

PART 1

# Business

## 1. Policy and Business Overview

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

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

At present, the Company has its headquarters located on Charoenkrung Road, Talad Noi, Samphanthawong, Bangkok, and has a front office on Songwad Road, with the main reserve depots at Samrong and Pinthong to support the needs of customers in the Bangkok and metropolitan areas. In

addition, there is a sales office and storehouse at Sattahip, which was opened during the year 2002 to support the needs of customers in the oil and natural gas exploration and production industry, shipping companies in Chonburi and nearby provinces in the eastern part of Thailand. Moreover, the Company added a sales engineer team to offer various services to cover various needs of customers in such industries, such as providing advice, maintenance and related services. This in turn will increase the opportunity to gain new base of customers in the eastern region.

## **Business overview**

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

### **1) Products Sales**

#### **1.1) Distribution of products for carrying and lifting**

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

#### **Wire Rope**

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

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

#### **Webbing Sling**

Webbing sling made from polyester is a type of synthetic fiber with high tensile strength and has better properties than other types of synthetic fibers. Webbing slings can be divided into two types: Flat Webbing Sling and Round Sling. Webbing sling is more flexible and can bend easily into materials that it lifts and does not damage the surface of the lifted material.

It is light, does not get rusty like wire or chain, and is suitable for use with easily-scratched-surface products.

#### **Chain**

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

### **1.2) Distribution of lifting equipment**

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

### **1.3) Distribution of other products**

In addition to the wide variety of carrying products and lifting equipment, the Company also sells other types of products, such as HDPE pipes (High-Density Polyethylene), the highly flexible pipes that can be bent according to the desired shape. They are suitable for use in large industries including electric motors, hooks, and light bulbs. By offering these products, the Company is able to meet the customers' various needs at once.

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

## **2) Service**

### **2.1) Tensile Strength Testing Service and Wire Rope Replacement Service**

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

### **2.2) Visual inspection service for crane and wire rope**

The Company has one subsidiary company, namely, Propoint Global Consultants Company Limited ("ProPoint"), providing inspection of wire rope, crane and other lifting equipment. ProPoint's inspection service, by a team of knowledgeable, competent engineers and experts, checks the

steadiness of crane's conditions to see if it is perfect, ready for use and if it is used with the correct manners. ProPoint provides services to both Thai Mui customers and external customers.

### **2.3) Non-Destructive Testing or NDT**

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

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

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

### **2.4) Consultation services for repairs and trainings**

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

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

## **1.1 Vision**

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

### **Mission**

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

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

#### Core Value

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

#### 1.2 Important changes and developments

Month/Year	Important developments
<b>1998</b>	
February	<ul style="list-style-type: none"> <li>■ Registered as Thai Mui Trading Corporation Co., Ltd. by Mr. Pracha Leelaprachakul and his family member, Mr. Veerapol Leelaprachakul, a son, with the initial registered capital of 1,000,000 baht, divided into 10,000 ordinary shares with a par value of 100.00 baht per share. The main business is to be the supplier of wire rope products and quality lifting equipment. The company started off selling and being appointed as a distributor for the leading wire rope manufacturers and brands i.e. Bridon and Usha.</li> </ul>
<b>2000</b>	

Month/Year	Important developments
July	<ul style="list-style-type: none"> <li>■ Increase the registered capital of 6,300,000 baht from the original registered capital of 1,000,000 baht to 7,300,000 baht for use as working capital in business operations.</li> </ul>
December	<ul style="list-style-type: none"> <li>■ The company increased the registered capital of 7,500,000 baht from the original registered capital of 7,300,000 baht to 14,800,000 baht for use as working capital in business operations.</li> </ul>
<b>2001</b>	
	<ul style="list-style-type: none"> <li>■ The Company was appointed as a distributor and started selling products under the Kiswire brand.</li> </ul>
March	<ul style="list-style-type: none"> <li>■ The Company invested in a 1,000-ton wire rope crimping machine for the wire rope to be ready for use before delivering to customers.</li> </ul>
July	<ul style="list-style-type: none"> <li>■ The company increased the registered capital of 8,700,000 baht from the original registered capital of 14,800,000 baht to 23,500,000 baht for use as working capital in business operations.</li> </ul>
<b>2002</b>	
March	<ul style="list-style-type: none"> <li>■ The Company expanded and opened a branch in Sattahip district, Chonburi province to support the expansion, create confidence for customers, and provide timely services to customers in the eastern region. The Company also invested in the 350-ton casing presses at Sattahip branch.</li> </ul>
August	<ul style="list-style-type: none"> <li>■ The company invested in a 150-ton tensile testing machine to guarantee the quality of the use of wire ropes to customers. The Company can also issue certificates for such tensile strength.</li> </ul>
October	<ul style="list-style-type: none"> <li>■ The company increased the registered capital of 19,400,000 baht from the original registered capital of 23,500,000 baht to 42,900,000 baht for use as working capital in business operations.</li> </ul>
<b>2005</b>	
April	<ul style="list-style-type: none"> <li>■ The company has been certified with ISO 9001: 2008, which certifies the quality in the quality-management system of products and services.</li> </ul>

Month/Year	Important developments
<b>2012</b>	
January	<ul style="list-style-type: none"> <li>▪ The Company changed the management system into SAP to help increase the efficiency of the internal management of the company.</li> </ul>
July	<ul style="list-style-type: none"> <li>▪ Invested in a 600-ton wire rope crimping machine in order to provide the ready-to-use wire ropes to customers.</li> </ul>
<b>2014</b>	
January	<ul style="list-style-type: none"> <li>▪ Invested in a 50-ton tensile testing machine to certify tensile testing for wire rope sling chains for customers who use small lifting products.</li> </ul>
June	<ul style="list-style-type: none"> <li>▪ The Company has been entrusted and appointed as the only official distributor to Chevron Thailand Exploration and Production Co., Ltd. in Thailand in selling products under the Bridon brand, which is a leading global wire rope manufacturer from England.</li> </ul>
September	<ul style="list-style-type: none"> <li>▪ Invested in a 2,000-ton casing machine, which is a casing machine that has the technology to hold the wire rope while compressing the casing to support the use of customers in large industrial groups.</li> </ul>
<b>2015</b>	
June	<ul style="list-style-type: none"> <li>▪ Started using Bar code/QR code to manage the inventories of the Company in order to increase the efficiency of management and inventory supervision</li> </ul>
August	<ul style="list-style-type: none"> <li>▪ Increased the registered capital of 100,000,000 baht from the original registered capital of 42,900,000 baht to 142,900,000 baht to be used as working capital for business operations, but the Company did not fully pay such amount.</li> </ul>
September	<ul style="list-style-type: none"> <li>▪ The Company restructured the group of companies by purchasing shares in ProPoint Global Consultants Co., Ltd. at a rate of 99.99 percent from Mrs. La-or Leelaprachakul who is a person who may have a conflict of interest, causing ProPoint to become a subsidiary of the Company</li> </ul>
<b>2016</b>	



Month/Year	Important developments
March	<ul style="list-style-type: none"> <li>Decrease the registered capital from the original registered capital of 142,900,000 baht to 121,465,000 baht by reducing the par value from the original 100.00 per share to 85.00 baht per share to reduce the registered capital that had not been paid from the capital increase in August 2015</li> </ul>
2017	
June	<ul style="list-style-type: none"> <li>The company transformed into a public company and changed the name of the new company to Thai Mui Corporation Public Company Limited</li> <li>Changed the par value from 85.00 baht per share to 0.50 baht</li> <li>Increased the registered capital of 48,535,000 baht from the original registered capital of 121,465,000 baht to 170,000,000 baht by issuing 97,070,000 new ordinary shares at a par value of 0.50 baht per share for offering to the public, entering the Market for Alternative Investment (MAI)</li> </ul>
2018	
April	<ul style="list-style-type: none"> <li>The company has been certified with ISO 9001: 2015 which certifies the quality in the quality-management system of products and services.</li> </ul>
June	<ul style="list-style-type: none"> <li>Invested in a 400-ton tensile testing machine to certify tensile testing for wire rope, sling canvas, and chains for customers who use large lifting products.</li> </ul>
2019	
April	<ul style="list-style-type: none"> <li>Invest in water quality improvement business for shrimp farms with ultrafiltration. (Ultrafiltration) and disinfection by ozone production system (Ozone). Through the purchase of 175,000 ordinary shares of Trend Asia Corporation Limited, equivalent to 70 percent of the total shares.</li> </ul>
2020	
June	<ul style="list-style-type: none"> <li>The company has been trusted and has been appointed as the sole official distributor in Thailand. To distribute products under the brand Brunton Shaw, the world's leading wire rope manufacturer. From England.</li> </ul>

### 1.3 Shareholding structure

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

**1.3.2 Shareholders.** The list of the top 10 major shareholders listed in the share registration book as of 12 January 2020 can be summarized as follows:

List of Shareholders	Number of shares	percent
1. Mr. Veerapol Leelaprachakul	51,015,300	15.00
2. Mrs. La-or Leelaprachakul	38,818,800	11.42
3. Mr. Tchakorn Leelaprachakul	20,649,220	6.07
4. Mr. Arkrapol Leelaprachakul	20,649,220	6.07
5. Ms. Narida Leelaprachakul	20,649,220	6.07
6. Mr. Ekbordin Leelaprachakul	20,649,050	6.07
7. Mr. Krid Leelaprachakul	20,649,050	6.07
8. Master Narispong Leelaprachakul	20,649,050	6.07
9. Mrs. Tuanghong Leelaprachakul	9,717,200	2.86
10. Mr. Wittaya Narathatsajan	6,600,000	1.94
<b>The top 10 major shareholders</b>	<b>230,046,110</b>	<b>67.64</b>
Other shareholders	109,953,890	32.36
<b>Total</b>	<b>340,000,000</b>	<b>100.00</b>

Source: List of major shareholders as of 12 January 2020 by Thailand Securities Depository Company Limited

#### 1.3.3 Dividend payment policy

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

The Company and its subsidiaries have a policy to pay dividends from the separate financial statements at a rate of not less than 50.00 percent of net profit after tax, and after the legal reserve

and other reserves (if any). The Board of Directors is authorized to consider paying dividends, taking into account of various factors that will maximize the shareholders' benefits, such as, reserving enough funds to repay loans, investment plan for business expansion, or to support the cash flow of the Company in the event that there is an impact from changes and fluctuation in the market conditions.

