

## PART 3

# Financial status and operating results

## 13. Important financial information

### 13.1 Auditor and auditor's report

#### 13.1.1 Auditor's Name

Year	Auditor's Name	Certified Public Accountant No.	Auditor Company
2018	Khun Suvimol Chrityakierne	2982	D I A International Audit Co., Ltd.
2019	Khun Suvimol Chrityakierne	2982	D I A International Audit Co., Ltd.
2020	Khun Siriwan Suratepin	4604	EY Office Co., Ltd.

#### 13.1.2 Summary of Audit Report

##### Opinion

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

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

##### Basis for Opinion

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

### Emphasis of matters

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

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

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

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

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

### Key Audit Matter

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to this matter. Accordingly, my audit

included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

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

Revenue recognition

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

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

Other Matter

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

### Other Information

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

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

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

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

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

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

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Siriwan Suratepin

Certified Public Accountant (Thailand) No. 4604

EY Office Limited

Bangkok: 1 March 2021

## 13.2 Summary of Financial Status and Operating Results

### Statement of financial position

Statement of financial position	Checked					
	31 Dec 2018		31 Dec 2019 (Restated)		31 Dec 2020	
	MB	%	MB	%	MB	%
<b>Current assets</b>						
Cash and cash equivalents	65.99	12.30	45.48	7.58	64.46	10.05
Current investments	-	-	0.04	0.01	-	-
Trade and other receivables	152.45	28.41	83.14	13.85	81.45	12.70
Current portion of lease receivable	-	-	3.54	0.59	14.16	2.21
Inventories	225.01	41.94	300.51	50.05	238.81	37.23
Other current financial assets	-	-	-	-	0.04	0.01
Other current assets	-	-	-	-	2.10	0.33
<b>Total current assets</b>	<b>443.44</b>	<b>82.65</b>	<b>432.71</b>	<b>72.07</b>	<b>401.01</b>	<b>62.52</b>
<b>Non-current assets</b>						
Restricted bank deposits	1.05	0.20	16.15	2.69	15.92	2.48
Lease receivable - net of current portion	0.07	0.01	11.88	1.98	47.75	7.44
Investments in subsidiaries	84.85	15.81	83.27	13.87	61.26	9.55
Property, plant and equipment	-	-	-	-	59.41	9.26
Right-of-use assets	1.59	0.30	44.43	7.40	43.48	6.78
Intangible assets	2.62	0.49	6.52	1.09	7.60	1.18
Deferred tax assets	2.92	0.54	5.41	0.90	4.97	0.77
<b>Total non-current assets</b>	<b>93.10</b>	<b>17.35</b>	<b>167.67</b>	<b>27.93</b>	<b>240.39</b>	<b>37.48</b>
<b>Total assets</b>	<b>536.55</b>	<b>100.00</b>	<b>600.38</b>	<b>100.00</b>	<b>641.40</b>	<b>100.00</b>
<b>Current liabilities</b>						
Short-term loans from financial institutions	36.62	6.83	32.00	15.20	32.00	12.19
Trade and other payables	64.59	12.04	63.24	30.05	71.70	27.32
Short-term loans from related parties	-	-	4.23	2.01	4.23	1.61
Current portion of long-term loan from financial institution	4.97	0.93	17.00	8.08	12.58	4.79



Statement of financial position	Checked					
	31 Dec 2018		31 Dec 2019 (Restated)		31 Dec 2020	
	MB	%	MB	%	MB	%
Current portion of liabilities under finance lease agreements	-	-	4.50	2.14	-	-
Current portion of long-term lease liabilities	-	-	-	-	12.01	4.58
Income tax payable	1.17	0.22	0.31	0.15	-	-
Other current liabilities	-	-	2.74	1.30	1.64	0.62
<b>Total current liabilities</b>	107.36	20.01	124.02	58.93	134.17	51.11
<b>Non-current liabilities</b>						
Long-term loan from financial institution - net of current portion	-	-	53.82	25.57	58.18	22.16
Liabilities under finance lease agreements - net of current portion	8.29	1.54	9.43	4.48	-	--
Long-term lease liabilities - net of current portion	-	-	-	-	45.35	17.28
Provision for long-term employee benefits	10.28	1.92	14.54	6.91	16.24	6.19
Deferred tax liabilities	-	-	8.66	4.11	8.57	3.26
Other non-current creditors	0.26	0.05	-	-	-	-
<b>Total non-current liabilities</b>	18.83	3.51	86.45	41.07	128.34	48.89
<b>Total liabilities</b>	126.19	23.52	210.47	100.00	262.51	100.00
<b>Shareholders' equity</b>						
Registered	170.00		170.00		170.00	
Issued and fully paid up	170.00	41.43	170.00	43.60	170.00	44.87
Share premium	210.68	51.34	210.68	54.03	210.68	55.60
Surplus on business combination	-	-	4.66	1.20	4.66	1.23
Retained earnings - Appropriated-statutory reserve	3.88	0.95	4.99	1.28	4.99	1.32
Retained earnings - Unappropriated (retained deficit)	21.14	5.15	9.92	2.54	22.13	5.84
Other components of equity	4.66	1.14	-	-	-	-

