tax multiplied by applicable tax rate	12,861,928	(23,749,197)	3,519,691	(24,288,936)
Effects of:				
Addition expenses deductible for tax purposes	(17,211,971)	(17,029,013)	(4,849,702)	(4,576,926)
Gain on disposal of investment property-land for tax purposes	56,939,196	29,900,585	56,939,196	29,900,585
Expenses not deductible for tax purposes	445,988	4,356,615	157,401	4,219,788
Income not subject to tax	(400,749)	(465,895)	(400,749)	(465,895)
Utilization of taxable loss carried forward	(55,365,837)	(4,788,616)	(55,365,837)	(4,788,616)
Tax losses	2,566,357	12,264,361	-	-
Effect of elimination entries on the consolidated financial statements	165,088	(488,840)	-	-
Current income tax	-	-	-	-
Relating to origination and reversal of temporary differences	4,339,318	(26,329,024)	4,525,975	(26,287,482)
Tax (income) expense presented in profit or loss	4,339,318	(26,329,024)	4,525,975	(26,287,482)

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

	In Baht					
	Consolidated financial statements			Separate financial statements		
	31 December 2021	31 December 2020	1 January 2020	31 December 2021	31 December 2020	1 January 2020
Deferred income tax assets						
Allowance for expected credit losses	5,990,734	6,498,600	5,506,640	5,955,152	6,463,018	5,471,058
Investment in equity instruments of non-listed companies	375,000	375,000	375,000	375,000	375,000	375,000
Allowance for obsolescence of inventories	13,674,298	13,951,430	8,643,688	13,514,656	13,791,788	8,573,455
Lease liabilities	–	13,008	–	–	13,008	–
Accumulated tax losses	45,784,532	103,975,575	108,293,619	28,568,303	86,759,344	91,077,389
Employee benefit obligations	10,318,668	20,284,420	22,441,871	6,837,836	14,654,021	16,763,604
Total deferred income tax assets	76,143,232	145,098,033	145,260,818	55,250,947	122,056,179	122,260,506
Deferred income tax liabilities						
Inventories	–	1,585,255	1,037,208	–	1,585,255	1,037,208
Machinery	2,820,930	2,860,729	–	2,820,930	2,860,729	–
Non-current assets classified as held for sale – land	–	56,642,196	86,542,781	–	56,642,196	86,542,781
Land	219,590,208	219,590,208	219,590,208	131,840,609	131,840,609	131,840,609
Total deferred income tax liabilities	222,411,138	280,678,388	307,170,197	134,661,539	192,928,789	219,420,598
Deferred income tax liabilities – net	146,267,906	135,580,355	161,909,379	79,410,592	70,872,610	97,160,092

Deferred income tax assets and liabilities are offset when the income taxes related to the same fiscal authority. Deferred tax assets and deferred tax liabilities in the consolidated financial positions are presented at net amount of assets and liabilities incurred in each entity.

24 FINANCIAL INFORMATION BY SEGMENT

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

The operations of the Group involve the single industry segment of manufacturing and distributing yarns, apparel and fabrics. The Group operates in single geographical area, in Thailand, therefore, these financial statements do not present the financial information by segment. The Group's revenues sale and service at the point in time in both domestic and export markets.

The revenues classified by domestic and export markets for the years ended 31 December 2021 and 2020 are as follows:

	In Thousand Baht					
	Domestic		Export		Total	
	2021	2020	2021	2020	2021	2020
Revenues	1,471,556	1,324,625	739,031	578,964	2,210,587	1,903,589
Cost	(1,413,453)	(1,318,818)	(656,948)	(568,219)	(2,070,401)	(1,887,037)
Gross profit	58,103	5,807	82,083	10,745	140,186	16,552

Major customers

For the year 2021, the Group has revenue from one major customer, represented at 16% of total revenues (2020: the Group has revenue from one major customer, represented at 17% of total revenues).

