



# รายงานประจำปี 2560 ANNUAL REPORT 2017

รายงานความรับผิดชอบต่อสังคม  
Corporate Social Responsibility (CSR) Report



บริษัท แคปปิตอล เอ็นจิเนียริ่ง เน็ตเวิร์ค จำกัด (มหาชน)  
Capital Engineering Network Public Company Limited

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## สารบัญ

### การประกอบธุรกิจ

- 2 ข้อมูลสำคัญทางการเงิน
- 3 รายงานจากคณะกรรมการบริษัท
- 4 โครงสร้างการถือหุ้นของกลุ่มบริษัท
- 5 ลักษณะการประกอบธุรกิจ
- 27 ปัจจัยความเสี่ยง

### การจัดการ

- 35 โครงสร้างบริหารจัดการ
- 36 โครงสร้างการถือหุ้นและการจัดการ
- 66 รายการระหว่างกัน
- 69 การควบคุมภายในและบริหารความเสี่ยง
- 72 รายงานของคณะกรรมการการบริหารความเสี่ยง
- 73 รายงานของคณะกรรมการพิจารณาค่าตอบแทน
- 74 ข้อมูลส่วนบุคคลของคณะกรรมการบริษัท ผู้บริหารและ  
เลขานุการบริษัท
- 82 คณะกรรมการบริษัท
- 86 ข้อมูลทั่วไปและข้อมูลสำคัญอื่น

### การกำกับดูแลกิจการ

- 90 การกำกับดูแลกิจการ
- 130 รายงานความรับผิดชอบต่อสังคม ปี 2560

### ฐานะการเงินและผลการดำเนินงาน

- 158 คำอธิบายและการวิเคราะห์ฐานะการเงินและผลการดำเนินงาน
- 167 รายงานการกำกับดูแลกิจการของคณะกรรมการตรวจสอบ
- 170 รายงานความรับผิดชอบของคณะกรรมการบริษัทต่อ  
รายงานทางการเงิน
- 171 รายงานของผู้สอบบัญชีรับอนุญาต
- 176 งบการเงิน
- 186 หมายเหตุประกอบงบการเงิน
- 269 ค่าตอบแทนของผู้สอบบัญชี

## CONTENT

### Bussiness

- 270 Importance information in term of financial
- 271 Report from the Board of Directors
- 272 Shareholding Structure of Company
- 273 Natures of Bussiness
- 289 Risk Factors

### Management

- 294 Organization Chart
- 295 Shareholding Structure and Management
- 343 Related Transaction
- 345 Internal Control and Risk Management
- 347 Report from the Risk Management Committee
- 348 Report from the Remuneration Committee
- 349 Personal Information of the Company's Board of  
Directors, Executives and Corporate Secretary
- 357 Board of Directors
- 361 General Information and Other importance information

### Corporate Governance

- 364 Corporate Governance
- 391 Corporate Social Responsibilities Report of year 2017

### Financial Status and Business Operation

- 414 Explanation and Examination of Financial Status  
and Business Operation
- 421 Corporate Governance Report from Audit Committee
- 423 Report on Responsibilities of the Board of Directors  
on Financial Reporting
- 424 Independent Auditor's report
- 429 Financial Statement
- 439 Notes to Financial statement
- 561 Remuneration free of Auditor

### Importance information in term of financial

Operating Results (Million Baht)	2017	2016	2015
REVENUES			
Sales and Project	2,493	1,945	1,620
Other Income	58	36	(39)
Total Revenues	2,551	1,981	1,581
Profit (Loss)			
Earnings before Interest, tax, Depreciation and Amortization (EBITDA)	(115)	26	(137)
Earnings (Loss) before Income Tax	(355)	(209)	(198)
Net Earnings (Loss)	(310)	(163)	(196)
Net Earnings (Loss) - Equity Holders of the Company	(157)	(123)	(188)
<b>Financial Status (Million Baht)</b>			
Total Assets	6,053	5,928	5,355
Total Liabilities	2,137	1,922	1,126
Total Shareholders' Equity	3,916	4,005	4,229
Equity to the Company's Shareholders	2,473	2,444	2,560
<b>Per Share Data (Baht)</b>			
Par Value	1.00	1.00	1.00
Net Earnings (Loss)	(0.21)	(0.16)	(0.27)
Book Value	3.32	3.28	3.44
Market Price	1.51	2.12	2.08
<b>Financial Ratios (%)</b>			
<b>Profitability Ratios</b>			
Return on Equity	(6.37)	(4.92)	(7.62)
Return on Sales	(6.28)	(6.33)	(11.60)
Net Profit Margin	(6.14)	(6.22)	(11.89)
Return on Total Asset	(5.18)	(2.89)	(4.09)
<b>Investment Structure</b>			
Debt to Equity (Times)	0.55	0.48	0.27
Debt to Equity to the Company's Shareholders (Times)	0.86	0.79	0.44
<b>Growth Opportunities</b>			
Total Assets	2.11	10.69	25.84
Total Liabilities	11.17	70.75	(7.79)
Total Shareholders' Equity	(2.23)	(5.29)	39.37
Equity to the Company's Shareholders	1.19	(4.55)	7.70
Sales and Project	28.16	20.02	(19.87)

## Report from the Board of Directors

### To Shareholders

In the past year of 2017, Thai industrial and Economic are more clearly which make each type of industrial began to rise steadily as strong support from both government and private sector apart from construction of public transportation infrastructure as well as private sector has seen a significant increase in investment. Moreover, export-oriented industries have continued to increase which lead in various investment.

Year 2017 is another year as Directors, Executives are intend to expand their business in order to generate revenue for company and its subsidiaries in short and long term with emphasis on investment in term of biomass continuously thus Ua Withya Public Company Limited has investment in Renewable Power Plant and Rayong Wire Industries Public Company Limited (RWI) emphasis more on expansion in ASEAN including same direction of strategies and business plans for subsidiaries and study new products in order to create value to company and its subsidiaries.

Throughout operation of business; company and its subsidiaries is sustainable development in society through business activities by philosophy of sufficiency economy of His Majesty King Bhumibol Adulyadej to apply in business operation continuously and taking into account on stakeholder in every aspect as company and its subsidiaries has prepared anti-corruption policy and code of conduct in written along with implementation of guideline and method to be concrete and clear in practice and to be ready for adoption of anti-corruption measures.

Lastly, on behalf of The Board of Directors, Executives and employees of Capital Engineering Network Public Company Limited would like to thanks shareholders, alliance of commercial, government and private institutes for their continue supporting the company all the times. Board of Directors, Executive will work to put to management carefully, cautious, reveal which bases on good governance.

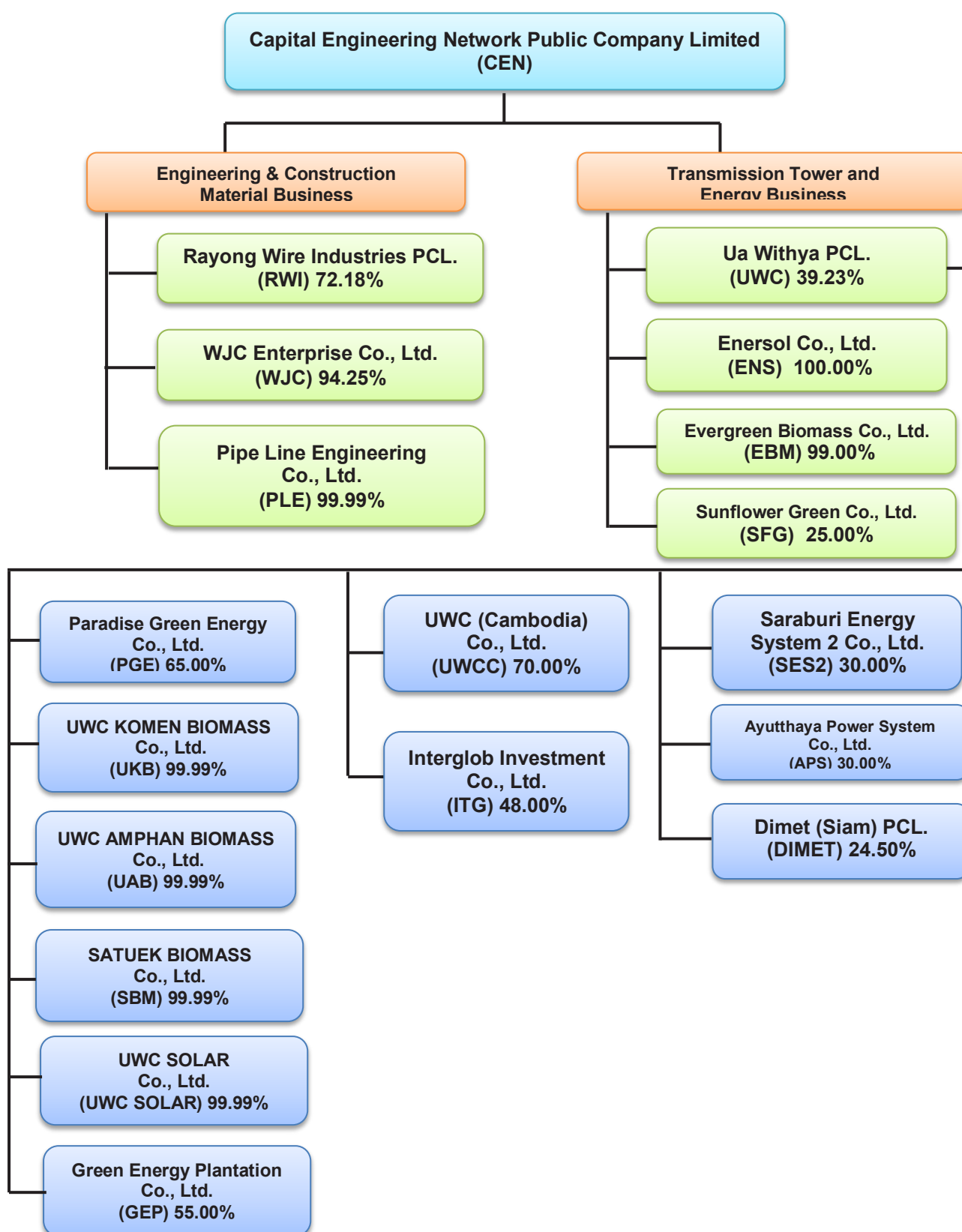


(Mr. Wutichai Leenabanchong)  
Chairman



## Shareholding Structure of Company

We are the holding company as invests in core business rules associated with the operations division as follows:



## Natures of Business

### Overall and development of Business Operations

Capital Engineering Network Public Company Limited (CEN) is a holding company. At the present, the company has in totaling of 6 subsidiaries which consists of 2 groups of business; Engineering Construction Material Business, Transmission Tower and Energy Business. The details are as follow:

**1. Ua Withya Public Company Limited (UWC):** CEN holds 39.23% of registered capital of Baht 1,907,119,713 with Baht 1,316,251,786.40 paid up capital as 13,162,517,864 of common shares at par value of Baht 0.10 per share. Its business is to produce High Voltage Transmission Tower, Substation Steel Structure, Telecommunication Tower, Hot Dip Galvanizing Service includes industrial products and selling transmission equipment. Moreover, UWC's subsidiary has strengthened its business by investing in renewable power plants.

**2. Rayong Wire Industries Public Company Limited (RWI)** CEN holds 72.18% of registered of Baht 450,000,000 with Baht 303,017,219.50 of paid up capital which consists of 606,034,439 common shares at par value of Baht 0.50 per share. Its business is to produce and distribute of (1) Pc-Wire which is mostly used for production of pile electricity poles, ready concrete floor. (2) Pc-Strand which is mostly used for large construction such as bridge beams, large pile and (3) Welding Wire (4) Other Wire which is mostly used for welding industries.

**3. Enesol Company Limited (ENS):** CEN holds 100.00% of the amount of registered of Baht 484,000,000 and Baht 302,500,000 of Paid up Capital as 4,840,000 of common shares at par value of Baht 100 per share. Enesol produces and distributes electricity and heat energy to The Siam Ceramic Group Industries Co., Ltd and Thai-German Ceramic Industries Public Company Limited.

**4. WJC Enterprise Company Limited (WJC):** CEN holds 94.25% of registered capital of Baht 150,000,000 and Baht 97,500,000 of paid up capital which divided into 1,500,000 common shares as par value of 100 Baht which their businesses are steel construction, design and metal forming; their factory is located at Laemchabang from both domestic and foreign of petrochemical industry, Energy Industry, Construction Industry and others.

**5. Pipe Line Engineering Company Limited (PLE):** CEN holds 99.99% of registered capital of Baht 150,000,000 with Baht 144,000,000 of paid up capital and 1,500,000 of common shares at par value of Baht 100. Its business is Contractor, Underground Tunneling and other construction tasks.

**6. Evergreen Biomass Company Limited (EBM)** CEN holds 99.00% of registered capital of 50,000,000 and Paid up Capital of Baht 50,000,000 and 5,000,000 common shares at par value of Baht 10. Its business of production and distribution of raw materials for biomass energy.

### 1. Income Structure

(Unit : Million Baht)

Type of Business	Proceeding by	% of share holding	Year 2017	%	Year 2016	%	Year 2015	%
Business Investment	CEN		(31.27)	(1.22)	(36.08)	(1.83)	(106.32)	(6.73)
Steel Wire Business	RWI	72.18	944.54	37.03	608.32	30.71	639.07	40.42
Steel Structure Business; Design and Distributing main structure according to pattern	UWC And WJC	39.23  94.25	988.59	38.76	835.87	42.20	648.40	41.01

Type of Business	Proceeding by	% of share holding	Year 2017	%	Year 2016	%	Year 2015	%
Transmission Tower and Heat Energy	ENS and subsidiaries of UWC	100.00 39.23	617.01	24.19	527.91	26.65	373.05	23.60
Contractor and Tunneling	PLE	99.99	0.04	0.00	0.01	0.00	9.18	0.58
Agriculture Business	Subsidiaries of UWC	25.50	31.64	1.24	44.95	2.27	0.00	0.00
Other businesses	PPS, IMP	-	0.00	0.00	0.00	0.00	17.46	0.99
<b>Total</b>			<b>2,550.55</b>	<b>100.00</b>	<b>1,980.98</b>	<b>100.00</b>	<b>1,580.85</b>	<b>100.00</b>

## 2. Nature of Business

The company is a holding which investing in other companies. Currently, there are 6 subsidiaries

1. Ua Withya Public Company Limited (UWC)
2. Rayong Wire Industrial Public Company Limited (RWI)
3. Enesol Company Limited (ENS)
4. WJC Enterprise Company Limited (WJC)
5. Pipe Line Engineering Company Limited (PLE)
6. Evergreen Biomass Company Limited (EBM)

By Board of Directors and Executive Boards will determine operation of Business and give authority for management of subsidiaries in integrated management.

### Type of Product of subsidiaries

#### ➤ Ua Withya Public Company Limited (UWC)

The subsidiary has established in 1967 -manufactures and distributes galvanized steel structure for high voltage electrical towers, telecommunication poles and steel structure for electrical substation as well as provides galvanized coating services and made-to-order products and started to invested in energy business (renewable Energy) in year 2015.

#### The productions of UWC are as follows:

1. Transmission Line Tower – TL is galvanized steel structure for electrical high voltage tower used for the High voltage transmission line project of Electrical Generation Authority of Thailand to entertain 115 KV/ 230 KV/500 KV with expertise of personnel in term of Engineering (Production & Design) and also advance in quality control therefore subsidiary certified by Electricity Generating Authority of Thailand “EGAT”. By this, Transmission Line Tower of UWC trusted to be part of projects in energy within country and abroad.

2. Substation Steel Supporting – ST is Steel structure which support electrical equipment in substation e.g.; Disconnecting Switches, Lighting Arrestors, Capacitors and other substations which acts as an electric and convert voltage from 69 Kilo Volts, 115 Kilo Volts, 230 Kilo Volts and 500 Kilo Volts in order to pass through high voltage transmission line and power distribution system before electricity distribution to consumers (size of tower is not very high)

3. Telecommunication Tower –TC which design and product telecommunication steel tower with high of 20-100 Meters in order to install of network of leading companies in Thailand such as AIS, Dtac, TruemoveH, CAT, TOT

4. Building and Frame – Bf, General Fabrication –GF is steel structure which used in various businesses including galvanized and non-galvanized coating service such as steel roof, sidewalk, fence, structural steel frame and factory. For general steel structure such as steel roof structure, steel structure of building and factory, steel structure for billboards,

5. Galvanizing Services these services provides customers with the products of the metal itself such as grate, pipes and strip the wires to coat with our galvanized services in order to make steel to be resistant to rust. By this, subsidiary company could make hot dipped galvanized. The product has been awarded industrial product standard symbol ISO 1461 and American standard of ASTM A123, ASTM A153, and British standard of BS 729, Japanese Standard JIS H 8641 and JIS H 9124, Australia Standard AS 1214: AS/NZS 4680 and Germany Standard DIN 50976.

6. The company's initial business as distributor of industrial products as supplied with main products includes power devices such as chain, gear and motors. By this, subsidiary company has imported industrial product in various brands which mostly from Renold (from United Kingdom) as produced by leading manufacturers of the world and this brand is from Germany.

7. Produce and Distribution on renewable energy, subsidiary has expansion on business to be electricity supplier in term of renewable energy (variously) by starting from investment in biomass energy (study information all around) in term of Technical, Finance and fuel management by using expertise in term of engineering to develop and recondition of Power Plant to operate efficiently in order to create value and sustainable income to the organization, shareholders and any stakeholders.

## **Industries and Competition**

- **Market Strategy**

UWC has realize on suitability of quality and price of products and services including on time Delivery and maintain good relationship among partners

Energy business on subsidiary of UWC has nature of business on production and distribution of electricity from renewable energy by sell to Provincial Electricity Authority (PEA thus there is investment in power plants as total capacity of 26.9 MW. Moreover in term of investment, the company has considered on investing in other renewable energy business both in country and oversea. Moreover, will choose the projects with returns over cost of capital and can maintain the risk these will able company to have revenue in long term.

- **Products and Services**

- 1. To produce quality product and meet standards**

- Manufactures on High Voltage Transmission Line and Telecommunication Towers

UWC has focusing to be a leader in product quality and maintain quality of before and after sale services by giving priority to the training and development on personnel of our subsidiary to realize on priority of customer satisfaction. As close relationship to customers which make subsidiary ongoing ever since, we have design the product by using modern computer system, selecting good quality of raw materials from reliable manufacturers, passing through modern manufacturing processing also granted a certification of standard entitled ISO9001:2015. By the mentioned process its build confidence to customer in order to purchase subsidiary's products.

- Energy Business

Subsidiary of UWC as production and distribution of renewable energy by personnel with expertise and experiences in term of engineering (power) in order to control and manage power plant to conduct electricity efficiently.

- 2. Delivery on time and reliable**

- Manufactures on High Voltage Transmission Line and Telecommunication Towers

Most project will made the contract before operation as period of operation equal to 6 months – 2 years. Delivery on time is very important in business operation of subsidiary due to customer of subsidiary has clearly period on delivered as this time the company has delivered the product on times due to follow work process and production plans includes efficient material back up.

- **Type of customers, Target customers**

- High Voltage Transmission Tower / Telecommunication Tower

UWC has distributed almost all products to customers within the country which can clarify as follows:

1. Local and Foreign Contractor which received the project from Private Sector Government and Private Sector such as Electricity Generating Authority of Thailand and Provincial Electricity Authority
2. Minor Customers in sales industry and general assembly of installation on steel structures.
3. Galvanized services, galvanizing services to client which is private as per requirement from products of customers must be galvanized.
4. Industrials products such as chains, gears and gear motors for using in general Industrials. By this, the products were sold to subsidiary company is imported from foreign brands of RENOLD and ARNOLD thus this brands are being well known and high quality as accepted from discussion abroad.

- Energy Business

The company is selling electricity to Provincial Electricity Authority.

- **Pricing Policies**

- High Voltage Transmission Tower / Telecommunication Tower

UWC has policies on pricing competitively in business with focusing on cost-effective in order to reduce rate on loss of production. In the present, pricing policy of this company is focusing on product cost plus profit margin factors. Factors which taken into consideration in order to set pricing are price of raw materials, equipment, components used in production, difficulty of products, period of offering price, number of workloads, capacity together with consideration on historical of each customer who had make the transactions.

Energy Business – Price of selling electricity is in accordance term and conditions that have signed contract with government.

- **Selling and Distribution Channel**

- Manufactures on High Voltage Transmission Line and Telecommunication Towers

UWC distributes each product through 2 channels in order to access to customer needs more effectively, including.

1. Accepted work as sub-contractors of major contractors that won the bid by mostly are Transmission Line Tower and Telecommunication Tower. In the past, accepted work of High Voltage Transmission Line from KEC International Limited, TEDA Company Limited and Precise System and Project Company Limited and accept work of Telecommunication Tower from BB Technology Company Limited, Communication & System Solution Public Company Limited (accept work from Total Access Communication Public Company Limited) and SSW Sky Wire Company Limited (accept work from CAT Telecom Public Company Limited).

2. Entering into auction to project directly in order to act as main contractor by mostly are substation project.

- Energy Business

Subsidiary of UWC – as nature of business is produce electricity and channel for selling electricity is Provincial Electricity Authority (PEA)

- **Industries and Competition**

- Industries of Ua Withya Public Company Limited (UWC)**

- High Voltage Transmission Tower Industries

High Voltage Transmission Tower Industries are in accordance to project expanding of power transmission system of Electricity Generating Authority of Thailand (EGAT) and Provincial Electricity Authority (PEA) due to electricity demand within the country are expanding thus cabinet agreed on improvement of electrical transmission system in Lower Southern to enhance the stability of electrical system during year 2016- 2023 as amounting of 35,400 Million Baht by combine into 2 periods (according to the interview of government spokesperson on “Khaosod Newspaper” dated January 24, 2017).

Period 1                      From year 2016 – 2020

Transmission Line 500 kV from Chumphon Ranong Surat Thani Phangnngn Phuket

Period 2                      From year 2020 – 2023

Transmission Line 500 kV (Previous of 230 Kv and 115 kV)

At the present, there are only 5 large power transmission tower in the country as subsidiary has a market shares in year 2017 by being a leader in this industry.

- Factors impacting the business operation

- Fluctuation on price of raw material are adjusted as main raw materials are steel and Zinc thus price of those mentioned materials are fluctuated due to world market. Year 2017 price of steel and zinc are rising therefore affects cost of production (higher than previous)
- New Competitor – there are a high demand for High Voltage Transmission Tower Industries as expected that new competitor maybe competing however, entering into those kind of business may have restrictions on experiences and certification from government agencies but in the meantime, existing manufacturer has also focused on expanding in oversea market therefore could affects new competitors not severe in the near future.

- Demand for High Voltage Transmission Tower Industries

Demand for High Voltage Transmission Tower is continued expand in accordance to investment policies of government during year 2015 – 2025 as amounting of 1.2 Trillion Baht which divided into production and transmission line system (50-50).



### **Telecommunication Tower Industries**

Telecommunication Tower is continued ongoing due to Cellular Phone Network Provider has plans to expand project of 3G/4G in order to reserve stability of Cellular Phone signal as well as Telecommunication Sector Master Plan No.2 which made on basic of National Strategy 20 years (Year 2017 – 2036), Digital Development for Economic and Social Development including Thailand Policy 4.0. Moreover Telecoms Industry will play an increasingly importance role in the future.

Therefore, expectation on Telecommunication Tower market will continuous demand as part of UWC has products for every kind of Telecommunication Tower.

#### **Factors impacting the business operation**

- Fluctuation on price of raw material are adjusted as main raw materials are steel and Zinc thus price of those mentioned materials are fluctuated due to world market. Year 2017 price of steel and zinc are rising therefore affects cost of production (higher than previous).

#### **Demand for Telecommunication Tower**

Demand for Telecommunication Tower is continuously growth from year 2016 in order to support 4G including more market from oversea for starting the expanding new network.

### **Substation Steel Supporting Industries**

For construction of substation there need to design steel structure to support electrical equipment such as circuit, breakers, disconnecting switches, lighting arresters as needed in Substation.

#### **Demand for Substation Steel**

Demand for Substation Steel is depend on expansion of Electricity Generating Authority of Thailand “EGAT” and Provincial Electricity Authority “PEA” thus if there is a large industrial plant with high demand for electricity so it is necessary to have a substation simultaneously.

### **General Steel Structure Industries**

In general steel structure, the company can provide design, adjust the proportion, format, high, property, size which suitable for each construction project in order to meet need of customers.

#### **Demand for General Steel Structure**

Normally demand for general steel structure is continually increase follow the direction of steel industry especially in term of construction which uses concrete products and other.

### **Galvanizing Services**

There is an increasing demand of steel for galvanize (due to requirement for steel production) and continuously increased in order to prevent from decay as see trend is evident from developed countries. By this, UWC has galvanizing services only for complementary only.

### **Industrial Products**

UWC is distribute Industrial products in group of transmission equipment such as chain, gear and motors by focused on RENOLD products cause have high quality products.

### **Energy Business**

Cost of fuel in energy business is very importance, subsidiary of UWC has plan to reserve right from mentioned issue by using chopped wood instead of husk as fuel and also prepare procurement of raw materials in various location to minimize costs.

### **Product Supply**

- **Production Capacity and volume**

#### **High Voltage Transmission Tower and Telecommunication Tower Business**

Subsidiary has factory located at 247, Romklow Road, Kwang Saensaeb, Khet Minburi, Bangkok which has capacity of 24,000 tons per year .

#### **Energy Business**

UWC has subsidiaries as their nature business is renewable energy

1. UWC KOMEN BIOMASS COMPANY LIMITED

Located at Nakhon Si Thammarat as nature business of Biomass Power Plant  
Production capacity of 9.9 MW and Power Purchase Agreement PEA of 8 MW

2. UWC AMPHAN BIOMASS COMPANY LIMITED

Located at Amphor Satuek, Buri Ram as nature business of Biomass Power Plant  
Production capacity of 9.5 MW and Power Purchase Agreement PEA of 8 MW

3. SATUEK BIOMASS COMPANY LIMITED

Located at Amphor Satuek, Buri Ram as nature business of Biomass Power Plant  
Production capacity of 7.5 MW and Power Purchase Agreement PEA of 6.5 MW

4. Paradise Green Energy Company Limited

Located at Amphor Chum Phae, Khon Kaen as nature business of processing energy  
Crop and selling energy crop products such as biogas, fertilizer, readymade meals for  
animal, biodegradable packaging

5. UWC SOLAR COMPANY LIMITED

As nature business of producing electricity from renewable energy such as sunshine which  
currently no on process.

• **Raw Material and Kind of Raw Material**

High Voltage Transmission Tower and Telecommunication Tower Business

Efficient inventory management is an important factor in business for manufacturing High  
Voltage Transmission Towers and competition as well that UWC can maintain ability to complete  
because UWC have enough inventories. As a result, subsidiary can deliver the products to customer  
with desired time thus UWC has a policy to control inventory level appropriately and adequately to  
meet needs of customers in timely manner. By this, UWC has purchase main raw materials such as  
steel, zinc and other raw materials from domestic manufacturers.

Presently, UWC purchases raw materials (Steel) from more than 5 distributors however; UWC  
could supply steel and type of steel as needed with the reasonable price by always using price  
comparison. Apart from this, each year UWC has purchases all zinc from Padaeng Industry Public  
Company Limited as late year 2016 Padaeng Industry Public Company Limited has changed its  
status of manufacturer to zinc importer. In case if there is not enough volume of zinc from Padaeng  
Industry Public Company Limited then can order from abroad.

UWC has policies to order some raw materials from domestic manufacturer in advance to  
obtain sufficient quantities of raw materials, qualities as meet requirement and based on utility of  
customers. UWC has no barriers to delivery of goods delayed because have efficient inventory  
management system which covered selection of supplier for raw materials with good quality of raw  
materials and on time deliver.

Primary raw materials are steel and zinc with the following details:

- 1) 90 degree of symmetry steel grade SS400 size between L40x40x3 to L200x200x20
- 2) 90 degree of symmetry steel grade SS540 size between L75x75x6 to L250x250x35
- 3) 99.995% zinc

As the specific price and standard of product therefore the subsidiary obtained raw material  
domestically.

**Industrial Products**

UWC has import most of products from England and Germany as management of products  
according to movement of order during the past order to estimate on market demand and supply  
inventory which suitable for period of time. By this, merchandise can be classified into following  
categories.

- (1) Fast turnover production or order regularly seem as high demand on market segment  
and need of products right away after ordering therefore the company must have  
sufficient reserve inventory and available product all the times such as Production of  
Chain, Chain Joint etc.
- (2) Normal Production whom order infrequently (as high price on production) and customer  
could wait to receive the products therefore no need to reserve many inventory such as  
gear and coupling etc.

**Energy Business**

Currently subsidiary of UWC using combined fuel by uses chopped wood as main fuel instead  
of husk

Chopped wood means navigating miscellaneous wood left over from trimming trees from  
garden or orchard farm into process of chopped and came out to same pieces for use as renewable  
energy.

**Unprocessed work**

Manufacture of Steel Business

As at December 31, 2016 –the company has during process work and expected to deliver all  
within year 2018 as follows

Name of Project	Work Load	Unprocessed Value (Million Baht)
High Voltage Transmission Tower	4,559.38	163.027
Telecommunication Tower	95.00	9.111
Substation Steel	130.61	32.573
General Steel	4.95	0.090
<b>Total</b>	<b>4,789.94</b>	<b>204.800</b>

#### Energy Business

-None-

#### ➤ **Rayong Wire Industries Public Company Limited (RWI)**

Its business is to produce and distribute electricity poles and welding wire as total production capacities in year 2016 of 56,000 tons per year which consists into 6 categories as follows:

1. Pre-stressed concrete wire or PC-wire with diameters of 4, 5, 7 and 9 millimeters. The product has been awarded industrial product standard symbol No. IPS.95-2540. It is used in construction that emphasizes strength and durability to support loads and has been used in production of piles, electricity poles, finished floor slabs and concrete railroad tiles.

2. Steel Wires Strand for pre-stressed concrete strand or PC-strand with diameters of 9.3, 9.5, 12.4, 12.7 and 15.2 millimeters. The product has been awarded industrial product standard symbol No. IPS. 420-2540. It is made of PC-wires stranded together to enable it to withstand more tension, and is mostly used in large construction work e.g. bridge beams, elevated roads, large-sized piles and silos.

3. Gas Metal Arc Welding Wire (GMAW) with diameters of 0.8, 0.9, 1.2 and 1.6 millimeters awarded with Industrial product standard symbol No. IPS. 597-2528 and BV (Bureau Veritas) standard, also known as MIG wire, the product is used in metal welding industries, such as motorcar assembling and motorcar parts, shipbuilding dock, containers, water pump ducts, gas tanks, wheel ploughs, power transformers and furniture.

4. Hard Drawn Wire or "HDW" with diameters 2.0 – 7.0 millimeters. The product is used in mattress industry, auto parts industry; wire meshes industry and spring industry.

5. Ordinary Low Carbon Steel Wire with diameters 2.8 – 7.0 millimeters. The product has been awarded industrial product standard symbol No. IPS.194-2535 and IPS.747-2531. It is used in piling industry, electricity post and drain.

6. Wire Mesh with diameters 2.8 – 7.0 millimeters. The product has been awarded industrial product standard symbol No. IPS 737-2549. It is used in construction of road, building and finished walls.

#### **Marketing and competition**

##### • **Marketing Strategy**

1. RWI has various products and distributed products by each product objective is various as well. The strategy of company is willing to access the target volume which can be classified into many categories. First consideration for contractor is PRICE while automotive customers are interested in Quality in order to meet needs of target customers.

2. Retain existing customers with annual sales from existing customers is not less than 70%.

3. RWI has intention to consumption of customers and whole dealing customers. For example, review on measuring tools including problems occur of using products and services regularly in order to improve their performance and serve customers satisfaction on product qualities and services of our company.

4. The subsidiary is granted a certification of standard entitled ISO 9001:2008 certified by the SGS (Thailand) Co., Ltd and ISO 14001: 2004 for environmental. Moreover, the products of the subsidiary are certified by the Ministry of Industry's industrial product standard (IPS).

5. The total sales of RWI customers, 60 % are various sectors of our country and building relationship with customers all over the country. For example, joint activities to strengthen existing channels.

6. RWI has plans to expand more on new line of products in order to reduce risk from operation thus services customers by various orders from company itself also expand the market by no additional cost or resources.

7. RWI is focusing on personnel knowledge of subsidiary to strengthen and understand of operation management by using ERP (Enterprise Resource Planning) for management in term of production process in order to reduce production loss in manufacturing thus also use management system to produce products that meet quality requirement of our customers.

- **Types of customers, target customers**

RWI has distributed all products to customers within the country which can clarify as follows:  
Pre-stressed concrete wire (PC-Wire) and Pre-stressed concrete strand (PC-Strand) as group of customers consists of

1. Domestic Customers

- 1.1 Private Sector which equivalent to 95 percent of Pre-Stressed concrete sold as consists of

- Concrete products factory such as Pipe casting factory, electricity post, slabs, girder and finished walls.
- Contractor and bidding with government sectors such as building contractor, freeway construction and electric cables.

- 1.2 Government sector and State Enterprise such as Provincial Electricity Authority, Metropolitan Electricity Authority, rebuilding a bridge as equivalent to 4 percent of total sale of Pre-stressed Concrete.

2. Foreign Customers

- 2.1 Sell directly to users of steel wire within those countries as use for production such as concrete products e.g. Factory (Producing pile), finished wall.

- 2.2 Sold through dealer in those countries.

Spring their customer target consists as follow

1. Mattress Industry

2. Automotive Industry

- Shock absorbers
- Chain
- Spokes
- Car Seat
- Hard Drawn in General Motive

3. Wire Meshes Industry

4. Hard Drawn Industry

Low Carbon Steel "Cold Drawn Steel Wire" as group of customers consists of

1. Concrete Distributor such as finished pipe group, manufacturer of electric pole or pile

2. Construction Group

3. Finished wall Group

4. Route Construction Group

5. Government Sector

6. Dealer or construction material store

Sheet steel welded wire mesh for concrete reinforcement as group of customers consists of

1. Concrete Distributor such as finished pipe, plank

2. Construction Group and auction of government sector

3. Finished wall Group such as Pruksa Village project

4. Route Construction Group

5. Government Sector such as Department of Highways, building and restoration a Bridge, Public Works Department, Royal Irrigation Department, National Housing Authority.

6. Dealer or construction material store

By this, the subsidiary company has focusing on long time contact customers and good relationship customers thus new customers of subsidiary will focus on prospects to customers with financial stability and viability of business.

- **Pricing Policies**

RWI has policies on pricing strategy by cost plus margin however, in order to set final pricing will rely on need of consumer and competitive condition within the industry in each period wherewith steel industry is fluctuates follows major business cycle.

- **Selling and Distribution Channel**

1. Maintaining the distribution channel of subsidiaries by customer who have purchased a wire from subsidiary in year 2017 must be retained and year 2016 use of wire should not less than before
2. Increase sales for prospective clients to have in the future
3. Distributed Wire through agent
4. Increase sales channels abroad

- **Industry and Competition**

**Industry structure of Rayong Wire Industries Public Company Limited (RWI)**  
**Pre-stressed concrete wire Steel and Wires Strand for pre-stressed concrete strand**

Overall construction in the future is in good direction, basic construction of government sector turns out for construction in a good way meanwhile world economic situation and domestic economy is not good enough which leads total market in year 2016 a little bit better. Currently, there are 12 manufacturers within the country by subsidiary company has market shares of 10% and in the range of 5<sup>th</sup> of total market.

**Factors impacting the business operation**

- **New operator entering into market**

Due to this business need lot of money to invested, complicated in production process but presently, price of machines are cheaper and technology for producing machines are easier thus invest in this industry is not difficult. By this, most important this product concerned with safety, familiarity of use so this might be the point of delay in accessing the market of new entrepreneurs.

- **Bargaining power of suppliers**

Because sources of raw materials in manufacturing on PCW&PCS there are several vendors both domestic and international. The negotiations on the purchase of raw materials are not difficult thus can supply good quality at a reasonable price as quality of raw materials effect finished goods produced also cause cost of production.

- **Bargaining power of buyers**

Instability in political resulting from slowdown in construction, in year 2016 investment in construction industry has decline, less demand for steel wire as lead to high bargaining power. Moreover, the second half of year there are large project investment of government which makes customer interest more on quality of product rather than on time deliver.

- **Product substitution**

From PCW&PCS is special product to produce concrete such as concrete piles, electricity poles, finished floor and large construction project. The example of large construction projects are electric mass transit railway , express way, building which to product such concrete has set specific ingredients such as PCW&PCS constituent therefore no other products can be substitute.

- **Current Competitor**

As construction in year 2016 is slowdown and large investment projects of government sector has been postponed meanwhile producing capacity of each manufacturer over demand resulting in high competitive in term of prices thus products imported from China which produce PCW&PCS. By this, PCW&PCS products concerned on safety and quality standards which required for products to be imported thus local productions have TIS. In addition, production of PCW&PCS produced domestically can solve more quickly if there are a problem because a replacement product immediately available.

**Industrial on Spring Wire**

Spring Wire used in automotive industries and mattress as from the past production on automotive increase rapidly and good direction in the future there need good quality of spring wire, on time deliver. Moreover, most of automotive industries mostly use imported spring wire if quality of domestic spring wire equally with imported spring wire then user are likely to use raw material domestically.



### **Factors impacting the business operation**

- **New operators entering into market**

Due to this business need lot of money to invested in machinery, modern technology in production process and most important this product concerned with safety and accuracy desired such as automotive, electronic parts, using knowledge of product to users' familiar applications. By this, if using product from new operators which no skill or experience in manufacturing then users will not pay attention because prices inferior than quality. However, lower the price from new operator may not interested user if operator bid closer price. The most important factors for doing this business are relationship, closer to customer, provide advice and after sales service as well and also provide useful knowledge about products and services together with other relevant information.

- **Bargaining power of suppliers**

Source of raw material for producing HDW have distributors from local and foreign therefore the standard of raw material for producing is obvious which makes easier in negotiation and can supply good quality with the reasonable price.

- **Bargaining power of buyers**

Users of HDW products mostly are concerned on quality of products and on time deliver therefore if meet the requirement from users such as standard quality, on time deliver then bargaining power of customers will be less even though there are imported products from overseas. By this, users are inconvenience to store more raw materials, late deliver or problem on products are waiting to be compensate which included fluctuation of currency make users need more demand on domestic goods rather than oversea products with the same quality with a little higher in pricing.

- **Product Substitution**

The standard on buying HDW product has been set in production process of customers such as in automotive industrial, HDW for producing spring wire will set specification on wire, grade of materials, source of materials so it is specifically made then no other wire cannot be used in replacement.

- **Current business competitor**

From the automotive industry to grow significantly, Thailand came 1 in 10 of country this consists of large automobile and lead to growth in automotive part as well. The importance obstacle of this business are user willing to concerned on stable quality, modern in production process and development all the time. On time deliver also important for purchasing which make competition in technology all time especially oversea that has new technology better than subsidiary, any slow development will affect business operations. Moreover, if could develop the product continuous then competitor will be low and could set up the market.

### **Industrial on Ordinary Low Carbon Steel Wire and Wire Mesh**

#### **Factors impacting the business operation**

- **New operators entering into market**

By entering into these types of product industry is not difficult because this business is not lots of money on producing, uncomplicated technology or production process, machines can be manufactured domestically or abroad but most important thing is relationship among customers and volume of existing customer across country, usage consumption may not be much but there are many customers. The problems on new operators; they need to distributed throughout the country and have good and long relationship with customers which in this part is high expenses for new operators.

- **Bargaining power of suppliers**

As source of raw materials have both local and oversea distributors therefore negotiation on purchasing raw materials would be easier with good quality and reasonable price. Moreover, the gap between supplier of raw materials in the production of Cold Drawn Steel Wire and Wire Mesh either large or small the price would be little differ because quality of raw materials is not different.

- **Bargaining power of buyers**

The construction has been slowed by political instability in year 2017 investment in construction industry has decline, less demand for steel wire as lead to high bargaining power and less by distance away especially in Bangkok and suburb due to inconvenience for distribution and less relationship with customers.

- **Product Substitution**

Cold Drawn Steel Wire and Steel Wire Mesh is the product which meet the industrial Standard, by using this product in concrete measures are defined such as concrete piles, electrical poles, road construction and building. The mentioned construction is configured to use cold drawn steel wire and Steel wire mesh for constituent therefore other substitution of product can be used such as steel rod but with inconvenience of usage and in construction requirement need to be fast, easy so no commonly used for substitution.

- **Current business competitor**

Slowdown of construction in year 2017 and large project investment from government has postponed, more demand than supply which leads competition of manufacturer in term of prices therefore expansion of market is difficult because each manufacturer trying to maintain their own customers.

## **Product Procurement**

- **Production and Production Volume**

RWI's factory located at No.5 I-Five Road, Tambon Mabtapud, Amphur Muang, Rayong. In 2017, the production capacity is 72,000 tons per year.

In 2017, the subsidiary company utilized 50 percent of total capacity. The factory is run 20 hours per day.

In 2018, the subsidiary company has expanded its production capacity to 72,000 tons per year which utilized 60 percent of total capacity.

- **Raw materials and types of raw materials**

Main raw material used in the production is wire rods which can be classified into 4 types

- (1) High Carbon Wire Rods, 8, 9, 11 and 13 millimeters in diameter, are raw material used for production of PC-wires and PC-strands.
- (2) Medium Carbon Wire Rods 5.5 millimeters or over in diameter are raw material used for production of spring wire.
- (3) Low carbon wire rods, 5.5 millimeters in diameter, are used for production of welding wires and galvanized wires.
- (4) Low carbon wire rods, 5.5, 7, 9 millimeters in diameter wire for producing casing pile and Welded wire mesh weaving.

There are no alternative materials for the above raw materials because wire rods production technology is not changing rapidly.

In year 2017, raw materials used in the production are procured locally and internationally by 5 distributors; the subsidiaries have some policies to spread under the risk in order to be confidential that there is no lack of producing raw materials. Year 2018, company has plans to increase proportion of local distributor in order to serve exchange rate.

## **Unprocessed work**

- None-

### **➤ Enesol Company Limited (ENS)**

ENS- as nature business of management in energy especially in the form of Cogeneration or Combine Cycle in order to produce electricity for various size ranging from small to medium in order to use in industries. The first project of ENS is investment projects to produce and sell electricity and heat to The Siam Ceramic Group Industries Company Limited (Saraburi Province) and 2<sup>nd</sup> project is investment projects to produce and sell electricity and heat to Thai-German Ceramic Industries Public Company Limited.

## **Marketing and competition**

- **Marketing Strategy**

ENS is ready to propose project to be Cogeneration or combined cycle in order to generate various size of electricity ranking from small to medium size use in building or factories in form of contract to build a comprehensive package (includes construction design and operation) and also concession on production and operation until deliver properties when expiration on concession

At the present, subsidiary has process the mentioned and experienced for over 8 years, had meet the problems and use expertise on project development to expand the business.

- **Types of customers, target customers**

ENS has distributed almost all products to customers within the country which can clarify as follows:

1. Industrial customers which are using natural gas as fuel to produce heat and Steam by these industrials could reduce production cost by bring natural gas to Produce electricity, steam and heat utilization of production of electricity.
2. Need of Industrial and building on improve energy efficiency within their organization to have efficient and conservation of energy.

**Pricing Policies**

ENS is selling electricity and heat energy in reasonable price and share profit equally with parties.

- **Selling and Distribution Channel**

ENS distributes electricity and heat energy to several of invested industrials as long term project for 15 years thus excess in electricity will be sold to Provincial Electricity Authority.

- **Industries and Competition**

**Industrial Structure of Enesol Company Limited (ENS)**

Currently, electricity and thermal power industries has change direction in accordance with government's policies to promote generation electricity from renewable energy which focusing on solving common social problem e.g.; waste problem in communities and agricultural products.

ENS is participating in investment of subsidiaries and affiliates in project to convert waste into energy and electricity (Saraburi Province) and has plans to develop a business in the future to invest in long term with government agencies in other area within the country. Moreover also expanding their investment in affiliated companies of The Siam Cement Public Company Limited "SCG" in order to sell electricity and heat energy to affiliated company of SCG.

**Products Sourcing**

- **Product Capacity and Volume**

Power Capacity	11,000	MW
Thermal Power Capacity	62,000	MMBTU/month
Production of Electricity in one year	68,000,000	kW-hr
Production of Thermal Power in one year	511,000	MMBTU

- **Raw materials and types of raw materials**

Main raw materials uses is natural gas from Petroleum Authority of Thailand

**Unprocessed work**

- None-

➤ **WJC Enterprise Company Limited (WJC)**

WJC – as nature business of steel frame construction services and work pipes from domestic and overseas which currently get jobs from main contractor, sub-contractor or joint venture, WJC could get jobs of contractor/ structural installations / pipes / construction work. At the present, WJC has task of crane assembly/ High Voltage Transmission Line / Telecommunication Tower / steel construction and pipes.

**Marketing and competition**

- **Marketing Strategy**

1. The business operation of WJC is granted a certification of standard entitled ISO 9001:2015 certified by SGS (Thailand) as a result, customers are confident in quality as well and has advantage in term of producing quality products that uses in factory or building.
2. WJC has develop management of production in order to meet high standard and monitoring products sold and follow up any problems and improve all the times. As results, customers are more satisfied with quality and after-sales services continually.
3. WJC has pricing policies of setting up the price close to competitors and focus on existing customer in order to get job.

- **Type of customers, Target customers**

1. Contractor from local and foreign which mostly from foreign.
2. Minor customers in term of assembly and installation of steel structures.
3. Petrochemical industrial, as maintenance which is specific task.
4. Biomass Power Plant in term of maintenance which considered as specific tasks.
5. Retail Customer in part of high voltage transmission line and antenna signal Telecommunication tower.

- **Pricing Policies**

WJC has policies in term of contractor by contact contractor directly and calculate all related Cost and gross profit based on type of project and competition.

- **Selling and Distribution Channel**

WJC which accepted works directly by bidding and negotiate. By this, the company will contact to get the plan and calculate bids as prescribed anyhow have been contacted from customers or supervisors. In the past performance quality of principals trusts the subsidiary and has increased on job offered.

- **Industry and Competition**

**Industrial Structure of WJC Enterprise Company Limited (WJC)**

There are a lot of competitions in construction industry but in the present, volume of construction work began to rise due to more foreigner invested our country as Thailand has cheap wages with skillful included volume in petrochemical industry has risen continuously. Moreover, mentioned type of industries need maintenance all time therefore if any company has experience and expert in work and have tools and equipment ready for work then they would have opportunities on job increased.

### **Product Procurement**

- **Production and production volume**

WJC factory is located as No.543/4 M.1 Tambon Nongkham Amphor Sriracha Chonburi. By this, year 2017 after adjustment and increase of machinery WCJ has plans to produce contracture of 800 tons per month or 9,600 tons per year

- **Raw materials and types of raw materials**

Main raw materials on production is structural steel and pipes thus WJC get work from abroad therefore may need to order some raw materials from oversea therefore year 2018 WJC has plans to invest in BOI in order to reduce import tax or contact new dealer for purchase raw material from foreigner

### **Unprocessed work**

As at December 31, 2017 WJC has unprocessed work and expected to delivery within year 2018 as follow

<b>Name of Project</b>	<b>Work Load (Million Baht)</b>	<b>Value of work load Not deliver (Million Baht)</b>
UWC – Transmission Line Tower (TL)	8.63	2.72
UWC – Telecom Tower (TC)	0.23	0.23
Kone Crane – Fabrication Single Girder Crane	0.06	0.06

➤ **Pipe Line Engineering Company Limited (PLE)**

PLE was established as Contractor and to conduct underground Tunneling by receives work from government agencies, state enterprise and Public company as mainly from Contractor and sub-Contractor or joint venture. Subsidiary could receive works in field of pipe jacking, underground pipeline and underpass construction pipe. Currently, company projects are underpass construction pipe collection system and wastewater treatment, construction of reservoir pressure pipes pass electrical conduits underground. Pipeline construction with of Metropolitan Waterworks Authority (Thailand) large pipe.

## **Marketing and competition**

- **Marketing Strategy**

Prominent Point PLE has machinery and efficiency equipment ready to work on large pipeline construction projects together with good relationship among customers and subcontractors so get chance for new projects of both existing and new contractor (Public and Private Sector).

Weak Point PLE cannot bid directly from government agencies therefore it is necessary to corporate with the companies that can participate in bid auctions directly with government agencies.

Marketing – promote potential through aggressive marketing by using PLE network to build good relationship with customers with high responsibility to customers / good plans in order to deliver quality work and meet deadlines.

- **Type of customers, Target customers**

PLE customers are public and private agencies as target customers are government agencies, state enterprises especially those that are financially supported by Bank of Economic Development e.g. Metropolitan Electricity Authority and Metropolitan Waterworks Authority (Thailand) including regional.

- **Pricing Policies**

PLE has pricing policies for construction project, drilling including related civil works by calculating project costs/ expenses and gross profit based on type of project and competition.

- **Selling and Distribution Channel**

PLE which accepted works directly by bidding and negotiate. By this, the company will contact to get the plan and calculate bids as prescribed anyhow have been contacted from customers or supervisors. In the past performance quality of principals trusts the subsidiary and has increased on job offered.

- **Industry and Competition**

**Industrial Structure of Pipe Line Engineering Network Public Company Limited (PLE)**

Construction Industries is highly competitive business but at the present construction industries is starting to growth and mainly importance to government sectors on lot pipe tunneling system, wastewater treatment and in order to reduce any disaster.

Jobs Construction from private and public sectors will normally use bid a tender and select the Contractor which offer the closest price to average price and meets qualifying criteria unless there are so many Contractors then owner will have more opportunities to choose qualified qualification Contractor to enter bid tender. Moreover, as a free market then the employer and the sub-Contractor is entitled. However, the owner will set the qualification of Contractor as a right to enter bid tender as required by regulation.

The competitive situation of construction business experiences if any company has various experiences and expertise in many areas would be an advantage because if any type of construction dropped then can get other types of replacement work and in accordance with requirements.

## **Unprocessed work**

-None-

➤ **Evergreen Biomass Company Limited (EBM)**

EBM as nature business is manufacturer and distributor raw material for use as biomass fuel

Product categories and/or services

1. Raw material procurement, procurement and distribution of raw materials. To be a biomass fuel of all kinds. Including other raw materials related to biomass fuels.
2. Produces and sells all kinds of plants including plant by-products and the fuel are produced from agricultural products.

Type of Products

Wood Chip use as renewable energy fuel in biomass power plant , industrial, process plant from agricultural products (use boiler) such as silo, food processing plant, noodle factory, dyeing factory and MSG factory.



## **Marketing and competition**

- **Marketing Strategy**

- Exploration on source of Raw Materials**

1. Sourcing raw material in a sufficient quantity to meet the needs of the power plant of subsidiary, affiliate companies, customers' industries as desires amount per day / per month / per year.
2. Type of raw materials meets the need of Power Plants and each type of industries e.g. Bio Mass, Bio Gas (firewood, wood chip, Napier Grass, bagasse and husk).
3. Reasonable on distance of transportation of raw materials to Power Plants.
4. Reasonable price of raw materials.
5. Available areas to growth plants in replacement of cut down trees.
6. Parties such as the individual or subsidiaries as business partners to find source of raw materials and transportation through land, water and railway to subsidiaries.

- **Types of customers, target customers**

Main customer for this company is Biomass Power Plants due to there are lot of usage as wood chips as biomass fuel in replacement of energy from oil and coal which the price has increase every year.

Therefore, production of wood chips as fuel for biomass-there are a lot of need for husk as fuel in the present and future.

- **Pricing Policies**

EBM has set pricing policies which could complete in term of business by focusing on efficient cost management and low cost on raw materials (this could complete with other in term of pricing strategy). Currently, subsidiary has policies on set pricing on products by added differential revenue from cost – factors as counted for price consideration consists of price of raw materials, cost of production, distance and delivery cost, amounts and workloads, capacity together with history on each customer as make transaction to us before.

- **Selling and Distribution Channel**

EBM support on market by choosing right channel for distribution for each customer as consists of 2 channels

1. Receive task from group of Power Plants and general customers, currently mentioned customers need lots of raw material from biomass thus there are 4-5 customers contact for purchase EBM products as need to purchase 200 tons per day.
2. Group of customers from industries as use boiler systems which are lots in Thailand.

- **Industry and Competition**

- Industrial Structure of Evergreen Biomass Company Limited (EBM)**

1. Government's policies: Support Private Sector to establish small size of Power Plant in order to sell electricity and get into the system/ reduce on investment burden of establishing large size of Power Plant. In addition, it leads more expansion market in wood chips, biomass fuel every year.
2. The use of renewable energy from water materials to reduce global warming is the need of society as good image in term of business. Moreover, it makes market for industrial of wood chips, biomass open and expanding rapidly.
3. Price of energy from oil and coal is likely to rise steadily which make industrial (Steam pressure boiler system) adapted to use more biomass fuel.
4. A support material residues from wood industries in many communities in order to be used as biomass feed stock.
5. The industries which used boiler system need more material as wood chips, biomass fuel continuous every year.

## **Product Procurement**

- **Production and production volume**

EBM which produce piece of wood chips into biomass fuel and use all types of wood chips as raw materials e.g.

- Logs
- Sliver, firewood and root
- Rogue and Slab

Size of every pieces of wood must not exceed 12 inches and length not more than 150 cm and could give heat not less than 1,727 kilo calories per kg and humidity of 55% thus all kinds of mentioned wood all with proper respect.

**Unprocessed work**

-None-

## Risk Factors

The major risk factors which might affect operating results of the company and its subsidiaries, and risk of prevention guideline can be summarized as follow:

### Risk Factor of company

#### ➤ **Capital Engineering Network Public Company Limited (CEN)**

- **Risk from business operation in group which is considered as part of company business operation**

CEN has expanded investment in various business in subsidiaries by diversify in term of investment, spread of risk and not cross shareholding, CEN will considering on potential investment in related business or benefit thus CEN will send someone to hold position of Director in subsidiaries in order to follow up operation of subsidiaries (performance of subsidiary depends on performance of CEN). By this, subsidiaries may face fluctuate in term of economy, more competitor and to comply with law and regulations. The above factors may affect business turnover and financial status of CEN due to CEN has returns in term of dividend payment therefore if there are a loss in subsidiaries then affect profit and loss as well as property value of CEN. At the present CEN has invested in totaling of 6 companies and UWC has invested in totaling of 12 companies.

- Structure by business category for clarity and efficiency in operation, can specify and manage risk more effectively.
- Study the expansion of investment in business that close or continuously business to be linked in order to create value added and competitive advantage.
- Corporate Management by focusing on good corporate governance to be basis for sustainable growth.

### Risk Factor of subsidiaries

#### ➤ **Ua Withya Public Company Limited (UWC)**

- **Fluctuation on price of raw materials**

##### High Voltage Transmission Line and Telecommunication Tower

UWC as main business is distribution of High Voltage Transmission Line, Sub Station Steel, Telecommunication Tower as main raw materials is steel and zinc thus movement of steel and zinc prices will be driven by demand and supply of steel and zinc manufacturer including user all over the world therefore changes of prices (steel and zinc) are affect cost of UWC.

However, UWC has policies on management in term of risk as follow:

- (1) Set up selling price and bids for various projects by keeping margin at a level that can complete with other operator.
- (2) Has a policy on follow up changes of raw material price closely in order to assess situation and trend of price on raw materials to be taken into consideration on set price of steel frame production as plans on purchasing, managing raw material inventory.
- (3) To continues improve management in production in order to control on cost of production at reasonable level.
- (4) Has policies to maintain good relationships with customers thus negotiating with some customers to adjust their selling prices in line with changes in price of raw materials
- (5) Keeping track of products that has been sold as well as tracking the problems in order to improve work always which lead to increasing in customers' satisfaction in term of quality and services (after sale) so price can be set as appropriate level.

##### Energy Business

Fuel is of the most important factors for Power Plant Business- subsidiaries of UWC is aware of importance on fuel management of Power Plants as focusing on supply and use of chopped in replacement of husk which has high price. UWC has set up a subsidiary in Cambodia in order to supply raw materials for wood chips for Power Plant and in group of company as well as plan to install wood shredders for producing from chopped wood or logs together with provide space for energy plant in order to reduce cost management of Power Plants.

- **Risk from raw materials procurement and reliance on raw material suppliers**

High Voltage Transmission Line and Telecommunication Tower

UWC almost purchase raw materials from domestic distributor which may have risk of raw Material if supplier fails to deliver the raw materials and UWC could not find any materials anywhere as arrange the production plan as ordered by customers.

However, UWC has assess situation closely and planning to order raw materials in advance and from the past operation have never encountered a shortage of raw materials so we believe that there will be no impact or damage in ordering raw materials from suppliers of such raw materials. Apart from this, there is an option to purchase these important raw materials from other suppliers.

Energy Business

Subsidiaries of UWC plans to supply fuel at a radius around the Plant and each Power Plant has a fuel storage facilities to allow Power Plant to back up fuel during period where there may be obstacles in term of harvesting e.g.: rainy season at least 15-30 days thus producing of biomass fuel are also supplied to Power Plant in group.

- **Risk from dependence on customers**

UWC is manufacturing of high voltage transmission line tower, steel structure for substation and telecommunication tower as main customer is principal or subcontractor of Electricity Generating Authority of Thailand e.g. CAT Telecom Public Company Limited as there is a risk of reliance on major customers.

However, UWC has receive order from customers continuously due to meet customers need in term of qualities, on time deliver, competitive price and monitoring on products after sold which includes any problems happened to improve in term of work. As a result, customers are satisfied with quality and after-sales services thus there are policies on building good relationship among customers and products of UWC need expertize in manufacturing which UWC has staffs with these experiences.

- **Risk from Personnel**

High Voltage Transmission Line and Telecommunication Tower

UWC as nature business are manufacturing and distributing steel which consists of High Voltage Transmission Line, Steel Structure for substation, General Steel Structure and galvanizing services which required specific expertise in engineer to design and manufactured. As at December 31, 2017 number of engineer equal to 19 people therefore company has a risk on dependence engineer and expertise if such employees resigned then potential staff shortage and may effect business operation.

However, UWC has policies on featured treatment personnel to perform continuous in long term by compensate to a level of competitive with other relevant business. Moreover, UWC has development policy by sending staff for training as includes focusing on evaluation system with performance and compensation of employees thus in the past, has never faced shortage of engineers and specialists.

Energy Business

For good performance of operation in field of electricity, personnel with specialized, expertise and experiences are very important. By these subsidiaries of UWC has existing human resource policies and selects personnel with knowledge and experience in order to strengthen and providing both insider and outside regularly.

- **Risk from Loan to Customer**

High Voltage Transmission Line and Telecommunication Tower

UWC gives 30-120 day of credit to customer therefore this might be a risk on collecting debts (if could not collect debts on whole amounts) then its affected liquidity and company financial status)

However, UWC has regulation on set amount of credit to customers (long term relationship) and as newly customers, company will estimate the risk by paying cash first. Apart from this, estimation allowance from doubtful account by analyzing historical payment and based on current status of outstanding receivables. Moreover, allowance for doubtful account is provided by analysis of debt repayment history and potential future risk mitigation and for overdue receivable over 1 year is set aside 100 percent and quality of receivable is monitored.

3

Energy Business

For business agreement of purchasing electricity with PEA and external customer there will be credited for 30 day without any risk from collecting debts from buyer who are government agencies.

- **Risk from working capital**

- High Voltage Transmission Line and Telecommunication Tower

Business operation of UWC needs to reserve raw material for future usage of producing steel structure and delivery to customers under contract therefore if inventory cannot be managed then it should be rotated to appropriate level these may affect shortage of working capital and decline in liquidity.

However, UWC has policy on reserving raw material and inventory by considering on suitability of changes in price of raw materials and quantity delivered to customers. In the past, UWC did not suffer from liquidity problems.

- Energy Business

In Power Plants Business there need to reserve raw materials in advance to use as a fuel for generation of electricity, sale of electricity to PEA will have 30 day of credit term (affect working capital, liquidity and financial status of UWC subsidiaries). There is necessary to have policy on reserving raw materials and money to circulate in working capital in accordance with expenses of company and prevent these problems which related to liquidities.

- **Risk from source of investment fund and exchange rate**

- High Voltage Transmission Line and Telecommunication Tower

Business operations of UWC need to have source of fund for expansion and achieve importance goals as planned thus subsidiary has credit line with bank and other places to support in term of finance with reasonable interest rate.

- Energy Business

This kind of business need lots of money but trend to secure on recognition long term of income therefore for achieve expansion on subsidiaries of UWC business; it has prepared plans for approval of credit lines together with business plans for various commercial banks in accordance with expansion plans of company.

- **Risk from policies and support from Government Agency**

- Energy Business

Government has policies on supporting energy as in accordance with plants of Thailand in term of development of power capacity BE. 2558-2579 (PDP Plan 2015) this includes plans on development of renewable energy such as wind, sunlight which PDP Plan 2015 has passed consideration and comment from Energy Regulatory Commission “ERC” and National Energy Policy Council since May 2015.

Due to existing regulation is unfavorable or need to modify in those government agencies involved such as terms related to electricity trading license regulation permit operation of plant, requirement regard to environmental impact and city planning requirement. This may result in interruption of business or delay so subsidiaries of UWC have studied and closely monitored the situation in order to prepare on business plan in line with current situation.

- **Risk from Environmental Factors**

- High Voltage Transmission Line and Telecommunication Tower

Steel Tower manufactures may cause air pollution, noise pollution which may have complaint from people surrounding areas.

In this case, we have provide protective on environmental including environmental quality measurement, air pollution, waste water and waste from production process (measurement yearly) as to compare results with standards prescribed by law. In the past, results of environmental quality measurement were not exceeding standard.

➤ **Rayong Wire Industries Public Company Limited (RWI)**

- **Risk of Fluctuation on price of raw materials**

RWI is manufactures of high tension wire rod and other wire which main material for producing is wire rod as obtains within country and oversea (all together in totaling of 5 vendors) such as Republic of China, Japan, India and Europe. In addition, company has aware of such risk factors by follow up changes in price of raw materials closely in order to access situation, trend of price and requirement on quantity to be taken into consideration for purchasing order and manage inventory as appropriate. Moreover, in line with pricing period of companys’ products and help to manage cost better as raw materials and finished good are sufficient to produce and sell to customers.



- **Risk of fluctuation on exchange rate**

RWI has purchases raw material (wire rod) from abroad in US Dollar for about 90% of total purchased therefore fluctuation on exchange rate directly which affected on production cost and business operation.

Therefore, in order to prevent above mentioned risk, RWI has made agreement (Hedging) with Financial Institution immediately when hand in L/C which covered all purchasing order from abroad which close risk on impact of fluctuations of exchange rate if Baht weaken after purchased date and also will know exact cost of import raw materials.

- **Risk from Fund Investing**

RWI has uses money invested in high liquidity bank as this investment in both short-term and long-term debt securities that are considered to be debt instruments and less risk for investment (high return for sure, get more interest than a deposit). Moreover, it can be sold before maturity and there is chance of gaining from sales.

➤ **Enesol Company Limited (ENS)**

- **Risk of fluctuation on exchange rate**

ENS has process their business in term of managing electricity and Power Plants so need to Purchase machinery to use in production from oversea so fluctuations in exchange rates have a direct impact on production cost and operation since spare parts including maintenance must imported almost from abroad.

Therefore, in order to prevent such risk ENS has contact directly to manufacturer for import equipment and spare parts to reduce operating expenses through agents. It also increase knowledge, ability to work in coordinated manner to maintenance of machine however, revenue of ENS business comes from within country therefore fluctuation of exchange rate would not affect income of ENS.