Statement of financial position	Checked					
	31 Dec 2018		31 Dec 2019 (Restated)		31 Dec 2020	
	MB	%	MB	%	MB	%
Non-controlling interests of the subsidiaries	-	-	9.49	2.43	10.69	2.82
<b>Total shareholders' equity</b>	410.36	100.00	389.90	100.00	378.89	100.00
<b>Total liabilities and shareholders' equity</b>	536.55		600.37		641.40	

**Statement of comprehensive income**

Statement of comprehensive income	Checked		
	31 Dec 2018	31 Dec 2019 (Restated)	31 Dec 2020
	MB	MB	MB
Sales and service income	580.51	360.67	329.44
Cost of sales and services	(409.23)	(224.58)	(207.91)
<b>Gross profit</b>	<b>171.28</b>	<b>136.09</b>	<b>121.53</b>
Selling and distribution expenses	(37.46)	(36.82)	(31.97)
Administrative expenses	(99.23)	(111.95)	(94.00)
<b>Total expenses</b>	<b>(136.69)</b>	<b>(148.77)</b>	<b>(125.97)</b>
<b>Operating loss</b>	<b>40.54</b>	<b>(12.69)</b>	<b>(4.45)</b>
Finance cost	(1.00)	(3.41)	(7.42)
Loss before income tax income	39.54	(16.10)	(11.86)
Income tax income	(8.30)	1.68	0.87
<b>Loss for the year</b>	<b>31.24</b>	<b>(14.43)</b>	<b>(10.99)</b>
Other comprehensive income:	-	(0.56)	
<b>Total comprehensive income for the year</b>	<b>31.24</b>	<b>(15.00)</b>	<b>(10.40)</b>
<b><u>Loss per share (Baht)</u></b>			
Basic loss per share	0.092	0.042	0.036
Weighted average number of ordinary share (million share)	340.00	340.00	340.00

**Cash flows statement**

Cash flows statement	Checked		
	2018	2019 (Restated)	2020
	MB	MB	MB
<b><u>Cash flows from operating activities</u></b>			
Loss before tax	39.54	(16.10)	(11.86)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities			
<i>Depreciation and amortisation</i>	9.21	11.90	18.65
<i>Allowance for expected credit losses</i>	-	-	1.16
<i>Allowance for doubtful debts</i>	(0.05)	7.93	-
<i>Inventory reduction cost to net realisable value</i>	0.35	0.62	0.55
<i>Provision for returned goods (Reversal)</i>	0.85	0.63	(2.07)
<i>Estimated service fee according to the contract</i>	0.35	-	-
<i>Gain on price bargaining</i>	-	(0.32)	-
<i>Write-off withholding tax deducted at source</i>	-	-	0.44
<i>Provision for long-term employee benefits</i>	2.75	4.43	2.63
<i>Unrealised gain on exchange</i>	(0.30)	(0.01)	(0.01)
<i>Loss on disposal of equipment</i>	(0.09)	0.00	0.02
<i>Interest income</i>	-	-	(0.93)
<i>Interest expenses</i>	1.00	3.31	7.42
<b>Profit from operating activities before changes in operating assets and liabilities</b>	<b>53.61</b>	<b>12.39</b>	<b>16.01</b>
<b>Operating assets (increase) decrease</b>			
Trade and other receivables	(64.89)	55.29	(45.96)
Inventories	(42.09)	20.64	61.15
Other current assets	-	-	2.10
Other non-current assets	0.36	(1.66)	0.45
<b>Operating liabilities increase (decrease)</b>			
Trade and other payables	16.50	(61.53)	(0.20)
Other current liabilities	-	-	0.96
<b>Cash flows from operating activities</b>	<b>(36.92)</b>	<b>25.13</b>	<b>34.51</b>
Employee benefits paid during the year	(1.68)	(0.88)	(0.20)
Cash paid for corporate income tax	(10.03)	(2.55)	(0.90)
<b>Net cash flows from operating activities</b>	<b>(49.49)</b>	<b>21.70</b>	<b>33.42</b>

Cash flows statement	Checked		
	2018	2019 (Restated)	2020
	MB	MB	MB
<b><u>Cash flows from investing activities</u></b>			
(Increase) decrease in restricted bank deposits	(0.05)	(15.10)	0.23
Cash paid for acquisition in subsidiary	-	(15.91)	-
Acquisition of property, plant and equipment	(5.63)	(38.26)	(2.81)
Acquisition of intangible assets	(0.34)	(0.07)	-
Cash received from interest income	-	-	0.14
<b>Net cash flows used in investing activities</b>	<b>(5.91)</b>	<b>(69.34)</b>	<b>(2.44)</b>
<b><u>Cash flows from financing activities</u></b>			
Cash paid to settle short-term loans from financial institutions	36.85	(4.62)	-
Cash received from long-term loans from financial institutions	-	71.01	-
Cash paid to settle long-term loans from financial institutions	-	(0.20)	(0.05)
Cash received from short-term loan from related party	-	4.23	-
Cash paid for short-term loans from related person	-	(16.13)	-
Cash paid for principal and interest of lease liabilities	-	-	(11.94)
Cash paid for lease liabilities	(4.41)	(5.96)	-
Dividend paid	(15.30)	(15.30)	
Cash paid for interest expenses	-	(5.89)	-
<b>Net cash flows from (used in) financing activities</b>	<b>17.14</b>	<b>27.12</b>	<b>(11.99)</b>
Net increase (decrease) in cash and cash equivalents	(38.26)	(20.51)	18.98
Cash and cash equivalents at beginning of year	104.25	65.99	45.48
<b>Cash and cash equivalents at end of year</b>	<b>65.99</b>	<b>45.48</b>	<b>64.46</b>