History of dividend payment to net profit for the year 2017 - 2019

List		2018	2019 (Revised version)	2020
Net Profit (Loss)	MB	31.24	(14.43)	(10.99)
Dividend paid	MB	15.30 <sup>1</sup>	15.30 <sup>2</sup>	-
Dividend Payment Ratio	%	48.98	(106.03)	-

Note 1. Dividend payments in 2018 are 2-time interim dividend payments.

- The 1<sup>st</sup> payment was paid from the retained earnings of 8.50 million baht which was approved by the Board of Directors Meeting No. 3/2018 on 18<sup>th</sup> of May 2018.
  - The 2nd payment was paid from the retained earnings and the net profit for the period from 1<sup>st</sup> of January 2018 to 30<sup>th</sup> of June 2018, amounting to 6.80 million baht which was approved by the Board of Directors Meeting No. 4/2018 on 14<sup>th</sup> of August 2018.
2. Dividend payments in 2019 was an interim dividend payment from the retained earnings totaling 15.30 million baht which was approved by the Board of Directors Meeting No. 5/2019 on 10<sup>th</sup> of July 2019
3. Dividend payment ratio = dividend payment / net profit

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

#### 1.4 Relationship with the major shareholder's business group

No business operations between the company with a group of major shareholders.

## 2. Nature of Business

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

### Revenue Structure of the Company and Its Subsidiaries for the Past 3 Years from 2018-2020

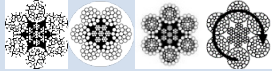
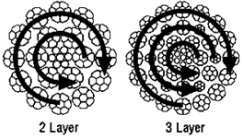
Revenue Structure (Million baht)	2018		2019		2020	
	(MB)	%	(MB)	%	(MB)	%
<b>Sales revenue</b>						
1. Wire rope and assembly	234.99	40.48	219.03	60.73	180.88	54.91
2. Webbing sling	16.69	2.88	12.97	3.59	11.18	3.39
3. Chain	8.45	1.46	7.97	2.21	6.26	1.90
4. Lifting equipment	64.46	11.10	58.38	16.19	47.84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

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

## 2.1 Details of Products and Services

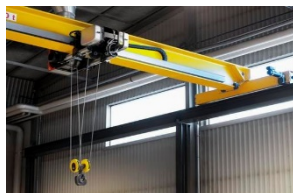
### 2.1.1 Wire Rope Products

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

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

#### Example of Wire Rope Usage for an Overhead Crane

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

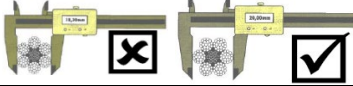
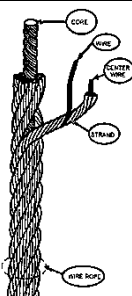
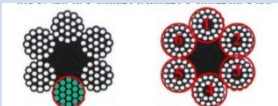


### Example of Wire Rope Usage for Tower Crane

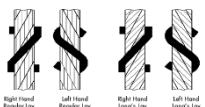
Tower crane is a machine used for vertical lifting and horizontal moving. Wire rope is used as an aid to carry and move large materials and products and is especially used in the construction industry.



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

Properties	Details
1. Equipment used	The strength and durability of wire rope used depends on the applications. Therefore, customers need to specify the requirements whether to be used with cranes or general lifting work. If it is used with cranes, more specific requirements are required such as types of crane, used on car or ship, in order to select the most suitable product.
2. Wire rope size	<p>The size of the wire rope is measured from the diameter, by measuring from the widest part of the wire rope. Customers should specify the desired size, for example the size of 16 mm referring to the wire rope with a diameter of 16 mm.</p> 
3. Wire rope structure	  <p>6x19 structure      6x24 structure</p> <p>The structure of the wire rope consists of 3 parts:</p> <ol style="list-style-type: none"> <li>1. Wire: the smallest component of the sling</li> <li>2. Strand: the integration of the wire with a twist</li> <li>3. Core: there are two types, fiber and steel type.</li> </ol>

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




Properties	Details
	<p>1. Ordinary or Regular Lay Rope: a wire rope having the wires in the strands twisted in directions opposite to the strands in the rope, making it most popular for general use.</p> <p>2. Lang's Lay Rope: In a Lang's lay rope, the wires in the strands and the strands themselves are laid in the same direction.</p>
8. Lay Direction	 <p>There are 2 lay directions:</p> <ul style="list-style-type: none"> <li>- Left-hand lay</li> <li>- Right-hand lay</li> </ul> <p>A proper choice of the lay type is important in relation to the requirements of crane, specifying the left-hand lay or right-hand lay. If misused, coils may loosen from the core of the wire rope.</p>
9. Minimum Breaking Force	<p>The tensile strength of the wire rope varies with the size and grade of the wire rope. The larger the diameter or the higher grade of wire rope, the more minimum breaking force and the more weightlifting wire rope can bear.</p>
10. Termination	<p>There are 5 types of wire rope terminations:</p> <ul style="list-style-type: none"> <li>- Mechanically Spliced</li> <li>- Hand Spliced</li> <li>- Zinc Spelter Socket</li> <li>- Wire Rope Clips or Bulldog Grips</li> <li>- Wedge Socket</li> </ul> <p>The most popular are mechanically spliced and zinc spelter socket because of their high load-bearing efficiency.</p>
11. The desired length	<p>The customer specifies the desired length in the purchase order and the Company will cut the wire rope according to the desired length specified by the customers. If the head is terminated, the Company will spare the length at the end of the wire rope to make sure that the customer would obtain the desired length after the rope is terminated.</p>

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

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





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

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








Sample image of a 2,000-ton crimping machine

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

Manufacturer	Brand	Product Distributed
Kiswire Sdn Bhd.		Kiswire Sdn Bhd. is a leading manufacturer from South Korea. The Company has been appointed as a distributor of their wire rope products.
Bridon International Ltd		Bridon International Ltd is a renowned manufacturer from England. The Company is appointed by Bridon Singapore (Pte) Ltd as a distributor of their wire rope products and lubricants.
Usha Siam Steel Industries PCL		Usha Siam Steel Industries PCL is a wire rope manufacturing plant in Thailand, with a parent company -- a leading manufacturer from India. The Company distributes the brand's wire rope products.
Casar Drahtseilwerk Saar GmbH		Casar Drahtseilwerk Saar GmbH is a leading German manufacturer. The Company is appointed as a distributor of their wire rope products.
Teufelberger Seil Ges.M.B.H.		Teufelberger Seil Ges.M.B.H. is a leading manufacturer from Austria. The Company has been appointed as a distributor for the products under such brand.
Brunton Shaw UK		Brunton Shaw UK is a leading manufacturing company. From England, where the company was appointed as a distributor for products under the aforementioned brands

### 2.1.2 Webbing Sling

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

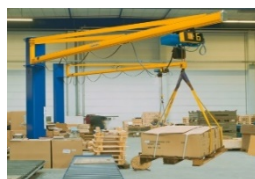
color	Size (millimeter)	Acceptable weight for each usage (kg)				
		Straight Lift (100%)	$\beta$ 0°-7° (200%)	$\beta$ 7°-45° (140%)	Choked Lift (80%)	$\beta$ 45°-60° (100%)
						
Purple	25	1,000	2,000	1,400	800	1,000
Green	50	2,000	4,000	2,800	1,600	2,000
Yellow	75	3,000	6,000	4,200	2,400	3,000
Grey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

Notes:

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



Webbing sling samples



Sample images of using a webbing sling

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

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

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

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

### 2.1.3 Steel Chain sling

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



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











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





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

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

### 2.1.4 Lifting Equipment

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

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

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

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

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

#### 2.1.5 Other Products

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



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

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

## 2.2 Services

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

### 2.2.1 Inspection Service on Wire Rope Tensile Strength and Replacement Services

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



50-ton tensile testing machine





150-ton tensile testing machine



400-ton tensile testing machine

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

### 2.2.2 Visual Inspection Service of the Crane and Wire Rope

ProPoint's Crane Inspection Service is operated by a team of skilled engineers with strong expertise who have professional license from the Council of Engineers. The service examines the functionality of cranes, such as poles and arms, load bearing beam, nuts and rivets, lubrication, sling chain, and lifting equipment for external corrosion, rust detection, and the working condition of the crane. The service includes the inspection on the longitudinal lift, the electrical system, drive and control, electrical control box, power supply rail, power supply line set, gear shaft condition, ball bearing condition, the safety equipment set such as shockproof device, warning light, warning sound, and warning sign. The crane inspection must be done at least once a year, according to the Ministry of Industry regulations, on "Determination of standards for the management and management of safety, occupational health and working environment regarding cranes and radiators". However, such tests must also be in accordance with the notification of Department of Labor Protection and Welfare on the subject of "Criteria and methods for testing components and equipment of cranes". The elements are as follows

#### Usage in Construction

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

#### Other Applications

- If the safety lift is from 1 ton but not more than 3 tons as specified by the manufacturer's specifications, the crane's components and equipment must be tested every 1 year.

