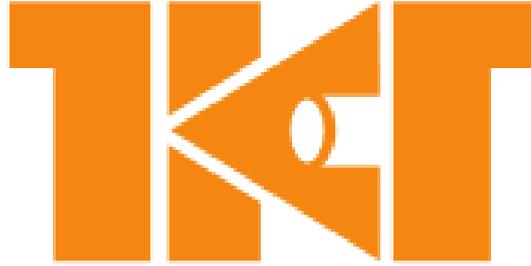




**T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.**

**ANNUAL REPORT**

**2020**



T.Krungthai Industries Public Company Limited

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**\*\*\*: The company had posted 56-1 report at [www.sec.or.th](http://www.sec.or.th) and [www.tkrungthai.com](http://www.tkrungthai.com),  
So that investor can learn from both of web sites**

## Report of the Board of Directors

In 2020, the world economy faces a series of significant volatility, such as trade and business uncertainty resulting from the US-China trade war, the coronavirus (COVID-19) pandemic which can be recognized as a major crisis in the world. It has led to the economic slowdown especially the automotive industry which it is considered as the secondary top of the industry after the tourism industry severely affected from the coronavirus (COVID-19) pandemic .

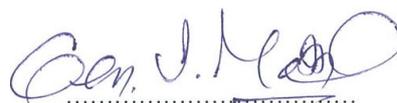
In the year 2020, the automotive industry production totally 1.43 million units decreased from year 2019 29.14 % consisting of Passenger cars 0.54 million units, 1 ton truck 0.86 million units, and other vehicles 0.03 million units.

In 2020, the company had total revenues of 1,011.63 million baht, net loss of 36.56 million baht, mainly due to the impact of the COVID-19 pandemic which resulted in a significant decrease of sales.

As for the direction of operation of the company in 2021, the company still emphasizes the strategy in maintaining the market shares of the automotive and electric appliance parts and strives to increase production efficiency and increase competitiveness with its full capacity to maintain product quality to the standards set by customers including promoting and pushing for an environmentally friendly production process and utilize the resources fully.

The company operates business under the policy of good corporate governance to care and maintain society, community, environment and all stakeholders according to the principles of social responsibility by operating the business with ethics, transparency, anti-corruption in order to lead the organization to the truly sustainable success.

On behalf of the Board of Directors thanks to all stakeholders including employees of all levels and company executives who have been involved in driving the company to success all along. Please be confident that the Board of Directors is committed to good corporate governance and takes into account the best interests of all stakeholders.



General Terdsak Marrome

Chairman

## Board of Director



**General Terdsak Marrome**  
Chairman / Independent Director



**Mr. Pairuch Sahamethapat**  
Director/Independent Director



**Mr. Paotep Chotinuchit**  
Director/Independent Director



**Mr. Virasak Sutanthavibul**  
Director/Independent Director



**Dr. Kosol Surakomol**  
Director/Independent Director



**Mr. Sumate Techakraisri**  
Director/CEO



**Mr. Kumpee Chongthurakit**  
Director



**Mrs. Yupa Techakraisri**  
Director



**Mr. Apichart Kasemkulsiri**  
Director



**Mr. Kowate Limtrakul**  
Director/Managing Director



**Mr. Phreecha Techakraisri**  
Director



**Mr. Chumpol Techakraisri**  
Director/Company Secretary



**Mr. Prasong Techakraisri**  
Director

## **Vision**

“To be a leader in service rendering in the automobile plastic parts production and other related industry in terms of quality and service for the interest of all.”

## **Mission**

- ❖ To meet or fulfill the need of customers in quality and service.
- ❖ To have a chance in business expansion.
- ❖ To improve management system, production system and quality system to be of international standard.
- ❖ To improve human resources and provide them continuous knowledge and information.
- ❖ To have good and proper communication both in and out of the company
- ❖ To strengthen our image and have good relationship to our employees customers and shareholders.

## 1. Policy and Overall business operation

T.Krungthai Industries Public Company Limited ("the Company") ("TKT") was established on 4 November 1980 by the Taechakraisri Group and foreign shareholders (Established as a Krungthai Industrial, Part.,Ltd. on September 16, 1973) with an initial registered capital of 5 million baht to conduct plastic plating services with chromium and gold. Later, the company developed into a manufacturer of plastic parts including color spraying, printing and assembly for plastic parts as well as provided service for designing, manufacturing and repairing molds for plastic parts production with registered capital as at December 31, 2006 in amount of 214 million baht and paid-up 214 million baht.

On October 28, 2020, the Company increased its registered capital to 350.78 million shares by approved by a unanimous resolution of the 2020 Annual General Meeting of Shareholders on October 21, 2020, which is the private placement offering of 23.78 million newly issued ordinary shares in conjunction with the issuance of 113 million PP Warrants to purchase newly ordinary shares in amounts of 113 million shares to Karrie Automotive Investment Limited.

On November 24, 2020, the Company increased the paid-up registered capital of 23.78 million baht to be totally 237.78 million baht, Presently the Taechakraisri Group are still major shareholders and executives of the company.

Currently, the company has no subsidiary or associated company in any way.

T.Krungthai Industries Public Company Limited ("TKT") is the producer of plastic parts, including the spray painting, silk-screen & hot stamping and sub assembly, and the service provider on mold design, mold production and mold repair for plastic parts to the leading Automobile, Electrical appliance and Original Equipment Manufacturers (OEM), The company has 3 factories that manufacture plastic parts:



The first plant is located at : 59 Mu 6, Rajateva, Bangplee, Samutprakarn.

This plant has been operated since year 1989 and emphasizes on supporting the demand of plastic parts for automotive and electrical appliance industries.



The second plant is located at : 517 Mu 9, Nongki, Kabinburi, Prachinburi.

This plant has been operated since year 2004 and emphasizes on the production to support electrical appliance industry.



The third plant is located at : 28/4 Mu 1, Klong Udom Chola, Chachengshao.

This plant has been operated since year 2005 and emphasizes on production of injection mold and plastic injection and painting for Automobile industry.

**Policies and long-term goals of the company.**

In addition to the annual work plan consisting of annual budget and action plan approved by the Board of Directors. BOD and Management team also pay attention in doing business for long term and to serve needs of all stakeholders. Therefore, the company set policies and business goals in the long term period as follows:

1. Focus on developing competitive advantage by responding to customer needs in terms of quality, delivery, cost, innovation, service and development of new products. Company shall conduct a customer satisfaction survey for all 5 criteria is the quality, cost, delivery, management to evaluate the results for further improvement.
2. Concentrate on the potential development of the human resources in the company by building core competencies consistent with the values of the organization which support the growth of the company.
3. The company has plans to improve growth both its sale and profit goals annually from based on the growth of the industry and competitors in the same industry. The Company has a long strategic plans to achieve these goals.
4. The Company has established a Corporate Governance Committee to review the corporate governance policy appropriately in fairness to the shareholders as well.
5. Focused on the activities of the organization contribute. And social assistance Activities for philanthropy and events the benefit to society and to focus on the implementation of CSR.

In 2020, The Company had the following significant changes and developments..

1. Received the award “BEST ACHIEVEMENT TARGET JIT 2019” from Toyoda Gosei (Thailand) Co., Ltd.
2. The resolution of the 2020 shareholders' meeting approves the increase in registered capital of 136.78 million shares from the specific offering of 23.78 million shares, which is the offering in conjunction with the issuance of warrants to purchase additional shares to Private Placement (PP) is 113 million shares of Karrie Automotive Investment Limited.
3. The company called for additional registered capital from Karrie Automotive Investment Limited in the amount of 23.78 million shares with a par value of 1 baht per share, totaling 237.78 million baht in paid-up capital..
4. The company has been rated as "excellent" from the assessment of corporate governance (Corporate Governance Report of Thai Listed Companies) by the Institute of Directors of Thailand.
5. Received a 100% quality assessment score for the 2019 Annual General Meeting of Shareholders from the Thai Investors Association.
6. The company bought one EDM machine to increase the efficiency of mold production.

**2. Nature of Business**

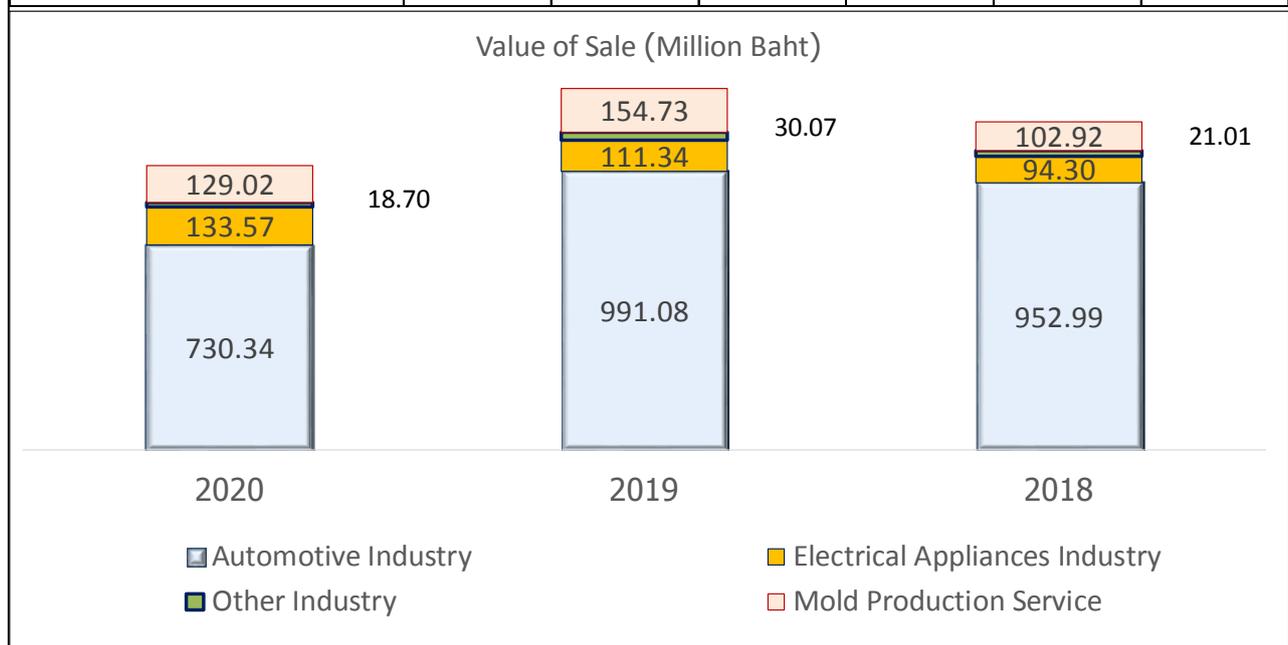
The Company's products are classified into two categories:

1. Injection Molding
  - Automotive Industry
  - Electric Industries
  - other Industry
2. Mold Production and repair

## Income Structure

T.Krungthai Industries Public Company Limited, the Company, supplied all of its products to the domestic customers. The Company's income structure was as follows:

Value	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Automotive Industry	730.34	72.19	991.08	76.99	952.99	81.37
Electrical Appliances Industry	133.57	13.20	111.34	8.65	94.30	8.05
Other Industry	18.70	1.85	30.07	2.34	21.01	1.79
Mold Production Service	129.02	12.75	154.73	12.02	102.92	8.79
<b>Total Sales Income</b>	<b>1,011.63</b>	<b>100.00</b>	<b>1,287.22</b>	<b>100.00</b>	<b>1,171.22</b>	<b>100.00</b>



## 2.1 Types of products and services

The Company's products are classified into two categories:

### 1. Injection Molding

The Company is the producer of plastic parts for industry. After the process of injection molding, plastic parts would be brought into further processes such as spray painting, silk-screen & hot stamping and sub assembly. The production of plastic parts supports the three groups of industry as follows:

#### Group 1 Plastic parts for Automotive Industry

- Interior Part Such as, dashboard components/trims, panel, plastic interior parts and door panels.
- Exterior Part Such as, Radiator Grilles, Wheel Cap, Mud guards.
- Engine Room Such as, Cover Engine.

#### Group 2 Plastic parts for Electrical Appliance Industry

- Products including in this group parts of refrigerators, Door Handle, Base, Top Plate and other parts inside the refrigerator.

#### Group 3 Plastic parts for other industries

Products including in this group are plastic parts, which are the components of packaging for consumer products such as can covers, etc.

The company's quality control process are monitored and controlled efficiently starting from the import of raw materials, production process, production of good quality products ,best service and up to the time of delivery to the customer for which the company earns the customers confidence, trust and satisfaction.

## **2. Mold Production for Plastic Injection Production**

### **A) Mold Design and Production**

The Company provides services on mold design and manufacture of plastic injection molds. With professional teams, having more than 45-year experience in mold design and production, computers are used in designing process such as CAE (Mold Flow) which is used to analyze the design of plastic parts and mold. Computer Aid Design (CAD) and Computer Aid Manufacturing (CAM), the Company was able to produce good quality molds, which are right according to designs. Moreover, the Company has sent the technicians, who take care of the mold production, over for training both domestically and abroad. The trainings were aimed to develop on mold production of the Company

Mold making is divided into two groups.

#### **1. New Mold for customers' order**

For this, the company will make mold for injection according to the customers specification and make the mold in accordance with the design details agreed by both sides.

#### **2. Customer provide mold for repair and adjustment**

For this, the customers provide molds for repair and adjustment , both the company and the customer support each other for the improvement of surface, mold design for injection improvement and adjustment for quicker production or as per the customers requirement. This sort of service build trust from customers in the injection process and if the mold has been damaged the company also give service in this matter.

Production and repair of molds the company give quotation for their service depending on the size of the mold , difficulty and simplicity of the mold repair and the working time.

### **B) Mold Repair**

Besides from services on mold production, the Company also provides services on mold repair. The Company's professional technicians would provide immediate repair services right at the ours' sites. The customers' time would not be wasted for sending the molds externally for repair. These services are aimed to create creditability towards the Company's mold production.

### **Investment Support from Board of Investment Directors (BOI)**

The Company has received promotional privileges from the Board of Investment (BOI) in Zone 2 (Chachoengsao) for plant Suwintawong on February 25, 2011 to indicate that the user is encouraged to invest in the business. mold manufacturing and mold repair itself. The gist has been promoted as follows.

1. Exemption in company income tax for the net profit on the BOI privilege for 8 years and reduction on corporate income tax in the Net Profit 50% for 5 years after 8 years.

2. Exemption on dividends paid by the Company has been promoted calculation . To pay income tax for the period that has been promoted is exempted from income tax throughout the BOI privilege period.

3. Reduction on imported machineries and material in the manufacturing and export for 1 year.
4. Reduction import duty for the BOI privilege import and export in 1 year.

## 2.2. Marketing and Competition

### 1. Marketing Strategy

Being 45 years in business the company are already familiar with our customers needs and requirements. Most of the customers are not really concern on prices but more concerned in their trust, quality of the product, service ability and capability so the company came up with a marketing strategy and policy as per our customers requirements and needs be it in short or long term period as follows :

- Q (Quality) : product quality must be standard and accepted by our customers, quality Competitive with other manufacturers.
- C (Cost) : cost in production shall be lower and control production expense by increasing the production and reduce wastes during production.
- (Delivery) : Delivery efficiency by on time delivery and quicker delivery to the customers by setting up a section for quicker and on time delivery
- M (Management) : Management efficiency, policy making and strategy in management from board of directors emphasized on more efficiency in working and in marketing by using standard quality system such as ISO 9001 – IATF16949 and ISO 14000 and TPS : for customers satisfaction.
- E (Engineering) : Support and improve the ability and capability of engineering of the company in a modern way improve designing of products for (One-Stop Service)
- C (Communication) : Good quality of communication both in and out of the company.

The Company policies in marketing actuary measure for the satisfaction level of customers yearly. The target score for satisfaction is 85% up and set 5 points for rating they are Quality, Cost, Delivery, Management and Engineering, and to results were evaluated for improvement.

### Nature of Customers and Customer Target Group

The company has divided target customers into 4 groups as follows :

1. **Automobile Industry Group** this group consist of : various automobile producers including the parts manufacturers with a total sales of 72.19% such as Toyota Gose (Thailand) Co., Ltd., Foresia & Summit Interior Systems (Thailand) Co., Ltd., Ishitech (Thailand) Co., Ltd., Toyota Daihatsu Engineering and Manufacturing Co., Ltd. and Sum Hitech Co., Ltd.
2. **Electrical Appliances Industry Group** this group consist of electrical appliances producers for household and business sector with a total sales of 13.20% such as Haier Electric (Thailand) Public Company Limited, Electrolux Thailand Company Limited, Panasonic Alliance (Thailand) Company Limited.
3. **Other Industry Group** this group consist of manufacturers of products made from plastics such as packaging, in the year 2020 revenue was 1.85% of the total income such as Prairie Marketing Co., Ltd.

4. **Molding Industry Group and Repair in** the year 2020, customer sales portion sale ratio 12.75% of the total income such as Foresia Interior Systems (Thailand) Company Limited., NHK Spring (Thailand) Co., Ltd., Toyota Motor Thailand Co., Ltd., Kawasaki Motor Enterprise (Thailand) Company Limited.

The company has customers with sales of over 30%, is a customer in the automotive industry group, Toyota Group.

#### **Sales & Method of Selling**

The company make direct sales to clients ( End User ) by not going through an agent and it's a domestic sale but other products of the company are being assembled and exported indirectly (Indirect Export) in the form of finished product and parts. Most of our customers are Japanese companies and they normally have representative or affiliate companies to make purchases for them. From our experience our company's plastic products are well accepted and used in the assembly of electrical and automobile industries in Japan. Besides, our company has better know how in the working system of Japanese companies and use this to improve our products and service in order to be competitive with the Japanese companies, along with the improvement of human resource in all levels. Our company uses production standard , work closely with customers, so we could know directly the requirement of the customers. This is the reason why Thai producers are well accepted in this line of products and service. The company is able to offer its service to other manufacturers on both industry.

#### **Industry Situation and Competition**

##### **Industry Structure**

The Company commercially produced and distributed the plastic parts to the customers, who further use them as an component of any readymade products that were sold to the end users.

Presently, the business on production of injection molding rapidly grew. With characteristics of being high torsion & impact resistance and light in weight, the demand of the products were rising from various industries such as automotive, electrical appliance and electronics industries. Followings are situations on the Company's principal related industries:-

##### **Condition of Automobile Industry in the year 2020** (Data from The Federation of Thai Industries.)

##### **Automotive industry in 2020**

Car production in 2020 was at 1,426,970 units an decreasing of 29.14% compared to the same period of 2019. Passenger cars production was at 542,437 units decreasing 32.56% compared to year 2019, pickup truck 1 ton production was at 861,449 units or 60.37% of total production.

Production for export was at 704,626 units decreasing from year 2019 32.06%. And total value of exports of cars, engine, other parts, auto parts, motorcycle, motorcycle parts were totally of 591,906.14 million baht decreasing of 24.69 percent from year 2019.

#### **2.3 Exploration / Search of Product or Service**

**Production** : at present the company has a 3 plants to provide services Details as follows :

**Factory 1** : Located at 59 Mu 6 Kingkaew Road, Rajateva, Bangplee, Samutprakarn 10540 with an area

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of 9 rai 10,200 square meter is used for factory bldg. comprise of marketing dept., engineering dept., production dept. For full production capacity we use 3,600 tons / year.

**Factory 2:** Located at 517 Moo 9, Nongkee ,Kabinburi Prachinburi 25110. Area -13 rai. 6,000 square meter is used for factory bldg. for better and bigger production for our customers requirement, started on February 2004 and with a full capacity of 5,040 tons/ year.

**Factory 3:** Located at 28/4 Moo 1 Suwintawongse Road, Klong Udom Chulachon, Amphur Muang, Chachoengsao 24000. Area -27 rai. 8,700 square meters is used for mold making that can be used in the production of mold for injection ranging from 30 to 1,800 tons and a plastic injection molding machine ranging from 230 to 850 tons

To be able to gain the trust and provide satisfaction to our beloved customers, we have set an important policy for production i.e to concentrate on the quality of product as per customers requirements with on time delivery.

➤ **Search of Raw Material for Plastic Production**

• **Raw material for production of plastic products**

The main raw material used for production of plastic products are Pellets purchased from local representative vendors and the purchase of these materials are composed of the following groups.

• **Plastic Product for Automotive Industry**

The purchase of plastic material to be used in the production of automotive industry is the purchase in advance from local vendors and the customers shall specify the types and kinds of plastic material and suppliers in order to control the material quality according to their requirement. The procurement of the company will purchase material per the customers' order.

The company has 35 raw material vendors.

• **Plastic Product for Electronic Appliances Industry**

The purchase of plastic material to be used in the plastic part production of electronic appliances comprise of two categories, customers provide the company plastic material and or the company purchase the material. For Kabinburi factory in year 2020 the proportions of sales which the material are supplied by customer and the material are purchased by the own company are 52% and 48% respectively.

For the purchase of plastic material of the above 2 groups, the company can deal with the customers to purchase the plastic material by the own company if the company can find the vendors who could provide cheaper price with the same quality as per customers requirement. Therefore the company has no problem in providing the material.

Kind of plastic material are separated into the following groups : Polystyrene – PS, Polypropylene-PP (Engineering Grade), PC/ABS (PC Alloy), Nylon (PA+GF) Poly Acetal (POM),Acrylonitrile Butadiene Styrene-ABS and others.

➤ **Finding material for mold making**

• **Material for Mold Making**

The main material is steel (Mold Base) and steel mould parts, the company purchased from

many local vendors. These vendors has been with the company for a long period of time, the steel used are of good quality according to the injection mould specification with less wastes.

➤ **Analysis and Development of Mold Making**

The company got a Mold Flow to support our analysis and help us in the design and the manufacturing of plastic injection molds and as a result the molds produced higher and better quality . The company made researchers to develop new technologies for the higher quality production and low cost in the year 2020.

➤ **Repair of Mold**

Besides offering service on mold the company also give service on damage molds during the working process and this kind of service on repair can build trust from customers. Our company's mould section officers can also give service at our customers' factory/plant.

## 2.4 Undelivered Job (Especially on Project with High Value)

-None

## 3. Business Risk

The company had realized that risk management is an important issue and tool to management framework. Risk management is significant to investors, shareholders, business operations therefore a manual has been prepared to be followed. Risk management policy and Risk Management Committee shall assess risks and determine preventive measures along with the responsible officers for monitoring and analyzed the risk practices in the organization. Responsible authorities that has been linked to risk management strategy shall manage the organization to reduce or mitigate the risks that may cause to the organization. The company has set out the risks that may affect the business in six categories as follows :

- Risk in Business Operations and Strategy
- Risk in Operations
- Risk in Accounting and Finance
- Risk in Administration and Management
- Risk in related Rules and Regulations
- Risk in Information Systems

The year 2020, the company has complied with the risk management regulations manual and summarize the risk assessment results for each category. The risk assessment results show that the significant risks are as follows: :

➤ **Risk in Business Operations and Strategy**

• **The risk in the change of raw material price**

If the price of raw material become higher our cost of goods sold will also be higher which will make out profit less

Change of material price has no impact to the company operation as prices quoted to the customers are calculated based on the raw material cost and cost structure and the responsibility on this is given to the marketing dept. to follow up the price change of the raw material and quote the price to customers as per the material cost.

➤ **Risk in Operations**

• **Risk in Cost of Production higher than competitor due to machinery and technology**

If production costs are higher than that of the competitors due to the obsolete / outdated machineries and technology that makes our production waste higher and less production combined with higher maintenance cost and higher cost of goods sold .

Therefore the company has to follow up any changes in technology all the time and send its employees regularly both abroad and locally. In the case of the machineries used for production, we have to check its efficiency on a regular basis and calculate the maintenance cost once a year and make sure that the maintenance expenses won't be high. If the outcome is not satisfactory then the company must take into consideration to purchase new machine

• **Risk in lack of raw materials**

Material used for production is a special kind of raw material for automotive industry, should the material used is not enough it will affect our production and delivery.

The company control this risk by purchasing the material from trusted and reliable suppliers, make plans ahead and must be under control and monitored regularly.

➤ **Risk in Accounting and Finance**

The Company has planned to reduce the liabilities on current loan as to give flexibility in financial management and to provide support for future business to yield satisfactory rate of return As you can see from D/E Ratio with the highest 2.5:1 at present D/E ratio 1.66 for fiscal year 2020.

The Company has focus on monetary regulations and proper financial management. The Company regularly analyzed impacts of all risks in order to prepare for the sudden affects from any unpleasant situations that might happen. Financial risks that the Company put focuses is to closely protect financial risk that can affect our expenses.

• **Risk form interest rate**

Risk from interest rates incurred from the change of interest rates in the future which effects upon results of operation and cash flow of the Company.

The company has prevented such risk by planning to financing funds from sources that have lower interest rates than the market rate for operating the business in advance. Moreover, the interest burden of the company is relatively low compared to the revenue. And the company tried to match the loan repayment term with investment term such as the investment in machinery and equipment was financed by the long term source of fund in order to be related to the payback period.

• **Risk from exchange rate**

The Company has certain foreign currency transactions that give rise to significant exposure to market risk from change in foreign exchange rates.

However, the Company has forwarding contract for foreign exchange rated as a hedge against such risk for the purchase of machineries and equipments from foreign country.

• **Risk from credit provision**

The Company constitute risk from the credit offered in respect of trading accounts receivable since trade accounts receivable may not be able to settle debt pursuant to term and covenant agreed upon and also

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risk from counter party who cannot comply with the term and covenant in the contract of loan which may incur financial loss.

However the Company hold the policy to hedge against such risks via the analysis of financial status and consideration of capability in term of debt repayment of clients and each counter-party. Regarding the consideration of audit granted for trading accounts receivable who are anticipated of uncollectable in debt settlement, the Company sufficiently considered the allowance of doubtful debt.

➤ **Risk in related Rules and Regulations**

• **Risk on not complying to the rules and regulation of SET/SEC**

The SET / SEC have set regulations for listed companies to observe and follow rules in administering companies in appropriate manner including the prohibitions and punishments for the companies who do not observe and follow the rules.

The company has to strictly and closely follow SET / SEC rules and has to appoint someone to be directly responsible to follow up news / reports, and or latest regulations for listed companies for confidence that the company strictly follows the rules of SET / SEC on time.

The risk assessment of this aspect in 2020 found no violation of any rules, regulations or terms and conditions of the Stock Exchange of Thailand.

➤ **Risk in Information Systems**

• **Risk of data loss**

There is a risk of Enterprise Resource Planning (ERP) software database loss and malfunction of computer systems, which could cause damage to the company's operations.

Therefore, the company has applied a preventive method of data loss by improving the ERP to support increased data volumes and ensure the stability of the operation of all segments. The company has ensured that the database system features a backup storage system that is secure. The personnel provides authorities for chief information officer to support for training and other issues and let all the employees be aware and carry out effectively and adequately.

## **4. General Information and Other Important Information**

### **4.1 General Information**

Company Name	: T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.
Stock Code	: TKT
Registration No.	: 0107547000010
Business	: Production of plastic parts and services of mold design, mold production and mold repair for plastic parts to the leading Automobile manufacturers, Electrical appliance manufacturers and Original Equipment Manufacturers ("OEM").
Registered Capital	: 350,780,000 baht
Registered Paid-up Capital	: 237,780,000 baht
Par Value	: THB 1.0 per share



Head office : 23 Soi Chan 43 Yak 21, Chan Road, Tungwatdon, Sathorn, Bangkok 10120

Plants Location : 1. 59 Moo 6 King Kaew Road, Rajateva, Bangplee, Samutprakarn 10540  
: 2. 517 Moo 9 Nongkee, Kabinbure, Prachinburi 25110  
: 3. 28/4 Moo 1 Suwintawong Road, Klong-udom-Chonlajorn, Muang,  
Chachengshao 24000

Telephone : 0-2211-2762, 0-2211-3732, 0-2212-4719

Fax. : 0-2212-4864

Investor relation : [investor@tkrungthai.com](mailto:investor@tkrungthai.com)

Audit Committee (Independent Director) : [independent@tkrungthai.com](mailto:independent@tkrungthai.com)

Web Site : [www.tkrungthai.com](http://www.tkrungthai.com)

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#### Reference

Registrar : Thailand Securities Depository Co., Ltd.  
93 The Stock Exchange of Thailand Building, Rachadapisek Road,  
Dindaeng, Dindaeng, Bangkok 10400  
Tel: (66 2) 009-9000, Fax: (66 2) 009-9991

Auditors : Karin Audit Company Limited  
72 CAT Telecom Tower, Floor 24, Charoen Knug Road, Bangrak,  
Bangkok 10500  
Tel. (02) 105-4661 Fax. (02) 026-3760  
Auditor : Ms. Sumana Senivongse, C.P.A. Thailand No. 5897

Legal Advisor /Consultant : DN36 Limited.  
395/4-5 Sathupradit Road., Chongnonsi, Khet Yannawa Bangkok 10120  
Tel. 0-2674-2564-6

#### 4.2 Other Important Information

- None

### 5. Shareholders

As of December 31, 2020, the company has a registered capital of 350,780,000 baht, divided into 350,780,000 ordinary shares with a par value of 1 baht per share and a paid-up capital of 237,780,000 baht, totally 237,780,000 shares.

The Company does not have other types of shares that have rights or conditions different from ordinary shares, such as preferred shares.

Main Shareholders of the company has no agreement in terms of management of the company and the sales of company's shares.