25 PROVIDENT FUNDS

The Group and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The Group and their employees monthly contribute to the funds at the rate of 2% of basic salary. The funds, which are managed by Kasikom Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contribution for the year 2021 were recognised as expenses amounting to Baht 1.9 million. (2020: amounting to Baht 2.6 million) (Separate: Baht 0.9 million (2020: Baht 1.5 million))

26 FINANCIAL INSTRUMENTS**26.1 Financial Risk Management Policy**

The principal financial risks faced by the Group are liquidity risk, foreign currency risk, interest rate risk, and credit risk. The risk management policies of these particular risks are as follows:

Credit risk

The Group was exposed to credit risk. However, due to the large number and diversity of the entities comprising the Group's customer base, The Group does not anticipate material losses from its debt collection. The Group estimated the allowance for doubtful accounts from the ending balance of accounts receivable. The estimate was made by considering the customer's past collection experiences. An impairment analysis is performed at each reporting date to measure expected credit losses. The provision for expected credit losses rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and other receivables are written-off in accordance with the Group's policy.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of loans and lease contracts. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile financial liabilities as at 31 December 2021 based on contractual undiscounted cash flows:

In Baht				
Consolidated financial statements				
	Less than 1 year	1 – 5 years	Over 5 years	Total
Trade and other payables	235,105,395	–	–	235,105,395
Short-term loans from related persons and related companies	559,000,000	–	–	559,000,000
Long-term loans	40,412,000	15,509,000	–	55,921,000
Total	834,517,395	15,509,000	–	850,026,395

In Baht				
Separate financial statements				
	Less than 1 year	1 – 5 years	Over 5 years	Total
Trade and other payables	132,057,279	–	–	132,057,279

Foreign Currency Risk and Risk management

As part of the international trading, the Group has significant exposures to market risks from changes in foreign exchange rates. The Group has no financial derivative to manage such foreign exchange risks.

As at 31 December 2021 and 2020, assets and liabilities of the Group which are not hedged as follows:

	Currencies	Amount		Equivalent to approximately (In Million Baht)	
		2021	2020	2021	2020
Trade accounts receivable	U.S. Dollars	1,611,038	1,452,987	53.41	43.26
Other receivable	U.S. Dollars	6,445	387,000	0.21	11.52
Trade accounts payable	U.S. Dollars	2,108,529	465,225	70.83	14.05
	Euro	1,308	1,308	0.05	0.05
	JPY	–	525,640	–	0.15
Accrued expenses	U.S. Dollars	128,704	167,683	4.32	5.07

The sensitivity of the Group's profit before tax to a reasonably possible change in the U.S. Dollars and Euro exchange rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities as at 31 December 2021. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	Change in FX rate	Effect on profit before tax
	(%)	(In Million Baht)
U.S. Dollars	+10	(2.2)
	- 10	2.2
Euro	+10	(0.01)
	- 10	0.01

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at financial institutions, bank overdrafts and short-term loans, lease liabilities and long-term borrowings. Most of these financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The Group has no financial derivative to manage such risks.

Interest rate sensitivity

The Group expected that there is no materiality effect on profit before tax from a possible change in interest rate due to the interest rate of financial assets, short-term loans, long-term loans of the Group are market rate.

26.2 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.

27 Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the assets that were measured at fair value on a recurring basis, using different levels of inputs as follows:

	In Million Baht			
	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
As at 31 December 2021, assets for which fair value are disclosed				
Investments in equity instruments of non-listed companies	-	-	60.8	60.8
Land	-	1,236.9	-	1,236.9
As at 31 December 2020, assets for which fair value are disclosed				
Non-current assets classified as held for sale – Investment properties – land	-	330.0	-	330.0
Investments in equity instruments of non-listed companies	-	-	60.8	60.8
Land	-	1,236.9	-	1,236.9

	In Million Baht			
	Separate financial statements			
	Level 1	Level 2	Level 3	Total
As at 31 December 2021, assets for which fair value are disclosed				
Investments in equity instruments of non-listed companies	-	-	60.8	60.8
Land	-	692.3	-	692.3
As at 31 December 2020, assets for which fair value are disclosed				
Non-current assets classified as held for sale – Investment properties – land	-	330.0	-	330.0
Investments in equity instruments of non-listed companies	-	-	60.8	60.8
Land	-	692.3	-	692.3

Valuation techniques and inputs to Level 3 valuation

The fair value of investments in non-listed company are estimated by discounting expected future cash flow and other methods used in fair value measurement.

During the current year, there were no transfers within the fair value hierarchy.

28 COMMITMENTS AND CONTINGENT LIABILITIES

28.1 Commitments

The Group entered into the operating lease agreement in respect of the lease of land and building. The term of agreements were 1 years.

As at 31 December 2021 and 2020, the Group had future minimum lease payments under the operating lease agreements, as follows:

	In Million Baht	
	Consolidated and Separate financial statements	
	2021	2020
Repayments		
Within 1 year	0.6	0.6

The Group had commitments according to sales of machinery and equipment with counterparties in amounting to approximately Baht 34.1 million. (2020: commitments according to sales of Investment properties – land, machinery and equipment with counterparties in amounting to approximately Baht 363.5 million). The Group expects to satisfy these performance obligation within 1 years.