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

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

### 2.2.3 Non-Destructive Testing Service

In addition to the visual inspection, ProPoint also offers non-destructive testing (NDT) services for checking the readiness of cranes. Non-Destructive Testing is a test checking for material condition, wear condition, internal corrosion, and fatigue of the wire rope without damaging the sample material tested. NDT is more accurate than the visual inspection. However, this test usually has a higher cost. Customers usually carry out this test when looking for internal damage since the piece tested is important to the operation that is necessary to ensure safe use standards. At present, ProPoints provides the inspection service with 3 non-destructive tools below:

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



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

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

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

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

#### **2.2.4 Installation, Repair, Consultancy and Training Services**

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

### **2.3 Marketing and Competition**

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

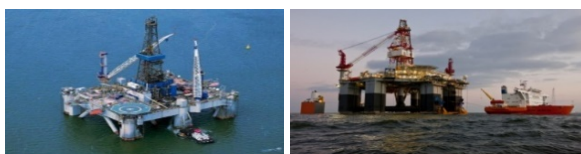
#### **2.3.1 Target Customers**

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

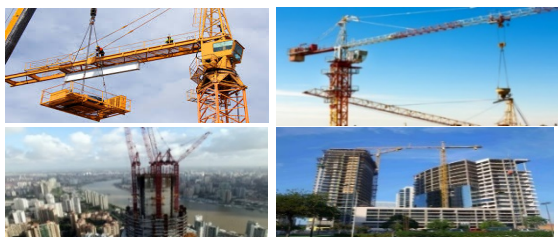
##### Industrial Plants



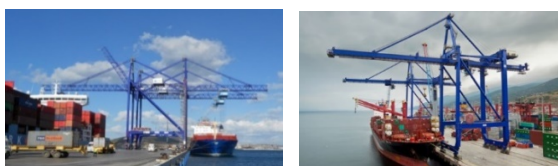
### Petroleum Exploration and Production Business



### Construction



### Port Service Business



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

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

- Note
1. In the year 2019-2020, there will be a business classification of customer groups in new industries.
  2. Other groups include the maritime business group and one-time customers who buy the company's products. To resell in general such as construction material stores etc.

### **2.3.2 Distribution Channels**

The Company has 2 main distribution channels.

#### Sales through the sales team

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

#### **Sales through sales offices**

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

### **2.3.3 Competitive Strategy**

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

#### **Product Quality Strategy**

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

#### **Comprehensive After-Sales Service Strategy**

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

#### **Pricing strategy**

The Company determines the selling price of goods by using cost plus method coupled with the pre-set minimum selling price. The Sales team is able to consider revising the sales quotation in accordance with

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the cost of the product. Up until now, the Company has not focused on price competition or price cuts to compete with other competitors. Instead, the Company gives high emphasis on the quality of products and that has earned the Company widespread reputation. Thai Mui is known for primarily making customers confident that the products purchased from Thai Mui are authentic from the leading manufacturers equipped with certificates. Most customers of the Company are corporations in the harbor industry, petroleum exploration and production, construction, and industrial plants. Therefore, they give priority to safety, focusing on the high quality of products because the purchased products are used in conjunction with the high value machinery and equipment such as cranes. If the wire ropes or any lifting equipment do not meet the safety standards or are misused, it may result in shorter service life, damage to machinery and equipment, potentially causing harm to relevant employees, and result in delays in the delivery of work. With all these factors above, the Company's clients choose Thai Mui because of the quality rather than the price factor.

#### **Customer Retention Strategy**

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

#### **Manufacturer Relation Strategies**

In addition to having a customer retention strategy, the Company also gives importance to maintaining good relationships with manufacturers, allowing the Company to be appointed as a distributor for many official brands such as Kiswire, Bridon And Crosby and to be a partner with these top brands up until now. The Company has also developed personnel to gain more knowledge about products under various brands by sending employees of the Company to see the work at foreign manufacturers and to attends seminars with the brand owner. As a result, the sales team and the engineering team acquire deep knowledge about the products, can give advice to the customers, and can act as an intermediary agent in the communication between the

product owner and the user. The team is able to immediately report problems of usage back to the product owner making the Company's partners learn of the needs of customers in each industry. In turn, that helps support the business of the Company.

### **2.3.4 Domestic Economy and Market Conditions for the Company's Customers**

#### **Domestic Economic Conditions**

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

#### **Market Conditions: Petroleum Exploration and Production**

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

The Thai Industrial Economic Status Report 2020 from the Office of Industrial Economics reported that the situation of crude oil prices was lower than the same period last year. The Dubai crude oil price in October 2020 stood at US \$ 40.70 / barrel, a contraction compared to October 2019 for the year 2020 (Jan-Oct). Averaged \$ 42.22 / barrel, contraction compared to 2019 (Jan-Oct), averaging \$ 63.52 /barrel. NYMEX crude oil for October 2020 was \$ 39.53. US / barrel, where crude oil prices fell in line with the global economic slowdown. As a result, the demand for crude oil remains low. In addition, crude oil production capacity within OPEC and OPEC Plus groups remains high. That is why the price of crude oil is stable at a low level and unable to rise much.

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

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

#### **Market Conditions: Construction Industry**

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

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

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

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

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

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

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



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

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

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

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

#### **Market Conditions: Port Industry**

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

The 2020 Business Outlook Report from the Bank of Thailand reports that shipping is currently the main transportation system for international trade. In particular, container shipments account for 60% of the world's total ocean freight shipments. For Thailand More products are exported than imports. Therefore there is an unbalanced container usage structure In addition, Thailand is still unable to produce containers that are of high quality and are certified according to international standards. This causes approximately 1.5 million TEUs to import empty boxes per year. Container shortage has resulted in a doubling of Thai shipping costs. Especially on main routes from Thailand to Europe and the US And significantly affect the export potential of Thailand Mainly

due to the epidemic of COVID-19 that makes workers in the United States. And Europe has stopped work until causing a large number of imported containers to remain at the ports of the country. This also included cases where large shipping lines chose to ship containers circulating in the region mainly to Chinese and Vietnamese ports due to their export volume greater than Thailand.

### **Competition in the Industry**

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

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

#### **Name List of Foreign Suppliers:**

Trader	Product Distributed
1. Gaylin International Pte.Ltd.	Wire rope, webbing sling, and lifting equipment
2. KTL Offshore Pte.Ltd.	Wire rope, webbing sling, and lifting equipment
3. Franklin Offshore International Pte.Ltd.	Wire rope, webbing sling, chain, and lifting equipment
4. Oceanic OffshoreEngineering Pte.Ltd.	Wire rope, webbing sling, lubricant, and lifting equipment

#### **List of Domestic Suppliers:**

Trader	Product Distributed
1. Lee and Steel Company Limited	Wire rope and chain with assembly set, hand hoist and electric hoist, various lifting equipment, steel pipe, stainless steel pipe and various stainless-steel pipe fittings, tensile testing service of sling and chain

Trader	Product Distributed
2. PPS Steel Company Limited	Wire rope and polyester sling, chain, hand hoist and electric hoist, various lifting equipment, tensile testing of sling and chain, design and installation of crane, electric chain hoist and electric sling
3. PWA Services Company Limited	Wire rope chain, chain hook, anchor boat and lifting equipment
4. Ha Sengtai Limited Partnership	Wire rope, chain hoist, electric hoist and various hoists, shackles and various lifting equipment

#### 2.4 Procurement of Products and Services

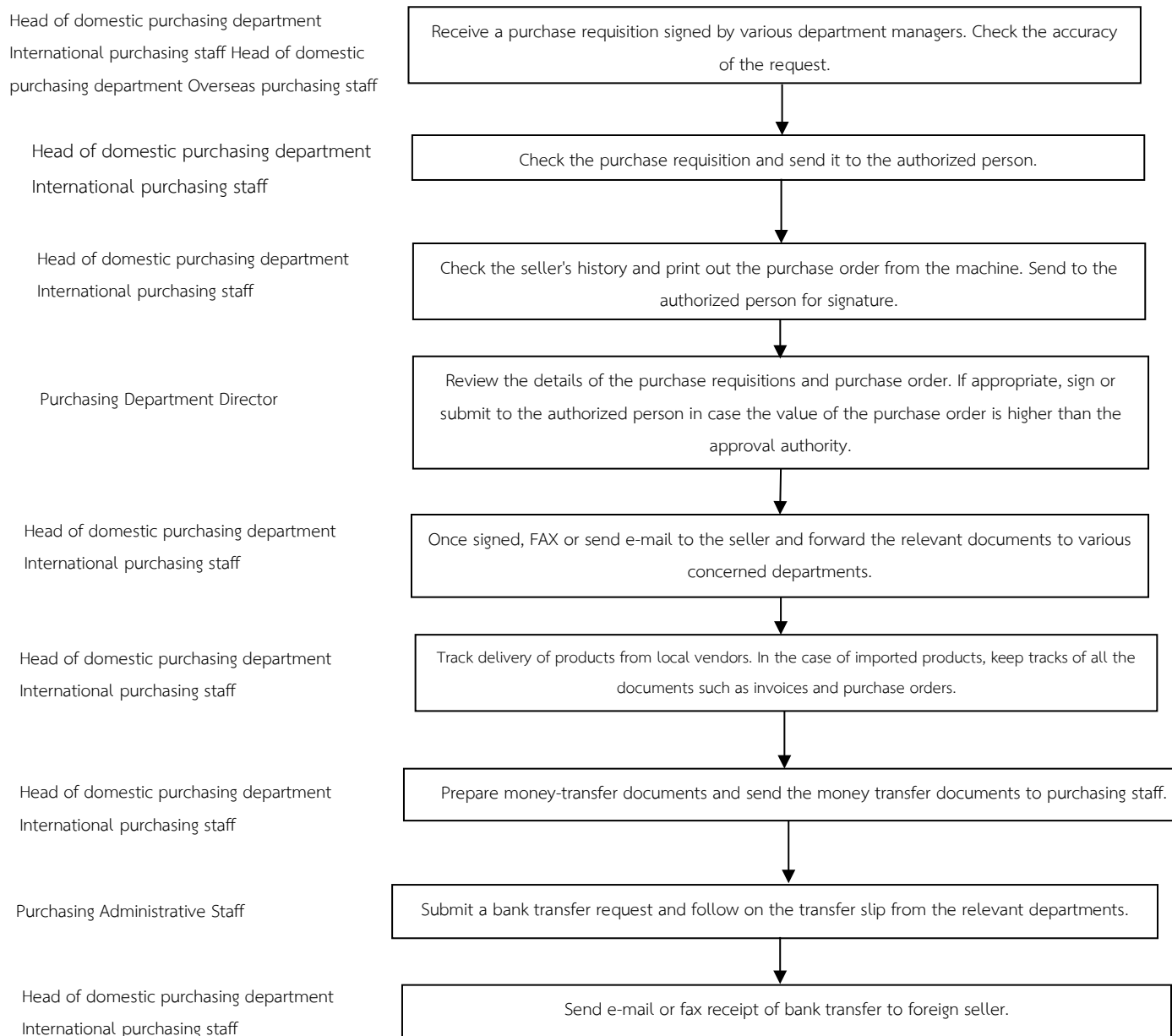
The Company purchases products directly from the manufacturer by focusing on products that meet international standards. Before the Company orders each product type, the Company will take the sample of such product to test for the quality, as well as the wire rope which will be tested for tensile strength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