### 5.1 List of major shareholders at December 30<sup>th</sup> 2020

No	Name	Share amount	(%)
1	Mrs.Yupa Techakraisri	24,000,000	10.09
2	Karrie Automotive Investment Limited.	23,780,000	10.00
3	Mr.Sumate Techakraisri	23,500,000	9.88
4	Mr.KamKwan Koon	12,750,000	5.36
5	Mr.Tanawat Kraipisitkul	12,682,820	5.33
6	Mr. Sorapoj Techakraisri	10,000,040	4.21
7	Thai NVDR Co., Ltd.	6,705,200	2.82
8	Mr.Mit Techakraisri	6,500,000	2.73
9	Mr.Phreecha Tachakraisri	6,138,400	2.58
10	Ms.Uraiwan Saetae	6,000,000	2.52

Remark: : Major Shareholder (Techakraisri group) : Mrs.Yupa Techakraisri, Mr.Sumate Techakraisri, Mr Sorapoj Techakraisri, Mr.Mit Techakrasri, Mr.Phreecha Tachakrasri, Ms.Uraiwan Saetae

Thai citizen shareholders 192,053,400 shares equal to (%) 80.77

Foreigner shareholders 45,726,600 shares equal to (%) 19.23

#### Foreign Shareholders' limitation

Foreigners are not allowed to hold more than 49% of total company shares.

### 5.2 Other Security

The 2020 Annual General Meeting of Shareholders on October 21, 2020 had the resolutions to approve the increase of the Company's registered capital of 136,780,000 baht from the existing registered capital of 214,000,000 baht to be totally the 350,780,000 baht by issuing 136,780,000 new ordinary shares with a par value of 1.00 baht each to private placement, Karrie Automotive Investment Limited ("KAI" ) as follows.

(1) Capital increase of 23,780,000 baht by issuing ordinary shares of 23,780,000 shares with a par value of 1.00 baht per share for sale to private placement in conjunction with the issuance and offering of warrants to purchase newly issued ordinary shares to a private placement.

(2) Capital increase of 48,000,000 baht by issuing ordinary shares of 48,000,000 shares with a par value of 1.00 baht per share to support the exercise of rights under the warrants to purchase the Company's newly issued ordinary shares, which was issued and allocated under a private placement No. 1 ("TKT-W1") and warrants to purchase the newly issued ordinary shares of the Company, which is issued and allocated under a private placement No. 3 ("TKT-W3"). In this regard, TKT-W3 and TKT-W1 will use the same group of newly issued ordinary shares to support the exercise rights since they are warrants that have conditions of related exercise right. In case TKT-W1 warrants are exercised, TKT-W3 warrants will not be able to exercise equal to the numbers of TKT-W1 warrants that have already been exercised.

(3) Capital increase of 65,000,000 baht by issuing ordinary shares of 65,000,000 shares with a par value of 1.00 baht per share to support the exercise of rights under the warrants to purchase the Company's newly issued ordinary shares which was issued and allocated under a private placement No. 2 ("TKT-W2")



<b>The Warrants to Purchase the Newly Issued Ordinary Shares "TKT-W1"</b>	
Type	In named certificate and is not transferable
Allocation Method	Issued and allocated to a private placement to 1 company, Karrie Automotive Investment Limited
Issued and Offered	48,000,000 units TKT-W1 and TKT-W3 will use the same group of newly issued ordinary shares to support the exercise rights since it is a warrant that has a condition of related use. In case TKT-W1 warrants are exercised, TKT-W3 warrants will not be able to exercise equal to the number of TKT-W1 warrants that have already been exercised.
Price per Unit	Baht 0 (at no cost)
Exercise Ratio	One unit of Warrants shall be entitled to purchase one newly issued ordinary share (par value of Baht 1.00 per share)
Exercise Price	1.70 Baht per share unless the exercise price is adjusted otherwise pursuant
Issuance Date	29th October 2020
Expiration Date	15th April 2021
Term	6 months from the issuance and offering date of the Warrant
Number of Newly Issued Ordinary Shares Reserved to Accommodate Exercise of the Warrants	48,000,000 shares at the par value of Baht 1.00 per share
Exercise Date	The first Exercise Date shall be the last Business Day of months following the Issuance Date of TKT-W1 which shall fall on 30th October 2020 and the last Exercise Date is 6 months from the issuance and offering date of the Warrant which shall fall on 15th April 2021. If the last Exercise Date falls on the day that is not the Business Day, it shall then the Business Day preceding the last Exercise Date. In any case, TKT-W1 cannot exercise before specified time.

<b>The Warrants to Purchase the Newly Issued Ordinary Shares "TKT-W2"</b>	
Type	In named certificate and is not transferable
Allocation Method	Issued and allocated to a private placement to 1 company, Karrie Automotive Investment Limited
Issued and Offered	65,000,000 Units
Price per Unit	Baht 0 (at no cost)
Exercise Ratio	One unit of Warrants shall be entitled to purchase one newly issued ordinary share (par value of Baht 1.00 per share)
Exercise Price	Price of 1.60 – 2.00 baht depends on the net profit of the Company according to the most recent year of consolidate financial statement, audited by an auditor, on the exercise date, as follows Price of 1.6 if net profit equal to or less than 10,000,000 baht Price of 1.7 if net profit is between 10,000,001 to 20,000,000 baht Price of 1.8 if net profit is between 20,000,001 to 30,000,000 baht



	Price of 1.9 if net profit is between 30,000,001 to 40,000,000 baht Price of 2.0 if net profit is more than 40,000,000 baht The exercise price may change according to the adjust rights. However, if during the term of the warrants, the Company defaulted the payment towards the financial institution, causing the financial institution to sue the Company in court, the exercise price will be reduced to 1.30 baht per share
Issuance Date	29th October 2020
Expiration Date	28th October 2022
Term	2 years from the issuance and offering date of the Warrant
Number of Newly Issued Ordinary Shares Reserved to Accommodate Exercise of the Warrants	65,000,000 shares at the par value of Baht 1.00 per share
Exercise Date	first time is when TKT-W1 has exercised in whole or TKT-W1 has expired, where the first exercise is on 30th April 2021 and can be exercised on the last business day of every month after the first exercise date ("Exercise Date") throughout the terms of TKT-W2. The last time the warrants will be exercised on the date of the warrant expires, not exceeding 2 years in full from the issuance and offering date of the warrant ("Last Exercise Date") which is on 28th October 2022.

<b>The Warrants to Purchase the Newly Issued Ordinary Shares "TKT-W3"</b>	
Type	In named certificate and is not transferable
Allocation Method	Issued and allocated to a private placement to 1 company, Karrie Automotive Investment Limited
Issued and Offered	48,000,000 units TKT-W1 and TKT-W3 will use the same group of newly issued ordinary shares to support the exercise rights since it is a warrant that has a condition of related use. In case TKT-W1 warrants are exercised, TKT-W3 warrants will not be able to exercise equal to the number of TKT-W1 warrants that have already been exercised.
Price per Unit	Baht 0 (at no cost)
Exercise Ratio	One unit of Warrants shall be entitled to purchase one newly issued ordinary share (par value of Baht 1.00 per share)
Exercise Price	1.70 Baht per share unless the exercise price is adjusted otherwise pursuant
Issuance Date	29th October 2020
Expiration Date	28th October 2022
Term	2 years from the issuance and offering date of the Warrant
Number of Newly Issued Ordinary Shares Reserved to Accommodate Exercise of the Warrants	48,000,000 shares at the par value of Baht 1.00 per share

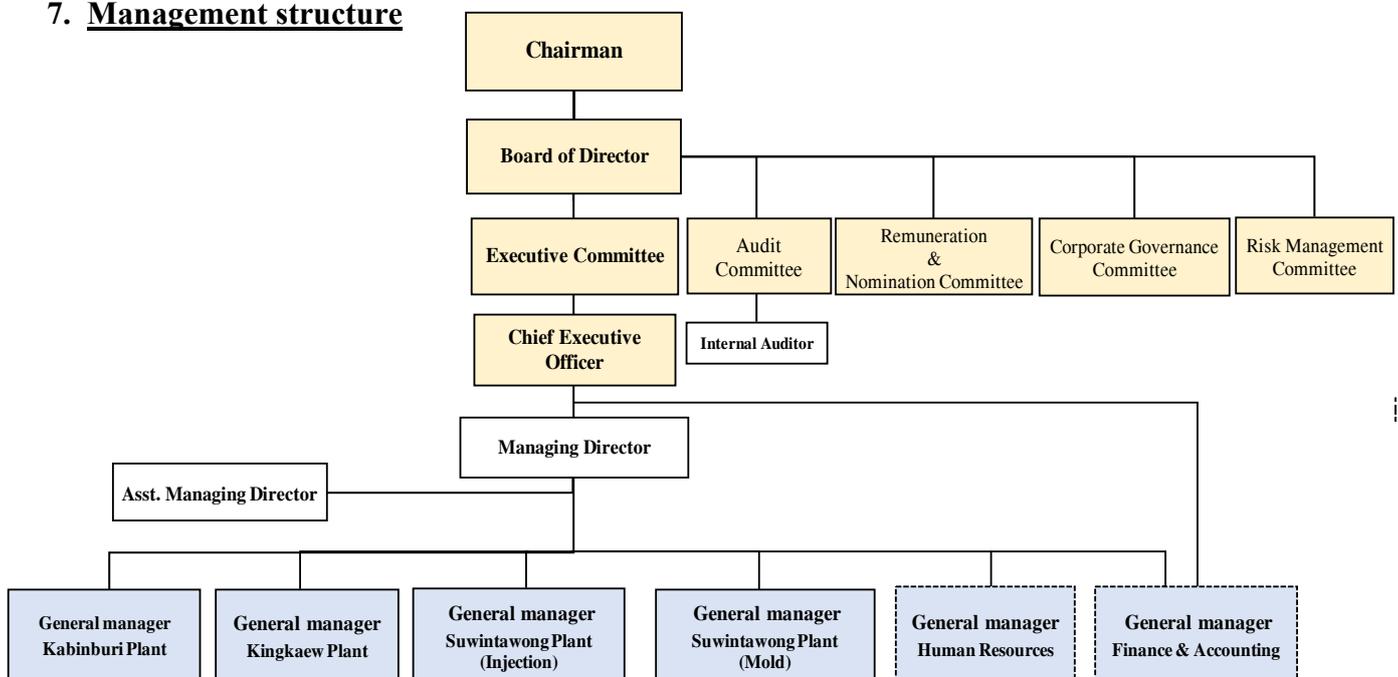
Exercise Date	first time only when TKT-W1 has expired, which is on the 30th April 2021 and can exercise their rights on the last business day of every month after the first exercise date ("Exercise Date") throughout the terms of TKT-W3. The last time the warrants will be exercised on the date of the warrant expires, not exceeding 2 years in full from the issuance and offering date of the warrant ("Last Exercise Date") which is on 28th October 2022.
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## 6. Policy of Paying Dividends

The company has to pay the dividends to the shareholders not less than 40% of net profit of each year except if the company has plans to invest on others investments. Historical dividend paid date.

Payment Date	For performance period	Net profit (million Baht)	Dividends/share (Baht / share )	Total Shares (million share)	Total payment per share (million baht)	Dividends per EPS/share (%)
29 Apr 13	01/01/12 - 31/12/12	88.81	0.18	214	38.52	43.37
29 Apr 14	01/01/13 - 31/12/13	38.96	0.15	214	32.10	82.39
8 May 15	01/01/14 - 31/12/14	19.45	0.10	214	21.40	110.03
13 May 16	01/01/15 - 31/12/15	12.39	0.06	214	12.84	103.63
---	01/01/16 - 31/12/16	-67.54	No Dividend	214	---	---
---	01/01/17 - 31/12/17	-51.33	No Dividend	214	---	---
---	01/01/18 - 31/12/18	-36.75	No Dividend	214	---	---
---	01/01/19 - 31/12/19	12.21	No Dividend	214	---	---

## 7. Management structure



### 7.1 The Administration

The Company's directors whose qualifications are right in accordance with Section no. 68 of an act of legislation on public company limited. The Company's directors do not have any actions against the



Securities Exchange Commission's prohibited announcement no. kor chor 12/2000 with the subject of requesting for permission and the permission to offer newly issued shares dated 22 March 2000.

Directors of the company as per company registration as at 31<sup>st</sup> Dec. 2020 consist of knowledgeable, proficient and experienced persons which is essential / vital to the company totaling 13 pax as follows :

Details of attendants in Board of Directors Meeting in years 2020					
No	Name-Surname	Position	Training	Attendance	%
1	Gen Terdask Marrrome	Chairman/Independent Director	DAP 10/2004	10/10	100
2	Mr. Pairuch Sahamethapat	Chairman of Audit Committee/ Independent Director/ Director/ Director Remuneration and Nomination Committee/ Director Corporate Governance Committee	DCP 10/2008	10/10	100
3	Mr. Paotep Chotinuchit	Chairman of Remuneration and Nomination Committee/ Chairman of Corporate Governance Committee/ Independent Director/ Audit Committee/ Director	DAP 11/2004	10/10	100
4	Dr. Kosol Surakomol	Chairman of Risk Management Committee/ Independent Director/ Director/ Director Remuneration and Nomination Committee/ Director Corporate Governance Committee	DCP 137/2010	10/10	100
5	Mr. Virasak Sutanthavibul	Independent Director/ Audit Committee /Director	DAP 21/2004	10/10	100
6	Mr. Sumate Techakraisri	CEO/ Director/ Director Remuneration and Nomination Committee/ Director Corporate Governance Committee	DCP 137/2010	10/10	100
7	Mr. Kumpee Chongthurakit	Director Remuneration and Nomination Committee/ Director Corporate Governance Committee/ Director	DCP 48/2004	9/10	90
8	Mr. Phreecha Tachakraisri	Director/ Executive Director/ Director Risk Management Committee	DAP 10/2004	10/10	100
9	Mr. Chumpol Techakraisri	Director/ Executive Director/ Director Risk Management Committee/Asst. Managing Director/ Company Secretary/Board Secretary	DCP 102/2008	10/10	100
10	Mrs. Yupa Techakraisri	Director	DCP 32/2003	10/10	100
11	Mr. Apichart Kasemkulsiri	Director	DCP 73/2006	10/10	100
12	Mr. Prasong Techakraisri	Director	DAP 11/2004	10/10	100
13	*Mr. Kowate Limtrakul	Director/ Executive Director/ Managing Director	DCP 105/2008	3/3	100
Mr.Kumpee Chongthurakit Absence due to unexpected reason.			Meeting BOD for year Average : 99%		

\*Mr. Kowate Limtrakul Appointment on October 21,2020

The secretary to the Company's Board of Directors is Mr.Chumpol Techakraisri

The Board represents all the shareholders and is responsible for governing the Company's operations in accordance with the provisions of the law, the Articles of Association, resolutions of the shareholders' meetings and the Corporate Governance Policy. In governing the Company, the directors must exercise their business judgment and act in what they reasonably believe to be the best interests of the Company and its shareholders.

#### **The duties & responsibilities of the Board of Directors**

1. The Board of Directors hold the duties & responsibilities in accordance with regulations stated in civil and commercial laws, including any regulations stated in listed companies.

2. The Board of Directors hold the duties & responsibilities in accordance with the Company's articles of association.
3. To monitor and regulate the Company's principal policies on operations, corporate finance, fund-raising, capital risk, benefit risk, and risk management.
4. To consider for the approval of investment amount and to monitor the Company's operations in pursuant to the plans
5. Set strategy for the business goal and projection plan.
6. To operate under laws, objectives and articles of association of the Company, resolution from the Shareholders Meeting and Statements in the prospects of the Company.
7. Review policy corporate governance and provide for the administration of corporate governance principles.
8. Ensure avoidance of conflicts of interest amongst the Company's stakeholders.
9. Approval, assign an or several individuals as the Executive Director(s) to act on behalf of the Board of Directors.
10. Approval of company's annual and capital expenditures, budgets, budget costs, manufacturing, selling and administrative expenses for the year, sales of fixed assets between affiliates (market value of more than 1 million Baht).

Followings are exceptional issues that should be raised to and required for approval from the Shareholders Meeting. Moreover, no votes should be made by directors, who may have conflicts of interest with the company or its subsidiaries.

- Legal issues that require resolution from the Shareholders Meeting
- Issues regarding the Directors interests that require resolution from the Shareholders Meeting, according to regulations of the Stock Exchange of Thailand and laws.
- Besides, followings are issues that require approvals from the Board of Directors Meeting and Shareholders Meeting with the votes of no less than  $\frac{3}{4}$  or 75% of the total votes from total number of shareholders attended.
  - The sales or transference of all or parts of the Company's business to outsiders
  - The acquisition of other public or private companies
  - The agreement, amendment or termination of contracts relating with the rental, a whole business or some significant parts of business of the Company; assigning outsiders to oversee and manage the business or the merger with purpose of sharing profits and losses
  - Capitalization of the Company's debts by issuing new common shares for the creditors.
  - Decrease of the company's registered capital by the amounts of shares or par value.
  - Increase or decrease of the Company's registered Capital, bond or debenture issuance, merger or wind up of business.
  - Any other law related issues.

#### **Authorized Directors**

The authorized directors, whose signatures are required in business operation, comprised of Mr. Sumate Techakraisri to jointly-sign with Mrs. Yupa Techakraisri or Mr. Chumpol Techakraisri or Mr. Phreecha Tachakraisri. Two signatures together with the Company's logo stamp are required for juristic transactions binding upon the Company.

## Company Policy the variety of the Board of Directors

The Board are aware of the diversity which is the key factor in increasing the efficiency of decision making and the work of the Board of Directors. Diversity is not only about the gender but also to the age, education background, professional experience skills and knowledge.

Appointment and recruitment of company's directors shall be based on their knowledge which take into account the selection of criteria and the benefits of diversity including gender variety.

### **Definition of Independent Director**

The Board of Directors had set the qualifications of an independent director which is in equal with the requirement of SEC and at least there must be 3 independent directors with the following qualifications :

(1) Hold no more than 0.5% of total voting stocks of TKT, its parent company, its subsidiaries and its associated companies, related juristic entity with conflicts including stocks held by related persons.

\* The company has established stricter criteria than the announcement made by The Capital Market Commission in which they can hold a share of not more than 1 percent.

(2) Not a Board member or in the management team of the company / employee / wages / consultant who gets regular salary / has the authority to manage and direct the company , parent company , its subsidiaries, and its associated companies or related juristic entity with conflicts ( present and for the past 2 years before the appointment )

(3) Not related by blood or legal registration such as parents, spouse, brothers, sisters and children including the directors' children spouses, main shareholders, power to control and juristic entity who is entity who is appointed to manage the company or its subsidiaries.

(4) No business relationship with TKT , parent company, its subsidiaries and its associated companies, or related juristic entity in order to have freedom in exercising the rights to express their ideas and opinions on the company performance

(5) Is not appointed as a representative of the company's director, major shareholders or shareholders who are related to the major shareholders of the company.

(6) No other impediments or impairments to express independent opinions concerning the operations of the company.

(7) If qualified for the item 1-6, the independent director may be assigned by the Board of Directors to make decisions relating to business operations of the company, the company's major shareholder, a subsidiary an associate a subsidiary of the same tier or any juristic person with a conflict of interests, on the basis of collective decision.

## 7.2 The Management

The Management comprise as follows:

No.	Name-Surname		Position
1	Mr.Sumate	Techakraisri	Chief Executive Director
2	Mr.Kowate	Limtrakul	Managing Director
3	Mr.Chumpol	Techakraisri	Asst. Managing Director
4	Miss Nual-anong	Sukhanaphorn	General Manager Accounting & Financial
5	Mr.Niwes	Buakhom	General Manager Human Resource
6	Mr.Pitsanu	Vilawanjit	General Manager Kingkaew Plant
7	Mr.Dumrong	Channarong	General Manager Kabinburi Plant
8	Mr.Boonthiwa	Inchata	General Manager (Inj.) Suwintawong Plant
9	Mr.Ruchira	Srisamai	General Manager (Mold) Suwintawong Plant
10	Mr Prinya	Kaeoluan	Senior Accounting & Financial Manger

Remark: No. 3 - 9 is the 4<sup>th</sup> level executive management according to the definition of the SEC.

### The duties & responsibilities of Managing Directors

1. To monitor and control on general operations and promote the qualitative management.
2. To follow up and evaluate the operational performance according to the Company's plan.
3. To be the leader in the review of qualitative management.

The Managing Directors must follow the regulations and limits assigned above from the Board of Directors and/or Executive Directors. Any other issues besides the mentioned duties and responsibilities shall be authorized by the Board of Directors or Executive Directors.

### 7.3 Corporate Secretary

The company entrusted Mr. Chumpol Techakraisri as the corporate secretary (Resume of Company Secretary, qualifications, working experience is shown on Appendix 1) and the professional Legal Advisory to providing legal matters and advice to the Board and the Management about the rules and regulation that the board has to know. To oversee the activities of the board along with the coordination on the compliance on the resolved matters of the company. Below are the responsibilities and duties of the corporate secretary.

1. To Supervise and advice on corporate governance of the Board of Directors.
2. To Organize and facilitate board of directors and sub- committee meetings.
3. To Organize the annual general meeting of shareholders, and record and publish the related minutes
4. To keep Stakeholders reports informed by directors or executive, and other important documents such as Registration of the Company's Directors, appointment notices of and minutes of the Meeting of the Board of Directors, the Company's Annual Report, including appointment notices of and minutes of the Meeting of the Shareholders.
5. To Monitor and ensure that the Board is in compliance with all related laws and regulations.
6. To communicate with general shareholders to ensure that they are informed of their rights and the Company's news
7. To take care of other matters Related to the board of directors, management team and shareholders.
8. To carry out any other matters as prescribed by law or assigned by the Board of Directors or as prescribed by notification of The Securities and Exchange Commission.

### 7.4 Remuneration to Directors and the Management

#### A) Monetary Remuneration for Company's Director

The policy company's remuneration with clarity and in accordance with the company's policy and business situation as compared to the same industry before proposing during the annual general meeting respectively.

**Table:** Monetary Remuneration to the Company's Board of Directors and Executive Directors in Year 2020

No	Name-Sumane	Position	Remuneration	Total	Bonus
1	Gen Terdask Marrrome	Chairman/Independent Director	53,550	642,600	0
2	Mr. Pairuch Sahamethapat	Chairman of Audit Committee/ Independent Director/ Director/ Director Remuneration and Nomination Committee/ Director Corporate Governance Committee	44,750	537,000	0



No	Name-Surname	Position	Remuneration	Total	Bonus
3	Mr. Paotep Chotinuchit	Chairman of Remuneration and Nomination Committee/ Chairman of Corporate Governance Committee/ Independent Director/ Audit Committee/ Director	31,500	378,000	0
4	Dr. Kosol Surakomol	Chairman of Risk Management Committee/ Independent Director/ Director/ Director Remuneration and Nomination Committee/ Director Corporate Governance Committee	19,100	229,200	0
5	Mr. Virasak Sutanthavibul	Independent Director/ Audit Committee /Director	27,100	325,200	0
6	Mr. Sumate Techakraisri	CEO/ Director/ Director Remuneration and Nomination Committee/ Director Corporate Governance Committee/	0	0	0
7	Mr. Kumpee Chongthurakit	Director Remuneration and Nomination Committee/ Director Corporate Governance Committee/ Director	19,100	229,200	0
8	Mr. Phreecha Tachakraisri	Director/ <b>Executive Director</b> / Director Risk Management Committee	0	0	0
9	Mr. Chumpol Techakraisri	Director/ <b>Executive Director</b> / Director Risk Management Committee/Asst. Managing Director/Company Secretary/Board Secretary	0	0	0
10	Mrs. Yupa Techakraisri	Director	16,050	192,600	0
11	Mr. Apichart Kasemkulsiri	Director	16,050	192,600	0
12	Mr. Prasong Techakraisri	Director	16,050	192,600	0
13	*Mr. Kowate Limtrakul	Director/ <b>Executive Director</b> / Managing Director	0	0	0
<b>Remark : No Other Benefit</b>			Total	<b>2,919,000</b>	0

## B) Management Remuneration

The company has policy considered a fair and reasonable compensation of the executives based of their job duties, operating results and economic conditions and is in line with other companies the same industry.

The compensation of CEO and management team is based on individual and corporate's performance result, which the target is aligned with company's vision, mission and strategy. The compensation shall motivate CEO and management to build company to grow sustainably. Details are as follows :

1. Remuneration of the Chief Executive Officer (CEO) : Board of Directors requested the Remuneration Committee shall assess and evaluate the Chief Executive Officer's performance annually and the salary shall be based on the assessment result . For year 2020, the salary remuneration is equal to Baht 2.14 million/year with no other benefits.
2. Remuneration of the Management of the company : The committee defines the scope of work of directors and executives according to the company's policy and the evaluation and performance of the directors and executives. CEO determine the remuneration of directors and executives including salary, bonuses and other benefits such as provident fund. Compensation shall be determined by taking into account the reference base of peer companies as well as business expansion and profit growth.

3. Long-term compensation: The Company has established a long-term compensation policy to motivate employees to work in order to achieve the long-term goals of the organization including maintaining important executive positions such as CEO, Managing Director, General Manager, etc. Define cash compensation that are related to long-term KPI (over 1 year) and compensation payouts may be recalled or canceled in the event of an offense or termination of employment

The remuneration to management in 2020 is 21,818,108.50 baht. Include Salary, bonus, provident fund And other returns.

## 7.5 Employees

As at 31 December 2020, the Company's total numbers of employees (excluding the Management) are as follows:

Department	Total numbers of employees		
	2020	2019	2018
1 Back Office	147	150	144
2 Factories	911	995	1,029
<b>Total</b>	<b>1,058</b>	1,145	1,173

Total Employees in each department :

Department	Person		
	2020	2019	2018
1. Production	639	676	721
2. Engineer & Research	35	38	31
3. Quality, Planning and Maintenance	148	186	180
4. Purchase & Delivery	46	47	42
5. Raw Material & warehouse	82	86	85
6. Human Resource & Administration	31	34	34
7. Sale & Marketing	11	12	11
8. Accounting & Financial/Information Technology	19	20	21
9. Management & Operation	47	46	48
<b>Total</b>	<b>1,058</b>	1,145	1,173

**Remark : The company has no problem with employees for the past year**

## Employee Remuneration

The company's compensation policy for executives and employees shall be based on their qualification, competence, and work experience. Minimum salary and wages shall be according to the government policy including other benefits such as bonus, provident fund, medical compensation, annual health check up, uniform, transportation service, career promotion and continuously development program.

Company evaluates the actual performance of employees by using Key Performance Indicator (KPI).

The total employees remuneration for year 2020 amounted to Baht 267,622,227.55 less than that of 2019 by Baht 19,439,746.15 and other benefits is provident fund for Employee Baht 3,997,137.14

## Human Resource Development Policy

The Company recognized the importance of employees development not less than the quality of raw materials or production process. With the belief that the quality of products not only comes from good raw materials but quality labor directly and indirectly included into the production process.

The Company recognized the importance of human resources since the beginning of the recruitment process. The Company recruited and hired employees based on their knowledge and skills. The Company also provides a safety working environment and training both internally and externally as well as overseas training to the employees. As indirect development of employees, the Company also set up the policy on recruitment of foreigners as a consultant to help increase the employees proficiency and competency to be up to the international standards.

The Company developed the human resource of organization in term of in house training eg. Make up class room, on the job training, coaching or counseling, building simulation of safety, TPS, ERP, ISO9001 : 2015 Quality Management System for Automotive Industry, ATF16949:2016, Environment Management Standard ISO 14001:2005 and training the standards for the labor skills.

In 2020 the company has conducted training to increase / develop employees knowledge, abilities in all categories. According to the employee details as follows.

Category	Training hour in for each category				
	Senior executive	Executive	Supervisor	Employee	Total
1. Management	-	28	46	30	<b>104</b>
2. Information and Technology	72	96	12	60	<b>240</b>
3. Quality	-	30	-	280	<b>310</b>
4. Safety, Occupational health and environment in the workplace, Environment, Energy Conservation	48	192	84	480	<b>804</b>
5. Professional Performance	6	64	90	428	<b>588</b>

## Preparation for the Successor

The preparation for the successor is the duty of the directors of the organization to make work chart in order to make it convenience to the successor to go on with the work and prepare human resource to accept the work chart of the management by setting a policy for the candidate with quality and have someone to impart the knowledge and inform the weakness of the business for better quality.

## 8. Corporate Governance

### 8.1 Policy Corporate Governance

The company's Board of Directors established the Code of Best Practices for directors of a listed company according to the guidelines of the Stock Exchange of Thailand. After having the company listed on the Stock Exchange of Thailand, the firm launched the "Corporate Governance Policy" and the "Code of Conduct" guides to distribute to the company's directors, executives and employees at all levels to adhere to and follow the practices accordingly.

In the year 2020, the Corporate Governance Committee Has reviewed the policy of good corporate governance To comply with the CG Code of Conduct and propose to the Board of Directors for approval on December 24, 2020.

The company is committed to ensuring the continuous compliance with strict guidelines on its the policy to develop good corporate governance. In year 2020, the company was rated with “ Excellent “ ( five stars) by the Thai Institute of Directors.

Except in some of the principles that the company has different usage. Details of these are as follows

Guideline	Explanation
There are more than 50 % of company’s independent board of directors	The Company has 13 directors, 5 independent directors or 38.46% Board of Directors commented that during the Independent Directors term, they are free to give opinions and suggestions for the betterment of the company.
The Nomination Committee consists of: All Independent Directors	The Nomination Committee consists of 5 directors, 3 independent directors. Two of the Board of Directors can freely express their opinions regarding the Nomination Committee as appropriate.

The report on the implementation of good corporate governance in the year 2020 is summarized as follows:

### 1. Rights of Shareholders

Besides the basic shareholder rights are rights to buy, sell or transfer shares ,the company obtained relevant and adequate information on company in a timely manner and on a regular basis, shareholders are given the rights to :

1.1 The company allows the shareholders to propose agenda prior to the meeting and raise questions related to the agenda of the General Shareholders Meeting for year 2020 and notify the Stock Exchange of Thailand in advance between October 1, to December 31, 2019 and publish the guidelines under the announcement clearly on the company’s website ([www.tkrungthai.com](http://www.tkrungthai.com))

1.2 Facilitate stockholders so that they can conveniently attain the meeting and freely vote. Meeting should be arranged in Bangkok at the location with ease of transportation.