The Group has unused letter of credit amounting to approximately U.S. Dollars 7.1 million equivalent to approximately Baht 237.5 million. (2020: U.S. Dollars 1.8 million equivalent to approximately Baht 54.0 million)

28.2 Contingent liabilities

As at 31 December 2021 and 2020, The Group has contingent liability in relation to letter of guarantees issued by the financial institutions in favor of the government and private company as follows :

	In Million Baht					
	2021			2020		
	Company	Subsidiary	Total	Company	Subsidiary	Total
Letters of guarantees	7.77	23.00	30.77	9.77	25.00	34.77

29 CAPITAL MANAGEMENT

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

As at 31 December 2021, debt to equity ratio in the consolidated financial statements is 0.41: 1 (2020 : 0.68 : 1) and Separate financial statements: 0.12 : 1 (2020 : 0.39 : 1).

30 EVENTS AFTER THE REPORTING PERIOD

On 25 February 2022, the Company's Board of Directors meeting No. 1/2022 approved for payment of a final dividend of Baht 0.50 per share for 50 million shares totaling Baht 25 million, from the retained earnings.

However, this resolution will be further proposed for the shareholders' approval in the Ordinary General Meeting of Shareholders for fiscal year 2022.

31 APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on 25 February 2022

Part 4

Certification Information

CERTIFICATION INFORMATION

The Company have carefully reviewed the information presented in this Annual Report and guarantee the information is complete, not falsified, not misunderstanding, or missing any information that should be included. In addition, The Company guarantee the following:

- (1) The Financial Statement and Financial Information summarized in the Annual Report are correct and complete with highlights concerning Financial Status, Financial Performance, and Cash Flow of The Company and The Subsidiary.
- (2) The Company have good information disclosure outlet to ensure information of The Company and The Subsidiary are correct and complete according to the rules set forth.
- (3) The Company have setup a good internal control and ensure the operation is as per the system. The Company have sent internal control evaluation information on 31 December 2020 to the Auditor and Audit Committee Directors, which included deficiency and important changes of the internal control, as well as, actions which may affect the financial performance of The Company and The Subsidiary.

To verify that the information presented is the same as those The Company guarantee as correct and complete, The Company have appointed Miss Naruemon Worarittichai to sign every page of the report. If any page is not signed by Miss Naruemon Worarittichai, the Company will consider it as not the information that The Company have verified as correct.

	Name	Position	Signature
1.	Mr. Tawatchai Chaiyapinunt	Executive Director, Nomination Committee and Remuneration Committee	_____
2.	Mr. Kumjorn Chuenchoochit	Executive Director	_____
Authorizedized			
1.	Miss Naruemon Worarittichai	Executive Director	_____

แนบ (หนังสือรับรองบริษัท)

ที่ สป. 000047



กรมพัฒนาธุรกิจการค้า กระทรวงพาณิชย์

หนังสือรับรอง

ขอรับรองว่าบริษัทนี้ ได้จดทะเบียน เป็นนิติบุคคลตามกฎหมายว่าด้วยบริษัทมหาชนจำกัด เมื่อวันที่ 3 กุมภาพันธ์ 2537 ทะเบียนเลขที่ 0107537000441

ปรากฏข้อความในรายการตามเอกสารทะเบียนนิติบุคคล ณ วันออกหนังสือนี้ ดังนี้

1. ชื่อบริษัท บริษัท โรงงานผ้าไทย จำกัด (มหาชน)
2. กรรมการของบริษัทมี 10 คน ตามรายชื่อต่อไปนี้

1. นายบุญนำ บุญนำทรัพย์	2. นายมงคล มังกรนก
3. นายปรีชา ชัยพรหมประสิทธิ์	4. นายไพบุลย์ จรูญชัยคณากิจ
5. นายสุชาติ จันทรานาคราช	6. นายธวัชชัย ไชยะภินันท์
7. นายกำจร ชื่นชูจิตต์	8. นายชิน ชินเศรษฐวงศ์
9. นางสาวนฤมล วรฤทธิชัย	10. นายเจริญ เลหาทัย