- **Risk from raw materials procurement and reliance on supplier of raw materials**

ENS has process their business on manage energy and Power Plant which need natural gas as a fuel to drive a generator and hot air which effect directly to cost of production due to all fuel uses from only one manufacturer namely Petroleum Authority of Thailand.

Therefore, ENS has follow up news and trend of gas price adjustment closely including discuss with Petroleum Authority of Thailand of possible approach to purchase gas in advance thus study on imported Liquefied Natural Gas as another option to reduce risk.

In the future, if project on convert waste to fuel for energy and fuel for electricity in Saraburi Province and uses as commercial operation then ENS can uses synthetic gas (lower cost) in stated of nature gas as reduce a lot on cost of production and operation.

- **Risk from dependence on customers**

ENS has plans on developing their business in the future for entering a joint venture with a partner who has a contract removing waster in long term with government sector on converting waste into fuel and electrical energy as in other areas around the country which is during preliminary studies thus if successful then subsidiary could reduce risk from rely on management of business energy and manage power generation plant for Siam Ceramic Group Industries Co., Ltd (Sosuko Group) and Thai-German Ceramic Industries PCL. The subsidiary also negotiated with other supplier in order to construct other Power Plants and also reduce risk from only 2 customers as well.

- **Risk from personnel**

ENS company which managing solar energy and electricity plant which requires knowledge and capability from personnel particularly thus loss or shortage of required personnel led problems.

Therefore, there are policies to keep quality personnel and recruit effective personnel from external with attention to join with subsidiary in order to increase personnel in this filed thus there are internal and external training regularly, each employee work switched includes actual field work with expert from manufacturer in order to achieve more knowledge, proficiency and experiences thus subsidiary has to offer rewards that corresponds with base of labor market and others welfare such as provident fund, medical examination, allowance, insurance which probably reduces the level of this risk.

- **Risk from Machinery**

ENS - Natures of businesses for this subsidiary are managing energy and power plant generation therefore need to purchase machines related to power generation from specific manufacturer which each manufacturer had differ technology and characteristics so it is an open, no

monopoly on procurement of machinery and equipment related to production of electricity which can be compare equally among manufacturer in several areas such as quality, after sales services, local distributor, technology and prices. Expectation of this company can reduce risk in this area. In addition, Enesol has entered into long-term maintenance of lifetime in order to reduce risk in machine maintenance.

➤ **WJC Enterprise Company Limited (WJC)**

- **Risk of Fluctuation on price of raw materials**

WJC company which steel structure construction contractor, plumbing and construction as factory located at Laem Chabang by obtain works within country and oversea of Petrochemical Industry, Energy Industry, Construction Industry and other as requires raw materials of steel structure, steel pipe (raw material for construction) such as brick, stone, concrete and sand. Moreover price movement of raw materials will concern on supply and demand from producer and user from all around the world. Therefore, changing in price of raw material materials will affect the company capital as well.

However, UWC and WJC have set policies on risk management as follows:

- (1) Pricing strategy on selling and auction in any projects by maintain margin levels can be competitive with other operators.
- (2) Watch out on changes in pricing closely for estimate on the situation and pricing strategy for collateral in consideration on setting price of employed steel structure and plans to buy and manage reasonable inventory for steel structure.
- (3) Adjusting on production management continuous by controlling on reasonable cost of production.
- (4) The subsidiary has policy on always make a good relationship with customers which leads some commitment to adjusting on price of raw materials (in case there is a change in price of raw materials).
- (5) After sale service for customers are very importance including any problem occurs in order to improve for better and meet customers' needs in term of quality and after sale service which lead company to set the reasonable price.

➤ **Evergreen Biomass Company Limited (EBM)**

- **Risk from raw materials procurement and reliance on supplier of raw materials**

EBM is a subsidiary of manufacturers and distributor of raw materials for biomass fuel which need lots of timber and scrap branches so may cause lack of raw materials therefore EBM invested in wood chopping in near areas close to raw materials provided (timbers, scrap branches) in radius around Wood Processing Plants, Sawmills and Furniture Factory. In addition, Shareholders in wood chopping are well-known in community and in respected from villagers so could purchase raw materials from local without interference from competition so EBM believe that it not affect or damage any purchase of raw materials.

- **Risk from personnel**

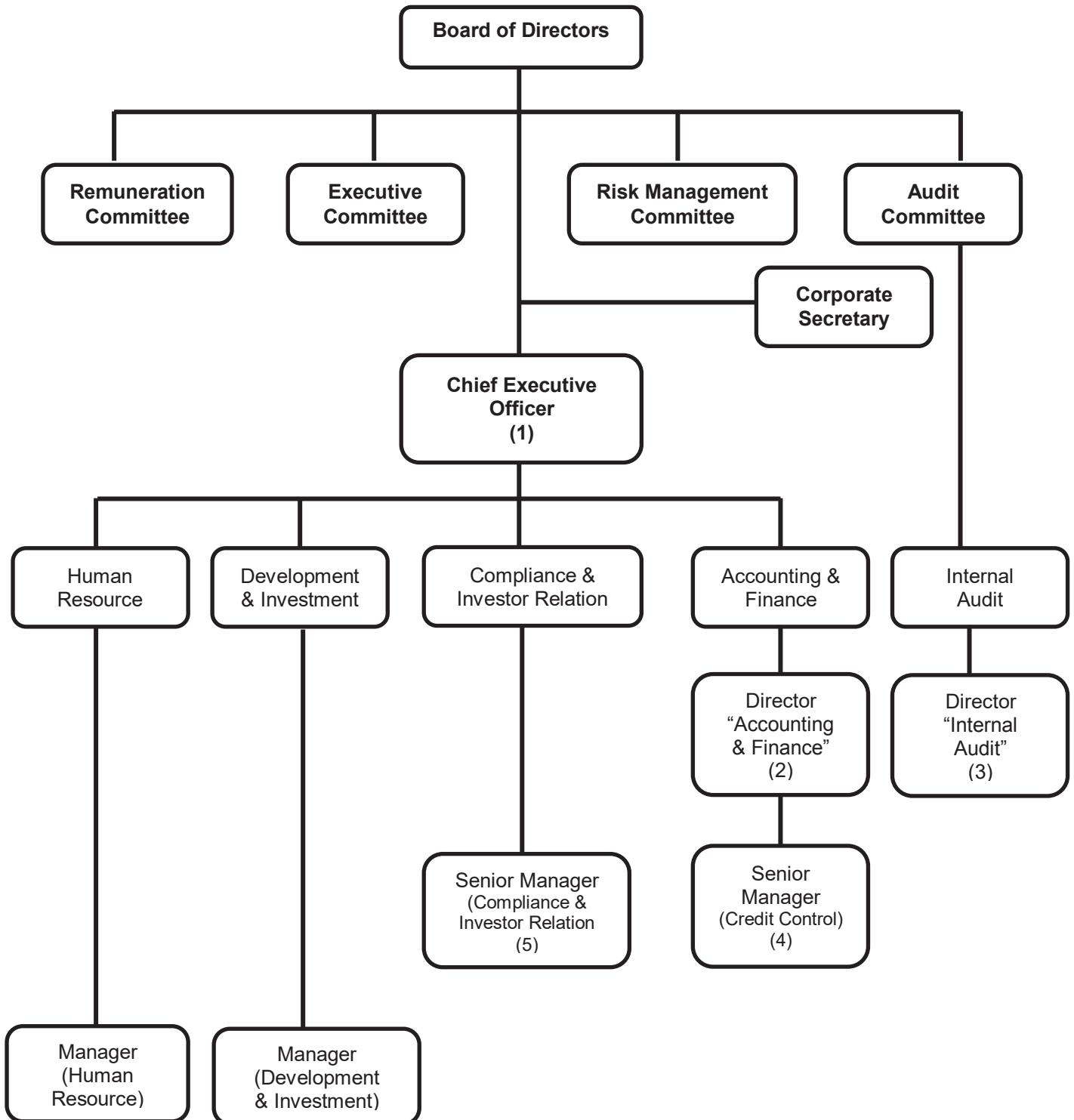
EBM is subsidiary as their businesses are mainly rely on personnel as expertise and long term for experiences but current situation has high competitive while personnel with experiences and expertise are limited so causing a scramble on personnel and business operation.

Therefore EBM has play importance intention to personnel by schedule training and knowledge from actual field work in order to develop personnel both management and practitioner level to achieve more knowledge and ability consistently in the same direction. Moreover, give some benefits from work associated with their portfolio and their abilities to a level that incentive and benchmark based on market conditions to establish security and stability in work of staff these may reduce losing team.

- **Risk from policies and support from government agency**

EBM need to be under control of government and follows those regulations therefore has play importance roles on government agencies which are considered as stakeholders of subsidiary so coordinate and exchange information with government agencies happened all the times within reasonable and on basic of transparently as in accordance with related laws and build good relationship to government agencies and other government agencies in term of academic studies and supports other activities which cause good relationship among each other.

## Organization Chart



**Remark :** No .1- No.5 is holding executive position follow announcement form Securities and Exchange Commission

## Shareholding Structure and Management

### 1. SHAREHOLDERS

- The following is the top ten major shareholders of the Company as of December 29, 2017 as follows:

Name of Major Shareholders		Proportion of holding shares	
		Amount of Shares	%
1.	Leenabanchong Family	263,980,143	35.43
2.	Mr. Jiwawuth Kuwanan	55,041,700	7.39
3.	BANK JULIUS BAER & CO., LTD, SINGAPORE	36,151,300	4.85
4.	Mr. Komon Jungrungruengkrit	17,457,600	2.34
5.	Mr. Suraphol Theva-Aksorn	16,190,000	2.17
6.	Miss Phatcharin Tungstittisombat	9,650,000	1.30
7.	Thai NVDR Company Limited	9,118,000	1.22
8.	Mr. Nam Chonsaiphon	7,918,000	1.06
9.	Mr. Praphat Phimpaphod	7,586,800	1.02
10.	Mr. Chuan Tangchansiri	7,000,000	0.94

**Remark:** Leenabanchong Family is consists of

Leenabanchong Family		Proportion of holding shares	
		Amount of Shares	%
Mr. Chinchai	Leenabanchong	110,510,000	14.83
Miss Chinsiree	Leenabanchong	36,821,800	4.94
Miss Chinree	Leenabanchong	36,398,100	4.89
Mr. Wutichai	Leenabanchong	30,956,000	4.15
Mr. Chanachai	Leenabanchong	30,754,500	4.13
Mr. Worawit	Leenabanchong	13,182,700	1.77
Miss Panicha	Leenabanchong	1,976,743	0.27
Miss Chairath	Leenabanchong	1,968,300	0.26
Mr. Theerachai	Leenabanchong	1,412,000	0.19
<b>TOTAL</b>		<b>263,980,143</b>	<b>35.43</b>

### Proportion of holding shares of every Institution

- As at December 31, 2017 – company has proportion of holding shares by investor from every institution equivalent to 7.36% of total issued and paid up shares thus its less than defied regulation in Corporate Governance of listed companies in Thailand. It stated that proportion of holding shares of investors in every institution should be more than 5%.
- Investor can be found the information on closing date of registered book of shareholders in the company's website at [www.cenplc.com](http://www.cenplc.com) under the title of Shareholding Structure before the Ordinary Shareholders' Meeting for the year 2018.

- **Name of shareholders of subsidiaries**

**(1) Top 10 Major Shareholders of Ua Withya Public Company Limited as at December 29, 2017**

Name of Shareholders		Proportion of holding shares	
		Amount of Shares	Amount of Shares
1.	Capital Engineering Network Public Company Limited	5,164,003,750	39.23
2.	Mr. Nam Chonsaiphon	239,585,791	1.82
3.	Mr. Chaiwat Vichawuth	188,000,000	1.43
4.	Mr. Jirawuth Kuwanan	183,068,000	1.39
5.	Leenabanchong Family	171,907,142	1.30
6.	Mr. Prakit Laohavisit	130,000,000	0.99
7.	Mr. Warawut Yancharoen	122,379,843	0.93
8.	Mrs. Kanokwan Yodwanith	100,000,000	0.76
9.	Mrs. Chonrathorn Khunparin	91,000,000	0.69
10.	Mr. Praphon Limthammahidsorn	90,000,000	0.68

**Remark:** Leenabanchong Family is consists of

Leenabanchong Family		Proportion of holding shares	
		Amount of Shares	%
Miss Chinsiree	Leenabanchong	108,228,800	0.82
Mr. Chanachai	Leenabanchong	63,428,342	0.48
Miss Panicha	Leenabanchong	250,000	0.00
<b>TOTAL</b>		<b>171,907,142</b>	<b>1.30</b>

**(2) Top 10 Major Shareholders of Rayong Wire Industries Public Company Limited as at December 29, 2017**

Name of Shareholders		Proportion of holding shares	
		Amount of Shares	Amount of Shares
1.	Capital Engineering Network Public Company Limited	473,413,550	72.18
2.	Mr. Srisak Suepakdee	8,366,000	1.38
3.	Mr. Bonlert Rattatunyu	4,259,400	0.70
4.	Mr. Charnsak Fuengfue	3,900,000	0.64
5.	Mrs. Wanna Arkkaneewanit	3,680,000	0.61
6.	Mr. Nam Chonsaiphon	3,465,055	0.57
7.	Mr. Papat Piyachaturawat	3,350,000	0.55
8.	Miss Phatcharin Tungsittisombat	2,985,000	0.49
9.	Thai NVDR Company Limited	2,903,906	0.48
10.	Mr. Phaiboon Pengmeesri	2,363,000	0.39

- **Agreements between shareholders that have impact on issuance and sale of securities or management of company and materially affect operations.**

-None-

- **Cross-shareholding**

As at December 31, 2017 the company has no cross-shareholding.

- **Other issuance on securities**  
**Warrant for buying Ordinary Shares**

Name of Securities	Details
Warrant to purchase Ordinary Shares No.4 (CEN-W4)	<ul style="list-style-type: none"> <li>- Issuance of warrants amounting of 372,366,551 units</li> <li>- Issuance shares for reserve amounting of 372,366,551 shares (par value equal Baht 1)</li> <li>- Type of warrant; specify name and Transferable</li> <li>- Lifetime of warrant equal 2 year (counting from date of issuance)</li> <li>- Date of issuance; December 23, 2016</li> <li>- Offering to existing shareholders as the ratio of 2 ordinary shares to 1 warrant (no charge)</li> <li>- 1 unit of warrant has right to buy 1 ordinary Share as Baht 2 per share</li> <li>- Last exercise date; last business day of March, June, September and December of each year</li> <li>- First exercise date; March 30, 2018</li> <li>- Final exercise date; December 21, 2018</li> </ul>

- **Policies on Dividend Payment**

**Company** has policies on dividend payment at the ratio of not less than 50 percent of net Profit (consolidated financial statement after tax) or as necessary with no affected to business operation unless there is investment in other companies.

Information of the past Dividend Payment

Year	2017	2016	2015	2014	2013
Dividend Payment per share	**0.00	0.00	0.00	0.05	0.05
Net Profit (Loss) per share	0.0093	(0.13)	(0.21)	0.21	0.15
Ration of Dividend Payment per Net Profit (%)	0.00	0.00	0.00	23.73	34.03

Remark: Board of Directors meeting No.1-2018 held on February 23, 2018 has resolved to schedule 2018 Annual General Meeting of Shareholders on April 26, 2018 for approval of omit dividend payment due to company need to reserve cash for working capital and investment in other projects.

**Subsidiaries**

- **Ua Withya Public Company Limited** has policies on dividend payment at the ratio of not less than 40 percent of net Profit (after tax) or as necessary with no affected business operation. However, the company may set dividend payment less than mentioned unless there is a need of money on expansion of business operation.
- **Rayong Wire Industries Public Company Limited** has policies on dividend payment at the ratio of not less than 50 percent of net Profit (after tax) or as necessary with no affected to business operation unless there is investment in other companies.
- **Enesol Company Limited** has policies on dividend payment at the ratio of not less than 50 percent of net Profit (after tax) unless subsidiary has plan on investment or necessities.
- **WJC Enterprise Company Limited** has policies on dividend payment at the ratio of not less than 50 percent of net Profit (after tax) unless subsidiary has plan on investment or necessities.
- **Pipe Line Engineering Network Company Limited** has policies on dividend payment at the ratio of not less than 50 percent of net Profit (after tax) unless subsidiary has plan on investment or necessities.
- **Evergreen Biomass Company Limited** has policies on dividend payment at the ratio of not less than 50 percent of net profit (after tax) unless subsidiary has plan on investment or necessities.

## 2. Management Structure

Management structure of Directors consists of

- (1) Board of Directors
- (2) Executives Board
- (3) Audit Committee
- (4) Remuneration Committee



(5) Risk Management Committee

Includes Chief Executive Officer and Corporate Secretary which appropriated and can be examining as balance between after every time of shareholders meeting, Board of Directors will schedule to appoint sub-committee. Year 2017, resolution from Board of Directors No.2-2017 held on May 15, 2017 has appointed 4 sub-committee and authorized abilities and responsibilities clearly follows Memorandum of Association as specified not less than 5 people but not more than 15 people must reside in the Kingdom . In the year 2017, Board of Directors consists of 10 as follows:

	Amount of people			%
	Male	Female	Total	
Directors as Executives	3	1	4	40.00
Directors as Non-Executives	-	-	-	00.00
Independent Director	6	-	6	60.00
<b>TOTAL</b>	<b>9</b>	<b>1</b>	<b>10</b>	<b>100.00</b>

Board of Directors consists of 6 Independent Directors or equal to 60% of whole Committee which is more than 1 in 3 or 33.33% follows regulation from Capital Market Commission

**(1) Board of Directors**

As at December 2017 Board of Directors in totaling of 10 as shown in Certificate namely as follow:

Name of Director	Position	Appointed Date	Period holding position
1. Mr. Wutichai Leenabanchong	Chairman	August 26, 2008	9 Year
2. Associate Professor Pusit Lertwattanakul, PHD	Independent Director	August 26, 2008	9 Year
3. Mr. Jakkathan Yothanan	Director Independent Director	August 26, 2008 February 6, 2009	9 Year 8 Year
4. Mr. Monthon Chatuwatlopkul	Director	March 1, 2010	7 Year
5. Mr. Yanyong Wattanawongpitak	Independent Director	December 24, 2012	5 Year
6. Mr. Theerachai Leenabanchong	Director	March 27, 2013	4 Year
7. Miss Usara Pattatung	Director	June 16, 2014	3 Year
8. Mr. Chatre Sriutharawong	Independent Director	August 13, 2014	3 Year
9. Dr. Visit Ongpipattanakul	Independent Director	August 15, 2015	2 Year
10. Asst.Prof.Dr. Suluck Pattarathammas	Independent Director	February 26, 2016	1 Year

**Changes of holds securities of Directors and Executives of company as at December 29, 2017**

Name of Director And Executives	Year 2016		Increase (decrease) Year 2016		Year 2017			
	Director/ Executive	Spouse	Director/ Executive	Spouse	Director/ Executive	Spouse	Total	%
1. Mr. Wutichai Leenabanchong	29,000,000	-None-	1,956,000	-None-	30,956,000	-None-	30,956,000	4.15
2. Associate Professor Pusit Lertwattanakul, PHD	-None-	-None-	-None-	-None-	-None-	-None-	-None-	-
3. Mr. Jakkathan Yothanan	-None-	-None-	-None-	-None-	-None-	-None-	-None-	-
4. Mr. Monthon Chatuwatlopkul	-None-	-None-	-None-	-None-	-None-	-None-	-None-	-
5. Mr. Yanyong Wattanawongpitak	-None-	-None-	-None-	-None-	-None-	-None-	-None-	-
6. Mr. Theerachai Leenabanchong	1,412,000	-None-	-None-	-None-	1,412,000	-None-	1,412,000	0.19

Name of Director And Executives	Year 2016		Increase (decrease) Year 2016		Year 2017			
	Director/ Executive	Spouse	Director/ Executive	Spouse	Director/ Executive	Spouse	Total	%
7. Miss Usara Pattatung	-None-	-None-	-None-	-None-	-None-	-None-	-None-	-
8. Mr. Chatre Sriutharawong	-None-	-None-	-None-	-None-	-None-	-None-	-None-	-
9. Dr. Visit Ongpipattanakul	-None-	-None-	-None-	-None-	-None-	-None-	-None-	-
10. Asst.Prof.Dr. Sulu Pattarathammas	-None-	-None-	-None-	-None-	-None-	-None-	-None-	-
11. Mr. Khomwuthi Pornnaradol	-None-	-None-	-None-	-None-	-None-	-None-	-None-	-
12. Mr. Mongkonsorn Ponglumjeakngam	-None-	-None-	-None-	-None-	-None-	-None-	-None-	-
13. Mrs. Kenika Ngamcharoensathap	-None-	-None-	-None-	-None-	-None-	-None-	-None-	-

**Remark:** - Counted spouse but excluded child due to child not holding shares

- No.7, 11-13 is Executives as defines of Securities and Exchange Commission

#### **Authorized Directors to bind the company as at December 31, 2017**

Authorized Directors to bind the company consists of Mr. Wutichai Leenabanchong signed conjunction with Mr. Monthon Chatuwallopkul or Miss Usara Pattatung or Mr. Theerachai Leenabanchong and with company's seal.

#### **Elements of Board of Directors**

As Article of Association section 4 of Directors No.16 The Boards consists of not less 5 people but not exceed 15 people, half of whom must be domiciled in Thailand and their qualifications within specified scope requires by Law.

#### **Appointment and removal of Directors**

##### **• Appointment**

##### **- Passed the resolution from Shareholders meeting**

As Article of Association section 4 of Directors No.17 The appointment of Board of Directors have approval from Annual General Meeting of Shareholders as following rules and procedures.

- (1) One shareholder has one vote.
- (2) Each shareholder may use all votes under (1) to elect one or more than one director. In case of voting for more than one director, he may distribute his votes as he pleases.
- (3) Persons who receive highest votes arranged in order from higher to lower in a number equal to that of directors to be appointed are elected directors of the company. In the event of a tie at a lower place, which make the number of directors greater than that required, then the chairman will make a decision.

##### **- Passed The resolution from Board of Directors meeting**

As Article of Association Section 4 of Directors No.21 in case Director position vacant due to reasons other than retirement by rotation then Directors chooses any person who have qualification required by Law unless the remaining time for Director is less than 2 months then those person will be Directors by the remaining time. Moreover, the resolution from Board of Directors votes has to be not less than 3 quarter of remaining balance of Directors.

##### **• The removal**

##### **- Removal by expiration**

As Article of Association Section 4 of Directors No.18 As every meeting of Shareholders given to remove any Directors one in three if the number of Directors to be removed not match to three then removal should be to nearest to one in three.

Retire Directors in the first or second year following the registration of company if committee did not agree any other method then drawing will be issued. The subsequent year, the directors who serve the longest of holding the position will need to retired and may re-elect.

##### **- Removal by others**

As Article of Association Section 4 of Directors No.19 requires removal of Directors as follows:

1. Died
2. Withdraw
3. Incompetent or Law Prohibition
4. Remove from Resolution from meeting of shareholders
5. Court Order

As Article of Association Section 4 of Directors No.22 to set meeting of Shareholders to vote to any remove Directors before expiration their vote must not less than three-fourth of total votes of shareholders present and qualified to votes.

#### **The roles and responsibilities of Board of Directors**

1. Corporate Governance: revises and approves the policies, important strategies and annual budget.
2. To consider, define, and resolve the Board of Directors' regulations.
3. To consider appointing, dismiss, authorize and assign Executive Committee, Chief Executive Officer, Remuneration Committee, Audit Committee and sub Board of Directors committee duties.
4. To consider appointing and replacing of chairman, Executive Committee, Chairman of Executive Committee, Chief Executive Officer, Remuneration Committee, Audit Committee, Independent Committee and sub Board of Directors committee.
5. To regulate and resolve the conflict of interests including illegal used of company's assets of the Board of Directors and Executives.
6. To acknowledge the report of business management from Executive Committees.
7. To re-examine the compliances with the regulations and adequate information disclosure to public.
8. To re-examine and approve of the audited financial statements from the auditor and/or Audit Committee.
9. To determine the scope of Executive Committee and Chief Executive Officer's purchasing, hire purchasing on property and payment authorization.
10. To consider and allocate the Directors' remuneration according to the approval from the Shareholders' Meeting.
11. To consider and approve of the adjustment of Chairman of Executive Committee and Chief Executive Officer's salary.
12. To consider and approve of lending and/or being a guarantor for the subsidiaries and/or affiliated companies with the amount beyond the authority of the Executive Committee.
13. To consider and approve of the financing activities, financial administrating and managing such as obtaining long term loans and/or short term loans with the amount beyond the authority of Executive Committees.
14. To consider and approve of purchasing assets with the amount beyond the authority of Executive Committees and Chief Executive Officer.
15. To consider and approve of hiring for producing when it is beyond the Executive Committee and Chief Executive Officer.
16. To consider and approve of investing and/or selling of investment in common shares and/or other equities which are listed in The Stock Exchange of Thailand and/or financial institution and/or trusted equities which made by Executive Committee.
17. To consider and approve of establishing new subsidiaries or investing in subsidiaries.
18. To consider and approve of establishing new affiliate companies or investing in affiliate companies.
19. To set the date, time and place of the Ordinary Shareholders' Meeting and to determine the agenda, closing date for shares transfer, profit allocation, legal reserve, general reserve and/or dividend payment as well as to propose the recommendations to the shareholders.
20. To consider appointing of consultants to the Board of Directors and/or subcommittee in order to provide opinions on a specific subject.
21. To consider other subjects those are beyond the authorities of the Executive Committee, Chief Executive Officer or as seen appropriate by Executive Committee.

#### **(2) Executives Board**

Executive means Directors or Executive of company or sub-committee of Subsidiaries or Executive of subsidiaries as appointed from Board of Directors by acting on joint venture and management of operating business and authorized Board of Directors follows objectives, conditions and regulations of company.

In year 2017, resolution from Board of Directors No.2-2017 held on May 15, 2017 and to appointed 4 Executive Directors of 1 year term as follows:

Name of Executives		Position
1. Mr. Wutichai	Leenabanchong	Executive Chairman
2. Mr. Theerachai	Leenabanchong	Executive Director
3. Miss Usara	Pattatung	Executive Director
4. Mr. Pornthep	Pipattangsakul	Executive Director (Resigned on July 1, 2017)

#### **The roles and responsibilities of Executive Boards**

1. To operate and manage the business in line with the company's objectives, articles of Association, policies, regulations, rules, directives and resolutions of the Board of Directors and/or resolutions of shareholders' meetings in all respects.
2. To consider and determine policy, direction and strategy for the Company's business Operations, financial plans, budget, and manpower resources management, investment in information technology, expansion of business operations, public relations, control and supervision for all appointed working committees to achieve the targets.
3. To consider annual budgetary appropriations as proposed by the management before presenting them for consideration and approval by the Board of Directors. This also includes consideration and approval for changes and additional annual budgetary appropriations at the time when there is no Board of Directors' meeting, and thereafter presentation to the next meeting of the Board.
4. To approve major investment transactions as defined in the annual expenditure budget as assigned by the Board of Directors, or as earlier approved in principle by the Board.
5. To have authority in approving capital expenditure although buying the fixed assets, office stationery, renovation and maintenance, dispense/ to sell fixed assets, to rent/hire purchase of assets which exceed budget estimation within the limit of each transaction not exceeds the budget which has been approved by Board of Directors.
6. To provide advice in business expansion in principle, and in joint ventures with any other parties subject to approval from the Board of Directors at the next meeting.
7. To have authority to consider and approve borrowing of funds and/or to guarantee the Credit of subsidiaries and/or affiliated company and/or other companies which not exceed the budget which has been approved by Board of Directors.
8. To consider and approve of borrowing of funds, seeking credit lines or any other credit Facility related to normal business operations within the budget estimation which has been approved by Board of Directors.
9. To have authority to consider and approve investing in other company within the budget estimation which has been approved by Board of Directors.
10. To have authority to consider and approve hiring service which related to the normal company Business within the budget estimation which has been approved by Board of Directors.
11. To serve as advisers to the management relating to financial policy, marketing, personnel management, and other operational aspects.
12. To consider the profit and loss of the company, proposal for interim or annual dividend payment for approval by the Board of Directors.
13. To have authority in delegating any several directors or any individuals to carry out any particular assignment under the control and supervision of the Executive Committee, or delegate the authority to such individuals to have authority as deemed appropriate by the Executive Committee and within a period deemed appropriate. The Executive Committee may rescind, revoke, amend or rectify the individuals or delegation of power as and when deemed appropriate.
14. To have power on any finance transaction of company as for example opening and/or closing an account/ Financial Institution by specified the authorization signature for bank accounts including specified the conditions authorization for other bank accounts as well.
15. To consider opportunities or new company in order to increase the value on investment.
16. To select the policy and limitation of investment or exercise of warrants to purchase Ordinary Shares and/or other investing institute which listed in The Stock Exchange of Thailand and investing in bond and/or other bond institute. By this, the value of investing would not exceed the budget which has been approved by Board of Directors.

17. To consider of increase or decrease on proportion of investment in affiliated company and subsidiaries in order to purpose to Board of Directors to be approved.

18. To engage in any other activities as assigned from time to time by the Board of Directors.

By this, the authority of the Executive Committee will not cover approvals of any transactions, this may have conflict of interests. These includes any transactions which the Executive Committee or any parties who may have conflict of interest with the Executive Committee, has vested interests or any other benefits, which may also be considered as conflict of interests with the Company or the subsidiaries. This has to be in line with the regulations of the Stock Exchange of Thailand and/or The Securities and Exchange Act B.E.2535 and/or the announcements of the Securities and Exchange Commission. Approvals of such transactions must be proposed for prior approval by the Board of Directors or the shareholders' meeting.

### (3) Audit Committee

Audit Committee means Company Directors which authorized from Board of Directors/ Meeting of Shareholders to check the performance of assignment to be in accordance with rules, any regulation of good corporate governance.

Resolution from Board of Directors meeting No.1-2017 held on February 23, 2017 has appointed Audit Committee as the term of position of 3 years as follows:

Name of Audit Committee	Position	
1. Dr. Visit Ongpipattanakul	Chairman of Audit Committee	Independent Director which has knowledge in accounting and finance
2. Associate Professor Pusit Lertwattanakul, PHD	Audit Committee	Independent Director which has knowledge in engineering
3. Mr. Yanyong Wattanawongpitak	Audit Committee	Independent Director which has knowledge in finance
Mr. Khomwuthi Pornnaradol	Secretary of Audit Committee	

Term of position for Audit Committee equal to 3 years which counting from April 27, 2017 – April 26, 2020 by Dr. Visit Ongpipattanakul and Mr. Yanyong Wattanawongpitak has knowledge and experience in term of review and ensures reliability of financial statement.

In addition, Company Audit Committees are not company shareholders, no business relationship of professional services of company, subsidiaries, associates or entity may have conflict of interest and not holding position of Audit Committee of subsidiaries or Associates Company.

#### **The roles and responsibilities of Audit committee**

1. To ensure that the company's financial statement is accurate, adequate and dependable.
2. To review that the company's internal control systems is appropriate and efficient in order to consider the audit committee independently throughout appointment, move, layoff Head of Internal controller or any institute which responsible form internal control division.
3. To review the Company's compliance with the law on securities and exchange the Exchange's regulations and the laws relating to the Company's business.
4. To review corruption in business in accordance to company's policy on anti-corruption and Code of Conduct.
5. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
6. To review the connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for highest benefit of Company.
7. To consider on disclose company information in case of related transaction or conflict of interest, acquisition of assets to be accurate.
8. To review company system to have risk management as appropriate and effective.



9. To assign role on anti-corruption and code of conduct by have complaint process and oversea process of receiving complaint which covered complaint process on receiving any clues on inappropriate financial statement and other.
10. To review information relating to financial reports and internal controls.
11. To promote development of financial report system in line with international accounting standards.
12. To review and comments on internal control plans and practices of internal audit Department or other department which responsible of internal audit.
13. To prepare, and to disclose in the Company's annual report, Audit Committee's reports which must be signed by the Audit Committee's chairman and consist of at least the following information:
  - (a) an opinion on the accuracy, completeness and creditability of the Company's financial report,
  - (b) an opinion on the adequacy of the Company's internal control system,
  - (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
  - (d) an opinion on the suitability of an auditor,
  - (e) an opinion on the transactions that may lead to conflicts of interests,
  - (f) the number of the Audit Committee meetings, and the attendance of such meetings by each committee member,
  - (g) an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter, and
  - (h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors;
14. To have power to hire consultant or outsider in accordance with company regulations for giving advice and consult in case necessary.
15. To review Audit Committee Charter at least once a year.
16. To perform any other matter as assigned by company's Board of Directors with agreement from Audit Committee.
17. Audit Committee need to examine performance by self-assessment and report together with problems and obstacles in performance of work which cannot achieve the purpose of establishing Audit Committee to Boards yearly.
18. Audit Committee should be trained and continually reinforces in their work in related matters.

Any practices as assigned, Audit Committee directly responsible for the Board and Board responsible for company's operation to outsider

#### **(4) Remuneration Committee**

Remuneration Committee means Assigned Company Directors from Board of Directors consider formats and rules of compensation of Board of Directors, Directors and Senior Executives.

In year 2017, resolution from Board of Directors No.2-2017 held on May 15, 2017 has resolved to appoint remuneration committee (whole committee has 3 independent directors) with of position of 1 year as follow:

Name of Remuneration Committees		Position	
1. Dr. Visit	Ongpipattanakul	Chairman of Remuneration Committee	Independent Director
2. Mr. Jakkathan	Yothanan	Remuneration Committee	Independent Director
3. Mr. Yanyong	Wattanawongpitak	Remuneration Committee	Independent Director
Miss Juthamard	Sirimard	Secretary of Remuneration Committee	

#### **The roles and responsibilities of Remuneration Committee**

1. To review current criteria.
2. To consider remuneration packages of other company in the same industry.
3. To establish, in the fare manner, criteria which will create the expected results and reward those who contributed to the firm's success.
4. To review all form of remuneration, including the amount and proportion of each form.



5. To determine whether the criteria for and for the form of remuneration is in accordance with relevant regulations and related recommendations.
6. To consider of evaluating Chief Executive Officer and remuneration in order to propose the criteria to the Board for approval.
7. To determine the annual remuneration packages for directors and propose the remuneration to the Boards. In this case, of the Board remunerations' packages, the Board needs to consider and propose them to the shareholders' meeting for approval.
8. To consider in any other remuneration as assigned from Board of Directors

#### **(5) Risk Management Committee**

Risk Management Committee mean Directors and Non-Executives of company has responsibilities to handle risk management effectively.

In year, 2017 resolution from Board of Directors meeting No.2-2017 held on May 15, 2017 has appointed Risk Management Committee which consists of all Independent Directors totaling of 3 people as one year term of position.

Name of Risk Management Committees		Position	
1. Asst.Prof.Dr. Suluck	Pattarathammas	Chairman of Risk Management Committee	Independent Director
2. Mr. Jakkathan	Yothanan	Risk Management Committee	Independent Director
3. Mr. Chatre	Sriutharawong	Risk Management Committee	Independent Director

#### **The roles and responsibilities of Risk Management Committee**

1. To set clearly policies, goals, planning on Risk Management System in order to manage importance risk and report to Board of Directors includes communicate with Audit Committee related to such risk.
2. To support cooperation in risk management in all level within the company.
3. To maintain appropriate and efficiency risk management by play attention to main business of company which is investment in order to signal of unusual transaction in advance.
4. To develop on efficiency risk management system continuously.
5. To adjust and amend charter of Risk Management Committee and proposed Board of Directors for approval.
6. Other business as assigned by Board of Directors.

#### **• Chief Executive Officer**

Chief Executive Officer means Company Directors/Executives which holds the position of head of Executive of company.

In year 2017, resolution from Board of Directors meeting No.2-2017 held on May 15, 2017 has resolved approve to appoint Mr. Wutichai Leenabanchong to holds position of Chief Executive Officer

#### **The role and responsibilities of Chief Executive Officer**

1. To manage and control the business which related to company's affairs.
2. Authorization in orders, regulations, notification, and memorandum in order to follows to the company's plans.
3. To propose policies, Strategic, business plans and annual budgets to The Board of Directors/Executive Committee and responsible of performing the business tasks and plans as assigned from Board of Directors.
4. To control of expenditure on budgets as assigned from Board of Directors.
5. To take responsible for the preparation of Financial Statement for inspection and/or review by the auditors and subsequent presentation to the Audit Committee and Board of Directors respectively.
6. Organize the company's structure and management including employing, shifting, moving, set up the salaries, remuneration, considering on goodness, bonus, welfare and lay off the employees in Executive position within the company whom is not Executive Directors and excluding Chairman.
7. To consider and approve of purchasing, renovating and maintaining of hire and hire purchasing office stationary, or anything related to company's products within the limitation of budget as assigned from Board of Directors.

8. To consider and approve of hiring in term of hire purchasing which related to company's Business within the limitation of budget as assigned from Board of Directors.
9. To consider and approve of repairing, destroying and writing off the company's exhausted asset within the limitation of budget as assigned from Board of Directors.
10. To consider and approve of sending employees to study, seminar, observe or to locally exhibit the company's products.
11. To consider and approve of sending employees to study, seminar, observe or to foreign exhibit the company's products.
12. To consider other subjects as necessities of company business or as assigned by Board of Executive Committee and Board of Directors.
13. To responsible of determine targets, policies of managing company's business in term of human resources within the company and subsidiaries.
14. To support and assists to subsidiaries in order to increase competition in company's business.
15. To responsible of company business operation by not against the laws, rules, regulation, religion and company's regulation.
16. To have authority to consider and approve borrowing and/or credit facilities of subsidiaries and/or affiliated company and/or other companies within the limitation of budget as assigned from Board of Directors.
17. To have authority to consider and approve borrowing of fund, seeking credit lines or any other credit facilities related to Norman business operations of the company within the limitation of budget as assigned from Board of Directors.
18. To consider of investing and/or selling of investment in common shares and/or other equities which are listed in The Stock Exchange of Thailand which assigned from Board of Directors.
19. To consider of foreign currency risks and interest rates.

- **Controlling Person**

-None-

- **Frequently by number of attendees in year 2017**

Board of Directors, Audit Committee, Executive Committee, Remuneration Committee and Risk Management Committee has schedule time table of each meeting one year in advance and appointment of the meeting will be additional special meeting as necessary. Each committee is meeting by conference participants are summarized below.

<b>Name of Committee</b>	<b>2017 Total Number of attendees</b>
2017 Annual General Meeting of Shareholders	1
Board of Director	5
Audit Committee	5
Executive Director	9
Remuneration Committee	1
Risk Management Committee	3

		Attendance of the meeting / total attends (Time)					
		Annual General Meeting of Shareholders	Board of Directors meeting	Audit Committee Meeting	Executive Committee Meeting	Remuneration Committee Meeting	Risk Management Committee Meeting
1. Mr. Wutichai	Leenabanchong	1/1	5/5	-	9/9	-	-
2. Dr. Visit	Ongpipattanakul	1/1	5/5	5/5	-	1/1	-
3. Associate Professor Dr.Pusit Lertwattanakul		1/1	5/5	5/5	-	-	-
4. Mr. Yanyong	Wattanawongpitak	1/1	5/5	5/5	-	1/1	*2/3
5. Asst.Prof.Dr. Suluck	Pattarathammas	1/1	*4/5	-	-	-	3/3
6. Mr. Jakkathan	Yothanan	1/1	5/5	-	-	1/1	-
7. Mr. Chatre	Sriutharawong	1/1	5/5	-	-	-	3/3
8. Mr. Pornthep	Pipattungsakul <sup>1/</sup>	1/1	2/2	-	3/3	-	-
9. Mr. Monthon	Chatuwallopkul	1/1	4/5	-	2/2	-	-
10. Mr. Theerachai	Leenabanchong	1/1	4/5	-	9/9	-	-
11. Miss Usara	Pattatung	1/1	5/5	-	9/9	-	-
12. Mr. Pipit	Jaovisidha <sup>2/</sup>	-	-	-	*1/2	-	-
13. Mr. Peratus	Dhanarachwattana <sup>3/</sup>	-	-	-	2/2	-	-
14. Mr. Suthin	Phadetpai <sup>4/</sup>	-	-	-	2/2	-	-
15. Mr. Ladya	Uriya <sup>5/</sup>	-	-	-	1/1	-	-

**Remark**

1/ Resigned from Director and Executive on July 1, 2017

2/ Resigned from Executive on May 15, 2017

3/ Resigned from Executive on May 15, 2017

4/ Resigned from Executive on May 15, 2017

5/ Resigned from Executive on May 1, 2017

\* could not attended the meeting due to business engagement

• **Executive**

Executive means employee who holds positions of kind to executive and/or authority in administration of company and by definition and management of Securities and Exchange Commission as Managing Director down (highest position in company) who hold equivalent positions at the executive level for all four and also includes anyone as management positions in accounting or finance as manager level and above or equivalent

As at December 31, 2017 there are 5 executive as follow:

Name of Executives		Position
1. Mr. Wutichai	Leenabanchong	Acting Chief Executive Officer
2. Miss Usara	Pattatung	Director (Accounting and Finance)
3. Mr. Khomwuthi	Pornnaradol	Director (Internal Audit)
4. Mr. Mongkonsorn	Ponglumjeakngam	Senior Manager (Credit Control)
5. Mrs. Kenika	Ngamcharoensathaporn	Senior Manager (Compliance and Investor Relation)

- **Corporate Secretary**

The company has set corporate secretary which has duties on coordinate between Boards and Management in term of Law and any related rules for supporting good corporate governance. By this, the company will practice and follows regulations and announcement of The Stock Exchange of Thailand and Securities and Exchange Commission. In addition, resolution from Board of Director meeting no.4-2014 dated June 14, 2014 has appointed Mrs. Kenika Ngamcharoensathaporn as Corporate Government which she has passed through training courses for Corporate Secretary (CSP) from Thai Listed Company Association No.7/2004

Components and Features

1. Has basic knowledge on law and regulation regulatory authorities with respect to the law on Public Law and Law in accordance to Securities and The Stock Exchange of Thailand.
2. Has knowledge and understanding of the principles of corporate governance and good practice in corporate governance.
3. Has knowledge in company's business and good in communication.

- **Remuneration of Directors and Executives**

**(1) The amount of financial remuneration in fiscal year 2017**

**Capital Engineering Network Public Company Limited**

**a) The Remuneration for Directors**

The remuneration of directors consists of monthly compensation and meeting allowance passed on the resolutions from the board of directors No. 1/2017 held on February 23, 2017 by approved by 2017 Annual General Meeting of Shareholders held on April 27, 2017 as totaling amount of Baht 3,500,000 which same amount when compared to year 2016 by sifting through the details and refers to appropriate aspects of the industry and economic conditions. The suitability number of the Board of Directors as following details:

**1. Remuneration in term of cash ("allowance for meeting")**

- (1) Chairman (every time attends)
  - Fee for attended the meeting as Baht 30,000. By this, chairman whom normally receive monthly payment will receive Baht 20,000 each time attended the meeting
- (2) Board of Directors (every time attends)
  - Fee for attended the meeting as Baht 15,000. By this, as for Directors whom status as company's employee will be paid Baht 5,000 each time attended the meeting.
- (3) Executive Board (every time attends)
  - Fee for Executive Chairman as Baht 15,000 By this, chairman whom normally receive monthly payment will receive Baht 5,000 each time attended the meeting
  - Fee for Executive Committee as Baht 10,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 2,000 every time attends
- (4) Audit Committee (every time attends)
  - Fee for Chairman of Audit Committee as Baht 25,000
  - Fee for Audit Committee as Baht 15,000
- (5) Remuneration Committee (every time attends)
  - Fee for Audit of Remuneration Committee as Baht 25,000
  - Fee for Remuneration Committee as Baht 15,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 5,000 every time attends
- (6) Risk Management Committee (every time attends)
  - Fee for Audit of Remuneration Committee as Baht 25,000
  - Fee for Remuneration Committee as Baht 15,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 5,000 every time attends
- (7) Nomination Committee (every time attends)
  - Fee for Audit of Remuneration Committee as Baht 25,000
  - Fee for Remuneration Committee as Baht 15,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 5,000 every time attends

## **2. Other remuneration fees and benefits**

The company has no policies apart from remuneration for directors or employee as normal transaction of company, no shares or debenture given or other securities

By this year 2017, Capital Engineering Network Public Company Limited has paid remuneration to directors of each committee in totaling of Baht 1,177,000. The details are as follow:

Name/Position	Compensation (Baht)					
	Board of Director	Executive Board	Audit Committee	Remuneration Committee	Risk Management	TOTAL
1. Mr. Wutichai Leenabanchong - Chairman - Executive Chairman - Acting Chief Executive Officer	100,000.-	45,000.-	-	-	-	145,000.-
2. Dr. Visit Ongpipattanakul - Director - Independent Director - Chairman of Audit Committee - Chairman of Remuneration Committee	75,000.-	-	125,000.-	25,000.-	-	225,000.-
3. Associate Professor Dr.Pusit Lertwattanaruk - Director - Independent Director - Audit Committee	75,000.-	-	75,000.-	-	-	150,000.-
4. Mr. Yanyong Wattanawongpitak - Director - Independent Director - Audit Committee - Remuneration Committee - Chairman of Risk Management Committee	75,000.-	-	75,000.-	15,000.-	30,000.-	195,000.-
5. Asst.Prof.Dr. Suluck Pattarathammas - Director - Independent Director	60,000.-	-	-	-	75,000.-	135,000.-
6. Mr. Jakkathan Yothanan - Director - Independent Director - Risk Management Committee	75,000.-	-	-	15,000.-	-	90,000.-
7. Mr. Chatre Sriutharawong - Director - Independent Director - Risk Management Committee	75,000.-	-	-	-	45,000.-	120,000.-

Name/Position	Compensation (Baht)					
	Board of Director	Executive Board	Audit Committee	Remuneration Committee	Risk Management	TOTAL
8. Mr. Monthon Chatuwallopkul - Director	20,000.-	-	-	-	-	20,000.-
9. Mr. Theerachai Leenabanchong - Director - Executive Director	20,000.-	18,000.-	-	-	-	38,000.-
10. Miss Usara Pattatung - Director - Executive Director	25,000.-	18,000.-	-	-	-	43,000.-
11. Mr. Pornthep Pipattangsakul - Director - Executive Director (Resigned on July 1, 2017)	10,000.-	6,000.-	-	-	-	16,000.-
<b>TOTAL</b>	<b>61,000.-</b>	<b>87,000.-</b>	<b>275,000.-</b>	<b>55,000.-</b>	<b>150,000.-</b>	<b>1,177,000.-</b>

**b) The remuneration for Executives**

Compensation of Chief Executive Office and top 4 Executives and equivalent of 4 ranking as follows:

Total Amount	2017		2016	
	Amount (people)	Amount (Million Baht)	Amount (people)	Amount (Million Baht)
In term of salary, bonus, allowance, meeting allowance, social security, provident fund and employee benefit expenses	5	13.38	7	14.03

**Subsidiaries**

**1. Ua Withya Public Company Limited**

**a) Remuneration**

The remuneration of directors consists of monthly compensation and meeting allowance passed on the resolutions from the Remuneration Committee No.1-2017 held on February 22, 2017 by passed consideration from Board of Directors meeting No. 2-2017 held on February 22, 2017 and approved by 2017 Annual General Meeting of Shareholders held on April 26, 2017 in totaling amount of 2,300,000 by paying it each time. By this, with appropriate details and compare with same kind of reference of industry and economic situation including appropriate number of Directors. The details of compensations are as follows:

**1. Remuneration in term of cash ("allowance for meeting")**

**(1) Chairman (every time attends)**

- Fee attended the meeting equals to Baht 30,000. By this, chairman who receive monthly salary or hold position of chairman in affiliate company will receive allowance for the meeting of Baht 20,000

**(2) Board of Directors (every time attends)**

- Fee for attended the meeting as Baht 15,000. By this, director who receive monthly salary or hold position of employee in affiliate company will receive allowance for the meeting of Baht 5,000



(3) Executive Board (every time attends)

- Fee for Executive Chairman equal to Baht 15,000 By this, chairman who receive monthly salary or hold position of chairman in affiliate company will receive allowance for the meeting of Baht 5,000
- Fee for Executive Board as Baht 10,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 2,000 every time attends

(4) Audit Committee (every time attends)

- Fee for Chairman of Audit Committee as Baht 25,000
- Fee for Audit Committee as Baht 15,000

(5) Remuneration Committee (every time attends)

- Fee for Audit of Remuneration Committee as Baht 25,000
- Fee for Remuneration Committee as Baht 15,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 5,000 every time attends

**2. Other remuneration fees and benefits**

The company has no policies apart from remuneration for directors or employee as normal transaction of company, no shares or debenture given or other securities

By this year 2017, Ua Withya Public Company Limited has paid remuneration to directors of each committee in totaling of Baht 1,678,000. The details are as follow:

Name/Position	Compensation (Baht)				
	Board of Director	Executive Board	Audit Committee	Nomination and Remuneration Committee	TOTAL
1. Police Colonel Kowit Piromwong - Independent Director - Chairman - Chairman of Nomination and Remuneration Committee	180,000.-	-	-	50,000.-	230,000.-
2. Mr. Wutichai Leenabanchong - Vice Chairman - Executive Chairman	30,000.-	45,000.-	-	-	75,000.-
3. Police Lieutenant Sivaraks Phinitcharomna - Director - Independent Director - Chairman of Audit Committee	90,000.-	-	325,000.-	-	415,000.-
4. Dr. Pianchai Thawornrat - Director - Independent Director - Audit Committee - Nomination and Remuneration Committee	60,000.-	-	150,000.-	30,000.-	240,000.-
5. Dr. Nathee Naktanasukanjn - Director - Independent Director - Audit Committee	90,000.-	-	195,000.-	-	285,000.-

Name/Position	Compensation (Baht)				
	Board of Director	Executive Board	Audit Committee	Nomination and Remuneration Committee	TOTAL
6. Mr. Peratus Dhanarachwattana - Director - Managing Director (Plant Operation) - Executive Director	30,000.-	18,000.-	-	-	48,000.-
7. Mr. Theerachai Leenabanchong - Director - Managing Director (Business Development and Corporate Affairs) - Executive	30,000.-	18,000.-	-	-	48,000.-
8. Mr. Monthon Chatuwallopkul - Director - Deputy Managing Director (Accounting and Finance, Corporate Management) - Executive - Nomination and – Remuneration Committee	30,000.-	18,000.-	-	10,000.-	58,000.-
9. Mr. Surapat Chomrat - Director - Executive	75,000.-	80,000.-	-	-	155,000.-
10. Mr. Suthisak Tanachoteporamat - Director - Executive (Appointed as September 1, 2017)	30,000.-	30,000.-	-	-	60,000.-
11. Miss Usara Pattatung - Director - Executive	30,000.-	16,000.-	-	-	46,000.-
12. Mr. Ladya Uriya - Director - Executive (Resigned May 1, 2017) - Deputy to Managing Director (Business Development and Fuel Management) (Resigned on April 1, 2017)	10,000.-	-	-	-	10,000.-
13. Mrs. Pimsiri Pinrod - Executive Resigned on November 15, 2017	-	8,000.-	-	-	8,000.-
<b>TOTAL</b>	<b>685,000.-</b>	<b>233,000.-</b>	<b>670,000.-</b>	<b>90,000.-</b>	<b>1,678,000.-</b>

**b) The remuneration for Executives**

Compensation of Managing Director and top 4 secondary from Managing Director and equivalent of 4 ranking as follows:

Total Amount	2017		2016	
	Amount (people)	Amount (Million Baht)	Amount (people)	Amount (Million Baht)
In term of salary, bonus, allowance, meeting allowance, social security, provident fund and employee benefit expenses	9	17.65	8	17.18

**2. Rayong Wire Industries Public Company Limited****a) Remuneration**

The remuneration of directors consists of monthly compensation and meeting allowance passed on the resolutions from the Remuneration Committee No.1/2017 held on February 21, 2017 and passed Board of Directors meeting No.1/2017 held on February 21, 2017 and approved by the resolution from the 2017 Annual General Meeting of Shareholders held on April 27, 2017 in totaling of 1,950,000 by paying it each time with same rate. By this, with appropriate details and compare with same kind of reference of industry and economic situation including appropriate number of Directors. The details of compensations are as follows:

**(1) Chairman (every time attends)**

- Fee attended the meeting equals to Baht 30,000. By this, chairman who receive monthly salary or hold position of chairman in affiliate company will receive allowance for the meeting of Baht 20,000.

**(2) Board of Directors (every time attends)**

- Fee for attended the meeting as Baht 15,000. By this, director who receive monthly salary or hold position of employee in affiliate company will receive allowance for the meeting of Baht 5,000.

**(3) Executive Board (every time attends)**

- Fee for Executive Chairman equal to Baht 15,000 By this, chairman who receive monthly salary or hold position of chairman in affiliate company will receive allowance for the meeting of Baht 5,000.
- Fee for Executive Board as Baht 10,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 2,000 every time attends.

**(4) Audit Committee (every time attends)**

- Fee for Chairman of Audit Committee as Baht 25,000
- Fee for Audit Committee as Baht 15,000

**(5) Remuneration Committee (every time attends)**

- Fee for Audit of Remuneration Committee as Baht 25,000
- Fee for Remuneration Committee as Baht 15,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 5,000 every time attends.

**2. Other remuneration fees and benefits**

The company has no policies apart from remuneration for directors or employee as normal transaction of company, no shares or debenture given or other securities.

By this year 2017, Rayong Wire Industries Public Company Limited has paid remuneration to directors of each committee in totaling of Baht 858,000. The details are as follow:

Name/Position	Compensation (Baht)				
	Board of Director	Executive Board	Audit Committee	Remuneration Committee	TOTAL
1. Mr. Wutichai Leenabanchong - Chairman - Executive Chairman - Remuneration Committee	80,000.-	55,000.-	-	5,000.-	140,000.-
2. Mr. Worawit Siriwatwimol - Director - Independent Director - Chairman of Audit Committee - Chairman of Remuneration Committee	45,000.-	-	125,000.-	-	170,000.-
3. Mr. Wichain Sophanpanitkul - Director - Independent Director - Audit Committee - Remuneration Committee	60,000.-	-	90,000.-	15,000.-	165,000.-
4 Associate Professor Dr. Pison Udomworarat - Director - Independent Director - Audit Committee - Remuneration Committee	60,000.-	-	75,000.-	15,000.-	150,000.-
5. Mr. Monthon Chatuwallopkul - Director	20,000.-	-	-	-	20,000.-
6. Mr. Pipit Jaovisidha - Director - Manager (Sale and Marketing) - Executive Director	15,000.-	18,000.-	-	-	33,000.-
7. Mr. Suthin Phadetpai - Director - Executive - Managing Director	20,000.-	22,000.-	-	-	42,000.-
8. Mr. Theerachai Leenabanchong - Director	20,000.-	-	-	-	20,000.-
9. Mrs. Pimsiri Pinrod - Director - Executive (Resigned on November 15, 2017)	20,000.-	20,000.-	-	-	40,000.-
10. Mr. Pornthep Pipattangsakul - Executive Director (Appointed on May 8, 2017) (Resigned on July 1, 2017)	-	4,000.-	-	-	4,000.-
11. Mr. Surapat Chomrat - Executive Director (Appointed on May 8, 2017) (Resigned on October 18, 2017)	-	60,000.-	-	-	60,000.-
12. Miss Usara Pattatung - Executive Director (Resigned on May 8, 2017)	-	14,000.-	-	-	14,000.-
<b>TOTAL</b>	<b>340,000.-</b>	<b>193,000.-</b>	<b>290,000.-</b>	<b>35,000.-</b>	<b>858,000.-</b>

**b) The remuneration for Executives**

Compensation of Managing Director and top 4 secondary from Managing Director and equivalent of 4 ranking as follows:

Total Amount	2017		2016	
	Amount (people)	Amount (Million Baht)	Amount (people)	Amount (Million Baht)
In term of salary, bonus, allowance, meeting allowance, social security, provident fund and employee benefit expenses	6	8.89	5	7.41

**3. Enesol Company Limited****a) The remuneration for Directors**

The remuneration of directors consists of monthly compensation and meeting allowance passed on the resolutions from the board of directors' No. 1/2017 held on February 21, 2017 and approval from 2017 Annual General Meeting of Shareholders held on April 24, 2017 as following details.

**(1) Chairman (every time attends)**

- Fee attended the meeting equals to Baht 30,000. By this, chairman who receive monthly salary or hold position of chairman in affiliate company will receive allowance for the meeting of Baht 20,000.

**(2) Board of Director (every time attends)**

- Fee for Board as Baht 15,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 5,000 every time attends.

By this year 2017, Enesol Company Limited has paid remuneration to directors of each committee in totaling of Baht 130,000. The details are as follow:

Name/Position	Compensation of Director (Baht)
1. Mr. Wutichai Leenabanchong - Chairman	80,000.-
2. Mr. Monthon Chatuwatlopkul - Director	20,000.-
3. Mr. Theerachai Leenabanchong - Director	20,000.-
3. Mr. Apichart Weerapanit (Resigned on June 1, 2017)	10,000.-
<b>TOTAL</b>	<b>130,000.-</b>

**b) The remuneration for Executives**

Compensation of Managing Director and top 4 secondary from Managing Director and equivalent of 4 ranking as follows:

Total Amount	2017		2016	
	Amount (people)	Amount (Million Baht)	Amount (people)	Amount (Million Baht)
In term of salary, bonus, allowance, meeting allowance, social security, provident fund and employee benefit expenses	3	4.74	3	2.80

#### **4. WJC Enterprise Company Limited**

##### **a) The remuneration for Directors**

The remuneration of directors consists of monthly compensation and meeting allowance passed on the resolutions from the board of directors' No. 1/2017 held on February 22, 2017 and approval from 2017 Annual General Meeting of Shareholders held on April 24, 2017 as following details.

(1) Chairman (every time attends)

- Fee attended the meeting equals to Baht 10,000. By this, chairman who receive monthly salary or hold position of chairman in affiliate company will receive allowance for the meeting of Baht 5,000

(2) Board of Director (every time attends)

- Fee for Board as Baht 5,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 3,000 every time attends

By this year 2017, WJC Enterprise Company Limited has paid remuneration to directors of each committee in totaling of Baht 56,000. The details are as follow:

<b>Name/Position</b>	<b>Compensation of Director (Baht)</b>
1. Mr. Wutichai Leenabanchong - Chairman	20,000.-
2. Mr. Wiwatchai Jeenanuphan - Director - Managing Director	12,000.-
3. Mr. Monthon Chatuwallopkul - Director	12,000.-
4. Mr. Theerachai Leenabanchong - Director	12,000.-
<b>TOTAL</b>	<b>56,000.-</b>

##### **b) The remuneration for Executives**

Remuneration for Managing Director and Executive are as follow:

<b>Total Amount</b>	<b>2017</b>		<b>2016</b>	
	<b>Amount (people)</b>	<b>Amount (Million Baht)</b>	<b>Amount (people)</b>	<b>Amount (Million Baht)</b>
In term of salary, bonus, allowance, meeting allowance, social security, provident fund and employee benefit expenses	1	2.27	1	2.27

#### **5. Pipe Line Engineering Network Company Limited**

##### **a) The remuneration for Directors**

The remuneration of directors consists of monthly compensation and meeting allowance passed on the resolutions from the board of directors' No. 1/2017 held on February 21, 2017 and approval from 2017 Annual General Meeting of Shareholders held on April 24, 2017 as following details.

(1) Chairman (every time attends)

- Fee attended the meeting equals to Baht 10,000. By this, chairman who receive monthly salary or hold position of chairman in affiliate company will receive allowance for the meeting of Baht 5,000

(2) Board of Director (every time attends)

- Fee for Board as Baht 5,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 3,000 every time attends



By this year 2017, Pipe Line Engineering Company Limited has paid remuneration to directors of each committee in totaling of Baht 44,000. The details are as follow:

<b>Name/Position</b>	<b>Compensation of Director (Baht)</b>
1. Mr. Wutichai Leenabanchong - Chairman - Managing Director	20,000.-
2. Mr. Monthon Chatuwallopkul - Director	12,000.-
3. Miss Laphassarin Kraiwongwanitruong - Director	12,000.-
<b>TOTAL</b>	<b>44,000.-</b>

**b) The remuneration for Executives**

-None-

**6) Evergreen Biomass Company Limited**

**a) The remuneration of directors**

The remuneration of directors consists of monthly compensation and meeting allowance passed on the resolutions from the board of directors' No. 1/2017 held on February 21, 2017 and approval from 2017 Annual General Meeting of Shareholders held on April 24, 2017 as following details.

(1) Chairman (every time attends)

- Fee attended the meeting equals to Baht 10,000. By this, chairman who receive monthly salary or hold position of chairman in affiliate company will receive allowance for the meeting of Baht 5,000

(2) Board of Director (every time attends)

- Fee for Board as Baht 5,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 3,000 every time attends

By this year 2017, Evergreen Biomass Company Limited has paid remuneration to directors of each committee in totaling of Baht 59,000. The details are as follow:

<b>Name/Position</b>	<b>Compensation of Director (Baht)</b>
1. Mr. Wutichai Leenabanchong - Director - Chairman	20,000.-
2. Mr. Theerachai Leenabanchong - Director - President	12,000.-
3. Mr. Ladya Uriya - Director - Managing Director (Resigned on April 1, 2017)	3,000.-
4. Mr. Monthon Chatuwallopkul - Director	12,000.-
5. Mrs. Kenika Ngamcharoensathaporn - Director	12,000.-
<b>TOTAL</b>	<b>59,000.-</b>

**b) The remuneration for Executives**

-None-

## (2) Other Remuneration

The company has no policies on paying other remuneration apart from remuneration for Directors or employees, no given securities, debenture or other securities to Executives

### (1) Other Remuneration of Director

-None-

### (2) Other Remuneration of Executive

Directors and Top four Executives (level below Manager) and Executives in the level equivalent top four executives in totaling of 5 people received compensation in form of contributions to the fund.

The company was set up by fund managers who are members of the Fund will be paid monthly at a rate of 5 per cent of wages by need to accumulate funds in the same ratio If any member of the month is not accumulation fund. Employers are not required to pay contributions to the members in that month when a member ceases to be a member contributions as well as the average net benefit under the terms of the Fund.

- **Personnel**

- **Total number of Employees**

As at December 31, 2017 Company and its subsidiaries has total of employees of 1,002

Details	CEN	UWC	RWI	ENS	WJC	PLE	EBM	TOTAL
Administration	18	154	50	6	15	-	-	243
Production	-	454	113	13	179	-	-	759
<b>Total</b>	<b>18</b>	<b>608</b>	<b>163</b>	<b>19</b>	<b>194</b>	<b>-</b>	<b>-</b>	<b>1,002</b>

- **The number of employees changed significantly in the past 3 years**

- None-

- **Shepherded significant labor dispute in the past 3 years**

- None-

- **Total Compensation of all employees**

In year 2017, company and its subsidiaries has paid compensation in term of salary, incentives, bonus and other compensations in totaling of 347.94 Million Baht

- **Wages and Salaries**

Monthly paid compensation to employees due to practice of employees for company which may consider from position holds, duties and responsibilities to organization.

- **Bonus**

Special compensation to employees by considering from turnover each year by not requiring fixed rate.

- **Funds contribution**

The company has funds contribution for benefit to employees and support on saving includes motivate employees to perform with company for long term. Employee who is a member of Provident Fund, contribution will be pay monthly in the rate of 5% or salary also member must accumulate money into Provident Funds with the same rate. When ends of member then will receive whole amount of money including benefit of Provident Funds.

- **Development Policy on employee**

The company and its subsidiaries commitment for human development in accordance to policy and situation which based on standard on integrated knowledge for employees to have various skills and capacity as well as moral/ethic/ good life.

The company and its subsidiaries has establish a knowledge management approach by survey need for training and personnel development, design course as suitable for work and use knowledge to apply to work into commitment. By this, to encourage employees to review their knowledge regularly, engage in learning and sharing your work experience to workmate in order to keep up with organization forever.