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

### 2.4.1 Ordering Process

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

#### The process of purchasing products



Before ordering product, the company plans to place an order. There is a meeting to plan ordering twice a year for both general sales and products under the contract with certain customers. The order quantity is determined from the sales statistics of the past 2 years and the information that the sales department has received from the customer. During the year, if certain types of products are lower than minimum stock, they will be notified to the purchasing department. In order to purchase products suitable for

the Minimum Stock quantity specified in the SAP system, the Company currently supplies products from more than 100 manufacturers, totaling 3,000 items in the past. Always consider building a good relationship with manufacturers, however, the Company does not place an order with any manufacturer more than 30% in order to prevent the risk of reliance on any one manufacturer.

#### 2.4.2 Warehouses and Storage Procedures

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

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



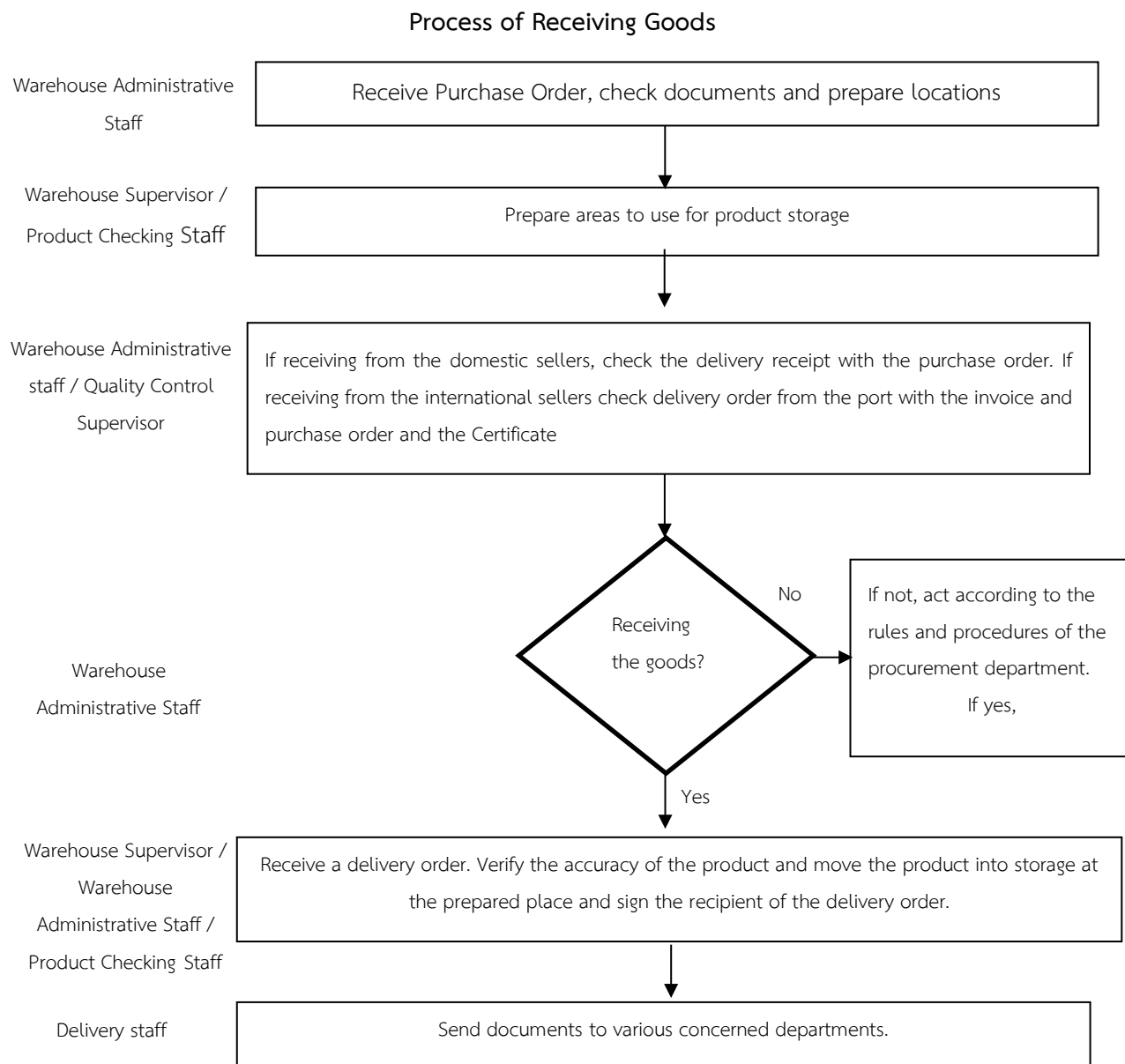
Sample image of keeping inventories at Samrong warehouse

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



Sample image of keeping inventory at Sattahip warehouse

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



#### 2.4.3 Product Preparation Procedures

When the sales department receives orders from customers, they notify the production department of the order and then requests the withdrawal of goods from the warehouse in order to prepare the product.

The Company has several services such as the following details below. Once the products are prepared and arranged in the area for delivery, the delivery department will inspect and check the accuracy again.

**Wire rope cutting**

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

**Termination or Assembly of Wire Rope**

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

**Webbing Sling**

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

**2.4.4 Delivery Procedures**

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



Product before the delivery to customers

#### 2.4.5 Environmental Impact

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



### 3. Risk Factors

#### 3.1 Risk from Business Operations

##### 3.1.1 Risk from not being renewed as a distributor

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

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

##### 3.1.2 Risk from market entrance of foreign manufacturers

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

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

### **3.1.3 Risks from relying on specialized personnel**

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

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

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

#### **3.1.4 Risk from exchange rate fluctuations**

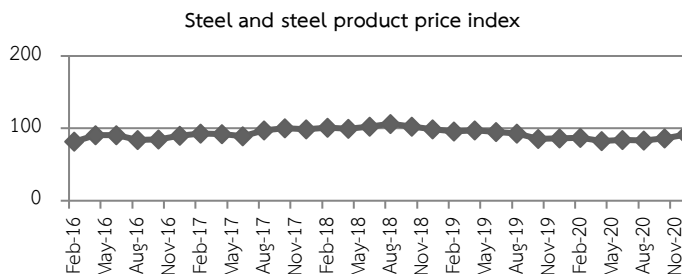
Since the Company mainly import products from foreign partners, the main currencies for the payment for goods will normally be US dollars and Singapore dollars while all of the products are sold locally, primarily using Thai baht currency. For the accounting period of 2018, 2019 and 2020, the company has a product-purchasing proportion from foreign partners, equivalent to 100.11 million baht, 74.63 million baht and 42.12 million baht, respectively, which accounted for 28.70 percent, 42.80 percent and 33.05 percent of the total order value of products respectively. Hence, the Company may face with the risk from foreign exchange rate between the US dollar to Thai baht and Singapore Dollar to Thai baht. In the case that US dollar or Singapore dollar gain appreciation against the Thai baht, the cost of the products will be higher. As a consequence, the Company will be affected by the negative impacts from the appreciation of the said currencies.

In the past, the Company did not have any financial instruments to manage such risks. However, the Company realized the importance of preventing such risks by closely monitoring news and movements of currency exchange rates in order to be able to find a suitable way to manage the risk of exchange rate fluctuations. In the consolidated financial statements by the auditor for 2018 - 2020, the company has a profit (loss) from the exchange rate of 0.60million baht, 1.43 million baht, and 0.01 million baht respectively. In this regard, the Company has entered into a foreign currency trading and / or hedging facility amounting to Baht 30 million with a financial institution. This will help reduce the risk in such matters.

#### **3.1.5 Risk from product price fluctuations**

The Company's main business is the distribution of wire rope and lifting equipment products of which components are iron. For the price of steel may change and fluctuate according to the demand and supply of the steel world market in each period, this fluctuation may trigger a risk to the business of the Company in case the steel prices rise above the normal level, resulting in an increase

in the Company's cost of goods sold. Based on the historical data of the past 5 years, the iron and steel price index have the following directions, as in the picture below.



**Source:** Ministry of Commerce

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

### 3.1.6 Risk from keeping inventories

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

As of 31 December 2020, the Company has inventories classified by age as follows:

Product Life	Value (Million Baht)	Percentage
Less than a year	46.03	26.21
1 - 2 years	29.13	16.59
2 – 3 years	29.28	16.67
3 - 4 years	7.37	4.20

Product Life	Value (Million Baht)	Percentage
4 - 5 years	7.87	4.48
More than 5 years	55.94	31.85
<b>Total</b>	<b>175.62</b>	<b>100.00</b>

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

### 3.1.7 Risk from competition in the industry

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

However, the Company focuses on distributing only high-quality products. By being appointed as an official distribution agent from a leading global wire rope manufacturer, there is a certificate of product quality issued by the manufacturer. In addition, the products that the Company distributes are also diverse when compared to other competitors in the country. In addition, the

Company still offers after-sales service with consultancy services to advise on the use, installation, and replacement of wire ropes, tensile testing. Therefore, the Company are trusted by the customers and should be able to continuously maintain the advantage over other competitors in the industry.