3. ชื่อและจำนวนกรรมการ ซึ่งมีอำนาจลงลายมือชื่อแทนบริษัท คือ นายบุญนำ บุญนำทรัพย์, นายมงคล มังกรนก, นายไพบุลย์ จรูญชัยคณากิจ, นายธวัชชัย ไชยะภินันท์, นายกำจร ชื่นชูจิตต์ และ นางสาวนฤมล วรฤทธิชัย

กรรมการสองคนในหกคนนี้ลงลายมือชื่อร่วมกันและประทับตราสำคัญของบริษัท

ข้อจำกัดอำนาจของกรรมการ ไม่มี//

4. ทุน จดทะเบียน 500,000,000.00 บาท /
(ห้าร้อยล้านบาทถ้วน)
ทุนชำระแล้วเป็นเงิน 500,000,000.00 บาท /
(ห้าร้อยล้านบาทถ้วน)

5. สำนักงานใหญ่ ตั้งอยู่เลขที่ 385 หมู่ที่ 1 ซอยบางเมฆขาว ถนนสุขุมวิท ตำบลท้ายบ้าน อำเภอเมืองสมุทรปราการ จังหวัดสมุทรปราการ/
สำนักงานสาขา ตั้งอยู่ (1) เลขที่ 741 หมู่ที่ 3 ซอยบางเมฆขาว ถนนสุขุมวิท ตำบลท้ายบ้าน อำเภอเมืองสมุทรปราการ จังหวัดสมุทรปราการ/

คำเตือน : ผู้ใช้ควรตรวจสอบข้อความทราบท้ายหนังสือรับรองฉบับนี้ทุกครั้ง



กรมพัฒนาธุรกิจการค้า กระทรวงพาณิชย์
Department of Business Development
Ministry of Commerce

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กรมพัฒนาธุรกิจการค้า กระทรวงพาณิชย์

หนังสือรับรอง

สำนักงานสาขา ตั้งอยู่ (2) เลขที่ 275 หมู่ที่ 14 ซอยบางเมฆขาว ถนนสุขุมวิท ตำบลท้ายบ้าน อำเภอเมืองสมุทรปราการ จังหวัดสมุทรปราการ/

สำนักงานสาขา ตั้งอยู่ (3) เลขที่ 286 ซอยโรงเรียนญี่ปุ่น ถนนพระราม9 แขวงบางกะปิ เขตห้วยขวาง กรุงเทพมหานคร/

สำนักงานสาขา ตั้งอยู่ (4) เลขที่ 595 หมู่ที่ 6 ถนนสุขุมวิท ตำบลบางปูใหม่ อำเภอเมืองสมุทรปราการ จังหวัดสมุทรปราการ/

6. วัตถุประสงค์ของบริษัทมหาชนจำกัดนี้มี 17 ข้อ ดังปรากฏในสำเนาเอกสารแนบท้ายหนังสือรับรองนี้ จำนวน 2 แผ่น โดยมีลายมือชื่อนายทะเบียนซึ่งรับรองเอกสารเป็นสำคัญ

ออกให้ ณ วันที่ 21 เดือน มกราคม พ.ศ. 2565

(นายอุดมศักดิ์ พันต่าย)

นายทะเบียน

ข้อควรทราบ ประกอบหนังสือรับรอง ฉบับที่ สป. 000047

1. กรณีที่เป็นบริษัทจดทะเบียนในตลาดหลักทรัพย์แห่งประเทศไทย กรรมการและผู้บริหารจะต้องมีคุณสมบัติและไม่มีลักษณะต้องห้ามตามพระราชบัญญัติหลักทรัพย์และตลาดหลักทรัพย์ พ.ศ.2535 โปรดตรวจสอบรายละเอียดที่สำนักงานคณะกรรมการกำกับหลักทรัพย์และตลาดหลักทรัพย์
2. บริษัทนี้เดิมชื่อ บริษัท โรงงานผ้าไทย จำกัด ทะเบียนเลขที่ 0105513000686 ได้จดทะเบียนแปรสภาพเป็นบริษัทมหาชนจำกัด เมื่อวันที่ 3 กุมภาพันธ์ 2537/
3. เพิกถอนการจดทะเบียนภาษีธุรกิจเฉพาะ เมื่อวันที่ 10 เมษายน 2556
4. นิติบุคคลนี้ได้ส่งงบการเงินปี 2563
5. หนังสือนี้รับรองเฉพาะข้อความที่ห้าง/บริษัทได้นำมาจดทะเบียนไว้เพื่อผลทางกฎหมายเท่านั้น ข้อเท็จจริงเป็นสิ่งที่ควรหาไว้พิจารณาฐานะ
6. นายทะเบียนอาจเพิกถอนการจดทะเบียน ถ้าปรากฏว่าข้อความอันเป็นสาระสำคัญที่จดทะเบียนไม่ถูกต้อง หรือเป็นเท็จ