The company and its subsidiaries has pay attention On The Job Training :OJT) by having specialist in each field to take care of internship of trainee, training focusing on practicing by building knowledge, understanding as suitable directly to the job as results are clear, low cost and learning from practice under real circumstances.

The company and its subsidiaries has design course to develop on personnel which covered direction for company's operation by focusing on practicing so can apply to work or daily life immediately.

The company and its subsidiaries has pay attention on anti-corruption and implanted into corporate culture by giving orientation to new employees in order to communicate for acknowledge operator and implement. By this, company and its subsidiaries has training and measurement of policy continuously in accordance to plans which covered 100% of company personnel. Apart from this training- company and its subsidiaries has held activities in order to create more knowledge and ideas.

## Shareholding Structure and Management

### 1. SHAREHOLDERS

- The following is the top ten major shareholders of the Company as of December 29, 2017 as follows:

Name of Major Shareholders		Proportion of holding shares	
		Amount of Shares	%
1.	Leenabanchong Family	263,980,143	35.43
2.	Mr. Jiwawuth Kuwanan	55,041,700	7.39
3.	BANK JULIUS BAER & CO., LTD, SINGAPORE	36,151,300	4.85
4.	Mr. Komon Jungrungruengkrit	17,457,600	2.34
5.	Mr. Suraphol Theva-Aksorn	16,190,000	2.17
6.	Miss Phatcharin Tungstittisombat	9,650,000	1.30
7.	Thai NVDR Company Limited	9,118,000	1.22
8.	Mr. Nam Chonsaiphon	7,918,000	1.06
9.	Mr. Praphat Phimpaphod	7,586,800	1.02
10.	Mr. Chuan Tangchansiri	7,000,000	0.94

**Remark:** Leenabanchong Family is consists of

Leenabanchong Family		Proportion of holding shares	
		Amount of Shares	%
Mr. Chinchai	Leenabanchong	110,510,000	14.83
Miss Chinsiree	Leenabanchong	36,821,800	4.94
Miss Chinree	Leenabanchong	36,398,100	4.89
Mr. Wutichai	Leenabanchong	30,956,000	4.15
Mr. Chanachai	Leenabanchong	30,754,500	4.13
Mr. Worawit	Leenabanchong	13,182,700	1.77
Miss Panicha	Leenabanchong	1,976,743	0.27
Miss Chairath	Leenabanchong	1,968,300	0.26
Mr. Theerachai	Leenabanchong	1,412,000	0.19
<b>TOTAL</b>		<b>263,980,143</b>	<b>35.43</b>

### Proportion of holding shares of every Institution

- As at December 31, 2017 – company has proportion of holding shares by investor from every institution equivalent to 7.36% of total issued and paid up shares thus its less than defied regulation in Corporate Governance of listed companies in Thailand. It stated that proportion of holding shares of investors in every institution should be more than 5%.
- Investor can be found the information on closing date of registered book of shareholders in the company's website at [www.cenplc.com](http://www.cenplc.com) under the title of Shareholding Structure before the Ordinary Shareholders' Meeting for the year 2018.

- **Name of shareholders of subsidiaries**

**(1) Top 10 Major Shareholders of Ua Withya Public Company Limited as at December 29, 2017**

Name of Shareholders		Proportion of holding shares	
		Amount of Shares	Amount of Shares
1.	Capital Engineering Network Public Company Limited	5,164,003,750	39.23
2.	Mr. Nam Chonsaiphon	239,585,791	1.82
3.	Mr. Chaiwat Vichawuth	188,000,000	1.43
4.	Mr. Jirawuth Kuwanan	183,068,000	1.39
5.	Leenabanchong Family	171,907,142	1.30
6.	Mr. Prakit Laohavisit	130,000,000	0.99
7.	Mr. Warawut Yancharoen	122,379,843	0.93
8.	Mrs. Kanokwan Yodwanith	100,000,000	0.76
9.	Mrs. Chonrathorn Khunparin	91,000,000	0.69
10.	Mr. Praphon Limthammahidsorn	90,000,000	0.68

**Remark:** Leenabanchong Family is consists of

Leenabanchong Family		Proportion of holding shares	
		Amount of Shares	%
Miss Chinsiree	Leenabanchong	108,228,800	0.82
Mr. Chanachai	Leenabanchong	63,428,342	0.48
Miss Panicha	Leenabanchong	250,000	0.00
<b>TOTAL</b>		<b>171,907,142</b>	<b>1.30</b>

**(2) Top 10 Major Shareholders of Rayong Wire Industries Public Company Limited as at December 29, 2017**

Name of Shareholders		Proportion of holding shares	
		Amount of Shares	Amount of Shares
1.	Capital Engineering Network Public Company Limited	473,413,550	72.18
2.	Mr. Srisak Suepakdee	8,366,000	1.38
3.	Mr. Bonlert Rattatuny	4,259,400	0.70
4.	Mr. Charnsak Fuengfue	3,900,000	0.64
5.	Mrs. Wanna Arkkaneewanit	3,680,000	0.61
6.	Mr. Nam Chonsaiphon	3,465,055	0.57
7.	Mr. Papat Piyachaturawat	3,350,000	0.55
8.	Miss Phatcharin Tungsittisombat	2,985,000	0.49
9.	Thai NVDR Company Limited	2,903,906	0.48
10.	Mr. Phaiboon Pengmeesri	2,363,000	0.39

- **Agreements between shareholders that have impact on issuance and sale of securities or management of company and materially affect operations.**

-None-

- **Cross-shareholding**

As at December 31, 2017 the company has no cross-shareholding.

- **Other issuance on securities**  
**Warrant for buying Ordinary Shares**

Name of Securities	Details
Warrant to purchase Ordinary Shares No.4 (CEN-W4)	<ul style="list-style-type: none"> <li>- Issuance of warrants amounting of 372,366,551 units</li> <li>- Issuance shares for reserve amounting of 372,366,551 shares (par value equal Baht 1)</li> <li>- Type of warrant; specify name and Transferable</li> <li>- Lifetime of warrant equal 2 year (counting from date of issuance)</li> <li>- Date of issuance; December 23, 2016</li> <li>- Offering to existing shareholders as the ratio of 2 ordinary shares to 1 warrant (no charge)</li> <li>- 1 unit of warrant has right to buy 1 ordinary Share as Baht 2 per share</li> <li>- Last exercise date; last business day of March, June, September and December of each year</li> <li>- First exercise date; March 30, 2018</li> <li>- Final exercise date; December 21, 2018</li> </ul>

- **Policies on Dividend Payment**

**Company** has policies on dividend payment at the ratio of not less than 50 percent of net Profit (consolidated financial statement after tax) or as necessary with no affected to business operation unless there is investment in other companies.

#### Information of the past Dividend Payment

Year	2017	2016	2015	2014	2013
Dividend Payment per share	**0.00	0.00	0.00	0.05	0.05
Net Profit (Loss) per share	0.0093	(0.13)	(0.21)	0.21	0.15
Ration of Dividend Payment per Net Profit (%)	0.00	0.00	0.00	23.73	34.03

**Remark:** Board of Directors meeting No.1-2018 held on February 23, 2018 has resolved to schedule 2018 Annual General Meeting of Shareholders on April 26, 2018 for approval of omit dividend payment due to company need to reserve cash for working capital and investment in other projects.

#### **Subsidiaries**

- **Ua Withya Public Company Limited** has policies on dividend payment at the ratio of not less than 40 percent of net Profit (after tax) or as necessary with no affected business operation. However, the company may set dividend payment less than mentioned unless there is a need of money on expansion of business operation.
- **Rayong Wire Industries Public Company Limited** has policies on dividend payment at the ratio of not less than 50 percent of net Profit (after tax) or as necessary with no affected to business operation unless there is investment in other companies.
- **Enesol Company Limited** has policies on dividend payment at the ratio of not less than 50 percent of net Profit (after tax) unless subsidiary has plan on investment or necessities.
- **WJC Enterprise Company Limited** has policies on dividend payment at the ratio of not less than 50 percent of net Profit (after tax) unless subsidiary has plan on investment or necessities.
- **Pipe Line Engineering Network Company Limited** has policies on dividend payment at the ratio of not less than 50 percent of net Profit (after tax) unless subsidiary has plan on investment or necessities.
- **Evergreen Biomass Company Limited** has policies on dividend payment at the ratio of not less than 50 percent of net profit (after tax) unless subsidiary has plan on investment or necessities.

## **2. Management Structure**

Management structure of Directors consists of

- (1) Board of Directors
- (2) Executives Board
- (3) Audit Committee
- (4) Remuneration Committee



(5) Risk Management Committee

Includes Chief Executive Officer and Corporate Secretary which appropriated and can be examining as balance between after every time of shareholders meeting, Board of Directors will schedule to appoint sub-committee. Year 2017, resolution from Board of Directors No.2-2017 held on May 15, 2017 has appointed 4 sub-committee and authorized abilities and responsibilities clearly follows Memorandum of Association as specified not less than 5 people but not more than 15 people must reside in the Kingdom . In the year 2017, Board of Directors consists of 10 as follows:

	Amount of people			%
	Male	Female	Total	
Directors as Executives	3	1	4	40.00
Directors as Non-Executives	-	-	-	00.00
Independent Director	6	-	6	60.00
<b>TOTAL</b>	<b>9</b>	<b>1</b>	<b>10</b>	<b>100.00</b>

Board of Directors consists of 6 Independent Directors or equal to 60% of whole Committee which is more than 1 in 3 or 33.33% follows regulation from Capital Market Commission

**(1) Board of Directors**

As at December 2017 Board of Directors in totaling of 10 as shown in Certificate namely as follow:

Name of Director	Position	Appointed Date	Period holding position
1. Mr. Wutichai Leenabanchong	Chairman	August 26, 2008	9 Year
2. Associate Professor Pusit Lertwattanakul, PHD	Independent Director	August 26, 2008	9 Year
3. Mr. Jakkathan Yothanan	Director Independent Director	August 26, 2008 February 6, 2009	9 Year 8 Year
4. Mr. Monthon Chatuwatlopkul	Director	March 1, 2010	7 Year
5. Mr. Yanyong Wattanawongpitak	Independent Director	December 24, 2012	5 Year
6. Mr. Theerachai Leenabanchong	Director	March 27, 2013	4 Year
7. Miss Usara Pattatung	Director	June 16, 2014	3 Year
8. Mr. Chatre Sriutharawong	Independent Director	August 13, 2014	3 Year
9. Dr. Visit Ongpipattanakul	Independent Director	August 15, 2015	2 Year
10. Asst.Prof.Dr. Suluck Pattarathammas	Independent Director	February 26, 2016	1 Year

**Changes of holds securities of Directors and Executives of company as at December 29, 2017**

Name of Director And Executives	Year 2016		Increase (decrease) Year 2016		Year 2017			
	Director/ Executive	Spouse	Director/ Executive	Spouse	Director/ Executive	Spouse	Total	%
1. Mr. Wutichai Leenabanchong	29,000,000	-None-	1,956,000	-None-	30,956,000	-None-	30,956,000	4.15
2. Associate Professor Pusit Lertwattanakul, PHD	-None-	-None-	-None-	-None-	-None-	-None-	-None-	-
3. Mr. Jakkathan Yothanan	-None-	-None-	-None-	-None-	-None-	-None-	-None-	-
4. Mr. Monthon Chatuwatlopkul	-None-	-None-	-None-	-None-	-None-	-None-	-None-	-
5. Mr. Yanyong Wattanawongpitak	-None-	-None-	-None-	-None-	-None-	-None-	-None-	-
6. Mr. Theerachai Leenabanchong	1,412,000	-None-	-None-	-None-	1,412,000	-None-	1,412,000	0.19

Name of Director And Executives	Year 2016		Increase (decrease) Year 2016		Year 2017			
	Director/ Executive	Spouse	Director/ Executive	Spouse	Director/ Executive	Spouse	Total	%
7. Miss Usara Pattatung	-None-	-None-	-None-	-None-	-None-	-None-	-None-	-
8. Mr. Chatre Sriutharawong	-None-	-None-	-None-	-None-	-None-	-None-	-None-	-
9. Dr. Visit Ongpipattanakul	-None-	-None-	-None-	-None-	-None-	-None-	-None-	-
10. Asst.Prof.Dr. Sulu Pattarathammas	-None-	-None-	-None-	-None-	-None-	-None-	-None-	-
11. Mr. Khomwuthi Pornnaradol	-None-	-None-	-None-	-None-	-None-	-None-	-None-	-
12. Mr. Mongkonsorn Ponglumjeakngam	-None-	-None-	-None-	-None-	-None-	-None-	-None-	-
13. Mrs. Kenika Ngamcharoensathap	-None-	-None-	-None-	-None-	-None-	-None-	-None-	-

**Remark:** - Counted spouse but excluded child due to child not holding shares  
- No.7, 11-13 is Executives as defines of Securities and Exchange Commission

#### **Authorized Directors to bind the company as at December 31, 2017**

Authorized Directors to bind the company consists of Mr. Wutichai Leenabanchong signed conjunction with Mr. Monthon Chatuwallopkul or Miss Usara Pattatung or Mr. Theerachai Leenabanchong and with company's seal.

#### **Elements of Board of Directors**

As Article of Association section 4 of Directors No.16 The Boards consists of not less 5 people but not exceed 15 people, half of whom must be domiciled in Thailand and their qualifications within specified scope requires by Law.

#### **Appointment and removal of Directors**

- **Appointment**
- **Passed the resolution from Shareholders meeting**

As Article of Association section 4 of Directors No.17 The appointment of Board of Directors have approval from Annual General Meeting of Shareholders as following rules and procedures.

- (1) One shareholder has one vote.
- (2) Each shareholder may use all votes under (1) to elect one or more than one director. In case of voting for more than one director, he may distribute his votes as he pleases.
- (3) Persons who receive highest votes arranged in order from higher to lower in a number equal to that of directors to be appointed are elected directors of the company. In the event of a tie at a lower place, which make the number of directors greater than that required, then the chairman will make a decision.

- **Passed The resolution from Board of Directors meeting**

As Article of Association Section 4 of Directors No.21 in case Director position vacant due to reasons other than retirement by rotation then Directors chooses any person who have qualification required by Law unless the remaining time for Director is less than 2 months then those person will be Directors by the remaining time. Moreover, the resolution from Board of Directors votes has to be not less than 3 quarter of remaining balance of Directors.

- **The removal**
- **Removal by expiration**

As Article of Association Section 4 of Directors No.18 As every meeting of Shareholders given to remove any Directors one in three if the number of Directors to be removed not match to three then removal should be to nearest to one in three.

Retire Directors in the first or second year following the registration of company if committee did not agree any other method then drawing will be issued. The subsequent year, the directors who serve the longest of holding the position will need to retired and may re-elect.

- **Removal by others**

As Article of Association Section 4 of Directors No.19 requires removal of Directors as follows:

1. Died
2. Withdraw
3. Incompetent or Law Prohibition
4. Remove from Resolution from meeting of shareholders
5. Court Order

As Article of Association Section 4 of Directors No.22 to set meeting of Shareholders to vote to any remove Directors before expiration their vote must not less than three-fourth of total votes of shareholders present and qualified to votes.

#### **The roles and responsibilities of Board of Directors**

1. Corporate Governance: revises and approves the policies, important strategies and annual budget.
2. To consider, define, and resolve the Board of Directors' regulations.
3. To consider appointing, dismiss, authorize and assign Executive Committee, Chief Executive Officer, Remuneration Committee, Audit Committee and sub Board of Directors committee duties.
4. To consider appointing and replacing of chairman, Executive Committee, Chairman of Executive Committee, Chief Executive Officer, Remuneration Committee, Audit Committee, Independent Committee and sub Board of Directors committee.
5. To regulate and resolve the conflict of interests including illegal used of company's assets of the Board of Directors and Executives.
6. To acknowledge the report of business management from Executive Committees.
7. To re-examine the compliances with the regulations and adequate information disclosure to public.
8. To re-examine and approve of the audited financial statements from the auditor and/or Audit Committee.
9. To determine the scope of Executive Committee and Chief Executive Officer's purchasing, hire purchasing on property and payment authorization.
10. To consider and allocate the Directors' remuneration according to the approval from the Shareholders' Meeting.
11. To consider and approve of the adjustment of Chairman of Executive Committee and Chief Executive Officer's salary.
12. To consider and approve of lending and/or being a guarantor for the subsidiaries and/or affiliated companies with the amount beyond the authority of the Executive Committee.
13. To consider and approve of the financing activities, financial administrating and managing such as obtaining long term loans and/or short term loans with the amount beyond the authority of Executive Committees.
14. To consider and approve of purchasing assets with the amount beyond the authority of Executive Committees and Chief Executive Officer.
15. To consider and approve of hiring for producing when it is beyond the Executive Committee and Chief Executive Officer.
16. To consider and approve of investing and/or selling of investment in common shares and/or other equities which are listed in The Stock Exchange of Thailand and/or financial institution and/or trusted equities which made by Executive Committee.
17. To consider and approve of establishing new subsidiaries or investing in subsidiaries.
18. To consider and approve of establishing new affiliate companies or investing in affiliate companies.
19. To set the date, time and place of the Ordinary Shareholders' Meeting and to determine the agenda, closing date for shares transfer, profit allocation, legal reserve, general reserve and/or dividend payment as well as to propose the recommendations to the shareholders.
20. To consider appointing of consultants to the Board of Directors and/or subcommittee in order to provide opinions on a specific subject.
21. To consider other subjects those are beyond the authorities of the Executive Committee, Chief Executive Officer or as seen appropriate by Executive Committee.

#### **(2) Executives Board**

Executive means Directors or Executive of company or sub-committee of Subsidiaries or Executive of subsidiaries as appointed from Board of Directors by acting on joint venture and management of operating business and authorized Board of Directors follows objectives, conditions and regulations of company.

In year 2017, resolution from Board of Directors No.2-2017 held on May 15, 2017 and to appointed 4 Executive Directors of 1 year term as follows:

Name of Executives		Position
1. Mr. Wutichai	Leenabanchong	Executive Chairman
2. Mr. Theerachai	Leenabanchong	Executive Director
3. Miss Usara	Pattatung	Executive Director
4. Mr. Pornthep	Pipattangsakul	Executive Director (Resigned on July 1, 2017)

#### **The roles and responsibilities of Executive Boards**

1. To operate and manage the business in line with the company's objectives, articles of Association, policies, regulations, rules, directives and resolutions of the Board of Directors and/or resolutions of shareholders' meetings in all respects.
2. To consider and determine policy, direction and strategy for the Company's business Operations, financial plans, budget, and manpower resources management, investment in information technology, expansion of business operations, public relations, control and supervision for all appointed working committees to achieve the targets.
3. To consider annual budgetary appropriations as proposed by the management before presenting them for consideration and approval by the Board of Directors. This also includes consideration and approval for changes and additional annual budgetary appropriations at the time when there is no Board of Directors' meeting, and thereafter presentation to the next meeting of the Board.
4. To approve major investment transactions as defined in the annual expenditure budget as assigned by the Board of Directors, or as earlier approved in principle by the Board.
5. To have authority in approving capital expenditure although buying the fixed assets, office stationery, renovation and maintenance, dispense/ to sell fixed assets, to rent/hire purchase of assets which exceed budget estimation within the limit of each transaction not exceeds the budget which has been approved by Board of Directors.
6. To provide advice in business expansion in principle, and in joint ventures with any other parties subject to approval from the Board of Directors at the next meeting.
7. To have authority to consider and approve borrowing of funds and/or to guarantee the Credit of subsidiaries and/or affiliated company and/or other companies which not exceed the budget which has been approved by Board of Directors.
8. To consider and approve of borrowing of funds, seeking credit lines or any other credit Facility related to normal business operations within the budget estimation which has been approved by Board of Directors.
9. To have authority to consider and approve investing in other company within the budget estimation which has been approved by Board of Directors.
10. To have authority to consider and approve hiring service which related to the normal company Business within the budget estimation which has been approved by Board of Directors.
11. To serve as advisers to the management relating to financial policy, marketing, personnel management, and other operational aspects.
12. To consider the profit and loss of the company, proposal for interim or annual dividend payment for approval by the Board of Directors.
13. To have authority in delegating any several directors or any individuals to carry out any particular assignment under the control and supervision of the Executive Committee, or delegate the authority to such individuals to have authority as deemed appropriate by the Executive Committee and within a period deemed appropriate. The Executive Committee may rescind, revoke, amend or rectify the individuals or delegation of power as and when deemed appropriate.
14. To have power on any finance transaction of company as for example opening and/or closing an account/ Financial Institution by specified the authorization signature for bank accounts including specified the conditions authorization for other bank accounts as well.
15. To consider opportunities or new company in order to increase the value on investment.
16. To select the policy and limitation of investment or exercise of warrants to purchase Ordinary Shares and/or other investing institute which listed in The Stock Exchange of Thailand and investing in bond and/or other bond institute. By this, the value of investing would not exceed the budget which has been approved by Board of Directors.

17. To consider of increase or decrease on proportion of investment in affiliated company and subsidiaries in order to purpose to Board of Directors to be approved.

18. To engage in any other activities as assigned from time to time by the Board of Directors.

By this, the authority of the Executive Committee will not cover approvals of any transactions, this may have conflict of interests. These includes any transactions which the Executive Committee or any parties who may have conflict of interest with the Executive Committee, has vested interests or any other benefits, which may also be considered as conflict of interests with the Company or the subsidiaries. This has to be in line with the regulations of the Stock Exchange of Thailand and/or The Securities and Exchange Act B.E.2535 and/or the announcements of the Securities and Exchange Commission. Approvals of such transactions must be proposed for prior approval by the Board of Directors or the shareholders' meeting.

### (3) Audit Committee

Audit Committee means Company Directors which authorized from Board of Directors/ Meeting of Shareholders to check the performance of assignment to be in accordance with rules, any regulation of good corporate governance.

Resolution from Board of Directors meeting No.1-2017 held on February 23, 2017 has appointed Audit Committee as the term of position of 3 years as follows:

Name of Audit Committee	Position	
1. Dr. Visit Ongpipattanakul	Chairman of Audit Committee	Independent Director which has knowledge in accounting and finance
2. Associate Professor Pusit Lertwattanakul, PHD	Audit Committee	Independent Director which has knowledge in engineering
3. Mr. Yanyong Wattanawongpitak	Audit Committee	Independent Director which has knowledge in finance
Mr. Khomwuthi Pornnaradol	Secretary of Audit Committee	

Term of position for Audit Committee equal to 3 years which counting from April 27, 2017 – April 26, 2020 by Dr. Visit Ongpipattanakul and Mr. Yanyong Wattanawongpitak has knowledge and experience in term of review and ensures reliability of financial statement.

In addition, Company Audit Committees are not company shareholders, no business relationship of professional services of company, subsidiaries, associates or entity may have conflict of interest and not holding position of Audit Committee of subsidiaries or Associates Company.

#### **The roles and responsibilities of Audit committee**

1. To ensure that the company's financial statement is accurate, adequate and dependable.
2. To review that the company's internal control systems is appropriate and efficient in order to consider the audit committee independently throughout appointment, move, layoff Head of Internal controller or any institute which responsible form internal control division.
3. To review the Company's compliance with the law on securities and exchange the Exchange's regulations and the laws relating to the Company's business.
4. To review corruption in business in accordance to company's policy on anti-corruption and Code of Conduct.
5. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
6. To review the connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for highest benefit of Company.
7. To consider on disclose company information in case of related transaction or conflict of interest, acquisition of assets to be accurate.
8. To review company system to have risk management as appropriate and effective.



9. To assign role on anti-corruption and code of conduct by have complaint process and oversea process of receiving complaint which covered complaint process on receiving any clues on inappropriate financial statement and other.
10. To review information relating to financial reports and internal controls.
11. To promote development of financial report system in line with international accounting standards.
12. To review and comments on internal control plans and practices of internal audit Department or other department which responsible of internal audit.
13. To prepare, and to disclose in the Company's annual report, Audit Committee's reports which must be signed by the Audit Committee's chairman and consist of at least the following information:
  - (a) an opinion on the accuracy, completeness and creditability of the Company's financial report,
  - (b) an opinion on the adequacy of the Company's internal control system,
  - (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
  - (d) an opinion on the suitability of an auditor,
  - (e) an opinion on the transactions that may lead to conflicts of interests,
  - (f) the number of the Audit Committee meetings, and the attendance of such meetings by each committee member,
  - (g) an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter, and
  - (h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors;
14. To have power to hire consultant or outsider in accordance with company regulations for giving advice and consult in case necessary.
15. To review Audit Committee Charter at least once a year.
16. To perform any other matter as assigned by company's Board of Directors with agreement from Audit Committee.
17. Audit Committee need to examine performance by self-assessment and report together with problems and obstacles in performance of work which cannot achieve the purpose of establishing Audit Committee to Boards yearly.
18. Audit Committee should be trained and continually reinforces in their work in related matters.

Any practices as assigned, Audit Committee directly responsible for the Board and Board responsible for company's operation to outsider

#### **(4) Remuneration Committee**

Remuneration Committee means Assigned Company Directors from Board of Directors consider formats and rules of compensation of Board of Directors, Directors and Senior Executives.

In year 2017, resolution from Board of Directors No.2-2017 held on May 15, 2017 has resolved to appoint remuneration committee (whole committee has 3 independent directors) with of position of 1 year as follow:

Name of Remuneration Committees		Position	
1. Dr. Visit	Ongpipattanakul	Chairman of Remuneration Committee	Independent Director
2. Mr. Jakkathan	Yothanan	Remuneration Committee	Independent Director
3. Mr. Yanyong	Wattanawongpitak	Remuneration Committee	Independent Director
Miss Juthamard	Sirimard	Secretary of Remuneration Committee	

#### **The roles and responsibilities of Remuneration Committee**

1. To review current criteria.
2. To consider remuneration packages of other company in the same industry.
3. To establish, in the fare manner, criteria which will create the expected results and reward those who contributed to the firm's success.
4. To review all form of remuneration, including the amount and proportion of each form.



5. To determine whether the criteria for and for the form of remuneration is in accordance with relevant regulations and related recommendations.
6. To consider of evaluating Chief Executive Officer and remuneration in order to propose the criteria to the Board for approval.
7. To determine the annual remuneration packages for directors and propose the remuneration to the Boards. In this case, of the Board remunerations' packages, the Board needs to consider and propose them to the shareholders' meeting for approval.
8. To consider in any other remuneration as assigned from Board of Directors

#### **(5) Risk Management Committee**

Risk Management Committee mean Directors and Non-Executives of company has responsibilities to handle risk management effectively.

In year, 2017 resolution from Board of Directors meeting No.2-2017 held on May 15, 2017 has appointed Risk Management Committee which consists of all Independent Directors totaling of 3 people as one year term of position.

Name of Risk Management Committees		Position	
1. Asst.Prof.Dr. Suluck	Pattarathammas	Chairman of Risk Management Committee	Independent Director
2. Mr. Jakkathan	Yothanan	Risk Management Committee	Independent Director
3. Mr. Chatre	Sriutharawong	Risk Management Committee	Independent Director

#### **The roles and responsibilities of Risk Management Committee**

1. To set clearly policies, goals, planning on Risk Management System in order to manage importance risk and report to Board of Directors includes communicate with Audit Committee related to such risk.
2. To support cooperation in risk management in all level within the company.
3. To maintain appropriate and efficiency risk management by play attention to main business of company which is investment in order to signal of unusual transaction in advance.
4. To develop on efficiency risk management system continuously.
5. To adjust and amend charter of Risk Management Committee and proposed Board of Directors for approval.
6. Other business as assigned by Board of Directors.

#### **• Chief Executive Officer**

Chief Executive Officer means Company Directors/Executives which holds the position of head of Executive of company.

In year 2017, resolution from Board of Directors meeting No.2-2017 held on May 15, 2017 has resolved approve to appoint Mr. Wutichai Leenabanchong to holds position of Chief Executive Officer

#### **The role and responsibilities of Chief Executive Officer**

1. To manage and control the business which related to company's affairs.
2. Authorization in orders, regulations, notification, and memorandum in order to follows to the company's plans.
3. To propose policies, Strategic, business plans and annual budgets to The Board of Directors/Executive Committee and responsible of performing the business tasks and plans as assigned from Board of Directors.
4. To control of expenditure on budgets as assigned from Board of Directors.
5. To take responsible for the preparation of Financial Statement for inspection and/or review by the auditors and subsequent presentation to the Audit Committee and Board of Directors respectively.
6. Organize the company's structure and management including employing, shifting, moving, set up the salaries, remuneration, considering on goodness, bonus, welfare and lay off the employees in Executive position within the company whom is not Executive Directors and excluding Chairman.
7. To consider and approve of purchasing, renovating and maintaining of hire and hire purchasing office stationary, or anything related to company's products within the limitation of budget as assigned from Board of Directors.

8. To consider and approve of hiring in term of hire purchasing which related to company's Business within the limitation of budget as assigned from Board of Directors.
9. To consider and approve of repairing, destroying and writing off the company's exhausted asset within the limitation of budget as assigned from Board of Directors.
10. To consider and approve of sending employees to study, seminar, observe or to locally exhibit the company's products.
11. To consider and approve of sending employees to study, seminar, observe or to foreign exhibit the company's products.
12. To consider other subjects as necessities of company business or as assigned by Board of Executive Committee and Board of Directors.
13. To responsible of determine targets, policies of managing company's business in term of human resources within the company and subsidiaries.
14. To support and assists to subsidiaries in order to increase competition in company's business.
15. To responsible of company business operation by not against the laws, rules, regulation, religion and company's regulation.
16. To have authority to consider and approve borrowing and/or credit facilities of subsidiaries and/or affiliated company and/or other companies within the limitation of budget as assigned from Board of Directors.
17. To have authority to consider and approve borrowing of fund, seeking credit lines or any other credit facilities related to Norman business operations of the company within the limitation of budget as assigned from Board of Directors.
18. To consider of investing and/or selling of investment in common shares and/or other equities which are listed in The Stock Exchange of Thailand which assigned from Board of Directors.
19. To consider of foreign currency risks and interest rates.

- **Controlling Person**

-None-

- **Frequently by number of attendees in year 2017**

Board of Directors, Audit Committee, Executive Committee, Remuneration Committee and Risk Management Committee has schedule time table of each meeting one year in advance and appointment of the meeting will be additional special meeting as necessary. Each committee is meeting by conference participants are summarized below.

<b>Name of Committee</b>	<b>2017 Total Number of attendees</b>
2017 Annual General Meeting of Shareholders	1
Board of Director	5
Audit Committee	5
Executive Director	9
Remuneration Committee	1
Risk Management Committee	3

		Attendance of the meeting / total attends (Time)					
		Annual General Meeting of Shareholders	Board of Directors meeting	Audit Committee Meeting	Executive Committee Meeting	Remuneration Committee Meeting	Risk Management Committee Meeting
1. Mr. Wutichai	Leenabanchong	1/1	5/5	-	9/9	-	-
2. Dr. Visit	Ongpipattanakul	1/1	5/5	5/5	-	1/1	-
3. Associate Professor Dr.Pusit Lertwattanakul		1/1	5/5	5/5	-	-	-
4. Mr. Yanyong	Wattanawongpitak	1/1	5/5	5/5	-	1/1	*2/3
5. Asst.Prof.Dr. Suluck	Pattarathammas	1/1	*4/5	-	-	-	3/3
6. Mr. Jakkathan	Yothanan	1/1	5/5	-	-	1/1	-
7. Mr. Chatre	Sriutharawong	1/1	5/5	-	-	-	3/3
8. Mr. Pornthep	Pipattungsakul <sup>1/</sup>	1/1	2/2	-	3/3	-	-
9. Mr. Monthon	Chatuwallopkul	1/1	4/5	-	2/2	-	-
10. Mr. Theerachai	Leenabanchong	1/1	4/5	-	9/9	-	-
11. Miss Usara	Pattatung	1/1	5/5	-	9/9	-	-
12. Mr. Pipit	Jaovisidha <sup>2/</sup>	-	-	-	*1/2	-	-
13. Mr. Peratus	Dhanarachwattana <sup>3/</sup>	-	-	-	2/2	-	-
14. Mr. Suthin	Phadetpai <sup>4/</sup>	-	-	-	2/2	-	-
15. Mr. Ladya	Uriya <sup>5/</sup>	-	-	-	1/1	-	-

**Remark**

1/ Resigned from Director and Executive on July 1, 2017

2/ Resigned from Executive on May 15, 2017

3/ Resigned from Executive on May 15, 2017

4/ Resigned from Executive on May 15, 2017

5/ Resigned from Executive on May 1, 2017

\* could not attended the meeting due to business engagement

• **Executive**

Executive means employee who holds positions of kind to executive and/or authority in administration of company and by definition and management of Securities and Exchange Commission as Managing Director down (highest position in company) who hold equivalent positions at the executive level for all four and also includes anyone as management positions in accounting or finance as manager level and above or equivalent

As at December 31, 2017 there are 5 executive as follow:

Name of Executives		Position
1. Mr. Wutichai	Leenabanchong	Acting Chief Executive Officer
2. Miss Usara	Pattatung	Director (Accounting and Finance)
3. Mr. Khomwuthi	Pornnaradol	Director (Internal Audit)
4. Mr. Mongkonsorn	Ponglumjeakngam	Senior Manager (Credit Control)
5. Mrs. Kenika	Ngamcharoensathaporn	Senior Manager (Compliance and Investor Relation)

- **Corporate Secretary**

The company has set corporate secretary which has duties on coordinate between Boards and Management in term of Law and any related rules for supporting good corporate governance. By this, the company will practice and follows regulations and announcement of The Stock Exchange of Thailand and Securities and Exchange Commission. In addition, resolution from Board of Director meeting no.4-2014 dated June 14, 2014 has appointed Mrs. Kenika Ngamcharoensathaporn as Corporate Government which she has passed through training courses for Corporate Secretary (CSP) from Thai Listed Company Association No.7/2004

Components and Features

1. Has basic knowledge on law and regulation regulatory authorities with respect to the law on Public Law and Law in accordance to Securities and The Stock Exchange of Thailand.
2. Has knowledge and understanding of the principles of corporate governance and good practice in corporate governance.
3. Has knowledge in company's business and good in communication.

- **Remuneration of Directors and Executives**

**(1) The amount of financial remuneration in fiscal year 2017**

**Capital Engineering Network Public Company Limited**

**a) The Remuneration for Directors**

The remuneration of directors consists of monthly compensation and meeting allowance passed on the resolutions from the board of directors No. 1/2017 held on February 23, 2017 by approved by 2017 Annual General Meeting of Shareholders held on April 27, 2017 as totaling amount of Baht 3,500,000 which same amount when compared to year 2016 by sifting through the details and refers to appropriate aspects of the industry and economic conditions. The suitability number of the Board of Directors as following details:

**1. Remuneration in term of cash ("allowance for meeting")**

- (1) Chairman (every time attends)
  - Fee for attended the meeting as Baht 30,000. By this, chairman whom normally receive monthly payment will receive Baht 20,000 each time attended the meeting
- (2) Board of Directors (every time attends)
  - Fee for attended the meeting as Baht 15,000. By this, as for Directors whom status as company's employee will be paid Baht 5,000 each time attended the meeting.
- (3) Executive Board (every time attends)
  - Fee for Executive Chairman as Baht 15,000 By this, chairman whom normally receive monthly payment will receive Baht 5,000 each time attended the meeting
  - Fee for Executive Committee as Baht 10,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 2,000 every time attends
- (4) Audit Committee (every time attends)
  - Fee for Chairman of Audit Committee as Baht 25,000
  - Fee for Audit Committee as Baht 15,000
- (5) Remuneration Committee (every time attends)
  - Fee for Audit of Remuneration Committee as Baht 25,000
  - Fee for Remuneration Committee as Baht 15,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 5,000 every time attends
- (6) Risk Management Committee (every time attends)
  - Fee for Audit of Remuneration Committee as Baht 25,000
  - Fee for Remuneration Committee as Baht 15,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 5,000 every time attends
- (7) Nomination Committee (every time attends)
  - Fee for Audit of Remuneration Committee as Baht 25,000
  - Fee for Remuneration Committee as Baht 15,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 5,000 every time attends

## **2. Other remuneration fees and benefits**

The company has no policies apart from remuneration for directors or employee as normal transaction of company, no shares or debenture given or other securities

By this year 2017, Capital Engineering Network Public Company Limited has paid remuneration to directors of each committee in totaling of Baht 1,177,000. The details are as follow:

Name/Position	Compensation (Baht)					
	Board of Director	Executive Board	Audit Committee	Remuneration Committee	Risk Management	TOTAL
1. Mr. Wutichai Leenabanchong - Chairman - Executive Chairman - Acting Chief Executive Officer	100,000.-	45,000.-	-	-	-	145,000.-
2. Dr. Visit Ongpipattanakul - Director - Independent Director - Chairman of Audit Committee - Chairman of Remuneration Committee	75,000.-	-	125,000.-	25,000.-	-	225,000.-
3. Associate Professor Dr.Pusit Lertwattanaruk - Director - Independent Director - Audit Committee	75,000.-	-	75,000.-	-	-	150,000.-
4. Mr. Yanyong Wattanawongpitak - Director - Independent Director - Audit Committee - Remuneration Committee - Chairman of Risk Management Committee	75,000.-	-	75,000.-	15,000.-	30,000.-	195,000.-
5. Asst.Prof.Dr. Suluck Pattarathammas - Director - Independent Director	60,000.-	-	-	-	75,000.-	135,000.-
6. Mr. Jakkathan Yothanan - Director - Independent Director - Risk Management Committee	75,000.-	-	-	15,000.-	-	90,000.-
7. Mr. Chatre Sriutharawong - Director - Independent Director - Risk Management Committee	75,000.-	-	-	-	45,000.-	120,000.-

Name/Position	Compensation (Baht)					
	Board of Director	Executive Board	Audit Committee	Remuneration Committee	Risk Management	TOTAL
8. Mr. Monthon Chatuwallopkul - Director	20,000.-	-	-	-	-	20,000.-
9. Mr. Theerachai Leenabanchong - Director - Executive Director	20,000.-	18,000.-	-	-	-	38,000.-
10. Miss Usara Pattatung - Director - Executive Director	25,000.-	18,000.-	-	-	-	43,000.-
11. Mr. Pornthep Pipattangsakul - Director - Executive Director (Resigned on July 1, 2017)	10,000.-	6,000.-	-	-	-	16,000.-
<b>TOTAL</b>	<b>61,000.-</b>	<b>87,000.-</b>	<b>275,000.-</b>	<b>55,000.-</b>	<b>150,000.-</b>	<b>1,177,000.-</b>

**b) The remuneration for Executives**

Compensation of Chief Executive Office and top 4 Executives and equivalent of 4 ranking as follows:

Total Amount	2017		2016	
	Amount (people)	Amount (Million Baht)	Amount (people)	Amount (Million Baht)
In term of salary, bonus, allowance, meeting allowance, social security, provident fund and employee benefit expenses	5	13.38	7	14.03

**Subsidiaries**

**1. Ua Withya Public Company Limited**

**a) Remuneration**

The remuneration of directors consists of monthly compensation and meeting allowance passed on the resolutions from the Remuneration Committee No.1-2017 held on February 22, 2017 by passed consideration from Board of Directors meeting No. 2-2017 held on February 22, 2017 and approved by 2017 Annual General Meeting of Shareholders held on April 26, 2017 in totaling amount of 2,300,000 by paying it each time. By this, with appropriate details and compare with same kind of reference of industry and economic situation including appropriate number of Directors. The details of compensations are as follows:

**1. Remuneration in term of cash ("allowance for meeting")**

**(1) Chairman (every time attends)**

- Fee attended the meeting equals to Baht 30,000. By this, chairman who receive monthly salary or hold position of chairman in affiliate company will receive allowance for the meeting of Baht 20,000

**(2) Board of Directors (every time attends)**

- Fee for attended the meeting as Baht 15,000. By this, director who receive monthly salary or hold position of employee in affiliate company will receive allowance for the meeting of Baht 5,000



(3) Executive Board (every time attends)

- Fee for Executive Chairman equal to Baht 15,000 By this, chairman who receive monthly salary or hold position of chairman in affiliate company will receive allowance for the meeting of Baht 5,000
- Fee for Executive Board as Baht 10,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 2,000 every time attends

(4) Audit Committee (every time attends)

- Fee for Chairman of Audit Committee as Baht 25,000
- Fee for Audit Committee as Baht 15,000

(5) Remuneration Committee (every time attends)

- Fee for Audit of Remuneration Committee as Baht 25,000
- Fee for Remuneration Committee as Baht 15,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 5,000 every time attends

**2. Other remuneration fees and benefits**

The company has no policies apart from remuneration for directors or employee as normal transaction of company, no shares or debenture given or other securities

By this year 2017, Ua Withya Public Company Limited has paid remuneration to directors of each committee in totaling of Baht 1,678,000. The details are as follow:

Name/Position	Compensation (Baht)				
	Board of Director	Executive Board	Audit Committee	Nomination and Remuneration Committee	TOTAL
1. Police Colonel Kowit Piromwong - Independent Director - Chairman - Chairman of Nomination and Remuneration Committee	180,000.-	-	-	50,000.-	230,000.-
2. Mr. Wutichai Leenabanchong - Vice Chairman - Executive Chairman	30,000.-	45,000.-	-	-	75,000.-
3. Police Lieutenant Sivaraks Phinitcharomna - Director - Independent Director - Chairman of Audit Committee	90,000.-	-	325,000.-	-	415,000.-
4. Dr. Pianchai Thawornrat - Director - Independent Director - Audit Committee - Nomination and Remuneration Committee	60,000.-	-	150,000.-	30,000.-	240,000.-
5. Dr. Nathee Naktanasukanjn - Director - Independent Director - Audit Committee	90,000.-	-	195,000.-	-	285,000.-

Name/Position	Compensation (Baht)				
	Board of Director	Executive Board	Audit Committee	Nomination and Remuneration Committee	TOTAL
6. Mr. Peratus Dhanarachwattana - Director - Managing Director (Plant Operation) - Executive Director	30,000.-	18,000.-	-	-	48,000.-
7. Mr. Theerachai Leenabanchong - Director - Managing Director (Business Development and Corporate Affairs) - Executive	30,000.-	18,000.-	-	-	48,000.-
8. Mr. Monthon Chatuwatlopkul - Director - Deputy Managing Director (Accounting and Finance, Corporate Management) - Executive - Nomination and – Remuneration Committee	30,000.-	18,000.-	-	10,000.-	58,000.-
9. Mr. Surapat Chomrat - Director - Executive	75,000.-	80,000.-	-	-	155,000.-
10. Mr. Suthisak Tanachoteporamat - Director - Executive (Appointed as September 1, 2017)	30,000.-	30,000.-	-	-	60,000.-
11. Miss Usara Pattatung - Director - Executive	30,000.-	16,000.-	-	-	46,000.-
12. Mr. Ladya Uriya - Director - Executive (Resigned May 1, 2017) - Deputy to Managing Director (Business Development and Fuel Management) (Resigned on April 1, 2017)	10,000.-	-	-	-	10,000.-
13. Mrs. Pimsiri Pinrod - Executive Resigned on November 15, 2017	-	8,000.-	-	-	8,000.-
<b>TOTAL</b>	<b>685,000.-</b>	<b>233,000.-</b>	<b>670,000.-</b>	<b>90,000.-</b>	<b>1,678,000.-</b>

**b) The remuneration for Executives**

Compensation of Managing Director and top 4 secondary from Managing Director and equivalent of 4 ranking as follows:

Total Amount	2017		2016	
	Amount (people)	Amount (Million Baht)	Amount (people)	Amount (Million Baht)
In term of salary, bonus, allowance, meeting allowance, social security, provident fund and employee benefit expenses	9	17.65	8	17.18

**2. Rayong Wire Industries Public Company Limited****a) Remuneration**

The remuneration of directors consists of monthly compensation and meeting allowance passed on the resolutions from the Remuneration Committee No.1/2017 held on February 21, 2017 and passed Board of Directors meeting No.1/2017 held on February 21, 2017 and approved by the resolution from the 2017 Annual General Meeting of Shareholders held on April 27, 2017 in totaling of 1,950,000 by paying it each time with same rate. By this, with appropriate details and compare with same kind of reference of industry and economic situation including appropriate number of Directors. The details of compensations are as follows:

**(1) Chairman (every time attends)**

- Fee attended the meeting equals to Baht 30,000. By this, chairman who receive monthly salary or hold position of chairman in affiliate company will receive allowance for the meeting of Baht 20,000.

**(2) Board of Directors (every time attends)**

- Fee for attended the meeting as Baht 15,000. By this, director who receive monthly salary or hold position of employee in affiliate company will receive allowance for the meeting of Baht 5,000.

**(3) Executive Board (every time attends)**

- Fee for Executive Chairman equal to Baht 15,000 By this, chairman who receive monthly salary or hold position of chairman in affiliate company will receive allowance for the meeting of Baht 5,000.
- Fee for Executive Board as Baht 10,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 2,000 every time attends.

**(4) Audit Committee (every time attends)**

- Fee for Chairman of Audit Committee as Baht 25,000
- Fee for Audit Committee as Baht 15,000

**(5) Remuneration Committee (every time attends)**

- Fee for Audit of Remuneration Committee as Baht 25,000
- Fee for Remuneration Committee as Baht 15,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 5,000 every time attends.

**2. Other remuneration fees and benefits**

The company has no policies apart from remuneration for directors or employee as normal transaction of company, no shares or debenture given or other securities.

By this year 2017, Rayong Wire Industries Public Company Limited has paid remuneration to directors of each committee in totaling of Baht 858,000. The details are as follow:

Name/Position	Compensation (Baht)				
	Board of Director	Executive Board	Audit Committee	Remuneration Committee	TOTAL
1. Mr. Wutichai Leenabanchong - Chairman - Executive Chairman - Remuneration Committee	80,000.-	55,000.-	-	5,000.-	140,000.-
2. Mr. Worawit Siriwatwimol - Director - Independent Director - Chairman of Audit Committee - Chairman of Remuneration Committee	45,000.-	-	125,000.-	-	170,000.-
3. Mr. Wichain Sophanpanitkul - Director - Independent Director - Audit Committee - Remuneration Committee	60,000.-	-	90,000.-	15,000.-	165,000.-
4 Associate Professor Dr. Pison Udomworarat - Director - Independent Director - Audit Committee - Remuneration Committee	60,000.-	-	75,000.-	15,000.-	150,000.-
5. Mr. Monthon Chatuwallopkul - Director	20,000.-	-	-	-	20,000.-
6. Mr. Pipit Jaovisidha - Director - Manager (Sale and Marketing) - Executive Director	15,000.-	18,000.-	-	-	33,000.-
7. Mr. Suthin Phadetpai - Director - Executive - Managing Director	20,000.-	22,000.-	-	-	42,000.-
8. Mr. Theerachai Leenabanchong - Director	20,000.-	-	-	-	20,000.-
9. Mrs. Pimsiri Pinrod - Director - Executive (Resigned on November 15, 2017)	20,000.-	20,000.-	-	-	40,000.-
10. Mr. Pornthep Pipattangsakul - Executive Director (Appointed on May 8, 2017) (Resigned on July 1, 2017)	-	4,000.-	-	-	4,000.-
11. Mr. Surapat Chomrat - Executive Director (Appointed on May 8, 2017) (Resigned on October 18, 2017)	-	60,000.-	-	-	60,000.-
12. Miss Usara Pattatung - Executive Director (Resigned on May 8, 2017)	-	14,000.-	-	-	14,000.-
<b>TOTAL</b>	<b>340,000.-</b>	<b>193,000.-</b>	<b>290,000.-</b>	<b>35,000.-</b>	<b>858,000.-</b>

**b) The remuneration for Executives**

Compensation of Managing Director and top 4 secondary from Managing Director and equivalent of 4 ranking as follows:

Total Amount	2017		2016	
	Amount (people)	Amount (Million Baht)	Amount (people)	Amount (Million Baht)
In term of salary, bonus, allowance, meeting allowance, social security, provident fund and employee benefit expenses	6	8.89	5	7.41

**3. Enesol Company Limited****a) The remuneration for Directors**

The remuneration of directors consists of monthly compensation and meeting allowance passed on the resolutions from the board of directors' No. 1/2017 held on February 21, 2017 and approval from 2017 Annual General Meeting of Shareholders held on April 24, 2017 as following details.

**(1) Chairman (every time attends)**

- Fee attended the meeting equals to Baht 30,000. By this, chairman who receive monthly salary or hold position of chairman in affiliate company will receive allowance for the meeting of Baht 20,000.

**(2) Board of Director (every time attends)**

- Fee for Board as Baht 15,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 5,000 every time attends.

By this year 2017, Enesol Company Limited has paid remuneration to directors of each committee in totaling of Baht 130,000. The details are as follow:

Name/Position	Compensation of Director (Baht)
1. Mr. Wutichai Leenabanchong - Chairman	80,000.-
2. Mr. Monthon Chatuwatlopkul - Director	20,000.-
3. Mr. Theerachai Leenabanchong - Director	20,000.-
3. Mr. Apichart Weerapanit (Resigned on June 1, 2017)	10,000.-
<b>TOTAL</b>	<b>130,000.-</b>

**b) The remuneration for Executives**

Compensation of Managing Director and top 4 secondary from Managing Director and equivalent of 4 ranking as follows:

Total Amount	2017		2016	
	Amount (people)	Amount (Million Baht)	Amount (people)	Amount (Million Baht)
In term of salary, bonus, allowance, meeting allowance, social security, provident fund and employee benefit expenses	3	4.74	3	2.80

#### **4. WJC Enterprise Company Limited**

##### **a) The remuneration for Directors**

The remuneration of directors consists of monthly compensation and meeting allowance passed on the resolutions from the board of directors' No. 1/2017 held on February 22, 2017 and approval from 2017 Annual General Meeting of Shareholders held on April 24, 2017 as following details.

(1) Chairman (every time attends)

- Fee attended the meeting equals to Baht 10,000. By this, chairman who receive monthly salary or hold position of chairman in affiliate company will receive allowance for the meeting of Baht 5,000

(2) Board of Director (every time attends)

- Fee for Board as Baht 5,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 3,000 every time attends

By this year 2017, WJC Enterprise Company Limited has paid remuneration to directors of each committee in totaling of Baht 56,000. The details are as follow:

<b>Name/Position</b>	<b>Compensation of Director (Baht)</b>
1. Mr. Wutichai Leenabanchong - Chairman	20,000.-
2. Mr. Wiwatchai Jeenanuphan - Director - Managing Director	12,000.-
3. Mr. Monthon Chatuwatlopkul - Director	12,000.-
4. Mr. Theerachai Leenabanchong - Director	12,000.-
<b>TOTAL</b>	<b>56,000.-</b>

##### **b) The remuneration for Executives**

Remuneration for Managing Director and Executive are as follow:

<b>Total Amount</b>	<b>2017</b>		<b>2016</b>	
	<b>Amount (people)</b>	<b>Amount (Million Baht)</b>	<b>Amount (people)</b>	<b>Amount (Million Baht)</b>
In term of salary, bonus, allowance, meeting allowance, social security, provident fund and employee benefit expenses	1	2.27	1	2.27

#### **5. Pipe Line Engineering Network Company Limited**

##### **a) The remuneration for Directors**

The remuneration of directors consists of monthly compensation and meeting allowance passed on the resolutions from the board of directors' No. 1/2017 held on February 21, 2017 and approval from 2017 Annual General Meeting of Shareholders held on April 24, 2017 as following details.

(1) Chairman (every time attends)

- Fee attended the meeting equals to Baht 10,000. By this, chairman who receive monthly salary or hold position of chairman in affiliate company will receive allowance for the meeting of Baht 5,000

(2) Board of Director (every time attends)

- Fee for Board as Baht 5,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 3,000 every time attends



By this year 2017, Pipe Line Engineering Company Limited has paid remuneration to directors of each committee in totaling of Baht 44,000. The details are as follow:

Name/Position	Compensation of Director (Baht)
1. Mr. Wutichai Leenabanchong - Chairman - Managing Director	20,000.-
2. Mr. Monthon Chatuwallopkul - Director	12,000.-
3. Miss Laphassarin Kraiwongwanitruong - Director	12,000.-
<b>TOTAL</b>	<b>44,000.-</b>

**b) The remuneration for Executives**

-None-

**6) Evergreen Biomass Company Limited**

**a) The remuneration of directors**

The remuneration of directors consists of monthly compensation and meeting allowance passed on the resolutions from the board of directors' No. 1/2017 held on February 21, 2017 and approval from 2017 Annual General Meeting of Shareholders held on April 24, 2017 as following details.

(1) Chairman (every time attends)

- Fee attended the meeting equals to Baht 10,000. By this, chairman who receive monthly salary or hold position of chairman in affiliate company will receive allowance for the meeting of Baht 5,000

(2) Board of Director (every time attends)

- Fee for Board as Baht 5,000. By this, director whom receive monthly salary or hold position of employee in affiliate company will receive Baht 3,000 every time attends

By this year 2017, Evergreen Biomass Company Limited has paid remuneration to directors of each committee in totaling of Baht 59,000. The details are as follow:

Name/Position	Compensation of Director (Baht)
1. Mr. Wutichai Leenabanchong - Director - Chairman	20,000.-
2. Mr. Theerachai Leenabanchong - Director - President	12,000.-
3. Mr. Ladya Uriya - Director - Managing Director (Resigned on April 1, 2017)	3,000.-
4. Mr. Monthon Chatuwallopkul - Director	12,000.-
5. Mrs. Kenika Ngamcharoensathaporn - Director	12,000.-
<b>TOTAL</b>	<b>59,000.-</b>

**b) The remuneration for Executives**

-None-

## (2) Other Remuneration

The company has no policies on paying other remuneration apart from remuneration for Directors or employees, no given securities, debenture or other securities to Executives

### (1) Other Remuneration of Director

-None-

### (2) Other Remuneration of Executive

Directors and Top four Executives (level below Manager) and Executives in the level equivalent top four executives in totaling of 5 people received compensation in form of contributions to the fund.

The company was set up by fund managers who are members of the Fund will be paid monthly at a rate of 5 per cent of wages by need to accumulate funds in the same ratio If any member of the month is not accumulation fund. Employers are not required to pay contributions to the members in that month when a member ceases to be a member contributions as well as the average net benefit under the terms of the Fund.

- **Personnel**

- **Total number of Employees**

As at December 31, 2017 Company and its subsidiaries has total of employees of 1,002

Details	CEN	UWC	RWI	ENS	WJC	PLE	EBM	TOTAL
Administration	18	154	50	6	15	-	-	243
Production	-	454	113	13	179	-	-	759
<b>Total</b>	<b>18</b>	<b>608</b>	<b>163</b>	<b>19</b>	<b>194</b>	<b>-</b>	<b>-</b>	<b>1,002</b>

- **The number of employees changed significantly in the past 3 years**

- None-

- **Shepherded significant labor dispute in the past 3 years**

- None-

- **Total Compensation of all employees**

In year 2017, company and its subsidiaries has paid compensation in term of salary, incentives, bonus and other compensations in totaling of 347.94 Million Baht

- **Wages and Salaries**

Monthly paid compensation to employees due to practice of employees for company which may consider from position holds, duties and responsibilities to organization.

- **Bonus**

Special compensation to employees by considering from turnover each year by not requiring fixed rate.

- **Funds contribution**

The company has funds contribution for benefit to employees and support on saving includes motivate employees to perform with company for long term. Employee who is a member of Provident Fund, contribution will be pay monthly in the rate of 5% or salary also member must accumulate money into Provident Funds with the same rate. When ends of member then will receive whole amount of money including benefit of Provident Funds.

- **Development Policy on employee**

The company and its subsidiaries commitment for human development in accordance to policy and situation which based on standard on integrated knowledge for employees to have various skills and capacity as well as moral/ethic/ good life.

The company and its subsidiaries has establish a knowledge management approach by survey need for training and personnel development, design course as suitable for work and use knowledge to apply to work into commitment. By this, to encourage employees to review their knowledge regularly, engage in learning and sharing your work experience to workmate in order to keep up with organization forever.

The company and its subsidiaries has pay attention On The Job Training :OJT) by having specialist in each field to take care of internship of trainee, training focusing on practicing by building knowledge, understanding as suitable directly to the job as results are clear, low cost and learning from practice under real circumstances.

The company and its subsidiaries has design course to develop on personnel which covered direction for company's operation by focusing on practicing so can apply to work or daily life immediately.

The company and its subsidiaries has pay attention on anti-corruption and implanted into corporate culture by giving orientation to new employees in order to communicate for acknowledge operator and implement. By this, company and its subsidiaries has training and measurement of policy continuously in accordance to plans which covered 100% of company personnel. Apart from this training- company and its subsidiaries has held activities in order to create more knowledge and ideas.

## Related Transaction

### 1. Disclosure of information on related transaction

Related Companies	Relationship	Type of Transaction	Amount (Million Baht)	Necessity and reasonableness
Ua Withya Public Company Limited (UWC)	Company holds 39.23 percent and has same Directors	<ul style="list-style-type: none"> <li>- Service charge from internal audit</li> <li>- Accrued audit fees</li> <li>- Interest</li> <li>- Give short term loan</li> <li>- Accrued Interest Receivable</li> </ul>	<div>0.72</div> <div>0.19</div> <div>0.43</div> <div>80.00</div> <div>0.22</div>	To achieve efficiency and effectiveness in the workplace. Moreover, in order to have good governance in subsidiaries
Rayong Wire Industries Public Company Limited (RWI)	Company holds 74.18 percent and has same Directors	<ul style="list-style-type: none"> <li>- Service charge from internal audit</li> <li>- Accrued audit fees</li> </ul>	<div>0.72</div> <div>0.19</div>	To achieve efficiency and effectiveness in the workplace. Moreover, in order to have good governance in subsidiaries
Enesol Company Limited (ENS)	Company holds 100.00 percent and has same Directors	<ul style="list-style-type: none"> <li>- Service charge from internal audit</li> <li>- Accrued audit fees</li> </ul>	<div>0.36</div> <div>0.10</div>	To achieve efficiency and effectiveness in the workplace. Moreover, in order to have good governance in subsidiaries
		<ul style="list-style-type: none"> <li>- Office Rental</li> <li>- Accrued Income</li> </ul>	<div>0.21</div> <div>0.02</div>	Company to a subsidiary of the company to sublease space to be used as office space. Due to sub-subsidiary of the company, because the lease. Terms in the lease, the tenant must sign a contract to lease the entire floor which has more space than needed.
Evergreen Biomass Company Limited (EBM)	Company holds 99.00 percent and has same Directors	<ul style="list-style-type: none"> <li>- Give out Short term loans (Payback Period within 1 year)</li> </ul>	8.00	To enhance the liquidity of the subsidiaries. Using as working capital and to purchase property for future work
		<ul style="list-style-type: none"> <li>- Interest Received</li> <li>- Accrued Interest</li> </ul>	<div>0.44</div> <div>0.03</div>	Short-term loans , with the average MLR of financial institutions, three of minus 1.75 percent per year
WJC Enterprise Company Limited (WJC)	Company holds 94.25 percent and has same Directors	<ul style="list-style-type: none"> <li>- Give short term loan (Payback within 3 months)</li> </ul>	75.94	To enhance the liquidity of the subsidiaries. Using as working capital and to purchase property for future work
		<ul style="list-style-type: none"> <li>- Interest</li> <li>- Accrued Interest Receivable</li> </ul>	<div>3.37</div> <div>9.58</div>	Short-term loans , with the average MLR of financial institutions, three of minus 1.75 percent per year
		<ul style="list-style-type: none"> <li>- Service charge from internal audit</li> <li>- Accrued audit fees</li> </ul>	<div>0.36</div> <div>1.16</div>	To achieve efficiency and effectiveness in the workplace. Moreover, in order to have good governance in subsidiaries

Related Companies	Relationship	Type of Transaction	Amount (Million Baht)	Necessity and reasonableness
Paradise Green Energy Company Limited (PGE)	Subsidiary of UWC as holds 60.00 percent	- Service charge from internal audit - Accrued audit fees	0.36 0.77	To achieve efficiency and effectiveness in the workplace. Moreover, in order to have good governance in subsidiaries
UWC KOMEN BIOMASS Company Limited (UKB)	Subsidiary of UWC as holds 99.99 percent	- Service charge from internal audit - Accrued audit fees	0.24 0.06	To achieve efficiency and effectiveness in the workplace. Moreover, in order to have good governance in subsidiaries
EMC Public Company Limited (EMC)	Same shareholders	Trading securities in The Stock Exchange of Thailand	99.16	Normal business operation and trading securities in the market.

## 2. Necessity and reasonability on related transaction

Related transaction during the past year for business operation of company and its subsidiaries by policies of entered into those transaction in order for highest benefit of company in term of policies and set up the price as considering from market price or in accordance with agreement. In addition, mentioned transaction has been considered by Audit Committee on fairness and reasonable.

## 3. Procedure of approval on transaction

Normal business transactions and trade agreements with commercial terms shall act in the same situation by bargaining power without influence of their position on Director, Executive or related person. By this, management division needs to report every business transaction to Board of Directors for acknowledgement on quarterly basic.

Abnormal business transaction, unless size of transaction doesn't need to be approved from Shareholders meeting (as provision from The Stock Exchange of Thailand) then need consideration from Board as prior first entity and size of happened transaction will be under authority to approve then approval of this transaction will ended as this stage as Audit Committee will be join in these consideration (stakeholders not attend and vote in the meeting). Moreover, if the sizes of transaction more than authority from Board can be approve then Board will concluded the resolution and propose to shareholders meeting for approval.

Board of Directors will consider on transaction which may have conflict of interest or related transaction or transactions appropriately through moderation from Audit Committees for entries criteria defined by Stock Exchange of Thailand, The Securities and Exchange Commission and Capital Market Supervisory as well as disclosure of transaction that may have conflict of interest to public with ensure accuracy and completeness.

## 4. Transaction trends in the future

The transaction is still in progress. There will be more or less depending on economic condition. For transaction occur in the future, Board of Directors shall comply as according to regulation that have been set up and directors must not approve any entries that they, or someone who may have conflict of interest with company and its subsidiaries. Moreover, mentioned transaction need to be disclose to Board of Directors for consideration with according to law of securities and securities market and regulation, announcement, order or requirement of The Stock Exchange of Thailand includes all requirement regarding the disclosure of related transaction and acquisition of asset (company and its subsidiaries).

## Internal Control and Risk Management

The company has emphasized on Internal Control System and Risk Management which every employees has roles and responsibilities together with responsibilities on their duties. Operating system in Executives and Operational Level has clearly written which includes Financial Control, Operation, and Management oversight work. Moreover, according to the law and related rules to ensure a reasonably confident that successful work will be able to achieve the company objectives as follows:

1. Strategies and Goals have clearly defined in accordance with company Mission.
2. Achieve operation in accordance with objective on resources management by efficient and cost-effective.
3. Report on importance information which is consists of Financial Statement, Administration and Operation which are reliable and accurate.
4. Operation will follows to strategies, rules, regulations and method in accordance with Law and Other regulation in term of business operation.
5. Security of Property, Personnel includes Information systems
6. Appropriate and Effective Corporate Governance and Management
7. Improving in quality of operation continually

As The Board of Directors meeting No.1-2017 which was held on February 23, 2017 all 3 members of Audit Committee attended. Board of Directors has estimated on internal control system based on a review of internal control system evaluation and comments from Executives thus Audit Committees has follows regulations of The Stock Exchange of Thailand in order to be consistent with business operation in term of management and good corporate governance, value creation, ensuring to government sectors and build highest benefit to shareholders.