1.3 The company informed shareholders of the invitation and information in Thai and English on company’s website in advance 45 days before the meeting occurs to enable the shareholders to examine before the meeting and allows the shareholders to send questions reg. the meeting agenda addressed to Board of Directors before the meeting at [www.tkrungthai.com](http://www.tkrungthai.com). For the “news” ( post September 23, 2020 ) the company has to pass through the SET news.

1.4 An invitation letter notice has been published / posted in the newspaper 3 days before the meeting for 3 consecutive days.

1.5 The company respect the rights of shareholders by holding annual general meeting year 2020 on October 21, 2020 at Menam Riverside Hotel for the convenience of shareholders and proxies joining the said meeting.

1.6 All the directors attended shareholders meeting and top Management of the company informed and answered all the questions raised by shareholders. Moreover, an auditor representative from Karin Audit was also present during the meeting to answer the question regarding company’s financial statement along with one legal counselor from Far East as witness in vote counting for clarity.

1.7 Before the meeting the Company introduced to the shareholders all the Board of Directors team along with the Auditor. It was also announced during the meeting on how to vote and the rights of the shareholders. The Chairman of the Board controls the meeting as set on the agenda which was already sent to

the shareholders and allocate appropriate time for discussion for each agenda and encourage shareholders to express their opinions and raise questions related to the company's operation. All the discussions made were recorded accordingly along with the resolution and transparency of voting and counting of votes.

1.8 Year 2020, the company cannot append or change any agendas items without notifying other shareholders in advance. Shareholders are given rights to raise questions and free to express their opinions during the meeting before the resolution details as per the annual general meeting 2020.

1.9 The company assigned The Thailand Securities Depository Co., Ltd (TSD) to be the registrar and send invitations to the shareholders 21 days before the meeting. The company give rights to the late comers to vote on the agenda that are not resolved yet and counted them as attendees.

1.10 Any action that can be considered in violation of the shareholders' right to study the company's information should be prohibited.

1.11 The company announced to the shareholders through the invitation letter on how to join the AGM. Voting and counting of votes is not complicated and did not require higher cost.

1.12 The chairman of the meeting allocate appropriated time for discussion and encourage shareholders to express their opinions and questions related to the company's operation.

1.13 Minutes of meeting was posted in TKT's website 14 days after the meeting for the shareholders to express their opinion and check and shareholders do not have to wait until the next meeting.

1.14 The company has set a policy regarding payment of dividends of not less not 40% of the net profit except if the company has made plans for another investment. In the year 2020 the company "no dividends". Because it still has an accumulated loss

1.15 The company proposed principles and remunerations for the Board of Directors to the shareholders to consider and approved

## **2. Equitable Treatment of Shareholders**

All shareholders, including those with management positions, non-executive shareholders and foreign shareholders should be treated in an equal way.

The Company continues / sustain to treat shareholders equally

2.1 The company allows the shareholders to cast their votes individually for the resigning directors during the annual general meeting to give chance for the shareholders.

2.2 The company allows the shareholders to propose an agenda and propose a name for directorship candidacy on October 1, 2019 up to December 31, 2019 through SET news information and also posted on our company's website. In the year 2020, there was no agenda proposal and name for directorship candidacy from the shareholders.

2.3 To give rights to the shareholders to cast votes as per their no. of shares equally and fairly.

2.4 The company encouraged the use of proxy forms on which shareholders are able to specify their votes and provide an option to shareholders whereby they may appoint an independent director as their proxy.

2.5 The company attached proxy form B for the proxy to cast votes for each agenda which was already sent by mail along with the original invitation letter along with proxy form A, B and C both in Thai and English on our website for the shareholders to download.

2.6 The company has a rule to prevent directors, management and employees to disclose or reveal any internal information for their own interest and benefit and make regular follow up. The board of directors

and management have to inform the SET their very first shares and changes made as per matra 59 p.r.b SET/SEC 2008.

2.7 Board of Directors set guidelines for the executives and managements to disclose their personal assets to stakeholders under Section 89/14 of the Securities and Exchange Act BE 2008 and report for the first time within 30 days after the trade and if there are any changes report must be done every quarter within 15 days of the following month from the last day of each quarter. The secretary must collect and keep these documents and make copies for the Chairman of the Board and Chairman of the Audit Committee within 7 days.

2.8 Shareholders with management positions are aware that they can not append any agenda items without notifying other shareholders in advance.

2.9 The company use computer in the registration and votes counting for speedy result and for the convenience of the shareholders.

2.10 The company use ballots in casting votes. However, the agenda regarding the resigning directors, casting of votes is obligatory for each resigning director.

As the company does not have any subsidiary and did not have any joint venture with any company so no related transaction made to any company which might have a conflict/interest and no financial help rendered to other companies.

### 3. Role of Stakeholders

The Company respects the rights of all stakeholders. Whether internal stakeholders. And external stakeholders to strengthen the cooperation between the company. With stakeholders To create wealth Financial stability And sustainability of the affairs Including a focus on environmental responsibility. And social well

The Company has a policy in practice is wrong. And responsibilities to all stakeholders. This includes the shareholders or investors, employees, customers, suppliers, competitors, creditors, communities, society, environment, government and companies located other agencies. Related shown clearly. "Code of Conduct" for the Directors, management and employees at all levels. Conducted in the same direction

As well as providing a fund for the employees. Policy on the development of the Company. By sending staff to training courses. A concrete And does not violate human rights, the Company's stakeholders, many groups as follows :

- **Shareholders** The company realizes that the shareholders are the business owners and the company serves to create long-term added value for the shareholders and to treat them equally. The company is operating with integrity as well as making decisions with a pure mind, thoughtfulness and fairness towards both major and minor shareholders for the best interests of the shareholders as a whole. The company is responsible for offering reports of the company's status, earnings, financial data, accounting information and other reports regularly, thoroughly and truthfully including preventing those seeking gain that may use the company's undisclosed information for their personal/others' benefit, or other, or any action which may cause a conflict of interest in the organization.

- **Employees** The company realizes that employees are valuable keys to success in achieving the company's goals, therefore company policy is made to provide fairness in opportunity and reasonable compensation. The company has launched a performance assessment with KPI indicators for objective measurement. The company also provides other benefits such as a bonus, provident fund, promotion,

transfers, rewards including continuation of personnel development policy, and employee potential development and training.

- **Customers** The company focuses on and is responsible to its customers, offering high quality, quick and punctual services. The company is responsible for maintaining customers' confidentiality and providing adequate, accurate and up-to-date information to customers in order for customers to be informed of the products and services. The company also needs to comply with the terms that it has agreed with customers. In the case of an inability to comply with any terms, the customers need to be informed immediately in order to find solutions together.

- **Trading parties** The company has a policy to treat business partners equally and fairly by taking the best interests of the company into account. The policy is based on fair and equal receipt of return for both parties and on avoiding situations that may cause a conflict of interest. The company strictly complies with its commitments, provides accurate information, correct reports and follows negotiations to find solutions for problems based on the level of business relationship. The guidelines are as follows:

1. The company offers the opportunity to do business for all partners and to consider the selection of partners based on equality and fairness.
2. Do not request, receive or pay any benefits in a dishonest manner to partners and/or creditors.
3. Strictly comply with the agreed terms and in the case of an inability to comply with any terms, the creditor needs to be informed immediately in order to find solutions together.

- **Creditors** The Company complies with the conditions stated in the loan agreement Customers The Company constantly pays attention and holds responsibilities towards all customers by providing good quality products, prompt service and keep customers' information confidentially.

- **Competitors** The company acts towards competitors in an honest practice. The company does not breach confidentiality or obtain trade secrets of competitors by fraud. The company operates under the rules of good competition practice, does not damage the reputation of trade competitors by accusations.

- **Environment** The company is concerned with the environment thus determined and has announced a policy to raise the awareness of employees' responsibilities on the environment. The company has been following the standard guidelines and has been certified with the ISO14001 quality standards. The company also applied the Corporate Social Responsibility (CSR) policy until it became corporate culture.

In year 2020, the Company held campaign events. "Safety, Environment and Energy Conservation Week" to make the employees aware on the use of resources to achieve maximum efficiency and savings such as turning off lights when not needed, switching off the air conditioner during the lunch break , using recycle boxes and shuttle or use Carpool.

- **Community** The Company have activities for the well being of the community such as offering scholarship to employees' children and blood donation and merit offering at employees birth place.

- **Safety, occupational health and environment in the workplace** The company is aware and recognizes the importance of safety, occupational health and the environment in the workplace as well as the life and health of employees at all levels. The company has a policy for employees to follow, including a Safety Officer, who supervises and trains employees to follow the company's policy on safety and occupational health and environment in the workplace.

In 2020, the company had a record of four accidents at work which included ten accidents. There were no severe cases or deaths. And Company has been investigated for the cause. ways to prevent recurrence and communicate with stakeholders to realize. To perform the steps carefully strictly.

- **Violation of Human Rights** The company sees the importance of human rights and equality and has determined a policy for related parties in order to treat individuals with fairness and non-discrimination regardless of similarities or differences of a physical or mental kind, race, nationality, religion, sex, age, education, or others, and provides facilities. The company also provides appropriate facilities and benefits for employees with disabilities.

- **Infringement of intellectual property or copyright** The company has determined a policy and practice with regards to the infringement of intellectual property or copyright of products.

- **Conflict of Interest** The company has determined a policy that prohibits directors, executives and employees from seeking for personal interest while working in their positions. The company's directors, executives and employees are required to adhere to the "Code of Conduct".

- **Corruption prevention/anti-corruption** The company does not support any type of corruption that may occur in the organization, such as giving and receiving bribes, contributions, etc. The company has set a policy of anti-corruption by launching guideline materials to use for communicating with the Board and for providing training for employees at all levels to comply with the practice.

The process of risk assessment to prevent and suppress corruption is done by evaluating potential risk and the effects of corruption in order to find preventative measures and monitor them consistently.

The company has guidelines on supervision and control in order to prevent and monitor corruption, with a comprehensive internal control system and risk management for the organization.

There are several channels available for reporting concerns or complaints of corruption for employees. The informant is required to identify details of their concerns or complaint including name, address and valid telephone number to the following channels:

1. Report to the Audit Committee (Independent committee) via email:  
[independent@tkrungthai.com](mailto:independent@tkrungthai.com)
2. Report by sending a letter to Audit Committee of T.Krungthai Industries Public Company Limited, 23 Soi Chan 43, Yak 21 Tungwatdon, Sathorn,Bangkok 10120

The company has employee protection measures for employees who report corruption, illegitimacy or violation of the Securities and Exchange Act. The company is unable to act or treat employees unfairly such as changing job position, job type, workplace, office or termination when the employee reports their concerns/complaint.

The shareholders and stakeholders may contact/raise concerns to the independent committee directly at email address: [independent@tkrungthai.com](mailto:independent@tkrungthai.com)

The stakeholders may report infringements or complaints at Tel. 02-211-3732 central office or contact the company secretary, Mr.Chumpol Techakraisi via email: [chumpol@tkrungthai.com](mailto:chumpol@tkrungthai.com) or Report by sending a letter to Audit Committee of T.Krungthai Industries Public Company Limited, 23 Soi Chan 43, Yak 21 Tungwatdon, Sathorn,Bangkok 10120.

The company has a policy to protect the informant and maintain their information and details confidentially if the company sees that the disclosure of such information may cause danger to the informer/complainant.

In the year 2020, there is no whistle blowing received from employees or any stakeholders and The Company has been certified as a "The Private Sector Collective Action Coalition Against Corruption" from the Thai Private Sector Against Corruption (CAC).

#### 4. Disclosure and Transparency

The Board of Directors have a policies to make the company a good example by working in transparency which can be verified and disclose .These are IT policy, Environmental policy, Energy policy and others and must be published on the company website ([www.tkrungthai.com](http://www.tkrungthai.com)) under Investor Relations / Corporate

Following have been disclosed to all concerned :

4.1 The company has sent financial reports to The Securities and Exchange Commission within the time specified. And there is no conditional opinion of the auditor. As of 2020, the company has not received an order from The Securities and Exchange Commission to amend its financial statements or related documents in any way.

4.2 Give significance in disclosing financial status with transparency and other information such as annual report on time both in English and Thai through SET Community portal and company website ([www.tkrungthai.com](http://www.tkrungthai.com))

4.3 The board of directors provided a statement of its responsibilities concerning the company's financial reports. The statement should be presented alongside the auditor report in the company's annual report.

4.4 The board of directors and other directors ensured that its roles and responsibilities together with those of its committees are disclosed in the company's annual report.

4.5 The board of directors ensured the disclosure of its remunerations according to related regulations, which is compared with the same industry, company performance and responsibilities of each person.

4.6 The board of directors must disclose to the stakeholders their personal and other relatives in case of personal interest with the company.

4.7 The company has implemented a whistle blower crime (whistle blowing) to promote cooperation between the company and stakeholders and protect the interest in promoting the operations of the company which serves as an instrument /defines mechanisms to protect the rights of the stakeholders. Board of directors must monitor the accuracy of the financial report, internal control deficiency or unethical practice by the audit committee (Independent Director) [independent@tkrungthai.com](mailto:independent@tkrungthai.com) and publish on the company's website [www.tkrungthai.com](http://www.tkrungthai.com)

4.8 To disclose the no. of shares of the Board of Directors and Top Management, both directly and indirectly and set a policy for directors and executives and report to the Chairman the sale and purchase of shares through the company secretary

No	Name-Sumane	Position	Number of shares Dec. 31, 2019	Number of shares Dec. 31, 2020	Number of shares Increase/Decrease	Shareholding (%)
1	Gen Terdask Marrrome (Spouse and children who are underage)	Chairman/Independent Director	220,000 0	220,000 0	0 0	0.09 0
2	Mr. Pairuch Sahamethapat (Spouse and children who are underage)	Chairman of Audit Committee/ Independent Director/ Director/ Director Remuneration and Nomination Committee/ Director Corporate Governance Committee	0 0	0 0	0 0	0 0



No	Name-Sumane	Position	Number of shares Dec. 31, 2019	Number of shares Dec. 31, 2020	Number of shares Increase/Decrease	Shareholding (%)
3	Mr. Paotep Chotinuchit (Spouse and children who are underage)	Chairman of Remuneration and Nomination Committee/ Chairman of Corporate Governance Committee/ Independent Director/ Audit Committee/ Director	5,000 0	5,000 0	0 0	0.002 0
4	Dr. Kosol Surakomol (Spouse and children who are underage)	Chairman of Risk Management Committee/ Independent Director/ Director/ Director Remuneration and Nomination Committee/ Director Corporate Governance Committee	0 0	0 0	0 0	0 0
5	Mr. Virasak Sutanthavibul (Spouse and children who are underage)	Independent Director/ Audit Committee /Director	0 0	0 0	0 0	0 0
6	Mr. Sumate Techakraisri (Spouse and children who are underage)	CEO/ Director/ Director Remuneration and Nomination Committee/ Director Corporate Governance Committee/	23,500,000 24,000,000	23,500,000 24,000,000	0 0	9.88 10.09
7	Mr. Kumpee Chongthurakit (Spouse and children who are underage)	Director / Director Remuneration and Nomination Committee/ Director Corporate Governance Committee/	500,000 0	500,000 0	0 0	0.21 0
8	Mr. Phreecha Tachakraisri (Spouse and children who are underage)	Director/ <b>Executive Director</b> / Director Risk Management Committee	6,138,400 3,258,940	6,138,400 3,258,940	0 0	2.58 1.37
9	Mr. Chumpol Techakraisri (Spouse and children who are underage)	Director/ <b>Executive Director</b> / Director Risk Management Committee/ Asst.Managing director/ Company Secretary/ Board Secretary	956,940 0	956,940 0	0 0	0.40 0
10	Mrs. Yupa Techakraisri (Spouse and children who are underage)	Director	24,000,000 23,500,000	24,000,000 23,500,000	0 0	10.09 9.88
11	Mr. Apichart Kasemkulsiri (Spouse and children who are underage)	Director	0 0	0 0	0 0	0 0
12	Mr. Prasong Techakraisri (Spouse and children who are underage)	Director	2,903,606 0	2,903,606 0	0 0	1.22 0
13	*Mr. Kowate Limtrakul (Spouse and children who are underage)	Director/ <b>Executive Director</b> / Managing Director	275,000 0	275,000 0	0 0	0.12 0

Director and spouse and children who are underage Total 61,757,886 or 25.97%

**Shareholding Details of Management**

No.	Name - Surname	Position	Number of shares December 31, 2019	Number of shares December 31, 2020	Number of shares Increase/Decrease	Shareholding (%)
1	Miss.Nual-anong Sukhanaphorn (spouse and children who are underage)	General Manager Accounting & Financial	0 0	0 0	0 0	0 0
2	Mr.Niwes Buakhom (spouse and children who are underage)	General Manager Human Resource	0 0	0 0	0 0	0 0
3	Mr.Pisanu Vilawanjit (spouse and children who are underage)	General Manager Kingkaew Plant	0 0	0 0	0 0	0 0
4	Mr.Dumrong Chammarong (spouse and children who are underage)	General Manager Kabinburi Plant	4,000 0	4,000 0	0 0	0.001 0
5	Mr. Boonthiwa Inchata (spouse and children who are underage)	General Manager (Inj.) Suwintawong Plant	0 0	0 0	0 0	0 0
6	Mr. Ruchira Srisamai (spouse and children who are underage)	General Manager (Mold) Suwintawong Plant	5,000 0	5,000 0	0 0	0.002 0
7	Mr.Prinya Kaeoluan (spouse and children who are underage)	Senior Accounting & Financial Manger	0 0	0 0	0 0	0 0

Management and spouse and children who are underage Total 9,000 or 0.003%

4.9 The company give importance to investors so we organize opportunity day every quarter and designated a department to perform the “investor relations” function to communicate with outsiders such as shareholders .The company gives significance on the information of the company performance for transparency whatever the performance of the company on that quarter.

4.10 Due to the epidemic of COVID-19 in 2020, the company has ceased organizing a company visit activity, however the company has provided a channel for contacting the company via IR Contact, which can be contacted via E-mail Address: investor@tkrungthai.com Tel 02-211-3732 ext. 104

## 5. Responsibilities of the Board

The company gave importance to the role and responsibility of the Board of Directors to protect the benefits of the shareholders and stakeholders for transparency of the business as follows :

### 5.1 Board Structure

5.1.1 The company’s Board of Directors consists of individuals who have knowledge, abilities and experience which benefits the company, for example, knowledge of the industry, accounting and finance, business, management, skills of mold works, etc. The Board of Directors includes both sexes and a wide range of ages of members. There is one female director.

The company has 13 directors details as follows :

- Directors who are in the management team 4 pax (30.77%)
  - Directors who are not in the management team 9 pax (69.23%)
- Have Independent Directors 5 pax (38.46%)

5.1.2 Board Directors must not have any criminal record as per the policy requirement of SEC/SET

5.1.3 Board of Directors set internal control system appropriately where the internal auditor is an independent auditor and report directly to the Audit Committee

5.1.4 Board of Directors set a policy of mismanagement appropriately and follow – up regularly and by appointing mismanagement team for the evaluation of the risk that might occur. In addition to this the team find ways to protect the company from this risk.

5.1.5 The term of service of directors is 3 years, and no limitation of terms and this is clearly stated in the company’s corporate governance policy.

5.1.6 The company had disclosed the information details about board positions ( details of directors and management )

5.1.7 The roles and responsibilities of the chairman of the board are different from those of the managing director, the two positions to be held by different individuals.

5.1.8 The board of directors appointed independent director to elect chairman of the company.

5.1.9 The company has Mr. Chumpol Techakraisri as the Company Secretary and the professional Legal Advisory Board to provide legal advice and regulations which the Board is required to know and comply with.

5.1.10 The Board of Directors do not serve on not more 5 listed companies and the company must disclosed these information in the Directors Annual Report and Form 56-1

5.1.11 The company has adopted a policy that the Managing Director can serve as a director to other companies. The said company shall not have any conflict with the company prior to the appointment and this has to be informed and reported to the board of directors.

5.1.12 Company policy limiting Director do not serve on not more 3 listed companies.

5.1.13 The company informed in 56-1 and annual report the names of Directors holding other positions in other companies. The holding of such positions by the directors will not surely affect their position with the company as they have given advices to the company in the past.

## 5.2 Committees

The Board of Directors appointed 5 committees they are : 1) audit committee 2) executive committee 3) remuneration and nomination committee 4) corporate governance committee and 5) risk committee with clear roles and responsibilities, the chairman is not allowed to be a chairman and member of this committee

## 5.3 Roles and Responsibilities of the Board

5.3.1 Division of roles of board of directors and other positions are divided clearly. All important matters has to be approved by the board of directors to be fair and clear to all concerned.

5.3.2 The board of directors review and approve of company visions and mission at least every five years.

5.3.3 The Board of Directors held meetings with the management on December 21, 2019 to review and approve the vision, mission, strategies, goals, plans and budget.

5.3.4 The Board of Directors have followed up on strategies, goals and action plans of Management and the Management shall report the performance to the Board accordingly.

5.3.5 The Board of Directors shall establish a corporate governance policy for the Company in written and supervise the company to follow the corporate governance policy.

5.3.6 The board of directors are free from the management team and no position as independent director.

5.3.7 As one or under separate position the **chairman** of the board shall not be with the management team and different from the CEO and roles and responsibility is obviously spited. The chairman has to act as the chairman during the meeting of the board, has to set the policy, planning, and the most important is to ensure that management team has to strictly follow. All the directors are free to propose agendas, voice out ideas regarding the company performance along with evaluation and solution of any problems with transparency and must be regularly monitored.

5.3.8 **The CEO** of the board is the leader of the board, responsible to the company directors in taking care of the business conduct and the company performance to be in compliance with the directors policy. CEO has to monitor the directors performance by holding meetings to report on the success of the performance monthly. Division of power shall be given to the management responsibility and approve financial amount.

5.3.9 The directors ensured that a written code of business conduct be in place so that all directors, executives and employees understand business ethical standards of the company. Compliance to the code should be closely monitored by the board.

5.3.10 The board of directors established a risk management policy to cover all activities of the company and reviewed the risk management system or assess the effectiveness of risk management at least twice a year.

5.3.11 The board of directors ensured that internal control system is in place, including financial, work performance, in compliance with the policy .The board also assigned an external auditor to independently audit and report on the system.

5.3.12 The Board of Directors take a responsibility to company's financial statement and information regarding financial status which is in the annual report. This financial statement has to be of standard as per Thai accounting law and has to be posted on the remarks of the financial statement.

5.3.13 The Board of Directors has set a policy for all directors and senior executives to report their stock trading to the Board of Directors at least one day in advance of operations.

5.3.14 The directors shall set a policy to all the directors to inform the stakeholders to the company.

5.3.15 The company directors ensured that internal financial control system, work performance has to be in compliance with the policy by assigning independent internal auditor and report to the auditor committee. On Feb. 28, 2020, the audit committee assessed that we have enough internal control system.

5.3.16 The Board of Directors has an annual meeting with senior executives to acknowledge the report of the previous operations of all departments in the company and sets out work plans including the Key Performance Indicators (KPI).

#### 5.4 Board Meetings

5.4.1 The board of directors set its meeting schedule in advance and notify each directors of the schedule so that each member of the board can manage time to attend the meeting. For year 2020 set 10 times.

5.4.2 The number of board meeting are appropriated to the obligations and responsibilities of the board and nature of the company.

5.4.3 The chairman of the board and the managing director set the board meeting agenda together.

5.4.4 Meeting documents are sent to each director in advance 7 days prior to the meeting date for the directors to have ample time to review the topics before the meeting.

5.4.5 The company of the board appropriately allocate the meeting time for complete management's presentation and comprehensive directors' discussion and the CEO shall assess the ideas and give the final resolution.

5.4.6 Top executives of the company, other than the managing director, should be able to attend the board meeting to present details on the issues that they are directly responsible for.

5.4.7 During the directors meeting, all directors are free to openly discuss their ideas and the chairman shall collect these ideas and the resolution for each topic. For each resolution there must be 2 out of 3 from the total director which shall be recorded by the secretary.

5.4.8 The company discloses the number of meetings And the number of times each director attended the meeting in the table "Table showing the number of Board of Directors' meetings and sub-committee meetings" as follows.

No	Name-Sumane	Position	Details of attendants in directors meeting in year 2020					
			BOD	AC	RC&NC	CG	Risk	Ex-com
1	Gen Terdask Marrrome	Chairman/Independent Director	10/10	---	---	---	---	---
2	Mr. Pairuch Sahamethapat	Chairman of Audit Committee/ Independent Director/ Director/Director Remuneration and Nomination Committee/ Director Corporate Governance Committee	10/10	4/4	2/2	2/2	---	---
3	Mr. Paotep Chotinuchit	Chairman of Remuneration and Nomination Committee/ Chairman of Corporate Governance Committee/ Independent Director/ Audit Committee/ Director	10/10	4/4	2/2	2/2	---	---
4	Dr. Kosol Surakomol	Chairman of Risk Management Committee/ Independent Director/ Director/ Director Remuneration and Nomination Committee/ Director Corporate Governance Committee	10/10	---	2/2	2/2	2/2	---

No	Name-Surname	Position	Details of attendants in directors meeting in year 2020					
			BOD	AC	RC&NC	CG	Risk	Ex-com
5	Mr. Virasak Sutanthavibul	Independent Director/ Audit Committee/ Director	10/10	4/4	---	---	---	---
6	Mr. Sumate Techakraisri	CEO/ Director/ Director Remuneration and Nomination Committee/ Director Corporate Governance Committee	10/10	---	2/2	2/2	---	12/12
7	Mr. Kumpee Chongthurakit	Director Remuneration and Nomination Committee/ Director Corporate Governance Committee/ Director	9/10	---	2/2	2/2	---	---
8	Mr. Phreecha Tachakraisri	Director/ Executive Director/ Director Risk Management Committee	10/10	---	---	---	2/2	12/12
9	Mr. Chumpol Techakraisri	Director/ Executive Director/ Director Risk Management Committee/ Asst. Managing Director/ Company Secretary/ Board Secretary	10/10	---	---	---	2/2	11/12
10	Mrs. Yupa Techakraisri	Director	10/10	---	---	---	---	---
11	Mr. Apichart Kasemkulsiri	Director	10/10	---	---	---	---	---
12	Mr. Prasong Techakraisri	Director	10/10	---	---	---	---	---
13	*Mr. Kowate Limtrakul	Director/ Executive Director/ Managing Director	3/3	---	---	---	---	12/12

\*Mr. Kowate Limtrakul Appointment on October 21,2020

5.4.9 The company has a policy for non-executive directors to have a meeting. To discuss various problems About the management that is in the interest With no management team For independence in expressing opinions, in the year 2020, a meeting of non-executive directors was held on December 23, 2020

### 5.5 Assessment of CEO

The company gives importance in assessing the working performance of the CEO and the purpose of this assessment is to improve the working performance in many ways such as planning strategy , leadership, financial , management of the company, planning to replace the resigning staffs, human resource, communication and good relationship among the Board of Directors by having assessment form from the SET to be check for improvement as per our company's requirement

### 5.6 Board Self Assessment

The Board of Directors sets an annual performance assessment of the company directors to review the performance and governance for adequate and effective determination and/or improvement. By evaluating three types: 1) self-evaluation of the Board, 2) assessment of individual 3) evaluation committees.

The forms have been developed from the example assessment form from the Stock Exchange of Thailand to be appropriate and consistent with the characteristics of the Board.

Criteria for board self-assessment and individual assessment are as follows:

<u>Score (%)</u>	<u>Level</u>
90 – 100	Very good
80 – 89	Good
70 – 79	Standard
60 – 69	Fair
50 – 59	Need improvement

The process of assessment is conducted by company secretary who encloses the form into an envelope and delivers to each director. The individual assessments are done by the directors randomly, selecting the form from the box and performing the assessment. After completion of the two assessment forms, they are handed back over to the company secretary for the assessment report Evaluation conducted in each committee in year 2020

1. The Board self-assessment included six main areas and the average score was at a very good level of 96%. The details as follows:

No.	Topic	Result (%)
1	Structure and Qualifications of Director	96
2	Responsibilities and Duties of Director	93
3	Directors Meeting	97
4	Work Performance of Director	96
5	Relationship towards management division	98
6	Self improvement of director and management	94
Average percentage		96

2. The individual assessment included 3 main areas and the average scores is at a very good level of 95%. The details are as follows:

No.	Topic	Result (%)
1	Structure and Qualifications of Director	96
2	Responsibilities and Duties of Director	95
3	Directors Meeting	95
Average percentage		95

3. Evaluation Sub Committees consist of three main is Structures and Qualifications of Director / Director Meeting / Responsibilities and Duties of the Director, and committee meetings which has given the organization a very good result to best result.

No.	Sub Committee	Average Result (%)
1	Audit Committee	100
2	Corporate Governance Committee	96
3	Remuneration and Nomination Committee	97
4	Risk Management Committee	90
5	Executive Committee	90

The Result was satisfactory and productive for year 2020

#### Evaluation of Managing Director Performance

There is a regulation from the Board of Directors to assess and evaluate the Managing Director performance annually as per the rules set by the Board of Directors for the success of the administration and approve appropriate salary for the Managing Director.

#### Orientation of New Director

The company has a rule to have new director's orientation along with the all the directors to explain the scope of our business. The secretary of the Board of Directors has to prepare all the necessary documents, besides, the new director will be introduced and visit the 3 plants including the Head office for them to understand more about the scope of our business.

## 5.7 Remuneration

The company has to policy the remuneration of the directors as compared to the same industry, company performance and their responsibilities. However, the remuneration committee will assess the managing director's performance and the chairman of the board will be the one to inform the managing director.

## 5.8 Board and Management Training and successor during their absence

The company recognized the significance on Directors' know-how, ability and capability so the company supports and give convenience to the directors and the secretary of the board to have regular and continuous training held by Director Accreditation Program (DAP) and Director Certification Program (DCP).