กรมพัฒนาธุรกิจการค้า กระทรวงพาณิชย์
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Attachment 1 Details of Directors, Managers, Administrators, and Secretary of the Company

Name Position / Date Appointed (1)	Age (Years) (2)	Education (3)	Percentage Share of The Company (%) (4)	Relationship between Directors and Managers (5)	Experience (6)		
					Duration	Position	Company / Type of Business
1. Mr. Boonnam Boonnamsap* Executive Director (16 Feb 1970)	92	Bachelor in Business Management, Saint John College, (Hong Kong) Director Accreditation Program (DAP) 2005	0.00% (335 Shares)	–	2017–2021	Chairman of the Board	Thai Textile Printing Public Co. Ltd. / Textile
					2017–2021	Managing Director	Thai Rung Textile Co. Ltd. / Textile
2. Mr. Mongkol Mungkornkanok* Managing Director Executive Director (1970) Chairman of the Board	84	Masters in Mechanical Engineering , MSME Purdue University, USA Director Accreditation Program (DAP) 2005	1.21% (603,100 Shares)	–	2017–2021	Chairman of the Board	Thai Onono Public Co. Ltd. / Textile
					2017–2021	Executive Director	Thai Far East Co. Ltd. / Textile
3. Mr. Tawatchai Chaiyapinunt* Executive Director (7 August 1985) Nomination Committee Remuneration Committee (19 August 2009)	69	Masters in Engineering Management, Southern Methodist University, Dallas, USA Director Accreditation Program (DAP) 2004	4.67% (2,334,120 Shares)	–	2017–2021	Executive Director	Thai Standard Industries Co. Ltd. / Textile
					2017–2021	Executive Director	Thai Rung Industry Co. Ltd. / Textile
4. Mr. Kumjorn Chuenchoochit* Executive Director (7 August 1985)	66	Post Graduated Diploma In Management Studies (U.K.) Director Accreditation Program (DAP) 2004	23.22% (11,611,767 Shares)	–	2017–2021	Executive Director	Thai Standard Industries Co. Ltd. / Textile
					2017–2021	Executive Director	Thai Rung Textile Co. Ltd. / Textile
5. Mr. Phaiboon Jaroonsaichanakit* Executive Director (1970)	77	Vocational Certificate in Commercial Studies	2.12% (1,060,000 Shares)	–	2017–2021	Executive Director	Thai Rung Textile Co. Ltd. / Textile
					2017–2021	Executive Director	Thai Standard Industries Co. Ltd. / Textile
					2017–2021	Director	Rama Textile Industry (1988) Co. Ltd. / Textile

Remarks: * Authorized Directors to sign on behalf of The Company.

Name Position / Date Appointed (1)	Age (Years)	Education (2)	Percentage Share of The Company (%) (3)	Relationship between Directors and Managers (4)	Duration	Position	Experience (5) Company / Type of Business
6. Mr. Preecha Chaipromprasith Audit Committee Independent Director (1970)	76	Kiti Commercial College	0.20% (100,000 Shares)	–	2017–2021	Executive Director	Thai TT Co. Ltd. / Textile
					2017–2021	Executive Director	Thai CR Co. Ltd. / Textile
7. Mr. Suchart Chantanakaracha Director Independent Director (1987)	70	Assumption Commerce Commercial Studies	0.00% (– Shares)	–	2017–2021	Executive Director	Goldmine Garment Co. Ltd. / Textile
8. Mr. Chin Chinsettawong, Ph.D. Chairman of Audit Committee Independent Director Nomination Committee Remuneration Committee (16 May 1989)	82	Doctorate in Business Management, California Coast University Master in Business Management MBA Higher Diploma, Institute of Commerce F.C.I. London, UK.	0.56% (278,572 Shares)	–	2017–2021 2017–2021	Chairman of the Board Associate Judge	Union Paper Carton Co. Ltd. / Paper Medial Labor Court / Legal
9. Miss Naruemon Worarittichai Director (24 February 2016)	48	Master of Accountancy, Case Western Reserve University, Cleveland, Ohio, USA Bachelor of Accountancy (1 st class honors) Accounting Information System, Chulalongkorn University Saint Joseph Convent School	1.93% (964,945 Shares)	–	2018–2021 2015–2018 2013–2017 2016–2021	Executive Director Director Asst. Account Manager Director	Thai Textile Industry Public Co. Ltd. / Textile Thai Textile Industry Public Co. Ltd. / Textile Thai Textile Industry Public Co. Ltd. / Textile KTN Intertrade Co. Ltd. / Animal food trading
10. Mr. Charoen Laohathai Audit Committee Independent Director (24 February 2021)	71	Master of Economics, Middle Tennessee State University Bachelor of Business Administration University of the Thai Chamber of Commerce Bangkok Christian College	0.00% (– Shares)	–	2017–2021 2017–2021	Vice-President Managing Director	Thai Textile Development and finishing Company Limited / Textile Thai Textile Industry Public Co. Ltd. / Textile