Board of Directors has reviewed and evaluate of internal control and risk management of company in order to be consistence with international standard of COSO (The Committee of Sponsoring Organizations of the Tread way Commission) with development of risk management framework throughout organization (Enterprise Risk Management: ERM) or called "COSO ERM Framework" as used in management tools for develop any processes for effective internal control, comprehensive policies of operation management, risk management of company thus the conclusion of this are as follows:

### 1. Control Environment

The company has organization chart and environmental which will support business operation effectively and enough internal control system, the responsibilities of each field is separated for beneficial to examine of operation, updating sub-system and reduce duplication in order to be under the same standards. Apart from this, clearly targeted business every year by regard on Economic, Market Situation and Competition.

### 2. Risk Assessment

The company has track on risk factors such as changes in taxes, exchange rates, increased of raw materials and other cost to assess impact and prepare to maintain business operation thus communicate with executives and employees to acknowledge the situation by held the meeting and summarize situation, environment and operation of company. Moreover, it includes risk factors to business operation, sales, cost and profitability of company in each unit, chief executive of each unit will be responsible for risk factors occurs in their unit thus prophylactic to prevent any risks to level which are safe for employees, corporate governance and acceptable and do not affect operation of company.

### 3. Control Activities

The line of authorities and responsibilities of The Board of Directors and executives have been clearly set together with specific power on approval on each level for transparency and benefit of all shareholders as well as eliminate any conflict of interest. By this, if any transaction occurs with major shareholders, related person, Director and Executives – The Company has a measurement which has to approve by Board of Directors and authorized person must not have a conflict of interest in those



transaction and result in benefits for the company. In addition, corporate secretary and compliance and investor relation has serves to monitor and oversee compliance with laws and regulations also ensure compliance with terms and conditions properly.

#### **4. Information and Communication**

The company has manage by using Technology to connected around with modern and fast communication within/outside organization as efficiently in order to use the information in decision making right in time. There is some security of data and information that is powerful enough which could determine the data in the history and develops this information and technology continuously to support our organization flexibility and enhance system performance as response expansion of business.

The Company has effective channels in term of performance which could communicate all over the organization thus importance information will transferred from top management to employees quickly. Moreover, there also direct communication channel from employees to top management as well.

#### **5. Monitoring Activities**

The company has evaluation system and performance tracking in order to assure on measure and internal control system is effective all the time, response to any changes appropriately and timely. The company has organized head of employees to follows work of subordinate and evaluated. By this, Executives pay attention to speed and effectiveness management on target and report to Board of Directors clearly and consistently.

**Audit Committee** has practices on their duties efficiently and any tasks assigned by Board of Directors independently and consistently thus there is internal audit as a tool for achieve the mission. Internal Audits are qualified to perform their duties properly with sufficient independence, able to perform work as assigned from Audit Committees and Board of Directors. Internal Audit has assess on internal control system and risk management and report any tasks to be resolve any relevant units includes appropriate feedback as management deems necessary for business operation of company and its subsidiaries.

**Board of Directors** has estimate internal control system from assessment report from Audit Committees then concludes that from assessment of 5 various elements such as internal control, risk assessment, operational control, information technology and communication. In addition, Board of Directors seems that company has enough transaction with major shareholders, Directors, Executives or related person thus other topics related to internal control systems are enough as well.

**Head of Internal Audit** the Company has appointed Mr. Khomwuti Pornnaradol as Director (Internal Audit) and Secretary of Audit Committee to be supervisor of internal audit. He has duties of practical of internal audit tasks in order to meet the mission of internal control system by executives and audit committees jointly consider on report from internal audit in essence adequately for system or process has managed systematic and effectively. By this, every executives in each unit are involved in consider ways of improvement/resolve on performance to be consistence with company's policies and adequate internal control system. Supervisor of internal audit is directly to Audit Committee as agreed that head of internal audit is qualified to perform such duties effectively (qualification of incumbent (Internal Audit) appear in enclosure no.3).

**Head of Compliance** The company has appoint Mrs. Kenika Ngamcharoensathaporn as Senior on compliance department to oversees operation in accordance with regulatory that supervise compliance of company (qualification of incumbent (Compliance) appear in enclosure no.3).

## Report from the Risk Management Committee

Risk Management Committee of Capital Engineering Network Public Company Limited has been approved from Board of Director which consists of 3 Independent Directors namely:

- |                                    |                  |                                       |
|------------------------------------|------------------|---------------------------------------|
| 1. Assistance Professor Dr. Suluck | Pattaraththammas | Chairman of Risk Management Committee |
| 2. Mr. Yanyong                     | Wattanawongpitak | Risk Management Committee             |
| 3. Mr. Chatre                      | Sriutharawong    | Risk Management Committee             |

In year 2017 there are 3 times of Risk Management Committee meeting as duties and responsibilities according to Memorandum of Association to manage information of risks and report to Board of Directors including communicate with Audit Committee in related term of risk thus encourage cooperation in risk management at all levels within the company.

Furthermore, The Risk Management Committee has play importance role on main business which is investing as may affect the company. By this, Board of Risk Management has brainstorm and conduct risk management based on scope of responsibilities as assigned to get highest benefit to organization. Moreover, advance signal and abnormal transaction may arise; Board of Risk Management seems that company has appropriate and effective risk management.

In the name of Risk Management Committee  
Capital Engineering Network Public Company Limited



Assistance Professor Dr. Suluck Pattaraththammas  
Chairman of Risk Management Committee

## Report from the Remuneration Committee

Remuneration Committee of Capital Engineering Network Public Company Limited has been approved from Board of Director which currently consists of 3 Independent Director namely:

- |                  |                  |                                    |
|------------------|------------------|------------------------------------|
| 1. Dr. Visit     | Ongpipattanakul  | Chairman of Remuneration Committee |
| 2. Mr. Jakkathan | Yothanan         | Remuneration Committee             |
| 3. Mr. Yanyong   | Wattanawongpitak | Remuneration Committee             |

Year 2017, there are 1 times of Remuneration Committee meetings as roles and responsibilities for Remuneration Committee are follows to Article of Association as review remuneration of Directors, Chairman of Executive Directors and Chief Executive Officer by specify of regulations or remuneration to Directors fairly and reasonably.

Furthermore, The Remuneration Committee deems it appropriate to be consistent with duties and responsibilities of Board of Directors by carefully screening appropriate criteria as size of business, number of Directors which based on the same industry and economy as a whole.

In the name of Remuneration Committee  
Capital Engineering Network Public Company Limited



(Dr. Visit Ongpipattanakul)  
Chairman of Remuneration Committee

## Personal Information of the Company's Board of Directors, Executives and Corporate Secretary

Name-Surname/ Position	Age (Year)	Educational Qualification	Proportion of holding company's shares	Family relationship among Executives	Experiences		
					Period	Position	Company
<b>1. Mr. Wutichai Leenabanchong</b>  <b>Position:</b> <ul style="list-style-type: none"> <li>Chairman</li> <li>Executive Chairman</li> <li>Acting Chief Executive Officer</li> <li>Authorized Director</li> </ul> <b>Appointed Date:</b> August 26, 2008	53	<ul style="list-style-type: none"> <li>Master of Business Law (Faculty of Law) Chulalongkorn University</li> <li>Master of Business Administration (Faculty of Commerce and Accountancy) Chulalongkorn University</li> <li>Bachelor of Engineering Program in Mechanical Engineering Chiangmai University</li> </ul> <b>Training roles of Directors from Thai Institute of Director (IOD):</b> <ul style="list-style-type: none"> <li>Directors Accreditation Program (DAP) No.78/2009</li> <li>Financial Statement for Directors (FSD) No.4/2009</li> </ul>	30,956,000 shares or 4.15%	Cousin with Mr. Theerachai Leenabanchong	<b>Holds position in listed companies which are subsidiaries in totaling of 2 places</b>		
					Year 2008 – Present	Chairman Executive Chairman Remuneration Committee	Rayong Wire PCL.
					Year 2014 - Present		
					Year 2008 – Present	Vice Chairman Executive Chairman	Ua Withya PCL.
					<b>Holds position in related companies in totaling of 12 places</b>		
					Year 2008 – Present	Chairman	Enesol Co., Ltd.
					Year 2010 – Present	Chairman Managing Director	Pipe Line Engineering Co., Ltd.
					Year 2012 – Present	Chairman	Evergreen Biomass Co., Ltd.
					Year 2013 – Present	Chairman	WJC Enterprise Co., Ltd.
					Year 2015 – Present	Chairman	Paradise Green Energy Co., Ltd.
					Year 2015 – Present	Chairman	UWC KOMEN BIOMASS Co., Ltd.
					Year 2015 – Present	Chairman	UWC KOMEN SOLAR Co., Ltd.
					Year 2015 – Present	Chairman	UWC AMPHAN BIOMASS Co., Ltd.
					Year 2015 – Present	Chairman	SATUEK BIOMASS Co., Ltd.
					Year 2017- Present	Director	UWC (Cambodia) Co., Ltd.
					Year 2017- Present	Director	Interglob Investment Co., Ltd.
					Year 2017- Present	Director	Green Energy Plantation Co., Ltd.

Name-Surname/ Position	Age (Year)	Educational Qualification	Proportion of holding company's shares	Family relationship among Executives	Experiences		
					Period	Position	Company
<b>2. Dr. Visit Ongpittanakul</b>  <b>Position:</b> <ul style="list-style-type: none"> <li>• Director</li> <li>• Independent Director</li> <li>• Chairman of Audit Committee</li> <li>• Chairman of Remuneration Committee</li> </ul> <b>Appointed Date:</b> August 14, 2015	53	<ul style="list-style-type: none"> <li>• Doctor of Business Administration (DBA) of Asian Institute of Technology (AIT)</li> <li>• Master of Business Administration University of Florida, United States</li> <li>• Master of Art (Business Law) Chulalongkorn University</li> </ul> <b>Training roles of Directors from Thai Institute of Director (IOD):</b> <ul style="list-style-type: none"> <li>• Directors Accreditation Program (DAP) No.26/2004</li> <li>• Directors Certification Program (DCP) No.185-2014</li> </ul>	-None-	-None-	<b>Holds position in listed companies in totaling of 1 place</b>		
					Year 2011 – Present	Director	Trinity Watthana PCL.
					<b>Holds position in related companies -None-</b>		
					<b>Holds position in non-registered company in totaling of 1 place</b>		
<b>3. Associate Professor Dr. Pusit Lertwattanakul</b>  <b>Position:</b> <ul style="list-style-type: none"> <li>• Director</li> <li>• Independent Director</li> <li>• Audit Committee</li> </ul> <b>Appointed Date:</b> August 26, 2008	48	<ul style="list-style-type: none"> <li>• Ph.D. in Civil Engineering, New Jersey Institute of Technology, USA</li> <li>• Master of Business Administration (MBA) Thammasat University</li> </ul> <b>Training roles of Directors from Thai Institute of Director (IOD):</b> <ul style="list-style-type: none"> <li>• Directors Accreditation Program (DAP) No.79/2009</li> </ul>	-None-	-None-	<b>Holds position in listed companies -None-</b>		
					<b>Holds position in related companies -None-</b>		
					<b>Holds position in non-registered company -None-</b>		
					Year 2012 - Present	Associate Dean for Administration Faculty of Architecture and Planning	Thammasat University
					Year 2003 - Present	Associate Professor	Thammasat University
					Year 1999 - 2003	Project Engineer	Thornton – Tomasetti Co., Ltd.

Name-Surname/ Position	Age (Year)	Educational Qualification	Proportion of holding company's shares	Family relationship among Executives	Experiences		
					Period	Position	Company
<b>4. Mr. Yanyong Wattanawongpitak</b>  <b>Position:</b> <ul style="list-style-type: none"> <li>• Director</li> <li>• Independent Director</li> <li>• Audit Committee</li> <li>• Remuneration Committee</li> <li>• Risk Management Committee</li> </ul> <b>Appointed Date:</b> December 24, 2012	52	<ul style="list-style-type: none"> <li>• Master of Economic Program in (Business Economic) Thammasat University</li> <li>• Bachelor of Business Administration (Finance and Banking) Ramkhamhaeng University</li> </ul> <b>Training roles of Directors from Thai Institute of Director (IOD):</b> <ul style="list-style-type: none"> <li>• Directors Accreditation Program (DAP) No.90/2011</li> </ul>	-None-	-None-	<b>Holds position in listed companies in totaling of 1 place</b>		
					Year 2012- Present	Senior Manager - Finance	SC-Asset Corporation PCL.
					<b>Holds position in related companies -None-</b>		
					<b>Holds position in non-registered company -None-</b>		
					Year 2004 – 2006	Director of Business Development	Sri Siam Paper PCL.
<b>5. Assistant Professor Dr. Suluck Pattarathammas</b>  <b>Position:</b> <ul style="list-style-type: none"> <li>• Director</li> <li>• Independent Director</li> <li>• Chairman of Risk Management Committee</li> </ul> <b>Appointed Date:</b> February 26, 2016	52	<ul style="list-style-type: none"> <li>• Doctor of Philosophy Program in Business Administration (Finance) Thammasat University</li> <li>• Master of Business Administration (Finance) University of San Francisco, San Francisco, USA.</li> <li>• Bachelor of Economics Chulalongkorn University</li> <li>• Bachelor of Law Sukhothai Thammathirat University</li> </ul> <b>Training roles of Directors from Thai Institute of Director (IOD):</b> <ul style="list-style-type: none"> <li>• Directors Accreditation Program (DAP) No.138/2017</li> </ul>	-None-	-None-	<b>Holds position in listed companies in totaling of 1 place</b>		
					Year 2014 – Present	Risk Management Committee	Phol Dhanya PCL.
					<b>Holds position in related companies -None-</b>		
					<b>Holds position in non-registered company in totaling of 1 place</b>		
					Year 2016 – Present	Managing Director	Lao Brother International Co., Ltd.



Name-Surname/ Position	Age (Year)	Educational Qualification	Proportion of holding company's shares	Family relationship among Executives	Experiences		
					Period	Position	Company
<b>6. Mr. Jakkathan Yothanan</b>  <b>Position:</b> <ul style="list-style-type: none"> <li>• Director</li> <li>• Independent Director</li> <li>• Remuneration Committee</li> </ul> <b>Appointed Date:</b> August 26, 2008	47	<ul style="list-style-type: none"> <li>• Master of Economic Law (Faculty of Law) Chulalongkorn University</li> <li>• Bachelor of Political Science (Public Administration) Ramkhamhaeng University</li> </ul> <b>Training roles of Directors from Thai Institute of Director (IOD):</b> <ul style="list-style-type: none"> <li>• Directors Accreditation Program (DAP) No.79/2009</li> </ul>	-None-	-None-	Year 2007 – Present	Managing Director	Puphar Inter Law Co., Ltd.
					Holds position in registered company -None-		
					Holds position in related company -None-		
					Holds position in non-registered company in totaling of 1 place		
<b>7. Mr. Chatre Sriutharawong</b>  <b>Position:</b> <ul style="list-style-type: none"> <li>• Director</li> <li>• Independent Director</li> <li>• Risk Management Committee</li> </ul> <b>Appointed Date:</b> August 8, 2014	45	<ul style="list-style-type: none"> <li>• Master Degree of Public Administration (Public and Private Management Program) National Institute of Development Administration (NIDA)</li> <li>• Bachelor of Engineering (Computer Engineering) Kasetsart University</li> </ul> <b>Training roles of Directors from Thai Institute of Director (IOD):</b> <ul style="list-style-type: none"> <li>• Directors Accreditation Program (DAP) No.112/2014</li> </ul>	-None-	-None-	Year 2012 – Present	Managing Director	Ruk Thai Intertrade Co., Ltd.
					Year 2017 - Present	Lecturer, Independent Consultant (Finance and Investment)	Ideal Training Co., Ltd.
					Year 2017 - Present	Consultant (Business Development)	TECH NC Co., Ltd.
					Year 2017 - Present	Consultant (Marketing)	World Asia Co., Ltd.

Name-Surname/ Position	Age (Year)	Educational Qualification	Proportion of holding company's shares	Family relationship among Executives	Experiences		
					Period	Position	Company
<b>8. Mr. Monthon Chatuwallopkul</b>  <b>Position:</b> <ul style="list-style-type: none"> <li>• Director</li> <li>• Authorized Director</li> </ul> <b>Appointed Date:</b> March 1, 2010	49	<ul style="list-style-type: none"> <li>• Master Degree (Accounting) Thammasat University</li> <li>• Bachelor Degree (Accounting) Ramkhamhaeng University</li> </ul> <b>Training roles of Directors from Thai Institute of Director (IOD):</b> <ul style="list-style-type: none"> <li>• Directors Accreditation Program (DAP) No.82/2010</li> </ul>	-None-	-None-	<b>Holds position in listed companies which are subsidiaries in totaling of 2 places</b>		
					Year 2010 – Present	Director	Rayong Wire Industries PCL.
					Year 2009 – Present	Executive	
					Year 2010 – Present	Director, Executive Deputy to Managing Director	Ua Withya PCL.
					Year 2014 - Present	Nomination and Remuneration Committee	
					<b>Holds position in related companies in totaling of 9 places</b>		
					Year 2010 – Present	Director	Enesol Co., Ltd.
					Year 2010 – Present	Director	Pipe Line Engineering Co., Ltd.
					Year 2012 – Present	Director	Evergreen Biomass Co., Ltd.
					Year 2013 – Present	Director	WJC Enterprise Co., Ltd.
					Year 2015– Present	Director	Paradise Green Energy Co., Ltd.
					Year 2015– Present	Director	UWC KOMEN BIOMASS Co., Ltd.
					Year 2015– Present	Director	UWC SOLAR Co., Ltd.
					Year 2016– Present	Director	UWC AMPHAN Co., Ltd.
					Year 2016– Present	Director	SATUEK BIOMASS Co., Ltd.

Name-Surname/ Position	Age (Year)	Educational Qualification	Proportion of holding company's shares	Family relationship among Executives	Experiences		
					Period	Position	Company
9. Mr. Theerachai Leenabanchong  Position: <ul style="list-style-type: none"><li>• Director</li><li>• Executive</li><li>• Authorized Director</li></ul> Appointed Date: March 27, 2013	46	● Master of Business Administration Assumption University ● Bachelor of Business Administration (Marketing) Assumption University  Training roles of Directors from Thai Institute of Director (IOD): <ul style="list-style-type: none"><li>• Directors Accreditation Program (DAP) No.104/2013</li></ul>	1,412,000 shares or 0.19%	Cousin with Mr. Wutichai Leenabanchong	Holds position in listed companies which are subsidiaries in totaling of 2 places		
					Year 2013 - Present	Director	Ua Withya PCL.
					Year 2015 - Present	Executive Managing Director	
					Year 2016- Present	Director	
					Holds position in listed companies in totaling of 1 place		
					Year 2016 - Present	Director	Dimet (Siam) PCL.
					Year 2017 - Present	Executive	
					Holds position in related companies in totaling of 8 places		
					Year 2015- Present	Director	Evergreen Biomass Co., Ltd.
					Year 2015 - Present	Director	Paradise Green Energy Co., Ltd.
					Year 2015 - Present	Director	UWC KOMEN BIOMASS Co., Ltd.
					Year 2015 - Present	Director	UWC SOLAR Co., Ltd.
					Year 2016– Present	Director	Enesol Co., Ltd.
					Year 2016– Present	Director	WJC Enterprise Co., Ltd.
					Year 2016– Present	Director	UWC AMPHAN Co., Ltd.
					Year 2016– Present	Director	SATUEK BIOMASS Co., Ltd.
					Year 2017 - Present	Director	UWC (Cambodia) Co., Ltd.
					Year 2017 - Present	Director	Interglob Investment Co., Ltd.
					Year 2017 - Present	Director	Green Energy Plantation Co., Ltd.

Name-Surname/ Position	Age (Year)	Educational Qualification	Proportion of holding company's shares	Family relationship among Executives	Experiences		
					Period	Position	Company
<b>10. Miss Usara Pattatung</b>  <b>Position:</b> <ul style="list-style-type: none"> <li>• Director</li> <li>• Executive</li> <li>• Authorized Director</li> <li>• Director (Accounting and Finance)</li> </ul> <b>Appointed Date:</b> June 14, 2014	49	<ul style="list-style-type: none"> <li>• Bachelor of Business Administration (Account and Finance) University of Thai Chamber of Commerce</li> </ul> <b>Training roles of Directors from Thai Institute of Director (IOD):</b> <ul style="list-style-type: none"> <li>• Directors Accreditation Program (DAP) No.111/2014</li> </ul>	-None-	-None-	<b>Holds position in listed companies which are subsidiaries in totaling of 1 place</b>		
					Year 2014 – Present	Director	Ua Withya PCL.
					Year 2016 – Present	Executive	
					Year 2017 – Present	Executive	Rayong Wire Industries PCL.
					<b>Holds position in related company -None-</b>		
					<b>Holds position in non-registered company -None-</b>		
<b>11. Mr. Khomwuthi Pornnaradol</b>  <b>Position:</b> <ul style="list-style-type: none"> <li>• Director (Internal Audit)</li> <li>• Secretary of Audit Committee</li> </ul> <b>Appointed Date:</b> June 16, 2008	49	<ul style="list-style-type: none"> <li>• Bachelor Degree in Business Administration (Accounting) Ramkhamhaeng University</li> </ul> <b>Training:</b> <ul style="list-style-type: none"> <li>• Ultimate technique of using internal control system to maximize technique for business</li> <li>• Monitoring and Internal Control System</li> <li>• Issue summary accountant mistakes</li> </ul>	-None-	-None-	<b>Holds position in listed companies</b>		
					Year 2008 - Present	Secretary of Audit Committee	Capital Engineering Network PCL. And Subsidiaries
					<b>Holds position in related company -None-</b>		
					<b>Holds position in non-registered company -None-</b>		

Name-Surname/ Position	Age (Year)	Educational Qualification	Proportion of holding company's shares	Family relationship among Executives	Experiences		
					Period	Position	Company
12. Mr. Mongkonsorn Ponglumjeakngam  Position: <ul style="list-style-type: none"><li>Senior Manager (Credit Control)</li></ul> Appointed Date: October 24, 2012	48	<ul style="list-style-type: none"><li>Master Degree in Business Administration Strayer College Virginia, USA</li><li>Bachelor Degree in Business Administration Strayer College Virginia, USA</li></ul>	-None-	-None-	Holds position in listed companies		
					Year 2012 – Present	Senior Manager (Credit Control)	Capital Engineering Network PCL.
					Holds position in related company -None-		
					Holds position in non-registered company -None-		
13. Mrs. Kenika Ngamcharoensathaporn <ul style="list-style-type: none"><li>Senior Manager (Compliance and Investor Relation)</li></ul> Appointed Date: November 1, 2013 <ul style="list-style-type: none"><li>Corporate Secretary</li></ul> Appointed Date: June 14, 2014	46	<p>• Bachelor Degree in Accounting Bangkok University</p> <p>Training roles of Directors from Thai Institute of Director (IOD):</p> <ul style="list-style-type: none"><li>Company Secretary Program (CSP) No. 7/2004</li></ul>	-None-	-None-	Holds position in listed companies		
					Year 2013 – Present	Senior Manager (Compliance and Investor Relation)	Capital Engineering Network PCL.
					Holds position in related company 1 company		
					Year 2015 – Present	Director	Evergreen Biomass Co., Ltd.
					Holds position in non-registered company -None-		

**Remarks:** 1. Board of Directors No. 1-10, Executives No. 10-13 and Corporate Secretary No. 13

2. Authorized Director No. 1, 8-10

3. Proportion of holding shares not includes children because children not holding shares

4. Board of Directors and Executives in totaling of 13 people -No legal dispute

5. Board of Directors and Executives in totaling of 13 people -No history of criminal offense against property by fraud-

6. Board of Directors and Executives in totaling of 13 people -No references materials that cause conflict of interest with company in the past of year 2017-

## Board of Directors

### Capital Engineering Network Public Company Limited



- |  |   |
|--|---|
| <p><b>1. Mr. Wutichai Leenabanchong</b><br/>Chairman of the Board<br/>Chairman of Executive Board<br/>Acting Chief Executive Officer</p>                         | <p><b>6. Mr. Chatre Sriutharawong</b><br/>Director<br/>Independent Director<br/>Risk Management Committee</p> |
| <p><b>2. Dr. Visit Ongpipattanukul</b><br/>Director<br/>Chairman of Audit Committee<br/>Chairman of Remuneration Committee<br/>Independent Director</p>          | <p><b>7. Mr. Jakkathan Yothanan</b><br/>Director<br/>Independent Director<br/>Remuneration Committee</p>      |
| <p><b>3. Associate Professor<br/>Dr. Pusit Lertwattanakul</b><br/>Director<br/>Independent Director<br/>Audit Committee</p>                                      | <p><b>8. Mr. Monthon Chatuwatlopkul</b><br/>Director</p>  |
| <p><b>4. Mr. Yanyong Wattanawongpitak</b><br/>Director<br/>Independent Director<br/>Audit Committee<br/>Remuneration Committee<br/>Risk Management Committee</p> | <p><b>9. Mr. Theerachai Leenabanchong</b><br/>Director<br/>Executive Director</p>                             |
| <p><b>5. Assistant Professor<br/>Dr. Suluck Pattarathammas</b><br/>Director<br/>Chairman of Risk Management Committee<br/>Independent Director</p>               | <p><b>10. Ms. Usara Pattatang</b><br/>Director<br/>Executive Director</p>                                     |



**Subsidiary Board of Directors**  
**Ua Withya Public Company Limited**



**1. Police Colonel Kowit Piromwong**  
Chairman of the Board  
Chairman of Nomination and  
Remuneration Committee Independent Director

**2. Mr. Wutichai Leenabanchong**  
Vice Chairman  
Chairman of Executive Board

**3. Police Lieutenant Sivaraks Phinitcharomna**  
Director  
Chairman of Audit Committee  
Independent Director

**4. Mr. Pianchai Thawornrat**  
Director  
Independent Director  
Audit Committee  
Nomination and Remuneration Committee

**5. Dr. Nathee Naktnasukanjn**  
Director  
Independent Director  
Audit Committee

**6. Mr. Peratus Dhanarachwattana**  
Director  
Managing Director  
Executive Director

**7. Mr. Theerachai Leenabanchong**  
Director  
Managing Director  
Executive Director

**8. Mr. Monthon Chatuwatlopkul**  
Director  
Deputy Managing Director  
Executive Director  
Nomination and Remuneration Committee  
Company Secretary

**9. Mr. Surapat Chomrat**  
Director  
Executive Director

**10. Mr. Suthitsak Tanachoteporamat**  
Director  
Executive Director

**11. Ms. Usara Pattatang**  
Director  
Executive Director

**Subsidiary Board of Directors**  
**Rayong Wire Industries Public Company Limited**



**1. Mr. Wutichai Leenabanchong**

Chairman of the Board  
 Chairman of Executive Board  
 Remuneration Committee

**2. Mr. Worawit Siriwatwimol**

Director  
 Chairman of Audit Committee  
 Chairman of Remuneration Committee  
 Independent Director

**3. Mr. Wichian Sopanpanichkul**

Director  
 Independent Director  
 Audit Committee  
 Remuneration Committee

**4. Associate Professor Pison Udomworarat**

Director  
 Independent Director  
 Audit Committee  
 Remuneration Committee

**5. Mr. Suthin Phadetpai**

Director  
 Managing Director  
 Executive Director

**6. Mr. Monthon Chatuwallopkul**

Director

**7. Mr. Theerachai Leenabanchong**

Director

**8. Mr. Pipit Jaovisidha**

Director  
 Executive Director  
 Company Secretary

### Subsidiary Board of Directors Enesol Company Limited



1. **Mr. Wutichai Leenabanchong**  
Chairman of the Board  
Managing Director
2. **Mr. Monthon Chatuwallopkul**  
Director
3. **Mr. Theerachai Leenabanchong**  
Director

### WJC Enterprise Company Limited



1. **Mr. Wutichai Leenabanchong**  
Chairman of the Board
2. **Mr. Wiwatchai Jenanupan**  
Director  
Managing Director
3. **Mr. Monthon Chatuwallopkul**  
Director
4. **Mr. Theerachai Leenabanchong**  
Director

### Pipe Line Engineering Company Limited



1. **Mr. Wutichai Leenabanchong**  
Chairman of the Board  
Managing Director
2. **Mr. Monthon Chatuwallopkul**  
Director
3. **Ms. Laphassarin Kraiwongwanitrueng**  
Director

### Evergreen Biomass Company Limited



1. **Mr. Wutichai Leenabanchong**  
Chairman of the Board
2. **Mr. Theerachai Leenabanchong**  
Director  
President
3. **Mr. Monthon Chatuwallopkul**  
Director
4. **Mrs. Kenika Ngamcharoensathaporn**  
Director

## General Information and other importance information

### 1. Company Information

<b>Name of Company</b>	: Capital Engineering Network Public Company Limited
<b>Nature of Business</b>	: Holding Company
<b>Office address</b>	: 900/15 SVOA Tower 19 <sup>th</sup> Floor Rama III Road, Kwaeng Bangpongpan, Khet Yannawa, Bangkok 10120
<b>Registered Capital</b>	: Baht 1,117,712,067
<b>Paid Up Capital</b>	: Baht 745,141,378
<b>Share Value</b>	: Baht 1 per share
<b>Registered Number</b>	: 0107536000935
<b>Telephone</b>	: 0-2682-6345
<b>Fax</b>	: 0-2682-6344
<b>Website</b>	: www.cenplc.com

### 2. Investment in other companies which holds more than 10 percent

#### 1. Rayong Wire Industries Public Company Limited

<b>Name of Company</b>	: Rayong Wire Industries Pubic Company Limited
<b>Nature of Business</b>	: Production and Distribution (1) Steel Wires for Pre-stressed Concrete Wire or “PC-Wire” “PCW” (2) Steel Wires Strand for Pre-stressed Concrete or “PC-Strand” “PCS” (3) Gas Metal Arc Welding Wire or “GMAW” (4) Hard Drawn or “HDW” (5) Ordinary Low Carbon Steel Wire or “OLC” (6) Wire Mesh
<b>Office Address</b>	: 900/14 SVOA Tower 18 <sup>th</sup> Floor, Rama 3 Road Kwang Bangpongpan Khet Yannawa, Bangkok 10120
<b>Factory Address</b>	: Mabtapud Industrial Estate No.5 I-5 Road, Tambon Mabtapud, Amphur Muang, Rayong 21150
<b>Telephone</b>	: 0-2682-6328
<b>Fax</b>	: 0-2682-6361-2
<b>Website</b>	: www.rwi.co.th
<b>Number of Shares Sold</b>	: Registered of capital of Baht 450,000,000 and Paid up capital of Baht 303,017,219.50 which consists of 606,034,439 ordinary shares as par value of 0.50 Baht
<b>Number of Shares Company holds</b>	: Amounting of 437,413,550 shares or 72.18 percent

#### 2. Ua Withya Public Company Limited

<b>Name of Company</b>	: Ua Withya Public Company Limited
<b>Nature of Business</b>	: Produces (1) High Voltage Transmission Tower (2) Telecommunication Tower (3) Substation Steel Structure (4) General Fabrication (5) Hot Dip Galvanizing Service (6) Selling industrial products (7) Production and Distribution of renewable energy
<b>Head Office Address</b>	: 247 Romklow Road Kwang Saensaeb Khet Minburi Bangkok 10510
<b>Telephone</b>	: 0-2543-9020-8
<b>Fax</b>	: 0-2543-9189, 0-2543-9029
<b>Website</b>	: www.uwc.co.th
<b>Number of Shares Sold</b>	: Registered capital of Baht 1,907,119,713 and Paid up Capital of Baht 1,316,251,786.40 as consists of 13,162,517,864 ordinary shares (par value of Baht 0.10)

**Number of Shares**  
**Company holds** : Amount of 5,164,003,750 shares or 39.23 percent

### **3. Enesol Company Limited**

**Name of company** : Enesol Company Limited  
**Nature of Business** : Manufacturer and distributor of electrical and heat energy to Siam Ceramic Group Industry and Thai- German Ceramic industries Public Company Limited

**Office Address** : 900/7 SVOA Tower 10<sup>th</sup> Floor, Rama 3 Road Kwang  
Bangpongpan Khet Yannawa, Bangkok 10120

**Telephone** : 0-2682-6345

**Fax** : 0-2682-6344

**Factory Address** : 40 Moo 2 Rimklongrapeephat Road Tambon  
(Siam Ceramic Group Industries) Nong Ping Amphur Nong Kae Saraburi 18140

**Factory Address** : 61 Moo 1 Nong Kae Industrial Estate Tambon  
(Thai-German Ceramic Industries) Korkyae Amphur Nong Kae Saraburi 18230

**Number of Shares sold** : Registered capital of Baht 484,000,000 and Paid up capital of Baht 302,500,000 consists of 4,840,000 ordinary shares (par value of Baht 100)

**Number of Shares**  
**Company holds** : Amount of 4,839,991 shares or 100.00 percent

### **4. Pipe Line Engineering Company Limited**

**Name of Company** : Pipe Line Engineering Company Limited

**Nature of Business** : Contractors and Tunneling

**Office Address** : 900/14 SVOA Tower 18<sup>th</sup> Floor, Rama 3 Road Kwang  
Bangpongpan Khet Yannawa, Bangkok 10120

**Telephone** : 0-2682-6328

**Fax** : 0-2682-6361-2

**Number of Shares sold** : Registered capital of Baht 150,000,000 and Paid up capital of Baht 144,000,000 consists of 1,500,000 ordinary shares (par value of Baht 100)

**Number of Shares**  
**Company holds** : 1,439,996 shares or 99.99 percent

### **5. Evergreen Biomass Company Limited**

**Name of Company** : Evergreen Biomass Company Limited

**Nature of Business** : Production and Distribution of raw materials for biomass fuel

**Office Address** : 900/14 SVOA Tower 18<sup>th</sup> Floor, Rama 3 Road  
Kwang Bangpongpan Khet Yannawa, Bangkok 10120

**Telephone** : 0-2682-6328

**Fax** : 0-2682-6361-2

**Number of Shares sold** : Registered capital of Baht 50,000,000 and Paid up capital of Baht 50,000,000 as consists of 5,000,000 ordinary shares (par value of Baht 10)

**Number of Shares**  
**Company holds** : Amount of 4,950,000 shares or 99.00 percent

### **6. WJC Enterprise Company Limited**

**Name of Company** : WJC Enterprise Company Limited

**Nature of Business** : Steel Structure, design and Metal forming service which has factory in Lamchabang as has work both local and oversea of Petrochemical Industry, Energy Industry and Construction Industry and other industries

**Office Address** : 543/4 Moo 1, Tambon Nong Klam, Amphur Sriracha, Chonburi

**Telephone** : 038-340-104

**Fax** : 038-340-105

**Number of Shares sold** : Registered capital of Baht 150,000,000 and Paid up capital of Baht 97,500,000 as consists of 1,500,000 ordinary shares (par value of Baht 100)

**Number of Shares  
Company holds** : 1,413,800 shares or 94.25 percent

### **3. Other References**

**Securities Registrar** : Securities Depository Center (Thailand) Co., Ltd.  
The Stock Exchange of Thailand  
93 Ratchadaphisek Road, Kwaeng Dindaeng, Khet Dindaeng,  
Bangkok 10400  
Tel: 0-2009-9000 Fax: 0-2009-9991

**Authorized Auditor** : Mr. Pisit Thangtanagul  
Certified Public Accountant Registration No.4095  
Price Water House Copper ABS Company Limited  
179/74-80 Bangkok City Tower, 15<sup>th</sup> Floor, South Sathorn Road,  
Khet Sathorn, Bangkok 10120  
Tel: 0-2344-1000 Fax: 0-2286-8200

### **4. Other importance information**

-none-



# Corporate Governance

## Policies on Corporate Governance

The Board of Director of Capital Engineering Network Public Company Limited realizes the importance of developing good corporate governance systems, operate business with integrity, morality, responsible for the performances, ability to complete and fair to all stakeholders in order to build prosperity, increase shareholders' value adhere to the Principle of Good Corporate Governance for Listed Companies define by The Stock Exchange of Thailand and base on Sufficiency Economy is entails moderation, reasonableness and self-immunity system as underlying on knowledge, cautious and awareness to be used in planning and operating. As well as build Executives and every employees to have morals, honest, industrious, endure for people to shares and used their intelligences for operations and changes in Economy, Political, Culture and Social in order to meet the benefit well-balanced.

Thus, Principle of Good Corporate Governances which consists of Policies on Corporate Governance, Business Ethics and Employee Ethics as regularly reviewed and updated as appropriate to current situation. By this, we have publicize on website of company [www.cenplc.com](http://www.cenplc.com)

In year 2017, Board of Director has realized on importance of developing corporate governance to be relevant to current situation as define to include following practices

## Alignment performed by Private Sector in Thailand of fight against corruption

To see importance of anti-corruption and to establish a clean business standard – we intends to entering campaign on networks of private sector to against corruption continuously by adjusting policies of corporate governance, business ethics and employee ethics RE: “Anti-Corruption and giving or receiving bribes for benefit to business and giving or receiving gifts or other benefits” with the objective to push for broader anti-corruption.

For the clear standard of business operation, in year 2017 Board of Directors has entered into intention to joint Thai Private Sector Association for anti-corruption thus which has been approved from resolution from Board of Director meeting No.2-2017 held on May 15, 2017

Therefore, company has set Directors, Executive and every employee included subsidiaries will not claim or accept any gift or any benefit from customers, trading partners, contractor or any other person whom involved as related to business of company in any cases. Moreover, there should be a communicate channel for reporting, investigating and protection clause as providing information on non-compliance with laws, rules, regulations and code of conduct.

Apart from this, the company has a chance in communication channel for employee and related person could give any clues or complaint when found subjects that be illegal, corruption or misconduct of management and employees in the company as well as any behavior may be a problem and cause any damage to company thus company will listen and handles all complaints in equitable manner and fairness with systematic for protection of complainant and also complainant's information is kept confidential by following channels:

- Executive Chairman  
TEL: (02) 682-6345      E-mail: [wutichai@cenplc.com](mailto:wutichai@cenplc.com)
- Corporate Secretary  
TEL: (02) 682-6345      E-mail: [kenika@cenplc.com](mailto:kenika@cenplc.com)

## Compliance with good corporate governance principles in other matters

In order to be in accordance to “good corporate governance for registered company of year 2012 by The Stock Exchange of Thailand, Board of Directors has realized on contribute of development of good corporate governance in line with current situation the company classify into five practices as follows:

- |            |                                      |
|------------|--------------------------------------|
| Practice 1 | Right of Shareholders                |
| Practice 2 | Equitable Treatments of Shareholders |
| Practice 3 | Roles of Stakeholders                |
| Practice 4 | Disclosures and Transparency         |
| Practice 5 | Responsibilities of the Board        |

## **Practice 1      Right of Shareholders**

The Board of Directors realizes the importance of Rights of every shareholder in term of invitation letter, quality of the report and attendance roles of Chairman and sub-committees in the minutes of shareholders' meeting in order for shareholders acknowledge results of meeting and to verify the accuracy through SET system and company's website within 14 days counting from date of shareholders meeting. In addition, we will continue to exercise our shareholders' right for sustainable.

1. Board of Directors understand and respect the shareholders' right of ownership, no action that violates or deprives shareholders of their rights as protect interest of shareholders fairly and to support and encourage all shareholders both Thai and Foreign shareholders either major or minor shareholders or Institutional Shareholders. Basic rights of shareholders, rights to access to adequate and timely information, right to attend shareholders' meeting in order to determine direction for operation and considering any issues which has significant impact on company.
2. Board of Director is responsible for providing information such as date/time/place and agendas thus explanation and reasons for each agenda. The venue for shareholders' meeting is convenient for traveling
3. Remuneration fees for Director will get approval from shareholders every year as policies and criteria for remuneration are clearly defined by each committee.
4. The Board of Director encourage use of technology in shareholders' meeting in order to be accurate, quick resolution thus there are opportunity for shareholders to vote for each director and use voting card.
5. In each shareholder meeting, company provides an independent legal office to monitoring vote count, inspect documentation of shareholders, count a quorum, count votes, examine results of resolution and vote for clear meeting, legally and in accordance to company's regulations
6. The Board of Directors discloses resolution of shareholders' meeting year 2017 to public in both Thai and English version through SET Portal System (The Stock Exchange of Thailand) and company's website after the meeting
7. The Board of Director has prepared minute by record the scoring method, name of Board of Director, sub-committee and executives as attended and not attended, resolution of the meeting with votes (agreed, disagreed and abstain). Company has disclose all procedures in the meeting on company's website in order to ensure confidential from shareholders in term of composition of meeting such as checking document, registration, counting number of shareholders attended, proxies (in order to meet quorum, meeting procedure according to agendas (no added other agenda as unspecified in invitation letter)

### **1. Fundamental Rights**

- Right of ownership of shares on buying, selling or transfer shares independently
- Rights to attend shareholders meeting and voting to approved importance Matters
- Right to give proxies to Independent Director or any person to attend the Meeting
- Right to appoint or remove Directors and set remuneration fees
- Right to appoint auditor and set audit fees
- Right to comments, questioning in shareholders meeting
- Right to receive share of profits/dividends equally
- Right to receive adequate and up to date information of company although in somehow is not in criteria to be disclosed but if the company determines that it is necessary for shareholders to be aware then company will be disclosed information in both Thai and English Version through [www.set.or.th](http://www.set.or.th) and [www.cenplc.com](http://www.cenplc.com)

### **2. Right to acknowledge Information**

Shareholders have a right to acknowledge information equally by the company has disclosed information both Thai and English version through channel of The Stock Exchange of Thailand [www.set.or.th](http://www.set.or.th) and company's website [www.cenplc.com](http://www.cenplc.com). Shareholders have rights to receive information equally for example

- The company has disclosed information on Shareholding Structure which includes top 10 shareholders as at closing registration book in order to attend Annual General Meeting of Shareholder before meeting date also amount of minor shareholders.
- Information relates to connected transaction and importance asset acquisition

- Report minute of Annual General Meeting of Shareholders within 14 days counting from date of shareholders meeting and necessary information for shareholders decision making for confidential that structure is transparent and accountability thus create sustainable growth and returns to shareholders in reasonable rate with continuously.
- Information on business operation, management policy, related transaction, acquisition of assets as well as other information as essential decision making for shareholders to confident shareholders there is a clear business operation which can be examine. Operate effectively in term of business to create sustainable growth, yield as appropriate and continuous to shareholders.
- The company has provides channel for shareholders either major, minor shareholders, investors or foreign shareholders which can contract directly to corporate secretary by email: kenika@cenplc.com or TEL (02) 682-6345 ext. 150

### **3. Rights to attend the Annual General Meeting of Shareholders**

The company has schedule Annual General Meeting of Shareholders yearly within 4 month (120 days) counting from end of accounting period by setting date/time/place and method so there will not be any obstacle to attend the meeting, enable shareholders to participate in monitoring company's performance in case any urgent to propose agenda which is affecting or about benefits the shareholders or related to conditions or rules as applicable law requires approval from shareholders then need to proposing as special agenda and company will called the Extraordinary Meeting of Shareholders for next case. The company has complied with the guideline set forth in shareholders meeting in accordance to AGM Checklist

In year 2017, there is no Extraordinary Meeting of Shareholder.

#### **Treat of Shareholders prior Shareholder Meeting**

The company has held shareholders' meeting at Montien Riverside Hotel, No.372, Rama 3 Road, Kwaeng Bangklo, Khet Bangkoleam and Bangkok 10120 since 2006-2017 in totaling of 12 year. By this, in order to be convenience to all shareholders there are appropriated coffee break available to all shareholders who attended the meeting thus support and encourage shareholders to exercise their right and express their opinions and voting in the meeting moreover company has improve and develop in register and voting system continuous;

By this, year 2017 company has held 2017 Annual General Meeting of Shareholders on Thursday, April 27, 2017 at 2.00 pm. In every shareholders meeting, company will consider rights of shareholders in accordance with law as well as not violate or infringe right of shareholders as follow:

The company has announced agenda of Annual General Meeting of Shareholders more than 2 month in advance as at February 23, 2017 on company's website <http://www.cenplc.com> and through SET system for shareholders to arrange their time.

- Public invitation letter together with related document in both Thai and English version on company's website ([www.cenplc.com](http://www.cenplc.com)) on March 21, 2017 for 30 days in advance before meeting starting as same information as hand in to Thailand Securities Depository (Company's registrar) in document format (English version for foreign shareholders) as at April 4, 2017 which is 23 days before meeting started for shareholders to learn and understand related information of the meeting including advertise in newspaper for 3 consecutive days (April 3-5, 2017) which is 24 days before date of shareholders meeting
- Clarify rules and procedures for attendance of shareholders meeting in invitation letter together with the attachment of proxy form A and B which shareholders who could not attend may appoint proxy to Independent Director or any person or choose proxy form A or B (either one) which can be download 3 proxies form in company's website [www.cenplc.com](http://www.cenplc.com). By this, company has notified guidelines of published through SET for another channel to received information.
- The Company opened up the chance for shareholders to give their proxy to other to attend the meeting 1 day in advance for convenience of checking the evidences to attend the meeting.

#### **Practice to shareholders on date of shareholders meeting**

- The company has opened registration by barcode system 1 hour in advance before meeting started and continually until meeting adjourned by having rights to vote in agenda which during consideration and not vote as well as counting quorum in agenda and entitled onwards unless shareholders have agree otherwise. In registration, the company provides
  - Prepare sufficient personnel for registration
  - Prepare stamp duty for proxies by no charge
  - Prepare ballot for all agenda in order for votes

- In case shareholders may not attend the meeting then could give proxy to other or to one of independent director to attend the meeting in order to maintain their right
- Board has focus on shareholder meeting by see as duty to attend all meeting except for illness or any important engagement thus shareholders may ask questions to chairman of each committee in related information

2017 Annual General Meeting of Shareholders held on Thursday, April 27, 2017 there are 11 Directors attended the meeting as equivalent to 100% which chairman, executive chairman, audit committee chairman, remuneration chairman, risk management chairman, chief executive officer and top management in accounting and finance entered to clarify any enquiry related to agenda in the meeting and company itself

Apart from this, there is also certified Public Account of company as amount of 2 are Mr. Pisit Thangtanagul and Miss Nuntika Rimviriyalert from Price Waterhouse Cooper ABAS Company Limited and Legal Counsel Mr. Nattawat Tumawong from Banchong and Wittaya Law Office to attend the meeting and witness for counting the votes.

- Before the meeting started, Legal Consultant as representative of the meeting has announced amount and percentage of shareholders attended the meeting together with voting procedures, counting vote of shareholders to vote each agenda under law and regulation of company and chairman as chairperson of this meeting started the meeting.

The right to vote according to number of shares held by shareholders by one share equal to one vote and no shares have privileges to limit right of other shareholders

- Started the meeting by agenda respectively shown in invitation letter, do not add or change any importance of information in agendas without prior notice to shareholders and allocate time appropriately of each agenda thus give opportunity for shareholders to ask question and comment fully in each agenda. Moreover, if any shareholders would like to add the agenda during the meeting to be consider other than specified must be approved from shareholders meeting not less than third-quarter of total votes from shareholders attended the meeting and right to votes.

- In year 2017, 3 shareholders have asked question which chairman and related Directors answering the questions clearly to the point thus company has noted in minute of Annual General Meeting of Shareholders included questions-answers in written

- Voting is done openly by having ballot for shareholders/proxies to vote, company will provides Procedures for voting and collecting ballot only disagreed and/or abstained except for agenda on election of director, election shall be by individual vote and collect all ballots from shareholders and proxies. In term of calculation, will only calculate the ballot shown disagree and/or abstained and deduct with total votes of shareholders thus barcode system will be used in counting vote, results of voting will be show on the screen for shareholders to see at the same time for accurate so score can be announced immediately after each agenda

For year 2017 Annual General Meeting of Shareholders held on April 27, 2017 has conclude voting in each agenda as follow. The company has disclosed resolution of this meeting on company's website (www.cenplc.com)

Agenda	Agreed			Disagreed			Abstained			Voided Ballot		
	No	Shares	%	No	Shares	%	No	Shares	%	No	Shares	%
1-2	71	352,211,291	100.000	-	-	-	-	-	-	-	-	-
3	74	352,213,894	100.000	-	-	-	-	-	-	-	-	-
4	77	353,274,094	100.000	-	-	-	-	-	-	-	-	-
5	77	352,242,719	99.700	1	10	0.000	1	1,060,000	0.300	-	-	-
6	80	353,302,725	100.000	-	-	-	-	-	-	-	-	-
7	82	353,312,725	100.000	-	-	-	-	-	-	-	-	-

**For Importance agendas for shareholders as follows:**

**1. Appointment of Director:** companies allow shareholders to elect directors to the right people. The basic information of the person who is nominated for the election of directors together with specify the position in other companies If a company is defined by the operator which has the same nature and in competition with the business of the company. Number of participant the Board of Directors meetings by consideration from Boards which are suitable for a wide range of professional qualifications, experience and expertise with a moral vision, an unblemished track record, independently including performance as directors in the past. The Company shall appoint a Nominating Committee.

**2. Remuneration for Directors:** Remuneration Committee has considered on amount of compensation and allocated by consideration of time attended the meeting as refine details of appropriate reasons and compare with same kind of reference from industry and economic conditions including suitability of the company's Board of Directors. By this, amount of compensation offered to the shareholders' meeting approved annually and individual directors' remuneration disclosed in the annual report in the title of "Shareholding and Management Structure" No.2 Management Structure Sub Title of Remuneration of Directors and Executives and Form 56-1 in the No. "8.4 Remuneration for Directors and Executives"

**3. To appoint company's auditor and Auditor fees:** Details on the name of Auditor Company, independence Relationship with the company, number of years served, compares the remuneration of the auditor during the current year by passed and other fee of services from accounting office as auditor belong to both company and subsidiaries. By this, it passed consideration from company's Audit Committee which has disclosed in the annual report in the title of "Remuneration fee of Auditor" and Form 56-1 No. "9.6 Remuneration fee of Auditor"

**4. Dividend Payment:** The detail of this has shown in allocation of profit, Dividend Payment under The Company's dividend policy and comparison of dividend payment during the year together with schedule record date and close registration book for shareholders to be allocated for dividend payment

**Guidelines on conflict of interest for the meeting**

In the meeting, if any director seem as stakeholder or involved in any agenda therefore need to notice the meeting for not entering the meeting and/or abstain in those agendas.

**Practice after The Annual General Meeting of Shareholders**

- Disclosure resolution of shareholders' meeting together with voting results in both Thai and English version thorough news system from The Stock Exchange of Thailand and company's website in the next working day.

- Company Secretary has recorded the report of Annual General Meeting of Shareholders correctly and completely includes name list of Directors who attended/not attended the meeting together with reason for absent, significant statements, questions or answers or brief opinion of each agenda adhere to facts, number of votes of each agenda (Agreed, Disagreed and Abstained) which mentioned report has submitted to The Stock Exchange of Thailand and related agencies within 14 days counting from date of Annual General Meeting of Shareholders and also disclosed in the company website both Thai and English version for chance of shareholders to have more channel to get the information without having to wait until the next time together with delivery to Ministry of Commerce within time specified by Law. Thus, in case shareholders could not attend the meeting then The Company has processed the pictures published on the website of the company to the shareholders' meeting to get detailed information.

- After approval of dividend payment from shareholders meeting, the company has clarify resolution including details of dividend payment to shareholders through SETSMART and coordinate with company's registrar (Thailand Securities Depository) to ensure that shareholders are given right of return by accurately and completely.

**4. Distribution of shares of shareholders' equity**

- The company has no cross of shareholding within group of company
- The company has set record date for shareholders to attend the meeting on March 16, 2017 and under section 225 of securities act by closing registration book on March 17, 2017
- Board of Directors, their mate and child under 20 holding shares together equals to 4.13% which is not more than 25% of shares sold
- Free Float equal to 73.94% of total shares sold which more than 25% shares sold to public
- The company has proportion on holding total shares on institutional investor equals to 7.36% of total outstanding shares.



## **Practice 2 To treat shareholders equally**

Board of Directors has pay attention to enhancing quality of Annual General Meeting of Shareholders (AGM) which organize by Securities and Exchange Commission and Thai Investor Association as evaluation of the 2016 Annual General Meeting of Shareholders. The company has participate in assessment of AGM and resulted in “superb”

The company has treat shareholders equally and fairly without benefit one group of stakeholders and shareholders to ensure that their rights will be protected and treated well consistently. Voting rights, and can be used as part of an employer fully below.

### **1. Use of right in the shareholders meeting**

(1) Foreign Shareholders: Any information related to The Annual General Meeting of Shareholders and Invitation Letter were send to them in English Version to facilitate foreign shareholders including the minute of meeting were translated into English in company website.

(2) Scheduled to vote according to numbers of shares hold by shareholders by one share equal to one vote (company's shares are ordinary share)

(3) In year 2017, the company has 1 time of shareholders meetings held on Thursday, April 27, 2017 and totaling directors of 11 attended the meeting by assigned to Thailand Securities Depository (company's registrar) to deliver invitation letter to shareholders 23 days before meeting started and disclose in company's website [www.cenplc.com](http://www.cenplc.com) under title of Investor Relation -> Shareholders' meeting for 30 days in advance for shareholders to acknowledge information before meeting started.

(4) For shareholders to be more convenience, shareholder whom may not attend the meeting shall give proxy to Audit Committee, Independent Director or any person to attend the meeting especially Proxy Form B (Specific Details Form) or using Proxy Form A or C (Proxy Form C is only for foreign shareholders or appointed custodian as depository and take care of shares) and download those mentioned 3 form of proxies at [www.cenplc.com](http://www.cenplc.com)

The company has provides stamp duty for a proxy without any charges.

The 2017 Annual General Meeting of Shareholders held on Thursday, April 27, 2017 there are proxies given to Independent Director and Audit Committee as follow:

Details	Amount of people	Amount of Shares	%
<b>Shareholders under registrar</b>	<b>3,303</b>	<b>745,141,378</b>	<b>100.00</b>
Shareholders attend the meeting	82	353,312,725	47.42
• Attend by themselves	31	47,264,987	6.34
• Proxies	51	306,047,738	41.08
<b>Proxies to Independent Director and Audit Committee</b>	<b>33</b>	<b>290,532,543</b>	<b>39.00</b>
<b>Proxies to others</b>	<b>18</b>	<b>15,515,195</b>	<b>2.08</b>

(5) The Company has preceded agendas respectively and no addition agenda in the meeting or changes importance information without notice to shareholders.

(6) Voting is done openly; ballots for voting of each agenda are distributed to shareholders in order for effective and fast voting method. The company is only count disagreed and/or sustained and deducted with total votes attended meeting, the remaining vote seems as agreed. Therefore, if any agenda there are some shareholders vote as disagreed or sustained then this shareholder signed in ballot and lift up the ballot in order for staffs to collect it together with keeping ballot for voting for evidence. Name of person attended the meeting, number of shares hold or proxies and barcode are shown in ballot then staffs will record the votes by using barcode together of collect the ballot for evidences for transparency and accountability. Voting results will show in the meeting room so shareholders know results right away.

Except agenda of appointment of Directors (individually) ballot will be collected from all shareholders attend the meeting with signed.

In year 2017 company has ballots in all agendas which include agenda of election directors by giving opportunity to shareholders to elect director individually and company will collect ballots at the office for transparency and can be examine after the meeting

(7) Duty Stamps are available for any shareholders who donated / granted

(8) Company has prepared report of 2016 Annual General Meeting of Shareholders and disclosed report of this and images through company's website within 14 days after meeting held.

## 2. Maintenances of internal information

The company has measure care of using inside information as defined by ethical need to treat company and its shareholders and set out in the code of conduct to Directors, Executives and staffs to process their duties with integrity, have responsibility and good attitude toward public and themselves, do not abuse their position to seek benefits among themselves and/or others, protect company's interests and property by not bring inside information and property for benefit themselves and/or others, do not act as support person to do business to competition with company and its subsidiaries. By this, the company has establishes penalties for violations in company's regulations in case of bring inside information to use as personal gain as penalties range from verbal warning to termination of employment.

Apart from regulation of company related to company's work was to determine these matters by chapter on disciplinary action which directors, executives and staffs have determined to follow

Year 2017, directors, executives and staffs have determined in accordance with company's regulation strictly as not appear to have used inside information for interests

## 3. Determination of the securities of company

The company does prohibit directors, executives and staff which currently in that department acknowledge inside information related to trading on securities during the past 1 month before disclosure of financial statement to publicize. Apart from this, set director and executives (includes spouse and Child (immature)) to report on shareholding if publicly trade company's shares to Securities and Exchange Commission within 3 business day which counting from changes date and send copy to corporate secretary thus it is a duty to act and perform as required. Moreover, includes directors and executives when first re-instated needs to report shareholding of company to Securities and Exchange Commission.

Corporate Secretary has preparing meeting date of Board of Directors (whole year) and send it to directors in advance to acknowledge when should refrain from trading.

The company has practice policies with Directors and senior management in case there are determinations of company's securities- need to acknowledge Directors and/or Corporate Secretary 1 day before trading securities

Year 2017, directors, executives and staffs have determined in accordance with policies and shown that no trading securities during those time.

## 4. Operation with conflicts of interest

- Shareholding of Shareholders are defined clearly and transparently so it does not cause conflicts of interest in either side thus disclosing shareholding structure with details including completed shareholding of Directors and Executives

- Related transaction are done carefully and reasonably by concerned on highest return of Company thus pricing are set which based on market price and fair trading conditions as virtual items with external parties by deployed operation system in such matter with fairness and follows rules of The Stock Exchange of Thailand by defines as one of policy on good corporate governance and disclosure to ensure equality in the information.

- The company has disclosed information in order for equal right of receive information such as Related Transaction, the company has follows announcement from Securities and Exchange Commission RE: Disclosure of information and other acts of listed companies concerning the connected transaction. In case connected transaction which required to be disclose or approve from shareholders, the company has follows provision of Stock Exchange of Thailand and Securities and Exchange Commission. Moreover, before the transaction company has disclosed details and reason of doing this transaction to shareholders all times.

- Directors who seems as connected person will not attend the meeting and have no right to vote in the meeting to Board of Directors whom is not entering connected transaction may have fully comments and vote independently. The company secretary will announce the person who entering connected transaction need to leave the room. After the meeting adjourned disclose name, relationship of who entering connected transaction, price set, transaction value and any opinion differ (if any) to The Stock Exchange of Thailand by schedule of time and disclose in company website which can be check.

In year 2017, transaction related financial assistant to subsidiary company thus the company has policies on controlling this related transaction and limited financial assistance to other companies which is not oppose rules from Stock Exchange of Thailand and Securities and Exchange



Commission also follows normal trading of year 2016 moreover, as mentioned conditions are disclosed in annual report and 56-1 Form in the title of “Related Transaction”

The company has no cross shareholding

## 5. Supervision of Securities Trading

The company has supervise of securities trading in accordance with announcement from Capital Market Supervisory Board RE: Acquisition of Assets thus by doing mentioned transaction any director whom seem as stakeholder will not counted into making the decision in order to be fair and transparently.

In year 2017 company and its subsidiaries have transaction on acquisition of assets in totaling of 5 transactions with external entity in accordance to announcement from Securities and Exchange Commission, SETSMART and company’s website.

### **Practice 3 Role of Stakeholders**

The company has pay attention to all stakeholders by having policies and practices as specify in “Code of Conduct and Employee Morality” and disseminated to director, executive and all level of employee adherence as guideline for dealing with stakeholders. To ensure that stakeholders are treated fairly. The company has disclose mentioned information under title of Good Governance > Code of Conduct ([www.cenplc.com](http://www.cenplc.com))

#### **1. Shareholder**

The Company respects all rights of shareholders as defined by applicable laws, regulations, Code of Conduct and other related regulations as fair treated to all shareholders, commit to be good representative of shareholders to conduct the business and maximize satisfaction of shareholders, taking into account to growth of company’s value in long run with reasonable return and fairness. There should be transparency in term of management, accurate accounting system, assist in maintaining asset of company, controlling in related transaction process, measure to prevent conflict of interest and secure on using information for self-benefit thus there are mechanism by make shareholders to be confident on receive right information (details on right of shareholders shown in Practice 1 Right of Shareholders and Practice 2 To treat shareholders equally)

Year 2017 company has omit dividend payment for year 2016 business operation due to net loss so could not pay dividend.

Apart from this, the company has informed business operation every semester and disclosed connected transaction through SETSMART of The Stock Exchange of Thailand also company’s website.

By this, every company shareholders has invited to 2017 Annual General Meeting of Shareholders and has rights to votes in every agendas by received information in many ways such as Invitation letter and social media.

#### **2. Employees**

Employee of company and its subsidiaries are importance and valuable resources and is essential to bring the organization’s success therefore the company will support, promote training course and developing knowledge of employees in order for foundation to support critical business strategy continually together with build stable career and provide opportunities for growth potential of each person as well as employees are involved in setting strategic direction and development company. Paying respect to employees and basic human rights by returns with fairness, appropriate knowledge and each employee performance in accordance with providing welfare in order to encourage employees’ quality of life and well-being:

It also recognizes importance of promoting development potential of all employees for knowledge, abilities to reserve for fluctuation of economy situation includes stability in the profession and provides an opportunity for progression, according to each person’s potential. Moreover, participating in define direction of operation as returns by fairness, reasonable with knowledge, abilities, responsibilities and performance of each employees

The company provides fair compensation which based on knowledge, ability and responsibility, performance and provides welfare to promote quality of life and well-being thus subsidiaries has establish welfare committee to provide opportunities for employees to participate in welfare administration also support any activities and open up any channel for employees to communicate, suggest or claim any complaint on various matter in workplace through designate channels.

**Compensation of employees:** The Company provides fair compensation to every level of employees in accordance to business operation each year and compared with same size of business as in long term there is clearly measurement in performance and potential of employee, arrange to grow by in line which will be reasonable welfare.

**Employee benefits:** The company has provident fund in order to care on benefits of employees and encourage long term saving in the future which includes as incentive to employees to work in company for long time by employees as a member of provident fund will received subsidy at the rate of 5 percent of wage every month also member need to accumulate same rate as well. In case employee has resigned from company, he/she will received contribution of fund including average net assets value of fund.

The subsidiaries has promote and support employees for organization development as election “Welfare Committee” (Term of this committee equal to 2 year) to represent employees and be intermediary as coordinate with subsidiaries in order to relieve employees of various problems in form of welfare which including consult and listen to comments.

The company and its subsidiaries has provide benefits and safety to employee as standard benefits (accordance to law) such as working date, holidays, annual leave, other holidays, Social Security, Compensation Fund, Provident Fund. Mentioned benefits are continuously promote to employee

1. Welfare to develop employee
  - Provide to support in term of internal and external education
  - Provide seminar of knowledge related to work within and outside the company
- Continuously
2. Welfare to help for cost of living and the family
  - Provide hygienic canteen with reasonable price
  - Provide form to employees (daily) and employees (monthly)
  - Provide transportation to employees
  - Provide expenses on travel costs, vehicle and fuel expense
  - Provide help in term of rent (house)
  - Provide lunch allowance
  - Provide incentives of bonus, shift, experiences etc.
  - Provide welfare on victim cases, in cases of death of parent and married couple of employee includes allowance for death
3. Welfare to encourage employee savings and stability in the future
  - Provide provident fund to save money in the future which members need to accumulate as 5 percent of wages and subsidy at the same rate from company
  - Provide saving and credit cooperatives
  - Provide gratuities to employees or commutation for maintain benefits from retirement
4. Provide health care
  - Provide medical room by having registered nurse including medical supplies and medicine
  - Provide annual health checkup and health check by risk factor
5. Welfare for sport and recreation
  - Provide athletic to strengthen health, build harmony and build good relationship within employees

**Employee Development Policy:** The company and its subsidiaries has policy for employee development in order to competitive advantage of organization in term of market, professional development, management and quality of life thus provide training for development for employee at least 6 hours/person/year which is not less than 50% of total employees as end of year

Training	Amount of Employee	Rational of Training
Training for 6 hours	104	84.55%
Training less than 6 hours	19	15.45%
<b>Total employee as end of 2017</b>	<b>123</b>	<b>100.00%</b>

Name of Training Program	Number of Hours
Conserve hearing danger of loud noise	6
Internal Audit Training Course (ISO19011:2011)	12
Professional Skills and Professional Development Team	12
Safety, occupational health and working environment for employees	6
First Aid and Basic Resuscitation	6
Fire Safety Training	6
Cash Flow Statement	6
Deferred income tax, different taxation No.2/2560	6
Power user seminar	6
Energy Management	6
Chief Safety Officer	12
Natural Gas Station Operator	12
Management in term of environment	6
Radiator Controller	30
Social Media No.3	6
Use of disclosure system of listed companies	6
Employee benefits and correct error financial statement	6
Upgrading production process with industrial robots technology	6
<b>Totaling of 18 courses</b>	<b>156</b>

**Safety and hygiene in work and working environment :** The company and its subsidiaries has pay attention on safety and hygiene in workplace by set clearly and concrete policies including set up safety committee in term of health and environment of workplace (Kor.Por.Or) in order to work on safety and good hygiene for employees – check on safety of workplace regularly, safety securities for 24 hours, CCTV, indoor alarm system, fire extinguisher, fire door through held fire safety training and first aid training to employee every year. The company and its subsidiaries has communicate with their employee and operator to acknowledge and involve in those practices as follow:

- Support and creative for work by safety and preserve the environment
- Support in order to create safety in workplace, provide safety equipment and workplace as well as encourage knowledge and work with safety
- Make policies for all supervisor to be responsible for safety in workplace in accordance to regulation of safety as set by company and its subsidiaries strictly

Apart from this, company and its subsidiaries has public information, any knowledge relate to disease prevention and care of employee health through exhibition and advertising boards by following process.