In year 2020, Directors of the company had attended the following :

Name-Surname	Position	Topic	Training Agency
1. Gen. Terdsak Marrome	Chairman	Advanced Master of Management Program (AMM) Class 5	National Institute of Development Administration (NIDA)
2. Mr.Kowate Limtrakul	-Director -Executive Director	Creating reports, diagrams and analyzing data for decision making by using Power BI Desktop.	Mr. Waranun Wongwit
	-Managing Director	Requirements and System Formation ISO 14001 : 2015	NY Training Center Co., Ltd.
3. Mr.Phreecha Tachakraisri	-Director -Executive Director	Creating reports, diagrams and analyzing data for decision making by using Power BI Desktop.	Mr. Waranun Wongwit
4. Miss.Nual-anong Sukhanaphorn	General Manager Accounting & Financial	CFO Refresher Course 1/2563	The Stock Exchange of Thailand
		Creating reports, diagrams and analyzing data for decision making by using Power BI Desktop.	Mr. Waranun Wongwit
		Requirements and System Formation ISO 14001 : 2015	NY Training Center Co., Ltd.
5. Mr.Niwes Buakhom	General Manager Human Resourc	Creating reports, diagrams and analyzing data for decision making by using Power BI Desktop.	Mr. Waranun Wongwit
		Requirements and System Formation ISO 14001 : 2015	NY Training Center Co., Ltd.
6. Mr.Pitsanu Vilawanjit	General Manager Kingkaew Plant	Creating reports, diagrams and analyzing data for decision making by using Power BI Desktop.	Mr. Waranun Wongwit
		Requirements and System Formation ISO 14001 : 2015	NY Training Center Co., Ltd.
		Assessment of the nature of problems and impacts on the environment and systematic risk management ISO14001: 2015	NY Training Center Co., Ltd.
7. Mr. Boonthiwa Inchata	General Manager Suwintawong Plant (Inj.)	Requirements and System Formation ISO 14001 : 2015	NY Training Center Co., Ltd.
		Assessment of the nature of problems and impacts on the environment and systematic risk management ISO14001: 2015	NY Training Center Co., Ltd.

In additional, there are succession plan to ensure the business continuity when one of the directors is not able to perform his/her duties. Further, a meeting is held on our plants on rotation basis for the directors to see and observe the work performance of the employees.

## 8.2 Committee

### The Board of Directors appointed 5 committees :

1. Executive Directors Committee
2. Audit Committee
3. Remuneration and Nomination Committee
4. Corporate Governance Committee
5. Risk Management Committee

The authority and duties are clearly specified. The Chairman of the Board of Directors Not being a chairman or a member of a sub-committee

### 1. Executive Directors

The Executive Committee has 4 members as follows:

No	Name -Surname	Position
1	Mr.Sumate Techakraisri	Chief Executive Director
2	Mr.Phreecha Tachakraisri	Executive Director
3	Mr.Chumpol Techakraisri	Executive Director
4	Mr.Kowate Limtrakul	Executive Director

### The duties & responsibilities of Executive Directors

1. To make decision on the Company's significant operations such as to limit and regulate the Company's objectives, dimension of missions, policies; to monitor the overall operations including products and customers relationship all of which should be done within the Company's plan and budget set by the Board of Directors.
2. To consider and give approval on procurement, investment and sales & purchase of the Company's fixed assets. Proposal to the Board of Directors is needed in the case of procurement, investment and sales & purchase of the Company's fixed asset is not in plan or budget assigned.
3. To be the representative of the Company to agree upon with outsiders on any related issues that are beneficial to the Company's business.
4. To propose to the Board of Directors the issue on fund raising.
5. To authorize any consultancies that are necessary to business operations.
6. To manage the general operations of the Company.
7. To consider and authorize any duties and plans of each department together with considering the approval on each department requests that are beyond the department's decision authority
8. To propose and ask for approval from the Executive Directors if the operations according to the Company's plan exceeds 10% of the proposed budget.
9. Set the guidelines for evaluating the performance of the Managing Director. And the remuneration of the Managing Director.

The Executive Directors must follow the regulations and limits assigned above and shall not approve any transactions that self or other will have benefits over the Company or approve any transactions that will create a loss to the Company. All approvals must be reported to Board of Directors. Any other limits that do not include in the above, the authority from the Board of Directors is needed.

## 2. Audit Committee

Company's audit committee who has qualification according to the rules set by SET / SEC totaling 3 persons and one of them must have accounting and financial knowledge for which at present there are 3 directors, all of which are independent directors and set that audit committee will serve 3 years term (22 Dec. 2018 - 21 Dec. 2021). Names of these directors are as follows :

No	Name -Surname	Position
1	Mr. Pairuch Sahamethapat	Chairman of Audit Committee
2	Mr. Paotep Chotinuchit	Audit Committee
3	Mr. Virasak Sutanthavibul	Audit Committee

The secretary to the Company's Board of Directors is Mr. Chumpol Techakraisri

### The duties & responsibilities of Audit Committee

1. To examine and ensure that the Company's financial reports were correct, complete and sufficiently disclosed. This was to do with the cooperation from the external auditor and the management, who were responsible for providing quarterly and annually financial reports.
2. To examine and ensure that the Company operated the proper and effective internal control system and internal audit. This was to do with cooperation from both external and internal auditors.
3. To examine and ensure that the Company's operations were conducted in accordance with the regulations of the Stock Exchange of Thailand (SET) or any regulations related with the Company's business.
4. To recruit, assign and termination the Company's internal auditor and external auditor together with his/her remunerations through the consideration of creditability, sufficiency of resources, quantity of auditing works of the particular audit office and the experience of the individual assigned for the Company's auditing.
5. To examine and ensure that the Company's related transactions or any issues that might incur conflict of interests to be clearly and completely revealed.
6. To proceed according to the delegation of the Board of Directors (if Audit Committee deemed appropriate to do so) such as to review the policies on financial and risk management; to review the implementation on code of conduct of the management; to review with the management on any significant reports (such as the executive report and analysis, etc.) that should be publicized according to the legal regulations.
7. To provide report on activities of Audit Committee and reveal the report in the Company's annual report. The report should attach the signature of the Chairman of Audit Committee and contain the following information:
  - point of view on process of report composition and disclosure in the Company's financial reports (with consideration on correctness, completeness and reliability)
  - point of view on sufficiency of internal control system of the Company
  - reasons to support whether The Company's auditor is appropriate to be assigned for another term
  - point of view on the Company's operations whether they were conducted in accordance with the regulations of the Stock Exchange of Thailand (SET) or any regulations related with the Company's business
  - other reports that deemed appropriate to publicize according to duties and responsibilities

assigned from the Board of Directors

- Report on the performance of the Audit Committee, the Board of Directors acknowledged every quarter

### **3. Remuneration Committee and Nomination Committee**

In looking after the business and better administration of the Board of Directors for listed companies, Company Directors appointed remuneration committee and nomination committee to be responsible in finding qualified candidates for directorship and be responsible in director and board of directors remuneration as per the rules set as follows :

#### **Rules in determination of board of directors remuneration**

“Determination of this remuneration, the company has to consider the suitability and the duty and responsibility that has been assigned to him and able to compare with other listed companies in the same industry and similar size for which the remuneration of the director is enough to persuade them to have quality and capability in their assigned job with honesty”

#### **Limitation and Power of Remuneration Committee Directors**

1. To consider and determine the standard procedure for the company’s directors’ remuneration
2. To consider the remuneration of directors and propose to the company’s board of directors and put as an agenda during the shareholder meeting.
3. To consider and propose the remuneration of CEO during the Directors’ meeting for consideration and approval.
4. To be responsible in the job assigned by the Board of Directors.

#### **Policy in Nomination Committee Candidates**

“Search of Directors :-the company has to consider the qualification , ability, experience, good work history, and a leader having broad vision along with virtue and morality including good attitude to the organization, able to dedicate sufficient time which is essential to the company’s activities with clear procedures”

#### **Limitation and Power of Nomination Directors**

1. To determine the qualification of the candidates for Independent & Director and Sub-committee.
2. Nomination and recommendation of persons who are qualified for the position of independent directors. Company Directors To the Board of Directors to propose to the shareholders' meeting for approval.
3. To propose successor CEO, together with the President. for presentation to Board of Director approval
4. Consider successor Managing director. presented by the president for presentation to the board of director approved the company
5. Consider the appropriateness of the Board of Directors. To be presented to the conference board approval
6. To be responsible in the job assigned by the Board of Directors.

The Board of Directors has approved the remuneration committee and nomination committee. The term of office in 3 years commencing from 10 August 2018 to 9 August 2021 with 5 Directors as follows :

No	Name -Surname	Position
1	Mr.Paotep Chotinuchit	Chairman of Remuneration Committee and Nomination Committee (Independent)
2	Mr.Pairuch Sahamethapat	Director of Remuneration and Nomination Committee (Independent)
3	Dr. Kosol Surakomol	Director of Remuneration and Nomination Committee (Independent)
4	Mr.Sumate Techakraisri	Director of Remuneration and Nomination Committee
5	Mr.Kumpee Chongthurakit	Director of Remuneration and Nomination Committee

The secretary to the remuneration and nomination committee is Mr.Chumpol Techakraisri

#### 4. Corporate Governance Committee

The Board of Directors has appointed the Corporate Governance committee to help promote on the corporate governance and management to be the best under the principles of good Corporate Governance. To focus on maximizing the shareholders. Taking into account the stakeholders as a whole integrity in business practices, with transparency, accountability, monitoring the implementation of the social responsibility for the community and environment. The commission are to provide good governance to the stakeholders and efficiently. There are 5 committee members with three independent directors The term of office in 3 years commencing from 22 Dec. 2018 to 21 Dec. 2021 with 5 Directors as follows :

No	Name -Surname	Position
1	Mr.Paotep Chotinuchit	Chairman of Corporate Governance Committee (Independent)
2	Mr.Pairuch Sahamethapat	Corporate Governance Committee (Independent)
3	Dr. Kosol Surakomol	Corporate Governance Committee (Independent)
4	Mr.Sumate Techakraisri	Corporate Governance Committee
5	Mr.Kumpee Chongthurakit	Corporate Governance Committee

The secretary to the remuneration and nomination committee is Mr. Chumpol Techakraisri

#### Limitation and Power of Corporate Governance Committee

1. Rules and Regulations and best practices of effective corporate governance processes appropriately.
2. Propose and practice good corporate governance to the Board of Directors of the company.
3. Follow up new announcements involved and to determine the appropriate improvements.
4. To review and consider the practice and principles of corporate governance that are appropriate to the business.
5. Propose Code of Conduct regulations in business ethics for the management and staffs to practice.
6. Provide policies and practices in the area of corporate social responsibility (CSR)and to the surrounding environment

## 5. Risk Management Committee

The Board of Directors has approved the Risk Management committee. The term of office is 3 years commencing from 21 December 2019 to 20 December 2022 comprising 8 members of the company director and senior management

No	Name - Surname		Position
1	Dr.Kosol	Surakomol	Chairman of Risk Management Committee (Independent) : Appointment on August 21, 2020
2	Mr.Phreecha	Tachakraisri	Risk Management Committee
3	Mr.Chumpol	Techakraisri	Risk Management Committee
4	Miss.Miss.Nual-anong	Sukhanaphorn	Risk Management Committee
5	Mr.Viroon	Powlinjong	Risk Management Committee
6	Mr.Pitsanu	Vilawanjit	Risk Management Committee
7	Mr.Boonthiwa	Inchata	Risk Management Committee
8	Mr.Niwes	Buakhom	Risk Management Committee

And committee secretary of the Risk Management Committee is Miss Pornthip Puangsab

### Scope and Authority of the risk management committee

1. To study, review and evaluate the risks that may occur which may affect the company.
2. To set a risk management policy and propose to the Board of Directors.
3. To formulate strategies to meet the risk management policy and strategic direction of the company.
4. To review the adequacy of the risk management policy and to assess with continuous control and monitoring of the system.
5. To seek and push the support, cooperation and to monitor the set policy in order to mitigate or eliminate the risk according to the set target.
6. To continue develop the risk management, monitor regularly throughout the company in consistent with the international standard.
7. To analyze the damage which may occur in a systematic way both normal or abnormal to ensure that the survey has covered all stages of the risk in doing business and report to the Board of Directors

### 8.3 Recruitment and appointment of director and management

Recruitment criteria Remuneration and Nominating Committee are responsible to look for new directors or replace the directors who resigned / retired and fill in the vacated position based on knowledge, integrity, experiences in a related business which conform with the requirement of the Securities and Exchange Commission

The remuneration and nomination committee propose the recruitment to the company directors that deemed appropriate and to approve the said appointment as per the company's requirement and standard during the company's shareholders meeting

Process in considering candidates for the directorship position, the Nominating Committee shall consider individual candidates from various sources

1. Shareholders who hold shares of not less than 5 % with voting rights are entitled to cast their votes.
2. Database of Directors of the Institute of Directors of Thailand.

3. Consulting outside firm.
4. The Board of Directors recommend.

The Nomination Committee Considers that appropriate Therefore, the Board of Directors. The approval and be appointed as Directors to the AGM. By Following the regulations of the company

#### **Appointment process of the Board of Directors.**

Board of Directors must be appointed by the shareholders in the shareholder meeting and comprised of at least 5 persons. The Board of Directors will select Chairman, Deputy Chairman, Managing Director and any other positions that deemed appropriate. At least, half of the Board of Directors must reside in Thailand.

#### **Methods of election are as follows :**

- 1) Each shareholder has the voting right of one share per one vote.
- 2) The election of the Board of Directors may be done for one or more directors at a time at the discretion of the Company's shareholders' meeting. Nevertheless, for each shareholders' resolution, all shareholder's votes shall be given to a particular candidate or group of candidates. Each shareholder's votes cannot be divided for each candidate or group of candidates.
- 3) Persons who receive the highest votes arranged in order from highest to lowest in a number equal to that of directors are to be appointed and or elected as directors of the company. In the event of a tie at a lower place, which would make the number of directors greater than that required the Chairman shall cast his vote to be considered as final

#### **Yearly evaluation of Managing Director's Responsibilities**

The Board of Directors set a policy to yearly assess and evaluate the responsibilities of Managing Director by using the objective and criterion as set by the company for remuneration consideration.

#### **8.4 Control of Subsidiaries and Associated Companies'' Business Operations**

As the company does not have any subsidiary and did not have any joint venture with any company so no related transaction made to any company which might have a conflict/interest and no financial help rendered to other companies

#### **8.5 Preventative usage of Company's internal information by the Management**

The company has a strict data protection measures in particular for inside information that has not been disclosed to the public. Or any information affecting the business such as the price of stock by not allowing the directors, executives and employees to use inside information for personal benefit. The company set a policy on this matter

1. Company shall educate / inform the directors and management to understand the rules on the use of inside information such as sale and purchase of stocks by spouses and minor children as set by Securities Exchange Act 2551 as amended by the Stock Exchange of Thailand.
2. Directors and management are responsible for preparing and submitting a report of their shareholding to the company with their spouses and minor children as set by the Securities and Exchange Commission.
  - The first securities holding (Form 59-1) within 30 days from the closing date of the offering of securities to the public. Or who have been appointed as directors or executives.
  - Changes in the securities holding (Form 59-2) as a result of the purchase, sale or transfer of securities due within 3 days from the purchase, sale or transfer of such securities. And to submit

the report to hold such securities to the Company. Within the date set by the Securities and Exchange Commission.

3. Announce that the directors, executives and employees inside information that may substantially affect the price of securities that is to suspend the purchase or sale of securities of the Company during the one month before the company announced results of operations. (The deadline to announce results of operations is 45 days after the end of the quarter, and 60 days after the end of the fiscal year) or after the inside information is publicly available.
4. The Company's measures to control the seal of the Company must be with company's Secretary to control the operations of any kind to be transparent and easily verifiable.

The Company's measures of punishment if found that if any executives violation of company policies that can damage the Company shall be reported to the authorities for further proceedings.

### 8.6 Audit Fee

1. The fee Auditing complete on 31 December 2020

List	The payer company	Auditors	Audit Fee
1	T. Krungthai Industries Public Company Limited.	Karin Audit Company Limited.	1,060,000.00
Total Audit fee			1,060,000.00

2. Non-Audit Fee  
- None

### 8.7 Investor Relationship

The Company's Board of Directors realized that either Company's financial or non financial information has an influence on the decision making of the investors as well as all of the stakeholders. The Company has always stressed out to the management to provide regular, complete, correct, accurate, and prompt information to the public. Moreover, the Company has appointed Mr. Chumpol Techakraisri, Assistant Managing Director, to be a contact person with financial institutions, shareholders, analysts and related government sectors on the investors' relations related issues.

Besides, the company holds "Opportunity Day" every quarter for the investors and analyst to regularly be informed the performance of the company.

## 9 Corporate Social Responsibility

For the company, regarding social responsibility, it is not just an activity but responsibility. For this, our company follows the words of Mr Bjorn Stigson, Chairman of the World Business Council for Sustainable Development or (WBCSD) that " Business cannot succeed in a society that fails" :

### **Social responsibility , Safety, Health and Environment policies**

The company operates under principle and good governance along with attentive care of the environment and society and aims to contribute to the development of sustainable business with transparency and social responsibility. Board of Directors have approved the policy on social responsibility in business ethics of the company.

The objective is to run a business that is beneficial to the economy and society. The importance on the preservation of local traditions is the company's policy to adhere, to behave as a good citizen , law- abiding and committing oneself to follow regulations, cooperate with the government and community to enhance the

quality of society to follow regulations.

### **The Implementation and Report Preparation**

The company has implemented and report corporate social responsibility. Details of these implementation of guidelines set by the SET has been published on the company website ([www.tkrungthai.com](http://www.tkrungthai.com)) In year 2020 the company had conducted its activities to communities and environment as follows:

#### **1. Respect the human rights of the employees**

Better business foundation depends on the foundation of the employees which is significant for the success of the business, Meaning, business has to show the importance of employees by giving them proper and good working environment, good and better life and offering them good privileges and respect their human rights and fair treatment to the employees. The company has to improve the working environment, offer better life as follows :

1.1 Have to follow human rights and not to use underage children and not use illegal labor.

1.2 Give support by offering better privileges to the employees in terms of salary/wages, bonus, social security system like giving free rice, discounted lunch cost, diligent allowance, fund for family death, give support on education of our employees' children from kindergarten up to 3rd year high school ( mathayom3), yearly health check-up, give presents to the employees' children..

1.3 Define security policies within workplace such as in the factory and organize annual fire prevention practice, fire evacuation drills and regular checking the availability of firefighting equipments The company shall provide personal protective equipment to workers according to their job description for their confidence and safety in the workplace.

1.4 Safety measures for the working area environment like production safety not to affect the health of the employees, working safety measure week, put exhaust fans to reduce the heat in production line, small relaxing area and resting place during the break.

1.5 Provide adequate, appropriate, safe and hygienic consumer amenities and conduct assessment on the scheduled rota such as canteen, drinking water machine, toilets, etc.

1.6 Supervise, monitor, and measure the environment within the factory and production process such as wastewater treatment systems to prevent any bad effects on the health of employees and people in the factory and nearby community such as wastewater treatment system .

1.7 Officer to listen to the problems of the employees on fair treatment of the company.

1.8 Sending employees to a seminar in and out of the organization to prepare the suitable person for the position.

1.9 To improve the human resource in all levels as per the policy of the company for short and long term basis under Knowledge Management to make our company as Learning Organization.

1.10 To improve the management and leadership for all management level through training and coaching.

1.11 Encourage the employees to use sufficiency economy along and well done Social.

1.12 Promote sport activities to keep employees healthy and do not use drugs.

1.13 Carry on the Thai customs and tradition such as New Year, Songkran Festival, Father and Mother's day.

## 2. Environmental Protection

The company pays attention to and is aware of environmental effects that may affect employees and the nearby community and therefore complies with related laws and regulations continuously and measures environmental quality annually.

In the year 2020, the benchmark company hired C.E.M. Technology (Thailand) Co., Ltd. and Vcare environment Service Co., Ltd. which is an outside agency to conduct environmental measurement as follows:

Measurement of Environmental Quality	Measurement Results		
	Below Std.	In Std.range	Above Std.
1. Quality of drain water		✓	
2. Density of luminous intensity		✓	
3. Volume Level		✓	
4. Air Quality Level		✓	
5. Contaminant Level		✓	
6. Ecosystem		✓	

The company has held training with regards to the environment and effects, and promotes the economical use of resources to reduce global warming and the impact to the employees in all areas. A campaign has been launched to use resources sparingly and wisely such as turning lights off after use, shuttle carpool by rotation and using recycle papers and to avoid color printing , etc.

The company has arranged to for a consultant on electrical power consumption reduction and has allocated funds to invest in energy-saving devices as well as rigorously complying with the ISO 14001 standard.

## 3. Community & Social Development

Business can be successful if it is with strong community and has attained sustainable development so the company arranges the social activities and participates with community in improving the community and society to be stronger by searching proper way for our current business such as :

3.1 Support gifts on the occasion of the National Children's Day to the school and the communities surrounding the factory.

3.2 Organize blood donation activities for the Thai Red Cross Society by quarterly

3.3 Support the Bua Bua Festival, a tradition that has been passed down at Bang Phli Yai Temple, Bang Phli District, Samut Prakan Province

3.4 Project Share happiness by providing food and supplies and encouragement to employees during COVID-19 situations

3.5 Support the Buddhist Donation to Hometown Project to encourage employees to participate in developing and supporting the hometown temples of employees.

## 😊 Various Activities For Year 2020 😊

### Project Scholarships for Employees' Children



### Project Children's Day gifts



### Project : Sharing the happiness to fight COVID-19 together



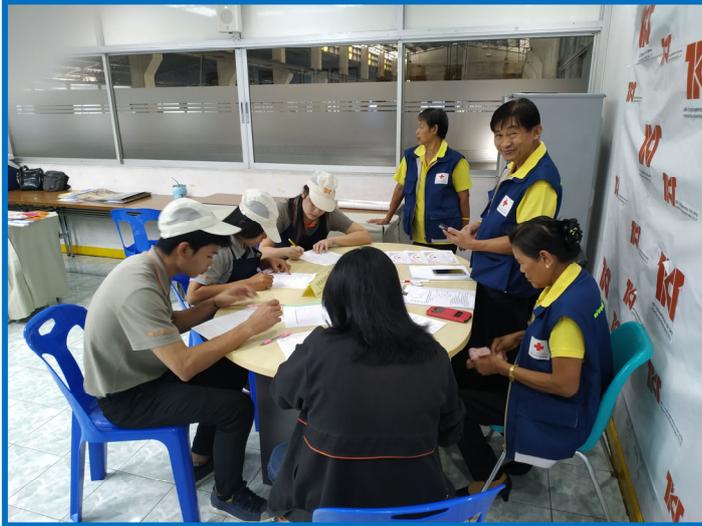
### Project : Buddhism make merit to the homeland



## Health Checkup of Employees



## Blood Donation



## Training: Requirements and Preparation of System ISO14001: 2015



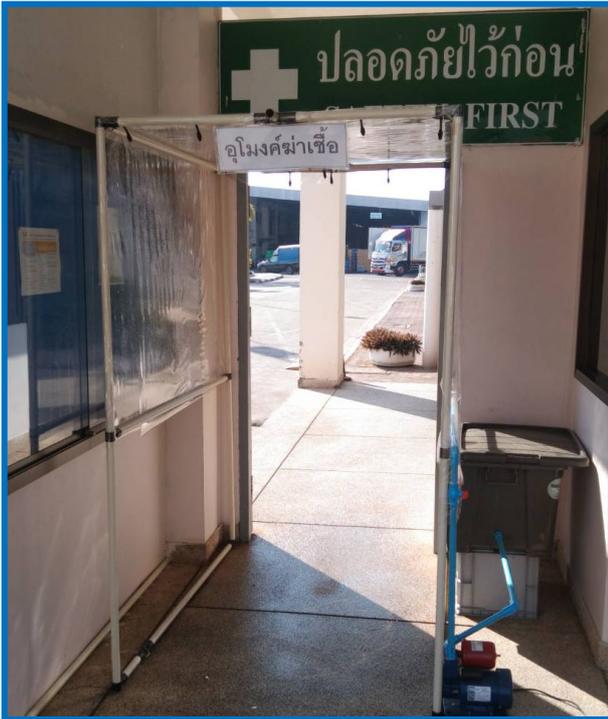
## Training: Evaluating the nature of the problem, environmental impact and systematic Risk management ISO14001: 2015



## Training: Annual fire drills and evacuation drills



### Training: COVID-19 emergency practice plan



## **10. Control System and Internal Audit**

The Company recognized the importance of internal control system for the management as well as the operation level so that they could work effectively. The Company has already, put clearly in writing, set duties and responsibilities for operators and management as well as the usage of Company's assets. The duties in operation and monitor, control & evaluation were separated. This was to balance and cross check each function easily. Moreover, there was a financial control system, where a financial report was required to be submitted to the line responsible person at each sector.

At the meeting for Audit committee hired Wynn Alliance Limited Consultant as our Internal Audit Officers and shall work with the head of Compliance, and their duties and responsibilities are to ensure that the key operation and financial activities have effectively pursued the Company's objectives. This would also include the examination on law enforcement in operation and compliance control. To ensure the independency and effectiveness on working of internal audit, the Internal Audit Department would be directly reported and evaluated to the Audit committee.

### **Risk Management**

To reach our goal in good governance and protect the interest of company's stakeholders the company made a rule for risk management in controlling related to management of the organization in order to control the risk of the company.

1. Risk in Business Operations and Strategy
2. Risk in Operations
3. Risk in Accounting and Finance
4. Risk in Administration and Management
5. Risk in related Rules and Regulations
6. Risk in Information Systems

## **11. Related Transactions**

### **Disclosure of Related Transactions**

Details on individual accounting or related activities have been attached to item 6 Transactions with related persons and parties in the note to financial statements:

### **Necessities and Reasonable of related-transactions**

The related transactions in Year 2020 were reasonable and necessary to bring about the best benefit to the Company. It was making a full use of the production capacity on machine. This related transaction was examined by the Audit committee which deemed the transaction as a common nature of business and the Company has received and paid the fees at fair prices.

### **Rules and Procedure in approval of related transactions**

As the Rules and Procedure in approval of related transactions, any transactions that involve with the individuals, who might have conflicts of interest with the Company's business should be proposed to and taken into consideration by the Audit committee and get approval from the Board of Directors. The Audit committee should be presented in any meeting regarding the related transactions. In addition, votes from directors that might have conflict of interests will not be counted.

### **Policy and Trend of Related Transactions**

If there is a necessity to have related transaction with individuals that might have conflict of interests with the Company in the future, the Company would set up policy to ensure the normal transaction and

prices shall be marked to market and can be comparing with the outsiders. Hence, the Company's Audit Committee or the Company's auditor should help consider whether the prices are suitable and reasonable for having this related transaction.

For any related transactions that might occur in the future, the directors shall follow the Company's rules and regulations and shall not approve any transactions in which themselves will have conflict with the Company's interests. The Company must follow the rules and regulations set by the Stock Exchange of Thailand (SET) and must disclose all related information on any gains or losses of assets in related transactions of the Company or the affiliates.

If there are any related transactions with individuals that may have conflict of interests with T.Krungthai Industries Public Company Ltd. now or in the future, the Audit committee will be responsible to give suggestion or advise on price, compensation and necessity of such transactions. In the case that the Audit Committee lacks of knowledge in considering, the Company directors will make decision by opinion of independent specialists or the auditor. The Company will also disclose any related transactions in the note to financial statements that has been given approval from Company auditor.

Related Transactions			
Name / Description of business	Relationship	The nature and amount of the transaction	Necessary and reasonable
1. Prairie Marketing Co Ltd. Consumer Product Trader Business	Mr. Sumate Techakraisri, Director and a shareholder with a ratio of 6 % of the paid up capital and is authorized director to sign on documents of Prairie Marketing.	Prairie Marketing Co., Ltd. purchase plastic boxes for containing cotton. In 2020, TKT company acquired total sales of 2.07 million Baht and as at December 31, 2020 the outstanding balance of trade account receivable was 0.55 billion Baht.	The business is normal transaction in selling plastic parts in the same practice as its regular customers at a market price. The audit committee has considered that transaction is reasonable with a fair price.
2.The office building of Mr. Sumate Techakraisri	Mr.Sumate Techakraisri Director of the Company	The company has rented a 3 storey building located at 23, Soi Chan 43, Yak 21, Tungwatdon, Sathorn, Bangkok 10120. The rental term is 3 years commencing from 1st April 2019 to 31st of March 2022 at Baht 66,550 / month	Leasing office space to facilitate business contacts and rental rate is not different from the rate around the vicinity. The Audit Committee has considered and regarded that rental charge is reasonable and fair.
3.Advance Nano Tech Co. Ltd.	Mr. Sumate Techakraisri who is one of the company's directors is also a director and a shareholder of Advance NanoTech Co., Ltd. holding 30 % shares of the paid-up capital	The company had bought 2 electrical energy saver machines costing Baht 5,400,000 which is payable under installment basis for 36 months with Baht 150,000 per month	As electric power is essential factor of the production. The result of the experiment when installing this energy saving machine can reduce the production cost not less than 18 % of the bill cost or about 1.92 million baht a year. Representing payback period of 2.81 years. The Audit committee has considered the



Related Transactions			
Name / Description of business	Relationship	The nature and amount of the transaction	Necessary and reasonable
			aforementioned transaction and deems it to be reasonable transaction with fair price
4.Karrie Automotive Investment Limited / Manufacturer and Distributor of plastic and metal products and electronic service business	Being a shareholder in the company	The Company has issued and sold the newly issued ordinary shares to specific investor, Karri Automotive Investment Limited (KAI) of 23,780,000 shares with a par value of 1 baht per share at offer price Baht 1.30 per share in totally amount of 30,914,000 baht in conjunction with the issuance of 113,000,000 warrants to purchase the newly-issued ordinary shares with free of charge under Permission for Offering to sell newly issued shares to specific person from the Office of the Securities and Exchange Commission And the stock exchange (SEC Office) on 28/10/2020	The issuance of such shares is in accordance with the criteria set forth by the Board of Directors. The resolution was resolved to determine the offering price to propose the shareholders' meeting to determine the offering price at the price of 1.30 baht per share, which is not lower than 90 percent of “The Market Price”. “The Market Price” is the weighted average of the Company stock price traded in the Stock Exchange of Thailand for at least 7 consecutive working days but not more than 15 consecutive working days before the date of the Board of Directors Resolved to propose to the shareholders' meeting of the company to consider and approve the issuance and allocation of newly issued shares of the Company for specific investor (Private Placement), where the weighted average price of the Company's shares were calculated in the past 7 consecutive days between July 21, 2020 to August 13, 2020, which is equal to 1.06 baht per share, so the said price is reasonable.
5.Karrie Industry Company Limited Manufacturer and Distributor of mechanical parts, office automation parts and electrical	Has the same major shareholder with Karri Automotive Investment Limited, a shareholder of the Company	The Company hired to make molds for sale to the Company's customers in the amount of 59,800 USD. And the balance was payable at 31/12/2020 amounting to 41,860 USD or equivalent to	The company is a molding and repair service provider. Such mold hiring is a normal outsourcing of the company as same as other outsourcing companies and the seller is a famous person in the market.