### **3.2 Management Risks**

#### **3.2.1 Risk from having a major shareholder holding more than 50% of the total shares**

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

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

#### **3.2.2 Risk from relying on executives**

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

However, the Company has a clear organizational structure in segregating duties and responsibilities according to each line of work, including appropriate decentralization of administration, as well as selecting personnel with expertise and experience in the field to become executives. Many line managers are the people who have worked with the company for a very long period of time and have had a good understanding of the business of the Company. This may be a factor that helps

promote the operation of the Company. The Company also recognizes the importance of personnel development by regularly arranging relevant trainings for employees in order to increase the body of knowledge and skills. By emphasizing more on organizational structure, decentralization of administration, and personnel development, it is believed that the processes will reduce the reliability on the company's main management.

## 4. Assets used in business operation

### 4.1 Main fixed assets used in business operation

As of December 31, 2020, the main fixed assets used in the business operation of the Company And subsidiaries, namely property, plant and equipment and assets on the long-term lease space Details as follows

List	Net book value as of December 31, 2020 (MB)	Proprietary	Obligation
<b>Land</b>			
<ul style="list-style-type: none"> <li>Samrong Location: 116/1-2 Puchaosamingprai Rd., Samrong Subdistrict PhraPradaeng District, SamutPrakan Province Title deed No. 124579 Area: 1-3-3.5 rai Title deed number 120630, area: 0-1-84 rai Total area: 2-0-87.5 rai</li> </ul>	-	Rent	none
<ul style="list-style-type: none"> <li>Vacant land Location: Soi Thetsaban Samrong Tai 6, Puchaosamingprai Road, Samrong Subdistrict, Phra Pradaeng District, Samut Prakan Province Title Deed No. 124578 Area: 3-1-1 rai</li> </ul>	32.76	The company owns <sup>1</sup>	Take a mortgage, collateral, loan amount <sup>4</sup>
<b>Buildings and equipment</b>			
<ul style="list-style-type: none"> <li>Warehouse Building - Samrong Usable area: 2,400 square meters</li> </ul>	10.00	The company owns <sup>2</sup>	none
<ul style="list-style-type: none"> <li>Head Office, Commercial building, 5 floors, 2 booths Location: 759 Charoen Krung Rd., Talat Noi Sub-District</li> </ul>	-	Rent	none



List	Net book value as of December 31, 2020 (MB)	Proprietary	Obligation
Samphanthawong District Bangkok Size: 6.5 x 18.5 meters per booth			
<ul style="list-style-type: none"> <li>Sales office in front of the store, 2-storey commercial building Location: 649 Songwat Rd., Samphanthawong Subdistrict Samphanthawong District Bangkok Area: 4.0 x 9.0 m.</li> </ul>	-	Rent	none
<ul style="list-style-type: none"> <li>Sales office, shape, 1 commercial building, 3 and a half floors Location: 1620/4 Songwat Road, Samphanthawong Subdistrict Samphanthawong District Bangkok Area: 8.0 x 26.0 m.</li> </ul>	-	Rent	none
<ul style="list-style-type: none"> <li>Sales office, shape, 2 commercial buildings, 3 floors, 2 booths Location: 1634, 1636 Songwat Rd., Samphanthawong Samphanthawong District Bangkok Area: 3.5 x 12.0 meters per booth</li> </ul>	-	Rent	none
<ul style="list-style-type: none"> <li>Pinthong Warehouse Building 2 Location: Unit D4 45 / 1-3 Moo 4 Soi Wat Mahawong Pu Chao Saming Prai Rd. Phra Pradaeng District, Samrong Tai Subdistrict, Samut Prakan Province Area: 1,080 square meters</li> </ul>	-	Rent	none



List	Net book value as of December 31, 2020 (MB)	Proprietary	Obligation
<ul style="list-style-type: none"> <li>Branch Office and Warehouse - Sattahip Location: 36/34 Moo 5, Sai 332 Road, Plutaluang Subdistrict, Sattahip District, Chonburi Province Usable area: 500 square meters</li> </ul>	-	Rent	none
<ul style="list-style-type: none"> <li>Machine and equipment</li> </ul>	9.68	The company owns	none
<ul style="list-style-type: none"> <li>Decoration appliance and office equipment</li> </ul>	2.80	The company owns	none
<ul style="list-style-type: none"> <li>Vehicles</li> </ul>	6.02	Rent / The company owns	Financial leases for 6 cars
<ul style="list-style-type: none"> <li>Water quality improvement</li> </ul>	-	The company owns <sup>4</sup>	contract
<b>Total</b>	<b>61.26</b>		

note

1. The Company purchased land from Lee & Sun Holding Company Limited as part of the existing leased area. To expand the warehouse space for additional storage of products The Company received the ownership transfer on the said area on June 16, 2017.
2. Samrong warehouse building located in the area of Samrong land, which the Company has rented and added to the existing warehouse building, which is to add support columns to support beams, crane rails. And reinforcing steel beams for crane rail and building structural improvements
3. Building improvements consist of the head office building improvements. Sales office has 1 and 2 Sattahip warehouses, side roofs and the back of Samrong warehouse. And the ready-made office of Warehouse Pinthong 2
4. Water quality improvement work consists of water treatment buildings located in Chachoengsao Province. Chanthaburi Province, Trat Province and Rayong Provinc

## 4.2 Important Intangible Assets in Business Operation

The Company's intangible assets and a subsidiary company is computer software. Ministry of Commerce The registration of this trademark is valid for 10 years from the date of registration. And can be renewed every 10 years, the details are as follows

Trademark	Ownership	Protection Type	Status
ไทยมูย	Company	Trademark/Service	In the process of registration
THAIMUI	Company	Trademark/Service	In the process of registration
THAIMUI WE UNDERSTAND	Company	Trademark/Service	In the process of registration
	Company	Trademark/Service	In the process of registration
	Company	Trademark/Service	In the process of registration

## 4.3 Insurance for assets used in business

The company has insured the property of the company. The Company's office and warehouse with Chubb Samaggi Insurance Public Company Limited, with important contract details as follows

Counterparty	Chubb Samaggi Insurance Public Company Limited				
Contract date	10 June 2020				
Policy number	000-20-11-IAR-02265				
Insurance type	Property All Risks Insurance				
Insurance period	1 year starting from 10 June 2020 at 4:30 PM - 10 June 2021 at 4:30 PM.				
Sum insured amount	272.77 MB				
Coverage Value (MB)	<u>building</u>	<u>furniture</u>	<u>Machine</u>	<u>Stock</u>	<u>Total</u>
Warehouse Samrong	10.00	2.00	3.08	133.40	<u>148.48</u>
Head office	3.52	2.00	-	1.43	<u>6.95</u>
Sales office	3.50	11.90	0.15	2.10	<u>17.65</u>

Sales Office Songwad 1	3.50	2.50	-	0.20	<u>6.20</u>
Songwad Sales Office 2	-	-	-	2.30	<u>2.30</u>
Pinthong Warehouse Building 2	2.00	0.60	32.24	25.49	<u>60.33</u>
Warehouse Sattahip	3.00	1.00	4.10	22.76	<u>30.86</u>

Coverage Covers loss or damage to the insured property due to fire, lightning, explosion, and aircraft disaster. Water disaster (Excluding flooding), the danger of shredding and / or Collisions of vehicles, smoke, storms, forest fires, flooding the danger of hail Earthquake disaster or the mountain explodes or undercurrent or tsunami, strike, riots, or other malicious acts (Except for action for political, religious or ideological effects) perils of natural flames or explosions or explosions. And various accidents That cannot be expected from external factors or other dangers Which is not specified in the exception under Property all risks insurance policies are as follow:

- 1) Loss or damage to the insured property arising from floods, hail, earthquakes or volcanic eruption or undercurrent or tsunami and the dangers of stormy winds Within the limit of no more than 20.00 million baht per accident. And throughout the insured period  
  
Does not provide protection for wind, rain, hail, frost, snow, flood, sand or dust which cause property damage. Outdoor Or stored in an airy building or a building with a wall either side open or connected to a fence or gate Which is subject to the exception of 1.15 in the standard property risk insurance policy
- 2) Loss or damage to property arising from perils, strikes, riot or other malicious acts. (Except action for political, religious or popular) within the limit of 50.00 million baht per accident. And throughout the insured period
- 3) Loss or damage caused by burglary showing signs of tampering or violent force entering or exiting the building. Within the limit of 20.00 million baht per accident and throughout the insured period

Extension of coverage	<ol style="list-style-type: none"> <li>1) This policy extends coverage for loss or damage as follows: <ul style="list-style-type: none"> <li>- damage to electrical appliances In the amount not exceeding 10.00 million baht per each accident and throughout the insured period</li> <li>- (except for the loss or damage of Dry Type Transformer, HTT, Tirathai, Fuji Electric and Electro Bau (EBG)</li> </ul> </li> <li>2) Glass fracture of the building wall in the amount not exceeding 10.00 million baht per each accident and throughout the insurance period</li> <li>3) Legal responsibility for injury or death or damage to property of third parties Due to a faulty facility and / or from the insured's business operations within the insured premises In the amount not exceeding 5.00 million baht per each accident and throughout the insured period</li> </ol>
Additional important information	However, due to some of the Company's lease agreements the liability of the tenant in the event of damage or deterioration of the leased property is a liability obligation to the lessor. The tenant therefore has insurance to cover the risk.