Remarks: * Authorized Directors to sign on behalf of The Company.

Name Position / Date Appointed (1)	Age (Years)	Education (2)	Percentage Share of The Company (%) (3)	Relationship between Directors and Managers (4)	Duration	Experience (5) Position	Company / Type of Business
11. Mrs. Rattanaorn PiriyaPrinsakul Company Secretary and Board Secretary of Audit Committee (13 November 2019)	59	Vocational certificate of Welding and Metal Major, Uthai Thani Technical College	0.01% (5,090 Shares)	–	2017–2021	Asst. Human Resources	Thai Textile Industry Public Co. Ltd. / Textile
12. Mrs. Anchalee Tapaopong Information Technology Manager (1 May 2016)	52	Bachelor of Science Applied Statistics Branch, King Mongkut's University of Technology North Bangkok	0.00% (300 Shares)	–	2017–2021 2011–2016	IT Manager Asst. IT Manager	Thai Textile Industry Public Co. Ltd. / Textile Thai Textile Industry Public Co. Ltd. / Textile

The numbers and names of directors authorized to enter signatures binding the Company are two directors among six directors including Mr. Boonnam Boonnamsap, Mr. Mongkol Mungkornkanok, Mr. Phaiboon Jaroonsaichanakit, Mr. Tawatchai Chaiyapinunt, Mr. Kumjorn Chuenchoochit and Miss Naruemon Worarittichai jointly signing with the Company's common seal being affixed.

Secretary of the Board of Directors

The Company have assigned Mrs. Rattanaporn Piriyapinsakul to be the Secretary of the Company with the following responsibilities:

- Prepare and keep documents
- Prepare Director registration
- Prepare Directors Meeting Invitation, Directors Meeting Report, and Annual Report
- Prepare Shareholder Meeting Invitation and Shareholder Meeting Report
- Prepare Directors and Executive Directors mutual benefit reports
- Communicate and take care of Shareholders
- Communicate with the Stock Exchange of Thailand and other departments appropriately

Attachment 2 Details of the Directors of Subsidiaries

Chart of Directors and Executive officers of the company, The Subsidiary and Related Companies

Name		Company	Subsidiary	Associated company	Related Companies							
					TSI	TTP	RTI	PIC	TTDF	CIC	PCL	UTP
Mr. Boonnam	Boonnamsap	//	//		//	*	//	//		//		//
Mr. Mongkol	Mungkornkanok	*	//		//	/	//		//		//	//
Mr. Tawatchai	Chaiyapinunt	//	//		//	/	//		//			
Mr. Kumjorn	Chuenchoochit	//	//		//	//	//		//			/
Mr. Phaiboon	Jaroonchaikanakij	//	//		//	/	//					
Dr. Chin	Chinsethawong, Ph.D.	/									//	//
Mr. Preecha	Chaiyaprasith	/			//	/						
Mr. Suchart	Chantanakaracha	/	//		//						//	
Ms. Naruemon	Worattichai	//										
Mr. Charoen	Laohathai	/			//	//			//			

Remark

* = Chairman

// = Executive Director

/ = Director

TRT = Thai Rung Textile Co. Ltd.

TSI = Thai Standard Industries Co. Ltd.

TTP = Thai Textile Printing Public Co. Ltd.

RTI = Rama Textile Industry (1988) Co. Ltd.

PIC = Pica Inter Co. Ltd.

TTDF = Thai Textile Development and Finishing Co., Ltd.

CIC = Cassardi International Co., Ltd.

PCL = Prachin Land Co., Ltd.

UPC = United Paper Public Co., Ltd.