Related Transactions			
Name / Description of business	Relationship	The nature and amount of the transaction	Necessary and reasonable
equipment including metal stamping for computer equipment, molding, manufacturing servers and medical equipment		1.26 million baht.	The Audit Committee has considered and viewed that the hiring is a reasonable transaction and a fair price.
6. T Thai Snack Foods Company Limited. Business trade of produce and sell crispy cooked Squid and crispy coated Peanuts	Company Directors are the authorized directors and shareholders of T Thai Sneak Foods Company Limited as follows: - 1. Mr. Sumate Techakaraistri Holding 35.27% of shares 2. Mr. Phreecha Tachakaraistri Holding 4.57% of shares	The company bought crispy squid to give to customers for gifts during the New Year season in 2020, the amount of crispy squid was purchased in the amount of 172,217.60 baht and as of December 31, 2020, the balance was payable of 16,632 baht.	This is an item that was purchased to be the gifts for customers for the New Year festival and is in the same condition and same market price as other customers. The Audit Committee has considered the above transaction and viewed that this transaction is reasonable and fair.

## 12. Financial Highlighis

		<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Performance</b>				
Revenue from sales - Plastic products	'000 Baht	882,606	1,132,481	1,068,298
Revenues from sales - Moulds	'000 Baht	129,021	154,734	102,921
Net profit	'000 Baht	-36,557	12,209	-36,754
<b>Balane sheet highlight</b>				
Total Assets	'000 Baht	1,131,275	1,161,313	1,134,880
Total liabilities	'000 Baht	706,378	727,337	727,320
Shareholders' equity	'000 Baht	424,898	433,976	407,560
<b>Common stock highlight</b>				
Authorized share capital	Mil' share	237,780	214,000	214,000
Par value	Baht / share	1.00	1.00	1.00
Book value	Baht / share	1.79	2.03	1.90
Basic earning per share	Baht / share	-0.17	0.06	-0.17
<b>Financial Ratio</b>				
Current Ratio	Times	0.70	0.69	0.63
Account Receivable Turnover	Times	4.90	5.86	5.48
Inventory Turnover	Times	10.21	8.48	6.98
Account Payable Turnover	Times	8.64	10.19	9.47
Debt to Equity Ratio	Times	1.66	1.68	1.78
Sale's Growth	%	-21.41	9.90	9.19
Profit before interest and income tax expenses	%	-1.31	2.15	-2.41
Net profit	%	-3.59	0.95	-3.14

### **13. Management's Discussion and Analysis**

T. Krungthai is a manufacturer and a designer of plastic components, as well as manufacturer and service provider for molds which are used for manufacturing of plastic components. Major Customers are leading automotive and electric appliances factories, including original equipment manufacturers (OEM) mainly based in Thailand. In 2020, the Company had total revenue of 1,011.63 millions, net loss 36.56 millions while in 2019, total revenue was 1,287.21 millions and net Profit 12.21 millions

#### **1. Operation result**

##### ***Revenue***

Since the effects of the COVID-19 outbreak in Thailand since March 2020, it has affected a wide range of industrial sectors including the automotive industry which has received significant effect. In 2019 the total production of cars was about 2.01 million units and remained only about 1.43 million vehicles in 2020 or decreasing about 28.8%. For the company, the major revenue comes from the production and distribution of automotive plastic parts, approximately 72.1% of total revenue. This is the main reason that the total revenue from sales and services in 2020 amounting to 1,011.63 million baht, consisting of plastic parts revenue 882.61 million baht and mold revenue of 129.02 million baht, decreased by 275.59 million baht when compared with the year 2019 or a 21.4% decrease, which is a decrease in plastic parts sales of 249.87 million baht (-22.0%) and revenue from molding service of 25.71 million baht (-16.6%). It decreased less than the decrease of industry because the company has an increase in production and sales of plastic parts for electrical appliances by 22.23 million baht.

##### ***Gross Profit***

In 2020 the Company's gross profit was 133.96 million baht (gross profit margin 13.2%) lower than the gross profit of year 2019 at 178.08 millions (gross profit margin 13.83%). This was mainly due to revenue decreasing 21.4%, however, with the company improving productivity, a constant control of production costs and reducing waste in production continuously, the company can have gross profit margin close to that of 2019.

##### ***Profit /loss before financial cost and taxes (EBIT) and Profit before depreciation (EBITDA)***

For year 2020, the company had EBIT of -13.24 million baht (-1.31%) compared to that of 2019 at 27.69 million baht (2.15%) by decreasing 40.93 million baht. This was a result of the lower income level of 275.59 million baht, both in terms of revenue from plastic parts sales and mold service revenue. With better production efficiency and lower waste rate of plastic parts production, when comparing with revenue and profit in 2018, total revenue of 1,171 million baht, gross profit margin of 11.03% and operating profit margin of -2.41%, while in 2020 revenue is 1,012 million baht less than year 2018 159 Million baht, but the gross profit margin is 13.24% (higher 2.21%) and operating profit margin is -1.31% (higher 1.1%). EBITDA for 2020 is 51.38 million baht, a decrease of 42.82 million baht from 2019 which had EBITDA of 94.20 million baht, but compared to 2018, EBITDA in 2020 was higher than 11.38 million baht.

##### ***Net Profit/Loss***

In 2020, the company had a loss before income tax (EBT) of 31.52 million baht, a decrease of 38.04 million baht when compared to the year 2019 with profit before income tax of 6.51 million baht. However it was higher than EBT 2018 14.91 million baht that had a loss before income tax of 46.43 million baht although it got effect from much lower incomes from the economic recession from the Covid-19 crisis due to improving productivity, better

cost control and lower financial costs. There was the repayment of the short term and long term loan. In 2020, the company had a net loss of 36.56 million baht (-3.61%) lower than 0.19 million baht compared to the year 2018, the company had a net loss of 36.75 million baht (-3.14%) despite the higher profit before income tax 14.91 million baht due to income tax expense of 5.04 million baht as a result of a reduction in unused deferred tax assets of the portion of accumulated losses carried forward from the year 2016 and 2017 that will expire in 2021 and 2022.

## 2. Financial Position

As of December 31, 2020, the company had total assets of 1,131.28 million baht, total liabilities of 706.38 million baht and shareholders' equity of 424.90 million baht so debt to equity ratio was 1.66 times. Total assets decreased from the year 2019 by 30.02 million baht, which was a decrease in cash and cash equivalents 21.71 million baht from the repayment of 25 million baht promissory notes in November, a decrease in inventories 9.41 million baht, while trade and other receivables increased slightly by 2.54 million baht due to higher sales in November that were not yet due. The contract assets increased from the year 2019 by 23.56 million baht due to the higher recognition of accrued income from mold services in December. Non-current assets in 2020 decreased by 18.09 million baht because the company had invested in the purchase of fixed assets of only 41.49 million baht by investing in one molding machine (EDM), a measurement machine, computer hardware and overhauling machinery and equipment while the annual depreciation expenses 60.86 million baht. In 2020, in accordance with the TFRS No. 16 Lease Agreement adopted from January 1, 2020, the company recorded the rights of use assets and lease liabilities for assets that the company has leased for operating lease and the rights of use assets increased by 4.28 million baht.

- Total liabilities in 2020 were 706.38 million baht decreasing 20.96 million baht from the year 2019 due to a decrease of bank overdrafts and short-term loans from financial institutions 45.87 million baht while current trade payables and other payables increase of 21.48 million baht due to higher raw material purchases at the end of the year related to higher sales. Current and Non-current lease liabilities increased by only 1.09 million baht from 2019.

- Shareholders' equity was at 424.90 million baht lower than that in 2019 amounting 9.08 million baht from the issuance of newly issued ordinary shares to specific investor and received payment of 23.78 million shares (par value 1 baht per share) at the selling price 1.30 baht per share, with a share premium after deducting the cost of issuing shares of 3.70 million baht. In the year 2020 the company had a net loss of 36.56 million baht, resulting in the debt to equity ratio of 1.66 times slightly better than in 2019 by 0.02 times which in 2019 the debt to equity ratio was 1.68 times.

## 3. Efficiency of property utilization

Overall, the efficiency in utilization of the company's assets lower than the previous year by considering the following ratios

-Total Asset Turnover (Total Income / Total assets) in 2020 was 0.89 times lower than in 2019 at 1.13 times, due to lower sales of 275.59 million baht, while assets decreased by 30.04 million baht.

-Operating Cycle and Cash Cycle

Operating Cycle 114 days and Cash Cycle 67 days increased when comparing to previous year at 110 days and 68 days respectively.



#### **4. Financial liquidity**

In 2020, the Company had Current Ratio 0.70 times and Quick Ratio 0.57 times, slightly improved from the previous year. EBITDA / Interest Expense was 2.81 times and Cash Profit / Interest Expense was 3.65 times. The company had positive cash flow from operation of 54.22 million baht, cash outflow from investment of 24.10 million baht. The company received cash from increased capital of 27.48 million baht but repayment of short-term debt and finance lease liabilities totaling 60.96 million baht, resulting in cash outflow from financing 51.83 million baht. The company never defaulted on debt repayment and has spent mainly for the business only resulting to receiving good support from financial institutions with sufficient credit facilities for business operations.

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**  
**AND INDEPENDENT AUDITOR'S REPORT**

## Independent Auditor's Report

To the Shareholders of T.Krungthai Industries Public Company Limited

### Opinion

I have audited the accompanying of financial statements of T.Krungthai Industries Public Company Limited which comprise the statement of financial position as at December 31, 2020, the statement of comprehensive income, changes in shareholders' equity and the cash flows statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of T.Krungthai Industries Public Company Limited as at December 31, 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 Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of Matter

I draw attention to Note 2.1 to the financial statements. Due to the impact of the COVID - 19 outbreak, in preparing the financial statement for the year ended December 31, 2020, the Company has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives Dealing with The Impact of COVID - 19 Pandemic issued by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.

### Key Audit Matters

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

*Deferred Tax Assets*

**Risk**

As described in the Note 15 to the financial statements, the Company recorded deferred tax assets of Baht 38.68 million in the statement of financial position. The recognition of deferred tax assets is based on possibility of actual utilization and subject to management's judgment. Expected benefits from such assets depend on many factors, including appropriateness of temporary difference and sufficiency of future taxable profit.

**Risk Responses of Auditor**

How the matter was addressed in the audit as below :

- Evaluated the Company management's judgment regarding sufficiency of future taxable profit that will be available to utilize tax losses. Evaluation focused on the reasonableness of future cash flow projection and preparation process of cash flow projection;
- Tested reliability of calculation and compared with the latest annual budget approved by the Company's board of directors;
- Enquired the Company's management regarding a key assumption, long term growth rate, and compared with historical performance, economic conditions, and industrial trend;

Based on my procedures above, I found that the assumptions made by management use in the estimate to be reasonable based on the available evidence.

*Revenue recognition under the percentage of completion*

**Risk**

The Company's business features that reflect the risk of the contract, which requires significant judgment in evaluating the financial performance of both present and future contracts. Revenue and profits are recognized on completion of the contract for each contract with calculating the proportion of the total cost incurred up to the date of the financial statements compared to estimated total cost of the contract. The status of the contracts are always evaluated and adjusted to a constant current. In this regard, the management must exercise judgment in assessing the value of the contract, completeness and accuracy of cost estimates until the job will be completed and the ability to work under contract to be completed within the planned deadlines. Profits and losses ,be possible in most of the contracts ,may be calculated out many of the quite wide ranges and such ranges may be significant. In addition, changes in management's judgment and changes in estimates involved that occurs when contracts be progressing steadily may significantly result in improved revenue and profit, which may be either an increase or decrease in revenue and profit. *afv*

### **Risk Responses of Auditor**

My audit procedures responded to the risk referred to above are as follows:

- evaluated and tested the design of control systems and navigation control used for the recognition of revenue and profit from the contract.
- tested control to determine whether the control has been effective in practice all year round.
- selected contracts by sampling to check that the accuracy of the results of operations based on present and future contracts, as follows, assessed the reasonableness of the estimated costs until completion, assessed ability to deliver on time according to the schedule plan, evaluated the repayment of debt from receivable under contract, reviewed the loss and cost of job to be incurred until the job on completion and including assessment of the allowance for losses on contracts.

Based on the above audit procedures, I have found no significant difference on revenue recognition in revenue from rendering of service under service agreement that does not meet the conditions in the agreement.

### **Other matter**

The financial statements of T.Krungthai Industries Public Company Limited, which comprise the statements of financial position as at 31 December 2019, and the statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, which have been presented herewith for comparative purposes were audited by another auditor in my firm, whose report dated on February 28, 2020 expressed an unqualified opinion.

### **Other Information**

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

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

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

When I read the annual report, 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. *js*

### **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 Company 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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company 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 judgment 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 Company internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. *se*

- 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 Company 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 Company 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.

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.

The engagement partner on the audit resulting in this independent auditor's report is Mrs. Sumana Senivongse.



(Mrs. Sumana Senivongse)

Certified Public Accountant Registration No. 5897

Karin Audit Company Limited

Bangkok

February 25, 2021

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2020**

		(Unit : Baht)	
		As at	As at
	Note	December 31, 2020	December 31, 2019
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	54,412,838.08	76,120,853.82
Trade and other current receivables	8	226,221,311.74	223,684,332.99
Contract assets		81,088,373.49	57,531,812.05
Inventories - net	9	81,278,142.23	90,692,009.60
Current tax assets		10,448,934.75	17,367,409.06
Other current financial assets	10	1,001.27	-
<b>Total current assets</b>		<b>453,450,601.56</b>	<b>465,396,417.52</b>
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment - net	12	610,832,480.94	640,285,851.80
Right - of - use assets - net	13	4,275,012.84	-
Other intangible assets - net	14	6,685,613.87	8,140,011.66
Deferred tax assets	15	3,998,182.20	9,040,461.46
Other non - current assets	16	52,033,461.09	38,450,527.68
<b>Total non - current assets</b>		<b>677,824,750.94</b>	<b>695,916,852.60</b>
<b>TOTAL ASSETS</b>		<b>1,131,275,352.50</b>	<b>1,161,313,270.12</b>

Authorized Signatory.....Director  
(Mr. Sumate Techakraisri)

Authorized Signatory.....Director  
(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION (cont.)**

**AS AT DECEMBER 31, 2020**

		(Unit : Baht)		
		As at	As at	
Note		December 31, 2020	December 31, 2019	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
	Bank overdrafts and short - term borrowings from financial institutions	17	474,000,000.00	519,871,490.52
	Trade and other current payables	18	159,728,943.65	138,250,280.55
	Contract liabilities		1,315,326.06	-
	Current portion of lease liabilities	19	14,321,629.27	10,844,166.53
	Current provisions for employee benefits	20	1,602,761.00	1,469,639.00
	Other current provisions		70,017.10	23.69
	<b>Total current liabilities</b>		<b>651,038,677.08</b>	<b>670,435,600.29</b>
<b>NON - CURRENT LIABILITIES</b>				
	Lease liabilities	19	26,953,055.49	29,342,830.51
	Non - current provisions for employee benefits	20	28,386,057.76	27,558,822.00
	<b>Total non - current liabilities</b>		<b>55,339,113.25</b>	<b>56,901,652.51</b>
	<b>TOTAL LIABILITIES</b>		<b>706,377,790.33</b>	<b>727,337,252.80</b>

Authorized Signatory.....Director  
(Mr. Sumate Techakraisri)

Authorized Signatory.....Director  
(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION (cont.)**

**AS AT DECEMBER 31, 2020**

		(Unit : Baht)	
		As at	As at
	Note	December 31, 2020	December 31, 2019
<b>SHAREHOLDERS' EQUITY</b>			
Share capital			
Authorized share capital			
Ordinary share 214,000,000 shares Baht 1.00 par value	21		214,000,000.00
Ordinary share 350,780,000 shares Baht 1.00 par value	21	350,780,000.00	
Issued and paid - up share capital			
Ordinary share 214,000,000 shares Baht 1.00 par value	21		214,000,000.00
Ordinary share 237,780,000 shares Baht 1.00 par value	21	237,780,000.00	
Share premium on ordinary shares	21	147,935,897.71	144,236,932.71
Retained earnings (deficits)			
Appropriated			
Legal reserve	22	21,400,000.00	21,400,000.00
Unappropriated		(101,722,647.73)	(65,165,227.58)
Other component of shareholders' equity	23	119,504,312.19	119,504,312.19
<b>Total shareholders' equity</b>		<b>424,897,562.17</b>	<b>433,976,017.32</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,131,275,352.50</b>	<b>1,161,313,270.12</b>

Authorized Signatory.....Director  
(Mr. Sumate Techakraisri)

Authorized Signatory.....Director  
(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

		(Unit : Baht)	
	Note	2020	2019
<b>Revenues from sales and rendering of services</b>			
Revenues from sales - plastic products	28	882,606,466.54	1,132,480,662.28
Revenues from rendering of services - molds	28	129,021,471.38	154,733,759.69
<b>Total revenues from sales and rendering of services</b>		<u>1,011,627,937.92</u>	<u>1,287,214,421.97</u>
Cost of sales and rendering of services	28	(877,672,530.78)	(1,109,134,796.35)
<b>Gross profit</b>		<u>133,955,407.14</u>	<u>178,079,625.62</u>
Others income	28	7,206,522.83	14,508,802.23
<b>Profit before expenses</b>		<u>141,161,929.97</u>	<u>192,588,427.85</u>
Distributions cost	28	(24,979,984.16)	(31,984,732.36)
Administrative expenses	28	(98,544,983.67)	(109,071,363.00)
Others expenses	28	(2,862,264.02)	(4,097,080.34)
Director and managements remunerations	6.3, 28	(28,015,489.96)	(19,748,077.75)
<b>Total expenses</b>		<u>(154,402,721.81)</u>	<u>(164,901,253.45)</u>
<b>Profit (Loss) before finance cost and income tax (expenses)</b>		<u>(13,240,791.84)</u>	<u>27,687,174.40</u>
Finance cost	28	(18,274,349.05)	(21,178,226.63)
<b>Profit before income tax (expenses)</b>		<u>(31,515,140.89)</u>	<u>6,508,947.77</u>
Tax income (expense)	26, 28	(5,042,279.26)	5,699,610.95
<b>Profit (Loss) for the year</b>		<u><b>(36,557,420.15)</b></u>	<u><b>12,208,558.72</b></u>
<b>Other comprehensive income (expenses)</b>			
<b>Components of other comprehensive income that will not be reclassified to profit or loss :</b>			
(Losses) on remeasurements of defined benefit plans		-	(3,200,740.68)
<b>Other comprehensive income (expense) for the year , net from tax</b>		-	(3,200,740.68)
<b>Total comprehensive income (expense) for the year</b>		<u><b>(36,557,420.15)</b></u>	<u><b>9,007,818.04</b></u>
<b>Basic earnings (loss) per share</b>			
Earnings (loss) from going concern (Baht per share)	25	(0.1689)	0.0570

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

(Unit : Baht)

	Note	Retained earnings (deficits)				Other comprehensive of shareholders' equity			
		Issued and paid - up share capital	Premium on ordinary shares	Appropriated		Profit (Loss) on remeasurement defined of benefit plans	Revaluation surplus on fixed assets	Total other comprehensive of shareholders' equity	Total shareholders' equity
				Legal reserve	Unappropriated				
<b>Balance as at December 31, 2019</b>		<b>214,000,000.00</b>	<b>144,236,932.71</b>	<b>21,400,000.00</b>	<b>(65,165,227.58)</b>	-	<b>119,504,312.19</b>	<b>119,504,312.19</b>	<b>433,976,017.32</b>
Capital increase in ordinary shares	21	23,780,000.00	3,698,965.00	-	-	-	-	-	27,478,965.00
Comprehensive (loss) for the year		-	-	-	(36,557,420.15)	-	-	-	(36,557,420.15)
<b>Balance as at December 31, 2020</b>		<b>237,780,000.00</b>	<b>147,935,897.71</b>	<b>21,400,000.00</b>	<b>(101,722,647.73)</b>	-	<b>119,504,312.19</b>	<b>119,504,312.19</b>	<b>424,897,562.17</b>
<b>Balance as at December 31, 2018</b> (as previously reported)		<b>214,000,000.00</b>	<b>144,236,932.71</b>	<b>21,400,000.00</b>	<b>(91,581,301.02)</b>	-	<b>119,504,312.19</b>	<b>119,504,312.19</b>	<b>407,559,943.88</b>
Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard		-	-	-	17,408,255.40	-	-	-	17,408,255.40
<b>Balance as at December 31, 2018</b> (as restated)		<b>214,000,000.00</b>	<b>144,236,932.71</b>	<b>21,400,000.00</b>	<b>(74,173,045.62)</b>	-	<b>119,504,312.19</b>	<b>119,504,312.19</b>	<b>424,968,199.28</b>
Transfer to retained earnings (loss)		-	-	-	(3,200,740.68)	3,200,740.68	-	3,200,740.68	-
Comprehensive income for the year		-	-	-	12,208,558.72	(3,200,740.68)	-	(3,200,740.68)	9,007,818.04
<b>Balance as at December 31, 2019</b>		<b>214,000,000.00</b>	<b>144,236,932.71</b>	<b>21,400,000.00</b>	<b>(65,165,227.58)</b>	-	<b>119,504,312.19</b>	<b>119,504,312.19</b>	<b>433,976,017.32</b>

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**STATEMENT OF CASH FLOW**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

	(Unit : Baht)	
Note	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit (Loss) before income tax	(31,515,140.89)	6,508,947.77
<b>ADJUSTMENTS OF RECONCILE NET PROFIT (LOSS) TO CASH RECEIVED (PAID)</b>		
Adjusted finance cost	18,274,349.05	21,178,226.63
Adjusted interest received	(67,723.68)	(49,675.31)
Depreciation , depletion and amortization	64,622,607.49	66,515,279.23
Adjusted loss from decline in value of inventories	2,386,725.10	1,460,996.59
Adjusted provision for employee benefits increase	3,644,102.00	8,278,793.40
Adjusted provision for liabilities increase	69,993.41	23.69
Adjusted unrealized loss on exchange rates	12,255.15	1,451.95
Adjusted (profit) from sale of investment in bond fund	(60,527.59)	-
Adjusted (profit) from fair value adjustment	(1.27)	-
Adjusted loss from sale of fixed assets	505,674.03	270,468.48
Adjusted loss from amortization of assets	8,893,273.15	9,793,741.05
Adjusted trade and other current receivables (increase) decrease	(2,550,877.95)	45,182,940.22
Adjusted Contract assets (increase)	(23,556,561.44)	-
Adjusted inventories decrease	7,027,142.27	13,417,117.23
Adjusted other non - current assets (increase) decrease	3,784,475.65	(7,184,568.25)
Adjusted trade and other current payables increase (decrease)	14,567,215.74	(15,562,638.89)
Adjusted Contract liabilities increase	1,315,326.06	-
Total adjusted from reconciliation of profit (loss)	67,352,306.28	149,811,103.79
Cash paid for employee benefit obligations	(2,683,744.24)	(1,122,341.00)
Income tax (paid)	(10,448,934.75)	(17,367,409.06)
<b>NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>	<b>54,219,627.29</b>	<b>131,321,353.73</b>

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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**STATEMENT OF CASH FLOW (cont.)**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

	(Unit : Baht)	
Note	2020	2019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash received from repayment of investment in bond fund	45,060,527.59	-
Cash paid for investment in bond fund	(45,001,000.00)	-
Cash received from sale of property, plant and equipment	686,980.00	113,976.64
Cash paid for purchasing of property, plant and equipment	(24,522,850.05)	(39,928,783.03)
Cash paid for purchasing of other intangible assets	(390,000.00)	(667,000.00)
Interest received	67,723.68	49,675.31
<b>NET CASH FLOWS (USED IN) INVESTING ACTIVITIES</b>	<b>(24,098,618.78)</b>	<b>(40,432,131.08)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank overdrafts and short - term borrowings from financial institutions (decrease)	(45,871,490.52)	(7,486,094.92)
Cash received from capital increase	27,478,965.00	-
Cash paid for long - term borrowings from financial institutions	-	(1,122,000.00)
Cash paid for lease liabilities	(15,089,174.32)	(12,598,167.65)
Cash received from finance leases (sale and lease back)	-	24,680,000.00
Interest expense	(18,347,324.41)	(20,949,290.50)
<b>NET CASH FLOWS (USED IN) FINANCING ACTIVITIES</b>	<b>(51,829,024.25)</b>	<b>(17,475,553.07)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS - NET</b>	<b>(21,708,015.74)</b>	<b>73,413,669.58</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>7</b> 76,120,853.82	2,707,184.24
<b>CASH AND CASH EQUIVALENTS AT ENDING OF THE YEAR</b>	<b>7</b> <b>54,412,838.08</b>	<b>76,120,853.82</b>

**SUPPLEMENTARY INFORMATION FOR CASH FLOWS**

Non - cash transactions

Accounts payables for purchasing of assets.	6,986,066.77	1,576,912.00
Obligation under finance leases.	9,980,000.00	29,635,305.70
Right - of - use assets under lease liabilities.	6,196,862.04	-

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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**1. GENERAL INFORMATION**

**1.1 Legal status and address for company**

T.Krungthai Industries Public Company Limited was registered as a public company limited in Thailand on January 22, 2004, while the Head Office is located at 23 Soi Chan 43, Yaek 21, Tungwatdon, Sathorn, Bangkok. There are 3 factories which are located as follows :

Factory 1 is located at 59 Moo 6, King Kaew Road, Racha Thewa, Bang Phli, Samutprakarn.

Factory 2 is located at 517 Moo 9, Nongki, Kabinburi, Prachinburi.

Factory 3 is located at 28/4 Moo 1, Sunwinthawong Road, Khlong Udom Chonlachon, Mueang Chachoengsao, Chachoengsao.

The major shareholders of the Company are Techakrisri's family (owned 38.08%).

**1.2 Nature of operations and principle activities**

The principal business activities of the Company are manufacturing plastic part products and plastic part molds.

**2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS**

**2.1 Coronavirus disease 2019 pandemic**

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the operates. The Company's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

**2.2 Basis of preparation of the financial statements**

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2000, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2004, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

Financial Reporting Standard Interpretations :

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

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

The impact due to changes in accounting policy was reported in Note 3.

**Thai Financial Reporting Standards No. 16 Leases**

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

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

The Company plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at January 1, 2020 and the comparative information was not restated.

The impact due to changes in accounting policy was reported in Note 3.

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

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

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

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**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**c. Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID - 19 situation”**

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID - 19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

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

The Company has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward - looking information when determining expected credit losses, in cases where the Company use a simplified approach to determine expected credit losses.
- Not to consider the COVID - 19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

**3. IMPACT OF FIRST - TIME ADOPTION OF NEW ACCOUNTING STANDARDS**

The impact of first-time adoption of new accounting standards on the statement of financial position as at January 1, 2020 are as follows:

**3.1 TFRS - Financial instruments**

The Company’s has adopted TFRS - Financial instruments by adjusting the cumulative effects to retained earnings and other components of equity on January 1, 2020. Therefore, the Company did not adjust the information presented for 2019.

These TFRS - Financial instruments establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The impact from adoption of TFRS - Financial instruments are as follows:

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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**3.1.1 Classification and measurement of financial assets and financial liabilities**

TFRS 9 contains 3 principal classification categories for financial assets: measured at amortised cost, fair value to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The classification under TFRS 9 is based on the cash flow characteristics of the financial asset and the business model in which they are managed. TFRS 9 eliminates the previous classification of held - to - maturity debt securities, available - for - sale securities, trading securities and general investment as specified by TAS 105.

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method.

Financial assets and liabilities measured at amortised cost approximate fair value, close to those previously disclosed in the annual financial statements for the year ended December 31, 2019.

The Company's considered that there was no material impact from the application of TFRS 9's classification and measurement of financial assets and financial liabilities requirement at January 1, 2020.

**3.1.2 Impairment - Financial assets**

TFRS 9 introduces forward - looking 'expected credit loss' (ECL) model whereas previously the Company's estimates allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgment about how changes in economic factors affect ECLs, which will be determined on a probability - weighted basis. The new impairment model applies to financial assets measured at amortised cost and debt investments measured at FVOCI, lease receivables, except for investments in equity instruments.

The Company's considered that there was no material impact from the application of TFRS 9's impairment requirements as at January 1, 2020.

**3.2 Thai Financial Reporting Standards No. 16 Leases**

During the year 2020, the Company's are adopting Thai Financial Reporting Standards No. 16 Leases. Where the Company is the lessee, leases are recognised as a right - of - use asset and a corresponding liability at the commencement date.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right - of - use asset is measured at cost, which is initially measured at the present

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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

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**DECEMBER 31, 2020**

value of the lease payments. The right - of - use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight - line basis.