#### 4.4 Significant Contracts in Business Operations

The Company has an important business agreement. Details as follows

##### 1) Dealer appointment agreement

As of December 31, 2020, the Company has an agreement to be a distributor with a manufacturer. By product group Details as follow

##### Wire Rope Products

Counterparty	: Bridon Singapore Pte Ltd (Bridon-Bekaert)
Contracting Party	: Singapore (parent company in England)
The essence of the contract	: Appoint the company Is a distributor of all types of products including wire ropes and related products Under the Bridon brand (currently under Bridon-Bekaert Ropes Group) in Thailand and appointed the Company Is the sole distributor in Thailand. In the

	distribution of all kinds of products including wire rope and related products. Under the Bridon brand for a petroleum exploration and production company.
Income sharing conditions	: Not specified
Conditions for termination of the contract	: The parties notify the other party the termination of the contract in writing not less than 6 months before the termination of the contract. Or not less than 6 months after the start of the contract
Contract period	: From March 2, 2017 until the termination of the contract according to the above conditions.
Started as a dealer	: 1998

<b>Counterparty</b>	<b>: Kiswire Lotus Co., Ltd (Kiswire)</b>
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Contracting Party	: Thailand (parent company in Korea)
The essence of the contract	: Appoint the company Is a distributor of wire rope products, size 6 - 76 mm, produced by Kiswire LTD, Kiswire SDN BHD and Kiswire Fine Metal (Qingdao) LTD and imported by Kiswire Lotus Co., Ltd., Hyrop (Thailand) Co., Ltd. and the company is under the Kiswire brand in Thailand except some customers who are already customers of one of the three dealers above. To prevent competition between dealers  The company is authorized to use the Kiswire trademark in trade and is tasked with protecting the legal interests of the trademark. In case of receiving compensation or any other benefit from legal action on copyright infringement, the Company and Kiswire Lotus Company Limited are willing to share the benefits together. At a rate of 50 percent after the expense has been deducted However, any action in keeping those benefits Prior written consent from Kiswire Lotus Company Limited is required.
Revenue sharing conditions	: Not specified

- Contract termination conditions : The parties notify the other party to terminate the contract by giving written notice of their intention to terminate the contract via electronic mail at least 6 months prior to the termination of the contract. If there is no notice of cancellation from the parties or has breached the termination of the contract the contract shall be effective for another 3 years with the conditions of the contract in all respects. The obligation to deliver goods or pay the total outstanding balance before the date of receipt of the contract cancellation notice remains.
- Contract extension conditions : The company agrees to sell the products not lower than the specified amount. And will increase in the rate of 10 to 15 percent per year depending on the evaluation of the sales condition each year and Kisswire Lotus Co., Ltd. will consider revising the specified amount every 3 years depending on the sales plan of Kisswire Lotus Company Limited
- Contract period : 1 January - 31 December 2020
- Year started as a dealer : 2001

<b>Counterparty</b>	<b>: Teufelberger Seil Ges.m.b.H (Teufelberger)</b>
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- Contracting Party : Austria
- The essence of the contract : Appoint the company Being a distributor of wire rope products and other products Related Under the brand Teufelberger in Thailand and appointed to the company. Is the sole distributor in Thailand. In the distribution of wire rope and related products Under the Teufelberger brand for a petroleum exploration and production company.
- Revenue sharing conditions : Not specified
- Contract termination conditions : The parties notify the other party to terminate the contract in writing.
- Contract extension conditions : Not specified

Contract period : 1 January - 31 December 2020  
Year started as a dealer : 2017

<b>Counterparty</b>	<b>: Usha Siam Steel Industries PLC (Usha Siam)</b>
Contracting Party	: Thai
The essence of the contract	: Appoint the company Is a distributor of wire rope products Under the brand Usha in Thailand
Revenue sharing conditions	: Not specified
Contract termination conditions	: The parties notify the other party to terminate the contract in writing.
Contract extension conditions	: Not specified
Contract period	: From March 7, 2018 until the contract is terminated according to the above conditions.
Year started as a dealer	: 1998

**Lifting equipment product range**

<b>Counterparty</b>	<b>: The Crosby Group LLC (Crosby)</b>
Contracting Party	: USA
The essence of the contract	: Appoint the company Is a distributor of lifting equipment and other related products Under the brand Crosby in Thailand
Revenue sharing conditions	: Not specified
Contract termination conditions	: Not specified
Contract extension conditions	: Not specified
Contract period	: 1 January - 31 December 2020
Year started as a dealer	: 2014



<b>Counterparty</b>	<b>: Allan Marketing Group Pty Ltd (OZ BLOCK, TITAN &amp; GLOBAL LIFTING)</b>
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Contracting Party : Australia

The essence of the contract : Appoint the company Is a distributor of lifting equipment products Under the brand OZ BLOCK, TITAN & GLOBAL LIFTING solely in Thailand.

Revenue sharing conditions : Not specified

Contract termination conditions : Not specified

Contract extension conditions : Not specified

Contract period : From January 16, 2014 - None specified.

Year started as a dealer : 2014

<b>Counterparty</b>	<b>: FRAM Kjeattingfabriken AS (FRAM)</b>
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Contracting Party : Norway

The essence of the contract : Appoint the company Is a distributor of master links and master link assemblies, Alloy Blue chain and accessories under FRAM brand in Thailand.

Revenue sharing conditions : Not specified

Contract termination conditions : Not specified

Contract extension conditions : Not specified

Contract period : From February 18, 2014 until the contract is terminated according to the above conditions.

Year started as a dealer : 2014

## 2) Purchase, sale and service agreements

As of December 31, 2019, the Company has purchase and sale and service agreements, details as follows:

### Contract No. 1

Counterparty	The company ("seller") and A company in the exploration and production business ("Buyer")
Contract specification	Long-term purchase and sale agreement
Contract date	October 26, 2019
Type of product for sale	Wire rope products and related equipment
objective	To trade goods
Important condition	<ul style="list-style-type: none"> <li>■ The seller is required to deliver the products as specified in the attachment to the contract when required by the purchaser within the time and location. And the price stipulated in the contract</li> <li>■ Buyer can return the product to the seller at the place specified in the contract. And get a full refund from the seller if <ul style="list-style-type: none"> <li>A) The product was returned within 120 days from the delivery date. By the buyer to notify the seller to receive the product back at the specified location within 120 days</li> <li>B) The product is a standard product. It is not a product that has characteristics or special features which are not common.</li> <li>C) The merchandise is returned in the same condition as on the date of delivery.</li> </ul> </li> <li>■ In case of termination of contract The purchaser has the right to cancel some of the items specified in the contract or partially cancel the order, effective as soon as the seller is notified of his request. The seller will be responsible for the payment of the product that the seller identifies as a specific product, where the seller has already stocked such products before the cancellation date of the order.</li> </ul>

	<ul style="list-style-type: none"> <li>■ The seller must not disclose any information in this contract, before notifying the purchaser and obtaining the written permission of the purchaser</li> </ul>
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**Contract No. 2**

<b>Counterparty</b>	The company ("seller") and Port Business Operator No. 1 ("Buyer")
<b>Contract specification</b>	Long-term purchase and sale agreement
<b>Contract date</b>	1 November 2018
<b>Type of product for sale</b>	Wire rope products for Quay Crane and RTG Cranes, Kiswire brand wire ropes as detailed in the contract attachment.
<b>objective</b>	To trade goods
<b>Important condition</b>	<ul style="list-style-type: none"> <li>■ The buyer must order wire rope according to all attachments. Some items cannot be purchased separately.</li> <li>■ The seller will provide the following services free of charge within the contract period. <ul style="list-style-type: none"> <li>○ Crane inspections 4 times a year or every 3 months and provide crane weight testing services 2 times a year or every 6 months and certified for hoists and cranes (PorJor. 1)</li> <li>○ Replacing the crane wire rope and the crane moves throughout the contract period</li> <li>○ Inspect the crane by using electromagnetic waves 1 time</li> <li>○ Provide training to educate about wire ropes and lifting equipment.</li> </ul> </li> <li>■ The seller is required to arrange the delivery of the products as specified in the attachment to the contract within 24 hours of receiving the order. The seller guarantees the use of wire rope for the quay crane and RTG crane by <ul style="list-style-type: none"> <li>○ Will guarantee the use of the wire rope according to the number of lifting times. And service life</li> <li>○ The warranty is in the form of a discount on the purchase of new wire ropes to replace the old ones.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ No warranty against damage which is not caused by the quality of the wire rope.</li> <li>■ The seller has the right to cancel the contract or terminate the sale in the event that the buyer is unable to pay for the products on the specified amount and time.</li> </ul>
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**Contract No. 3**

<b>Counterparty</b>	The company ("seller") and Port Business Operator No. 2 ("Buyer")
<b>Contract specification</b>	Long-term purchase and sale agreement
<b>Contract date</b>	January 1, 2019
<b>Type of product for sale</b>	Wire rope products for Quay Crane and RTG Cranes. Wire ropes of Kiswire or Bridon brands as detailed in the contract attachment.
<b>objective</b>	To trade goods
<b>Important condition</b>	<ul style="list-style-type: none"> <li>■ The seller will provide the following services free of charge. <ul style="list-style-type: none"> <li>○ Inspect the crane 4 times a year or every 3 months and make a summary report of the inspection.</li> <li>○ Replacing the crane wire rope and the crane moves throughout the contract period or until the product runs out.</li> <li>○ Installation service of wire rope upon request You must notify within 3-5 days in advance.</li> </ul> </li> <li>■ The seller is required to arrange the delivery of the products as specified in the attachment to the contract within 72 hours of receiving the order. The seller guarantees the use of wire rope for the quay crane and RTG crane by <ul style="list-style-type: none"> <li>○ Will guarantee the use of the wire rope according to the number of lifting times. And service life</li> <li>○ The warranty is in the form of a discount on the purchase of new wire ropes to replace the old ones.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ No warranty against damage which is not caused by the quality of the wire rope.</li> <li>■ The seller has the right to cancel the contract or terminate the sale in the event that the buyer is unable to pay for the products on the specified amount and time.</li> </ul>
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**Contract No. 4**