Committee in term of safety, health and environment in workplace						
Subsidiary	Legislation		Amount			
	Employee	Director	Staff Member	Board		
				Male	Female	Total
RWI	100 but not more than 500	7	163	11	2	13
UWC	100 but not more than 500	7	400	15	2	17

Safety Officer	Amount		
	Male	Female	Total
1. Jor.Por. (Executive Level)	11	3	14
2. Jor.Por. (Supervisor Level)	18	7	25
3. Jor.Por. (Professional Level)	1	-	1
<b>Total</b>	<b>30</b>	<b>10</b>	<b>40</b>

Details	2017	2016
Accident statistics	31	32
Leave statistic due to sickness		
• Less than 3 days	12	4
• More than 3 days	3	None

**Communication Chanel for employees:** Apart from complaint channel as above mentioned-company and subsidiaries has opened up direct channel for communicate, suggest, complaint and report any problems related to work between employee and commander to welfare committee and report to Board of Directors next.

The company has set defend employee complaint protection which includes co-operatives in investigation, fact will be protected from unfair practices due to cause of complaint e.g.; interfering with performance, change job and lay off

In year 2017, all suggestion has been considered and corrective action in order to maintain good relationship with equally treatment among employees thus company has implement by a mechanism that does not affect employees who report the clues and will keep it secretly

### 3. Customer

The operation of company is based on honestly, justice on giving correct information any complaints from customers will be recognized in order to satisfy and respond customers' need and developing products and services to satisfy customer needs and creating value-added for products and services includes commercial confidentiality of clients.

Subsidiaries have policies to response customers in order to lead to success of company in accordance to practices and regulations agreed with customers.

- Provide advice including accurate and sufficient information to customer also meets customers need with speed, maintain client confidentiality thus not take client confidentially to be used for advantage or wrongful related
- Development on products and services in order to meet customers need by innovative ways to add value to your products continuously
- Play attention on keep information of product secretly and not use as self-benefit
- Play attention to information which benefit to customer by having clear labels other than law required
- Provide division for customer services or consumer in term of complaint and suggest on product quality, convenience services by emphasize on customer needs together with fairly conducted to customers.

In year 2017, there aren't any complaint from customers significantly thus company and subsidiaries have analyzed the causes in order to prevent and monitor all system also deploy this to whole organization. Moreover, managing director has play importance roles on mentioned subjects by set division to be responsible and report to Executive Board to be resolved, build relationship, satisfy existing and new customers which as result in continue order.

### 4. Competitors

The Company and its subsidiaries has progress on competitive of commerce with fairness, comply with term equally under framework of law and ethics of company business. Moreover, do not seek confidential information from competitors by dishonest or appropriate and not destroy his reputation by accusing them competitors.

In year 2017, the company and its subsidiaries has no dispute with regard to competitors.

### 5. Partners

The Company and its subsidiaries have played an importance role on focusing of practice equally and fairness which based on fair return on both sides. Its business partners must not bring discredit to the reputation of the company, or the law.

- No receive or consent to accept properties or other benefit apart from trade agreement
  - Build relationship, good corporation and product development in order to strengthen capacity and business performance together with long run of joint business (win win solution)
  - Products procurement is importance process of administrative expenses and product quality to reach highest benefit of company therefore criteria and evaluation system needed
  - Encourage partners to participate in international standards related to Environmental
- In year 2017, no appear that company and subsidiaries has obey in suppliers agreement

## 6. Creditor

The Company and its subsidiaries have practices under the conditions strictly together with build relationship with creditor in order to create trusted and confident by on time payment to creditor under the agreements.

The company and subsidiaries have bank transfer through media clearing which is more convenience for creditor.

In year 2017, company and subsidiaries have business creditors which are in the pass we have never default of payment.

## 7. Labor

The company and its subsidiaries have to ensure that company and their subsidiary has not used illegal labor.

## 8. Human Rights

Encourage Executives and employees as citizen to exercise their rights on constitutional legal and other related laws thus including Executives and employees should not use their power to emphasize others to support any political activities either directly or indirectly.

- Provide knowledge of human right to employees and not support activities that violate human rights
- Avoid partnering with organization lead to violate human right
- Give the employee right to argue for self-identification if the fault is indicated or any corruption on job thus any complaints will attentive and act fairly
- Provide any channel to employee or whom believe their rights are violated or unfair treated then could complaint to company as complaints should be taken care of treated fairly

Throughout the business operation, company and its subsidiaries never have a history of unfair practices and no law suit in this matter.

## 9. Political Rights

Encourage Executives and employees as citizen to exercise their rights on constitutional legal and other related laws thus including Executives and employees should not use their power to emphasize others to support any political activities either directly or indirectly.

## 10. Government

Doing business operation under provision of law and regulations of strictly regulated by the agency to cooperate in providing information, was required, and requested by the state agency. By this, the company has pay Tax paid correctly and on time in accordance with the laws of VAT, Business tax, Income tax, withholding tax label stamp duties and a personal income tax.

## 11. Social and Community

The company and its subsidiaries has realize importance on social and community by set policies to instill a sense of community as responsible in social and community to executives and every level of employees continuously for improvement on quality of life and benefit in society to return profits in social and community regularly

- To create understanding on communicate with community and social in term of business operation, responsible for communities and social by do not cover facts that may reveal
- Organize activities that benefit community and society such as building the library, funds donate to charity and charitable organizations, Hospital and Buddhist activities
- Take advantage of resources as needed by minimal impact to social and community

Subsidiaries has certified of CSR-DIW from Department of Industrial, Ministry of Industry as it an award for industrialists which continuous development the company has Drug Free Workplace from Labor Welfare and Department of Labour Protection and Welfare

## 12. Environment

The company and its subsidiaries operates by focusing on natural resources and environment which pay attention to energy conservation activities which support better quality of life includes awareness of preservation and conservation of the environment to remain sustainable beneficial to the community.

- Encourage employee of consciousness about responsibility on Environmental throughout organization continuously by driven by both inside to outside and outside to inside



- Improvement and development process in term of machinery and technology continuously also have manage systematically both in production of goods and services in order to reduce environmental impact
- In order to be consistent with policy on managing environmental, company and subsidiaries has practice as follow mentioned policy and ISO 14001:2015

**Educating and training employees in environmental issues:** The company and Subsidiaries has recognize the importance of campaign also raise awareness of executives and employees to care of environmental by enhance knowledge on environmental issue through exhibition, sign together with related document.

**To promote efficient use of resources:** The company has set policies to employee to user resource effectively by energy control system, energy saving such as electricity, fuel, water supply within organization and at home. The company has educated on save energy and knowledge impact of global warming, reduce on amount of usage of paper by using two-page paper together with use technology system to replace use of paper.

- Supporting on production process that are environmentally friendly in the field of plumbing conservation and waste management both in factory and office eg; Peak Demand Control System in order to control usage of electricity and installing of energy for saving systems (Evaporative), using LED bulbs (brightness without heat) as environmental friendly as long service life of 50,000 hours
- Reduce paper consumption by using 2 sides of paper together with development information technology in term of workflow system to replace the paper in workplace both factory and office, meeting conference through VDO conference

**Policies that are suppression of violation of intellectual property:** The company policies are based on ethics and morality therefore the company does not involved in suppression of violations of intellectual property but innovate their business by supporting their employee in term of production process, products and services as well as we can do with our customers, partners and government continuously in order for innovative quality products to serve customers' needs.

In year 2017, company and its subsidiaries has no infringement of intellectual property and Piracy

**Policies and practices on anti-corruption and erotic payments/bribes to get business:** The Company and subsidiaries has business operation with transparently by committed accuracy, Management and staffs are encouraged to build on the success of the procedure or the corruption for company. All employees are must receive training and knowledge about policies and practices relating to the anti-corruption, corruption of the Company. Board of Director has policies as follows to the law on anti-corruption as following guidelines.

- Executives and employees will not call or agree on received money, Object or benefits on any person related to company's business
- Executives and employees gives bribes or any benefits to government Official, customers, competitor or other third party to practice in way this is against laws.
- Provides safe mechanism for reporting on financial status accuracy.
- Provides communication channel for employees and involved person to submit clues and be sure its protected thus appoint officials to inspect all clues that complaints

#### **Violation and Complaints**

For good corporate governance and rights to every employee and any stakeholders could communicate or inform any corruptions both directly and indirectly, law breaking or ethics or company's policies or any complaint of abuse or any behavior can be problematic and cause any damages to company.

Board of Directors has set guidelines for monitoring and evaluating implementation of anti-corruption policy as follow:

1. Provide communication channel for give any clues or complaint by investigating and penalties in order to protect clerk which published on company website and announce to all level of employees
2. Audit Committee required to review opportunity to commit fraud in business in accordance to company anti-corruption policy and Code of Conduct as well as review risk management to be reasonable and effectively then report to Board of Directors quarterly thus function of internal audit is independently and not limit scope of work
3. Directors, Executive and every employees follow strictly and condition of employment if anyone violate then will punished according to company regulations and law (if any)

### **Business operation year 2017**

1. The company and support and organize activities/training/seminar to strengthen which may lead to new corporate culture
  - Course “Orientation of new employees as preparation before started work” as to train and educate about practical policy on Code of Conduct (employees and directors) in term of anti-corruption

2. Clues and complaint

For good corporate governance and right to every employee to give any clues and Complaint in term of anti-corruption either directly or indirectly, offense, company’s policies or complaint being violated as well as behavior that could be a problem and cause damage to company or unfair treatment

1. Through company website [www.cenplc.com](http://www.cenplc.com)
2. Through E-mail / Telephone
  - Chief Executive Officer  
TEL (02) 682-6345      Email: [wutichai@cenplc.com](mailto:wutichai@cenplc.com)
  - Corporate Secretary  
TEL (02) 682-6345      Email: [kenika@cenplc.com](mailto:kenika@cenplc.com)
3. Post to
  - Mr. Wutichai    Leenabanchong “Chairman and Chief Executive Officer”
  - Mrs. Kenika    Ngamcharoensathaporn “Corporate Secretary”  
Capital Engineering Network Public Company Limited  
900/15 SVOA Tower, 19<sup>th</sup> Floor, Rama 3 Road, Kwaeng Bangpongpan  
Khet Yannawa, Bangkok 10120
4. Facsimile : (02) 682-6344

Clues, complaint and suggestions are considered and act upon as appropriate on case by

#### **Case**

Board of Directors has assigned Chief Executive Officer and/or Corporate Secretary to receive complaint and suggestion of stakeholders to Executive Board and/or Audit Committee and/or Risk Management Committee to investigate and report to Board of Director respectively.

In year 2017 company and its subsidiaries has no complaint on provides or accept bribes for benefit of business in anyway

### **Whistle Blowing**

- The company requires those who receive information related to performance of duties or reporting corruption to organization, keep personal information such as name, address which can specify complainant secretly, do not disclose any information to anyone who is not involved except as disclosed under statutory duty
- The company will keep relevant information confidential and take into account for safety of complainant by setting measure to protect employees complaints including collaboration in scrutiny will be protected from unfair practices as due to cause of complaints such as interfering with performance/change job/lay off
- The company will listen and handle all complaints in equitable manner, transparency and fair by set mechanism that does not affect employees who report the clues and those information will be keep it secretly
- The company has open up to stakeholder to feedback comments, complaints through provided channel of company such as Annual General Meeting of Shareholders, opportunity day thus questions, comments, suggestions and complaints will be forwarded to relevant agencies to make modification to meet need all stakeholders.

Year 2017 business operation of company did not appear to have been operate by regulator as did not announce important events within specified time frame which includes not appear that company violated labor law, employment, consumer, trade competition, environment and stakeholders.

Apart from this, company has department of internal audit as duties to responsible for providing efficient and effective internal control system, monitoring and evaluation of fraud risk preventing corrupt employees. There is Audit Committee to reviews internal control system and follow up results of internal audits if any corrupt then internal audit will take action to report to Audit Committee and Audit Committee will report to Board of Director respectively

In order to rise standard of operate business transparently thus year 2017 company has declaration of intent to joint practice of private sector in term of anti-corruption which past resolution from Board of Director meeting No.2-2017 held on May 15, 2017 and “make policy on anti-corruption”



and practice of “Code of Conduct” which past resolution from Board of Director meeting No.4-2017 held on November 13, 2017

#### **Practice 4: Disclosure and Transparency**

The company operates its investment in subsidiaries (Holding Company) as aims to generate return on investment in long term and openness to potential investment and will be able to generate profits steadily therefore Board of Directors has realized on quality and disclosing information equitably, transparency and fairness and discloses information related to company both financial status and non-financial status or any information which may affect trading price for shareholders and those who are interested to acknowledge information correctly, completed, on time, equally and same quality.

The company has disclosed information with easily to access and more channels in both Thai and English version and through SETSMART of The Stock Exchange of Thailand and company's website [www.cenplc.com](http://www.cenplc.com) to stakeholders to ensure all parties are as follows:

**1. Corporate Governance:** The Company has corporate governance in accordance with good corporate governance for listed companies of The Stock Exchange of Thailand in 5 conditions are Equitable Treatment of Shareholders, Role of stakeholders, Disclosure and Transparency and Responsibilities of the Board includes policy and practices in term of anti-corruption through company website [www.cenplc.com](http://www.cenplc.com)

**2. Importance information as for financial and non-financial:** The Company has disclose importance information including financial and non-financial information under the condition of The Stock Exchange of Thailand and The Securities and Exchange Commission correctly, completely transparency and on time which passed through examination procedure in both Thai and English to The Stock Exchange of Thailand and company website ([www.cenplc.com](http://www.cenplc.com))

- **Information which disclosed in Form 56-1 and annual report of company.** By this, the company has prepared and disclosed in accordance with rules from The Stock Exchange of Thailand and Securities and Exchange Commission for beneficial of shareholders to be considered thus with up to date information which disclosed on company website [www.cenplc.com](http://www.cenplc.com)

In 2017, The Company has not been implemented from Securities and Exchange Commission or The Stock Exchange of Thailand due to non-disclosure requirements.

- **In term of Annual Financial and Quarterly Financial** as Board of Director has play importance role on preparation of financial report correctly follows accounting standards, record accounting with caution, use discretion to estimate on making financial report to reflex on actual business operation, prepare of Financial Statement and pass examine by auditor with approval from Audit Committee also has passed examination procedure and informed to The Stock Exchange of Thailand and The Securities and Exchange Commission. Moreover, disclosed to shareholders or investors before the end of the specified period which information can be used in order to make decision making for investment.

By this, company's auditor has knowledge and expertise independently and has been approval from Securities and Exchange Commission. Apart from this, auditors has no relationship or equity with company/ subsidiaries/ affiliate company/Executives/ major shareholder or those involved with such person therefore It is free to monitor and comment on the Company's financial statements truly. Moreover, company has disclose auditor fees and other services as paid to auditor in title of “Remuneration of Auditor” of Annual Report

In year 2017, Financial of company has certified with unconditional and no notice from company's auditor, company has disclose financial statement to The Stock Exchange of Thailand and Securities and Exchange Commission.

**3. Report on responsibilities of Board of Directors on Financial Report** Board of Directors has realized on importance of financial report preparation correctly, in accordance with accounting standard which disclose such information that has been audited by independent auditors and approved by Audit Committees and Board of Directors prior to dissemination to shareholder. In order the ensure, Boards has prepared a report on responsibilities of Board on Financial Report as disclosed in Annual Report and Form 56-1 together with report from auditors. By this, such report is meet accounting standard report and investors could find this information for their decision

**4. Related Transaction and/or Asset Acquisition:** Board of Directors has clear practice guidelines in order to discarded on beneficial and for highest returns to company and shareholders. Transactions which conflicts of interest then company will clarify and disclosed in meeting resolution in accordance with rules from Capital Market by stakeholders may leave the room and no right to vote in that agenda for independently in consideration. This has been disclosed to Stock Exchange of

Thailand in Thai and English version and also company's website, annual report in the title of "Related Transaction" and Form 56-1 subtitle "12. Related Transaction"

In year 2017, Board of Director has resolved 2 related transactions which happened from subsidiaries as being accepting and/or 5 transactions on acquisition of assets in accordance with specified rules.

**5. Designated to Board of Directors and Executives requires to report trading securities, holding company's securities and stakeholders involve in company management** such as mate and underage children which stakeholders involved in company management to report to related person who holds position of directors, executives and Securities and Exchange Commission as following manner:

As measure and policies to comply with guideline set out as follow:

- Report when appointed as Director or Executives at first time (Form 59-1)
- Report on changes in holding company's securities when trading (Form 59-2)
- Information of Company's directors and executives (Form 35-E1)

In year 2017 – Director and Executive including their spouse, underage child as making report on trading securities, holding of company's securities in case there any changes together with conclusion in annual report in title of "Shareholding Structure and Management" and Form 56-1 in title of "8. Management Structure"

**6. Designated policies of responsibility of community and environment:** which company set the mission in order to practices to achieve tangible should report company every time changes in accordance to standard of regulation as follows:

- To report vested interest in position of Director or Senior Management for the first time
- Report on any vested interest when there is any changes
- Report on any vested interest every year ended
- In case director has resigned then re-elected then those director do not have to submit report again
- Directors and Executive submitted report on vested interest to corporate secretary within 1 month (date of appointment) and within 15 days when there is any changes and within 30 days then report in annual report counting from year end thus corporate secretary need to send copies of these report to Chairman and Audit Committee Chairman within 7 days counting from date received information

In year 2017, Directors and Executives has submitted the report of vested interest in case there are any changes

**7. Use of internal information** the company has measurement in term of using internal Information by specified in Code of Conduct RE: Conflict of Interest as keep it secretly as well as disclose in Annual Report RE: Corporate Governance "Practice 2 To treat shareholders equally"

**8. Designated policies of responsibility of community and environment:** The Company has set in company's mission in order to practices to achieve tangible which everyone in organization must be involved.

**9. Meeting and Communicate between Executives and Chief Executives, highest commanders of every department of company and subsidiaries:** Company has held the meeting between Executives Board and Chief Executives and highest commanders of every department of company and subsidiaries every month in accordance of the target of business operation and business strategy. By this, communication is a way to cooperate with every employee for understanding and act in the same direction together with responsible for their duties in order to achieve their goals.

In year 2017, Chairman has play importance roles on attending to Executive, Chief Executive and High Level of position in every division meeting every year by main idea suggestion, aggressive tactics and philosophy together with exchange opinion independently to support executive management and achieve business goals

**10. Investor Relation:** The Company has set the center for disclosure importance information and news to investors and related person to access the information easily and more channels to access with the following person

- Khun Kenika Ngamcharoensathaporn  
Corporate Secretary and Compliance and Investor Relation  
Phone: (02) 682-6345 ext. 150 Fax: (02) 682-6344  
Email: kenika@cenplc.com

Apart from this, investors had communicate with company officials for investment information, mentioned division has play importance roles and good corporate always

Year 2017 company and its subsidiaries have welcome investor for “Company Visit” thus we had data communication through Opportunity Day as an opening chance for analysts, investors includes media to hear perspective on business policies and management direction of company and subsidiaries. By this, in mentioned events chairman and executives of company and subsidiaries had welcome and acknowledge related information on business and business turnover of company and subsidiaries.

Apart from this, disclosure of financial report or other information to The Stock Exchange of Thailand and Securities and Exchange Commission through many channels follows rules by accurate, complete and timely. The company is also disclosed following information

**1. Shareholding Structure** by disclosed top 10 major shareholders as at closing registered date to attend Annual Shareholders meeting before meeting started and disclosed in website of company [www.cenplc.com](http://www.cenplc.com)

**2. Disclosed changes in holding shares of Directors and Chief Executive** by show amount of shares at the end and beginning of year or trading between in annual report in the title of “Shareholding and Management Structure” in No.2 Management Structure in sub title of Changes of holding securities of Directors and Executives and Form 56-1 in the title “8.1 Board of Director”

**3. Disclosed business operation of company and its subsidiaries** and analysis industry and competitive includes financial status, annual report, in title of “Nature of Business” and form 56-1 in title of “Nature of Business”, company’s website both Thai and English version which can be download

**4. Disclosed on create business group of company and subsidiaries** in annual report in title of “Shareholding Structure of Company” and Form 56-1 in subtitle of “1.3 “Shareholding Structure of Company” through company’s website both Thai and English version thus could be downloaded.

**5. Disclosed Risk Factors of company and subsidiaries** in term of characteristics, cause and effects includes ways to prevent and reduce these risks in annual report in the title of “Risk Factor” and Form 56-1 in title of “3. Risk Factor”

**6. Disclosed name of Directors, Independent Directors and sub-committee** includes historical, roles and responsibilities, number of attended the meeting of each Director, proportion of holding shares, date of appointed as Director and information of training development of each directors in past year in annual report in the title of “Shareholding Structure and Management” No.2 Management Structure in sub title of Summary of attendance and in the title of “Personal Information of Directors and Executives” and Form 56-1 in the title of 8.1 Board of Director subject of summary of attendance and title of 9.2 Sub Committee.

**7. Disclosed policies on remuneration fees of Directors and Executives of company and subsidiaries** includes form and nature of compensation committee granted in annual report in the title of “Shareholding Structure and Management” No.2 Management Structure in sub title of Remuneration of Directors and Executives and Form 56-1 in the title of “8.4 Remuneration of Directors and Executives”

**8. Disclosed information on development and training of directors in the past year** in section 5 Responsibility of Director RE: “Development of Directors and Executives” as well as in annual report and form 56-1

**9. Disclosed policies on dividend payment of company and subsidiaries** in annual report in the title of “Shareholding Structure and Management” No.1 Management Structure in sub title of Dividend Payment Policies and Form 56-1 title of 7.4 Dividend Payment Policies

**10. Disclosed the appointment of Auditors** (independently) and qualification as agreed by Securities and Exchange Commission (SEC) includes their fees and services in annual report in the title of “Auditor Fees” and Form 56-1 in title of 9.6 “Auditor Fees”

**11. Disclosed organization structure** in annual report in the title of “Management Structure” and Form 56-1 in the title of “8.2 Executives subject of through company’s website both Thai-English versions as can be downloaded

**12. Disclosed Internal audit control system as assessment** by follows regulation from SEC together with reported to Audit Committee in annual report in the title of “Report on Corporate Governance of Audit Committee” and Form 56-1 in title “Enclosure No.5”

**13. Disclose the offense notification policy** in section 3 Taking into account in role of stakeholders RE: “Anti-Corruption Policy” in annual report and form 56-1 as well as company website in both Thai and English version

**14. Disclosed financial statement each quarter** in both Thai and English version through company's website thus can be downloaded

**15. Disclosed annual report, invitation letter to Annual General Meeting of Shareholders** in both Thai and English version through company's website thus can be downloaded.

**16. Disclosed Article of Association** in both Thai and English version through company's website thus can be downloaded

### **Practice 5: Responsibilities of Boards**

Board of Directors has critical roles on guide direction of company and monitor performance of management, have policies on corporate governance, business ethic and employee ethic to reach the highest benefit of company together as ensure on such activities are legitimate.

In year 2017, company has turn out that

- There is a serious violation of the rules, regulations of The Stock Exchange of Thailand and Securities and Exchange Commission
- There is guilty of fraud or misconduct ethically.
- There is resignation of Director due to Company's corporate governance
- A case on the notoriety of the company. Because of the failure to act of the monitoring committee.

### **Practice in accordance to good corporate governance**

The Stock Exchange of Thailand has advices listed company to apply principle to practice as much as possible as adapt to be suitable in the situation of each company or clarify facts as not in accordance as cannot follow these situations

Board of Director has considered as being as listed company therefore need to practice in accordance to good corporate governance year 2012 of The Stock Exchange of Thailand unless any circumstance together with clarification as follow:

<b>Principles</b>	<b>Clarification</b>
Chairman (Board of Directors) should be Independent Director and not the same person as top management of company	Resolution from Board of Directors No.2-2017 held on May 15, 2017 has resolved to appoint Mr. Wutichai Leenabanchong as Chairman, Acting Chief Executive Officer and authorized Director The company believes that Chairman has performed his duties by understanding of good corporate governance
Period of holding position of Independent Director should not more than 9 years	Independent Director has manage their job counterbalance, transparency, can be check under regulation of good corporate governance By this, shareholders meeting approved on appointment of Director and Independent Director only
Audit Committee should consists of one member who graduated or proficient in accounting eg; Certified Public Account (CPA), Continuing Professional Development (CPD)	Company Audit Committee has knowledge, understanding and experiences in term of accounting enough to reserve the reviews financial statement correctly and accurately

### **1. Structure on Board of Director**

Consists of Board of Director, Independent Directors, Sub-Committee, Chief Executive Officer and Corporate Secretary which are appropriate, can check and balance between.

#### **Board Diversity**

Board of Directors has set qualification of Director as wanted to recruit will be diversity for those who will serve as directors by considering on essential skills which are lack on board including specialization which can be seen from Board Structure

After every shareholders meeting, Board of Director will held the meeting in order to appoint sub-committee for year 2017 thus Board of Directors meeting No.2-2017 held on May 15, 2017 has resolved to appoint 4 sub-committee and clearly delegated authority

Company's regulation has set not less than 5 Directors (Board of Directors) but not more than 15 Directors thus not less than half of total number of directors must reside in the Kingdom as at December 31, 2017 Board of Directors in totaling of 10 people

	Amount			%
	Male	Female	Total	
Director as Executive	3	1	4	40.00
Director as Non-Executive	-	-	-	00.00
Independent Director	6	-	6	60.00
Total	9	1	10	100.00

Board of Directors consists of 6 Independent Director of 60% of whole Board which is higher than standard of 1 in 3 or 33.33% follows regulation of Capital Market Commission thus Independent Director has responsible for review process of management, propose and comments to support any beneficial to shareholders and avoid any unfair treatment as affect beneficial to shareholders and all stakeholders; set and disclose policies in term of related transaction to make sure that shareholders have highest return

Board of Directors consists of person who has knowledge and have roles set company policies with top management for the operation plans, set financial policies, risk management and key to overseeing, monitoring and evaluating performance of company

#### **1.1 Responsibilities of Board of Directors**

Follows Memorandum of Association, Directors has determine, maintain operation and follows rules and regulations which has been specified clearly as details shown in No.8.1 of Boards and 9.2 of sub-committee

#### **1.2 The Nomination**

Details shown in No.9.3 Nomination and appointment of Director and Top Executive

#### **1.3 Qualifications of Independent Directors**

Details shown in No.9.3 Nomination and appointment of Director and Top Executive

#### **Criteria for the selection of independent directors and polishing process**

Boards has select criteria for selection of independent directors thus currently company has not appoint remuneration committee officially therefore these selection based on guidelines and qualifications of The Stock Exchange of Thailand and Capital Market Supervisory Board to propose to Boards and Shareholders meeting

#### **1.4 Term of position of Director**

- Board members are appointed from Annual General Meeting of Shareholders by term follow to company regulations (Period Term of 3 years follows Public Company Acts). After the term is due, Board members may be reelected. In addition, Board of Directors will recruit and screen appropriate person to be Directors with knowledge, abilities and experiences. The company has disclosed date of holding position of Directors and Independent Directors in Form 56-1 in title of 8.1 Board of Directors.

- Board of Directors did not set the term of Director because all of them have abilities of business and expertise in each field of Director as emphasized by Board of Directors and shareholders.

- Board of Directors did not set the term of Independent Director as well due to shareholders meeting will approved elections of Board of Directors and Independent Directors only

- Board of Directors has information to compose consideration on recruitment of Independent Director who retired by rotation. The Company discloses the information regarding other companies' positions held by each board member in the invitation to shareholders meeting and annual report



In year 2017 there are 6 Independent Directors as follows

Name of Independent Directors		Appointed Year	Amount of Year holds position
1. Associate Professor Pusit Lertwattanakul, PHD		August 26, 2008	9 Year
2. Mr. Jakkathan Yothanan		August 26, 2008	9 Year
3. Mr. Yanyong Wattanawongpitak		December 24, 2012	9 Year
4. Mr. Chatre Sriutharawong		August 13, 2014	3 Year
5. Dr. Visit Ongpipattanakul		August 14, 2015	2 Year
6. Assistant Professor Dr. Suluck Pattarathammas		February 26, 2016	1 Year

#### 1.5 Determining number of listed companies which Director to hold position of Director

- The company has set each director to hold position of director in subsidiaries not more than 5 companies so that all directors have intention and commitment to perform their duties as has been entrusted by Board of Directors and Shareholders.

- Board of Directors has guideline for practices of Directors or Chief Executive Officer as with knowledge, skill and expertise in business to serve as Directors in Subsidiaries Company.

The Company discloses the information regarding other companies' positions held by each board member in the annual report and form 56-1

- As Director who holds the position of Director in listed companies more than 5 companies

In year 2017, no director holds position of director for more than 5 of registered companies.

- As Independent Director who holds the position of Director in listed companies more than 3 companies

In year 2017, no independent director holds position of director for more than 3 of registered companies

- As executives who holds the position of Director in other listed companies more than 2 companies

In year 2017 Mr. Wutichai Leenabanchong has hold the position of Chief Executive Officer in listed company in totaling of 2 companies

By this, the company has policies and practices of holding position of Directors and Executives. The company will consider of sending Directors or Executives or Management with knowledge, abilities and skills and specialize in such fields to holds Directors position in subsidiaries by proportion of investment thus to supervise its subsidiaries for comply with company's policies for highest benefit of company. For example, keep up the bookkeeping to preparation of consolidated financial statements of company which based on accounting period. By this, same accounting periods and critical accounting policies with company, disclosed importance information follows regulation of The Securities and Exchange ACT as announces from Capital Market Commission and The Stock Exchange of Thailand in the same manner as rules of company practices. For example, Related Transaction and acquisition of assets to ensure that appropriate internal control and effectiveness which cover policies of corporate governance.

#### 1.6 Combining or separating position

Chairman and Acting Chief Executive Officer is the same person but there are independent from each other. The policy setting is clearly separated which the Company's regulations clearly define and divide authorities of the Board of directors and different level management. An important issue has to be considered by each committee in order to establish balance and verification for transparent and good governance.

The chairman of the Board of Directors and controller in this meeting had concluded independently by board members could give out their opinions or any proposal and support business management by authorized to Chairman, Chief Executive Officer to handles which will not interfere business management.

Although the chairman of the Board of Directors is not an independent director but performs his duties independently and allows all directors to independently express their opinions. Hence, the Company believes that the chairman of the Board of Directors always places importance on and understands good corporate governance principles as well as encourages the implementation.

In year 2017, The Company has 4 Executive Directors by Chief Executive Officer is a leader for management, planning, operating which follows the policies as set by Board of Director. In addition, Executives has join with Board of Directors in determine of policies and business goals.

### 1.7 Corporate Secretary

Follows Securities and Exchange ACT (No.4) BE.2551 has assigned to Board of Directors to appointed Corporate Secretary whom will be responsible for coordinate legal issues on behalf of company or Board of Directors. Corporate Secretary also has an important role in coordinate effectively in both internal and external. Board of Directors has appointed

Mrs. Kenika Ngamcharoensathaporn as corporate secretary as follows resolution from Board of Directors meeting No.4-2014 held on June 14, 2014 as passed Company Secretary Program (CSP) #7/2004 which is the course related to duties of corporate secretary from Thai Institute of Director (IOD) and holds position of (Senior Manager of compliance and investor relation section)

### 1.8 Compliance and Investor Relation

The company has focused on organizations and its shareholders to its established compliance and investor relation department in order to coordinate with corporate secretary, secretary of internal audit and shareholders for achieve goals effectively. By this, assigned to Mrs. Kenika Ngamcharoensathaporn (Senior Manager of compliance and investor relation section) which has knowledge on accounting and passed training on company secretary program from Thai Institute of Directors No.7<sup>th</sup> in order to support efficient in operation and understanding in term of good corporate governance to Directors Executives and employees includes organization images.

## 2. Sub-Committee

There are 4 sub-committees as consists of:

Sub-Committees	Amount	Independent Directors	Directors as Non-Executive	Directors as Executives
1. Executive Committee	4	-	-	4
2. Audit Committee	3	3	-	-
3. Remuneration Committee	3	3	-	-
4. Risk Management Committee	3	3	-	-

**Remark:** - Term of position for Audit committee equals to 3 years

- Term of position for Executive Board, Remuneration committee and Executive Directors equals to 1 year

All members in sub-committee are qualified, understanding on their roles in Directors and Sub-Committee thus perform their duties with responsibilities, honestly, carefully and independently. In addition, believe that every directors will understand, practice strictly in order to make confidently on shareholders

Apart from this, company has reviews process of Board of Directors and Sub-Committee yearly

By this, Directors and Top Management of company has not hold position as employee or shareholders of External Audit Company during the past 2 year

Apart from this, in the past year Board of Directors allows director or non-executives can be discuss among themselves as appropriate by no management attendees and propose to Board of Directors for acknowledgement.

The company has Charter authority has prepared a series of last update of the Board of Directors, Audit Committee, Remuneration Committee and authority of Chief Executive Officer by passed approval of Board Committees and approved from Board of Directors meeting No.4-2017 held on November 13, 2017 (details shown in Form 56-1 No.9.2 Subcommittee) Including the authority to organize and conduct of the Board of Directors, Executive Committee and Chief Executive Officer (amended) to be consistence with business operation as approved by Board of Directors meeting No.1-2016 held on February 26, 2016.

#### • Executive Committee

The executive committee consists of 5 directors who are knowledgeable and have various experiences and understanding of responsibilities and the Company's business.

The executive management committee is responsible for the Company's business operation in committee format. The investing management committee members are appointed and approved by the Board of Directors in accordance with the Company's regulations. The duration of this position equals to one year which will be assigned by each Annual Meeting of Board of Directors after Annual General Shareholders' Meeting held.



- **Audit Committee**

The Audit Committee consists of three board members who are qualified as independent in accordance with The Stock Exchange of Thailand announcement and the Company's definition. All members are knowledgeable and have understanding and experience in accounting, finance and management. The Audit Committee authorities, duties and works are in accordance with the Audit Committee charter. The Audit Committee is an independent entity to support the board of directors in successfully eliminating conflicts of interest, verifying financial information presented to shareholders and related parties, auditing the specified internal control system, and communicating with the Company's auditor thus each member has a role in selection process and lay off company's auditor and duration of this position equals to three years.

- **Remuneration committee**

Presently, the remuneration committee consists of 3 directors who are not executive directors. This remuneration committee is to consider of every board of directors committee and executive management. The remuneration is compared with that in the similar industries and business growth is taken into consideration. The duration of this position equals to one year which will be assigned by each Annual Meeting of Board of Directors after Annual General Shareholders' Meeting held.

- **Risk Management Committee**

Board of Risk Management consists of 3 Director who are independently and as director but not executive who responsible to ensure that the Company has appropriate and effective risk management (term of position equal to 1 year) which has been approval from Boards meeting every year after Shareholders meeting.

- **Nomination Committee**

Presently, the Company has not officially established nomination committee. However, the Board of Directors nominates members by considering qualifications, experiences, expertise, vision, ethic, and unblemished working experiences with ability to express opinions independently. Moreover, the past performance as a director is also taken into consideration. The board members consider the aforementioned aspects and approve the nomination before propose to shareholders. Except that the director position is vacant before the end of service term, the Board of Directors is authorized to appoint an appropriate person as specified in the Company's regulations.

### **3. Roles and Responsibilities of the Board**

The Board of Directors has appointed from shareholders to represent of shareholders which has importance roles on setting management policies by join with executives to set policies, operating goals, operating plans and annual budget by executives and employees should go on to the same directions. By this, including supervision and monitoring of operation in accordance with business plans and budget set by effectively and efficiently.

The company has disclosed duties and responsibilities of Directors (details shown in Form 56-1 No.8 Directors)

In year 2017, Boards has officiate on supervision of business operation in accordance to law and regulations therefore there are not any irregularities.

#### **3.1 Leadership and Vision**

- **Leadership**

Board of Directors consists of people who possess the knowledge, ability, several experiences and understanding on roles, responsibilities which make practical tasks more efficiently. Moreover, schedule roles, target and business strategy as well as follows and corporate performance of management by used corporate governance as a tool for value added and reach company objective for highest returns to company and shareholders. In addition, roles and responsibilities of Board of Directors, Executives and Employees and related person

Boards has target indicators (KPI) on financial and any plans starting from beginning of year by follows business operation as monthly and quarterly to get status of the operation if the target is under Analysis to set the guidelines.

Moreover, Internal Audit Committees are responsible for Internal Audit directly which includes make sure that internal control system are enough and appropriate risk management to keep company beneficial by used corporate governance as a tool for value added and reach company objective for highest returns to company and shareholders. Moreover, require Directors and Executives report to company on their stakeholders or any person who related to equity as related to management of company or subsidiaries follows regulations, conditions and methods which announced from Capital Market Commission.

- **Vision**

Board of Directors has aware of importance on business operation by set vision and mission of company in order for Directors, Executives and employees intend to operate in the same direction also has policies to reviews annually. In year 2016, the company has set vision in accordance with business operation and responsibilities to social and environment

In year 2017, company has set vision in accordance to business policy as responsible for social and environment

### **3.2 Good Corporate Governance**

The Board of Directors realizes on good corporate governance by setting policies which are consists of 3 parts such as Corporate Governance, Business Ethics and Employee Ethics in order for practical of Boards, Executives and every employees within organization in good response on business operation as transparently and confidently to shareholders and investor relations. Although create stability to organization and good benefits to shareholders, stakeholders and environmental thus reinforces to employees by reviews and revise to be suitable with current situations together with public through company website.

### **3.3 Eliminating conflicts of interest**

(Details shown in Form 56-1 No.12 title of “Related Transaction”)

Board of Directors has clearly practice guidelines to eliminating conflicts of Interest to build beneficial to company and shareholders, any transaction cause conflict of interest the company will clarify and disclosed in the resolution of the meeting as in accordance with regulations from Capital Market by stakeholders (Directors) will leave the room and no vote for that agenda for independently decision and disclosed information quickly for transparently and no financial assistance to other which is not subsidiaries.

Related transaction will be considers from Board of Directors on reasonability and Audit Committee gives consent to share information in Form 56-1 and annual report.

The company has determined to Directors and Executives to report conflict of interest of themselves or related person which concerned to management of company and subsidiaries. By this, report on conflict of interest is effective from July 2009 onward by report of stakeholders may not need to disclosed. The resolution of Executives Boards No.5-2009 dated June 9, 2009 has set the guidelines, conditions and methods as follows:

1. Stakeholders as Directors and Executives reports report on his interest or a related interest of person in relation to management of company in form of report of interest of Directors and Executives within 30 days counting from the date of appointed.
2. Unless any changes in report of interest then need to send to corporate secretary within 15 days counting from the date of changes
3. Report of interest of Directors and Executives every year within 30 days counting from end of year although there aren't any changes.

In year 2017, all Directors and Executives have reported conflict of interest as follows the regulation strictly.

### **3.4 Supporting on responsibility to social, environmental and human right**

Board of Directors realizes on importance of responsible to social and environmental along with business operation by participate in enhance quality of life to be better around the factory, respect human right and fairly in labor thus make communities and factory to live together sustainably (details shown in Form 56-1 and Annual Report in the title of Corporate Governance Practice 3 Role of Stakeholder)

### **3.5 Internal Control System and Internal Audit**

- **Internal Control System**

The Board of Directors realizes the importance and provides internal control system for operation in term of Financial follows the policies and rules by appointed Internal Audit to be responsible for checking the operation system of internal control as planned to report Audit Committee and Board of Directors. Moreover, they are independently to perform their duties. There are 5 sections by following approach of COSO (The Committee of Sponsoring Organizations of the Tread way Commission) as organization and Environmental, Risk Management, control practice of management, Information and Communication and monitoring system every year at least 1.

In Board of Directors meeting No.1-2016 held on February 23, 2016 by Audit Committee has attended this meeting as considered adequacy of company internal control system follows COSO (The Committee of Sponsoring Organization of the Tread way Commission) with the conclusion of The Company has adequate and effectiveness in term of internal control system which shown in Annual Report in the title of “Internal Control and Risk Management” and Form 56-1 “No.11 Internal Control”

- **Internal Audit**

The Board of Directors has assigned Audit Committee to reviews on company to have adequate internal control system for business operation with the effectiveness and report to Board of Directors and Shareholders. By this, the company has provide a separate internal audit unit as part of company's organization chart and this department is directly under Audit Committee as assigned Mr. Khomwuthi Pornnaradol (Secretary of Audit Committee) whom holds the position of Director (Internal Audit). In addition Mr. Khomwuthi Pornnaradol and his quality team work will review, assess adequacy, effectiveness of internal control system which has standard check and sufficient independence thus give suggestion for improvement to achieve value added to organization and support corporate governance process.

Internal Audit will report the assessment and review internal audit control to Board of Director quarterly and year 2017 there are 5 times meeting for Audit committee and report to Board of Director quarterly. By this, Audit Committee has report and comments on internal audit control system and risk management are shown in Annual Report in the title of "Corporate Governance Report from Audit Committee"

### **3.6 Risk Management**

Board of Directors has set the policies on risk management in the whole organization by appointed Risk Management Committee by Independent Director whom is not Executives and report risk management to Board of Directors.

In year 2017, Risk Management Committee has 3 times of meeting and report to Board of Directors by proposed thus recommendation and suggestion which has been agreed by mentioned Boards. In addition, it benefit to organization as company has disclosed dealing with risk management in annual report in title of "Report of Risk Management Committee"

### **4. Boards Meeting**

- Board of Director has set the meeting not less than 1 time per quarter which has been schedule in advance for whole year by not less than one time per quarter as specify each committee meeting in advance with clear agendas. The corporate secretary has send the documents related to the meeting 7 days in advance in order to provide board members adequate time to study documents before meeting, each meeting will take approximately 2 hours and in meetings there are openly and freely for feedback.

Other consideration, Chairman (as represented as) Chairman of the meeting shall have an opportunity to express their opinions freely, Voting shall be by majority vote by each director has one vote and any stakeholders as Director has to abstain or no comment or no attend on those agenda if there are equal vote then chairman entitled to one vote as casting vote.

Board of Directors has pay attention on management issues relating to conflicts of interest of all parties to carefully and fairly by fully disclose of information in case there is stakeholder as Directors then he/she has no right to comments of those agendas.

If there are any suspect or need more information from related person then Chief Executive Officer will request executives to clarified

End of the meeting, corporate secretary is responsible for recording and storing minutes of meetings and approved by chairman and corporate secretary. By this, Directors may comments; amend in the minute of meeting for the corrections.

Minute of Board meeting and sub-committee will storage in folder at the head office as convenience for Directors and related person to be referred.

- Board of Directors have set 6 times for Board of Directors meeting which pursuant to Directors, the Company will advance. The number of meetings is appropriate and adequate to serve the Board and the Company's business.

Apart from this, Board of Directors has open opportunities non-executives to attend as necessities by not passing management division and acknowledgement Board of Directors.

In year 2017 there are 6 times of Board of Directors meeting as number of times are appropriated and every Directors has attended more than 80 percent in case Directors would like to know the information then could pass through corporate secretary.

- Audit Committee and Internal Audit has schedule meeting thus auditor will attend this meeting quarterly. In addition, year 2017 has process the meeting together by invited representative of Executives to attend this meeting.

In 2017, there are 5 times of Audit Committee meeting.

## 5. Evaluation on Performance of Board

Board has not evaluated on performance of Board yet but Board has considered on performance and makes improvement in order to be more productive in term of performance.

## 6. Remuneration of Directors and Executives

The Board of Directors had appointed remuneration committee to consider certain amount of financial proposes to Board of Directors and shareholders every year. However, the Board of Directors cautiously determines the remunerations by comparing with that of similar industries and taking business growth into consideration and proposed to shareholders meeting for approval every year.

By this, 2017 Annual General Meeting of Shareholders which held on April 27, 2017 has approved remuneration fees not exceeding 3.5 Million Baht as increased when compared to 2015 (Year 2015 amounting of remuneration fee equals to 3.2 million baht) by paying each time at the same rate. Board of Directors has assigned to remuneration committee to determine remuneration of Directors and subcommittee thus proposed to Board of Directors for consideration and proposed to shareholding meeting every year.

Remuneration Committee has set the structure/ element of proper compensation to responsibilities and benefits of each committee

Remuneration of senior executive of company, we have no policies to receive other fees except remuneration in term of director or employee, no share given, debenture or other securities to executives. The company has disclose details on remuneration fees individually in Form 56-1 No.8.4 Remuneration for Directors and Executives

In year 2017, there is 1 times of remuneration committee meeting by set remuneration for Directors in year 2017 and proposed compensation to get approval from Board of Directors and Shareholders meeting respectively. The company has disclosed compensation of each person in Form 56-1 No.8.4 Remuneration for Directors and Executives.

## 7. Development of Directors and Executives

The Board of Directors and management realize their fiduciary duty and responsibilities to the Company. The Company places importance on human resource development to enhance knowledge, ability and capability in order to conform to leadership and vision of directors and management. The directors and management are encouraged to attend seminar and training that are beneficial to performing duties in and out of the Company continuously including abroad trips. The following are example of courses held by Thai Institute of Director (IOD) as follows:

- Director Accreditation Program (DAP)
- Director Certification Program (DCP)
- Finance for Non-Finance Director (FSD)
- Roles of Compensation Committee Program (RCC)
- Risk Management Program for Corporate Leaders (RCL)

In year 2017 Directors and Executives have entered into seminar as follow:

Director / Executive	Name of Seminar / Training / Joint Activities
Mr. Theerachai Leenabanchong	<ul style="list-style-type: none"><li>- Global Business Leaders, Cornell University &amp; Lead Business Institute Date: January 27 – April 23, 2017</li><li>- Mai FANZI Club 2017 “ESG-Sustainability &amp; Innovation” Date: February 17-18, 2017</li><li>- CEO CLUB 2017 Date: March 14, 2017 which held by The Stock Exchange of Thailand</li><li>- Mai Forum 2017 Date: July 1, 2017</li><li>- Thammasat Leadership Program (TLP 11) Date: August 7 – November 27, 2017</li></ul>
Miss Usara Pattatung	<ul style="list-style-type: none"><li>- Preparation of Listed companies with new CG CODE Date: July 31, 2017 which held by The Stock Exchange of Thailand</li><li>- Determination of responsibility in accounting and finance (CFO) and accountant Date: August 3, 2017 which held by The Stock Exchange of Thailand</li><li>- Hearing investor “Investor Alert”</li></ul>

	<p>Date: October 30, 2017 which held by The Stock Exchange of Thailand</p> <ul style="list-style-type: none"> <li>- How to manage your expenses</li> </ul> <p>Date November 22, 2017 which held by The Revenue Department</p> <ul style="list-style-type: none"> <li>- "Understand on Fair Value" Date: December 7, 2017 which held by Federation of Accounting Professions under the Royal Patronage of His Majesty the King</li> </ul>
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- **New Director**

The company had orientation for new incoming Directors in order to acknowledge business policy including related information such as company's article of association, rules, and any regulations concerned with business operation. Moreover, this will be beneficial to new directors therefore the company has prepared guideline for directors as follows:

**Guideline for Director**

1. Securities and Exchange Commission ACT (No.4) 2008
2. Charter on Board of Directors
3. Certificate of registrations on public company limited
4. Certificate of Company Registration and Objective of company
5. Article of Association
6. Policy manual on good corporate governance
7. Policy manual on listed company directors of SEC

**Other information**

- Company goals and vision
- Annual report together with presentation to guide nature of business to new directors

- **Existing Directors and Executives**

The company has play importance roles on supporting knowledge to existing Directors which has training course related to task of Directors which this training held by IOD thus all 10 members of directors has passed this training or equivalent to 100 percent including any related course on roles of director, related to business and encourage executives to have any knowledge in term of laws or any rules relating to Executives including training/ seminar which benefit to company and trainees.

- **Related person on Corporate Governance**

Corporate Secretary, Secretary of Audit Committee and Compliance and Investor Relation unit including any related person, the company has support and encourage to train/seminar any related courses by SEC/Stock Exchange of Thailand/Thai Listed Companies Association/ IOD and other institution regularly.

**8. A Succession Plan**

Capital Engineering Network Public Company Limited recognizes of importance on preparing the readiness for personnel as assigned to work in order to compensate senior management and head of each department who willing to retired as follows:

1. Provide development on secondary executives in term of vision, knowledge and ability to support chief executive and commandant respectively.
2. Provide training in term of enhance academic knowledge and learn in real work Situation.
3. Provide secondary executives to be corporate and work with Chief Executive.
4. Set secondary executives which can descendant and set properly on positions.
5. Prepare personnel with unique capabilities and gain more comprehensive management.
6. Middle executives to have chance in management in lines.
7. Provide training of each line systematically.
8. Provide training to Chief Executive, Middle executives to be responsible on their Task with honest to organization and overview of organization in order to become next level of executives.

The company has schedule meeting every month by Executive Chairman which is operating results of subsidiaries thus includes shareholders meeting to set organization objective. In addition, create a sense of participation and build awareness in working process and as part of succession plans.

By this, Executive Board has follow up and evaluate of performance of each person whom will be promoted to an executive to consider and propose to Board of Director to approve next.

#### **9. The process on Anti-Corruption**

Board of Directors has campaign to raise awareness and promote good corporate governance culture to Directors, Executives and Employees in order to access any risks happened in operation by part of risk management plans or every department in organization as internal audit act as appraiser

In year 2017, Audit Committee has set up risk report on corruption in every quarter, showing no irregularities.



# Corporate Social Responsibilities Report of year 2017



## Content

<b>Report on Responsibilities of the Board of Directors on Financial Reporting</b>	<b>392</b>
<b>Report Information</b>	<b>393</b>
<b>Sustainable Business</b>	<b>398</b>
1. Management Approach	
2. Good Corporate Governance	
<b>Sustainable Business in term of Economic</b>	<b>399</b>
1. Fair Business	
2. Promoting Social Responsibilities in chain of business	
3. Responsibility to customers	
<b>Sustainable Business in term of Social</b>	<b>402</b>
1. Anti-Corruption	
2. Respect of Human Right	
3. Fair Labor Practices	
3.1 Recruiting and Employment	
3.2 Management of wages, salaries and benefits	
3.3 Human Resource Development	
3.4 Occupational Health, Safety Management and working environment	
4. Development in social and communities	
<b>Sustainable Business in environment</b>	<b>410</b>
Management in environment and energy	
Management in environmental	
Sustainable uses of resources	
Management in Air Quality	
Management in waste water	
Waste Management	



## Message of Executive Chairman and Chief Executive Officer

Duration of doing business - The Company and its subsidiaries are committed to creating sustainable social development by follows philosophy of sufficiency economy from Majesty King Bhumibol Adulyadej to apply for continuous operation as well as take into account of stakeholders in all aspects, create value and benefit both in business and society.

The Company and its subsidiaries operate their business with caution by pay attention on management system and production process which promote resource efficiency and minimize environmental impact. Including communication with stakeholders in the same direction, such as safety, human rights, energy, waste management and social and community care.

“Employee	Understand
Executive	Participate In
And	help each other on development”

To link to the corporate strategy, create a sustainable organization. The company promotes awareness. To make employees understand. Executives are involved. Therefore, the Company is aware of the production of products that are safe for consumers. And environmentally friendly.

On behalf of the company Thank you to all stakeholders, relevant agencies and all employees as well as communities and societies. Contribute to and lead the company forward in a sustainable way.



(Mr. Wutichai Leenabanchong)  
Executive Chairman and Chief Executive Officer

## Report Information

Capital Engineering Network Public Company Limited has prepare report on Corporate Social Responsibility (CSR Report) by clearly separated thus Boards has focus on providing information with reliable and high quality. The company will sets key for sustainability issues and evaluating significance of issue which related to company goals and operations as demonstrate critical social, community and environmental performance during the period from January 1 to December 31, 2017.

## Reporting Guideline

Preparation of this report is to demonstrate its commitment for sustainable growth which covered social, communities and environmental issues which reference on the framework of Integrated CSR Reporting Framework developed by Thaipat Organization for listed companies to use as guidelines for CSR reporting in accordance to international reporting framework.

## Reporting Scopes

Scopes of report covers performance of company and its subsidiaries which a part of supervision which encourage disclosure according to international guidelines in order to meet expectation of stakeholders. By this, that information was disclosed in this report.

The company has plans to produce CSR report on yearly basic as well as develop system and method of storage the information regularly for clearly, collection of data and completed information thus communicates on business operation with social responsibility to stakeholders.

## Channel

This report is beneficial to all stakeholder to acknowledge right information for consideration interesting issues therefore the company has do this report in both Thai and English version in the form of publication and CDs also published on the website for variety and easy to access data.

By this, report can be downloaded from company's website which enclosed in Annual Report and for more information please contact bellows:

➤ **Corporate Secretary**

TEL : 0-2682-6345  
E-mail : kenika@cenplc.com

➤ **Capital Engineering Network Public Company Limited**

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## Overview Policies




The Company and its subsidiaries have adopted the principle. "Sustainable Development" as an important strategy in business by analyzing the impact and creating a balance in 3D such as economic, social and environment under good corporate governance (CG) in business processes by integrating the link throughout business chain since use of production resources warehouse management and shipping to customers also after-sales product management as well.





Therefore, company and its subsidiaries set up all production processes and services (CSR in Process) in order to reduce problems that affect environment. Company and its subsidiaries has recognizes that renewable energy business and manages raw materials for biomass fuels, sustainable social and environmental integration.



## Roles of Stakeholder

The company and its subsidiaries recognize that stakeholder have important roles in determining direction of business are importance of care and consideration by organize discussion activities with stakeholder participation for role-playing of each section appropriately. Moreover, it includes need of stakeholders which could respond properly thus can be classified into 9 groups and consider mission is to meet needs of stakeholders in each group.



Stakeholder	Expectation of Stakeholders	Participation Channel	Response of Stakeholders
 Shareholders	<ul style="list-style-type: none"> <li>• Performance and Business Growth</li> <li>• Good Corporate Governance</li> <li>• Management with Transparency</li> <li>• Responsibility for social and environment</li> </ul>	<ul style="list-style-type: none"> <li>• Report on earning quarterly and disclose information through The Stock Exchange of Thailand and company's website</li> <li>• Shareholders meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage all shareholders to receive rights with quality and do not commit any act of violation or deprivation of rights</li> <li>• Public important information both Thai and English accurately, timely through channel required</li> <li>• Clearly Dividend Payment Policies</li> <li>• Carry on the business according to corporate governance</li> </ul>
 Employee	<ul style="list-style-type: none"> <li>• Compensation and benefit</li> <li>• Participation and Human Right</li> <li>• Security/ Opportunity in career</li> <li>• Safety in work and Health</li> <li>• Development in knowledge</li> </ul>	<ul style="list-style-type: none"> <li>• Meeting, Seminar, Training</li> <li>• Organize activities such as sport competition</li> <li>• Exposure on comment</li> <li>• News on voice line and post the board</li> </ul>	<ul style="list-style-type: none"> <li>• Treat employees equally without discrimination based on principle of human right</li> <li>• Appropriate remuneration and benefit</li> <li>• Promote employee knowledge and progress in each field</li> <li>• Provide communication channels to make suggestion or complaints</li> <li>• Provide necessary facilities in order to perform their duty by taking safety, occupational health and working environment into account</li> </ul>
	<ul style="list-style-type: none"> <li>• Quality products and services</li> <li>• Quality products and delivery on time</li> <li>• Environmental friendly of production process</li> <li>• Receive necessary information to make decision without any obscuring or distorting the facts</li> </ul>	<ul style="list-style-type: none"> <li>• Meeting with customers</li> <li>• Communication Channels via company's website, visiting customer/ involve in exhibition</li> <li>• Ways to customers to complaint or recommended for adjustment in operation</li> </ul>	<ul style="list-style-type: none"> <li>• Development on quality of product for safety to customer</li> <li>• Innovate for value added to product and continuous services</li> <li>• Provide communication system and channel for customer to ask information/ suggestion,</li> </ul>

Stakeholder	Expectation of Stakeholders	Participation Channel	Response of Stakeholders
			comments and complaints <ul style="list-style-type: none"> <li>Take complaint or suggestion for improvement on products as customers need</li> </ul>
 Partnership	<ul style="list-style-type: none"> <li>Code of business conduct and transparency in business</li> <li>Follow the policies on regular basic, fair competition, equality and respect each other</li> <li>Exchange knowledge, experiences and expertise</li> </ul>	<ul style="list-style-type: none"> <li>Clarification and support business's partner for policies and ethic in business</li> <li>Visits partners for exchange knowledge, experiences and expertise of each other – listen to problem and suggestion</li> <li>Fairness and Equality</li> </ul>	<ul style="list-style-type: none"> <li>Communicate to your business partner on policies and ethic of business</li> <li>Exchange knowledge and experiences</li> <li>Do not call or except any property or benefits or anything other than trade agreement</li> <li>Consider on appropriate procurement as follow the rules</li> </ul>
 Trade Payables	<ul style="list-style-type: none"> <li>Ethic and transparency in business</li> <li>Maintain and comply with conditions to Trade Payable strictly</li> </ul>	<ul style="list-style-type: none"> <li>Report : Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>Make payment to creditor on time, conditions and agreement by using bank transfer in media clearing system which convenient to creditors</li> </ul>
 Competitor	<ul style="list-style-type: none"> <li>Fair competition and process activities in market</li> </ul>	<ul style="list-style-type: none"> <li>Communication Channel: Get information from public forum</li> </ul>	<ul style="list-style-type: none"> <li>Doing transparency business under fair competition and trade</li> <li>Do not seek out competitor confidential information in dishonest manner</li> <li>Do not ruin your reputation by accusing your competitors</li> </ul>
 Government Agencies	<ul style="list-style-type: none"> <li>Practices in accordance with law</li> <li>Responsible for social and environment</li> </ul>	<ul style="list-style-type: none"> <li>Report : Annual Report/ Corporate Social Responsibility, Communities and Environmental</li> <li>Regulation : Acting in accordance to laws, regulations and corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Comply with law and regulations in relevant business correctly</li> <li>Better environmental quality control as set by standard of legal</li> </ul>

Stakeholder	Expectation of Stakeholders	Participation Channel	Response of Stakeholders
		<ul style="list-style-type: none"> <li>Communication Channel : providing accurate and timely information to relevant agencies/websites</li> </ul>	<ul style="list-style-type: none"> <li>Entering into clarification with government agencies accurately</li> </ul>
 Environment	<ul style="list-style-type: none"> <li>Strictly compliance with environmental regulations</li> <li>Promote and uses of products that are environmental friendly</li> </ul>	<ul style="list-style-type: none"> <li>Encourage employee to be aware of their environmental responsibilities throughout organization</li> <li>Improvement and develop production process, machinery and Technology continuously</li> </ul>	<ul style="list-style-type: none"> <li>Practices in accordance to related laws and regulations</li> <li>Measurement to reduce impact on environment</li> <li>Monitoring on environmental quality</li> </ul>
 Community and Social	<ul style="list-style-type: none"> <li>Environmental and Security</li> <li>Making money for community</li> </ul>	<ul style="list-style-type: none"> <li>Community projects both career, education and environmental care</li> <li>Community Discussion</li> <li>Listen to any complaint and suggestion</li> </ul>	<ul style="list-style-type: none"> <li>Share knowledge of organization to community in term of career</li> <li>Community project both career, communication and environmental care</li> </ul>



## Sustainable Business

### 1. Management Approach

The Company is engaged in investment in other companies, including construction, energy and environment groups and other groups. The vision “is a company that investing in other companies with potential and growth by focusing on specialize, technology and management in order to improve business efficiency and create return to shareholders in variety of ways for long term” therefore company and its subsidiaries prioritize roles on every stakeholders to business of company.

By this, subsidiaries have entered into projects which empowering industrial enterprise toward environment sustainability and social responsibility (CSR-DIW for beginner) by describe company's business policies with social, environmental and stakeholder responsibilities as well as implementation and reporting also impact on corporate social responsibility of company.

The company and its subsidiaries doing their business in accordance with sustainable development by creating awareness for executives and employees throughout organization for highest beneficial of using energy and resources thus continuously developing environmental friendly products to achieve goal of reducing greenhouse gas emissions and contributing to reduce impact on global warming. There are developments on management, working process, production process, code of conduct including anti-corruption and social responsibility in order to create company growth along with value added to social and environment.

The company and its subsidiaries have appointed subcommittees and other committees to manage specific tasks in term of economic, social and environmental issues as well as consider various issues to be accurate, appropriate and effective.

#### **Economic**

**Executive** consists of 3 people; Chief Executive Officer is Executive Chairman as responsible for supervising implementation of mission to comply with company's business policies in order to achieve company goals and objectives in accordance to resolution from shareholders meeting.

**Risk Management Committee** consists of 3 Independent Directors as responsible for ensuring company has appropriate and effective risk management by focusing on our core business in investment thus send alarms in advance and any other unusual transaction may occur.

#### **Social**

**Sub-Committee on safety, occupational health and working environment** of subsidiaries as the duty to set up SHE's guideline and plans as well as monitor and evaluate company's performance in order to continuously improve and develop its operations.

**Sub-Committee on welfare in workplace** of subsidiaries to mediate on welfare assistance to employee together with ensures employees to have good quality of life. It also has duty to promote social and community development for defining and guiding company's social and community development thus perform such activities as well as monitor and evaluate operation of continuous improvement and development of work regularly.

#### **Environment**

**Sub-Committee on energy conservation** of subsidiaries has duty to manage energy in accordance to policies of energy conservation including controls how to manage energy efficiently and coordinate with all related department to meet to goals set.

### 2. Good Corporate Governance

Board of Capital Engineering Network Public Company Limited has prioritize roles on business operation, good corporate governance by using good corporate governance of The Stock Exchange of Thailand, regulation of Securities and Exchange Commission and Capital Market Supervisory Board for factor to strengthen organization to have powerful management system with honest, transparent and fair. Accountability right of all stakeholders completely and in accordance with circumstances and ready to live based on sufficiency economy.

#### **Corporate Governance Policies**

Board of Directors prioritize role on determining direction of company's operation and monitoring management.

## **Sustainable Business in term of Economic**

### **1. Fair Business**

The company and its subsidiaries has focusing on business ethics and transparency in line with business ethic under fair competition, fairness and equality within framework of law. The management approaches are as follow:

1. Create business partnerships with partner for growth and jointly development in long run under fair competition framework according to procurement regulations and ISO 9001 starting from selection, evaluation of partners and price comparison.
2. Do not ruin reputation of your competitors, not seek information in dishonest way, not copy violate intellectual property of other for personal gain.
3. Do not call or accept to receive property or any other benefits beyond trade agreement
4. Conducting business with both public and private sector agencies including competitors which should not be dishonest reputation of company or contrary to law.