The lease liability is initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in the lease, if that can be readily determined. If that rate cannot be readily determined, the Company uses the Company's incremental borrowing rate.

Payments associated with short - term leases or leases of low - value assets are recognised on a straight - line basis as expense in the statement of income.

In order to comply with accounting standard No. 16, the Company recorded the effect of changes in accounting policies by adjusting the beginning retained earnings.

	(Unit : Baht)		
	As at		As at
	December 31, 2019	TFRS 16	January 1, 2020
<u>Statement of financial position</u>			
<u>Assets</u>			
<u>Non - current assets</u>			
Right - of - use assets	-	5,575,599.81	5,575,599.81
<u>Liabilities and equity</u>			
<u>Current liabilities</u>			
Current portion of lease liabilities	10,844,166.53	1,772,274.94	12,616,441.47
<u>Non - current liabilities</u>			
Lease liabilities	29,342,830.51	3,803,324.87	33,146,155.38

On adoption of TFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of TAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rates. The Company's weighted average incremental borrowing rate applied to the lease liabilities on January 1, 2020 was 6.00 %.

For leases previously classified as finance leases applying TAS 17, the Company recognised the carrying amount of the lease asset and lease liability immediately before adoption of TFRS 16 as the carrying amount of the right - of - use asset and the lease liability at the date of initial application.

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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

	(Unit : Baht)
Operating lease commitments disclosed as at December 31, 2019	7,230,550.00
(Less) Short - term leases recognised on a straight - line basis as expense	(1,103,700.00)
(Less) Low value leases recognised on a straight - line basis as expense	-
Add Purchase or extension options reasonably certain to be exercised	-
(Less) Termination options reasonably certain to be exercised	-
(Less) Contracts reassessed as service agreements	-
(Less) Deferred interest expenses	(551,250.19)
Additional lease liabilities from TFRS 16 adoption	5,575,599.81
Finance lease liabilities as at December 31, 2019	40,186,997.04
Lease liabilities recognised as at January 1, 2020	<u>45,762,596.85</u>
Of which are :	
Current lease liabilities	12,616,441.47
Non - current lease liabilities	33,146,155.38
	<u>45,762,596.85</u>

The recognised right - of - use assets to the following types of assets :

	(Unit : Baht)	
	As at	As at
	December 31, 2020	January 1, 2020
Building and building improvement	2,024,058.41	3,320,479.58
Furnitures, fixtures and office equipment	1,664,301.33	2,255,120.23
Tools and equipment	586,653.10	-
Total right - of - use assets	<u>4,275,012.84</u>	<u>5,575,599.81</u>

**4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

The preparation of financial statements is in accordance with generally accepted accounting principles. The management has to make estimates and assumptions which may have an impact on the amounts presented in the financial statements and disclosed in the notes to the financial statements. Actual results may differ from those estimates. The significant accounting judgments and estimates are as follows :

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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

Allowance for expected credit losses of trade receivables and contract assets

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

Impairment of Inventory

In order that financial statements report present value of inventory and performance. The company has reviewed and revised policy for impairment of inventory to cover all inventories, which include finished goods, raw material, spare part and supply. The impairment is considered when book value of inventory is higher than its net realizable value and when the inventory has no movement for a certain period, whichever is practical.

Leases

Determining the lease term with extension and termination options - The Company as a lessee

In determining the lease term, the management is required to exercise judgment in assessing whether the Company is reasonably certain to exercise the option to extend or terminate the lease, considering all relevant factors and circumstances that create an economic incentive for the Company to exercise either the extension or termination option. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

Depreciation

In calculating depreciation of plant machineries and equipment, the management estimates useful lives and salvage values of the plant machineries and equipment and reviews estimated useful lives and residual values if there are any changes.

Intangible assets

Intangible assets are amortized by the straight-line method based on the estimated useful lives and will consider impairment if there is an indication of impairment.

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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

Deferred tax assets

The Company recognise deferred tax assets which is calculate on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts that it is probable that future taxable profit will be available. the management needs to make judgment and estimates, based on consideration of the taxable profits that are expected to occur in the future in each period.

Provision for contingent losses

Management applied judgment in estimating the loss they expect to be realised on each service under agreement projects, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred to date, together with fluctuations in costs of project materials, labour and the current situation.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation. The mortality rate is based on publicly available mortality rates in Thailand. However, the actual post-employment benefits may differ from the estimates.

Estimated of revenues from Revenues from rendering of services and project costs

In estimation of revenue from rendering of service under service agreement, management are required to make judgement based on their best knowledge of the current events and arrangements and their experience of the business in order to estimate the percentage of completion, based on information from the engineers/project managers. The Company estimate costs of projects based on details of the projects work, taking into account the volume and prices of materials to be used in the project, labour costs and other miscellaneous costs to be incurred to completion of service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**5. SIGNIFICANT ACCOUNTING POLICIES**

**5.1 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, demand deposits, and highly liquid short - term investments that are readily convertible to known amount or that are subject to an insignificant risk of change in value, but not include time deposits with maturity exceed three - month period (fixed deposits). Time deposits with maturity exceed three - month period but less than twelve - month period are recorded as current investment (if any).

**5.2 Trade receivables**

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at its present value.

The Company applies the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP, the unemployment rate and the consumer price index of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The impairment losses are recognised in profit or loss within administrative expenses.

**5.3 Contract assets / Contract liabilities**

Contract assets

A contract asset is the excess of cumulative revenue earned over the billings to date. Allowance for impairment loss is provided for the estimated losses that may be incurred in customer collection. Contract assets are transferred to receivables when the rights become unconditional (i.e. services are completed and delivered to the customer).

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**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

Contract liabilities

A contract liability is recognised when the billings to date exceed the cumulative revenue earned and the Company have an obligation to transfer services to a customer. Contract liabilities are recognised as revenue when the Company fulfil their performance obligations under the contracts.

**5.4 Inventories**

Inventories are presented at the lower of cost or net realizable value. Cost of inventories is recorded under the basis as follows :

Finished goods and work in process	First in first out (By standard cost which approximate to actual cost)
Raw materials	First in first out

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventories. The Company estimates net realizable value from the estimated selling price in the ordinary course of business, less the estimated expenses necessary to make the sale.

Allowance for slow - moving inventories is based on the ages and conditions of inventories and the historical experience.

**5.5 Financial assets and financial liabilities**

**Classification and measurement of financial assets**

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company classifies its debt instruments in the following categories :

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

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At initial recognition, the Company measures a financial asset at its fair value plus or minus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost: A financial asset will be measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.
- FVOCI: A financial assets will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised on other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

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(Mr. Chumpol Techakraisri)

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- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**Classification and measurement of financial liabilities and equity**

Financial instruments issued by the Company must be classified as financial liabilities or equity securities by considering contractual obligations.

- Where the Company has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Company's own equity instruments.
- Where the Company has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

At initial recognition, the Company measures financial liabilities at fair value. The Company reclassifies all financial liabilities as subsequently measured at amortised cost, except for derivatives.

**Recognition and derecognition**

The Company shall recognise a financial asset or a financial liability in its statement of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets.

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**Impairment**

Impairment - Financial assets and contract assets (Examples of financial assets are trade and other receivables, loan receivables, contract assets, etc.)

Follow by TFRS 9 the 'expected credit loss (ECL) model whereas previously the Company estimated the allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which are determined on a probability - weighted basis. The new impairment model applies to financial assets measured at amortised cost, contract assets, lease receivables and debt investments measured at FVOCI, except for investments in equity instruments.

**5.6 Property, plant and equipment**

Land are stated at revalue amount (market approach) less provision for impairment of assets (if any). Buildings are stated at the revalued amount (replacement cost approach) less accumulated depreciation and provision for impairment of assets (if any). Equipment is stated at cost less relevant accumulated depreciation and provision for impairment of assets (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs. In addition, cost also may include transfers from other comprehensive income. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that Property, Plant and Equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items for major components.

Profit and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

Revaluations are performed by independent professional appraisers, which the Company has the policy for the independent professional appraisers will be requested to perform the appraisal for the said assets at sufficient regularity to ensure that the book value of these assets does not differ materially from their fair values at the balance sheet date. Increase from appraisal value will be recorded in the shareholders' equity under

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“Surplus on revaluation of assets”, and decrease from cost recorded as loss from decrease in revaluation of assets in the statements of comprehensive income.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight - line basis over the estimated useful lives of each component of an item of property, plant and equipment as follows:

	<u>Period of time (year)</u>
Land improvement	20 years
Buildings and structures	20 years
Buildings and land	20 years
Machinery and equipment	10 - 20 years
Tools and equipment	10 - 20 years
Fixtures and equipment	3 - 10 years
Vehicles	5 - 7 years
Molds	5 years

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

**5.7 Leases**

Leases - where the Company is the lessee

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

The Company recognises a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any

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lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Company uses the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed payments including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price, under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period; and
- payments of penalties for early termination of a lease if the Company is reasonably certain to terminate early.

To apply a cost model, the Company measures the ROU asset at cost, less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liability. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the ROU asset reflects that the Company will exercise a purchase option, the Company depreciates the ROU asset from the commencement date to the end of the useful life of the underlying asset. The useful life of the ROU asset is determined on the same basis as those of property, plant and equipment.

The lease liability is re-measured when there is a change in future lease payments arising from the following items:

- a change in an index or a rate used to determine those payments
- a change in the Company's estimate of the amount expected to be payable under a residual value guarantee

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- the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured to reflect changes to the lease payments, the Company recognises the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the remeasurement in profit or loss.

Short-term leases and leases of low-value assets

The Company has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases - where the Company is the lessor

The Company determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfer substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Company. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

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**5.8 Intangible assets**

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses (if any).

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in profit or loss on a straight - line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows :

	<u>Period of time (year)</u>
Computer software	1 - 5 years

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

**5.9 Impairment of assets**

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same times.

An impairment loss is recognized if the carrying amount of an asset or its cash - generating unit exceeds its recoverable amount. The impairment loss is recognized in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non - financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre - tax discount rate that reflects current market assessments of the time value of money and the risks specific

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to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash - generating unit to which the asset belongs.

Reversals of impairment

Impairment losses recognized in prior periods in respect of other non - financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**5.10 Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

**5.11 Employee Benefits**

Provident fund

The Company have established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the external fund manager. The fund is contributed to both by the employees and the Company at the same rate of 2 - 4% of employees' salaries. The fund contribution payments to the provident fund were recorded as expenses in the statements of income in the incurred period.

Employee benefit

Short - term employee benefits

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

Post - employment benefits

Defined contribution plans

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

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Defined benefit plans

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

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

Actuarial Profit and losses arising from other long - term benefits are recognised immediately in profit or loss.

**5.12 Provisions**

The Company recognizes liabilities, provisions and expenses in the financial statements when the Company has a legal obligation or probable obligation as a result of past events. It is probable that to settle the obligation the Company's outflow resources may be required, and a reliable estimate amount of that obligation can be determined. If company expected to receive expenditure that paid for all or some part of provision, the company will recognize that expenditure to asset but that amount won't exceed the related provision.

**5.13 Related party transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company. They also include individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

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

**5.14 Foreign currencies**

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Assets and liabilities denominated in foreign currencies outstanding at the reporting date are translated into Baht at the exchange rates ruling on the financial position date.

Profit and losses on exchange are included in determining comprehensive income.

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**5.15 Revenue recognition**

- Sales of goods are recognised when the company has transferred the control of the goods of ownership have passed to the customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.
- Revenue from rendering of service under service agreement in a short-term period is recognized by the percentage of completion which is based on the proportion of actual costs to the total estimated costs by considering the effects to the most recent estimates of total costs, coupled with the consideration of the physical completion estimated by the engineer.

The recognized revenue which is not yet due per the contracts has been presented under the caption of “Contract assets” in the statement of financial position. The amounts recognized as contract assets are reclassified to other receivables when the Company’s right to consideration is unconditional. The obligation to provide to a customer for which the Company has received from the customer is presented under the caption of “Contract liabilities” in the statement of financial position. Contract liabilities are recognized as revenue when the Company perform under the contract.

- Interest income is recognised on an accrual basis, using the effective interest method.
- Others income are recognized on an accrual basis.

**5.16 Expenses**

- Costs of service rendering are recognised in accordance with the percentage of work completed based on total estimated costs. Provision for anticipated losses on costs of service rendering is made in the accounts in full when the possibility of loss is ascertained. Differences between the estimated costs and the actual costs are recognised as current assets or current liabilities in the statement of financial position.
- Expenses are recognized on an accrual basis.

**5.17 Finance costs**

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available - for-sale financial assets, dividends on preference shares classified as liabilities, fair value losses on financial assets at fair value through profit or loss, impairment losses

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recognized on financial assets (other than trade receivables), and losses on hedging instruments that are recognized in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

**5.18 Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments jointly - controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on

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different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available a Profit which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**5.19 Profit (loss) per share**

Basic profit (loss) per share

Basic earnings (loss) per share is calculated by dividing the profit (loss) for the year attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted profit (loss) per share

Diluted earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to the ordinary shareholders of the Company by the weighted average number of shares of ordinary shares outstanding during the year after adjusting for the effects of dilutive potential ordinary shares.

**5.20 Segment information**

Business segments provide products and services that are subject to risks and returns that are different from those of other business segments. Geographic segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

Segment information is presented by business segments and geography segments of the operations.

**5.21 Fair value measurement**

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

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

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities.
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly.
- Level 3 Use of unobservable inputs such as estimates of future cash flows.

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

**6. TRANSACTIONS WITH RELATED PERSONS AND PARTIES**

Significant related persons and parties' transactions can be summarized as follow :

6.1 The Company has relation with related persons and parties as follow :

<u>Related persons or parties</u>	<u>Type of business</u>	<u>Type of relation</u>
Prairie Marketing Co., Ltd.	Consumer products trader	Share the same directors
Advanced Nanotech Co., Ltd.	Selling energy saving equipment	Share the same directors
T.Thai Snack Foods Co., Ltd.	Baked seasoned squid, Coated peanut	Share the same directors
Karrie Automotive Investment Co., Ltd.	Manufacturers and distributors of products Plastics & Metals and Electronic Manufacturing Services Business	Shareholder
Karrie Industrial Co., Ltd.	Manufactures and sells mechanical parts, office automation, and electronic products. The Company offers metal stamping, plastic injection, computers, server castings, Molds, and medical equipment.	Share the same major shareholders
Mr. Sumate Techakraisri	-	Director

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Related persons or parties	Type of business	Type of relation
Personnel management	-	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Company (whether executive or otherwise).

6.2 The pricing policies for transactions with related persons and parties are explained further as below :

- 1) Revenue from sales has the pricing policy for purchase and sale with the related parties at the market price the same basis as to other parties in the normal course of business.
- 2) Office rental starts from April 1, 2019 - March 31, 2022 at rate of Baht 66,550 per month.
- 3) As at December 31, 2020, the Company made an installment of an energy - saving machine with a related company in the amount of Baht 5.40 million, The installment is ranging from 36 months at approximately Baht 0.15 million per month. Current portion of long - term liabilities amount of Baht 1.80 million and presented as “Current liabilities”.
- 4) As at December 31, 2020, the Company has a commitment for molds contract with a related company of Baht 1.26 million.

6.3 Transactions with related persons and parties

Assets and liabilities with related persons and parties as at December 31, 2020 and 2019 are as follows :

	(Unit : Baht)	
	As at	As at
	December 31, 2020	December 31, 2019
<u>Trade receivables</u>		
Prairie Marketing Co., Ltd.	553,404.00	457,104.00

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	(Unit : Baht)			
	As at		As at	
	December 31, 2019	Increase	(Decrease)	December 31, 2020
<u>Lease liabilities</u>				
Advanced Nanotech Co., Ltd.				
Lease liabilities	4,050,000.00	-	(1,800,000.00)	2,250,000.00
Deferred interest expenses	(270,295.81)	-	182,789.50	(87,506.31)
<b>Total</b>	<b>3,779,704.19</b>	<b>-</b>	<b>(1,617,210.50)</b>	<b>2,162,493.69</b>
Directors				
Lease liabilities	-	1,796,850.00	(798,600.00)	998,250.00
Deferred interest expenses	-	(119,921.24)	81,097.62	(38,823.62)
<b>Total</b>	<b>-</b>	<b>1,676,928.76</b>	<b>(717,502.38)</b>	<b>959,426.38</b>
<b>Lease liabilities - net</b>	<b>3,779,704.19</b>	<b>1,676,928.76</b>	<b>(2,334,712.88)</b>	<b>3,121,920.07</b>

Revenues and expenses with the related persons and parties for the year ended December 31, 2020 and 2019, are as follows :

	(Unit : Baht)	
	As at	As at
	December 31, 2020	December 31, 2019
<u>Office rental</u>		
Mr. Sumate Techakraisri *	-	798,600.00
<u>Managements and Directors's remuneration</u>		
Short - term employee benefit		
- Managements	24,451,525.00	16,519,803.75
- Directors	2,919,000.00	2,919,000.00
Post - employment benefits	644,964.96	309,274.00
<b>Total</b>	<b>28,015,489.96</b>	<b>19,748,077.75</b>

\* On January 1, 2020 leases are recognized as a right - of - use asset and a lease liability at the commencement date (Note 6.3).

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**7. CASH AND CASH EQUIVALENTS**

Consists of :

	(Unit : Baht)	
	As at	As at
	December 31, 2020	December 31, 2019
Cash	180,000.00	180,000.00
Saving deposit accounts	54,073,661.62	75,816,187.57
Current deposit accounts	159,176.46	124,666.25
Total cash and cash equivalents	<u>54,412,838.08</u>	<u>76,120,853.82</u>

Savings accounts have floating interest rates as specified by the bank.

**8. TRADE AND OTHER CURRENT RECEIVABLES**

Consists of :

	(Unit : Baht)	
	As at	As at
	December 31, 2020	December 31, 2019
Trade receivables	208,428,943.40	204,883,491.46
(Less) allowance for expected credit loss	-	-
Total trade receivables	<u>208,428,943.40</u>	<u>204,883,491.46</u>
Other current receivables :		
Prepaid expenses	963,884.82	744,415.02
Advance payment	12,290,088.38	9,358,406.85
Accrued Income	300,708.90	-
Other	4,237,686.24	8,698,019.66
(Less) allowance for expected credit loss	-	-
Total other current receivables	<u>17,792,368.34</u>	<u>18,800,841.53</u>
Total trade and other current receivables	<u>226,221,311.74</u>	<u>223,684,332.99</u>

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

	(Unit : Baht)	
	As at	As at
	December 31, 2020	December 31, 2019
The aging of the outstanding trade receivables are as follows :		
Trade receivables not yet due	136,859,397.71	147,693,320.63
Trade receivables overdue :		
Less than 3 month	71,567,927.53	53,439,820.83
Over 3 month to 6 month	1,618.16	-
Over 6 month to 12 month	-	3,750,350.00
Total trade receivables	<u>208,428,943.40</u>	<u>204,883,491.46</u>

From past payment experience. In addition, the management continuously monitors the outstanding receivables. Expected to be able to collect the whole amount of debt Therefore no provision for loss from receivables.

**9. INVENTORIES - NET**

Consists of :

	(Unit : Baht)	
	As at	As at
	December 31, 2020	December 31, 2019
Raw materials and others	57,634,617.50	62,299,235.14
Work in process	9,986,270.52	12,620,464.22
Finished goods	21,320,985.27	21,049,316.20
Total inventories	<u>88,941,873.29</u>	<u>95,969,015.56</u>
(Less) allowance for declining in inventory valuation	<u>(7,663,731.06)</u>	<u>(5,277,005.96)</u>
Total inventories - net	<u>81,278,142.23</u>	<u>90,692,009.60</u>

Authorized Signatory.....Director  
(Mr. Sumate Techakraisri)

Authorized Signatory.....Director  
(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

Allowance for declining in inventory valuation is changed during the year as follows :

	(Unit : Baht)	
	As at	As at
	December 31, 2020	December 31, 2019
Beginning balance	(5,277,005.96)	(3,816,009.37)
(Increase)	(3,902,809.43)	(1,498,950.79)
Decrease	1,516,084.33	37,954.20
Ending balance	<u>(7,663,731.06)</u>	<u>(5,277,005.96)</u>

As at December 31, 2020 and 2019, the Company has recorded allowance for declining in inventory valuation amount of Baht 3.90 million and Baht 1.50 million, respectively and reversed allowance amount of Baht 1.52 million and Baht 0.04 million, respectively. According to the Company reserved the provision of inventory decrease for production and distribution within the year.

**10. OTHER CURRENT FINANCIAL ASSETS**

	(Unit : Baht)	
	As at	As at
	December 31, 2020	December 31, 2019
<u>Investments measured at fair value through profit or loss</u>		
Investment in debt instruments - Opened end fund	1,001.27	-
Total	<u>1,001.27</u>	<u>-</u>

The movement transactions investment debt instruments - Opened end fund for the year ended December 31, 2020 as follow :

	(Unit : Baht)			
	As at		As at	
	December 31, 2019	Increase	(Decrease)	December 31, 2020
Cost	-	45,001,000.00	(45,000,000.00)	1,000.00
Fair value adjustment	-	1.27	-	1.27
(Profit) from sale of investment in bond fund	-	60,527.59	(60,527.59)	-
Total	<u>-</u>	<u>45,061,528.86</u>	<u>(45,060,527.59)</u>	<u>1,001.27</u>

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**11. Financial assets (liabilities)**

On December 31, 2020 the Company's management has assessed which business models applied to the financial assets and liabilities held by the Company and has classified the financial assets and liabilities as below.

	(Unit : Baht)			
	FVPL	FVOCI	Amortised cost	Total
<b>Financial assets</b>				
As at December 31, 2020				
<u>Current</u>				
Cash and cash equivalents	-	-	54,412,838.08	54,412,838.08
Trade and other current receivables	-	-	226,221,311.74	226,221,311.74
Contract assets			81,088,373.49	81,088,373.49
Other current financial assets	1,001.27	-	-	1,001.27
Total financial asset	1,001.27	-	361,722,523.31	361,723,524.58
<b>Financial liabilities</b>				
As at December 31, 2020				
<u>Current</u>				
Bank overdrafts and short - term borrowings from financial institutions	-	-	474,000,000.00	474,000,000.00
Trade and other current payables	-	-	159,728,943.65	159,728,943.65
Contract liabilities			1,315,326.06	1,315,326.06
Current portion of lease liabilities	-	-	14,321,629.27	14,321,629.27
Current provisions for employee benefits	-	-	1,602,761.00	1,602,761.00
<u>Non - current</u>				
Lease liabilities	-	-	26,953,055.49	26,953,055.49
Non - current provisions for employee benefits	-	-	28,386,057.76	28,386,057.76
Total financial liabilities	-	-	706,307,773.23	706,307,773.23

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**12. PROPERTY, PLANT AND EQUIPMENT - NET**

The movement transactions for the year ended December 31, 2020 and 2019 as follow :

	(Unit : Baht)											
	Land	Revaluation surplus on fixed assets	Land improvement	Buildings and structures	Buildings and land	Machineries and equipments	Tools and equipments	Fixtures and equipments	Vehicles	Molds	Work in progress	Total
<i>At Cost</i>												
As at December 31, 2018	45,191,709.76	149,380,390.24	13,558,988.10	239,505,419.01	3,274,906.00	711,404,756.20	235,916,656.03	44,827,687.87	26,886,801.09	95,833,259.74	25,949,390.00	1,591,729,964.04
Purchases	-	-	16,440.00	186,600.00	-	1,981,784.50	19,135,848.94	1,355,041.31	-	-	23,785,286.00	46,461,000.75
Amortization	-	-	-	-	-	(1,943,059.08)	(16,567,272.55)	(705,785.23)	-	-	-	(19,216,116.86)
Transfer in (Transfer out)	-	-	-	1,940,350.00	-	23,923,550.00	1,023,000.00	-	-	-	(27,666,673.29)	(779,773.29)
As at December 31, 2019	45,191,709.76	149,380,390.24	13,575,428.10	241,632,369.01	3,274,906.00	735,367,031.62	239,508,232.42	45,476,943.95	26,886,801.09	95,833,259.74	22,068,002.71	1,618,195,074.64
Purchases	-	-	-	50,000.00	-	10,952,858.07	9,454,654.12	1,354,438.13	-	108,194.58	19,568,771.92	41,488,916.82
Amortization	-	-	-	-	-	(8,608,464.66)	(10,179,027.27)	-	-	-	-	(18,787,491.93)
Transfer in (Transfer out)	-	-	2,925,525.00	2,513,225.16	-	4,632,400.00	3,253,477.00	350,200.00	-	-	(13,674,827.16)	-
As at December 31, 2020	45,191,709.76	149,380,390.24	16,500,953.10	244,195,594.17	3,274,906.00	742,343,825.03	242,037,336.27	47,181,582.08	26,886,801.09	95,941,454.32	27,961,947.47	1,640,896,499.53

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

(Unit : Baht)

	Land	Revaluation surplus on fixed assets	Land improvement	Buildings and structures	Buildings and land	Machineries and equipments	Tools and equipments	Fixtures and equipments	Vehicles	Molds	Work in progress	Total
<u>Accumulated Depreciation</u>												
As at December 31, 2018	-	-	(8,330,380.76)	(167,086,336.48)	(2,343,537.87)	(411,622,418.83)	(185,072,754.67)	(41,112,995.78)	(12,880,007.45)	(95,169,612.90)	-	(923,618,044.74)
Depreciation for the year	-	-	(696,579.17)	(11,829,959.07)	(162,118.42)	(36,989,056.54)	(12,127,175.18)	(1,435,845.63)	(364,579.47)	(503,568.60)	-	(64,108,882.08)
Amortization	-	-	-	-	-	1,564,898.76	6,767,300.70	705,731.23	-	-	-	9,037,930.69
Transfer in (Transfer out)	-	-	-	-	-	779,773.29	-	-	-	-	-	779,773.29
As at December 31, 2019	-	-	(9,026,959.93)	(178,916,295.55)	(2,505,656.29)	(446,266,803.32)	(190,432,629.15)	(41,843,110.18)	(13,244,586.92)	(95,673,181.50)	-	(977,909,222.84)
Depreciation for the year	-	-	(812,110.69)	(11,693,330.12)	(162,566.05)	(34,201,102.21)	(11,790,698.32)	(1,420,001.89)	(611,770.26)	(164,780.96)	-	(60,856,360.50)
Amortization	-	-	-	-	-	7,644,002.75	1,057,562.00	-	-	-	-	8,701,564.75
Transfer in (Transfer out)	-	-	-	-	-	-	-	-	-	-	-	-
As at December 31, 2020	-	-	(9,839,070.62)	(190,609,625.67)	(2,668,222.34)	(472,823,902.78)	(201,165,765.47)	(43,263,112.07)	(13,856,357.18)	(95,837,962.46)	-	(1,030,064,018.59)
<u>Net book value</u>												
As at December 31, 2019	45,191,709.76	149,380,390.24	4,548,468.17	62,716,073.46	769,249.71	289,100,228.30	49,075,603.27	3,633,833.77	13,642,214.17	160,078.24	22,068,002.71	640,285,851.80
As at December 31, 2020	45,191,709.76	149,380,390.24	6,661,882.48	53,585,968.50	606,683.66	269,519,922.25	40,871,570.80	3,918,470.01	13,030,443.91	103,491.86	27,961,947.47	610,832,480.94

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

Depreciation

Depreciation is calculated based on the depreciable of buildings and equipment, which is the cost of an assets, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of assets as follows:

Land improvement	20	years
Buildings and structures	20	years
Buildings and land	20	years
Machinery and equipment	10 - 20	years
Tools and equipment	10 - 20	years
Fixtures and equipment	3 - 10	years
Vehicles	5 - 7	years
Molds	5	years

Depreciation for the year ended December 31, 2020, In amount of Baht 60.86 million was included in cost of sales and rendering of services amount of Baht 56.60 million was included in administrative expenses amount of Baht 4.26 million.

As at December 31, 2020 and 2019, Land, buildings, machineries and equipment in the cost amount of Baht 676.38 million and Baht 693.00 million, respectively computed to the net book value amount of Baht 223.65 million and Baht 240.28 million, respectively, are pledged as collateral for bank overdrafts and short - term borrowings from financial institutions in Note 17.

As at December 31, 2020 and 2019, a part of Tools and equipment in the cost amount of Baht 65.81 million and Baht 50.93 million, respectively, they were pledged under financial leases agreements.

As at December 31, 2020 and 2019, a part of equipment in the cost amount of Baht 603.14 million and Baht 539.88 million, respectively, which are fully depreciated but still operated.

As at December 31, 2020, the Company's land is stated at appraised value, reports dated January 29, 2018, of the independent appraiser. Appraised value of land, which based on Cost Approach, Revaluation surplus of fixed assets under "Shareholders' Equity" in the statement of financial position. The revaluation surplus of fixed assets is not available for dividend distribution.

As at December 31, 2020, Fair value is in level 2 of the fair value hierarchy.

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**13. RIGHT - OF - USE ASSETS - NET**

The statement of financial position included following transactions relating to leases.

	(Unit : Baht)	
	As at	As at
	December 31, 2020	January 1, 2020
Right-of-use assets		
Building and building improvements	2,024,058.41	3,320,479.58
Furniture, fixtures and office equipment	1,664,301.33	2,255,120.23
Tools and equipment	586,653.10	-
Total right-of-use assets, net	<u>4,275,012.84</u>	<u>5,575,599.81</u>

During 2020, additions to the right-of-use assets of the Company were Baht 6.20 million.

The statement of income included following transactions related to leases.

	(Unit : Baht)
	For the year ended
	December 31, 2020
Depreciation charge of right - of - use assets	
Building and building improvements	1,296,421.17
Furniture, fixtures and office equipment	590,818.90
Tools and equipment	34,609.13
Total right - of- use assets	<u>1,921,849.20</u>

The Company has adopted TFRS 16 from January 1, 2020 under the modified retrospective approach and the comparative figures have not been restated. The impact from the adoption of new financial reporting standards on the lease liabilities as at January 1, 2020 has been presented in Note 3.2.