<b>Counterparty</b>	<b>The company ("seller") and The third port business operator ("Buyer")</b>
<b>Contract specification</b>	Long-term purchase and sale agreement
<b>Contract date</b>	August 1, 2018
<b>Type of product for sale</b>	Wire rope products for Quay Crane and RTG Cranes. Wire ropes of Kiswire or Bridon brands as detailed in the contract attachment.
<b>objective</b>	To trade goods
<b>Important condition</b>	<ul style="list-style-type: none"> <li>■ The seller will provide the following services free of charge. <ul style="list-style-type: none"> <li>○ Inspect the crane 4 times a year or every 3 months and make a summary report of the inspection.</li> <li>○ Replacing the crane wire rope and the crane moves throughout the contract period or until the product runs out.</li> <li>○ Installation service of wire rope upon request You must notify within 3-5 days in advance.</li> </ul> </li> <li>■ The seller is required to arrange the delivery of the products as specified in the attachment to the contract within 72 hours of receiving the order. The seller guarantees the use of wire rope for the quay crane and RTG crane by <ul style="list-style-type: none"> <li>○ Will guarantee the use of the wire rope according to the number of lifting times. And service life</li> <li>○ The warranty is in the form of a discount on the purchase of new wire ropes to replace the old ones.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ No warranty against damage which is not caused by the quality of the wire rope.</li> <li>■ The seller has the right to cancel the contract or terminate the sale in the event that the buyer is unable to pay for the products on the specified amount and time.</li> </ul>
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**Contract No. 5**

<b>Counterparty</b>	The company ("seller") and A steel industry operator ("Buyer")
<b>Contract specification</b>	Short-term purchase and sale agreement
<b>Contract date</b>	October 1, 2019
<b>Type of product for sale</b>	Kiswire wire rope or another brand of higher quality or equivalent.
<b>objective</b>	To trade goods
<b>Important condition</b>	<ul style="list-style-type: none"> <li>■ The seller agrees to make packaging and attach a factory certificate for delivery of the product.</li> <li>■ The seller will provide crane inspection service 2 times a year or every 6 months free of charge.</li> <li>■ In the event that the product is damaged, the seller will deliver the replacement immediately. The damage assessment must be performed within 30 days. If the damage is not caused by the manufacturer or the seller, the purchaser is required to pay for the product.</li> <li>■ The buyer must pay for the item in full within 30 days.</li> </ul>

**Contract No. 6**

<b>Counterparty</b>	The company ("seller") and A coal-fired power plant operator ("Buyer")
<b>Contract specification</b>	Long-term purchase and sale agreement
<b>Contract date</b>	February 1, 2018

Type of product for sale	Wire ropes for unloading coal from the ship
objective	To trade goods
Important condition	<ul style="list-style-type: none"> <li>Buyer and Seller agree to purchase the Goods for the quantity and price stipulated in the contract.</li> <li>The seller agrees to deliver the product to the buyer within 5 working days.</li> <li>Buyer reserves the right to refuse. And will not receive the product within 5 working days after the verification and counting of the product in addition, the receipt of goods or pay for the goods partially or completely. Still does not constitute an acknowledgment that the product is correct</li> <li>The buyer has the right to terminate the contract. And claim additional compensation in the event that the seller is unable to deliver the product or there is reason to believe that the seller is unable to deliver the product according to the contract</li> <li>If the seller does not deliver the product within the contract There will be a penalty of 0.1% of the price of un-delivered products per day. Until the delivery is complete, but not more than 10 percent of the value of the ordered goods</li> </ul>

The Company will keep a reserve of some inventories (Safety Stock) for customers, most of which are customers who have contracted with the company. Although some in the contract do not specify a minimum order quantity. Or some people do not have a contract with the company, but in the past the company still received high value orders from customers in such group and continuously.

### 3) Lease and service agreement

As of December 31, 2020, the Company has rental and service agreements. Details as follows

#### Land and building lease agreement

##### Contract No. 1: Samrong Warehouse Rental Agreement

Counterparty	The Company ("Lessee") and Lee & Sun Holding Company Limited ("Lessor")
Relationship of the parties	Lessor has a major shareholder with the lessee, namely Mrs. La-or Leelaprachakul, who is the grandmother of Mr. Thachakorn Leelaprachakul, the Company's director and executive. And subsidiaries.
Contract date	September 6, 2017
objective	To be the location of the warehouse - Samrong
Location of land and buildings	116/1-2 Soi Thavorn, Puchasamingprai Road, Samrong Subdistrict, Phra Pradaeng District, Samut Prakan Province Title Deed No. 124579 and 120630
Area of land and buildings	Total land area 2-0-87.5 rai <ul style="list-style-type: none"> <li>Land title deed number 124579: 1-3-3.5 rai</li> <li>Land title deed number 120630: 0-1-84 rai</li> </ul> Warehouse area 2,400 square meters Office building area 108 square meters
Ownership	Lee & Sun Holding Company Limited
Rental period	20 years from 6 September 2017 to 5 September 2037
Rental rate <sup>1</sup>	200,640 baht per month and increases by 10.00% every 3 years The tenant will charge the tenant a utility fee. At the rate of 5 baht per unit according to actual usage
Key condition	<ul style="list-style-type: none"> <li>During the lease term If the lessor wishes to sell the rented property the renter will be the first person having the right to purchase the property.</li> <li>If when the contract expires If either party wishes to terminate the agreement, they must notify the other party in writing at least 2 years prior to the expiration of the contract. Otherwise, it will be deemed that both</li> </ul>



	<p>parties wish to renew the contract for another round, keeping the original lease terms.</p> <ul style="list-style-type: none"> <li>• The tenant will have the right to be the contractor before other parties. And the lessor can not notify the tenant to cancel the rental.</li> </ul>
<p><b>note</b></p> <p>1. This is the rental rate based on the appraisal of the property appraiser approved by the Securities and Exchange Commission as of August 1, 2016.</p> <p>2. This agreement is an improvement from the contract dated 1 May 2017 by extending the lease period from 3 years to 20 years, canceling the land lease in the part that the Company The ownership has been transferred from the sale. And add details of the rental area.</p>	

**Contract No. 2: Sattahip Warehouse Rental Agreement**

<b>Counterparty</b>	The Company (“Lessee”) and Thai Oil Tool Machinery Services Company Limited (“Lessor”)
<b>Relationship of the parties</b>	Not a company / person related to shareholders, directors and executives of the company.
<b>Contract date</b>	<u>Contract No. 1</u> No. 32/2019 dated 1 December 2019 <u>Contract No. 2</u> No. 3/2019 dated March 1, 2019
<b>objective</b>	To be the location of the sales office and warehouse - Sattahip
<b>Location of land and buildings</b>	36/34 Moo 5, Sai 332 Road, Plutaluang Subdistrict, Sattahip District, Chonburi Province
<b>Area of land and buildings</b>	<u>Contract No. 1</u> Land and 1 building, area 380 square meters. <u>Contract No. 2</u> area with 1 office building, area of 500 square meters.
<b>Rental period</b>	<u>Contract No. 1</u> for a period of 3 years <u>Contract No. 2</u> for a period of 2 years
<b>Rental rate<sup>1</sup></b>	As specified in the contract
<b>Key condition</b>	<ul style="list-style-type: none"> <li>■ The lessor will pay the utility fee and collect it to the lessee at a later date. And will charge the said service at a rate of 10.00%.</li> <li>■ The tenant agrees not to make any additions or modifications. In the land of the lessor Unless the written consent of the landlord has been obtained.</li> </ul>

	<ul style="list-style-type: none"> <li>■ If the tenant takes any action That deviate from the terms of the contract and does not make corrections for the period specified by the lessor Give the tenant the right to terminate the contract. And can claim additional damages.</li> </ul>
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**Contract No. 3: Rental Agreement at D4, Pinthong 2 Warehouse Building**

<b>Counterparty</b>	The Company (“Lessee”) and Srirapha Company Limited (“Lessor”)
<b>Relationship of the parties</b>	Not a company / person related to shareholders, directors and executives of the company.
<b>Contract date</b>	January 1, 2020
<b>objective</b>	To be the location of the factory and warehouse
<b>Location of land and buildings</b>	45 / 1-3 Pinthong Warehouse Building 2 Units D4 Moo 4 Soi Mahawong Temple, Pu Chao Saming Prai Road, Samrong Tai Subdistrict, Phra Pradaeng District, Samut Prakan Province.
<b>Area of land and buildings</b>	1,080 square meters
<b>Rental period</b>	1 year
<b>Rental rate<sup>1</sup></b>	As specified in the contract
<b>Key condition</b>	<ul style="list-style-type: none"> <li>■ The lessee pays rent to the lessor within the 7 th day of the business day of each month at the lessor's office.</li> <li>■ In the event that the tenant fails to pay the rent in the amount and conditions specified above the lessee is liable to pay a late payment penalty to the lessor at the rate of 1.25% of the monthly rental rate and for 2 consecutive months of default, the tenant is deemed to breach the contract.</li> <li>■ In the event that the tenant breaches the contract or failing to perform the duties of the tenants under the law the lessor has the right to terminate the contract by notifying the tenant in writing not less than 30 days.</li> <li>■ Any additions and modifications will be the property of the lessor. At the end of the contract.</li> </ul>