**Important financial ratios**

Financial ratios		Unit	2018	2019 (Restated)	2020
<b><u>Profitability Ratio</u></b>					
	Return on Equity	%	7.76	(3.61)	(3.26)
	Return on Asset	%	8.10	(2.23)	(0.72)
	Net Profit Margin	%	5.33	(3.96)	(3.70)
	EBIT Margin	%	6.91	(0.04)	(0.01)
	Gross Profit Margin	%	29.51	37.28	36.71
<b><u>Leverage Ratio</u></b>					
	D/E Ratio		0.31	0.55	0.71
	Interest Coverage		40.70	3.72	0.60
<b><u>Liquidity Ratio</u></b>					
	Current Ratio		4.13	3.49	2.99
	Quick Ratio		2.03	1.04	1.09
<b><u>Activity Ratio</u></b>					
	Fixed Asset Turnover		7.16	4.29	4.56
	Total Asset Turnover		1.17	0.63	0.53
	Inventory Turnover		2.00	0.85	0.77
	Average Sale Period	Days	182.07	427.05	473.39
	Account Receivable Turnover		4.82	3.04	3.99
	Average Collection Period	Days	75.70	120.07	91.43
	Account Payable Turnover		7.30	3.51	3.08
	Average Payment Period	Days	50.01	103.88	118.45
	Cash Cycle (Days)		207.77	443.25	446.37

## 14. Management Discussion and Analysis (MD&A)

### Explanation and analysis of financial status and operating results

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

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

### Sales and services revenue

For the year 2019 and 2020, sales and services revenue was 360.67 million baht and 329.44 million baht, respectively. Classified as sales revenue, there was 340.53 million baht and 315.03 million baht and service revenue of 20.14 million baht and 14.41 million baht, respectively. In this regard, the Company had revenue from sales and services decreased from the same period of the previous year by 31.23 million baht or 8.66%, mainly due to the revenue from sales and service of wire rope

equipment decreased 57.92 million baht. Revenue from sales and services of water quality improvement projects increased by 26.60 million baht, etc.

Sales and services revenue structure can be classified as follow:

Revenue structure (million baht)	2019		2020	
	Million baht	%	Million baht	%
<u>Sales revenue</u>				
1. Wire rope and sling	219.03	60.73	180.88	54.91
2. Webbing sling	12.97	3.59	11.18	3.39
3. Chain	7.97	2.21	6.26	1.90
4. Lifting tool	58.38	16.19	47.84	14.52
5. Other product <sup>1)</sup>	42.18	11.69	68.87	20.91
<b>Total sales revenue</b>	<b>340.53</b>	<b>94.41</b>	<b>315.03</b>	<b>95.63</b>
<u>Services revenue and other revenue</u>				
1. Service	17.55	4.87	13.49	4.09
2. Other revenue / interest revenue	2.59	0.72	0.92	0.28
<b>Total services revenue</b>	<b>20.14</b>	<b>5.59</b>	<b>14.41</b>	<b>4.37</b>
<b>Sales and services revenue</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.
  3. Revenue after accrual adjustment such as sales discount and other adjustments

### Cost of sales and services and gross profit

For the year 2019 and 2020, Cost of sales and services was 224.58 million baht and 207.91 million baht. Cost of sales was 207.17 million baht and 195.58 million baht, respectively. Cost of services was 17.41 million baht and 12.33 million baht, respectively. The cost of sales and services decreased in the same direction with the sales revenue decreased. As a result, the company has a gross profit of 136.09 million baht and 121.53 million baht. Gross profit margin was 37.73% and 36.89%, respectively. The reason that the cost of sales and services decreased by 16.67 million baht or 7.42% was due to the cost of sales and services of water quality improvement project decreased by 11.12 million baht, depreciation decreased by 1.29 million baht, etc.

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

Note: revenue before accrual adjustment

### Sales expenses

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

### Administrative expenses

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

### Net profit (loss)

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

### Financial statement

#### Total assets

As of 31<sup>st</sup> December 2019 and 31<sup>st</sup> December 2020, the company has total assets of 600.38 million baht and 641.40 million baht respectively, increasing by 41.02 million baht or 6.83%. The



increase consisted of cash and cash equivalents debtor under contract and right-of-use assets the reduced part consists of trade and other receivables, inventories and property, plant and equipment.

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

**Total liabilities and total equities**

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

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

Respectfully,

Thai Mui Corporation Public Company Limited



(Mr.Tchakorn Leelaprachakul)

Chief Executive Officer