The total cash outflow for leases of the Company in 2020 were Baht 2.10 million.

Authorized Signatory.....Director  
(Mr. Sumate Techakraisri)

Authorized Signatory.....Director  
(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2020****14. OTHER INTANGIBLE ASSETS - NET**

The movement transactions for the year ended December 31, 2020, is as follow:

				(Unit : Baht)
	Balance as at			Balance as at
	December 31, 2019	Increase	(Decrease)	December 31, 2020
Computer software	42,188,170.90	390,000.00	-	42,578,170.90
(Less) Amortization	(34,048,159.24)	(1,844,397.79)	-	(35,892,557.03)
Total other intangible assets - net	<u>8,140,011.66</u>	<u>(1,454,397.79)</u>	<u>-</u>	<u>6,685,613.87</u>

As at December 31, 2020 and 2019, the Company has intangible assets which are fully amortized but still operated in the cost amount of Baht 28.98 million and Baht 27.50 million, respectively.

**15. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES - NET**

As at December 31, 2020 and 2019, the components of deferred tax assets and liabilities are as follows :

	(Unit : Baht)	
	As at	As at
	December 31, 2020	December 31, 2019
Deferred tax assets	38,684,613.34	39,948,087.37
Deferred tax liabilities	(34,686,431.14)	(30,907,625.91)
Deferred tax assets and liabilities - net	<u>3,998,182.20</u>	<u>9,040,461.46</u>

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

Movements in total deferred tax assets and liabilities during the year were as follows :

(Unit : Baht)				
As at December 31, 2019	(Changed) / credited to :			As at December 31, 2020
	Profit (Loss)	Other comprehensive income	Share holders' Equity	
<b>Deferred tax assets</b>				
Allowance for declining in inventory valuation	1,055,401.19	477,345.01	-	1,532,746.20
Right-of-use assets	-	23,581.59	-	23,581.59
Provisions for employee benefits	5,728,199.24	269,564.52	-	5,997,763.76
Other current provisions	4.74	13,998.68	-	14,003.42
Tax losses that have not been used	33,164,482.20	(2,047,963.83)	-	31,116,518.37
<b>Total deferred tax assets</b>	<b>39,948,087.37</b>	<b>(1,263,474.03)</b>	<b>-</b>	<b>38,684,613.34</b>
<b>Deferred tax liabilities</b>				
Machine and equipment	(1,031,547.86)	(3,778,805.23)	-	(4,810,353.09)
Revaluation surplus on fixed assets	(29,876,078.05)	-	-	(29,876,078.05)
<b>Total deferred tax liabilities</b>	<b>(30,907,625.91)</b>	<b>(3,778,805.23)</b>	<b>-</b>	<b>(34,686,431.14)</b>
<b>Total income tax</b>		<b>(5,042,279.26)</b>		

**16. OTHER NON - CURRENT ASSETS**

Consists of :

(Unit : Baht)		
	As at December 31, 2020	As at December 31, 2019
Withholding tax refundable	30,766,177.66	28,565,157.08
Deferred Expenses	20,998,136.14	9,606,543.31
Others	269,147.29	278,827.29
<b>Total other non - current assets</b>	<b>52,033,461.09</b>	<b>38,450,527.68</b>

Authorized Signatory.....Director  
(Mr. Sumate Techakraisri)

Authorized Signatory.....Director  
(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2020****17. BANK OVERDRAFTS AND SHORT - TERM BORROWINGS FROM FINANCIAL INSTITUTIONS**

Consists of :

	(Unit : Baht)	
	As at	As at
	December 31, 2020	December 31, 2019
Bank overdrafts	-	871,490.52
Short - term borrowings from financial institutions	474,000,000.00	519,000,000.00
Total Bank overdrafts and Short - term borrowings from financial institutions	<u>474,000,000.00</u>	<u>519,871,490.52</u>

As at December 31, 2020 and 2019, the Company has credit facilities with financial institutions covering overdraft and short - term borrowings in amount of Baht 690.00 million and Baht 700.00 million, respectively, for the short - term borrowings are promissory notes. The Company bears interest at the rate of 2.63% - 4.25% per annum which have maturity date during January 5, 2021 - March 21, 2021

Movements of short - term borrowings from financial institutions during for the year ended December 31, 2020 as follows :

	(Unit : Baht)
Beginning as at December 31, 2019	<u>519,000,000.00</u>
Add borrow	1,965,000,000.00
(Less) repayment	<u>(2,010,000,000.00)</u>
Ending as at December 31, 2020	<u>474,000,000.00</u>

**18. TRADE ACCOUNTS AND OTHER CURRENT PAYABLE**

Consists of :

	(Unit : Baht)	
	As at	As at
	December 31, 2020	December 31, 2019
Trade accounts payable	102,041,733.28	101,109,913.69
Other current payable	50,701,143.60	35,563,454.86
Assets payable	6,986,066.77	1,576,912.00
Total trade accounts and other current payable	<u>159,728,943.65</u>	<u>138,250,280.55</u>

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**19. LEASE LIABILITIES**

	(Unit : Baht)		
	Lease liabilities	Deferred interest	Net
As at December 31, 2020			
Due within one year	16,365,516.08	(2,043,886.81)	14,321,629.27
Due after one year but within five years	29,117,560.96	(2,164,505.47)	26,953,055.49
<b>Total</b>	<b>45,483,077.04</b>	<b>(4,208,392.28)</b>	<b>41,274,684.76</b>
As at December 31, 2019			
Due within one year	12,917,204.02	(2,073,037.49)	10,844,166.53
Due after one year but within five years	32,157,805.41	(2,814,974.90)	29,342,830.51
<b>Total</b>	<b>45,075,009.43</b>	<b>(4,888,012.39)</b>	<b>40,186,997.04</b>

**20. PROVISIONS FOR EMPLOYEE BENEFITS**

An independent actuary appraised of the Company's obligations for employees' long - term benefits using the projected unit credit method. The Company has provided the provision for employees long - term benefits as follows :

	(Unit : Baht)	
	As at	As at
	December 31, 2020	December 31, 2019
Current portion of employee benefit obligations	1,602,761.00	1,469,639.00
Employee benefit obligations - net	28,386,057.76	27,558,822.00
<b>Total Employee benefit obligations</b>	<b>29,988,818.76</b>	<b>29,028,461.00</b>

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

Movement in the present value of the defined employee benefits obligations :

	(Unit : Baht)	
	2020	2019
For the year ended December 31		
Defined benefit obligations as at January 1	29,028,461.00	17,871,082.70
Current service costs and interest from obligation	3,644,102.00	2,292,374.30
Past service cost from plan changes	-	5,986,419.00
Loss on remeasurements of defined benefit plans	-	4,000,926.00
Benefits paid by the plan	(2,683,744.24)	(1,122,341.00)
Defined benefit obligations as at December 31	<u>29,988,818.76</u>	<u>29,028,461.00</u>

Post - employee benefit expenses included in the statements of comprehensive income for the years ended December 31, 2020 and 2019 were as follows :

	(Unit : Baht)	
	2020	2019
Current service costs	2,772,017.00	1,764,928.30
Interest from obligation	872,085.00	527,446.00
Total	<u>3,644,102.00</u>	<u>2,292,374.30</u>

Principal actuarial assumptions as at the reporting date

	2020	2019
Discount rate (Percentage per year)	2.71 - 2.94	2.71 - 2.94
Salary increase rate (Percentage per year)	3.04 - 3.71	3.04 - 3.71
Retirement age (year)	60	60
Resignation rate	According to the age range of employees	According to the age range of employees
Mortality Rate	TMO2017	TMO2017

Authorized Signatory.....Director  
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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

The result of sensitivity analysis for significant assumptions that affect the present value of the long - term employees benefit obligations as at December 31, 2020, and 2019, are summarized as below:

	(Unit : Baht)			
	Change of the present value of the			
	employees benefit obligations increase (decrease)			
	Increase 0.5%		Decrease 0.5%	
	2020	2019	2020	2019
Discount rate	(1,202,173.00)	(1,193,046.00)	1,283,596.00	1,276,033.00
Salary increase rate	1,423,301.00	1,259,066.00	(1,343,186.00)	(1,189,238.00)
Turnover rate	(1,490,260.00)	(1,318,933.00)	1,590,516.00	1,406,185.00

The sensitivity analysis presented above may not be representative of the actual change in employee benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Analysis of the maturity of the amount of employee benefits expected to be paid in the future before discounting as at December 31, 2020 and 2019 are as follows:

	(Unit : Baht)	
	2020	2019
Employee benefits expected to be paid in the first year	1,602,761.00	1,469,639.00
Employee benefits expected to be paid in the 2nd - 5th year	15,974,448.00	15,169,111.00
Employee benefits expected to be paid in the 6th - 10th year	16,562,468.00	16,622,459.00
Employee benefits expected to be paid in the 11th - 15th year	12,655,518.00	15,003,625.00

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**21. SHARE CAPITAL**

**21.1 Share capital**

As at December 31, 2020 and 2019 consist of :

	(Unit : Baht)	
	As at	As at
	December 31, 2020	December 31, 2019
<u>Authorised Share Capital</u>		
Beginning Balance	214,000,000.00	214,000,000.00
Increase share Capital	136,780,000.00	-
(Decrease) share Capital	-	-
Ending Balance	<u>350,780,000.00</u>	<u>214,000,000.00</u>
<u>Authorised Share Capital</u>		
Beginning Balance	214,000,000.00	214,000,000.00
Increase issued and paid - up capital	23,780,000.00	-
Ending Balance	<u>237,780,000.00</u>	<u>214,000,000.00</u>

In accordance of the Annual General Shareholders' Meeting for year 2020 on October 21, 2020, the shareholders have resolutions on the following matters

To approved the increase of the Company's registered capital of 136,780,000 baht from the existing registered capital of 214,000,000 baht to be totaling the registered capital 350,780,000 baht by issuing 136,780,000 new ordinary shares whit a par value of 1.00 baht, with the follows details

- 1) The capital increase of 23,780,000 baht by issuing ordinary shares of 23,780,000 shares, with a par value of 1.00 baht per share for sale to private placement offered in conjunction with the issuance and offering of warrants to purchase newly issued ordinary shares to private placement.

Authorized Signatory.....Director  
(Mr. Sumate Techakraisri)

Authorized Signatory.....Director  
(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

- 2) The capital increase of 48,000,000 baht by issuing ordinary shares of 48,000,000 shares, with a par value of 1.00 baht per share, to support the exercise of rights under the warrants to purchase the Company's newly issued ordinary shares, which was issued and allocated under a private placement, No. 1 ("TKT-W1") and the warrants to purchase the newly issued ordinary shares of the Company. Which is issued and allocated under a private placement, No. 3 ("TKT-W3"). In thus regard TKT-W3 and TKT-W1 will use the same group of newly issued ordinary shares to support the exercise rights since it is a warrant that has a condition of related use. In case TKT-W1 warrants are exercised, TKT-W3 warrants will not be able to exercise equal to the number of TKT-W1 warrants that have already been exercised.
- 3) The capital increase of 65,000,000 baht by issuing ordinary shares of 65,000,000 shares with a par value of 1.00 baht per share to support the exercise of rights under the warrants to purchase the Company's newly issued ordinary shares which was issued and allocated under a private placement, No. 2 ("TKT-W2").

On October 28, 2020, the Company registered an increase in capital with the Department of Business Development, Ministry of Commerce amount 136,780,000 baht, 350,780,000 shares with a par value of 1.00 baht per share.

**21.2 Share premium on ordinary shares**

As at December 31, 2020 and 2019 consist of :

	(Unit : Baht)	
	As at	As at
	December 31, 2020	December 31, 2019
<u>Share premium on ordinary shares</u>		
Beginning Balance	144,236,932.71	144,236,932.71
Increase capital increase in ordinary shares	3,698,965.00	-
Ending Balance	<u>147,935,897.71</u>	<u>144,236,932.71</u>

According to the provision of the Limited Public Company Act, B.E. 2535 (1992) section 51 in the case that the company has proposed to sell share higher than the value of the share that has been registered, the Company must set this excessive share amount as backup capital ("share value excessive part"). This share value excessive part cannot be paid as dividend.

Authorized Signatory.....Director  
(Mr. Sumate Techakraisri)

Authorized Signatory.....Director  
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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**21.3 Warrants**

In accordance of the Annual General Shareholders' Meeting for year 2020 on October 21, 2020, the shareholders have resolutions on the following matters

- 1) To approve the issuance and offering of newly issued ordinary shares on a specific basis to a private placement, Karrie Automotive Investment Limited (KAI), of 23,780,000 shares, with a par value of 1.00 baht per share, at the offering price of 1.30 baht per share, with a total of 30,914,000 baht which is offered in conjunction with the warrants to purchase newly issued ordinary shares to the private placement.
- 2) To approve the issuance and offering of warrants to purchase ordinary shares of the Company, No. 1 (TKT-W1), No. 2 (TKT-W2) and No. 3 (TKT-W3) to KAI, which is offered in conjunction with newly issued ordinary shares according to Article 1) whit free of charge.
- 3) To consider and approve the request for a waiver of the tender offer for all securities of the Company by virtue of the resolution of the general meeting of shareholders (Whitewash) to KAI from the issuance of capital increase ordinary shares offered to a private placement and the exercise right of TKT-W1 to purchase the Company's ordinary shares

Warrants to purchase ordinary shares

On October 28, 2020, the Company issued warrants to purchase ordinary shares No. 1 (TKT-W1), (TKT-W2) and (TKT-W3) of 113.00 million units to private placement in warrants in price of 0 Baht. After the Company submitted an application to register the change of par value of the Company's share on October 28, 2020. The Company has changed the exercise price and the exercise ratio of the Company's warrant No. 1 (TKT-W1), (TKT-W2) and (TKT-W3). The details are as follows:

Name of warrants	: TKT-W1
Number of warrants	: 48.00 million units
Maturity of warrants	: 6 months from the issuing date
Offering price	: At Baht 0 per unit
Exercise ratio	: 1 warrant per 1 ordinary share
Exercise price	: 1.70 baht per share
Date of maturity	: April 15, 2021
Issued date	: October 29, 2020

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

Name of warrants	: TKT-W2
Number of warrants	: 65.00 million units
Maturity of warrants	: 2 years from the issuing date
Offering price	: At Baht 0 per unit
Exercise ratio	: 1 warrant per 1 ordinary share
Exercise price	: 1.60 – 2.00 baht per share
Date of maturity	: October 28, 2022
Issued date	: October 29, 2020

Name of warrants	: TKT-W3
Number of warrants	: 48.00 million units
Maturity of warrants	: 2 years from the issuing date
Offering price	: At Baht 0 per unit
Exercise ratio	: 1 warrant per 1 ordinary share
Exercise price	: 1.70 baht per share
Date of maturity	: October 28, 2022
Issued date	: October 29, 2020

As at December 31, 2020, the remaining of unexercised warrants are 113.00 million units.

**22. LEGAL RESERVE**

According to the Public Companies Act, the Company has appropriated its reserve as a legal reserve not less than five percent of the annual net profit until the reserve reaches the reserves mentioned in the articles of associate. Currently, the reserve is fully appropriated.

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**23. REVALUATION SURPLUS ON FIXED ASSETS - NET**

	(Unit : Baht)	
	As at	As at
	December 31, 2020	December 31, 2019
Revaluation surplus on land		
Beginning balance	149,380,390.24	149,380,390.24
Increase	-	-
(Decrease)	-	-
Ending balance	149,380,390.24	149,380,390.24
(Less) Deferred tax liabilities	(29,876,078.05)	(29,876,078.05)
Total revaluation surplus on fixed assets - net	<u>119,504,312.19</u>	<u>119,504,312.19</u>

**24. EXPENSES BY NATURE**

Significant expenses by nature are as follows :

	(Unit : Baht)	
	2020	2019
Salary wages and other employee benefits	285,879,095.26	316,697,393.90
Depreciation and Amortization	64,587,998.36	66,515,279.23
(Profit) on exchange	(91,573.81)	(30,702.21)
Raw materials and consumables used	450,253,831.60	623,156,508.79
Changes in inventories of finished goods and work in progress	2,363,899.15	6,873,491.16
Cost of distributions	24,979,984.16	31,984,732.36

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**25. EARNINGS (LOSS) PER SHARE**

**25.1 Basic earnings (loss) per share**

Basic earnings (loss) per share for the year ended December 31, 2020 and 2019 was calculated by dividing profit (loss) for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares as follows :

	(Unit : Baht)	
	For the year ended December 31,	
	2020	2019
Profit (loss) attributable to ordinary shareholders of the Company		
(Basic)	(36,557,420.15)	12,208,558.72
Weighted average number of ordinary shares outstanding		
(Basic)	216,468,961.75	214,000,000.00
Basic earnings (loss) per share	(0.1689)	0.0570

Since the fair value of common share is lower than the warrant exercise price. There was no effect of dilutive potential common shares. Accordingly, diluted earnings (loss) per share is the same as basic earnings (loss) per share.

**25.2 Diluted earnings (loss) per share**

Diluted earnings (loss) per share is calculated by dividing the net profit (loss) attributable to shareholders by the weighted average number of ordinary shares in issue during the periods adjusted for the effect of conversion of warrant to ordinary share.

The Company did not calculate diluted earnings (loss) per share for years ended December 31, 2020 because the fair value of an ordinary share is lower than the exercised price of warrants.

Authorized Signatory.....Director  
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Authorized Signatory.....Director  
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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**26. DEFERRED TAX**

Tax income (expense) for the years ended December 31, 2020 and 2019 as follows :

	(Unit : Baht)	
	2020	2019
Income tax		
Corporate income tax for the year	-	-
Defer income tax		
Deferred income tax effect of temporary difference and the reversal of temporary differences	(5,042,279.26)	5,699,610.95
Operating income tax present in the comprehensive	(5,042,279.26)	5,699,610.95

Reconciliation for Effective Tax Rate

	(Unit : Baht)			
	Tax Rate		Tax Rate	
	(%)	2020	(%)	2019
Profit (Loss) before income tax expense		(31,515,140.89)		6,508,947.77
Income tax using the Thai corporation tax rate	20	(6,303,028.18)	20	1,301,789.55
Revenues treated as expenses under the Revenue Code		-		3,393,763.13
Expenses not treated as expenses under the Revenue Code		1,867,274.79		230,842.15
Revenues that are granted income tax exemption		-		(703,129.19)
Expenses that are deduct able at a greater amount		(3,952,473.91)		(192,439.72)
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit		8,388,227.30		(4,030,825.92)
Total Income Tax		-		-

Income tax reduction

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period which begins on or after January 1, 2015 and onwards in order to give full effect to the Cabinet resolution dated October 11, 2011 to increase Thailand's competitiveness.

Authorized Signatory.....Director  
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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**27. SEGMENT INFORMATION**

The Company's operations are manufacturing and distribution of plastic products as well as Molds design, Molds production and Molds repairing in which separate as follow :

(Unit : Million Baht)

	For the year ended December 31, 2020					
	Manufacturing and distribution of plastic products				Molds production and repairing	
	A motor vehicle	Electrical appliance	Others	Total		Total
Revenue	730.34	133.57	18.70	882.61	129.02	1,011.63
Operation profit (loss)	(11.17)	(8.08)	(0.95)	(20.20)	6.95	(13.25)
Finance costs						(18.27)
Tax (expenses)						(5.04)
Net (Loss)						(36.56)
As at December 31, 2020						
Fixed and other intangible assets - net				571.81	49.98	621.79
Other assets						509.49
Total assets						1,131.28

Authorized Signatory.....Director  
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**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

(Unit : Million Baht)

For the year ended December 31, 2019						
Manufacturing and distribution of plastic products						
	A motor vehicle	Electrical appliance	Others	Total	Molds production and repairing	Total
Revenue	991.08	111.34	30.06	1,132.48	154.73	1,287.21
Operation Profit	4.16	0.23	2.49	6.88	20.81	27.69
Finance costs						(21.18)
Tax income						5.70
Net Profit						12.21
As at December 31, 2019						
Fixed and other intangible assets - net				615.32	33.11	648.43
Other assets						512.88
Total assets						1,161.31

Authorized Signatory.....Director  
(Mr. Sumate Techakraisri)

Authorized Signatory.....Director  
(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**28. INVESTMENT PROMOTION AND PRIVILEGE**

As a promoted company, the Company has to strictly comply with certain terms and conditions outlined, profit or loss classified by the promoted and unpromoted activities are as follows:

	(Unit : Baht)		
	For the year ended December 31, 2020		
	Investment promotion activities	Non - investment promotion activities	Total
Revenue from sales - plastic products	-	882,606,466.54	882,606,466.54
Revenue from rendering of services - molds	-	129,021,471.38	129,021,471.38
Total revenue from sales and rendering of services	-	1,011,627,937.92	1,011,627,937.92
Cost of sales and rendering of services	-	(877,672,530.78)	(877,672,530.78)
Gross profit	-	133,955,407.14	133,955,407.14
Other income	-	7,206,522.83	7,206,522.83
Profit before expenses	-	141,161,929.97	141,161,929.97
Distribution costs	-	(24,979,984.16)	(24,979,984.16)
Administrative expenses	-	(98,544,983.67)	(98,544,983.67)
Other expenses	-	(2,862,264.02)	(2,862,264.02)
Directors and Managements remuneration	-	(28,015,489.96)	(28,015,489.96)
Total expenses	-	(154,402,721.81)	(154,402,721.81)
(Loss) before finance cost and income tax	-	(13,240,791.84)	(13,240,791.84)
Finance cost	-	(18,274,349.05)	(18,274,349.05)
(Loss) before income tax	-	(31,515,140.89)	(31,515,140.89)
Tax (expenses)	-	(5,042,279.26)	(5,042,279.26)
(Loss) for the year	-	(36,557,420.15)	(36,557,420.15)

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

(Unit : Baht)

	For the year ended December 31, 2019		
	Investment		Total
	promotion activities	Non - investment promotion activities	
Revenue from sales - plastic products	-	1,132,480,662.28	1,132,480,662.28
Revenue from rendering of services - molds	32,527,747.28	122,206,012.41	154,733,759.69
Total revenue from sales and rendering of services	32,527,747.28	1,254,686,674.69	1,287,214,421.97
Cost of sales and rendering of services	(25,818,024.31)	(1,083,316,772.04)	(1,109,134,796.35)
Gross profit	6,709,722.97	171,369,902.65	178,079,625.62
Other income	-	14,508,802.23	14,508,802.23
Profit before expenses	6,709,722.97	185,878,704.88	192,588,427.85
Distribution costs	(187,106.09)	(31,797,626.27)	(31,984,732.36)
Administrative expenses	(2,321,729.66)	(106,749,633.34)	(109,071,363.00)
Other expenses	-	(4,097,080.34)	(4,097,080.34)
Directors and Managements remuneration	(481,853.10)	(19,266,224.65)	(19,748,077.75)
Total expenses	(2,990,688.85)	(161,910,564.60)	(164,901,253.45)
Profit before finance cost and income tax	3,719,034.12	23,968,140.28	27,687,174.40
Finance cost	(572,176.82)	(20,606,049.81)	(21,178,226.63)
Profit before income tax	3,146,857.30	3,362,090.47	6,508,947.77
Tax income	-	5,699,610.95	5,699,610.95
Profit for the year	3,146,857.30	9,061,701.42	12,208,558.72

The Company holds the basis of expense allocation and interest, which cannot be classified as which type of business in accordance with the proportion of revenue of each entity.

At present, the Company's BOI promotion certificate had already completed the period of tax exemption of net profit. However, The Company still has received the incentive from the Board of Investment by Section 35(1) for 50 percent reduction of corporate income tax of net profit, for 5 years.

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**29. FINANCIAL INSTRUMENT**

29.1 Regarding the management policy of financial risk

The Company is exposed to the fluctuation of interest rate and foreign exchange rate. The Company will consider the utilization of appropriate financial instrument so as to hedge Profit the risk from foreign exchange rates.

29.2 Interest rate risk

Interest rate risk arises from changes in interest rates in the future. This will have an impact on operating results. And cash flow the risk of changes in interest rates on the Company relating to the bank. Overdrafts and bank interest rates fluctuate based on market rates, however. The Company does not use financial instruments of any kind to prevent such risks.

As at December 31, 2020 and 2019, assets and financial liabilities are classified by type of interest rate. Assets and liabilities that carry fixed interest rates further classified based on the maturity date or the date of repricing.

(If the date of repricing earlier) are as follows :

							(Unit : Baht)
							As at December 31, 2020
	Fixed interest rate			Interest rates		Total	Effective Rate
	Within 1 year	More than 1 to 5 years	Over 5 years	fluctuate based on market price	No Interest rate		
(Percentage per annum)							
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	54,073,661.62	339,176.46	54,412,838.08	0.125 - 2.00
Trade and other current receivables	-	-	-	-	226,221,311.74	226,221,311.74	-
Contract assets	-	-	-	-	81,088,373.49	81,088,373.49	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,073,661.62</b>	<b>307,648,861.69</b>	<b>361,722,523.31</b>	
<b>Financial liabilities</b>							
Bank overdrafts and short - term borrowings from financial institutions	-	-	-	474,000,000.00	-	474,000,000.00	2.63 - 4.25
Trade payables and other current payables.	-	-	-	-	159,728,943.65	159,728,943.65	-
Contract liabilities	-	-	-	-	1,315,326.06	1,315,326.06	-

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

(Unit : Baht)

As at December 31, 2020							
Fixed interest rate			Interest rates				
Within	More than	Over	fluctuate based	No			
1 year	1 to 5 years	5 years	on market price	Interest rate	Total		Effective Rate
							(Percentage per annum)
Long - term debt due within one year							
- Long - term liabilities from financial lease	-	-	-	14,321,629.27	-	14,321,629.27	4.32 - 6.00
Long - term liabilities							
- Long - term liabilities from financial lease	-	-	-	26,953,055.49	-	26,953,055.49	4.32 - 6.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>515,274,684.76</b>	<b>161,044,269.71</b>	<b>676,318,954.47</b>	

(Unit : Baht)

As at December 31, 2019							
Fixed interest rate			Interest rates				
Within	More than	Over	fluctuate based	No			
1 year	1 to 5 years	5 years	on market price	Interest rate	Total		Effective Rate
							(Percentage per annum)
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	75,816,187.57	304,666.25	76,120,853.82	0.30 - 0.625
Trade and other current receivables	-	-	-	-	223,684,332.99	223,684,332.99	-
Contract assets	-	-	-	-	57,531,812.05	57,531,812.05	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75,816,187.57</b>	<b>281,520,811.29</b>	<b>357,336,998.86</b>	
<b>Financial liabilities</b>							
Bank overdrafts and short - term borrowings from financial institutions	-	-	-	519,871,490.52	-	519,871,490.52	3.30 - 3.85
Trade payables and other current payables.	-	-	-	-	138,250,280.55	138,250,280.55	-
Long - term debt due within one year							
- Long - term liabilities from financial lease	-	-	-	10,844,166.53	-	10,844,166.53	4.53 - 6.00

Authorized Signatory.....Director

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Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

(Unit : Baht)

	As at December 31, 2019						Effective Rate (Percentage per annum)
	Fixed interest rate			Interest rates			
	Within	More than	Over	fluctuate based on market price	No Interest rate	Total	
	1 year	1 to 5 years	5 years				
Long - term liabilities							
- Long - term liabilities from financial lease	-	-	-	29,342,830.51	-	29,342,830.51	4.53 - 6.00
Total	-	-	-	560,058,487.56	138,250,280.55	698,308,768.11	

29.3 Exchange rate risk

The Company has certain foreign currency transactions that give rise to significant exposure to market risk from change in foreign exchange rates. However, the Company has committed purchase - sell forward contract for foreign exchange rated as a hedge against such risk.

29.4 Credit risk

The Company constitute risk from the credit offered in respect of trading accounts receivable since trade accounts receivable may not be able to settle debt pursuant to term and covenant agreed upon and also risk from counter party who cannot comply with the term and covenant in the contract of borrowing which may incur financial loss. However the Company hold the policy to hedge profit such risks via the analysis of financial status and consideration of capability in term of debt repayment of clients and each counter - party. Regarding the consideration of audit granted for trading accounts receivable who are anticipated of uncollectible in debt settlement, the Company sufficiently considered the allowance of doubtful debt.

29.5 Fair Value

Because most financial instruments of the Company and are classified as short - term or have interest rates close to market rates. The Company therefore estimated the fair value of financial instruments close to the book value shown in the statement of financial position.

During the current year no transfer of items between the fair value hierarchy

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

## T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

29.6 The risk of non - compliance with the contract

The risk of non - compliance with the contract Caused by default on its contractual obligations resulting in a financial loss to the Company. To control the risk, the Company has a prudent credit control policy, constant follow up account receivables, vary large number of customers base. Therefore, the management of the Company does not anticipate significant losses from debt collection.

### 30. DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non - financial assets and liabilities. The fair value is the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. Fair values have been determined for measurement and/or disclosure purposes based on the following methods (when applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability).

The fair value of cash and cash equivalents, trade and other current receivables, short - term borrowings, other current assets, bank overdrafts, short - term borrowings, long - term borrowings, trade and other current payables and other current liabilities is taken to approximate the carrying value.

The fair value of long - term borrowing is taken to approximate the carrying value because most of these financial instruments bear interest at market rates.

Fair values and the carrying values of financial assets and liabilities other than the aforementioned were as follows :

(Unit : Million Baht)

	Level 1		Level 2		Level 3		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Financial assets measured at fair value								
Land and revalued	-	-	194.57	194.57	-	-	194.57	194.57

### 31. CAPITAL MANAGEMENT

The primary objectives of the Company's capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

As at December 31, 2020 and 2019 debt to equity ratio in the financial statements is 1.66 : 1 and 1.68 : 1 respectively.