### Office rental agreement

#### Contract No. 1: Head office lease agreement

Counterparty	The Company ("Lessee") and Easy Buy & Sell Limited Company ("Lessor")
Relationship of the parties	Lessor has a major shareholder with tenants, namely Mrs. La-or Leelaprachakul, who is the grandmother of Mr. Lawyer. Leelaprachakul, a director and executive of the Company
Contract date	1 May 2017
objective	To be the location of the headquarters building
Location of the building	759 Charoen Krung Rd., Talat Noi Subdistrict, Samphanthawong District Bangkok
area	2 booths hit through each other, each booth is 6.5 x 18.5 m.
Rental period	3 years.If either party terminates the contract in writing, it shall be deemed that the contract is valid for another 3 years.
Rental rate	282,450 baht per month and fixed throughout the contract period And charge the office utilities according to the actual By using the utility bill
note	<ul style="list-style-type: none"> <li>■ Lessor can adjust the rental rate up to not more than 10.00% of the previous rental rate.</li> <li>■ Contract renewal or rental increase must be approved by the Audit Committee of the Company.</li> </ul>

#### Contract No. 2: Point of Sale Office Rental Agreement

Counterparty	The Company ("Lessee") and Pathum Ganga Ratchaworawihan Temple ("Lessor")
Relationship of the parties	Not a company / person related to shareholders, directors and executives of the company.
objective	To be the location of the storefront sales office
Location of the building	649 Songwat Road, Samphanthawong Samphanthawong District Bangkok
area	4.0 x 9.0 m
Rental period	20 years from 15 Sep 2008 - 14 Sep 2028

<b>Rental rate</b>	As specified in the contract
<b>Important condition</b>	<ul style="list-style-type: none"> <li>■ Building extension and the buildings will become the ownership of the lessor the tenants cannot demolish them. Unless it is the will of the lessor.</li> <li>■ If the landlord wishes to return the property, the tenant will be notified at least 30 days in advance, even during the termination of the contract for any reason. The tenant agrees to leave the rental premises within the specified period. This agreement is deemed to be terminated and will not claim any damages.</li> <li>■ The tenant is required to insure fire at all times for the rental according to the insured amount set by the lessor according to the construction price. Let the tenant pay the insurance premium. The lessor is the beneficiary of the insurance. In the event of a fire, the insurance deposit is the total lessor. And if the tenant will arrange to repair the damaged part in the original condition the lessor will hand over the money received from the insurance to arrange the construction. If this is not enough, the tenant is responsible for the rest.</li> </ul>

**Contract No. 3: Sales Office Lease Agreement, Songkhla 1**

<b>Counterparty</b>	<b>The Company ("Lessee") and Pathum Ganga Ratchaworawihan Temple ("Lessor")</b>
<b>Relationship of the parties</b>	Not a company / person related to shareholders, directors and executives of the company.
<b>objective</b>	To be the location of the sales office Songwad 1
<b>Location of the building</b>	1620/4 Songwat Road, Samphanthawong Samphanthawong District Bangkok
<b>area</b>	8.0 x 26.0 m
<b>Rental period</b>	20 years from September 15, 2008 to September 14, 2028
<b>Rental rate</b>	As specified in the contract
<b>Important condition</b>	<ul style="list-style-type: none"> <li>■ Building extension and the buildings will become the ownership of the lessor the tenants cannot demolish them. Unless it is the will of the lessor.</li> <li>■ If the landlord wishes to return the property, the tenant will be notified at least 30 days in advance, even during the termination of the contract for</li> </ul>

	<p>any reason. The tenant agrees to leave the place of rental within the specified period. This agreement is deemed to be terminated and will not claim any damages.</p> <ul style="list-style-type: none"> <li>■ The tenant is required to insure fire at all times for the rental according to the insured amount set by the lessor according to the construction price. Let the tenant pay the insurance premium. The lessor is the beneficiary of the insurance. In the event of a fire, the insurance deposit is the total lessor. And if the tenant will arrange to repair the damaged part in the original condition the lessor will hand over the money received from the insurance to arrange the construction. If this is not enough, the tenant is responsible for the rest.</li> </ul>
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**Contract No. 4: Sales Office Lease Agreement 2**

<b>Counterparty</b>	<b>The Company ("Lessee") and Pathum Ganga Ratchaworawihan Temple ("Lessor")</b>
<b>Relationship of the parties</b>	Not a company / person related to shareholders, directors and executives of the company.
<b>objective</b>	For the location of the sales office Songwad 2
<b>Location of the building</b>	1634, 1636 Songwat Road, Samphanthawong Samphanthawong District Bangkok
<b>area</b>	2 booths, each booth size 3.5 X 12.0 m.
<b>Rental period</b>	20 years from September 15, 2008 to September 14, 2028
<b>Rental rate</b>	As specified in the contract
<b>Important condition</b>	<ul style="list-style-type: none"> <li>■ Building extension and the buildings will become the ownership of the lessor the tenants cannot demolish them. Unless it is the will of the lessor</li> <li>■ If the landlord wishes to return the property, the tenant will be notified at least 30 days in advance, even during the termination of the contract for any reason. The tenant agrees to leave the place of rental within the specified period. This agreement is deemed to be terminated and will not claim any damages.</li> <li>■ The tenant is required to insure fire at all times for the rental according to the insured amount set by the lessor according to the construction price.</li> </ul>

	Let the tenant pay the insurance premium. The lessor is the beneficiary of the insurance. In the event of a fire, the insurance deposit is the total lessor. And if the tenant will arrange to repair the damaged part in the original condition the lessor will hand over the money received from the insurance to arrange the construction. If this is not enough, the tenant is responsible for the rest.
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#### 4.5 Loan agreement

As of December 31, 2020, the Company issued a bill of exchange offering in a limited amount of 60.00 million baht and entered into a loan agreement with a financial institution. Details as follows

##### Loan agreement

<b>Contract date</b>	<b>August 3, 2017</b>
<b>Counterparty</b>	The Company ("Borrower") and A financial institution ("Financial institution")
<b>Loan limit</b>	97,000,000 baht divided into
<b>objective</b>	1. Overdraft loans 5.00 million baht 2. Loans issued promissory notes of 32.00 million baht. 3. Foreign credit 30.00 million baht. 4. Hedging limit of foreign exchange rate 30.00 million baht
<b>Collateral details</b>	For use in conducting business according to normal trade
<b>Term of a guarantee</b>	Land Title Deed No. 124578 Soi Thetsaban Samrong Tai 6, Pu Chao Saming Prai Road, Samrong Subdistrict, Phra Pradaeng District, Samut Prakan Province
<b>Collateral provider</b>	30 years
<b>Contract date</b>	Company

<b>Contract date</b>	<b>April 5, 2019</b>
<b>Counterparty</b>	The Company ("Borrower") and A financial institution ("Financial institution")
<b>Loan limit</b>	50,000,000 baht
<b>objective</b>	For use in conducting business according to normal trade
<b>Collateral details</b>	Register your collateral Bank account on behalf of loan applicant It is the amount of farm money, conditions and methods specified by the financial institution.
<b>Term of a guarantee</b>	According to the contract
<b>Collateral provider</b>	Company

#### 4.6 Investment Policy in Subsidiaries and Associated Companies

As of December 31, 2020, the Company has 2 subsidiaries, namely Propoint Global Consultant Company Limited and Trend Asia Corporation Company Limited, whereby the Company has a policy to invest in any company or subsidiary that operates to create benefits that are consistent with the business objectives of the company. By focusing on the development and generating income and profit of the company. To protect the interests of shareholders By the Company's Board of Directors Will jointly consider the investment policy of the company Taking into account the necessity, suitability and benefits of the company. And shareholders are important and comply with the requirements of the Stock Exchange of Thailand Regarding the entering into a connected transaction or the acquisition or disposition of assets of the Company Strictly Regarding the supervision of that subsidiary Will send directors or executives to represent If the operation affects the company Significantly Must seek approval from the Board of Directors meeting of the Company first.

## 5. Legal dispute

As of 31 December 2020, the company has no legal disputes that have a significant impact on the company's business operations.



## 6. General information and other important information

Name of the issuing company (English) : Thai Mui Corporation Public Company Limited  
("Company" or "THMUI")

Name of the issuing company (Thai) : บริษัท ไทยมุย คอร์ปอเรชั่น จำกัด (มหาชน)

Company registration number : 0107560000281

Nature of business : Distributor of wire rope products and lifting equipment

Contact information Office Location : 759 Charoenkrung Road, Talad Noi,  
Samphanthawong, Bangkok 10100

Phone : 02-235-2940 to 9

Fax : 02-236-8336 or 02-639-4022

Website : www.thaimui.co.th

Registered capital : 170,000,000 baht (one hundred seventy million baht)

Issued and paid-up capital : 170,000,000 baht (one hundred seventy million baht)

Type and number of shares sold : 340,000,000 ordinary shares (three hundred and forty million shares)

Par value : 0.50 baht per share

### Reference

Company Secretary Mrs. Sunee Jantarotorn  
759 Charoen Krung Road, Talad Noi, Samphanthawong,  
Bangkok 10100  
Phone: 02-235-2940 to 9 Fax: 02-236-8336 or 02-639-4022  
E-mail: sunee@thaimui.co.th

Investor Relations Mrs. Sarinrath Leelaprachakul and Mrs. Sunee Jantarotorn  
Phone: 02-235-2940 to 9 Fax: 02-236-8336 or 02-639-4022  
E-mail: info@thaimui.co.th

Securities Registrar RHB Securities (Thailand) Public Company Limited  
98 Sathorn Square Office Tower, 10th Floor North Sathorn Road,  
Silom, Bang Rak, Bangkok 10500

Auditor	Khun Siriwan Suratepin, Certified Public Accountant Registration Number 4604 EY Office Company Limited 193 / 136-137 Lake Ratchada Building Office Complex, Floor 33, Ratchadaphisek Road, Klongtoey Subdistrict, Klongtoey District, Bangkok 10110 Phone: 02-264-0777 Fax: 02-264-0789
Internal Auditor	Dharmniti Internal Audit Company Limited 178 Soi Phet Chuen (Prachachuen 20), Prachachuen Road, Bang Sue Bang Sue District, Bangkok 10800 Phone: 02-596-0500 ext. 327 Fax: 02-596-0539