#### **Customers**

- (1) Deliver quality products and services as meet or exceed customer expectations at reasonable price.
- (2) Provide accurate, adequate and up-to-date information to customers to know about products and services without any exaggeration on quality, volume or any conditions of products or services.
- (3) Comply with conditions to customer strictly in case any conditions cannot follow then be sure to notify the customer in order to find the solutions.
- (4) Communicate with customers politely in order to meet customers' trust.
- (5) Provide system and process for compliant about quality, quantity, safety of products and services including speed of response or delivery to customers.
- (6) Maintain confidentiality of customers and not use them for their own benefit or any wrong thing.
- (7) To provide advice on how to use company's products and services effectively and highest beneficial.

#### **Trade partner and/or creditor:**

- (1) Not to take opportunity of being an executive or an employee responsible for purchasing to provide services or self-benefit.
- (2) Do not call or otherwise consent to trade with your partners.
- (3) Fulfill the condition and commitment with each other strictly, no forced to buy- sell products/ services or pay unfair fees to business partners.

#### **Competitor**

The company has a policy to promote trade freely and no policy to complete in any way in order to obtain information illegally and unethical following guidelines apply.

- (1) Conduct under the rules of good competition.
- (2) Do not seek and confidential information from your competitor in dishonest or inappropriate manner.
- (3) Not destroy any reputation of competitor by making false allegation.

#### **Government:**

Pay attention to transparency and consideration with honestly in dealing with government agencies which may affect offending action and contradictory of principles, good management including anti-bribery to state official for making convenient or benefit to company.

#### **Receiving and giving gifts or any other benefit**

The company and its subsidiaries has operate their business with fairly competition however, reception, receive or giving gift or acceptance of traditional practice in order to maintain good relationship among customers with following guidelines:

1. Staff can give / receive gifts to/from any person in all following condition apply.
  - (1) Not intentional act overwhelm, induce or reward any person to gain any advantage or exchange explicitly or covertly to obtain help or benefits.
  - (2) Gifts in name of company not from employee.
  - (3) Gifts not in term of cash or equivalent to cash (e.g. gifts card or vouchers).

- (4) Suitable for situation e.g. small gives during the festival such Songkran, Chinese New Year or New Year which is considered as normal tradition.
  - (5) To disclose / surreptitious.
  2. Business receptions and other expenses related to compliance with business Contracts as can be done but spend with reasonable and could check and follow up procedures in accordance with requirement of work.
  3. Employee could receive gift as amount not exceed Baht 5,000 if cannot refuse then if amount of gift exceed Baht 5,000 then need to report to head by using Gift Certificate Form and send it to Human Resources in order to bring these gifts as reward to employees or donate for charity as appropriate.
- In year 2017, executives and employees has not receive any gifts from trade partner

#### **Non-infringement of intellectual property**

Intellectual property of company and its subsidiaries such as copyrights, patent, trademarks, trade secret as important to competitive advantage therefore directors, executives, and every employees has a duty to keep and all right reserve and all those right with responsibility.

Apart from this, directors, executives and every employees respect legitimate right of other intellectual property as well.

In year 2017, executives and employees has no process related intellectual property.

## **2. Promoting social responsibility in business chain**

The company has adopted a process and technology that care about potential environmental impacts starting from selection of raw materials, choosing appropriate energy and technology to ensure that production process has uses energy from resources for highest benefits.

#### **Environmentally friendly sourcing**

Purchasing process is importance to manage the value of products by choosing quality products and services together with reduce impact on environment. We do not only consider on the price – to encourage change and instill consciousness on environmental to any stakeholders, employees and deliverable have been modified by choosing products and services by taking into account on impact of environment. The company has environmentally friendly sourcing of company and its subsidiaries which consists of compliance with law, control production process to be environmental friendly, energy, water and waste management.

The subsidiary has monitoring system, asses, select partners and follow up the operation by taking quality, quantity and delivery into account as well as minimum requirement under labor law, quality management system such as ISO 9001, ISO 14001 as following criteria.

<b>ISO 9001</b>	<b>ISO 14001</b>
<b>Partner evaluation standards</b>	<b>Partner evaluation standards</b>
<ol style="list-style-type: none"> <li>1. Quality control of raw material in accordance with standards</li> <li>2. Deliver raw materials on time</li> <li>3. Quality of raw material as required</li> </ol>	<ol style="list-style-type: none"> <li>1. Efficient use of resources.</li> <li>2. Waste separation/dumping accurate by type and location.</li> <li>3. There are protection system, contamination control waste to environment.</li> <li>4. Ways to control chemical, materials, raw material and hazardous materials.</li> <li>5. The delivery system uses vehicles that are in good condition and not pollute.</li> <li>6. Prepare for emergencies.</li> <li>7. Safety Health and workplace environment.</li> <li>8. Compliance with environmental regulation.</li> <li>9. Corporate in solving environmental problem.</li> <li>10. No complaints from stakeholders / related person.</li> </ol>

### **Suppliers, Service Providers and Distributors**

Subsidiaries has work assessment and visit trade partner, service providers and distributors regularly to ensure compliance with ISO 14001 of environmental management system and energy conservation policy and environment. The company has systematically selection its partners to ensure we comprised of partners who are legally operating and practice according to safety and occupational of health standards, environmental friendly thus supporting environmentally friendly procurement as consider from products and services of entrepreneur who comply with environmental standards or compliance with company's standards such as compliance with law, uses of resources and control of production, waste management. By this, for enhance capacity and efficiency to joint business.

### **Consumers and Users**

The company and its subsidiaries have recognized that business will sustainable must understand need of customers. At the present, there is no limit to extent direct impact of business but it has expansion in support sustainable development for society and environment in order to increase competitiveness and value added to business.

### **3. Responsibilities to customers**

The company and its subsidiaries have recognized satisfaction and confidence of customer as importance key for company and its subsidiaries success by set policies and practices as follows:

- (1) Deliver quality goods and services with match or higher than expectation from customers related to goods and services.
- (2) Give correct information, enough and up to date situation and acknowledge to customers about products and services without any exaggeration for customer to misled about quality, quantity or condition of products and services.
- (3) Practice in accordance with condition to customer strictly if any of conditions cannot be met then customer must inform in order to find the solution.
- (4) Communicate with client politely, effective and meet customer's trust.
- (5) Provide system and process for complaints about quality, quantity and safety of products and services including rapid in response and deliver.
- (6) Keep customer's information confidentially and do not use it for their own benefit.
- (7) To provide advice on how to use company's products and services effectively, beneficial to customer

### **Standard and Customer Safety**

The company and its subsidiaries have process the activities in order to maintain standard of quality which includes prioritize roles on reduce impact to environmental. The subsidiaries has announce policies and carrying out ISO 9001 : 2015 of quality management system certification, ISO 14001 : 2015 environmental management system and WRAP compliance.

In year 2017, subsidiaries undertake environmental management in order to reduce impact on any field continuously by examination of Environmental Management System Assessment ISO 14001: 2015. In addition, company has complied with requirement on Code of Conduct in term of health, environmental and labor to ensure that subsidiaries have developed in accordance with system and standard that are acceptable.

## **Sustainable Business in term of Social**

### **1. Anti-Corruption**

The company and its subsidiaries against all forms of corruption with realization that bribery and corruption are a serious threat to free and fair competition including cause damage to economic and social development. There are no policies to offer bribes or compensations in any form either directly or indirectly to business associate in order to obtain or retain advantage in business.

The company and its subsidiaries doing their business transparency, hold on to accuracy by provides guidelines for combating corruption including raising awareness, values, and attitudes by supporting activities that promote instill management and staff to compliance with applicable laws and regulation, not encourage achievement of fraudulent work.

The company and its subsidiaries has prioritize roles on anti-corruption and cultivate a corporate culture by encourage orientation of new employees to prepare before commencement. In addition, company also requires manager and supervisor to receive training on “Corruption Risk Assessment” to communicate level of work force to be awareness and implementation to be in practice thus company has set measurement of anti-corruption as follows:

#### **Board of Director**

- Show commitment to anti-corruption
- Chairman has commit to accreditation for measure of anti-corruption

#### **Risk Management Committee**

- Supervise and assess risk throughout organization
- Support on anti-corruption

#### **Audit Committee**

- is a self-assessor on anti-corruption measures
- Review internal control system, risk management system and anti-corruption

#### **Department of Internal Audit**

Have efficient and effective internal control system which has audit and evaluation report to Audit Committee and Board of Director

#### **Directors, Executives, Employees and representation in term of business**

Practice in accordance to anti-corruption policies and regulation by not involved in either directly or indirectly

By this, Board of Directors have policies on anti-corruption in written for practices which has approved from Board of Directors Meeting No.4-2017 held on November 13, 2017 so has been prepared “Anti-Corruption and Corruption Policy” and published on company website <http://www.cenplc.com> under the topic of “Good Corporate Governance” consisting of

1. Introduction
2. Objectives
3. Scopes
4. Definition in term of corruption
5. Duties and responsibility
6. Policies and Guidelines
7. Risk Assessment of Corruption
8. Controlling
9. Recording and Storage
10. Human Resource
11. Training and Communication
12. In case of doubt
13. Reporting of sightings in term of corruption and bribery
14. Protecting employee
15. Violation of Policy
16. Supervision and Review
17. Scope of complaint
18. Channel to report any clue or complain on corruption
19. Measures to protect complainants or clerk corruption and secrecy
20. Notify on any clues, investigation proceeding and penalty
21. Public of Anti-Corruption and Corruption policy

As company has signed the Collective Action Coalition of Thai Private Sector against corruption on July 2, 2017 – company has set policies and practices for combating corruption and bribery for beneficial in business including discipline also provide for directors, executives and employees of all levels to cultivate good consciousness with discipline and leads to an organization culture.

In year 2017, no any complaints in title of Anti-corruption or take any bribe for beneficial.

## **2. Respect of Human Rights**

The company and its subsidiaries respect to law in accordance to Human Rights by not discriminate on employment no matter the person's nationality, race, ethnicity, color, religion, language and disability terrorism is a factor in determining and judging employment. Employees are volunteering to work, no child labor as respect rights and employee freedoms thus employees are encouraged to develop their skills and maximize their potential by giving employees opportunity to learn more thoroughly and consistently.

In case, employees has unfair treatment on any issues – there are communication channel for complain and report any clues which may be illegal together with correction process, protection on complainant. Meanwhile, we focus on developing employees to train their skills and maximize their potential by give opportunity to learn in case there are unfair treatments in any respect then could complaint or give any clues together with give correction process and fair treatment to complainant as well.

## **3. Fair Practice in Labors**

The company and its subsidiaries has policies to treat employees with fairness due to company has recognizes that employees and important and valuable asset for company and important factor for enhancing company's image to its customers, partners, shareholders and other stakeholders. The company has a policy to promote a strong corporate culture by increasing value of work to be done, knowledge and ability to continuously develop potential of employees in line with policy therefore company adhere to Code of Conduct as follows:

- (1) Treat employees with courtesy and respect for individuality and dignity of humanity.
- (2) Provide fair compensation to employees.
- (3) To maintain safe working environment for life and property of employees.
- (4) Appointment and relocation which includes rewards and punishment for employees which based on good faith, knowledge, ability and suitability of employees.
- (5) Prioritize role on knowledge development of employee by providing opportunity thoroughly and consistently.
- (6) Listen to comments and suggestion based on professional knowledge of employees.
- (7) Comply with laws and regulation strictly related with employees.
- (8) Avoid any action that may affect security of employee or threatening and putting pressure on mental state of employees.
- (9) The employee shall file a complaint in event of non-compliance with prescribed system and procedures.

The company and its subsidiaries has enter into the process to deal with complaints that employee consider as misconduct thus it defined as policies and guideline for protecting employee or clerk in "Code of Conduct"

Board of Director gives employees and stakeholders to complaint or makes a complaint when found illegal, corruption or misconduct in the company which includes complaints if employees and stakeholders are violated or unfair treatment through channel or process as set by company.

The company will listen and do any related process equally, fairly and transparently by systematic and fair system of protection against complaints thus information of complainant will be kept confidential.

### **Protection of complaints**

- (1) The company will keep information and conceal the name, address or any information which can be identified the complainant or data provider by restricted only who responsible for investigating as can access such information.
- (2) The person who receiving information from officiate has duties to keep complaint information and other relevant secretly, do not disclose information to anyone who is not involved except as disclose under statutory duty.
- (3) The company will only disclose information as necessary by taking into account on safety and damage of reporter and source of information or any person involved.



(4) Damage will be mitigated by appropriate and fair procedures.

(Details of complaint channel will be disclosed in our website <http://www.cenplc.com> under the title of “Corporate Governance”

### 3.1 Recruiting and employment

Capital Engineering Network Public Company Limited has policies on recruiting and Employment by focusing on knowledge, abilities, fair, equally treatment in term of sexual, race, religion.

Year 2017, company has employees as at December 31, 2017 in totaling of 18 and continues to work out a plan in order to match with the business under fluctuation economic situation by play attention to resource allocate in term of value added or need for investment as well as adjusting work process to be more effective.

### 3.2 Management of wages, salary and benefits

The company and its subsidiaries has policies in term of remuneration management with fairness as appropriate living conditions as well as standard of competition for business which based on success of job consistent with capacity of equal treatment for male – female, sexual deviation, people with disabilities to attract talented people to work with company and motivate employee to develop the results for continuous operation. In addition, company provides welfare services which care about quality of life of employees beyond law to establish good relationship between employees and company.

- Benefits that promote future security such as welfare, providence fund, cooperative, saving account, gratuity
- Benefit of living expenses such as uniform, arrangement for shuttle bus, transportation fee, fuel surcharge, lunch and rent

### Work life Balance

The company and its subsidiaries has work-life balance by supporting by promote roles of following activities

#### 1. Happy Body

- Annual Health Check up
- Substance abuse detection



#### 2. Happy Heart

Encourage employee to be Generous to each other

- Blood Donation activities
- Activities which make children Smiles and help disadvantage Families in social way
- Activities to brighten your Happiness



### 3. Happy Society

Support united love, commitment to Community where they work and live and Good environment

- Build “library”
- Activities on Children Day
- Volunteer activities such as Development Temple
- Be good for our King
- Loykratong Festival in Klong Num Hue
- Kindergarten activities from wasteful
- Landscaping activities around the Island with community of fisherman



### 4. Happy Family

- Activities to water bless from adults



### 3.3 Human Resource Development

The company has develop its role which based on staff, responsibility and standard of work as encourage employees to have knowledge in various areas and strong corporate culture including build fair leader together with ready to bring organization to business goals that are placed with fairness, honestly, transparency which can be verified.

Apart from this, for all employees to be continuously developed due to Board of Directors, High Level of Executives and every employees have prioritize roles on development of human resources which is valuable asset to organization from past to present, all employees at all levels starting from operation level to management level have opportunity to develop their own potential since on the first day of becoming an employee in accordance with development guideline of company.

### 3.4 Security Management occupational health and working environment

The company and its subsidiaries prioritize attention to management in term of security by clearly Defined and concrete of occupational health and working environment committee and represent as staff member to provide feedback as well as check on unsafety work by following:

Safety, occupational health and working environment committee						
Subsidiaries	SET BY LAW		AMOUNT			
	Number of Employee	Number Director	Employee	Board of Director		
				Male	Female	Total
RWI	100 but not exceed 500	7	163	11	2	13
UWC	100 but not exceed 500	7	400	15	2	17

Safety Officers	Amount		
	Male	Female	Total
1. Jor.Por as Executive Level	11	3	14
2. Jor.Por as Supervisor Level	18	7	25
3. Jor.Por as Professional Level	1	-	1
<b>TOTAL</b>	<b>30</b>	<b>10</b>	<b>40</b>

Details	Year 2017	Year 2016
Statistic of Accidents	31	32
Statistic of leave due to sickness		
- Less than 3 days	12	4
- More than 3 days	3	None

#### **Practice in accordance to law on safety and environment**

The company and its subsidiaries prioritize to practice along with law in term of safety and environment strictly by set guideline through safety policy, occupational health and working environment and environmental policy of subsidiary there are follow up in accordance to law such as training for employees in term of safety of work.



#### **Creating Safety and Health Awareness**

Subsidiaries raise awareness on safety and health which covers personal safety and securities in production process system including invite external speaker to train "Surveillance and Health Care for Employees"



#### **"Healthy Living Project"**

Course on threatening factors affecting health in work and stress management in work



#### **"Conservation of Hearing Project"**

Dangerous noise course



#### **"Organized the safety week 2017"**



### “Wednesday Safety”



#### Measurement on environment in work

Subsidiaries has measure on environment in work such as heat, light, sound, dust and concentration of chemical or vapors in work in order to control to standard environment and organized activities of KYT every day before started work.



#### Inspection of equipment to be safe

Subsidiaries has inspect of equipment to be safe in all system by using specialize to maintain these equipment to meet standard of safety such as electrical system, boilers and boiler which use liquid as heat conductor, crane overhaul.



#### Management of chemical in accordance with law

Subsidiaries has undertaken to supervise use of chemical in accordance with law in order to prevent any hazards to health of worker and their impact on environment by preparing documentation “Safety Data Sheet: SDS” and name of dangerous chemical and details of safety data sheets of dangerous chemical in accordance to law / keep container tightly closed in a dry and well-ventilated place thus to ensure that user is working properly and safety, appropriate also have protective equipment to employees, prepare device for spillage which includes emergency drills, spilled chemical to prepare and support situation that may occur.



### **Emergency Training**

Subsidiary has prioritize on preparing and response for emergency in case of fire, chemical and boiler leak or explosion by regularly training provided to employees at least once a year for safety in workplace, reduce impact on lives and assets of employees and companies. This also creates confidence among stakeholder to organization and communities nearby.



## **4. Development in social and community**

The company and its subsidiaries has jointly develop in social and communities which seem as guideline for operation of company and its subsidiaries as show spirit for process of sustainable in social and community development. It may reduce impact in social and environment. The company also conducts activities that can meet need of society and community along with business operation of organization. By this, subsidiaries has support knowledge to children and beneficial to career.

### **Promoting and Development in term of Communities and Social**

Educational	<p>Internship Program</p> <ul style="list-style-type: none"><li>- Mahidol University</li><li>- Kasembundit University</li><li>- Rajabhat Rajanagarindra University</li><li>- Kanchanaphisek Technical College Mahanakorn</li><li>- Minburi Technical College</li><li>- Rayong Technical College</li><li>- Phranakhon Rajabhat University</li><li>- Panyapiwat Institute of Management</li><li>- Chalermkanchana University (Srisaket Province)</li><li>- King Mongkut's Institute of Technology</li><li>- Aksorn Business Administration Technological College</li></ul> <p>Student Visiting Scholarship</p> <ul style="list-style-type: none"><li>- Chiang Mai University</li><li>- Khon Kaen University</li><li>- Rajamangala University of Technology Isan Khon Kaen Campus</li><li>- Buriram Technical College</li></ul>
Environmental	<p>Nursery seedings with waste materials</p> <p>Governance, environmental and security governance flagship</p>
Social	<ul style="list-style-type: none"><li>- Blood Donation</li><li>- Pour water of revered elders for blessing at Mabthaphut Industrial Estate</li><li>- Volunteer for temple development project</li><li>- Be good for our King</li><li>- Activities to brighten your Happiness</li><li>- Activities which make children Smiles and help disadvantage Families in social way</li><li>- CSR Project for smiling</li><li>- Local Children's day sponsorship program</li></ul>

### **Encourage employee to participate and create value in society**

Company and its subsidiaries encourage employees to contribute communities and society to employee to understand scarification, cooperation, unity which creates good relationship between employee and communities. Moreover, company and its subsidiaries also organize activities to be one in term of thought, decision making in order to achieve business goals.

### **CSR Project for smiling**

Company and its subsidiaries has main purpose to support education to student in community where company's factory located or communities in wilderness by provide solar power transmission towers and other equipment for long distance learning, scholarships, sport equipment, outdoor equipment through other necessary to student and school which company has continue doing this project.

In year 2017, subsidiaries has held the project at Baan La Kor School, Amphor Satuek, Burirum Province.



### **Co-Sponsored Local Children's Day Program**

In year 2017 subsidiaries have support activities in Children's day at Donmon Subdistrict Administration Organization, Amphor Satuek, Burirum Province and Huay Pong School / Mabtaphut Community, Rayong Province.



### **Complaint from community**

Company and its subsidiaries are beware of instillation and development of consciousness of Board of Directors, Executives and employees throughout organization to participate in responsible of society and community which may have impact on business operation. In addition, company joined CSR-DIW project and has been certified by Ministry of Industry as participant in society, participation in continuous and sustainable (CSR – DIW Beginner) throughout past business period. As a result, not appear that subsidiaries have received any complaint from communities around the areas.

By this, subsidiaries are committed to maintain quality and standards of its operation and develop for better to avoid negative impacts on society and community.



## **Sustainable Business Environment**

The company and its subsidiaries are doing their business which based on principle management of environment throughout organization for better manages and develop the environment. The ISO 14001 Environmental Management System happened for manage environment including all employees within organization and trade partner are joined and practice according to standard ISO 14001.

### **Management in Energy and Environment**

Subsidiaries has set policy on conserve energy and environment together with targeting for use as guideline for implement energy and raw materials as effective in energy and raw material with most beneficial thus executives and all employees throughout organization adherence in common practice.

#### **Energy and Environmental Management Policy**

1. In accordance to related law, regulation which refer to conservation of energy and environment of organization.
2. Create corporate culture and create a consciousness in all level of employees to be responsible for management on conservative of energy and environment.
3. Support on promoting development of energy and environment which consider on impact on energy and environment in every stage of production starting from design on product, distribution, usage and manage of waste including sustainable use of resources.
4. Promote on conservation of energy and environment as all activities of company aim to improve and develop usage of energy and natural resources efficiently and continuously to reduce impact on climate change and ecosystems.
5. Promote energy and environment management system starting from use of resource to save, recycle, promote the healing and rehabilitation, replacement and continuous surveillance and prevention in order to maintain natural ecosystem and well-being of everyone.

#### **Management in term of Energy**

Subsidiaries undertakes energy management and controls its office and factory by having Energy Management Team by taking attention reducing energy consumption and reduce greenhouse gas emission (carbon dioxide) in the meantime, through activities such as management for using electricity consumption for device, production process in order to achieve goals set.

### **Management in Environmental**

Subsidiaries has focusing on proactive business in term of conservation of environment as aim for long lasting use of resource in accordance to ISO 14001 on controlling waste and pollution which may occur. Moreover, considering on reduce pollution and greenhouse gas emission thus all internal processes are planned, monitored, evaluate and review for continuous improvement.

### **Sustainable use of resources**

Company and its subsidiaries has follow clean technology guideline as monitored to ensure to follow guidelines for continuous development of resources these can reduce use of resources as raw material for production continuously. At the same time, company also take into account on cost-effective use of resources by using recycle paper as environmental friendly to reduce natural resources in term of production and administration of company.

### **Management in Quality of Air**

Subsidiaries give priority to management in quality of air which recognize that air pollution affect climate change by subsidiaries has reduce and control waste from production process yearly to prevent from pollution and impact on environment for controlling air quality will not affect environment and surrounding communities.

Year 2017 subsidiaries has monitoring on quality of air and chemical in atmosphere – not exceed standard according to Ministry of Industry as follow:

#### UWC Air Pollution

Analyze amount of airborne contaminants from chimney

Measure Index	Unit	Results	Standard
TSP	Mg/M	47	240

#### RWI Air Pollution

Control by scrubber every point of air pollution and measurement

	Parameter		Measure Unit	Standard	Measurement
1. Air Emission Quality Monitoring	1) Hydrogen Chloride (HCL)	Scrubber	mg / m <sup>3</sup>	200	4.890
	2) Phosphate	Scrubber	mg / m <sup>3</sup>	-	0.736
	3) Sulfur Dioxide (SO <sub>2</sub> )	-	ppm	60	<1.03
	4) Carbon monoxide (CO)	-	ppm	690	175.6
2. Working Area Air Quality Monitoring	1) Hydrogen Chloride	Scrubber	mg / m <sup>3</sup>	≤2	0.835
	2) Benzene	-	mg / m <sup>3</sup>	≤0.5	0.035
	3) Lead (Pb)	-	mg / m <sup>3</sup>	≤0.05	-
3. Sound Level Monitoring (8 hours of working)	8 hrs. (Working hours)				
	- 1 <sup>st</sup> Drawing		dB(A)	≤90	85.6
	- PCW1		dB(A)	≤90	83.6
	- PCW2		dB(A)	≤90	84.3
	- PCS1		dB(A)	≤90	80.6
	- PCS2		dB(A)	≤90	83.1
	- Wire Rod		dB(A)	≤90	69.9
	- Wire Mesh		dB(A)	≤90	84.6
	- Hard Draw Wire		dB(A)	≤90	79.0
	- Pickling		dB(A)	≤90	75.6
4. Heat Stress Monitoring	- 1 <sup>st</sup> Drawing		Degree Celsius	Not more than 32 °C	31.1
	- PCW1				31.4
	- PCW2				30.9
	- PCS1				30.6
	- PCS2				30.9
	- Wire Rod				30.2
	- Wire Mesh				31.0
	- Hard Draw Wire				31.2
	- Pickling				31.5

#### Atmospheric Chemistry

The concentration of chemical in atmosphere of work

Measure Index	Unit	Results	Standard
Sodium Hydroxide	mg/m <sup>3</sup>	<0.76	2
Hydrogen Chloride	Ppm	1.119	5 C
Inhalable Dust	mg/m <sup>3</sup>	0.170	15
Zinc Oxide : Inhalable Dust	mg/m <sup>3</sup>	0.656	15

Remark: C = maximum hazardous chemical concentration limit at any time during work process

#### Disposal of waste from ENS Power Plants

Checking on air quality from ventilation shaft in accordance to Notification of Ministry of Natural Resources and Environment as value is not higher than the standard as follow:

Sources	Parameter	Unit	Measureable Quantity	Standard
SGI Chimney Fuel Natural Gas	Ø of the chimney	m	1.20	-
	Chimney Temperature	°C	395	-
	Speed of wind In chimney	m/s	3.91	-
	Air volume out from chimney	m <sup>3</sup> /min	265.52	-
	Content of Oxygen (O <sub>2</sub> )	%	17.7	-
	Content of Dust (TSP)	mg/m <sup>3</sup>	3.9	60
	Sulfur Dioxide (SO <sub>2</sub> )	ppm	< 1.3	20
	Nitrogen Oxides In form of Nitrogen Oxides Gas (NO as NO <sub>2</sub> )	ppm	4.7	120

### Management in Waste Water

Subsidiaries have controlling system in water quality that released from production process to be used for chemical treatment in order to meet standard as set by Ministry of Industry. The waste water from production process will not leave from factory but will have cesspool to be re-use in the production process or for water plants.

In year 2017 subsidiaries have monitoring on waste water treatment from production process which not exceed standard in accordance with Ministry of Industry.

#### UWC Wastewater Production System

Parameter	Standard	Measureable Quantity
1. PH	5.5 – 9.0	8.6
2. Total Suspended Solids (TSS)	50 mg / l	10
3. Total Dissolved Solid (TDS)	3,000 mg / l	2,826
4. Chemical Oxygen Demand (COD)	120 mg / l	<40
5. Zinc	5 mg / l	1.8

#### RWI Wastewater Production System

Parameter	Wastewater Treatment	Standard Measurement from Industrial	Measureable Quantity
1. pH	Through chemical treatment system of chemical and waste water	5.5 – 9.0	7.1
2. Total Suspended Solids		≤200 mg / l	≤2.5
3. Total Dissolved Solids		≤3,000 mg / l	1,640
4. Oil & Grease		≤ 10 mg / l	<5
5. Chemical Oxygen Demand		≤ 750 mg / l	17
6. Biology Oxygen Demand		≤500 mg / l	2
7. Dissolved Oxygen		-	7.28

## Waste Management

The subsidiaries has divides its waste into 4 categories such as general waste, biodegradable waste, recyclable waste and hazardous waste as generated by production process or chemical thus Subsidiaries have general waste management, recycle waste and in accordance to industry and environmental management system standards ISO 14001: 2015 there are preparation on waste separation, sorting, storage which are carried out for transport and select licensed waste removal contractor which will not affect environment in subsidiaries and society as follows:

### Waste Management of UWC

Waste	Removal Method	Company Eliminated
1. Garbage	Sorted and Burned	Minburi District Office
2. Wire and Metal Scrap	Brought back to re-melting	- Theerawong Recycle Limited Partnership - Siam Yamato Steel Company Limited
3. Sludge from wastewater treatment	Stabilize and landfill	- Professional Waste Public Company Limited
4. Zine dust and granules	Reuse	- Umicore Marketing Services (Thailand) Company Limited - Sampran Foundly Limited Partnership - Nawapattarakrit Company Limited - Nattawuth Commercial Limited Partnership
5. Old Hydraulic Oil	Reuse	- Sandsor Public Company Limited
6. Acid Sulphate	Reconditioned	Unching Industry Public Company Limited

### Waste Management of RWI

Waste	Removal Method	Company Eliminated	Remark
1. Garbage from office	- Sorted and Burned	Mabtaphut District	
2. Wire and Metal Scrap	- Brought back to re-melting - Separating for selling	S-Chokechai Company Limited	
3. Sludge from wastewater treatment	- Stabilize and landfill	Better World Green Public Company Limited	Reference by Department of Industrial Works
4. Garbage from industries (phosphates, soap powder, light bulbs, scraps of oil, wastewater sludge)			
5. HCL Depletion	- Bring back into new benefit	S.K. Inter Chemical Limited Partnership	
6. Pebble	- Bring back into new benefit	SC And Son Engineering Company Limited	

# Explanation and Examination of Financial Status and Business operation

## 1. Analysis of Results of Operations

### (1) Revenue

The company and its subsidiaries has total income in 2017 was 2,550.55 Million Baht or increased 569.57 Million Baht when comparing to the same period of year 2016 which was 1,980.98 Million Baht as 397.63 Million Baht increased or increasing of 28.75 percent.

Total sales of company and its subsidiaries in 2017 was 1,560.58 Million Baht or increased 397.63 Million Baht or 34.19 percent when comparing to same period of year 2016 which was 1,162.95 Million Baht due to as follows:

- Subsidiary (Rayong Wire Industries Public Company Limited "RWI") has total sales from selling its products in 2017 was 925.52 Million Baht or increased 326.82 Million Baht (54.59 percent) when comparing to the same period of year 2016 which was 598.70 Million Baht due to increase in sales volume as mainly from Prestressed Concrete Single Wire in the ratio of 58.78 percent and Wire Prestressed Concrete Strand in the ratio of 37.66 percent and other products of 3.26 percent of total sale.

- Subsidiary (Enesol Company Limited "ENS") has total income from selling electricity and heat energy in year 2017 was 237.89 Million Baht or increased 3.84 Million Baht or 1.64 percent when comparing to same period of year 2016.

- Subsidiary (Ua Withya Public Company Limited "UWC") has total revenue by following products

- Revenue from Industrial Products such as chain, motor and gear in totaling 11.31 Million Baht as 7.65 Million Baht (40.35%) decreased when comparing the same period of year 2016 which was 18.96 Million Baht by these products will only imported as per customers' order.
- Revenue from investment in subsidiaries as concerning from selling agricultural products amounting of 30.72 Million Baht as 13.82 Million Baht (31.03%) decreased when comparing to same period of year 2016 which was 44.54 Million Baht.
- Revenue from investment in subsidiaries as concerning from selling electricity to PEA amounting of 355.39 Million Baht as 84.38 Million Baht (31.14%) increased when comparing to same period of year 2016 which was 271.01 Million Baht due to increase in sales volume.

- The company and its subsidiaries has total revenue from services as amounting of 932.13 Million Baht or 150.03 Million Baht (19.18%) increased when comparing to same period of year 2016 which was 782.10 Million Baht due to more delivery to customers.

- Loss from investment as amounting of 30.74 Million Baht as consists of profit from selling short term investment of 5.29 Million Baht thus cut loss from selling warrant (holds for trading) amounting of 2.41 Million Baht and unknown actual loss of 33.63 Million Baht (changes in fair value of trading securities).

- Other revenue in year 2017 of 88.58 Million Baht as 20.60 Million Baht (30.30%) increased when comparing to the same period of previous year of 67.98 Million Baht as following details:

Description	2017		2016		2015	
	MB	%	MB	%	MB	%
Profit from temporary investment	-	-	4.18	6.15	4.82	6.54
Revenue from selling scrap	49.83	56.25	24.56	36.13	20.66	28.03
Interest income	35.55	40.13	32.31	47.56	38.49	52.23
Revenue from Dividend receive	0.98	1.11	0.24	0.35	0.64	0.87
Other revenue	2.22	2.51	6.69	9.81	9.09	12.33
<b>TOTAL</b>	<b>88.58</b>	<b>100.00</b>	<b>67.98</b>	<b>100.00</b>	<b>73.70</b>	<b>100.00</b>

- Revenue on subsidiaries selling scrap from raw materials in year 2017 of 49.83 Million Baht as 25.27 Million Baht due to more sales volume from scrap of wire and production volume.

- The company and its subsidiaries has more receive interest in year 2017 of 35.55 Million Baht (interest receive from bank, deposit for guarantee equity trading, finance lease receivable of subsidiary (ENS)).

## **(2) Gross Profit**

In year 2017 the company and its subsidiaries has gross profit from selling products and services as amounting of 168.16 Million Baht or 6.75 percent when comparing to same period of previous year which was 7.56 percent due to selling product of RWI, services on delivery of UWC (more differentiate of profit) and UWC KOMEN BIOMASS Company Limited (UKB) as more revenue from selling electricity thus also loss from Power Plant in Buriram as electricity started to selling the second half of year 2017. Moreover, annual loss continuously which lead to decline in gross profit.

- Gross profit from RWI equal to 15.06 percent (increased when comparing the same period of previous year) which was 10.51 percent due to sales price and sales volume of Prestressed Concrete Wire. Apart from this, the company has improvement on control cost of raw materials, cost of production and other.

- Subsidiaries (UWC and WJC) has gross profit from services of 8.52 percent as increased when comparing to same period of previous year which was 7.25 percent due to project delivery to customers.

## **(3) Expenses**

Total expenses of company and its subsidiaries for expense equal to 2,899.22 Million Baht as 712.07 Million Baht compared to year 2015 which was 2,187.15 Million Baht as 32.56 increased by following reasons.

- Cost of goods sold of 1,471.82 Million Baht as 399.10 Million Baht (37.20%) increased when comparing to same period of previous year which was 1,072.72 Million Baht by fluctuation from sales volume and expenses in term cost from Power Plant in Buriram Province as starting selling electricity.

- Cost for services of subsidiaries of 852.73 Million Baht as 127.35 Million Baht increased (17.56%) when comparing to same period of previous year which was 725.38 Million Bhat by fluctuation from project deliver to customers.

- Cost from selling of 39.82 Million Baht as 2.71 Million Baht increased when comparing to same period of previous year which was 37.11 due to more cost on sales volume and expenses for marketing promotion in oversea.

- Operating expenses of 240.33 Million Baht as 37.34 Million Baht decreased when comparing to same period of previous year which was 277.67 Million Baht.

- Other expenses of 237.71 Million Baht due to subsidiary (Pipe Line Engineering Company Limited "PLE") has devaluation of machinery of 22.40 Million Baht, subsidiary (UWC) has loss from investment with affiliate company (DIMET Siam Public Company Limited "DIMET") of 110.75 Million Baht, subsidiary Evergreen Biomass Company Limited "EBM") has devaluation from investment with affiliate company Sun Flower Green Company Limited ("SFG") of 54.95 Million Baht which including devaluation of goodwill in Paradise Green Energy Company Limited "PGE" as amounting of 52.32 Million Baht .

- Cost of financial of 56.81 Million Baht as 8.44 Million Baht (12.93%) decreased when comparing to same period of previous which was 65.25 Million Baht due to repayment from financial institute.

## **(4) Net Profit (Loss)**

- Year 2017 the company has total net loss of 156.66 Million Baht as 33.46 Million Baht increased when comparing to same period of previous which was 123.20 Million Baht due to more expense as amounting of 228.69 Million which came from devaluation of investment in affiliate company (DIMET and Joint Venture Business (SFG) including devaluation on goodwill of (PGE).



## 2. Financial Analysis

As of December 31, 2017 company and its subsidiaries has total assets of 6,052.98 Million Baht as 125.35 Million Baht increased when comparing to same period of previous year which was 5,927.63 Million Baht which came from the following reasons.

- Cash and equivalent to cash of 184.55 Million Baht as 476.65 Million Baht decreased from end of 2016 which was 661.20 Million Baht due to subsidiary (UWC) has payback short term loan to financial institution, subsidiary (ENS) payback long term loan and subsidiary (RWI) has paid for raw material from oversea and short term investment.

- Short term loan of 630.08 Million Baht as 299.49 Million Baht increased from end of 2016 which was 330.59 Million Baht due to subsidiary (RWI) has more investment in fund of bank.

- Trade account receivable and other debtor of 941.09 Million Baht as 282.30 Million Baht increased from end of year 2016 which was 659.19 due to more revenue by increased in trade receivable of 296.40 Million Baht, allowance for doubtful account – decline in trade receivable of 24.09 Million Baht and other receivable decline as amount of 10.89 Million Baht, decline in revenue from accrued income of 24.23 Million Baht.

- Short term loan as amount 8.86 as 3.64 declined from end of year 2016 which was 12.50 Million Baht.

- Net inventory of 793.83 Million Baht as 168.06 Million Baht ( 26.86%) increased from end of year 2016 which was 625.77 Million Baht due to more raw materials of 46.73 Million Baht, Factory Material of 13.30 Million Baht, in process work of 123.99 Million Baht by subsidiary (UWC) has more raw material of 42.99 Million Baht, Factory Materials of 13.02 Million Baht and in process work of 120.09 Million Baht, subsidiary (RWI) has more raw material of 3.75 Million Baht, in process work of 3.99 Million Baht but decline in finished good of 15.23 Million Baht.

- Current Asset as amount of 47.02 Million Baht as 18.66 Million Baht increased from end of year 2016 which was 28.36 Million Baht due to increasing in value added tax.

- Bank deposit with obligation increase of 39.70 Million Baht due to subsidiary (UWC) has obligation in bank guarantee in order to issue guarantee letter to client under project contract.

- Investment in joint venture company of 122.08 Million Baht as 105.13 Million Baht decreased from end of year 2016 which was 227.21 Million Baht due to subsidiary (UWC) has loss from devaluation of investment in DIMET of 110.75 Million Baht and sharing loss of 6.26 Million Baht thus increasing in investment 3 more affiliate companies of 11.88 Million Baht.

- Investment in joint venture company decline of 59.47 Million Baht from end of year 2016 which was 59.47 Million Baht by decline from subsidiary EBM which has loss from devaluation of investment in SFG of 57.95 Million Baht and reverse on creditor from purchase subsidiary of 4.52 Million Baht due off-set transaction.

- Net land and building as amount 1,885.94 Million Baht as 88.39 Million Baht (4.92%) increased from end of year 2016 which was 1,797.55 Million Baht by increased both fixed assets of 190.94 Million Baht and re-evaluation of land of 54.12 Million Baht but decline in depreciation price of company and its subsidiaries of 134.09 Million Baht. Moreover, decline from subsidiary (PLE) from impairment of machine of 22.40 Million Baht.

- Goodwill off 46.29 Million Baht as 52.32 Million Baht decreased or 53.05 percent from end of year 2016 which was 98.60 Million Baht due to devaluation of goodwill of company

- Intangible assets of 377.69 Million Baht as 49.16 Million Baht (11.51%) from end of year 2016 which was 426.85 by purchase during the year of 0.13 Million Baht and decline from amortization of 49.29 Million Baht.

- Non-current assets of 81.90 Million Baht as 10.76 Million Baht increased or 15.13 percent from end of year 2016 which was 71.14 Million Baht by increased from subsidiary (ENS) has advance payment for equipment of 23.19 Million Baht and more from subsidiary (UWC) concerning company withholding tax refund for year 2016 and 2017 but decline in receiving withholding tax refund of year 2015.

### 3. Asset Quality

- Net Account Receivable**

The company and its subsidiaries has net account receivable of 684.71 Million Baht by whole from subsidiaries due to debtor of company amounting of 84.17 Million Baht by recorded as fully recorded as allowance for doubtful account which can be classify into life of debtor as follows:

Remaining Duration	2017		2016		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Debtor – Not Yet Due	546.91	67.99	259.27	50.79	258.84	46.39
Debtor – Overdue 0 – 6 months	137.74	17.13	126.08	24.70	112.29	20.13
6-12 months	1.95	0.24	1.35	0.26	62.68	11.23
More than 12 months	117.78	14.64	123.79	24.25	124.15	22.25
<b>Total</b>	<b>804.38</b>	<b>100.00</b>	<b>510.49</b>	<b>100.00</b>	<b>557.96</b>	<b>100.00</b>
Less – doubtful accounts	(119.67)	14.88	(143.78)	28.17	(141.48)	(25.36)
<b>Net Doubtful Accounts</b>	<b>684.71</b>	<b>85.12</b>	<b>366.71</b>	<b>71.83</b>	<b>416.48</b>	<b>74.64</b>

As December 31, 2017 Company and its subsidiaries has trade account receivable before deducted the doubtful account of totaling of 804.38 Million Baht and doubtful account of 119.67 Million Baht therefore total amount of account receivable equals to 684.71 Million Baht by not yet due debtor amounting of 546.91 Million Baht or equivalent to 67.99 percent, overdue debtor nor over 6 months amounting of 137.74 Million Baht or equivalent to 17.13 percent thus debtors of RWI as amounting of 73.10 Million Baht, UWC as amounting of 63.41 Million Baht. Overdue debtor 6-12 months as amounting of 1.95 Million Baht or equivalent to 0.24 percent as debtor overdue more than 12 months as amounting of 117.78 Million Baht or equivalent to 14.64 percent as company debtor amounting of 84.18 Million Baht (company has been prosecuted) and debtor of RWI as amounting of 2.46 Million Baht, debtor of subsidiary (UWC) of 27.87 Million Baht for allowance for doubtful account of 119.67 Million Baht (company account receivable of 84.18 Million Baht) debtor of subsidiary (RWI) of 2.46 Million Baht, debtor of subsidiary (UWC) of 32.60 Million Baht (debtors of related companies – EMC as amounting of 14.12 Million Baht as at January 19, 2017 subsidiary has total repayment) management has considered that mentioned amount is adequate and appropriate.

For Trade Credit Policies, usually subsidiaries will give 7-90 days on credits at the present, subsidiaries tries to improve on efficiency of collection the debts by asking for the payment of debts when its due date and give short term credit for new customers. In summarized year 2017, average duration of collecting money equals to 94 days which decreased when compared to year 2016 as average of 99 days as RWI 80 days and UWC 97 days respectively.

- Net Inventories**

Total of net inventories equals to 793.83 Million Baht as 168.06 Million Baht decreased or equivalent to 26.86 percent when compared to year 2016 by the following details:

Type of inventories	2017		2016		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Finished Goods	60.14	7.57	76.09	12.16	111.74	17.72
Work in process	289.03	36.41	165.04	26.37	203.48	32.26
Raw Material	385.83	48.61	339.10	54.19	274.46	43.52
Factories supplies	58.83	7.41	45.54	7.28	40.98	6.50
<b>Total</b>	<b>793.83</b>	<b>100.00</b>	<b>625.77</b>	<b>100.00</b>	<b>630.66</b>	<b>100.00</b>

As at December 31, 2017 Company and its subsidiaries had net inventories equals to 793.83 Million Baht by proportion of finished goods as calculate to 7.57 percent, work in progress equals to 36.41 percent for proportion of raw materials equals to 48.61 percent and proportion of equipment equals to 7.41 percent.

If we consider on turnover of inventory will see that company and its subsidiaries has the rational from 19.15 ( Year 2016) and 34.13 ( Year 2017) times when compared to duration of average sale period equivalent to about 11 days as decreased when compared to year 2016 as average of 19days. By this, it's fluctuated by needs of customers as a consequence of the economic situation of the country.

#### 4. Liquidity

- **Cash Flow**

In the year 2017 the company and its subsidiaries had cash and deposit money in the bank in totaling of 184.55 Million Baht as decreased 661.20 Million Baht (year 2016) which decreased of 476.65 Million Baht which consists of the following activities.

Transaction	Million Baht
Cash Flows from (used in) operating activities	(114.43)
Cash Flows from (used in) investing activities	(591.95)
Cash Flows from (used in) financing activities	211.80
<b>Cash or equivalent to cash (decline)</b>	<b>(494.58)</b>
<b>Bank overdraft</b>	<b>17.93</b>
<b>Cash at the end of year gain (loss)</b>	<b>(476.65)</b>

In the year 2017, the company and its subsidiaries had negative cash flow of 114.43 Million Baht due to business operation for year ended December 31, 2017 after adjustment of transaction which is not cash in revenue of 122.23 Million Baht, increased in account receivable and other receivable of 256.48 Million Baht, inventory as amount of 169.99 Million Baht, other non-current assets of 10.76 Million Baht, current assets of 8.37 Million Baht more earning perceived of 25.05 Million Baht, Trade payables and other payable of 234.72 Million Baht increased in payable and other creditors of 2.69 Million Baht, pay interest to employees due to retired as amount of 6.59 Million Baht, cash paid for interest of 55.98 Million Baht, payment for tax of 48.49 Million Baht, cash received from interest of 21.45 Million Baht.

In part of cash for financing activities has negative number of 591.95 Million Baht as came from company received money from investment in securities and warrant of 19.29 Million Baht, subsidiaries (RWI, ENS) received money from selling available for sales securities of 174.70 Million Baht, receive money from selling investment in holding mutual fund of 293.43 Million Baht, selling equipment of 0.56 Million Baht but as cash for trading securities and warrant of 75.88 Million Baht, cash for available for sale of 511.76 Million Baht , fund holding for sale of 146.61 Million Baht, cash paid to invest in maturity securities of 82.86 Million Baht, cash paid for investment in subsidiaries of 10.26 Million Baht, subsidiary (UWC) paid for investment in affiliate company of 11.88 Million Baht, cash paid for short term loan to related company of 9.35 Million baht and paid for fixed asset of 192.47 Million Baht.

Incoming cash flow was in positive number of 211.80 Million Baht which from loan from Financial Institution of 344.82 Million Baht, selling warrant of subsidiaries of 211.71 Million Baht, subsidiary (RWI) and (UWC) has receive money from warrant of 9.34 Million Baht, company receive cash selling investment money of subsidiary of 19.99 Million Baht, company and its subsidiaries payback short term loan to financial institution of subsidiaries of 339.39 Million Baht, subsidiary (ENS), payback long term loans financial institution of 24.96 Million Baht and pay rental charge of 9.73 Million Baht due to above reasons; cash and equivalent decline as net of 494.58 Million Baht so as at December 31, 2017 total cash equal to 166.62 Million Baht.

#### 5. Source of Funds

- **Liabilities**

Total liabilities of company and subsidiaries in year 2017 equals to 2,136.78 Million Baht which 214.62 Million Baht increase when company year ended to year 2016 as amounting of 1,922.16 Million Baht due to increase from debenture, account payable and other creditors but decline in short and long term loans from financial institution.

Current assets in year 2017 equals to 1,786.30 Million Baht which 1,064.52 Million Baht increased when compared to year 2016 as amounting of 721.78 Million Baht as main reason came from classification of debenture of subsidiary (UWC) from non-current asset to current-asset of 800 Million Baht (expiration date of January 2018), bank overdraft and short term loan from financial institution increase of 22.48 Million Baht, more trade payable and other payable of 220.50 Million Baht

(external trade payable increase of 214.61 Million Baht due to purchase raw materials and other equipment in accordance to sales volume, unearned income of 37.24 Million Baht, decline in accrued expenses of 14.34), more income tax payable of 16.89 Million Baht but decline in liability from rental which was due in one year of 1.43 Million Baht.

Other non-current liabilities in year 2017 as amounting of 350.48 Million Baht as decrease of 849.90 Million Baht from year 2016 as amount of 1,200.38 Million Baht due to UWC has issuance of debenture of 800 Million Baht due to payable by January 2017 dated January 26, 2017, subsidiary (UWC) has paid all debts, decline in rental charge of 4.24 Million Baht due to subsidiaries has paid under deferred tax liabilities decline of 53.63 Million Baht, more deferred income tax of 25.05 Million Baht, increase employee benefit obligation of 7.88 Million Baht and decline in long term loan from subsidiary (ENS) of 24.96 Million Baht.

- **Proportion of shareholders**

As at December 31, 2017 Company had proportion of shareholders equals to 2,473.09 Million Baht as 29.14 Million Baht increased when compared to December 31, 2016 of 2,443.95 Million Baht due to surplus from land appraisal of subsidiary and increase in change in proportion of subsidiaries and decline in loss from operation.

- **Sufficient Capital**

As at December 31, 2017 the company and its subsidiaries has source of financing from short and long term loans financial institution which expecting have enough sufficient funds.

- **Appropriateness of capital structure or source of funds**

As at December 31, 2017, the company and its subsidiaries has debt to equity ratio equal to 0.86 times as increased when compared to year 2016 as of 0.79 times due to increase of total liabilities of 11.17 percent as mainly from trade account payables and other and increase in proportion of shareholding of 1.19 percent due to surplus from land appraisal of subsidiary.

- **Adequacy of liquidity**

As at December 31, 2017 – The company and its subsidiaries has ratio for liquidity of 1.48 times as decrease when company to year 2016 of 3.26 times thus expecting company and its subsidiaries has current asset for pay off current liabilities of 1.40 times.

- **Ability to repay debts and fulfill importance information on loan**

As at December 31, 2017 – The Company and its subsidiaries has abilities to repay debts of (0.18) times as decreased from year 2016 of 1.36 times seems that company and subsidiaries has more abilities to repay debts with under loans conditions as well.

## **6. Factors may impact operation or Financial Status in the future**

As nature business of company itself is to holding shares in other companies which may affect business operation or financial status therefore company depends on business as invested and to invest. At the present, company and its subsidiaries are invested in following businesses:

1. The subsidiary (UWC)

- As nature of business is produce High Voltage Steel Tower, Telecommunication Tower, sub-station Tower as main feature of revenue came from submit bids and receive projects for these bids so its lead revenue from these vary in accordance to auction (projects). In the future, if company could not get the project from submit bids so it will affect company as well. However, risk from fluctuation of revenue may across therefore company is intent to commitment to development on personnel on usage of technology in order to deliver to customer as according to international standard, on time deliver, meet customer need .

- Energy Business which process by subsidiaries of UWC (Power Plant which sell electricity to PEA as main factor affecting operation is ability to continuously distribution of electricity and fuel continuously which includes cost controlling on price of raw materials. By this, UWC has establish new subsidiary in Cambodia in order to supplementary supply of wood materials in order to send as fuel to Power Plants in group and also have plan to management chopped wood itself together with finding areas in order to manage crops to support on cost of production of Power Plants. By this, each project for Power Plants has find reserve materials in advance of 15-30 days.

2. The subsidiary (RWI) as nature of business is produce and distribute of PC-Wire, Welding Wire by main feature as affect business operation are raw materials, fluctuation of exchange rate, competition in term of price which will cause decline in gross profit and depends to economic situation as customers need more or less product.

3. The subsidiary (ENS) which manufacturer in managing electricity plants and solar energy to The Siam Ceramic Group Industries Company Limited and Thai-German Ceramic Industries Public Company Limited as main feature affect business operation is when there is stop on machinery which lead production process of electricity and heat energy as a result company has no revenue from operation and may need to pay fines due to inability to perform its contract and also in case of price of industrial gas and natural gas (adjust all times) these may lead business operation as well.

4. The subsidiary (PLE) as nature of business is construction, tunnel excavation – main factors which may impact business operation is practice in accordance to contract for specified period. There are many factors to concern with operation such as turnover of space for operation, cost of re-location of machinery and etc.

5. The subsidiary (WJC) as nature of business are construction of steel structure, design and metal forming service as obtain works within country and oversea of Petrochemical Industrial, Energy Industry, High Voltage Poles, Telecommunication Tower and other as use steel for construction therefore changes of raw materials price will affect cost of WJC thus in order to prevent risk from determine in selling price and set bid price for various projects, keep surplus of profit in a level which can complete with other entrepreneurs and continuously develop and improve in term of production in order to control cost of production to the optimum level.

The company have target to invest in business which get along with current business of subsidiaries and affiliate company or potential to growth of business in accordance to economic and society.



# Corporate Governance Report from Audit Committee

To Shareholders

Audit Committee of Capital Engineering Network Public Company Limited has consists of 3 people is fully qualified and experienced. Year 2017, there are 5 times of Audit Committee meetings as name of audit committees attends the meetings as follows.

			Attended
Dr. Visit	Ongpipattanakul	Chairman of Audit Committee	5/5
Mr. Yanyong	Wattanawongpitak	Audit Committee	5/5
Associate Professor Dr.Pusit	Lertwattanakul	Audit Committee	5/5

Audit Committee has practices under duties and responsibilities as assigned by Board of Directors in order to ensure that company has adequate corporate governance which in accordance to good corporate governance of Securities and Exchange Commission and The Stock Exchange of Thailand thus Audit Committee has held the meeting for consideration and commendation on critical issues with management team, auditors, internal auditors as can be summarize as follows:

## To review Financial Report

- Audit Committee has reviewed information of financial statement each quarter and 2017 annual report as passed reviewed from auditors. By this, executives and auditors has consulted this reviewed on rectitude, completely before comment on report of financial statement, adjustable of accounts as affected financial statement which includes enough information to be disclosed and remarks from auditors. Audit Committee had conformed to auditors mentioned report of financial statement had made with correction follows standard of financial reporting. Moreover, disclosures of important information in Noted to Financial Statement are sufficient, completely and trusted with selected reasonable of accounting policies.

## The adequacy of internal control system and Internal Audit Risk Management and Corporate Governance

- Audit Committee has reviewed company to have effective internal control system by considering from conclusion on results of internal audit and monitoring quarterly as cover any important system of company together with suggestion for beneficial. Apart from this, considering on internal control system of company follows COSO of year 2013 as adjusted of Securities and Exchange Commission and The Stock Exchange of Thailand. By this, there is not any error which make less effective in internal control system therefore Audit Committee seems that company has adequate of internal control system.
- Audit Committee has verified the internal control systems by reviewed practices and responsibilities in order to make sure that has processes are conducting appropriate internal investigation with effectively. Apart from this, approved of work plans annually, internal audit has make of risk plans respectively and adjust audit plans in order to be consistent with changes in risk throughout further practices follows internal audit plans.
- Audit Committee has opinions on internal audit control system is independent, adequate and practices of internal audit are relevant as required, good communication among executives and auditors and support any practices of Audit Committee.
- Audit Committee has reviewed on risk management as appropriate and effective by review importance risk factors which disclosed in annual report.
- Capital Engineering Network Public Company Limited has encourage all levels of employees to be consistency in ethics and integrity in term of anti-corruption for create culture and values of organization through anti-corruption policies as have a way to point out clues to management and all staff levels.
- Audit Committee has reviews and assess performance appraisal by self-assessment in accordance to charter of Audit Committee which strengthen good corporate governance.



- Audit Committee had report on performance of work (Audit Committee) to Board of Directors quarterly by year 2017 has acknowledge the Board of Directors in amount of 4 times.

### Review on compliance

- Audit Committee has Reviews Company on practice in accordance to regulations and requirement from Securities and Exchange Commission and The Stock Exchange of Thailand and other related law for business operation includes any commitment with external. As the results, there are no issues with regard to illegal practices and requirements.

### Connected transaction

#### Acquisition and Disposition of Assets

- Audit Committee has considered on related transaction of company with person or related juristic person or any transaction as conflict of interest to company follows regulation of Securities and Exchange Commission and any other related division to make sure that has highest return to company.  
Audit Committee has agreed with Boards on related transaction as company has practices in accordance with reasonable, equitable and highest return to company includes important information has been disclosed and shown in financial statement also in noted to financial statement completely and adequately.
- Audit Committee has considered transaction on acquisition of assets for size and value which may affect financial status and business operation in accordance to rules and guidelines of Securities and Exchange Commission and The Stock Exchange of Thailand and Capital Market Supervisory Board.

### External Auditors

- Audit Committee has considered on independent evaluation and performance of auditors year 2017 as continuously for 5<sup>th</sup> year overall as performances are very satisfied and independently.
- Year 2018, company has considers and selects new auditor which be list of auditors approved by the office of Securities and Exchange Commission since previous auditor has continuously 5<sup>th</sup> year for company's auditor therefore for independently Audit Committee has proposed to Board get approval from Shareholders meeting on appointment of company's auditor; Dr.Suwatchai Meakhaamnouychai C.P.A. Registration No. 6638, and/or Mr. Chavala Tienpasertkij C.P.A. Registration No. 4301, and/or Dr.Kiatniyom Kuntisook C.P.A. Registration No. 4800, and/or Mr. Wonlop Vilaivaravit, License No. 6797 from DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT COMPANY LIMITED ("DELOITTE") as company's auditor for year 2018 as remuneration fees of Baht 1,800,000 which 28.57% decreased.

### Overall comments and concerns

From duties of Audit Committee in year 2017 so believed that company has accurate and reliable in term of accounting and financial report system, adequate internal control, effective in term of risk management, good corporate governance includes any practice in accordance with laws, regulations and any related rules for business operation.

In the performance, Audit Committees has use their knowledge, can be attributed to the conservative and independent enough and no limitation on receive information from executives, employees and related person including any suggestion in order the have benefit in every division equally.

In the name of Audit Committee



Chairman of Audit Committee

## **Report on Responsibilities of the Board of Directors on Financial Reporting**

Financial Statement of Capital Engineering Network Public Company Limited was made under policies of Board of Directors which in accordance with basic accounting principles and recorded adequately together with using judgment for estimating Financial Statement to reflect the reality in company operation.

The Board of Directors has realized an importance of quality of Financial Statement by review on Financial Statement and disclosed importance information in Notes to Financial Statement together with explanation and analysis to beneficial of shareholders and investors.

In this regard, the Audit Committee which consists of Independent Director of responsible for the quality of financial statements. The Audit Committee has examined financial data, internal control and audit systems to ensure suitability and efficiency to ensure recording of accounts to be accurate, complete and adequate includes to prevent corruption or unusual by comments of this investigation appeared in report of Audit Committee which disclosed in this year annual report.

From Management Structure and Internal Control System and reviews from Certified Public Accountant, it is reasonable confident to believe that the Financial Statement of the company as of December 31, 2017 shows operating results, cash flow with reasonable accuracy accounting to basic accounting principles.



(Mr. Wutichai Leenabanchong)  
Chairman  
and Acting Chief Executive Officer

# Independent Auditor's Report

To the Shareholders and the Board of Directors of Capital Engineering Network Public Company Limited

## My opinion

In my opinion, the consolidated financial statements of Capital Engineering Network Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2017, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

## What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

## Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
<p><b>Valuation of goodwill</b></p> <p>Refer to Notes 4 and 16 to the consolidated and separate financial statements on critical accounting estimates and judgements and goodwill.</p> <p>The Group's goodwill was attributable to the following Cash Generating Units (CGUs) Paradise Green Energy Co., Ltd. (PGE) of Baht 52.32 million; Satuk Biomass Co., Ltd. (SATUEK) of Baht 40.00 million; and UWC Amphan Biomass Co., Ltd. (UAB) of Baht 6.29 million. The Group was required to test goodwill for impairment at least annually.</p> <p>I focused on this area because the goodwill balance is material to the financial statements. Goodwill recoverable amounts are based on management judgments of variables such as revenue, revenue growth, profit margin and discount rates.</p> <p>Management tested the impairment of goodwill by:</p> <ol style="list-style-type: none"> <li>1. Determining the recoverable amount of goodwill from the value-in-use for each CGU using a discounted cash flow (DCF) model. The cash flows of PEG are based on forecast cash flows (revenues, expenses and capital expenditure) for CGU for the next five years, with a terminal zero growth rate applied to the fifth year cash flows. The cash flows of SATUEK and UAB are based on forecast cash flows (revenues, expenses and capital expenditure) for each CGU for the remaining periods of power purchase agreements. These cash flows are then discounted to net present value using the weighted average cost of capital (WACC), and</li> <li>2. Comparing the result of value-in-use for each CGU to their respective book values and determining whether to record an impairment provision if the DCF values in use are less than the book values.</li> </ol> <p>Based on the annual goodwill impairment test, management concluded that impairment loss on of PGE's goodwill of Baht 52.32 million was recorded in the consolidated financial statements. The key assumptions are disclosed in note 16 to the consolidated and separate financial statements.</p>	<p>My key procedures included:</p> <ul style="list-style-type: none"> <li>• Obtaining, understanding and evaluating management's cash flow forecasts and the process by which the forecasts were developed;</li> <li>• Agreeing the cash flow forecasts with the approved budgets set by management;</li> <li>• Challenging management's key assumptions, such as for revenue, revenue growth, profit margin and discount rates and against the economic and industry outlook, taking into account the sensitivity of the changes in the goodwill balance in the respective assumptions; and</li> <li>• Testing the mathematical accuracy and considering the appropriateness of cash flows including in the forecasted cash flows model.</li> </ul> <p>Based on my procedures, I noted the key assumptions used by management were supportable and appropriate in light of the current environment and circumstances.</p>

Key audit matter	How my audit addressed the key audit matter
<p><b><i>Impairment of investment in associate and joint venture</i></b></p> <p>Refer to note 2 and note 13 to the consolidated and separate financial statements on significant accounting policies, investments subsidiaries, associates and interests in joint ventures.</p> <p>The Group holds interests in an associate and joint venture, which is accounted for using the equity method. When the objective evidence that indicates impairment is identified, management assessed impairment by comparing the recoverable amounts of the interest in the associate and joint venture with their carrying amounts.</p> <p>As at 31 December 2017, due to a downturn in the market, the Group found the carrying amount of an investment in Dimet (Siam) Public Co., Ltd. (DIMET), an associate with ownership interest of 24.50%, exceeded its market value. Hence, the Group assessed impairment on this investment by comparing its recoverable amount with its carrying value. The recoverable amount is the higher of its fair value less cost to sell and its value-in-use. The value-in-use is determined by the enterprise discounted free cash flow model. Based on the assessment result, the impairment loss on DIMET of Baht 110.75 million, which is a major portion of total impairment loss on investment in associates and joint ventures of Baht 165.70 million, was recorded in the consolidated financial statements.</p> <p>I focused on this area because the impairment loss of the investment in associates is material to the consolidated financial statements</p>	<p>My key procedures included:</p> <ul style="list-style-type: none"> <li>• Evaluating management's process for preparing its impairment assessment and evaluating management's experience in prior years and the critical judgement made in the assessment;</li> <li>• Assessing the recoverable amount based on its fair value less cost to sell by reference to the fair value amount to the bid price listed in MAI's market;</li> <li>• Assessing the recoverable amount based on its value-in-use as determined by the enterprise discounted free cash flow model, reviewing documentation supporting key judgements and assumptions, and considering external evidence and the historical accuracy of management's assumptions and forecasts, particularly the growth rate, the margin and the discount rate,</li> <li>• Reconciling input data to supporting evidence, such as approved budgets;</li> <li>• Testing the mathematical accuracy and considering the appropriateness of cash flows included in the enterprise discounted free cash flow model; and</li> <li>• Checking the sensitivity analysis around the key assumptions, to ascertain the extent to which adverse changes, both individual or in aggregate, would result in the investment being impaired.</li> </ul> <p>Based on the procedures performed, the key assumptions and estimates made by management were reasonable regarding to supported evidence, appropriated with current circumstance and consistent with my understanding.</p>

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate 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 consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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 the audit committee.

## Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

## Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee 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 the audit committee 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 the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate 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.

PricewaterhouseCoopers ABAS Ltd.



**Pisit Thangtanagul**

Certified Public Accountant (Thailand) No. 4095

Bangkok

23 February 2018

Capital Engineering Network Public Company Limited

Statement of Financial Position

As at 31 December 2017

		Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
	Notes	Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	8	184,553,022	661,196,460	25,549,622	54,943,567
Short-term investments	9	630,080,130	330,588,280	163,775,749	173,687,780
Trade and other receivables	10	941,499,921	659,196,983	13,389,799	9,118,121
Current portion of receivables under finance lease agreements		35,147,008	32,453,392	-	-
Short-term loans	11	8,858,890	12,500,000	124,040,000	54,540,000
Inventories	12	793,826,080	625,766,062	-	-
Other current assets		47,023,383	28,358,783	3,874,913	3,684,107
Total current assets		2,640,988,434	2,350,059,960	330,630,083	295,973,575
Non-current assets					
Restricted cash at bank	32	219,233,024	179,525,000	-	-
Receivables under finance lease agreements		197,830,644	232,977,652	-	-
Investment in subsidiaries	13.1	-	-	975,248,195	1,061,677,651
Investment in associate	13.2	122,076,045	227,212,163	-	-
Investment in joint venture	13.3	-	59,471,525	-	-
Investment property	14	404,688,426	404,735,426	404,688,426	404,735,426
Property, plant and equipment	15	1,885,938,651	1,797,554,411	1,096,102	4,694,242
Goodwill	16	46,288,517	98,604,170	-	-
Intangible assets	17	377,687,045	426,844,617	15,964	20,924
Deferred tax assets	18	76,337,792	79,503,802	72,384,897	59,387,145
Other non-current assets		81,906,172	71,142,050	1,419,737	841,857
Total non-current assets		3,411,986,316	3,577,570,816	1,454,853,321	1,531,357,245
Total assets		6,052,974,750	5,927,630,776	1,785,483,404	1,827,330,820

The notes to the consolidated and separate financial statements on pages 439 to 560 form an integral part of the financial statements.

Capital Engineering Network Public Company Limited

Statement of Financial Position (Cont'd)

As at 31 December 2017

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term borrowings from financial institutions	19	325,510,525	303,026,596	-	59,720,143
Trade and other payables	20	576,109,354	355,610,842	9,754,688	9,883,231
Debentures	19	800,000,000	-	-	-
Current portion of long-term borrowings from financial institutions	19	24,960,000	24,960,000	-	-
Current portion of liabilities under finance lease agreement	19	8,114,431	9,549,734	-	-
Income tax payable		16,886,434	-	10,239,840	-
Other current liabilities		34,721,902	28,627,415	396,593	402,550
Total current liabilities		1,786,302,646	721,774,587	20,391,121	70,005,924
Non-current liabilities					
Debentures	19	-	800,000,000	-	-
Long-term borrowing from financial institutions	19	24,520,000	49,480,000	-	-
Liabilities under finance lease agreements	19	9,400,059	13,644,662	-	-
Deferred tax liabilities	18	200,092,793	253,715,937	-	-
Deferred income		59,985,841	34,937,866	-	-
Employee benefit obligations	21	56,484,592	48,604,780	5,356,785	4,463,233
Total non-current liabilities		350,483,285	1,200,383,245	5,356,785	4,463,233
Total liabilities		2,136,785,931	1,922,157,832	25,747,906	74,469,157

The notes to the consolidated and separate financial statements on pages 439 to 560 form an integral part of the financial statements.

Capital Engineering Network Public Company Limited

Statement of Financial Position (Cont'd)

As at 31 December 2017

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital					
Authorised share capital					
Ordinary shares,					
1,117,712,067 shares at					
par value of Baht 1 each	22	1,117,712,067	1,117,712,067	1,117,712,067	1,117,712,067
Issued and paid-up share capital					
Ordinary shares,					
745,141,378 shares at					
par value of Baht 1 each	22	745,141,378	745,141,378	745,141,378	745,141,378
Share premium	22	891,304,563	891,304,563	891,304,563	891,304,563
Retained earnings					
Appropriated - Legal reserve	24	29,769,475	29,423,562	29,769,475	29,423,562
Unappropriated		289,596,328	449,745,668	93,520,082	86,992,160
Other components of equity					
Revaluation surplus on land		90,194,118	73,208,187	-	-
Unrealised gain on revaluation of					
available-for-sale securities		1,315,224	957,286	-	-
Translation on financial statements		(61,253)	-	-	-
Changes in controlling					
interest in subsidiaries		425,834,102	254,171,526	-	-
Equity attributable to					
owners of the parent		2,473,093,935	2,443,952,170	1,759,735,498	1,752,861,663
Non-controlling interests		1,443,094,884	1,561,520,774	-	-
Total equity					
		3,916,188,819	4,005,472,944	1,759,735,498	1,752,861,663
Total liabilities and equity					
		6,052,974,750	5,927,630,776	1,785,483,404	1,827,330,820

The notes to the consolidated and separate financial statements on pages 439 to 560 form an integral part of the financial statements.

Capital Engineering Network Public Company Limited

Statement of Comprehensive Income

For the year ended 31 December 2017

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
<b>Revenues</b>					
Revenue from sales		1,560,583,461	1,162,954,159	-	-
Revenue from services		932,131,645	782,096,508	-	-
Profit (loss) from investment	9	(30,743,621)	(32,053,782)	155,009,580	(33,524,250)
Other income	25	88,578,178	67,986,503	8,714,840	25,919,181
<b>Total revenues</b>		<b>2,550,549,663</b>	<b>1,980,983,388</b>	<b>163,724,420</b>	<b>(7,605,069)</b>
<b>Expenses</b>	26				
Cost of goods sold		1,471,822,385	1,072,718,977	-	-
Cost of services		852,732,145	725,383,209	-	-
Selling expenses		39,820,742	37,109,070	-	-
Administrative expenses		240,326,534	277,671,610	37,286,690	37,437,054
Finance costs		56,811,473	65,246,594	1,488,487	2,682,624
Other expenses		237,713,790	9,017,563	91,920,629	57,448,439
<b>Total expenses</b>		<b>2,899,227,069</b>	<b>2,187,147,023</b>	<b>130,695,806</b>	<b>97,568,117</b>
Shares of result of investment - equity method	13.2	(6,261,215)	(2,838,561)	-	-
<b>Profit (loss) before income tax expense</b>		<b>(354,938,621)</b>	<b>(209,002,196)</b>	<b>33,028,614</b>	<b>(105,173,186)</b>
Income tax revenue (expense)	27	44,461,883	48,665,092	(26,110,360)	11,245,437
<b>Profit (loss) from continuing operations</b>		<b>(310,476,738)</b>	<b>(160,337,104)</b>	<b>6,918,254</b>	<b>(93,927,749)</b>
Loss from discontinued operations		-	(2,514,197)	-	-
<b>Profit (loss) for the year</b>		<b>(310,476,738)</b>	<b>(162,851,301)</b>	<b>6,918,254</b>	<b>(93,927,749)</b>
<b>Other comprehensive income</b>					
Item that will not be reclassified to profit or loss					
Remeasurements of post-employment					
benefit obligations	21	(8,316,383)	(3,523,457)	(55,524)	(112,417)
Gains on revaluation of land		54,122,900	-	-	-
Income tax relating to items that					
will not be reclassified to profit or loss		(9,161,303)	855,157	11,105	22,483
Item that will be reclassified to profit or loss					
Unrealised gain from revalue of					
available-for-sale securities		1,921,062	1,570,305	-	-
Less Reclassify of realised gain to profit or loss		(1,389,449)	(2,444,800)	-	-
Currency differences on translation		(156,138)	-	-	-
Income tax relating to items that will be reclassified		(173,244)	(723,423)	-	-
<b>Other comprehensive income</b>					
<b>for the year, net of tax</b>		<b>36,847,445</b>	<b>(4,266,218)</b>	<b>(44,419)</b>	<b>(89,934)</b>
<b>Total comprehensive income</b>					
<b>for the year</b>		<b>(273,629,293)</b>	<b>(167,117,519)</b>	<b>6,873,835</b>	<b>(94,017,683)</b>

The notes to the consolidated and separate financial statements on pages 439 to 560 form an integral part of the financial statements.

Capital Engineering Network Public Company Limited

Statement of Comprehensive Income (Cont'd)

For the year ended 31 December 2017

Note	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
<b>Profit (loss) attributable to:</b>				
Owners of the parent	(156,664,553)	(123,199,070)	6,918,254	(93,927,749)
Non-controlling interests	(153,812,185)	(39,652,231)	-	-
	<u>(310,476,738)</u>	<u>(162,851,301)</u>	<u>6,918,254</u>	<u>(93,927,749)</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	(142,520,811)	(125,211,664)	6,873,835	(94,017,683)
Non-controlling interests	(131,108,482)	(41,905,855)	-	-
	<u>(273,629,293)</u>	<u>(167,117,519)</u>	<u>6,873,835</u>	<u>(94,017,683)</u>
<b>Earnings per share</b>	28			
Basic				
From continuing operations	(0.2102)	(0.1640)	0.0093	(0.1261)
From discontinued operations	-	(0.0013)	-	-
Diluted				
From continuing operations	(0.2246)	(0.1675)	0.0093	-
From discontinued operations	-	(0.0016)	-	-

The notes to the consolidated and separate financial statements on pages 439 to 560 form an integral part of the financial statements.



Consolidated financial statements

Attributable to owners of the parent														
	Notes	Retained earnings			Other components of equity									
		Issued and fully paid-up share capital	Share premium	Appropriated - legal reserve	Other comprehensive income									
					Unappropriated	Gain on land revaluation	Unrealised gain on revaluation of available-for-sale securities		Currency translation on financial statements	Changes in controlling interest in subsidiaries		Total owners of the parent	Non-controlling interests	Total equity
							Baht	Baht		Baht	Baht			
Opening balance at 1 January 2016														
Changes in equity for the year														
Proceeds from share issued and paid-up - subsidiary														
Addition of investment in subsidiaries by purchasing share from non-controlling interest														
Dilution from change in holding proportions in subsidiaries														
Disposal of investments in subsidiary - RWI														
Dividends paid by subsidiary														
Acquisition in subsidiary's shares by non-controlling interest through warrants exercise														
Gain on sales of subsidiary's warrants														
Total comprehensive income for the year														
Closing balance at 31 December 2016														
Opening balance at 1 January 2017														
Changes in equity for the year														
Gain on sales of subsidiary's warrants														
Disposal of investments in subsidiary														
Acquisition in subsidiary's shares by non-controlling interest through warrants exercise														
Addition of investment in subsidiaries by purchasing share from non-controlling interest														
Changes in controlling interest in subsidiaries														
Appropriation to legal reserve														
Total comprehensive income for the year														
Closing balance at 31 December 2017														

The notes to the consolidated and separate financial statements on pages 439 to 560 form an integral part of the financial statements.

Capital Engineering Network Public Company Limited  
Statement of Changes in Equity (Cont'd)  
For the year ended 31 December 2017

Separate financial statements						
Notes	Issued and paid-up share capital	Share premium	Shares to be issued from exercise of warrants	Retained earnings		Total equity
	Baht	Baht	Baht	Appropriated - legal reserve	Unappropriated	Baht
<b>Opening balance at 1 January 2016</b>	745,141,378	891,304,563	-	29,423,562	181,009,843	1,846,879,346
<b>Changes in shareholders' equity for the year</b>						
Total comprehensive income for the year	-	-	-	-	(94,017,683)	(94,017,683)
<b>Closing balance at 31 December 2016</b>	745,141,378	891,304,563	-	29,423,562	86,992,160	1,752,861,663
<b>Opening balance at 1 January 2017</b>	745,141,378	891,304,563	-	29,423,562	86,992,160	1,752,861,663
<b>Changes in shareholders' equity for the year</b>						
Total comprehensive income for the year	-	-	-	-	6,873,835	6,873,835
Current period legal reserve	-	-	-	345,913	(345,913)	-
<b>Closing balance at 31 December 2017</b>	745,141,378	891,304,563	-	29,769,475	93,520,082	1,759,735,498

The notes to the consolidated and separate financial statements on pages 439 to 560 form an integral part of the financial statements.

**Capital Engineering Network Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2017**

	Notes	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Cash flows from operating activities</b>					
Profit (loss) before income tax		(354,938,617)	(211,516,393)	33,028,614	(105,173,186)
Adjustments for:					
Depreciation and amortisation	26	183,429,725	172,639,700	2,411,443	1,406,152
Interest income	25	(35,552,904)	(32,309,996)	(4,661,375)	(8,425,042)
Interest expenses	26	56,811,473	65,246,594	1,488,487	2,682,624
Dividend income	25	(981,564)	(240,000)	(981,564)	(10,568,008)
Doubtful accounts (reversal)		(5,318,029)	8,506,366	(60,000)	(60,000)
Doubtful accounts on loans	26	-	9,475,508	8,000,000	21,475,508
Loss of allowance for decline in value of inventories (Reversal)	26	(1,896,876)	283,687	-	-
Loss on impairment of investment in subsidiary	26		-	83,842,859	35,454,488
Loss on impairment of non-current assets	15	22,402,859	599,951	-	518,443
Write-off equipment	15	125,546	1,579	-	1,579
(Gain) Loss on disposal of equipment		(443,301)	-	77,770	-
Write-off warrants held as trading securities	9	2,406,925	-	2,406,925	-
Unrealised loss on change in fair value of trading securities		33,691,788	53,445,390	33,691,788	53,445,390
Unrealised gain on change in fair value of trading securities in mutual fund		(60,200)	(1,054)	(60,200)	(1,054)
Gain on sales of trading securities		(2,039,616)	(8,530,816)	(2,039,616)	(8,530,811)
(Gain) loss on sales of warrants held as trading securities		(726,346)	1,733	(726,346)	1,733
Gain on sales of trading securities in mutual fund		(934,497)	-	(505,483)	-
Gain on sales of subsidiary's warrants held as trading securities	9	-	-	(170,376,837)	(9,007,385)
Gain on sales of available-for-sale securities		(2,023,447)	(4,182,533)	-	-
Gain on sales of long-term investment		-	(3,594,452)	-	(3,594,452)
Gain on sales of investments in joint ventures		-	(13,739,616)	-	-
Gain on sales of investments in subsidiaries	9	-	878,142	(17,399,811)	(2,383,621)
Unrealised gain on exchange rate		(2,163,672)	3,316	-	-
Employee benefit obligations					
- Benefit expense	21	6,152,146	6,523,097	838,028	580,397
Share of result of investment - equity method	13.2	6,261,215	2,838,561	-	-
Loss on impairment of investment in joint venture	13	54,946,525	-	-	-
Loss on impairment in goodwill	16	52,315,653	-	-	-
Loss on impairment of investment in associate		110,754,937	-	-	-
Changes in operating assets and liabilities					
Trade and other receivables		(256,483,039)	(37,181,624)	(601,189)	(1,149,146)
Receivable under finance lease agreement		(2,693,616)	28,088,484	-	-
Inventories		(169,985,477)	10,893,254	-	-
Other current assets		(8,368,853)	(10,826,952)	(277,815)	(291,296)
Other non-current assets		(10,764,122)	13,653,738	(577,880)	-
Trade and other payables		234,723,179	(49,099,905)	(128,543)	(490,640)
Deferred income		25,047,975	21,189,579	-	-
Employee benefit obligations - benefit payment	21	(6,588,718)	(6,398,146)	-	-
Other current liabilities		6,094,486	2,458,586	(5,957)	42,535
Other non-current liabilities		-	(4,612,524)	-	-
Cash (used in) generated from operations		(66,798,461)	14,493,253	(32,616,702)	(34,065,792)
Interest received		35,382,065	37,392,359	1,050,886	9,054,553
Interest paid		(55,975,868)	(56,872,469)	(1,820,410)	(2,898,515)
Income tax refund received		21,456,240	24,609,834	-	-
Income tax paid		(48,489,693)	(40,108,404)	(28,857,167)	(11,491,293)
<b>Net cash used in operating activities</b>		<b>(114,425,718)</b>	<b>(20,485,427)</b>	<b>(62,243,393)</b>	<b>(39,401,047)</b>

The notes to the consolidated and separate financial statements on pages 439 to 560 form an integral part of the financial statements.

Capital Engineering Network Public Company Limited

Statements of Cash Flows (Cont'd)

For the year ended 31 December 2017

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
Acquisition of trading securities		(73,692,733)	(56,841,138)	(73,692,733)	(56,841,138)
Acquisition of trading securities in mutual fund		(146,605,429)	-	(146,605,429)	-
Acquisition of warrants held as trading securities		(2,190,969)	-	(2,190,969)	-
Acquisition of held-to-maturity securities	9	(82,858,254)	(62,710,904)	-	-
Acquisition of available-for-sale securities	9	(511,760,000)	(207,922,000)	-	-
Acquisition of investments in subsidiary, net		(10,262,372)	(617,840,498)	-	(95,490,992)
Acquisition of investments in associate	13.2	(11,880,034)	(228,860,983)	-	-
Acquisition of investments in joint venture		-	(53,225,000)	-	-
Cash paid for short-term loans to related party	29.6	(9,347,802)	(119,775,988)	(82,500,000)	(15,900,000)
Acquisition of equipment		(192,471,587)	(281,260,710)	(82,104)	(1,893,204)
Acquisition of intangible assets	17	(132,100)	(530,979)	-	(24,800)
Proceeds from refunded deposit for acquisition subsidiaries		-	9,000,000	-	-
Proceeds from sales of trading securities		16,366,906	62,367,618	16,366,906	62,367,618
Proceeds from disposal of warrants held for trading		2,917,315	9,216	2,917,315	9,216
Proceeds from sale of available-for-sale securities		174,700,000	389,579,108	-	-
Proceeds from sales of trading securities' in mutual fund		293,431,017	-	139,000,000	-
Proceeds from disposals of subsidiaries warrants held for trading		-	-	211,726,710	9,007,385
Proceeds from sales of long-term investment		-	39,294,453	-	39,294,453
Receipt from sale of investment in joint venture		-	66,000,000	-	-
Proceeds from sales of investment in subsidiary	13.1	-	134,800,000	19,986,408	2,681,449
Receipt from short-term loans to related parties	29.6	-	183,935,988	5,000,000	57,120,000
Receipt from long-term loans to related party		-	37,062,500	-	37,062,500
Proceeds from disposals of equipment		560,982	2,797,612	1,330,000	-
Dividends received	25	981,564	240,000	981,564	10,568,006
Increase in restricted cash		(39,708,024)	(976,691)	-	-
<b>Net cash (used in) provided by investing activities</b>		<b>(591,951,520)</b>	<b>(704,858,396)</b>	<b>92,237,668</b>	<b>47,960,493</b>
<b>Cash flows from financing activities</b>					
Proceeds from short-term borrowings from financial institutions		344,830,067	59,720,144	-	59,720,144
Proceeds from long-term borrowings from financial institutions	19	(24,960,000)	-	-	-
Proceeds from issuance of debentures		-	800,000,000	-	-
Proceeds from loan from related parties		-	-	-	15,000,000
Proceeds from sale of subsidiary's warrants		211,726,710	9,007,385	-	-
Proceeds from exercise of subsidiaries' warrants		-	357,930	-	-
Proceeds from issuing ordinary share of subsidiary paid by non-controlling interest		-	450,000	-	-
Proceeds from exercising warrants by non-controlling interest of subsidiary from issued shares	23	9,336,003	-	-	-
Proceeds from sale of investment in subsidiary with no loss control	13.1	19,986,408	2,681,449	-	-
Acquisition of investment in subsidiary from non-controlling interest		-	(2,336,287)	-	-
Repayment to loan to related parties		-	-	-	(75,000,000)
Repayment to short-term borrowings from financial institutions		(339,388,220)	(104,000,000)	(59,388,220)	-
Repayment to long-term borrowings from financial institutions		-	(24,960,000)	-	-
Repayment to liabilities under finance lease agreements		(9,731,684)	(149,479)	-	-
Dividends paid		-	(15,995,692)	-	-
<b>Net cash provided by (used in) financing activities</b>		<b>211,799,284</b>	<b>724,775,449</b>	<b>(59,388,220)</b>	<b>(279,856)</b>

The notes to the consolidated and separate financial statements on pages 439 to 560 form an integral part of the financial statements.

Capital Engineering Network Public Company Limited  
**Statements of Cash Flows** (Cont'd)  
**For the year ended 31 December 2017**

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
<b>Net increase in cash and cash equivalents</b>		(494,577,954)	(568,374)	(29,393,945)	8,279,590
Cash and cash equivalents at beginning of the year		661,196,460	661,764,834	54,943,567	46,663,977
Effects of exchange rate		(1,389)	-	-	-
<b>Cash and cash equivalents at end of the year</b>		<u>166,617,117</u>	<u>661,196,460</u>	<u>25,549,622</u>	<u>54,943,567</u>
<b>For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:</b>					
Cash and cash equivalents	8	184,553,022	661,196,460	25,549,622	54,943,567
Bank overdrafts	19	(17,935,905)	-	-	-
		<u>166,617,117</u>	<u>661,196,460</u>	<u>25,549,622</u>	<u>54,943,567</u>
Cash and cash equivalents consists of					
- from continuing operations		166,617,117	661,196,460	-	-
- from discontinued operations		-	-	-	-
<b>Significant non-cash transactions</b>					
- Acquisition of equipment which has not been paid		475,479	6,051,759	-	-
- Acquisition of assets by means of finance lease		4,051,081	1,333,162	-	-

The notes to the consolidated and separate financial statements on pages 439 to 560 form an integral part of the financial statements.

## **1 General information**

Capital Engineering Network Public Company Limited ("the Company"), is incorporated in Thailand and is registered as a listed Company in the Stock Exchange of Thailand on 10 May 1991. The address of the Company's registered office is as follows:

900/15, 19<sup>th</sup> Floor, SVOA Tower, Rama 3 Road, Bangpongpan, Yannawa, Bangkok.

The company is a holding company.

For reporting purposes, the Company and its subsidiaries are referred to as the Group.

The principal subsidiaries' operation of the Group are summarised as follows:

<b>Name of the entity</b>	<b>Type of business</b>
1. Rayong Wire Industries Public Company Limited ("RWI")	Manufacturing and distributing prestressed concrete wire, prestressed concrete strand wire and welding wire
2. Ua Withya Public Company Limited ("UWC")	Manufacturing and distributing industrial equipment and transmission line towers, telecommunication towers, and distributing substation steel structures
3. Enesol Company Limited ("ENS")	Manufacturing and distributing electricity and heat energy
4. Pipe Line Engineering Company Limited ("PLE")	Construction and tunnel
5. Evergreen Biomass Company Limited ("EBM")	Distributing fuel for power plant
6. WJC Enterprise Co., Ltd. ("WJC")	Fabrication construction and design
7. Paradise Green Energy Company Limited ("PGE")	Biogas power plant business, and selling agricultural products and by products
8. UWC Komen Biomass Company Limited ("UKB")	Biomass power plant project
9. UWC Solar Company Limited ("SLR")	Solar power plant
10. Satuek Biomass Co., Ltd. ("SATUEK")	Biomass power plant project
11. UWC Amphan Biomass Company Limited ("UAB")	Biomass power plant project
12. Green Energy Planatation Company Limited ("GEP")	Manufacturing and selling agricultural products
13. UWCC (Cambodia) Company Limited ("UWCC")	Manufacturing and selling woodchips

This Group consolidated and separate financial statements were authorised for issuing by the Board of Directors on 23 February 2018.

## **2 Accounting policy**

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

### **2.1 Basis of preparation**

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention, except short-term investment (Note 2.6) and land (Note 2.9) as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two language, the Thai language statutory financial statements shall prevail.



## 2 Accounting policy (Cont'd)

### 2.2 Revised financial reporting standards, and related interpretations

Revised financial reporting standards and interpretations are effective for accounting periods beginning on or after 1 January 2017 and 2018.

The Group's management assessed and considered that the revised standards will not have a material impact on the Group.

### 2.3 Investments in subsidiaries, associates and interests in joint ventures

#### (1) Subsidiaries

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

The Group applies the acquisition method to account for business combinations, except business combination under common control. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurements are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A list of the Group's principal subsidiaries are set out in Note 13.

## 2 Accounting policies (Cont'd)

### 2.3 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

#### (2) Transactions with non-controlling interests

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

#### (3) Disposal of subsidiaries

When the Group ceases to have control it shall ceased to consolidate its subsidiaries. Any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

#### (4) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

#### (5) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

##### Joint operations

A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

##### Joint venture

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

A list of the Group's principal joint venture are set out in Note13.

## 2 Accounting policies (Cont'd)

### 2.3 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

#### (6) Accounting under equity method

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in associates is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduction of the ownership interest in an associate is recognised in profit or loss.

The Group's share of its associates post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in associates equals or exceeds its interest in the associates, together with any long-term interests that, in substance, form part of the entity's net investment in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

The Group determines at each reporting date whether there is any objective evidence that the investments in the associates are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit (loss) of associates in profit or loss.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### (7) Separate financial statement

In the separate financial statements, investments in subsidiaries and associates are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

### 2.4 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Thai Baht, which is the Company's functional and the Group's presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

## 2 Accounting policies (Cont'd)

### 2.4 Foreign currency translation (Cont'd)

#### (c) Group companies

The results and financial position of all of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

### 2.5 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statements of financial position, bank overdrafts are shown in current liabilities.

### 2.6 Investments

Investments other than investments in subsidiaries, associates and joint ventures are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments.

The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

1. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
2. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity.
3. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale.
4. Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available for sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

## 2 Accounting policies (Cont'd)

### 2.7 Trade and other receivables

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within administrative expenses.

### 2.8 Inventories

Inventories of the Group comprises raw materials (steel), industrial goods, agricultural products, biomass materials, factory supplies and work in progress.

Inventories are stated at the lower of either the cost and the net realisable value.

The cost of raw materials (steel), agricultural products, biomass materials, factory supplies and work in progress is determined by the weighted average method and the cost of industrial goods is determined by the first-in, first-out method.

The cost of finished goods comprises the purchase cost, conversion cost and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, the cost of goods is determined by the weighted average method, considered an appropriate cost allocation of production overheads. It is based on normal operating capacity.

Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

### 2.9 Property, plant and equipment

Land is shown at fair value, based on valuations by external independent valuers every 3 years. All other property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land are credited to other comprehensive income and shown as gain on asset revaluation in equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against gain on asset revaluation directly in equity; all other decreases are charged to profit or loss.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings and improvements	10 - 20 years
Hydroelectric power plants	15 years (Based on agreement)
Machinery and equipment	5 - 15 years
Tunnel boring machinery	
- Useful lives	5 - 15 years
Furniture, fixtures, and office equipment	5 - 10 years
Vehicles	5 years

## 2 Accounting policies (Cont'd)

### 2.9 Property, plant and equipment (Cont'd)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gain/loss - net' in profit or loss.

When revalued assets are sold, the amounts included in gain on asset revaluation are transferred to retained earnings.

### 2.10 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight line method to their residual values over their estimated useful lives, as follows:

Building	20 years
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Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

### 2.11 Goodwill

At the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.



## 2 Accounting policies (Cont'd)

### 2.12 Intangible assets

#### Computer software licenses

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 - 10 years.

#### Cost of gas branch piping system

Cost of gas branch piping system have a finite useful life and are carried at cost less accumulated amortisation, and impairment (if any). Amortisation is calculated using the straight-line method to allocate the cost of gas branch piping system over their estimated useful lives of 15 years.

#### Right to sale under Power Purchase Agreement

The right to sale under Power Purchase Agreements arising on acquisitions of subsidiary is amortised over the periods of the Power Purchase Agreements, which are between 8 to 13 years. Amortisation is calculated using the straight-line method.

### 2.13 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### 2.14 Leases - Where a Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of land, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

#### Leases - Where a Group is the lessor

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.

## 2 Accounting policies (Cont'd)

### 2.15 Borrowing

Borrowing are recognised initially at fair value, net of transactions costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

#### Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 2.16 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries, associates and joint arrangements, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## 2 Accounting policies (Cont'd)

### 2.17 Employee benefits

#### Short-term employee benefits

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

#### Defined contribution plans

The Group participates in a provident fund, which is a defined contribution plan, the assets for which are held in a separate trustee-administered fund and are managed by a licensed Fund Manager. The Group has no legal or constructive obligations to pay further contributions once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### Retirement benefit

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually depends on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

### 2.18 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## 2 Accounting policies (Cont'd)

### 2.19 Share capital

Ordinary shares is classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any companies within the Group purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

### 2.20 Warrants

#### Group as an issuer

Warrants are issued to existing shareholders to subscribe for ordinary shares. Proceeds from issuing warrants (if any) net of related expenses are shown under "Warrants" in shareholders' equity when the warrants are issued. Proceeds from exercised warrants net of related expenses are shown under share capital.

### 2.21 Construction contract

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress and for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within 'trade and other receivables'.

The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

## 2 Accounting policies (Cont'd)

### 2.22 Revenue recognition

#### Sale of goods

Revenue is recognised in profit or loss when the significant risks and rewards of ownership are transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

#### Revenue from sale of electricity and heat energy

Revenue from sale of electricity and heat energy is recognised in profit or loss according to the term set out in the agreement to obtain the right of production and distribution of electricity and heat energy. The revenue from sale of electricity is calculated basing on the accepted actual delivered electricity shown on the meter and the average price of each month as set out in the agreement. The revenue from sale of heat energy is calculated basing on the accepted actual delivered heat energy shown on the meter at the price of natural gas purchased in each month as set out in the agreement.

#### Revenue from projects

Revenue from projects is recognised in statement of comprehensive income when the project are completely inspected by and delivered to the buyer at the Group's plant because the significant risks and rewards of ownership have been transferred to the buyer.

For the projects which included transportation to the customer, revenue is recognised in the statement of comprehensive income when the customer assigned the work and issued the invoice and delivery note (if any). Assigned work can be classified in proportion to its completion and delivery to the customer.

#### Revenue from tunnel boring

Revenue from tunnel boring includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will generated revenue and are reliable measured. As soon as the outcome of tunnel boring can be estimated reliably, revenue and costs from tunnel boring are recognised in the profit and loss at the stage of completion of the work and issuance of the invoice.

An expected loss on a tunnel boring contract and manufacturing services on that project are recognised immediately in profit or loss.

#### Rental income

Rental income is recognised in profit or loss according to the terms set out in the agreement, based on which the installations are due.

#### Interest income and other income

- Interest income is recognised using the effective interest method.
- Dividend income is recognised in profit or loss on the date the Group has the right to receive payments is established.
- Income from the sale of raw materials scrap (steel) is recognised when the process of bidding is completed.
- Discounts received, liable for compensation derived from the delay of work, under the agreement are recognised in the statement of income when receiving approval from the parties.
- Gain from derivative future contracts is recognised when gain (loss) is realised from settlement of derivative future contracts.
- Others revenues are recognised on accrual basis.

## **2 Accounting policies (Cont'd)**

### **2.23 Dividend distribution**

Dividend distribution to the Group's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Group's shareholders or board of directors.

## **3 Financial risk management**

### **Financial risk management policies**

The Group is exposed to normal business risks from changes in market interest rates risk, foreign exchange risk, credit risk, liquidity risk, and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

### **3.1 Interest rates risk**

Interest rates risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because certain borrowings have interest rates closed to the market rate and some are lower. The Group has not hold derivative financial instrument to manage risk that may incur from interest rate fluctuation.

### **3.2 Foreign exchange risk**

The Group is exposed to immaterial foreign currency risk relating to purchases which are denominated in foreign currencies. The Group does not enter into forward exchange contracts to hedge liabilities denominated in foreign currencies.

### **3.3 Credit risk**

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations, close follow up, and cash and cheque collections in advance before starting a project are performed on all customers requiring credit over a certain amount.

### **3.4 Liquidity risk**

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.



#### 4 Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

The significant estimates and assumptions are outlined below:

**a) Business acquisition**

The Group determines the fair value of the net identifiable assets by using the purchase price allocation method. The goodwill is dependent on the fair value of the net assets acquired. The valuation methodology involves management's judgement, based on the inputs and assumptions in the model, which affect the valuation of goodwill.

**b) Estimated impairment of goodwill, property, plant and equipment and intangible assets**

The Group tests annually whether goodwill has suffered any impairment, in accordance with accounting policy stated in Note 2.11. The Group also considers impairment indicator for property, plant and equipment and intangible assets. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. The change in the assumption used would impact the recoverable amount.

**c) Allowance for doubtful accounts**

Allowances for doubtful accounts are intended to adjust the value of receivables for probable credit loss. The management uses judgment to establish reserves for estimated loss for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of percentage of revenues, analysis of debt aging, collection experience, and taking into account of change in the current economic environment. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable loss and adjustments to the allowances may therefore be required in the future.

**d) Useful lives for property, plant and equipment and intangible assets**

The annual depreciation charge is sensitive to the estimated useful lives and residual values allocated to each type of asset. Useful lives and residual values are assessed annually and change when necessary to reflect current situation on their remaining useful lives in light of technological change, prospective economic utilisation and physical condition of the assets concerned.

**e) Deferred tax**

Deferred tax assets and liabilities are recognised for temporary difference arising between tax bases of assets and liabilities and their carrying amount for accounting purposes as at the end of reporting date. Significant management judgment is used in considering whether it is highly probable that the Group will generate sufficient taxable profits from its future operations to minimize these deferred tax assets. The Group's assumptions regarding the future taxable profits and the anticipated timing of minimise of deductible temporary differences and significant changes in these assumptions from period to period may have a material impact on financial position and results of operations.

**f) Borrowings**

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate which the director's expect would be available to the Group at the end of reporting date. The change in the discount rate would impact the fair value of the borrowings.

#### 4 Critical accounting estimates and judgements (Cont'd)

##### g) Employee benefits

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for employee benefit include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of high-quality government bonds that are denominated in the currency in which the benefits will be paid.

Other key assumptions for employee benefits are based in part on current market conditions. Additional information is disclosed in Note 21.

##### h) Consolidation of the entity in which the Group holds less than 50%.

Management consider that the Group has de facto control of UWC even though it has less than 50% of the voting rights. The Group has control and power to govern the financial and operating policies of UWC and there is no history of other shareholders forming a group to exercise their votes collectively. Consequently, this investment has been classified as a subsidiary and consolidated to the Group's consolidated financial statements.

#### 5 Capital risk management

The Board's policy is to maintain a strong capital base so as to build investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as a result from operating activities divided by total shareholders' equity, excluding non-controlling interest, and also monitors the level of dividends paid to ordinary shareholders.

#### 6 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee who makes strategic decisions. The chief operating decision-maker review operating results in the same dimension as presented on the financial statements, principally based on profit (loss) after income tax.

##### By geographic area

Management considers that the Group operates in a single geographic area, namely in Thailand, and has, therefore, only one major geographic segment.

##### By business operation

The Group comprises the following main business segments:

Segment 1: represents the business of investing in other companies

Segment 2: represents the business of manufacturing and distributing prestressed concrete wire, prestressed concrete strand wire and welding wire

Segment 3: represents the business of manufacturing and distributing steel structures for transmission line towers, telecommunication towers, substation steel structures and industrial equipment, including the design and manufacture fabrication

Segment 4: represents the business of manufacturing and distributing electricity and heat energy

Segment 5: represents the business of construction and tunnelling

Other segments: represents the business of agricultural product

## 6 Segment information (Cont'd)

Financial information by business segments in the consolidated financial statements are as follows:

	Consolidated financial statements						Total Million Baht
	Segment 1 Million Baht	Segment 2 Million Baht	Segment 3 Million Baht	Segment 4 Million Baht	Segment 5 Million Baht	Other segment Million Baht	
<b>For the year ended 31 December 2016</b>							
Revenues	(7.61)	608.80	867.23	680.73	0.01	44.95	2,194.11
<u>Less</u> Revenue from inter-segment	(28.47)	(0.48)	(31.36)	(152.82)	-	-	(213.13)
Total revenues	(36.08)	608.32	835.87	527.91	0.01	44.95	1,980.98
Segment results	(63.56)	14.85	29.92	(55.98)	(33.22)	(52.35)	(160.34)
Discontinued operations	-	-	-	-	-	(2.51)	(2.51)
Segment fixed assets	4.69	232.94	344.44	892.28	94.25	228.95	1,797.55
Other assets							4,130.08
Consolidated total assets							5,927.63

	Consolidated financial statements						Total Million Baht
	Segment 1 Million Baht	Segment 2 Million Baht	Segment 3 Million Baht	Segment 4 Million Baht	Segment 5 Million Baht	Other segment Million Baht	
<b>For the year ended 31 December 2017</b>							
Revenues	163.72	944.89	1,094.08	635.51	0.04	31.64	2,869.88
<u>Less</u> Revenue from inter-segment	(194.99)	(0.35)	(105.49)	(18.50)	-	-	(319.33)
Total revenues	(31.27)	944.54	988.59	617.01	0.04	31.64	2,550.55
Segment results	(152.04)	81.23	30.18	(128.19)	(34.34)	(107.31)	(310.47)
Segment fixed assets	1.10	228.26	365.35	1,020.98	61.55	208.70	1,885.94
Other assets							4,167.03
Consolidated total assets							6,052.97

## 7 Fair value

### 7.1 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the financial assets and liabilities that are measured at fair value, excluding fixed deposits presented under held-to-maturity securities due within one year, at 31 December.

	Consolidated financial statements			
	2017		2016	
	Level 1 Baht	Level 2 Baht	Level 1 Baht	Level 2 Baht
<b>Asset</b>				
Trading financial assets				
• Mutual Funds	-	8,242,687	-	71,575
• Equity securities	136,766,739	-	113,500,010	-
Available-for-sale financial assets				
• Mutual funds	-	480,740,408	-	141,125,349
<b>Total asset</b>	<b>136,766,739</b>	<b>488,983,095</b>	<b>113,500,010</b>	<b>141,196,924</b>

The Group reclassified available-for-sale investments gains of Baht 1,389,449 (2016: Baht 2,444,800) from other comprehensive income into profit or loss resulting from disposal of investments during the year.

	Separate financial statements			
	2017		2016	
	Level 1 Baht	Level 2 Baht	Level 1 Baht	Level 2 Baht
<b>Asset</b>				
Trading financial assets				
• Mutual Funds	-	8,242,687	-	71,575
• Equity securities	155,533,062	-	173,616,205	-
<b>Total asset</b>	<b>155,533,062</b>	<b>8,242,687</b>	<b>173,616,205</b>	<b>71,575</b>

There were no transfers between levels 1 and 2 during the year.

### 7.2 Valuation techniques used to derive Level 2 fair values

Level 2 Trading securities and available-for-sale equity securities are fair valued using a Net Asset Valuation ("NAV") approach as at period end date. The data is publicly available on the Thai Bond Market Association, which is calculated by fund manager of the mutual fund.

## 8 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cash on hand	1,362,731	917,950	729	521
Deposits held at call with banks - current and saving accounts	178,517,131	649,999,823	25,181,127	54,578,178
Short-term bank deposits	4,673,160	10,278,687	367,766	364,868
	<u>184,553,022</u>	<u>661,196,460</u>	<u>25,549,622</u>	<u>54,943,567</u>

During 2017, the interest rate on savings deposits at banks is ranged between 0.13% - 0.75% per annum (2016: 0.13% - 0.75% per annum).

The interest rate on short-term bank deposits is 0.80% - 1.38% per annum (2016: 0.80% - 0.95% per annum) and these deposits have maturities of 3 months.

## 9 Short-term investments

Short-term investments as at 31 December comprises of these followings:

	Consolidated financial statements			
	31 December 2017		31 December 2016	
	Cost Baht	Fair value Baht	Cost Baht	Fair value Baht
Trading securities	325,218,227	145,009,426	273,989,642	113,571,584
Available-for-sale securities	478,633,096	480,740,408	137,861,460	141,125,350
Held-to-maturity securities due within one year	4,330,296	4,330,296	75,891,346	75,891,346
	<u>808,181,619</u>	<u>630,080,130</u>	<u>487,742,448</u>	<u>330,588,280</u>
	Separate financial statements			
	31 December 2017		31 December 2016	
	Cost Baht	Fair value Baht	Cost Baht	Fair value Baht
Trading securities	343,984,550	163,775,749	334,105,837	173,687,780

Movements of short-term investments for the year then ended 31 December 2017 are as follows:

	Consolidated financial statements			
	Trading securities Baht	Available- for-sale securities Baht	Held-to-maturity securities due within one year Baht	Total Baht
Opening net book amount	113,571,584	141,125,350	75,891,346	330,588,280
Additions	222,489,131	511,760,000	82,858,254	817,107,385
Disposals	(155,012,776)	(172,676,555)	(154,431,015)	(482,120,346)
Revaluation	(33,631,588)	531,613	-	(33,099,975)
Loss on impairment of investment in trading securities	(2,406,925)	-	-	(2,406,925)
Interest income	-	-	11,711	11,711
Closing net book amount	<u>145,009,426</u>	<u>480,740,408</u>	<u>4,330,296</u>	<u>630,080,130</u>

**9 Short-term investments (Cont'd)**

Movements of short-term investments for the year then ended 31 December 2017 are as follows: (Cont'd)

	Consolidated financial statements			
	Trading securities Baht	Available- for-sale securities Baht	Held-to-maturity securities due within one year Baht	Total Baht
Cost	325,218,227	478,633,096	4,330,296	808,181,619
Unrealised gain (loss)	(180,208,801)	2,107,312	-	(178,101,489)
Fair value	145,009,426	480,740,408	4,330,296	630,080,130
				Separate financial statements
				Trading securities Baht
Opening net book amount				173,687,780
Additions				222,489,131
Disposals				(196,362,649)
Impairment loss on investment				(2,406,925)
Revaluation				(33,631,588)
Closing net book amount				163,775,749
				Separate financial statements
				Trading securities Baht
Cost				343,984,550
Unrealised loss				(180,208,801)
Fair value				163,775,749

The analysis of gain (loss) from investment is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Write-off warrants held as trading securities	(2,406,925)	-	(2,406,925)	-
Gain on sales of short-term investments	5,294,892	8,529,080	3,271,445	8,529,080
Gain on sales of subsidiary's warrants	-	-	170,376,837	9,007,385
Unrealised loss on revaluation of trading securities	(33,631,588)	(53,444,336)	(33,631,588)	(53,444,336)
Gain on disposal investment in joint venture	-	13,739,616	-	-
Gain (loss) on disposal investment in subsidiaries (Note 13.1)	-	(878,142)	17,399,811	2,383,621
	(30,743,621)	(32,053,782)	155,009,580	(33,524,250)

The Company recognised gain on disposal investment in subsidiaries amounting Baht 5.24 million, net of tax, and gain on sales of subsidiary's warrants amounting to Baht 169.38 million, net of tax (2016: Baht 7.21 million, net of tax) directly in equity attributed to the shareholders of the parent company in the consolidated financial statements.



10 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade receivables - third parties	790,271,130	493,869,553	84,178,921	84,178,921
<u>Less</u> Allowance for doubtful accounts	(105,566,088)	(129,658,902)	(84,178,921)	(84,178,921)
Trade receivables - third parties, net	684,705,042	364,210,651	-	-
Trade receivable - related parties (Note 29.5)	14,120,263	16,620,653	-	-
<u>Less</u> Allowance for doubtful accounts	(14,120,263)	(14,120,263)	-	-
Trade receivable - related parties, net	-	2,500,390	-	-
Other receivables - third parties	30,846,443	41,741,258	528,783	12,500
Other receivables - related parties (Note 29.5)	172,088,636	172,945,983	-	463,175
Accrued income - third parties	18,828,503	43,055,853	112,322	73,347
Accrued income - related parties (Note 29.5)	404,556	929,794	12,317,573	8,071,959
Prepaid expenses	34,626,741	33,813,054	431,121	497,140
	941,499,921	659,196,983	13,389,799	9,118,121

Outstanding trade accounts receivable as at 31 December 2017 and 2016 can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Third parties</b>				
Within credit terms	546,906,261	258,374,168	-	-
Overdue:				
Less than 3 months	125,796,395	110,448,429	-	-
3 - 6 months	11,946,361	14,027,825	-	-
6 - 12 months	1,947,141	1,354,043	-	-
Over 12 months	103,659,972	109,665,088	84,178,921	84,178,921
	790,256,130	493,869,553	84,178,921	84,178,921
<u>Less</u> Allowance for doubtful accounts	(105,551,088)	(129,658,902)	(84,178,921)	(84,178,921)
	684,705,042	364,210,651	-	-
<b>Related Company (Note 29)</b>				
Within credit terms	-	897,764	-	-
Overdue:				
Less than 3 months	-	447,592	-	-
3 - 6 months	-	1,155,033	-	-
6 - 12 months	-	-	-	-
Over 12 months	14,120,263	14,120,264	-	-
	14,120,263	16,620,653	-	-
<u>Less</u> Allowance for doubtful accounts	(14,120,263)	(14,120,263)	-	-
	-	2,500,390	-	-

11 Short-term loans

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Third parties				
- promissory notes	9,452,383	9,452,383	9,452,383	9,452,383
- short-term loans	8,850,000	8,850,000	8,850,000	8,850,000
<u>Less</u> Allowance for doubtful accounts	(18,302,383)	(18,302,383)	(18,302,383)	(18,302,383)
	-	-	-	-
Related parties (Note 29.6)				
- promissory notes	-	-	163,940,000	86,440,000
- short-term loans	8,858,890	12,500,000	-	-
<u>Less</u> Allowance for doubtful accounts	-	-	(39,900,000)	(31,900,000)
	8,858,890	12,500,000	124,040,000	54,540,000
	8,858,890	12,500,000	124,040,000	54,540,000

During the second quarter of 2017, the Company assessed the recoverability for loan to EBM and recognised doubtful debt amounting to Baht 8.00 million under "Other expenses" in the separate financial statements.

12 Inventories

	Consolidated financial statements	
	2017 Baht	2016 Baht
Raw material, net	385,833,414	339,101,759
Factory supplies, net	58,825,624	45,534,411
Work in progress	289,028,650	165,039,138
Finished goods, net	60,138,392	76,090,754
	793,826,080	625,766,062

Cost of inventories has been included in cost of sales, totalling Baht 1,296.78 million (2016: Baht 1,012.75 million).

### 13 Investments in subsidiaries, associate and interest in joint venture

#### 13.1 Investment in subsidiaries

Name of the entity	Type of business	Country of incorporation	Issued and paid-up share capital		Ownership interest	
			2017 Million Baht	2016 Million Baht	2017 %	2016 %
Direct shareholding						
1. Rayong Wire Industries Public Company Limited	Manufacturing and distributing prestressed concrete wire, prestressed concrete strand wire and welding wire	Thailand	303.02	300.10	72.18	74.24
2. Ua Withya Public Company Limited	Manufacturing and distributing industrial equipment and transmission line towers, telecommunication towers, and distributing substation steel structures	Thailand	1,316.25	1,316.25	39.23	39.23
3. Enesol Company Limited	Manufacturing and distributing electricity and heat energy	Thailand	302.50	302.50	100.00	100.00
4. Pipe Line Engineering Company Limited	Construction and tunnel	Thailand	144.00	144.00	99.99	99.99
5. Evergreen Biomass Company Limited	Distributing fuel for power plant	Thailand	50.00	50.00	99.00	99.00
6. WJC Enterprise Company Limited	Fabrication construction and design	Thailand	97.50	97.50	94.25	94.25
Indirect shareholding						
1. Paradise Green Energy Company Limited	Agricultural	Thailand	250.00	250.00	25.50	23.54
2. UWC Komen Biomass Co., Ltd.	Biomass power plant project	Thailand	240.00	240.00	39.23	39.23
3. UWC Solar Company Limited	Biomass power plant project	Thailand	18.25	18.25	39.23	39.23
4. Satuek Biomass Co., Ltd.	Biomass power plant project	Thailand	16.25	260.00	39.23	39.23
5. UWC Amphan Biomass Company Limited	Biomass power plant project	Thailand	9.38	150.00	39.23	39.23
6. Green Energy Plantation Company Limited	Manufacturing and selling Agricultural products	Thailand	0.10	-	21.58	-
7. UWC (Cambodia) Company Limited	Manufacturing and selling woodchips	Cambodia	US\$ 25,000	-	27.46	-

Indirectly hold through UWC

Movement in book value of investments in subsidiaries for the year then ended 31 December 2017 and 2016 are as follows:

	Separate financial statements	
	2017 Baht	2016 Baht
Opening balance	1,061,677,651	1,001,938,974
Additions	-	95,490,992
Disposals	(2,586,597)	(297,827)
Impairment loss on investments	(83,842,859)	(35,454,488)
Closing balance	975,248,195	1,061,677,651

### 13 Investments in subsidiaries, associate and interest in joint venture (Cont'd)

#### 13.1 Investment in subsidiaries (Cont'd)

##### Transactions incurred during 2017

##### Rayong Wire Industries Public Company Limited

In the second quarter of 2017, the Company disposed 8,179,700 shares of RWI and received the proceeds amounting to Baht 19.99 million. The Company recognised gain on sale of investment amounting to Baht 17.40 million under "Gain (loss) from investment" in the separate financial statements. The Group recognised gain, net of tax amounting to Baht 5.24 million directly in equity attributed to the owners of the parent in consolidated financial statements.

In the second quarter of 2017, the non-controlling interest exercised the warrant (RWI-W1) of 5,823,339 units and paid all subscriptions amounting to Baht 9,331,743. The Group recognised loss, net of tax on change in controlling interest in subsidiary amounting to Baht 171,222 directly in equity attributed to the owners of the parent in the consolidated financial statements. After exercise the warrants, the Company's shareholding proportion in RWI reduced to 72.18% (31 December 2016: 74.24%).

##### Ua Withya Public Company Limited

In the second quarter of 2017, the non-controlling interest exercised the warrant (UWC-W2) of 42,608 units and paid all subscriptions amounting to Baht 4,260. After exercise the warrants, the Company's shareholding proportion in UWC remains 39.23% (31 December 2016: 39.23%). Even though the Group has investment in UWC at 39.23%; however, the Group has control and power to govern the financial and operating policies of UWC. Therefore, UWC is classified as subsidiary of the Group.

##### Pipe Line Engineering Company Limited

For the year ended 31 December 2017, the Company assessed the impairment of investment in PLE and recognised impairment loss amounting to Baht 34.40 million under "Other expenses" in the separate financial statements.

##### Evergreen Biomass Company Limited

For the year ended 31 December 2017, the Company assessed the impairment of investment in EBM and recognised impairment loss amounting to Baht 49.44 million under "Other expenses" in the separate financial statements.

##### Green Energy Plantation Company Limited

On 17 April 2017, UWC, a subsidiary of the Group, acquired GEP by investing in 20,000 ordinary shares at par value of Baht 5 per share, totalling Baht 55,000, representing ownership interest of 55.00%. The Group presented indirect ownership in GEP for 21.58%.

##### Paradise Green Energy Co., Ltd.

In the fourth quarter of 2017, UWC, a subsidiary of the Group, made additional investment in PGE amounting to Baht 13.43 million. Accordingly, the group's shareholding proportion in PGE increased to 25.50% (31 December 2016: 23.54%). The Group recognised loss on change in controlling-interest in subsidiary amounting to Baht 2.82 million directly in equity attributed to the owners of the parent in the consolidated financial statements.

##### UWC (Cambodia) Company Limited

In the second quarter of 2017, UWC, a subsidiary of the Group, acquired UWCC by investing in 1,000 ordinary shares totalling Baht 0.89 million, representing ownership interest of 70.00%. The Group presented indirect ownership in UWCC for 27.46%.

**13 Investments in subsidiaries, associate and interest in joint venture (Cont'd)**

**13.1 Investment in subsidiaries (Cont'd)**

**Transactions incurred during 2017 (Cont'd)**

**Satuek Biomass Company Limited**

On 10 March 2017, the Extraordinary General Meeting of the Shareholders of UWC No. 1/2017 has approved to reduce the number of the subsidiary, SATUEK's common share from 2,600,000 shares to 650,000 shares, Baht 100 per share. The reduction amount will be compensated with the deficits. The subsidiary completed the share reduction process and registered with the Ministry of Commerce on 19 May 2017.

On 7 June 2017, the Extraordinary General Meeting of the Shareholders of UWC No. 2/2017 has approved to reduce the number of the subsidiary, SATUEK's common share from 650,000 shares to 162,500 shares, Baht 100 per share. The reduction amount will be compensated with the deficits. The subsidiary completed the share reduction process and registered with the Ministry of Commerce on 17 July 2017.

**UWC Ampham Biomass Company Limited**

On 10 March 2017, the Extraordinary General Meeting of the Shareholders No. 1/2017 has approved to reduce the number of the subsidiary, UAB's common share from 1,500,000 shares to 375,000 shares, Baht 100 per share. The reduction amount will be compensated with the deficits. The subsidiary completed the share reduction process and registered with the Ministry of Commerce on 9 May 2017.

On 31 May 2017, the Extraordinary General Meeting of the Shareholders No. 2/2017 has approved to reduce the number of the subsidiary, UAB's common share from 375,000 shares to 93,750 shares, Baht 100 per share. The reduction amount will be compensated with the deficits. The subsidiary completed the share reduction process and registered with the Ministry of Commerce on 19 July 2017.

**Transactions incurred during 2016**

**Evergreen Biomass Company Limited**

On 21 January 2016, the Company paid-up the subscription 980,000 ordinary shares at Baht 5 per share, totaling Baht 4.90 million, where shareholders of non-controlling interest paid-up the partial of subscription totalling Baht 50,000.

In September 2016, EBM additional issued 4.00 million ordinary shares at par value of Baht 10 per share. The Company and the non-controlling interest paid-up the subscription amounting to Baht 39.60 million and Baht 0.40 million, respectively. In addition, the Company purchased EBM's shares from the non-controlling interest amounting to Baht 25,000 and paid-up the unpaid subscription to EBM amounting to Baht 75,000. Accordingly, the Company's shareholding portion in EBM increased to 99.00% (31 December 2015: 98.00%).

**Imperial Land Company Limited**

On 13 February 2015, the Extraordinary Meeting of Shareholders of UWC no. 1/2558 approved disposal of investment in IMP to EMC Plc., a related company, which is a related party transaction, representing 100.00% sales of paid-up capital in the subsidiary.

In October 2016, the Board of Directors Meeting of EMC approved payment of acquisition of IMP's shares. The transaction was completed in November 2016. The Group recognised gain from sale of investment of Baht 0.88 million under "Gain (loss) from investment" in the consolidated financial statements and ceased consolidating IMP since 1 November 2016.

**13 Investments in subsidiaries, associate and interest in joint venture (Cont'd)**

**13.1 Investment in subsidiaries (Cont'd)**

**Transactions incurred during 2016 (Cont'd)**

**Ua Withya Public Company Limited**

For the year ended 31 December 2016, the non-controlling interest exercised the warrant (UWC-W2) of 345,684 units and paid all subscriptions amounting to Baht 34,570. The Group recognised loss, net of tax on change in controlling interest in subsidiary amounting to Baht 17,464 directly in equity attributed to the owners of the parent in the consolidated financial statements.

After exercise the warrants, the Company's shareholding proportion in UWC remains 39.23% (31 December 2015: 39.23%). Even though the Group has investment in UWC at 39.23%; however, the Group has control and power to govern the financial and operating policies of UWC. Therefore, UWC is classified as subsidiary of the Group.

**Rayong Wire Industries Public Company Limited**

For the year ended 31 December 2016, the non-controlling interest exercised the warrant (RWI-W1) of 202,000 units and paid all subscriptions amounting to Baht 323,200. The Group recognised gain, net of tax on change in controlling interest in subsidiary amounting to Baht 137.60 directly in equity attributed to the owners of the parent in the consolidated financial statements. After exercise the warrants, the Company's shareholding proportion in RWI reduced to 74.24%. (31 December 2015: 74.26%).

In the fourth quarter of 2016, the Company disposed 955,400 shares of RWI and received proceed amounting to Baht 2.68 million. The Company recognised gain on sale of investment amounting to Baht 2.38 million under "Gain (loss) from investment in the separate financial statements". The Group recognised gain, net of tax amounting to Baht 1.90 million directly in equity attributed to the owners of the parent in consolidated financial statements.

Subsequently, the Company repurchased 995,100 shares of RWI amounting to Baht 2.31 million to maintain ownership interest in subsidiary.

**Enesol Company Limited**

For the year ended 31 December 2016, the Company has purchased ENS's shares from the non-controlling interest amounting to Baht 48.58 million. Accordingly, the Company's shareholding portion in ENS increased to 100.00% (31 December 2016: 90.04%).

**Pipe Line Engineering Company Limited**

The Company assessed the impairment of investment in PLE and recognised impairment loss amounting to Baht 35.45 million under "Other expenses" in the separate financial statements for the year ended 31 December 2016.



### 13 Investments in subsidiaries, associate, and interest in joint venture (Cont'd)

#### 13.1 Investment in subsidiaries (Cont'd)

##### Transactions incurred during 2016 (Cont'd)

##### UWC Komen Biomass Co., Ltd.

On 21 September 2015, the subsidiary, UWC, acquired UKB by investing in 24,000,000 ordinary shares at par value of Baht 10 per share totalling Baht 240.00 million. The Group has ownership interest of 39.23% in UKB.

The Group completed measurement of fair value of identifiable assets acquired and liabilities assumed of UKB in the third quarter of 2016. In consideration of fair value of net assets, the Group determined the measurement of the identifiable assets and liabilities and considered the possibility that the Group received economic benefit reasonably.

The fair value of identifiable assets acquired and liabilities assumed from this acquisition was as follows:

	<b>Baht</b>
Trade and other receivables	586,008
Other current assets	1,376,773
Property, plant and equipment	360,137,314
Power purchase agreement	157,000,000
Trade and other payables	(17,900,644)
Other current liabilities	(471,084)
Current portion of liabilities under finance lease agreement	(1,180,985)
Deferred tax liabilities	(11,886,752)
Net fair value	487,660,630
<u>Less</u> Non-controlling interest	-
Net fair value acquired	487,660,630
Consideration paid	161,212,431
Cash paid for loan to the subsidiary	343,479,258
Cash received from the subsidiary on acquisition date	(20,654,625)
Net consideration paid	484,037,064
Gain from bargain purchase	3,623,566

The fair value of net identifiable assets and identifiable liabilities exceed the net consideration paid by Baht 3.62 million. It was recognised in the consolidated profit or loss as gain from bargain purchase under "Other income". The net consideration paid is lower than the fair value of net assets acquired due to the Group's negotiation capability.

**13 Investments in subsidiaries, associate, and interest in joint venture (Cont'd)**

**13.1 Investment in subsidiaries (Cont'd)**

**Transactions incurred during 2016 (Cont'd)**

**Paradise Green Energy Co., Ltd.**

On 3 July 2015, the subsidiary, UWC, acquired PGE by investing in 24,000 ordinary shares at par value of Baht 100 per share totalling Baht 2.40 million. The Group has ownership interest of 23.54% in PGE. PGE additionally issued 2,460,000 ordinary shares at par value of Baht 100 per share. The subsidiary and non-controlling interest additionally invested 1,476,000 shares and 984,000 shares, respectively. PGE has called total subscription of Baht 147.60 million and Baht 98.40 million. There was no change in ownership interest.

The Group completed measurement of fair value of identifiable assets acquired and liabilities assumed of PGE in the third quarter of 2016. In consideration of fair value of net assets, the Group determined the measurement of the identifiable assets and liabilities and considered the possibility that the Group received economic benefit reasonably.

The fair value of identifiable assets acquired and liabilities assumed from this acquisition was as follows:

	<b>Baht</b>
Trade and other receivables	128,530
Other current assets	83,825
Property, plant and equipment	196,349,784
Other non-current assets	816,571
Trade and other payables	(696,033)
Other current liabilities	(371,345)
Net fair value	196,311,332
<u>Less</u> Non-controlling interest	(100,000,000)
Net fair value acquired	96,311,332
Consideration paid	150,000,000
Cash received from the subsidiary on acquisition date	(1,373,015)
Net consideration paid	148,626,985
The difference between consideration paid and fair value of net assets (Goodwill)	52,315,653

The purchase considerations exceed the fair value of net identifiable assets and identifiable liabilities of Baht 52.32 million was recognised as goodwill. The Group expects to receive future benefit from such investment by gaining know how of agricultural and development of product line in agriculture.

The Group recognises non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

13 Investments in subsidiaries, associate, and interest in joint venture (Cont'd)

13.1 Investment in subsidiaries (Cont'd)

Transactions incurred during 2016 (Cont'd)

Satuek Biomass Company Limited

On 15 February 2016, the subsidiary, UWC, invested in 2,600,000 ordinary shares at par value of Baht 100 per share. The Group has ownership interest of 39.23% in SATUEK.

The Group completed measurement of fair value of identifiable assets acquired and liabilities assumed of SATUEK in the fourth quarter of 2016. In consideration of fair value of net assets, the Group determined the measurement of the identifiable assets and liabilities and considered the possibility that the Group received economic benefit reasonably.

The fair value of identifiable assets acquired and liabilities assumed from this acquisition was as follows:

	<b>Baht</b>
Inventories	184,392
Other current assets	2,503,891
Property, plant and equipment	190,323,561
Power purchase agreement	140,989,304
Trade and other payables	(738,958)
Other current liabilities	(2,092,462)
Employee benefit obligations	(578,000)
Deferred tax liabilities	(24,367,294)
Net fair value	306,224,434
<u>Less</u> Non-controlling interest	-
Net fair value acquired	306,224,434
Consideration paid	167,383,269
Cash paid for loan to subsidiary	179,163,606
Cash received from the subsidiary on acquisition date	(325,903)
Net consideration paid	346,220,972
The difference between consideration paid and fair value of net assets (Goodwill)	39,996,538

The purchase considerations exceed the fair value of net identifiable assets and identifiable liabilities of Baht 40.00 million was recognised as goodwill. The Group expects to receive future benefit from such investment by gaining know how and readiness of power plant operation.

UWC Amphan Biomass Company Limited

On 15 February 2016, the subsidiary, UWC, has invested in 1,500,000 ordinary shares of UAB at par value of Baht 100 per share. The Group has ownership interest of 39.23% in UAB.

The Group completed measurement of fair value of identifiable assets acquired and liabilities assumed of UAB in the fourth quarter of 2016. In consideration of fair value of net assets, the Group determined the measurement of the identifiable assets and liabilities and considered the possibility that the Group received economic benefit reasonably.

13 Investments in subsidiaries, associate, and interest in joint venture (Cont'd)

13.1 Investment in subsidiaries (Cont'd)

**UWC Amphan Biomass Company Limited (Cont'd)**

The fair value of identifiable assets acquired and liabilities assumed from this acquisition was as follows:

	<b>Baht</b>
Other current asstes	328,196
Property, plant and equipment	223,057,903
Power purchase agreement	170,589,108
Trade and other payables	(616,252)
Other current liabilities	(308,992)
Liabilities under finance lease agreement	(2,670,736)
Employee benefit obligations	(217,000)
Deferred tax liabilities	(13,548,444)
Net fair value	376,613,783
<u>Less</u> Non-controlling interest	-
Net fair value acquired	376,613,783
Consideration paid	102,421,281
Cash paid for loan to subsidiary	281,236,414
Cash received from the subsidiary on acquisition date	(751,933)
Net consideration paid	382,905,762
The difference between consideration paid and fair value of net assets (Goodwill)	6,291,979

The purchase considerations exceed the fair value of net identifiable assets and identifiable liabilities of Baht 6.29 million was recognised as goodwill. The Group expects to receive future benefit from such investment by gaining know how and readiness of power plant operation.