Details of Directors at the Subsidiary

Profile of Subsidiary Directors

No.	Name		Position
1	Mr. Boonnam	Boonnamsap	Chairman
2	Mr. Mongkol	Mungkornkanok	Managing director
3	Mr. Phaiboon	Jaroonchaikanakij	Executive Director
4	Mr. Tawatchai	Chaiyapinunt	Executive Director
5	Mr. Kumjorn	Chuenchoochit	Executive Director
6	Mr. Suchart	Chantanakaracha	Executive Director

Attachment 3 Details of the Heads of the Internal Audit and Compliance Units

Head of Internal Auditor is Mrs. Rattanaorn Piriya-prinsakul to be the Secretary of the Audit Committee and be the Head of the Internal Audit Committee.

Head of Company Compliance Unit is Mr. Somchai Ketsakul, Graduated with a vocational certificate Department of Construction, 46 years of experience in textile industrial.

Attachment 4 Assets for business undertaking and details of asset appraisal

OPERATING ASSETS

The Company's main fixed assets as of December 31, 2021

Assets Type/Characteristics	Assets Nature	Net book value (Million baht)	Obligation
<ul style="list-style-type: none"> Assets Group 1 19 plots of land, located at 385 Moo 1, Soi Thetsaban Bang Pu 54, Tai Ban, Muang Samutprakan, Samutprakan , total area 28 Rai 3 Ngan 64 Square Wah 	own	346.92	without
<ul style="list-style-type: none"> Assets Group 2 4 plots of land, located at 275 Moo 14, Soi Thetsaban Bang Pu 54, Tai Ban, Muang Samutprakan, Samutprakan , total area 12 Rai 1 Ngan 25 Square Wah 	own	147.75	without
<ul style="list-style-type: none"> Assets Group 3 4 plots of land, located at 741 Moo 2, Soi Thetsaban Bang Pu 54, Tai Ban, Muang Samutprakan, Samutprakan , total area 19 Rai 2 Ngan 46 Square Wah 	own	196.15	without
<ul style="list-style-type: none"> 8 plots of land located on Soi Wilalai, Bangna-Trad Road, Bang Chalong, Bang Phli, Samutprakan, total area 75 Rai 2 Ngan 88 Square Wah (Subsidiary's) 	own	544.55	without
<ul style="list-style-type: none"> 3.5-storey commercial building located at 83/3 Moo 14, Tai Ban, Muang Samutprakan, Samutprakan, total area 20.59 Square Wah 	own	1.40	without
<ul style="list-style-type: none"> Buildings & structures TTI Subsidiary's 	own own	51.99 125.49	without without
<ul style="list-style-type: none"> Machinery & equipment TTI Subsidiary's 	own own	241.06 804.48	without without

Investment Policy in Subsidiaries

At present, the Company has no policy to invest more.

Operating Assets were valued on 31 December 2021 with the following details as appeared in the Separate Financial Statement and Subsidiary financial Statement.

Separate financial statements

	(Baht)
Land	33,116,953
Land Appraisal	659,203,047
Buildings & structures	42,930,764
Machinery & equipment	147,982,634
Furniture & office equipment	172,208
Asset under installation	129,178
Vehicle	6,083,225
TOTAL	889,618,009

Remark: As at 31 December 2021, the Company's some of assets items have been fully depreciated. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 964.0 million (2020: Baht 1,149.5 million).

As at 31 December 2021, the Company's machineries with net book value of Baht 68.7 million (2020: Baht 117.8 million) are mortgaged as collateral of credit facilities to financial institution as discussed in Note 16 to the financial statements.

During the year 2020, The Company have borrowing costs of Baht 0.1 million, arising from financing specifically entered into for the construction of machinery and manufacturing equipment, which were capitalised as part of such assets during the year and are included in acquisition.

During the year 2021, the Company has transferred machinery as assets held for sale amounted to Baht 21.5 million. (2020: Baht 67.4 million)

Subsidiary Financial Statements

	(Baht)
Land	185,749,040
Land Appraisal	358,803,160
Buildings & structures	114,600,970
Machinery & equipment	513,856,003
Utilities	120,392,590
Furniture & office equipment	171,040
Asset under installation	-
Vehicle	506,705
TOTAL	1,294,079,508

Remark: As of 31 December 2021, some of assets items have been fully depreciation. The gross carrying amount before deducting accumulated depreciation of those assets amounted to baht 640.66 million (2020: baht 827.27 million)

As of 31 December 2021, Robin has suspicion on the daily account of 79.44 million (2020:432.49 million) as there are conditions the fair value of the survey price survey of the target market price is a target of 544.55 million baht.