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**32. COMMITMENTS AND CONTINGENCY LIABILITIES**

32.1 As at December 31, 2020 and 2019, the Company has contingent liabilities to bank according to letter of guarantee as follows :

	(Unit : Million Baht)	
	As at	As at
	December 31, 2020	December 31, 2019
Electricity Guarantee	11.56	9.99

32.2 As at December 31, 2020 and 2019, the Company has commitments with commercial bank as follows :

	(Unit : Million Baht)	
	As at	As at
	December 31, 2020	December 31, 2019
Letters of Guarantee credit line of Baht 22.50 million		
Unused credit line	10.94	12.51

32.3 As at December 31, 2020 and 2019, the Company has raw material and assets purchase agreement as follows :

	(Unit : Million Baht)	
	As at	As at
	December 31, 2020	December 31, 2019
Purchasing of raw materials	33.21	38.23
Purchasing of assets	0.17	10.65

32.4 As at December 31, 2020 and 2019, the Company has commitments under lease with other companies, with the total future payment under operating lease and service contracts. Which does not meet the accounting conditions under Thai Financial Reporting Standards No. 16 Leases as follows :

	(Unit : Baht)	
	As at	As at
	December 31, 2020	December 31, 2019
Within		
1 year	5,134,774.84	3,162,300.00
1 - 3 years	-	2,918,250.00
3 years up	-	1,150,000.00
Total	<u>5,134,774.84</u>	<u>7,230,550.00</u>

Authorized Signatory.....Director

(Mr. Sumate Techakraisri)

Authorized Signatory.....Director

(Mr. Chumpol Techakraisri)

**T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

32.5 Contract of service

As at December 31, 2020, the Company has a commitment from a contract of employment of Baht 7.90 million.

**33. APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements have been approved for issue by Board of Directors the Company's on February 25, 2021.

Authorized Signatory.....Director  
(Mr. Sumate Techakraisri)

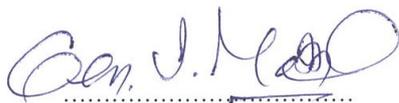
Authorized Signatory.....Director  
(Mr. Chumpol Techakraisri)

**Report of the Board of Directors on Financial Statements.**

The management has prepared the financial statements for the year ended December 31, 2020 in accordance with generally accepted accounting standards based on the appropriate policy and consistency with careful and reasonable judgment in preparing the financial statements. The important information is adequately disclosed in the notes to the financial statements. Such financial statements have been audited and have unqualified opinions from the independent auditor.

Board of Directors has performed the duty of supervising the Company's operations in accordance with the objectives, goals, strategies, including establishing an internal control system and a risk management system in order to make the financial information accurate as its materiality. The Board of Directors has appointed an Audit Committee. It consists of 3 independent directors who are responsible for reviewing financial statements to ensure that there is an adequate internal control and internal audit system. The Audit Committee has expressed an opinion on this matter in the audit committee report which is shown in the annual report.

Board of Directors express an opinion that the Company's internal control system is adequate and appropriate to establish rational confidence in the reliability of the financial statements for the year ended 31 December 2020.



General Terdsak Marrome

Chairman



Mr. Kowate Limtrakul

Managing Director

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**Message from Chairman of the Audit Committee**

T. Krungthai Industries Public Company Limited has appointed Audit Committee comprising of 3 competent and qualified independent directors.

- |                              |                             |
|------------------------------|-----------------------------|
| 1. Mr. Pairuch Sahamethapat  | Chairman of Audit Committee |
| 2. Mr. Paotep Chotinuchit    | Audit Committee             |
| 3. Mr. Virasak Sutanthavibul | Audit Committee             |

And committee secretary of the Audit Committee is Mr.Chumpol Techakraisri

In the year 2019 the Audit Committee has performed their duties as assigned by the Board of Directors which is in consistent with the requirements of the Stock Exchange of Thailand. Audit Committee meetings had been held four times in auditing and reporting the results to the Board of Directors. The Audit Committee made a report, expressed their opinions and gave recommendations independently. The main topics in 2019 are as follows.

1. Review the quarterly financial statements and annual financial statements including the disclosure of information in the notes to the financial statements of the company which has been reviewed and audited by the auditor, the Audit Committee agreed with the auditor that the information in the Company's financial statements is correct, complete and reliable in accordance with the accounting standards and the auditor has expressed an unqualified opinion on the financial statements..

2. Review the effectiveness and sufficiency of the internal control system, the Audit Committee has a quarterly review of the internal audit and operating progress. They also gave recommendations to Wynn Alliance Company Limited, the Internal Auditor Company, which has been working with the Company's internal audit officers, both teams have reported directly to the Audit Committee in order to work efficiently and effectively and significant issues are corrected and continuously followed up. Additionally they considered the results of the internal control assessment in accordance with the SEC's internal control system adequacy assessment form prepared by the management. The Audit Committee expressed the opinion that the company has followed up and reviewed the internal control system appropriately, independently and efficiently.

3. Review connected transactions or transactions that may lead to conflicts of interest including disclosure of such information accurately and completely in accordance with the laws and regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand, which the auditor has the opinion that the connected transactions with persons who may have conflicts of interests have been disclosed and presented in the financial statements and notes to the financial statements, the Audit Committee agreed with the auditor that those connected transactions are in accordance with normal business conditions and beneficial to the business operation of the company. In addition, the information is disclosed accurately and completely in accordance with the laws and regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand.

4. Consider selecting the Company's auditors, the Audit Committee considered the performance, knowledge, capability, experience, reliability, sufficiency of resources, the independence and quality of the auditor who have worked in the past years, including the appropriateness of remuneration, therefore proposed Karin Audit Company Limited, who has the qualifications as aforementioned to the Board of Directors for approval from the shareholders' meeting to appoint as the Company's auditor for the year 2020.

Besides the above, in the year 2019 Audit Committee held a meeting with auditors and internal auditors without the presence of management on November 11<sup>th</sup>, 2019 to consider and acknowledge the scope of the



annual audit plan and annual internal audit plan information including important issues freely and without restrictions.

In conclusion, the Audit Committee has performed its duties according to their authority and responsibilities as assigned by the Board of Directors with due care and knowledge and are given enough independence for the benefit of all stakeholders equally. According to the results of the evaluation of the internal auditors and the auditor's report, the Audit Committee believe that the company's preparation and disclosure in financial reporting is appropriate and reliable. The method of internal control and risk management is adequate, and no significant flaws.

.....  
Mr. Pairuch Sahamethapat  
Chairman of the Audit Committee

**Message from Chairman of Remuneration and Nomination Committee**

Remuneration and Nomination Committee appointed by the Board of Directors with a term of 3 years from August 10<sup>th</sup>, 2018 to August 9<sup>th</sup>, 2021 comprising / encompass of the following 5 persons which 3 of them are Independent Directors.

No.	Name-Surname	Position
1	Mr.Paotep Chotinuchit	Chairman of Remuneration and Nomination Committee (Independent)
2	Mr.Pairuch Sahamethapat	Remuneration and Nomination Committee (Independent)
3	Dr.Kosol Surakomol	Remuneration and Nomination Committee (Independent)
4	Mr.Sumate Techakraisri	Remuneration and Nomination Committee
5	Mr.Kumpee Chongthurakit	Remuneration and Nomination Committee

And committee secretary of the Remuneration and Nomination Committee is Mr. Chumpol Techakraisri.

In the year 2020, the Remuneration Committee and the Nominating Committee had arranged 2 meetings and all directors had attended every meeting to follow up and consider important matters assigned by the Board of Directors. The summary of the meetings are following

**The Remuneration**

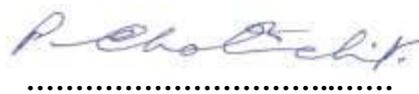
1. The Committee consider and propose the determination of remuneration for the Company's directors according to the compensation and benefits criteria with regards of the suitability of the performance compared to similar businesses as well as the appropriateness of duties and responsibilities of the directors in order to present to the Board of Directors for approval before proposing to the 2020 Annual General Meeting of Shareholders for consideration and approval.

2. The Committee consider the performance appraisal and determine the remuneration of the Executive Chairman for the year 2020 to propose to the Board of Directors for approval.

**The Nomination**

1. Promote, support and provide opportunities for minority shareholders to involve in corporate governance and give opinions on business operations by providing them the opportunity to propose agenda and nominate persons to replace the directors who have completed their terms for the 2020 Annual General Meeting of Shareholders at least 90 days in advance thru the Company's website.

2. Consider, select and screen qualified persons to serve as directors of the Company in place of those who will retire by rotation in order to present to the Board of Directors for consideration before proposing to the 2020 Annual General Meeting of Shareholders to appoint directors to replace the directors to be retired by rotation.



Mr. Paotep Chotinuchit

Chairman of Remuneration and Nomination Committee

### Message from Chairman of Corporate Governance Committee

Corporate Governance Committee gives priority and abide to the good corporate governance policy and business ethics by directing them to promote compliance with the principles of corporate governance continuously.

Corporate Governance Committee consist of board of directors with a term of 3 years from December 22<sup>th</sup>, 2018 to December 21<sup>th</sup>,2021 comprising / encompass of the following 5 persons which 3 of them are Independent Directors.

No.	Name-Surname	Position
1	Mr.Paotep Chotinuchit	Chairman of Corporate Governance Committee (Independent)
2	Mr.Pairuch Sahamethapat	Corporate Governance Committee (Independent)
3	Dr.Kosol Surakomol	Corporate Governance Committee (Independent)
4	Mr.Sumate Techakraisri	Corporate Governance Committee
5	Mr.Kumpee Chongthurakit	Corporate Governance Committee

And committee secretary of the Corporate Governance Committee is Mr. Chumpol Techakraisri.

In the year 2020, the Corporate Governance Committee had held two meetings to supervise the company's operation to comply with regulations, laws, rules and good practice and summarized as follows:

1. Supervise the arrangement of the 2020 Annual General Meeting of Shareholders in accordance with good practice and AGM Checklist guidelines, resulting to the company received full 100% from the quality assessment of the AGM meeting continuously from the Thai Investors Association (TIA)
2. Supervise the setting of criteria for the minority shareholders to propose the meeting agenda and nominate persons to be considered for election as the Company's director in advance before the 2020 Annual General Meeting of Shareholders for a period of not less than 90 days.
3. Follow up and provide suggestions for reviewing the policy and good corporate governance code (CG Code) in order to make policies and guidelines of the company up-to-date and proper to use in operations
4. Consider the performance report based on the good corporate governance principles in the Report 56-1 and the 2020 Annual Report to ensure the disclosure of information is complete and compliance with good corporate governance guideline, resulting to the company has been consistently assessed "Excellence" by the Thai Listed Companies Corporate Governance Survey (CGR) of the Thai Institute of Directors Association (IOD).



.....  
 Mr. Paotep Chotinuchit  
 man of Corporate Governance Committee

**Message from Chairman of Risk Management Committee**

Risk Management Committee appointed by the Board of Directors with a term of 3 years from December 21st 2019 to 29th February 2022 Board of Directors appointed Director and top 8 executives as follows:

- |                    |              |   |
|--------------------|--------------|---|
| 1. Dr. Kosol       | Surakomol    | Risk Management Committee (Independent) |
| 2. Mr. Phreecha    | Techakraisri | Risk Management Committee               |
| 3. Mr. Chumpol     | Techakraisri | Risk Management Committee               |
| 4. Mr. Viroon      | Powlinjong   | Risk Management Committee               |
| 5. Miss Nual-anong | Sukhanaphorn | Risk Management Committee               |
| 6. Mr. Pitsanu     | Vilawanjit   | Risk Management Committee               |
| 7. Mr. Boonthiwa   | Inchata      | Risk Management Committee               |
| 8. Mr. Niwes       | Buakhom      | Risk Management Committee               |

And committee secretary of the Risk Management Committee is Miss. Pornthip Puangsab

Risk Management Committee conduct and support the work of the Board of Directors about supervising and monitoring the risk management of the company by considering the impact of various risk factors in order to prevent and reduce the impact of such risk factors in 2020, the Risk Management Committee has performed the following actions:

In conclusion of year 2020, Risk Management Committee has conducted as follows.

1. Define and review the risk management framework to be proper and in consistent with the company's strategy and operations in the topic that may be at risk from normal operations and risks that may arise from unusual situations such as natural disasters or the spread of contagious diseases.
2. Risk Management Committee Attended a meeting with the management to consider and approve the risk preventive plan
3. Follow up and evaluate the performance to ensure that the management has managed the business under the acceptable risk level. There are guidelines in determining the controlling methods and mitigation measures that are concrete and practical to minimize the damage that may occur in a timely manner.
4. Report the risk management results to the Board of Directors for acknowledgement.



(Dr. Kosol Surakomol )

Chairman of Risk Management Committee



**Details of the Directors, the Management and the Authorized Directors, Company Secretary**

No.	Name –Surname Position Date of Appointment	Age	Education	Share holding Structure (%)	Relationship	Working Experience in the past 5 years	
						Duration	Position- Company
1	General Terdsak Marrome • Independent Director • Chairman of the Board January 6, 2004	84	<ul style="list-style-type: none"> <li>• Doctor of Science in Innovation and Technology Education (honorary), Rajamangala University of Technology Phra Nakhon.</li> <li>• Bachelor of Science (B.S.) Chulachomklao Royal Military Academy (CRMA)</li> <li>• Associate Infantry Career Course, Georgia,USA</li> <li>• Internal Defense and Developmnt, North Carolina, USA</li> <li>• Command and General Staff College</li> <li>• Royal Thai army war college</li> <li>• Course of Law for High-Level Commander, Ministry of Defence</li> <li>• National Defence College</li> <li>• Advanced Master of Management Program (AMM) Class 5</li> </ul> <p><b>Governance Training of IOD</b></p> <ul style="list-style-type: none"> <li>• DAP : Director Accreditation Program Class 10/2004</li> </ul>	0.09	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 - Present	Independent Director/ Chairman of the Board
						POSITIONS IN LISTED COMPANIES IN SET. ( 2 position)	
						2019 - Present	Independent Director, UBIS (Asia) PCL.
						2012 - Present	Chairman of the Board, East Coast Furnitech PCL.
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS ( 8 position)	
						2016 - Present	President and Advisory, The Lions Foundation in Thailand
						2012 - Present	President, Sahapant Santiphap International (Thailand)
						2004 - Present	President, Vietnam War Veteran Association of Thailand under Royal Patronage
						1997 - Present	Royal Guard
1992 - Present	Chairman, Trai Kaew Foundation(Education), Thammawatee School						
1987 - Present	Chairman of the Advisory and Director, Eastern Technological college (E-Tech)						
1986 - Present	Special force in 21 Royal Guard Regiment. Of Majesty Queen Sirikit The Queen						
1977 - Present	President, The Lions Clubs International District 310 Thailand						
2	Mr. Pairuch Sahamethapat • Independent Director • Chairman of Audit Committee • Director of Remuneration and Nomination Committee • Director of Corporate Governance Committee • Director January 6, 2004	76	<ul style="list-style-type: none"> <li>• Bachelor of Accountant, Chulalongkorn University.</li> </ul> <p><b>Governance Training of IOD</b></p> <ul style="list-style-type: none"> <li>• DCP : Director Certification Program Class 102/2008</li> </ul>	N/A	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 - Present	Independent Director/ Chairman of Audit Committee
						POSITIONS IN LISTED COMPANIES IN SET.	
						-None-	
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS	
						-None-	



**Details of the Directors, the Management and the Authorized Directors, Company Secretary**

No.	Name –Surname Position Date of Appointment	Age	Education	Share holding Structure (%)	Relationship	Working Experience in the past 5 years	
						Duration	Position- Company
3	Mr. Paotep Chotinuchit • Independent Director • Chairman of Remuneration and Nomination Committee • Chairman of Corporate Governance Committee • Director of Audit Committee • Director January 6, 2004	87	<ul style="list-style-type: none"> <li>• M.Sc Metallurgical engineer, University of Arizona, USA.</li> </ul> <b>Governance Training of IOD</b> <ul style="list-style-type: none"> <li>• DAP : Director Accreditation Program Class 11/2004</li> </ul>	0.002	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 - Present	Independent Director/ Audit Committee
						POSITIONS IN LISTED COMPANIES IN SET.	
						-None-	
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS ( 2 position)	
2013 - Present	Professional Director, Suranaree University of Technology Hospital						
1995 - Present	President, Qualine Management Co., Ltd.						
4	Dr. Kosol Surakomol • Chairman of Risk Management Committee • Independent Director • Director • Director of Remuneration and Nomination Committee • Director of Corporate Governance Committee April 7, 2010	80	<ul style="list-style-type: none"> <li>• M.S. in Chemical Engineering, Wayne State University, Detroit, Michigan, U.S.A.</li> </ul> <b>Governance Training of IOD</b> <ul style="list-style-type: none"> <li>• DCP : Director Certification Program Class 137/2010</li> </ul>	N/A	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2010 - Present	Independent Director/ Chairman of Risk Management Committee
						POSITIONS IN LISTED COMPANIES IN SET.	
						2013 - 2018	Advisors office of The President, Loxley PCL.
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS ( 1 position)	
2010 - Present	Director & Secretary, Thep Siri Foundation.						
5	Mr. Virasak Sutanthavibul • Independent Director • Director of Audit Committee • Director January 6, 2004	63	<ul style="list-style-type: none"> <li>• B. Eng., Chulalongkorn University</li> <li>• M.E., Texas A&amp;M University, Texas, U.S.A.</li> <li>• The Joint State – Private Sectors Class 18/2005, The National Defence College of Thailand</li> <li>• Certificate, Capital Market Academy (CMA), Class 10/2010</li> </ul> <b>Governance Training of IOD</b> <ul style="list-style-type: none"> <li>• DAP : Director Accreditation Program Class 21/2004</li> </ul>	N/A	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 - Present	Independent Director/ Audit Committee
						POSITIONS IN LISTED COMPANIES IN SET. ( Director 3 position)	
						2019 - Present	Chairman of Audit Committee, NFC PCL.
						2015 - Present	Chairman of Audit Committee, Thai Plaspac PCL.
						2005 - Present	Independent Director, Bangkok Insurance PCL.
POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS ( 1 position)							
2016 - Present	Director, Bualuang Ventures Co., Ltd.						



**Details of the Directors, the Management and the Authorized Directors, Company Secretary**

No.	Name –Surname Position Date of Appointment	Age	Education	Share holding Structure ( % )	Relationship	Working Experience in the past 5 years	
						Duration	Position- Company
6	Mr. Sumate Techakraisri • Chief Executive Director • Director • Director of Remuneration and Nomination Committee • Director of Corporate Governance Committee January 6, 2004	73	<ul style="list-style-type: none"> <li>• Bachelor of Economics, Thammasat Univesity.</li> <li>• Mini MBA Chulalongkorn University</li> <li>• Certificate, Capital Market Academy (CMA) Class 17/2013</li> </ul> <b>Governance Training of IOD</b> <ul style="list-style-type: none"> <li>• DAP : Director Accreditation Program Class 137/2010</li> </ul>	9.88	Father of Mr. Chumpol Techakraisri	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						1980 - Present	Director / Chief Executive Directors and Authorized Director.
						POSITIONS IN LISTED COMPANIES IN SET.	
						- None-	
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS ( 10 position)	
						2008 - Present	Director, Advance Nano Tech Co., Ltd.
						2004 - Present	Director, MFT Development Co., Ltd.
						2001 - Present	Director, Chadsan Phansuan Co., Ltd.
						1995 - Present	Director, Chai Watthana Materials Co., Ltd
						1993 - Present	Director, Vogue Living Co., Ltd.
1988 - Present	Director, Mahavivat Co., Ltd.						
1987 - Present	Directors, Prairie Marketing Co., Ltd.						
1985 - Present	Director, Peace and Living Co., Ltd.						
1980- Present	Director, GM General Trade Co., Ltd.						
1978 - Present	Director, Greenland Marketing Co., Ltd.						
7	Mr. Kumpee Chongthurakit • Director • Director of Remuneration and Nomination Committee • Director of Corporate Governance Committee January 6, 2004	66	<ul style="list-style-type: none"> <li>• Bachelor of Marketing, Assumption University.</li> </ul> <b>Governance Training of IOD</b> <ul style="list-style-type: none"> <li>• DCP : Director Certification Program Class 48/2004</li> </ul>	0.21	Uncle of Mr. Chumpol Techakraisri	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 - Present	Director
						POSITIONS IN LISTED COMPANIES IN SET. ( 1 position)	
						1989 - Present	Director, LPN Development PCL.
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS ( 2 position)	
						1998 - Present	Director, S.S.A. Industry Co., Ltd.
						1973 - Present	Director, S.S.A.Group Co., Ltd.
1992 - 2017	Director, Lumpini Property Management Co.,Ltd.						
1990 - 2017	Director, Pornsanti Co., Ltd.						
8	Mr. Phreecha Tachakraisri • Director • Executive Director • Director of Risk Management Committee January 6, 2004	58	<ul style="list-style-type: none"> <li>• Master of marketing Youngstown State University ,USA</li> </ul> <b>Governance Training of IOD</b> <ul style="list-style-type: none"> <li>• DAP : Director Accreditation Program Class 10/2004</li> </ul>	2.58	Nephew of Mr.Sumate Techakraisri	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 - Present	Director / Executive Directors and Authorized Director
						2015 - 2019	Managing Director
						POSITIONS IN LISTED COMPANIES IN SET.	
						-None-	
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS ( 3 position)	
						1997- Present	Executive Director, Sri Sam-Ank Supplier Co., Ltd.
1996 - Present	Executive Director, T. Thai Snack Food Co., Ltd						
1992 - Present	Director, T Thai Trade Development Co.,Ltd.						



**Details of the Directors, the Management and the Authorized Directors, Company Secretary**

No.	Name –Surname Position Date of Appointment	Age	Education	Share holding Structure ( % )	Relationship	Working Experience in the past 5 years	
						Duration	Position- Company
9	Mr. Chumpol Techakraisri • Director • Executive Director • Director of Risk Management Committee • Asst. Managing Director • Company Secretary • Board Secretary January 6, 2004	40	<ul style="list-style-type: none"> <li>• Bachelor of Finance and Banking, Chulalongkorn, University</li> </ul> <b>Governance Training of IOD</b> <ul style="list-style-type: none"> <li>• DCP : Director Certification Program Class 102/2008</li> <li>• Fundamentals Practice for Corporate Secretary (FPCS) 21/2009, Thai Listed Companies Association</li> </ul>	0.40	Son of Mr. Sumate and Mrs. Yupa Techakraisri	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 - Present	Director / Executive Director and Authorized Director
						2003 - Present	Asst. Managing Director
						POSITIONS IN LISTED COMPANIES IN SET. ( 1 position)	
						2011 - Present	Director of Pace Development Corporation PCL.
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS ( 10 position)	
						2015 - Present	Director, Pace Interior Services Co., Ltd.
						2014 - Present	Director, Pace Country Club Co., Ltd.
						2014 - Present	Director, Pace Food Retail Co., Ltd.
						2008 - Present	Director, Pace Real Estate Co., Ltd.
						2008 - Present	Director, Dean & DeLuca (Thailand) Co., Ltd.
						2007 - Present	Director, Pace Project One Co., Ltd.
						2008 - Present	Director, Pace Project Two Co., Ltd.
2008 - Present	Director, Pace Project Three Co., Ltd.						
2004 - Present	Director, MFT Development Co., Ltd.						
2001 - Present	Director, Chadsan Phansuan Co., Ltd.						
10	Mrs. Yupa Techakraisri • Director January 6, 2004	70	<ul style="list-style-type: none"> <li>• Bachelor of Economics, Ramkamheang University</li> <li>• Accounting Advance of Pitman Examination Institute.</li> </ul> <b>Governance Training of IOD</b> <ul style="list-style-type: none"> <li>• DCP : Director Certification Program Class 32/2003</li> </ul>	10.09	Mother of Mr. Chumpol Techakraisri	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 - Present	Director and Authorized Director
						POSITIONS IN LISTED COMPANIES IN SET. ( 1 position)	
						1989 - Present	Director, LPN Development PCL.
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS ( 4 position)	
						2001 - Present	Director, Chadsan Phansuan Co., Ltd.
						1996 - Present	Director, T. Thai Snack Food Co., Ltd.
						1988 - Present	Director, S.S.A. Industry Co., Ltd.
						1973 - Present	Director, A.S.A.Group Co., Ltd.
						1994 - 2017	Director, Pornsanti Co., Ltd.
1992 - 2017	Director, Lumpini Property Management Co.,Ltd.						



**Details of the Directors, the Management and the Authorized Directors, Company Secretary**

No.	Name –Surname Position Date of Appointment	Age	Education	Share holding Structure (%)	Relationship	Working Experience in the past 5 years	
						Duration	Position- Company
11	Mr. Apichart Kasemkulsiri • Director January 6, 2004	54	<ul style="list-style-type: none"> <li>MBA, Sasin Graduate Institute of business administration, Chulalongkorn university</li> <li>BBA, Department of Banking and Finance, Chulalongkorn Business School, Chulalongkorn university</li> <li>Certificate, Capital Market Academy (CMA) Class 27/2018</li> </ul> <p><b>Governance Training of IOD</b></p> <ul style="list-style-type: none"> <li>DCP : Director Certification Program Class 73/2006</li> </ul>	N/A	Cousin of Mr. Phreecha Techakraisri and Mr. Chumpol Techakraisri	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 - Present	Director
						POSITIONS IN LISTED COMPANIES IN SET. ( 2 position)	
						2019 - Present	Chairman of the Audi Committee and Independent Director, Thitikorn PCL.
						2018 - Present	Director, L.P.N. Development PCL.
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS ( 8 position)	
						2020 - Present	Chairman of the Risk Management Committee/ Independent Director, Thai Eastern Group Holdings Co., Ltd.
						2020 - Present	Director, Kamala Senior Living Co., Ltd.
						2019 - Present	Director, Dolsiri Developpment Co., Ltd.
						2018 - Present	Director, Lumpini Property Management Co., Ltd.
2018 - Present	Director, Pornsanti Co., Ltd.						
2018 - Present	Director, LPC social Enterprise Co., Ltd.						
2007 - Present	Executive Director, Sri Sam Ank Supplier Co., Ltd.						
1996 - Present	Director, T. Thai Snack Food Co., Ltd						
12	Mr. Prasong Techakraisri • Director January 6, 2004	52	<ul style="list-style-type: none"> <li>Bachelor of Economics Ritsumeikan University, Japan</li> </ul> <p><b>Governance Training of IOD</b></p> <ul style="list-style-type: none"> <li>DAP : Director Accreditation Program Class 11/2004</li> </ul>	1.22	Nephew of Mr.Sumate Techakraisri	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 -Present	Director
						POSITIONS IN LISTED COMPANIES IN SET.	
						-None-	
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS ( 1 position)	
1996 - Present	Managing Director, Chaiwattana Accessories Co., Ltd.						
13	Mr. Kowate Limtrakul • Director • Executive Director • Managing Director	68	<ul style="list-style-type: none"> <li>Master of Business Administration, Chulalongkorn University</li> </ul> <p><b>Governance Training of IOD</b></p> <ul style="list-style-type: none"> <li>DCP : Director Certification Program Class 105/2008</li> </ul>	0.12	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2020 - Present	Director/ Executive Director/ Managing Director
						POSITIONS IN LISTED COMPANIES IN SET. ( 1 position)	
						2014 - Present	Audit Committee, Multibax Public Co., Ltd.
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS	
-None-							



**Details of the Directors, the Management and the Authorized Directors, Company Secretary**

No.	Name –Surname Position Date of Appointment	Age	Education	Share holding Structure ( % )	Relationship	Working Experience in the past 5 years	
						Duration	Position- Company
14	Miss Nual-anong Sukhanaphorn • General Manager Financial & Accounting	54	<ul style="list-style-type: none"> <li>• Bachelor of Accounting, Thammasat University</li> <li>• Master of Science (Managerial Accounting), Chulalongkorn University</li> <li>• Master of Business Economics, National Institute of Development Administration</li> </ul>	N/A	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2020 - Present	Financial Controller
						2017 - 2019	Assistance to CFO
15	Mr. Niwes Buakhom • General Manager Human Resource	56	<ul style="list-style-type: none"> <li>• Master of Personnel management National Institute of Development Administration</li> </ul> <p><b>Governance Training of IOD</b></p> <ul style="list-style-type: none"> <li>• Anti-corruption (ACPG) Class 48/2019</li> </ul>	N/A	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2018 - Present	General Manager Human Resource
16	Mr. Pitsanu Vilawanjit • General Manager Kingkaew Plant	62	<ul style="list-style-type: none"> <li>• Bachelor of Industrial Engineering King Mongkut's University of Technology North Bangkok</li> </ul>	N/A	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2018 - Present	General Manager Kingkaew Plant
17	Mr. Dumrong Channarong • General Manager Kabinburi Plant	57	<ul style="list-style-type: none"> <li>• Bachelor of Faculty of Science and Industrial Technology King Mongkut's Institute of Technology Ladkrabang</li> </ul>	0.001	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2018 - Present	General Manager Kabinburi Plant
18	Mr. Boonthiwa Inchata • General Manager (Inj.) Suwintawong	52	<ul style="list-style-type: none"> <li>• Bachelor of Science technology Rajabhat Institute Chachoengsao</li> </ul>	N/A	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2018 - Present	General Manager (Inj.) Suwintawong
19	Mr. Ruchira Srisamai • General Manager (Mold) Suwintawong	63	<ul style="list-style-type: none"> <li>• Bachelor of Industrial Engineering King Mongkut's University of Technology North Bangkok</li> </ul>	0.002	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2019 - Present	General Manager (Mold) Suwintawong
20	Mr. Prinya Kaeoluan • Accounting & Financial Senior Manager	54	<ul style="list-style-type: none"> <li>• Bachelor of Accounting Ramkhamhaeng University</li> <li>• Master of Accountancy Kasetsart University</li> </ul>	N/A	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2012 - Present	Senior Accounting & Financial Manager.

Remark: No. 14 - 19 is the 4<sup>th</sup> level executive management according to the definition of the SEC.