Non-Current Assets Classified As Held for Sale

Net book value, end of year 24,579,822 Baht

**Attachment 5 Unabridged policy and guidelines on corporate governance and unabridged code of business conduct prepared
by the Company**

Details can be found in Part 2, page 40, item 6.7

Attachment 6 Report of the Audit Committee

Dear Shareholders,.

The Board of the Audit Committee is appointed at the Thai Textile Industry Public Company Limited Board of Directors Meeting with the following 3 independent auditors, Dr. Chin Chinsettawong as the Chairman of the Board, Mr. Preecha Chaipromprasith, and Mr. Charoen Laohathai, with Mrs. Rattanaorn Piriyaaprinsakul as the Secretary of the Board of the Audit Committee.

In 2021, the Audit Committee had 4 meetings in which the Executive Directors, Accounting Department Representative, Certified Public Accountants, and Internal Audit Committee all attended the meeting each time.

In 2021, the Thai economy was still affected by the world economic issues, which continued from the previous year. The Audit Committee Directors give importance to the management and have held both official and unofficial meetings with the management to provide useful suggestions for managing the Company.

The Audit Committee has performed its duties and responsibilities according to the rules and regulations of the Stock Exchange of Thailand as well as according to responsibilities given by the Board of Directors of the Company. The main responsibilities of the Audit Committee consist of the internal audits, checking good governance, and transparency of the management of the Company. The Audit Committee would like to summarize the following important points:

1) Financial Statement

The Audit Committee checked the quarterly financial statements and the annual financial statement together with the Management, Accounting Department Representative, Certified Public Accountants, and Internal Audit Committee in each meeting, from which the Audit Committee concluded that the Company's Financial Statements were transparent and prepared according to the General Accounting Regulations.

The 3 members of the Audit Committee, Consisted of experienced individuals in accounting and finance, and have been in their positions for the past few years, have created an open discussion environment with useful recommendations for the Board of Directors to follow up during the Audit Committee meetings.

2) Internal Audits

The Audit Committee have set up a system to check the quality and effectiveness of each departments such as, production, marketing, and human resources, to evaluate the overall Company performance.

The Internal Auditor, who is assigned by the Audit Committee Directors, will provide an internal audit report to the Audit Committee Directors every 3 months, for the Audit Committee Directors reference during the quarterly meetings.

3) Business Transactions Between Related Individuals and Companies

The Audit Committee reviewed reports of business transactions between individuals and related companies to the Company, prepared by the Accounting Department and the Management, with the Certified Public Accountants at each Audit Committee Meeting.

The Certified Public Accountants found the prices and sales conditions to the related individuals and companies are in the with Company's policy to treat all business transactions equal to the normal practices given to other individuals and companies not related to the Company. The business transactions between related individuals and companies are disclosed according to the rules and regulations of the Stock Exchange of Thailand.

For items considered to be related as per the year 2003 announcement by the Board of Directors of The Stock Exchange of Thailand concerning the disclosure of information and operation of listed companies with related items, for 2021, there were 1 related items, which the Audit Committee Directors had carefully evaluated the disclosed information, with the benefits of minority shareholders and with the regulations set by the Board of Directors of The Stock Exchange of Thailand in mind.

4) Adherence to Rules and Regulations

The Company has an individual responsible for following up the rules and regulations, Including laws, of the Stock Exchange of Thailand concerning the operation of the business.

The Audit Committee have checked and found the Company have operated according to the rules and regulations of the Stock Exchange of Thailand accordingly.

5) Certified Public Accountants

The Audit Committee have considered and recommended the appointment of AST Master Company Limited with proposed amount of remuneration for 2022 fiscal year for the Board of Directors and Shareholders to approve.

6) Others

The Audit Committee carried out the responsibilities with the collaboration of the Management and other departments of the Company and gave recommendations when necessary.

It is the Audit Committee's opinion, the Company's Internal Audit is effective and sufficient without causing any adverse effect in the operation of the Company.

The Audit Committee has performed It's duties justly, Independently and focused on the internal audits, to make sure the operations of the Company are transparent and fair to protect the Interests of the Shareholders and all parties of interest.

Mr. Chin Chinsetawong, Ph.D.
Chairman of the Audit Committee

บริษัท โรงงานผ้าไทย จำกัด (มหาชน)

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