13 Investments in subsidiaries, associate, and interest in joint venture (Cont'd)

13.2 Investment in associate

The details of interest in associate as follows:

Name of the entity	Type of business	Country of incorporation	Issued and paid-up share capital		Ownership interest	
			31 December 2017 Million Baht	31 December 2016 Million Baht	31 December 2017 %	31 December 2016 %
1. Dimet (Siam) Public Company Limited	Manufacturing and trading of external paint	Thailand	128.32	128.32	24.50	24.50
2. Ayutthaya Power Systems Company Limited	Waste-to-energy power plant	Thailand	13.75	-	30.00	-
3. Saraburi Energy Systems 2 Company Limited	Waste-to-energy power plant	Thailand	21.75	-	30.00	-
4. Interglob Investment Company Limited	Selling and rental real estate	Cambodia	US\$ 25,000	-	48.00	-

Movements of investment in associate can be analysed as follows:

	Consolidated financial statements Baht
<b>For the year ended 31 December 2017</b>	
Opening net book amount	227,212,163
Additions	11,880,034
Loss on impairment of investment in associate	(110,754,937)
Share of results	(6,261,215)
Closing net book amount	122,076,045

Transactions incurred during 2017

**Ayutthaya Power Systems Company Limited ("APS")**

On 30 November 2016, the subsidiary, UWC's Board of Directors Meeting 6/2559 approved the subsidiary to invest in 165,000 ordinary shares of APS at par value of Baht 25 per share totaling Baht 4.13 million, which represents ownership interest of 30.00%. The subsidiary completed the acquisition in February 2017.

**Saraburi Energy Systems 2 Company Limited ("SES2")**

On 30 November 2016, the subsidiary, UWC's Board of Directors Meeting 6/2559 approved the subsidiary to invest in 261,000 ordinary shares of SES2 at par value of Baht 25 per share totaling Baht 6.53 million, which represents ownership interest of 30.00%. The subsidiary completed the acquisition in February 2017.

**Interglob Investment Company Limited ("IIC")**

On 24 April 2017, the subsidiary, UWC, acquired IIC, a new established company, by investing in 1,000 ordinary shares totaling Baht 1.22 million, representing ownership interest of 48.00%.

13 Investments in subsidiaries, associate, and interest in joint venture (Cont'd)

13.2 Investment in associate (Cont'd)

Transactions incurred during 2016

Dimet (Siam) Public Company Limited ("DIMET")

On 9 July 2015, the Board of Directors Meeting 5/2558 approved the company to invest in 62,817,683 ordinary shares of DIMET at par value of Baht 3.60 per share totaling Baht 226.14 million, which represents ownership interest of 24.50%. The Company proceeded tender offering and completed the acquisition in January 2016.

Summarised financial information for associate

Set out below are the summarised financial information for the associates that are material to the Group. The information disclosed reflects the amounting presented in the financial statements of the relevant associates (not the Group's shares of those amounts). They have been amended to reflect adjustments made using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Summarised statement of financial position

	DIMET	
	31 December	
	2017 Baht	2016 Baht
<b>Current</b>		
Cash and cash equivalents	6,272,825	30,135,890
Other current assets	136,330,792	135,929,848
Total current assets	142,603,617	166,065,738
Total current liabilities	(83,947,814)	(85,614,217)
<b>Non-current</b>		
Total non-current assets	55,656,054	57,853,114
Total other non-current liabilities	(6,355,620)	(7,175,972)
<b>Net assets</b>	107,956,237	131,128,663

Summarised statement of comprehensive income

	DIMET	
	For the year ended 31 December 2017 Baht	For the period from 12 June to 31 December 2016 Baht
Revenue	302,536,273	305,256,703
Other income	2,025,437	2,509,496
Cost and expenses	(328,817,722)	(312,590,950)
Interest expense	(400,315)	(494,753)
Loss before income tax	(24,656,327)	(5,319,504)
Income tax revenue	2,464,960	630,444
Post-tax loss	(22,191,367)	(4,689,060)
Total comprehensive income	(22,191,367)	(4,689,060)



13 Investments in subsidiaries, associate, and interest in joint venture (Cont'd)

13.2 Investment in associate (Cont'd)

Reconciliation of summarised financial information

	DIMET	
	31 December	
	2017 Baht	2016 Baht
Opening net asset	131,128,663	135,817,723
Loss for the period	(22,191,367)	(4,689,060)
Closing net assets	108,937,296	131,128,663
Interest in associate (24.50%)	26,689,637	32,126,522
Fair value adjustment on acquisition date	195,085,641	195,085,641
Provision for impairment of investments in associate (Note 26)	(110,754,937)	-
Carrying value	111,020,341	227,212,163

13.3 Interest in joint venture

The detail of interest in joint venture as follows:

Name of the entity	Type of business	Country of incorporation	Issued and paid-up share capital		Ownership interest	
			2017 Million Baht	2016 Million Baht	2017 %	2016 %
Sunflowergreen Co., Ltd.	Wood chopping	Thailand	150.00	150.00	25.00	25.00

The Group indirectly holds this investment through EBM

Movements of interest in joint venture can be analysed as follows:

	Consolidated financial statements Baht
For the year ended 31 December 2017	
Opening net book amount	59,471,525
Less payable for subsidiary acquisition	(4,525,000)
Loss on impairment	(54,946,525)
Closing net book amount	-

During 2017, the authorised directors of SFG filed an unlawful registration of the change of the shareholder list and made EBM unlisted in the shareholder list. The subsidiary, EBM had filed a lawsuit against SFG and SFG's director, claiming violation of the shareholder agreement and asking for the damages and the interest in full amount. During the year, there was a negotiation between EBM and SFG's director. However, the negotiation did not success and SFG's director was default of payment as agreed. There is probable that the investment in joint venture cannot be recovered. As a result, The Group set up provision for impairment of investment in SFG in full amount.

**13 Investments in subsidiaries, associate, and interest in joint venture (Cont'd)**

**13.3 Interest in joint venture (Cont'd)**

**Transactions incurred during 2016**

**Sunflowergreen Co., Ltd. ("SFG")**

On 12 August 2016, the subsidiary, EBM, invested in 2,500,000 ordinary shares totalling Baht 45.25 million. The Group has considered the voting right of director and relevant information. Even though the Group has investment in SFG only at 25.00%, however; the Group has jointly control power together with the another joint venture. Therefore, the Group recorded investment in SFG as joint venture of the Group.

The Group is under purchase price allocation process to allocate difference in net fair value acquired and net consideration paid. The Group does not disclose detailed information of goodwill since the Group is in process of preparation of purchase price allocation.

In September 2016, SFG additional issued ordinary shares at par value of Baht 10 per share. EBM paid-up the subscription amounting to Baht 12.50 million to maintain the shareholding proportion at 25.00% in October 2016.

The fair value of EBM's interest for identifiable assets acquired and liabilities assumed from this acquisition are as follows:

	<b>Baht</b>
Cash and cash equivalents	20,937
Other current assets	14,735,879
Property, plant and equipment	78,496,100
Other non-current assets	4,675,725
Trade and other payables	(840,300)
Liabilities from finance lease	(841,121)
Deferred tax liabilities	(1,331,734)
Other current liabilities	(726,434)
Net fair value	94,189,052
<u>Less</u> Net fair value of joint venture	<u>(70,641,790)</u>
Net fair value acquired	23,547,262
Consideration paid	45,250,000
Fair value adjustment on acquisition date (Goodwill)	<u>21,702,738</u>

14 Investment property

	Consolidated and separate financial statements		
	Land Baht	Buildings Baht	Total Baht
<b>At 1 January 2016</b>			
Cost	415,473,522	940,000	416,413,522
<u>Less</u> Accumulated depreciation	-	(773,890)	(773,890)
<u>Less</u> Provision for impairment	(10,857,206)	-	(10,857,206)
Net book amount	404,616,316	166,110	404,782,426
<b>For the year ended 31 December 2016</b>			
Opening net book amount	404,616,316	166,110	404,782,426
Depreciation	-	(47,000)	(47,000)
Closing net book amount	404,616,316	119,110	404,735,426
<b>At 31 December 2016</b>			
Cost	415,473,522	940,000	416,413,522
<u>Less</u> Accumulated depreciation	-	(820,890)	(820,890)
<u>Less</u> Provision for impairment	(10,857,206)	-	(10,857,206)
Net book amount	404,616,316	119,110	404,735,426
<b>For the year ended 31 December 2017</b>			
Opening net book amount	404,616,316	119,110	404,735,426
Depreciation	-	(47,000)	(47,000)
Closing net book amount	404,616,316	72,110	404,688,426
<b>At 31 December 2017</b>			
Cost	415,473,522	940,000	416,413,522
<u>Less</u> Accumulated depreciation	-	(867,890)	(867,890)
<u>Less</u> Provision for impairment	(10,857,206)	-	(10,857,206)
Net book amount	404,616,316	72,110	404,688,426
Fair value at 31 December 2016	415,798,850	1,008,000	416,806,850
Fair value at 31 December 2017	415,798,850	1,008,000	416,806,850

The fair value is determined by an external independent value. Valuations were made on the basis of recent market transactions on arm's length terms. The fair value is within level 2 of the fair value hierarchy.

The Group's management is currently considering to use the land and building as investment in joint venture with another entity or developing such land to its maximum benefits.

As at 31 December 2017, certain investment properties are pledged as a collateral for borrowings from the financial institutions (Note 32).

15 Property, plant and equipment

	Consolidated financial statements							
	Revaluation	Cost						
		Land Baht	Buildings and improvements Baht	Machinery and equipment Baht	Tunnel boring machines Baht	Furniture, fixtures and office equipment Baht	Vehicles Baht	Work in process Baht
<b>At 1 January 2016</b>								
Cost/Revaluation amount	261,667,192	756,036,699	822,117,436	131,568,725	55,497,030	31,367,384	100,819,789	2,159,074,255
Less Accumulated depreciation	-	(358,091,305)	(492,145,731)	(5,487,037)	(44,416,175)	(21,633,131)	-	(921,773,379)
Less Allowance for impairment	-	(9,540,360)	(1,515,673)	-	-	(478,952)	-	(11,534,985)
Net book amount	261,667,192	388,405,034	328,456,032	126,081,688	11,080,855	9,255,301	100,819,789	1,225,765,891
<b>For the year ended 31 December 2016</b>								
Opening net book amount	261,667,192	388,405,034	328,456,032	126,081,688	11,080,855	9,255,301	100,819,789	1,225,765,891
Addition	-	12,832,371	11,968,544	-	7,230,981	11,070,275	245,048,266	288,150,437
Asset from acquisition of subsidiaries	79,502,200	165,771,895	163,289,390	-	216,599	4,601,380	-	413,381,464
Disposal, net	-	-	(40,538)	-	(1,309,612)	(3)	(1,488,000)	(2,838,153)
Write-off	-	-	-	-	(1,579)	-	-	(1,579)
Transfer in (out)	-	23,060,955	173,338,937	-	113,100	-	(196,512,992)	-
Depreciation	-	(31,287,388)	(55,880,779)	(31,834,488)	(4,313,882)	(3,587,112)	-	(126,903,649)
Net book amount	341,169,392	558,782,867	621,131,586	94,247,200	13,016,462	21,339,841	147,867,063	1,797,554,411
<b>At 31 December 2016</b>								
Cost/Revaluation amount	341,169,392	957,701,921	1,170,673,769	131,568,725	61,592,857	48,930,629	147,867,063	2,859,504,356
Less Accumulated depreciation	-	(389,378,694)	(548,026,510)	(37,321,525)	(48,576,395)	(27,111,835)	-	(1,050,414,959)
Less Allowance for impairment	-	(9,540,360)	(1,515,673)	-	-	(478,953)	-	(11,534,986)
Net book amount	341,169,392	558,782,867	621,131,586	94,247,200	13,016,462	21,339,841	147,867,063	1,797,554,411

15 Property, plant and equipment (Cont'd)

	Consolidated financial statements								
	Revaluation	Cost							
		Land Baht	Buildings and improvements Baht	Machinery and equipment Baht	Tunnel boring machines Baht	Furniture, fixtures and office equipment Baht	Vehicles Baht	Work in process Baht	Total Baht
<b>For the year ended 31 December 2017</b>									
Opening net book amount	341,169,392	558,782,867	621,131,586	94,247,200	13,016,462	21,339,841	147,867,063	1,797,554,411	
Addition	5,840,000	6,494,835	66,830,916	-	6,494,375	7,378,513	97,907,749	190,946,388	
Disposal, net	-	-	(5)	-	(3)	(39,902)	-	(39,910)	
Write-off	-	-	-	-	(125,546)	-	-	(125,546)	
Transfer in (out)	-	36,796,312	196,916,639	-	1,068,133	-	(234,781,084)	-	
Revaluation surplus	54,122,900	-	-	-	-	-	-	54,122,900	
Depreciation	-	(34,418,560)	(79,023,972)	(10,299,069)	(5,631,990)	(4,719,462)	-	(134,093,053)	
Impairment	-	-	-	(22,402,859)	-	-	-	(22,402,859)	
Cumulative currency differences	-	-	(23,680)	-	-	-	-	(23,680)	
on translation	-	-	-	-	-	-	-	-	
Net book amount	401,132,292	567,655,454	805,831,484	61,545,272	14,821,431	23,958,990	10,993,728	1,885,938,651	
<b>At 31 December 2017</b>									
Cost/Revaluation amount	401,132,292	1,000,993,068	1,434,148,705	131,568,725	68,944,966	48,343,291	10,993,728	3,096,124,775	
Less Accumulated depreciation	-	(423,797,254)	(626,801,548)	(47,620,594)	(54,123,535)	(23,905,349)	-	(1,176,248,280)	
Less Allowance for impairment	-	(9,540,360)	(1,515,673)	(22,402,859)	-	(478,952)	-	(33,937,844)	
Net book amount	401,132,292	567,655,454	805,831,484	61,545,272	14,821,431	23,958,990	10,993,728	1,885,938,651	

In the fourth quarter of 2017, the Group's land was revalued by an external independent value. Valuations were made on the basis of recent market transactions on arm's length terms. The revaluation, net of tax was credited to other component of equity.

As of 31 December 2017, UWC's Land and buildings of Baht 275.05 million have been pledged for bank overdraft credit line and short-term borrowings from financial institutions (Note 32).

**15 Property, plant and equipment (Cont'd)**

Leased assets included above, where the Group is a lessee under a finance lease, comprise office appliance:

	<b>Consolidated financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>
Cost of assets under finance lease agreement	30,537,467	25,011,511
<u>Less</u> Accumulated depreciation	<u>(8,484,807)</u>	<u>(3,170,678)</u>
Net book amount	<u>22,052,660</u>	<u>21,840,833</u>

Depreciation of Baht 25.60 million (2016: Baht 18.57 million) was recorded in cost of goods sold and Baht 4.25 million (2016: Baht 3.73 million) was recorded in administrative expense.

The additions presented in the table include addition of assets under finance lease agreement where the Group is the lessee amount Baht 5.90 million (2016: 6.98 million).

If land was stated on the historical cost basis, the amounts would be as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
Cost	28,294,224	22,454,224	-	-
Net book amount	<u>28,294,224</u>	<u>22,454,224</u>	<u>-</u>	<u>-</u>

The fair value measurement information in accordance with TFRS 13 are given below.

**Fair value hierarchy**

	<b>Consolidated financial statements Fair value measurements at 31 December 2017 using</b>		
	<b>Quoted prices in active markets for identical assets (Level 1) Baht</b>	<b>Significant other observable inputs (Level 2) Baht</b>	<b>Significant unobservable inputs (Level 3) Baht</b>
Recurring fair value measurements			
Land	-	401,132,292	-

**Valuation techniques used to derive Level 2 fair values**

Level 2 fair values of land have been generally derived using the sales comparison approach performed by an asset appraiser of capital market who is authorised by the Securities and Exchange Commission. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square wah.

There were no changes in valuation techniques during the year.



15 Property, plant and equipment (Cont'd)

	Separate financial statements		
	Furniture, fixtures and office equipment Baht	Vehicles Baht	Total Baht
<b>At 1 January 2016</b>			
Cost	19,587,638	1,079,008	20,666,646
<u>Less</u> Accumulated depreciation	(15,623,863)	(405,939)	(16,029,802)
<u>Less</u> Provision for impairment	-	(478,952)	(478,952)
Net book amount	3,963,775	194,117	4,157,892
<b>For the year ended 31 December 2016</b>			
Opening net book amount	3,963,775	194,117	4,157,892
Addition	329,205	1,563,999	1,893,204
Write-off	(1,579)	-	(1,579)
Depreciation	(1,182,276)	(172,999)	(1,355,275)
Net book amount	3,109,125	1,585,117	4,694,242
<b>At 31 December 2016</b>			
Cost	19,922,048	2,643,008	22,565,056
<u>Less</u> Accumulated depreciation	(16,812,923)	(578,939)	(17,391,862)
<u>Less</u> Provision for impairment	-	(478,952)	(478,952)
Net book amount	3,109,125	1,585,117	4,694,242
<b>For the year ended 31 December 2017</b>			
Opening net book amount	3,109,125	1,585,117	4,694,242
Addition	82,104	-	82,104
Disposal, net	-	(1,320,761)	(1,320,761)
Depreciation	(2,095,128)	(264,355)	(2,359,483)
Net book amount	1,096,101	1	1,096,102
<b>At 31 December 2017</b>			
Cost	20,004,152	1,079,007	21,083,159
<u>Less</u> Accumulated depreciation	(18,908,051)	(600,054)	(19,508,105)
<u>Less</u> Provision for impairment	-	(478,952)	(478,952)
Net book amount	1,096,101	1	1,096,102

16 Goodwill

	Consolidated financial statements	
	31 December 2017 Baht	31 December 2016 Baht
<b>At 1 January</b>		
Cost	98,604,170	52,315,653
<b>Net book amount</b>	<b>98,604,170</b>	<b>52,315,653</b>
<b>For the year ended 31 December</b>		
Opening net book amount	98,604,170	52,315,653
Acquisition of subsidiary	-	46,288,517
Impairment loss	(52,315,653)	-
<b>Closing net book amount</b>	<b>46,288,517</b>	<b>98,604,170</b>
<b>At 31 December</b>		
Cost	98,604,170	98,604,170
<u>Less</u> Provision for impairment	(52,315,653)	-
<b>Net book amount</b>	<b>46,288,517</b>	<b>98,604,170</b>

During 2017, the Group recognised loss on impairment of goodwill of PGE amounting to Baht 52.32 million presented under "Other expense" in the consolidated profit or loss. This resulted from a downturn in the market and the operating results does not meet the expectation.

Goodwill is allocated to the cash-generating units (CGUs) identified according to business segment. A segment-level summary of the goodwill allocation is presented below.

	Consolidated financial statements
	Power plant Baht
Goodwill allocation	46,288,517

The recoverable amount of a CGUs is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The key assumptions used for value-in-use calculations are as follows:

	Power plant
Gross margin <sup>1</sup>	35.29%
Growth rate <sup>2</sup>	Nil
Discount rate <sup>3</sup>	7.75%
Recoverable amount of the CGUs (Baht Millions)	1,263.74

<sup>1</sup> Budgeted gross margin.

<sup>2</sup> Weighted average growth rate used to extrapolate cash flows beyond the budget period.

<sup>3</sup> Pre-tax discount rate applied to the cash flow projections.

These assumptions have been used for the analysis of each CGUs within the business segment.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

17 Intangible assets

	Consolidated financial statements			
	Right to use gas branch piping system Baht	Right to sale under power purchase agreements Baht	Software License Baht	Total Baht
<b>At 1 January 2016</b>				
Cost	6,288,111	157,000,000	9,939,497	173,227,608
<u>Less</u> Accumulated amortisation	(3,830,292)	(3,408,008)	(5,565,031)	(12,803,331)
Net book amount	<u>2,457,819</u>	<u>153,591,992</u>	<u>4,374,466</u>	<u>160,424,277</u>
<b>For the year ended 31 December 2016</b>				
Opening net book amount	2,457,819	153,591,992	4,374,466	160,424,277
Asset from acquisition of subsidiary	-	311,578,412	-	311,578,412
Additions	-	-	530,979	530,979
Amortisation	(419,208)	(44,172,844)	(1,096,999)	(45,689,051)
Net book amount	<u>2,038,611</u>	<u>420,997,560</u>	<u>3,808,446</u>	<u>426,844,617</u>
<b>At 31 December 2016</b>				
Cost	6,288,111	468,578,412	10,458,477	485,325,000
<u>Less</u> Accumulated amortisation	(4,249,500)	(47,580,852)	(6,650,031)	(58,480,383)
Net book amount	<u>2,038,611</u>	<u>420,997,560</u>	<u>3,808,446</u>	<u>426,844,617</u>
<b>For the year ended 31 December 2017</b>				
Opening net book amount	2,038,611	420,997,560	3,808,446	426,844,617
Additions	-	-	132,100	132,100
Amortisation	(419,207)	(48,047,992)	(822,473)	(49,289,672)
Net book amount	<u>1,619,404</u>	<u>372,949,568</u>	<u>3,118,073</u>	<u>377,687,045</u>
<b>At 31 December 2017</b>				
Cost	6,288,111	468,578,412	10,590,577	485,457,100
<u>Less</u> Accumulated amortisation	(4,668,707)	(95,628,844)	(7,472,504)	(107,770,055)
Net book amount	<u>1,619,404</u>	<u>372,949,568</u>	<u>3,118,073</u>	<u>377,687,045</u>
				<b>Separate financial statements</b>
				<b>Software License Baht</b>
<b>At 1 January 2016</b>				
Cost				24,800
<u>Less</u> Accumulated amortisation				(3,876)
Net book amount				<u>20,924</u>
<b>For the year ended 31 December 2017</b>				
Opening net book amount				20,924
Amortisation				(4,960)
Net book amount				<u>15,964</u>
<b>At 31 December 2017</b>				
Cost				24,800
<u>Less</u> Accumulated amortisation				(8,836)
Net book amount				<u>15,964</u>

## 18 Deferred income tax

The analysis of deferred tax assets and deferred tax liability is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Deferred tax assets:</b>				
Deferred tax asset to be recovered within 12 months	21,170,577	62,714,823	53,318,797	48,829,123
Deferred tax asset to be recovered more than 12 months	185,154,259	95,046,412	19,078,157	10,558,417
	<u>206,324,836</u>	<u>157,761,235</u>	<u>72,396,954</u>	<u>59,387,540</u>
<b>Deferred tax liabilities:</b>				
Deferred tax liability to be settled within 12 months	(16,850,818)	(16,467,466)	(12,057)	(395)
Deferred tax liability to be settled more than 12 months	(313,229,019)	(315,505,904)	-	-
	<u>(330,079,837)</u>	<u>(331,973,370)</u>	<u>(12,057)</u>	<u>(395)</u>
Deferred tax (liabilities) asset, net	<u>(123,755,001)</u>	<u>(174,212,135)</u>	<u>72,384,897</u>	<u>59,387,145</u>

The movement of deferred income tax account is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	(174,212,135)	(186,722,770)	59,387,145	48,119,225
Acquisition of subsidiary	-	(37,915,736)	-	-
Credited to profit or loss	74,009,328	52,261,566	12,986,647	11,245,437
(Charged) credited to other comprehensive income	(9,334,547)	443,006	11,105	22,483
Credit to other components of equity	(14,217,647)	(2,278,201)	-	-
At 31 December	<u>(123,755,001)</u>	<u>(174,212,135)</u>	<u>72,384,897</u>	<u>59,387,145</u>

The movement in deferred tax assets and liabilities during the year is as follows:

	Consolidated financial statements							
	Allowance for doubtful account Baht	Allowance for declining in value of inventory Baht	Allowance for impairment Baht	Property, plant and equipment fair value adjustment on consolidation Baht	Employee benefit obligations Baht	Loss carried forward Baht	Others Baht	Total Baht
<b>Deferred tax assets</b>								
At 1 January 2016	20,505,094	4,665,004	4,351,673	19,326,156	8,484,243	1,755,883	26,854,523	85,942,576
Acquisition of subsidiary	-	-	-	22,201,983	-	15,666,538	-	37,868,521
(Charged) credited to profit or loss	(677,755)	(946,010)	(1,294,207)	(3,597,296)	320,424	27,440,332	11,849,445	33,094,981
Credited to other comprehensive income	-	-	-	-	855,157	-	-	855,157
At 31 December 2016	19,827,339	3,718,994	3,057,466	37,930,843	9,659,822	44,862,753	38,704,018	157,761,235
(Charged) credited to profit or loss	(1,719,407)	(656,349)	(57,466)	(3,836,764)	(374,228)	27,272,203	26,272,337	46,900,326
Credited to other comprehensive income	-	-	-	-	1,663,275	-	-	1,663,275
At 31 December 2017	<u>18,107,932</u>	<u>3,062,645</u>	<u>3,000,000</u>	<u>34,094,079</u>	<u>10,948,869</u>	<u>72,134,956</u>	<u>64,976,355</u>	<u>206,324,836</u>

18 Deferred income tax (Cont'd)

The movement in deferred tax assets and liabilities during the year is as follows: (Cont'd)

Consolidated financial statements - restated					
	Investments in subsidiaries Baht	Power purchase agreement Baht	Surplus from revaluation Baht	Others Baht	Total Baht
<b>Deferred tax liabilities:</b>					
At 1 January 2016	(165,328,977)	(30,960,131)	(45,155,639)	(31,220,599)	(272,665,346)
Acquisition of subsidiary	-	(75,784,257)	-	-	(75,784,257)
Credited to profit or loss	9,633,052	8,834,568	-	698,965	19,166,585
Charged to other comprehensive income	-	-	-	(412,151)	(412,151)
Charged to other components of equity	(2,278,201)	-	-	-	(2,278,201)
At 31 December 2016	(157,974,126)	(97,909,820)	(45,155,639)	(30,933,785)	(331,973,370)
Acquisition of subsidiary	-	-	-	-	-
(Charged) credited to profit or loss	29,049,834	9,609,599	-	(11,550,431)	27,109,002
Credited to other comprehensive income	-	-	(10,824,580)	(173,242)	(10,997,822)
Charged to other components of equity	(9,536,617)	-	-	(4,681,030)	(14,217,647)
At 31 December 2017	(138,460,909)	(88,300,221)	(55,980,219)	(47,338,488)	(330,079,837)
<b>Deferred income tax - net</b>					
At 31 December 2016					(174,212,135)
At 31 December 2017					(123,755,001)

Separate financial statements				
	Allowance for doubtful account Baht	Employee benefit obligations Baht	Others Baht	Total Baht
<b>Deferred tax assets</b>				
At 1 January 2016	16,847,784	624,635	30,646,931	48,119,350
(Charged) credited to profit or loss	(9,000)	245,528	11,009,179	11,245,707
Credited to other comprehensive income	-	22,483	-	22,483
At 31 December 2016	16,838,784	892,646	41,656,110	59,387,540
(Charged) credited to profit or loss	(12,000)	167,605	12,842,704	12,998,309
Credited to other comprehensive income	-	11,105	-	11,105
At 31 December 2017	16,826,784	1,071,356	54,498,814	72,396,954

		Separate financial statements
		Fair value adjustments Baht
<b>Deferred tax liabilities</b>		
At 1 January 2016		(125)
Charged to profit or loss		(270)
At 31 December 2016		(395)
Charged to profit or loss		(11,662)
At 31 December 2017		(12,057)

Presentation of statement of financial position are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>As at 31 December</b>				
Deferred tax assets	76,337,792	79,503,802	72,384,897	59,387,145
Deferred tax liabilities	(200,092,793)	(253,715,937)	-	-
Deferred income tax - net	(123,755,001)	(174,212,135)	72,384,897	59,387,145

## 18 Deferred income tax (Cont'd)

Deferred income tax assets are recognised for tax loss carried forwards only to the extent that recognised of the related tax benefit through the future taxable profits is probable.

The Group did not recognise deferred income tax assets of Baht 95.72 million in respect of tax loss carried forward approximately Baht 478.58 million. A summary of the tax loss carried forward and the expiry dates are set out below:

<u>Expiry year</u>	<u>Consolidated financial statements Baht Million</u>
2018	24.42
2019	33.07
2020	50.03
2021	89.74
2022	281.32
	<u>478.58</u>

## 19 Borrowings

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017 Baht</u>	<u>2016 Baht</u>	<u>2017 Baht</u>	<u>2016 Baht</u>
<b>Current</b>				
Bank overdrafts	17,935,905	-	-	-
Bill of exchanges	-	197,909,316	-	-
Short-term loans from financial institutions	307,574,620	105,117,280	-	59,720,143
Total bank overdrafts and short-term loans from financial institutions	325,510,525	303,026,596	-	59,720,143
Current portion of long-term borrowings				
- Debenture	800,000,000	-	-	-
- Bank borrowings	24,960,000	24,960,000	-	-
- Liabilities under financial lease agreements	8,114,431	9,549,734	-	-
Total current borrowings	1,158,584,956	337,536,330	-	59,720,143
<b>Non-current</b>				
Debentures	-	800,000,000	-	-
Long-term loans from financial institution	24,520,000	49,480,000	-	-
Liabilities under financial lease agreements	9,400,059	13,644,662	-	-
Total long-term borrowings	33,920,059	863,124,662	-	-
	<u>1,192,505,015</u>	<u>1,200,660,992</u>	<u>-</u>	<u>59,720,143</u>

Short-term borrowings of UWC amounting to Baht 45.40 million (31 December 2016: Baht 45.40 million) are secured by the land, buildings and cash deposits of the Group (Note 32).



## 19 Borrowings (Cont'd)

Movement of borrowings for the year ended 31 December 2017 can be analysed as follows;

	<b>Consolidated financial statements</b>
	<b>Baht</b>
Opening balance	874,440,000
Repayments	(24,960,000)
Closing balance	849,480,000

The interest rate exposure on the borrowings is as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Borrowings:				
- at fixed rates	862,405,674	859,720,143	-	59,720,143
- at floating rates	67,415,905	317,746,453	-	-
Total borrowings	926,821,579	1,177,466,596	-	59,720,143

The interest rates at the statement of financial position date were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
- Bank overdrafts	MOR	-	-	-
- Bill of exchange	-	5.30 - 5.75	-	-
- Denbeture	5.40	5.40	5.40	5.40
- Short-term borrowing from financial institutions	4.00 - 7.43	4.00 - 7.68	-	4.00
- Long-term loan from financial institutions	MLR - 1	MLR - 1	-	-
- Liabilities under financial lease agreements	2.75 - 6.85	5.00 - 6.85	-	-

The carrying amounts and fair values of certain long-term borrowings are as follows:

	<b>Consolidated financial statements</b>			
	<b>Book Value</b>		<b>Fair Value</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Long-term loans from financial Institution	24,520,000	49,480,000	24,520,000	49,480,000

The fair values are based on discounted cash flows using a discount rate based on the borrowing rate which the management expects would be available to the Group at the statement of financial position date. The carrying amounts of bank overdrafts, bill of exchange and short-term borrowings approximate their fair values.

## 19 Borrowings (Cont'd)

Maturity of long-term borrowings (exclude liabilities under finance lease) is as follows:

	Consolidated financial statements	
	2017 Baht	2016 Baht
Within 1 year	824,960,000	24,960,000
Later than 1 year but not later 5 years	24,520,000	849,480,000
	<u>849,480,000</u>	<u>874,440,000</u>

Finance lease liabilities - minimum lease payments are as follows:

	Consolidated financial statements	
	2017 Baht	2016 Baht
Due within 1 year	8,208,263	9,561,696
Later than 1 year but not later 5 years	9,361,958	13,654,053
	<u>17,570,221</u>	<u>23,215,749</u>
<u>Less</u> Future finance charges on finance leases	<u>(55,731)</u>	<u>(21,353)</u>
Present value of finance lease liabilities	<u>17,514,490</u>	<u>23,194,396</u>

### Credit Facilities

As at 31 December 2017, the Group has available unused letters of credit for purchase of goods and raw materials amounting to Baht 894.70 million (31 December 2016: Baht 1,340.00 million).

## 20 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade payable - third parties	389,072,658	174,465,950	-	-
Accrued expenses - third parties	55,229,537	69,569,471	3,889,875	4,064,059
Accrued expenses - related parties (Note 29.7)	450,000	-	-	-
Revenue received in advance - third parties	42,363,039	5,128,019	-	-
Amount due to third parties	29,077,317	35,974,117	5,792,206	5,792,205
Amount due to related parties - (Note 29.7)	13,803	-	-	-
Other payables - directors (Note 29.7)	207,887	56,730	72,607	26,967
Payable for subsidiary acquisition	59,695,113	70,416,555	-	-
	<u>576,109,354</u>	<u>355,610,842</u>	<u>9,754,688</u>	<u>9,883,231</u>

21 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Liabilities in the statement of financial position				
Post-employment benefits	56,484,592	48,604,780	5,356,785	4,463,233
Expenses in the statement of comprehensive income				
Post-employment benefits	6,152,146	6,523,097	838,028	580,397
Remeasurement loss recognised in other comprehensive income	8,316,383	3,523,457	55,524	112,417
	14,468,529	10,046,554	893,552	692,814

Movement in the defined benefit obligation are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	48,604,781	44,161,372	4,463,233	3,770,419
Employee benefit obligations from subsidiaries acquisition	-	795,000	-	-
Current service cost	4,589,247	4,740,220	678,132	414,265
Interest cost	1,562,899	1,782,877	159,896	166,132
Remeasurement loss recognised in other comprehensive income	8,316,383	3,523,457	55,524	112,417
	63,073,310	55,002,926	5,356,785	4,463,233
Benefits paid	(6,588,718)	(6,398,146)	-	-
At 31 December	56,484,592	48,604,780	5,356,785	4,463,233

The principal actuarial assumptions used were as follows:

	2017 Baht	2016 Baht
Discount rate	2.71% - 3.08%	2.72% - 3.48%
Future salary increases	5.09% - 8.39%	5.75% - 8.41%
Turnover rates	5.00% - 31.00%	0.00% - 31.00%
Mortality rates	100.00% of TMO17	100.00% of TMO08
Disable rates	10.00% of TMO17	10.00% of TMO08

## 21 Employee benefit obligations (Cont'd)

	Consolidated financial statements					
	Change in assumption		Impact on defined benefit obligation			
	2017	2016	Increase in assumption		Decrease in assumption	
			2017	2016	2017	2016
Discount rate	0.50%	0.50%	Decrease by 0.05%	Decrease by 3.47%	Increase by 0.05%	Increase by 7.42%
Salary growth rate	0.50%	0.50%	Increase by 0.05%	Increase by 3.49%	Decrease by 0.09%	Decrease by 6.59%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Changes in bond yields A decrease in Government bond yields will increase plan liabilities.

The weighted average duration of the defined benefit obligation is 11 - 24 years.

Expected maturity analysis of undiscounted retirement as follows:

	Consolidated financial statements				
	Less than a year Baht	Between 1-5 years Baht	Between 6-10 years Baht	Over 10 years Baht	Total Baht
At 31 December 2017 Retirement benefits	6,866,361	23,188,066	39,943,763	86,892,337	156,890,527
At 31 December 2016 Retirement benefits	6,835,535	19,232,291	40,852,548	59,599,001	126,519,375

	Separate financial statements				
	Less than a year Baht	Between 1-5 years Baht	Between 6-10 years Baht	Over 10 years Baht	Total Baht
At 31 December 2017 Retirement benefits	-	-	6,252,969	6,862,824	13,115,793
At 31 December 2016 Retirement benefits	-	-	9,188,452	5,908,034	15,096,486

## 22 Share capital and share premium

	Consolidated and Separate financial statements			
	Number of shares Share	Ordinary shares Baht	Share premium Baht	Total Baht
<b>Authorised share capital</b>				
At 1 January 2017	1,117,712,067	1,117,712,067	-	1,117,712,067
At 31 December 2017	1,117,712,067	1,117,712,067	-	1,117,712,067
<b>Issued and paid-up share capital</b>				
At 1 January 2017	745,141,378	745,141,378	891,304,563	1,636,445,941
At 31 December 2017	745,141,378	745,141,378	891,304,563	1,636,445,941

## 23 Warrants

### Ua Withaya Public Company Limited

#### Warrants No.2 (UWC-W2)

On 3 April 2015, UWC issued warrants to offer to its existing shareholders detailed as follows:

Type of warrants	:	Issued in the names of respective holder and negotiable.
Term of warrants	:	4 years from the issuing and offering date
Number of warrants	:	Unit 5,540,154,997
Ratio	:	Old ordinary share per 1 warrant
Offering price	:	Baht 0 per unit
Exercise ratio	:	1 warrant per 1 ordinary share (which will be changeable)
Exercise price	:	Baht 0.1 per share (which will be changeable)
Exercise date	:	On the last business day of March and September of each year, throughout the term of the warrants
Last exercise date	:	29 March 2019

Movement of warrants to purchase ordinary share is as follows;

	<b>Consolidated financial statements</b>
	<b>Warrants</b>
Opening balance	5,539,809,313
<u>Less</u> Exercised warrants during the year	(42,608)
Closing balance	<u>5,539,766,705</u>

In March 2017, there are 42,608 UWC-W2 warrants indicated to be exercised. Exercise price of these warrants amounting to Baht 4,260 were already received and share issuance process were completed in April 2017.

### Rayong Wire Industries Public Company Limited

#### Warrants No.1 (RWI-W1)

On 30 April 2015, the Annual General Meeting of Shareholders No. 1/2015 has approved issuance of warrants to existing shareholders. The issuance process was completed on 30 September 2015. In addition, the meeting approved capital increase from Baht 300.00 million to Baht 450.00 million by issuing new ordinary shares of 300,000,000 shares, at par value of Baht 0.50, to support exercise of warrants RWI-W1. The Company registered the increase in capital as approved with the ministry of commerce on 7 July 2015.

Type of warrants	:	Issued in the names of respective holder and negotiable.
Term of warrants	:	3 years from the issuing and offering date (offering date 30 September 2015)
Number of warrants	:	299,982,259 units
Ratio	:	2 ordinary shares per 1 warrant
Offering price	:	Baht 0 per unit
Exercise ratio	:	1 warrant per 1 ordinary share (which will be changeable)
Exercise price	:	Baht 1.60 per share
Exercise date	:	Every 15th of March, June, September and December of each year, throughout the term of the warrants.
Last exercise date	:	29 June 2018

Warrants is approved as securities in MAI on 13 July 2015.

23 Warrants (Cont'd)

Rayong Wire Industries Public Company Limited (Cont'd)

Warrants No.1 (RWI-W1) (Cont'd)

Movement of warrants to purchase ordinary shares is as follows:

	<b>Consolidated financial statements</b>
	<b>Warrants</b>
Opening balance	299,780,159
<u>Less</u> Exercised warrants during the year	<u>(5,832,339)</u>
Closing balance	<u>293,947,820</u>

In June 2017, there are 5,832,339 RWI-W1 warrants indicated to be exercised. Exercise price of these warrants amounting to Baht 9,331,743 were already received and share issuance process were completed in June 2017.

Capital Engineering Network Public Company Limited

Warrants No.4 (CEN-W4)

On 14 November 2016, the Board of Director Meeting no.6/2016 has approved issuance of warrants to existing shareholders. The meeting have also approved capital increase from Baht 745,141,378 to Baht 1,117,712,067 by issuing new ordinary shares of 372,570,689 shares, at par value of Baht 1.00, to support exercise of warrants CEN-W4.

Type of warrants	: Issued in the names of respective holder and negotiable.
Term of warrants	: 2 years from the issuance date. Date of issuance is on 23 December 2016 and Maturity date is on 22 December 2018.
Number of warrants	: 372,366,551 units
Ratio	: 2 ordinary shares per 1 warrant
Offering price	: Baht 0 per unit
Exercise ratio	: 1 warrant per 1 ordinary share (which will be changeable)
Exercise price	: Baht 2.00 per share
Exercise date	: Last business day of March, June, September and December of year 2018. (Provided that the first exercise date shall be on 30 March 2018)
Last exercise date	: 21 December 2018

First trading date is on 19 January 2017.

Movement of warrants to purchase ordinary shares is as follows:

	<b>Warrants</b>
Opening balance	372,366,551
Closing balance	<u>372,366,551</u>



**24 Legal reserve**

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	29,423,562	29,423,562	29,423,562	29,423,562
Appropriation during the year	345,913	-	345,913	-
At 31 December	29,769,475	29,423,562	29,769,475	29,423,562

The Public Companies Act B.E. 2535, section 116 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any) until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

**25 Other Income**

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Gain on sales of short-term investments	-	4,182,533	-	-
Sale of scrap from raw materials	49,824,859	24,563,371	-	-
Interest income	35,552,904	32,309,996	4,661,375	8,425,042
Dividend income	981,564	240,000	981,564	10,568,008
Gain on sale of assets	443,301	267,121	-	-
Other	1,775,550	6,423,482	3,071,901	6,926,131
	88,578,178	67,986,503	8,714,840	25,919,181

**26 Expense by nature**

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Raw material and consumables used	1,818,420,496	1,431,136,248	-	-
Staff costs	310,984,353	264,575,628	10,702,824	11,011,712
Repair and maintenance expenses	10,462,570	7,407,901	-	-
Depreciation and amortisation	183,429,725	172,639,700	2,411,443	1,406,151
Finance costs	56,811,473	65,246,594	1,488,487	2,682,624
Doubtful accounts	4,735,220	11,062,077	-	-
Reversal of allowance for doubtful accounts	(10,053,249)	(2,555,711)	(60,000)	(60,000)
Allowance for declining in value of inventories (reversal)	(1,896,876)	283,687	-	-
Utility expenses	51,492,458	37,873,925	-	-
Director remunerations (Note 29.3)	41,293,844	38,447,794	11,137,795	9,876,383
Transportation expenses	23,950,433	16,552,699	-	-
Other expense				
- Loss on disposal of equipment	-	-	77,770	-
- Doubtful accounts on loans (Note 11)	-	9,475,508	8,000,000	21,475,508
- Loss on impairment non-current assets (Note 15)	22,402,859	599,951	-	518,443
- Loss from exchange rate	(2,706,184)	(976,388)	-	-
- Loss on impairment of investments in subsidiaries (Note 13.1)	-	-	83,842,859	35,454,488
- Loss on impairment of investments in associate (Note 13.2)	110,754,937	-	-	-
- Loss on impairment of investments in Joint venture (Note 13.3)	54,946,525	-	-	-
- Loss on impairment in goodwill (Note 16)	52,315,653	-	-	-
Others	171,882,832	135,377,410	13,094,628	15,202,808
Total	2,899,227,069	2,187,147,023	130,695,806	97,568,117

27 Income taxes

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current income tax expense	(29,547,445)	(3,596,474)	(39,097,007)	-
Deferred income tax (Note 18)	74,009,328	52,261,566	12,986,647	11,245,437
Income tax	44,461,883	48,665,092	(26,110,360)	11,245,437

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Group as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Profit (loss) before tax	(354,938,621)	(211,516,393)	33,028,614	(105,173,186)
Tax calculated at a tax rate of 20% (2016: 20%)	70,987,724	42,303,279	(6,605,723)	21,034,637
Tax effect of:				
Income not subject to tax	12,887,250	3,559,226	100,313	2,603,756
Expenses not deductible for tax purpose	(65,708,631)	(13,255,156)	(20,073)	(262,959)
Tax losses for which no deferred income tax asset was recognised	(2,039,580)	(14,576,467)	-	(12,129,997)
Temporary different which was not set up deferred tax asset	(6,499,415)	-	(21,359,766)	-
Utilisation of previously unrecognised tax losses	33,059,647	-	-	-
Utilisation of previously unrecognised tax losses	1,774,888	30,634,210	1,774,889	-
Income tax	44,461,883	48,665,092	(26,110,360)	11,245,437

## 28 Earnings per share

Basic earnings per share is calculated by dividing the gain (loss) attributable to owners by the weighted average number of ordinary shares in issue during the period.

The diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has dilutive potential ordinary shares that are warrants (Note 23).

### 28.1 Basic earnings per share

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>For the year ended 31 December</b>				
Profit (loss) from continuing operations attributable to owners of the parent (Baht)	(156,664,549)	(122,212,751)	6,918,254	(93,927,749)
Loss from discontinued operations attributable to owners of the parent (Baht)	-	(986,319)	-	-
Profit (loss) attributable to owners of the parent (Baht)	(156,664,549)	(123,199,070)	6,918,254	(93,927,749)
Weighted average number of ordinary shares (Shares)	745,141,378	745,141,378	745,141,378	745,141,378
Basic earnings per share (Baht)				
From continuing operations	(0.2102)	(0.1640)	0.0093	(0.1261)
From discontinued operations	-	(0.0013)	-	-

### 28.2 Diluted earnings per share

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>For the year ended 31 December</b>				
Profit (loss) from continuing operation attributable to owners of the parent (Baht)	(156,664,549)	(122,212,751)	6,918,254	(93,927,749)
Adjustment for: Effect from warrants issued by subsidiaries (Baht)	(10,666,144)	(2,621,389)	-	-
Loss from continued operations used to determine diluted loss per share (Baht)	(167,330,693)	(124,834,140)	6,918,254	(93,927,749)
Loss from discontinued operation attributable to owners of the parent (Baht)	-	(986,319)	-	-
Adjustment for: Effect from warrants issued by subsidiaries (Baht)	-	(192,691)	-	-
Loss from discontinued operations used to determine diluted loss per share (Baht)	-	(1,179,010)	-	-
Weighted average number of ordinary shares for diluted earnings per share (Shares)	745,141,378	745,352,785	745,141,378	745,352,785
Diluted earnings per share (Baht)				
From continuing operations	(0.2246)	(0.1675)	0.0093	-
From discontinued operations	-	(0.0016)	-	-

## 29 Related party transactions

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

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

The Company is incorporated in Thailand and listed on the Stock Exchange of Thailand. Key shareholder is Leenabanchong family holding shares in the Company totalling 34.71% of issued and paid-up share capital.

Relationship with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Company were as follows:

Name of entities	Country of incorporation	Natures of relationship
<b>Subsidiaries</b>		
1. Rayong Wire Industries Public Company Limited	Thailand	72.18% shareholding and some common directors
2. Ua Withya Public Company Limited	Thailand	39.23% shareholding and some common directors
3. Enesol Company Limited	Thailand	100.00% shareholding and some common directors
4. Pipe Line Engineering Company Limited	Thailand	99.99% shareholding and some common directors
5. Evergreen Biomass Company Limited	Thailand	99.00% shareholding and some common directors
6. WJC Enterprise Company Limited	Thailand	94.25% shareholding and some common directors
7. Paradise Green Energy Company Limited	Thailand	25.50% indirectly owned subsidiary through Ua Withaya Public Company Limited
8. UWC Komen Biomass Company Limited	Thailand	39.23% indirectly owned subsidiary through Ua Withaya Public Company Limited
9. UWC Solar Company Limited	Thailand	39.23% indirectly owned subsidiary through Ua Withaya Public Company Limited
10. Satuek Biomass Company Limited	Thailand	39.23% indirectly owned subsidiary through Ua Withaya Public Company Limited
11. UWC Amphan Biomass Company Limited	Thailand	39.23% indirectly owned subsidiary through Ua Withaya Public Company Limited
12. Green Energy Plantation Company Limited	Thailand	21.58% indirectly owned subsidiary through Ua Withaya Public Company Limited
13. UWC (Cambodia) Company Limited	Cambodia	27.46% indirectly owned subsidiary through Ua Withaya Public Company Limited
<b>Joint venture</b>		
14. Sunflowergreen Co., Ltd.	Thailand	A joint venture of Evergreen Biomass Company Limited at 25.00%

29 Related party transactions (Cont'd)

Relationship with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Company were as follows: (Cont'd)

Name of entities	Country of incorporation	Natures of relationship
<b>Associate</b>		
15. Dimet (Siam) Public Company Limited	Thailand	An associate company of Ua Withaya Public Company Limited at 24.50%
16. Ayutthaya Power Systems Company Limited	Thailand	An associate company of Ua Withaya Public Company Limited at 30.00%
17. Saraburi Energy Systems 2	Thailand	An associate Company of Ua Withaya Public Company Limited at 30.00%
18. Interglob Investment Company Limited	Cambodia	An associate Company of Ua Withaya Public Company Limited at 48.00%
<b>Other related companies</b>		
19. EMC Public Company Limited	Thailand	Related company by shareholding
20. Directors	Thailand	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)

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sales of goods	Cost plus margin at the rate of 10.00% - 25.00%
Revenue from projects	Contract price
Management fee	Contract price
Rental income	Contract price (Cost plus margin at the rate of 10.00% - 25.00%)
Fee income from use of assets as collateral for credit facilities	2.00% per annum of mortgaged value
Interest income	The amount approved by the Company's directors, based on borrowing cost of the Company
Purchase and sale equity securities	Market price
Dividends income	The amount approved by the Company's shareholders
Director and management benefit expenses representing salary, meeting allowance, per-diam and bonus	The amount approved by the Company's directors and shareholders

## 29 Related party transactions (Cont'd)

The following transactions were carried out with related parties:

### 29.1 Revenue

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Subsidiaries</b>				
Revenue from rental income	-	-	211,680	211,680
Internal audit	-	-	2,760,000	3,120,000
Interest income	-	-	4,246,391	3,419,862
Dividend income	-	-	-	10,328,008
<b>Related companies</b>				
Revenue from projects	-	5,513,074	-	-
Interest income	7,924,565	5,693,131	-	4,495,270

### 29.2 Expenses

	Consolidated financial information		Separate financial information	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Other related companies</b>				
Purchase Goods / Service	42,250	-	-	-

### 29.3 Director remunerations

(included in "Selling expenses" and "Administrative expenses")

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Key management personnel</b>				
Short-term employee benefits	38,708,997	36,514,677	10,567,304	9,357,357
Retirement benefits	2,584,847	1,933,117	570,491	519,026
	<u>41,293,844</u>	<u>38,447,794</u>	<u>11,137,795</u>	<u>9,876,383</u>

## 29 Related party transactions (Cont'd)

The following transactions were carried out with related parties: (Cont'd)

### 29.4 Short-term investments (included in "trading securities")

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>A related company</b>				
Equity securities	99,157,804	93,070,822	117,924,127	153,187,018

The movements of short-term investments for the year then ended 31 December 2017 are as follows:

	Consolidated financial statements Baht	Separate financial statements Baht
Opening net book amount	93,070,822	153,187,018
Additions	41,990,087	41,990,087
Disposal	-	(41,349,873)
Write-off (Note 9)	(2,406,925)	(2,406,925)
Fair value adjustment	(33,496,180)	(33,496,180)
Closing net book amount	99,157,804	117,924,127

### 29.5 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Trade accounts receivable (Note 10)</b>				
Related companies	14,120,263	16,620,653	-	-
<u>Less</u> Allowance for doubtful account	(14,120,263)	(14,120,263)	-	-
	-	2,500,390	-	-
<b>Other receivables (Note 10)</b>				
Directors	2,348,340	2,860,312	-	463,175
Related companies	170,085,671	170,085,671	-	-
	172,434,011	172,945,983	-	463,175
<b>Accrued income (Note 10)</b>				
Subsidiaries	-	-	12,317,573	8,071,959
Related companies	404,556	929,794	-	-
	404,556	929,794	12,317,573	8,071,959



**29 Related party transactions (Cont'd)**

The following transactions were carried out with related parties: (Cont'd)

**29.6 Short-term loans to related parties**

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Subsidiaries	-	-	163,940,000	86,440,000
<u>Less</u> Allowance for doubtful account	-	-	(39,900,000)	(31,900,000)
Subsidiaries, net	-	-	124,040,000	54,540,000
Related companies	8,858,890	12,500,000	-	-
	<u>8,858,890</u>	<u>12,500,000</u>	<u>124,040,000</u>	<u>54,540,000</u>

The movements of short-term loans for the year ended 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening balance	12,500,000	76,660,000	54,540,000	107,760,000
Additions	9,347,802	119,775,988	82,500,000	15,900,000
Repayment	-	(183,935,988)	(5,000,000)	(57,120,000)
Doubtful debt for loan to subsidiary	-	-	(8,000,000)	(12,000,000)
Transfer to short-term loans to third parties	(12,500,000)	-	-	-
Unrealised loss on exchange rate	(488,912)	-	-	-
Closing balance	<u>8,858,890</u>	<u>12,500,000</u>	<u>124,040,000</u>	<u>54,540,000</u>

**Transaction incurred during 2017**

During the year of 2017, the Company provided short-term loan amounting to Baht 80.00 million to UWC. The loan is dominated in Thai Baht and is due within 4 months which carries interest rate 4.20% per annum. The Company provided short-term loan amounting to Baht 2.50 million to WJC. The loan is dominated in Thai Baht and is due within 3 months which carries interest rate MLR-1.75% per annum.

In the second quarter of 2017, the company received the repayment of the principal of loan to EBM amounting to Baht 5.00 million.

The Company assessed the recoverability for remaining balance of loan to EBM and recognised doubtful debt amounting to Baht 8.00 million under "Other expenses" in the separate financial information.

**Transaction incurred during 2016**

In the third quarter of 2016, the Company received the repayment of the principal loan to Thansettakij Co., Ltd. amounting to Baht 57.12 million.

The Company assessed the recoverability for loan to WJC and recognised doubtful debt amounting to Baht 12.00 million under "Other expenses" in the separate financial statements for the year ended 31 December 2016.

In the first quarter of 2016, a subsidiary, UWC, provided short-term amounting to Baht 119.78 million to a related company. The loan is dominated in Thai Baht and is due within 6 - 12 months, carrying interest rate 5.00% - 6.00% per annum. UWC received full payment within the year.

## 29 Related party transactions (Cont'd)

The following transactions were carried out with related parties: (Cont'd)

### 29.7 Amount due to related parties

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Accrued expense				
- related companies	450,000	-	-	-
Amount due to related parties	13,803	-	-	-
Other payable - directors	207,887	56,730	72,607	26,967
	671,690	56,730	72,607	26,967

### 29.8 Commitments with related parties

As at 31 December 2017, the Company had commitment related to its subsidiaries which are summarised as follows:

The guarantee of credit facilities for subsidiaries as follows:

Ua Withya Public Company Limited	not exceeding Baht 130 million
Enesol Company Limited	not exceeding Baht 350 million
Pipe Line Engineering Company Limited	not exceeding Baht 150 million
Evergreen Biomass Company Limited	not exceeding Baht 150 million
WJC Enterprise Company Limited	not exceeding Baht 150 million

The use of the Company's assets to be pledged as collateral for credit facilities of subsidiaries (Note 34) as follows:

Enesol Company Limited	not exceeding Baht 350 million
Pipe Line Engineering Company Limited	not exceeding Baht 150 million
Evergreen Biomass Company Limited	not exceeding Baht 150 million
WJC Enterprise Company Limited	not exceeding Baht 150 million

## 30 Dividends

### Transactions incurred during 2016

#### Subsidiaries - Ua Withya Public Company Limited

At the subsidiary's Annual General Meeting of Shareholder on 28 April 2016, the meeting approved payment of dividends for the operation results of 2015 amounting to Baht 26.32 million to the shareholders listed in the register on 12 May 2016. The dividend was paid to shareholders on 27 May 2016. The Company had recorded dividend received amounting to Baht 10.33 million and recognised under "Other income" in the separate financial statements and eliminated the transaction in the consolidated financial statements.

### 31 Commitments

The future aggregate minimum lease payment under non-cancellable operating leases are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Within 1 year	6.36	8.92	0.79	3.16
Later than 1 year but not later than 5 years	7.61	11.25	0.58	1.38
Later than 5 years	4.00	-	-	-
	17.97	20.17	1.37	4.54

The future aggregate payment for other commitments are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Bank guarantees	60.25	30.56	-	-
Purchase of shares agreement	-	7.85	-	7.85
Legal consultant fee	0.55	0.55	-	-
Repair and maintenance agreements	117.78	152.87	-	-
Unused letters of credit for goods and raw materials	274.71	1,340.00	-	-
	453.29	1,531.83	-	7.85

### 32 Pledged assets

32.1 As at 31 December 2017, bank deposits of RWI amounting to Baht 168.90 million (31 December 2016: Baht 168.90 million) are pledged as collateral for credit facilities of the subsidiary:

- a) short-term and long-term borrowings;
- b) letters of guarantee; and
- c) credit facilities and liability under trust receipt for purchasing raw material.

32.2 As at 31 December 2017, the machinery for a production project for electricity and heat energy of ENS according to the agreement with Thai-German Ceramic Public Company Limited, is used as collateral for a borrowing from a domestic financial institution pursuant to the mortgage agreements.

32.3 As at 31 December 2017, bank deposits of ENS amounting to Baht 7.61 million was pledged as collateral for the borrowings from a domestic financial institution.

32.4 As at 31 December 2017, certain investment properties of the Company are pledged as collaterals for credit facilities of RWI and ENS.

32.5 As at 31 December 2017, property and plant of UWC which carrying value of Baht 275.05 million (31 December 2016: Baht 253.96 million), together with an indemnity right from related insurance of such plant are mortgaged as collateral for a short-term borrowings from a domestic financial institution. Bank deposits of UWC amounting to Baht 42.42 million are pledged as collateral for bidding projects.

### 33 Promotional privileges

#### Rayong Wire Industries Public Company Limited

RWI received promotional privileges from the Board of Investment on 29 June 2012 for manufacturing of steel wire and steel wire mesh. Under the promotional privileges, RWI received the exemption from corporate income tax from the promoted activities for the period of 8 years from the date income is first derived, which is 13 February 2013 and the reduction of 50% from regular corporate income tax including the deduction of annual net losses arising during the privilege period from net profit for a period of 5 years from the end of the privilege period. RWI must comply with the conditions and restrictions provided in the promotional certificates.

#### Enesol Company Limited

ENS received promotional privileges from the Board of Investment on 7 June 2011 for manufacturing electricity. Under the promotional privileges, ENS received the exemption from corporate income tax from the promoted activities for the period of 8 years from the date income is first derived, which is 30 June 2012 and the reduction of 50% from regular corporate income tax including the deduction of annual net losses arising during the privilege period from net profit for a period of 5 years from the end of the privilege period of 8 years (expired on 29 June 2025). ENS must comply with the conditions and restrictions provided in the promotional certificates.

#### UWC Komen Biomass Company Limited (Formerly : TRC Clean Energy Company Limited)

UKB received promotional privileges from the Board of Investment on 21 May 2008 for generating electricity from biomass. Under the promotional privileges, UKB received the exemption from corporate income tax from the promoted activities for the period of 8 years from the date income is first derived, which is 11 October 2011 including the deduction of annual net losses arising during the privilege period from net profit for a period of 5 years from the end of the privilege period. UKB must comply with the conditions and restrictions provided in the promotional certificates.

#### Satuek Biomass Company Limited

SATUEK received promotional privileges from the Board of Investment on 18 November 2003 for generating electricity. Under the promotional privileges, SATUEK received the exemption from corporate income tax from the promoted activities for the period of 8 years from the date income is first derived, which is 21 January 2006 and the reduction of 50% from regular corporate income tax including the deduction of annual net losses arising during the privilege period from net profit for a period of 5 years from the end of the privilege period. SATUEK must comply with the conditions and restrictions provided in the promotional certificates.

### 33 Promotional privileges (Cont'd)

#### UWC Amphan Biomass Company Limited

UAB received promotional privileges from the Board of Investment on 28 November 2005 for generating electricity. Under the promotional privileges, UAB received the exemption from corporate income tax from the promoted activities for the period of 8 years from the date income is first derived, which is 31 January 2008 and the reduction of 50% from regular corporate income tax including the deduction of annual net losses arising during the privilege period from net profit for a period of 5 years from the end of the privilege period. UAB must comply with the conditions and restrictions provided in the promotional certificates.

Income from promoted and non-promoted activities for the Company comprises the following:

	For the year ended 31 December 2016		
	Promoted activity Baht	Non-promoted activity Baht	Total Baht
Revenue from sales	382,720,464	721,035,871	1,103,756,335
Revenue from services	-	7,878,075	7,878,075
Other income	12,972,038	11,554,001	24,526,039
Total	395,692,502	740,467,947	1,136,160,449

	For the year ended 31 December 2017		
	Promoted activity Baht	Non-promoted activity Baht	Total Baht
Revenue from sales	703,364,186	857,219,275	1,560,583,461
Revenue from services	3,466,668	928,664,977	932,131,645
Profit (loss) from investment	-	(30,743,621)	(30,743,621)
Other income	18,662,800	69,915,378	88,578,178
Total	725,493,654	1,825,056,009	2,550,549,663

### 34 Event after the reporting period

On January of 2018, UWC, a subsidiary of the Group, issued and offered the unsubordinated and guaranteed debentures with a debenture holders' representative in the named-registered certificate debentures publicly for Baht 600 million. The debentures are due within January 2020 and carry interest at the rate of 6.25% per annum. UWC, a subsidiary of the Group, guaranteed debentures with pledges of the following:

- 1.) Land and building owned by UKB (UWC's subsidiary) has an appraisal value of Baht 77,896,000.
- 2.) Machine which owned by UKB (UWC's subsidiary) has an appraisal value of Baht 317,391,000.
- 3.) 23,998,000 Shares of UKB (UWC's subsidiary) owned by UWC, a subsidiary of the Group, with par value of Baht 10 each, totalling Baht 239,980,000 has a carrying value as at 31 December 2016 of Baht 154,319,987.
- 4.) 330,000,000 Shares of RWI owned by the Company with par of Baht 2 each, totalling Baht 660,000,000.

For using investment in RWI owned by the Company as collateral of debentures, UWC, a subsidiary of the Group, guaranteed the Company with pledges of the following:

- 1.) Land and building owned by UAB (UWC's subsidiary) has an appraisal cost of Baht 44,125,044.
- 2.) Machine owned by UAB (UWC's subsidiary) has a carrying value as at 31 December 2017 of Baht 54,527,000.
- 3.) Land and building owned by SATUEK (UWC's subsidiary) has an appraisal value of Baht 134,841,000.
- 4.) Machine which owned by SATUEK (UWC's subsidiary) has a carrying value as at 31 December 2017 of Baht 54,527,000.

On 21 February 2018, the Board of Director meeting no.1 / 2018 of RWI had passed a resolution approving RWI to pay the dividend from the operating results of 2017, to the shareholders listed in the register on 8 March 2018. Dividends were announced at the rate of Baht 0.106 per share totaling Baht 64.24 million. Dividends will be paid on 25 May 2018.

## **1 General information**

Capital Engineering Network Public Company Limited ("the Company"), is incorporated in Thailand and is registered as a listed Company in the Stock Exchange of Thailand on 10 May 1991. The address of the Company's registered office is as follows:

900/15, 19<sup>th</sup> Floor, SVOA Tower, Rama 3 Road, Bangpongpan, Yannawa, Bangkok.

The company is a holding company.

For reporting purposes, the Company and its subsidiaries are referred to as the Group.

The principal subsidiaries' operation of the Group are summarised as follows:

<b>Name of the entity</b>	<b>Type of business</b>
1. Rayong Wire Industries Public Company Limited ("RWI")	Manufacturing and distributing prestressed concrete wire, prestressed concrete strand wire and welding wire
2. Ua Withya Public Company Limited ("UWC")	Manufacturing and distributing industrial equipment and transmission line towers, telecommunication towers, and distributing substation steel structures
3. Enesol Company Limited ("ENS")	Manufacturing and distributing electricity and heat energy
4. Pipe Line Engineering Company Limited ("PLE")	Construction and tunnel
5. Evergreen Biomass Company Limited ("EBM")	Distributing fuel for power plant
6. WJC Enterprise Co., Ltd. ("WJC")	Fabrication construction and design
7. Paradise Green Energy Company Limited ("PGE")	Biogas power plant business, and selling agricultural products and by products
8. UWC Komen Biomass Company Limited ("UKB")	Biomass power plant project
9. UWC Solar Company Limited ("SLR")	Solar power plant
10. Satuek Biomass Co., Ltd. ("SATUEK")	Biomass power plant project
11. UWC Ampham Biomass Company Limited ("UAB")	Biomass power plant project
12. Green Energy Planatation Company Limited ("GEP")	Manufacturing and selling agricultural products
13. UWCC (Cambodia) Company Limited ("UWCC")	Manufacturing and selling woodchips

This Group consolidated and separate financial statements were authorised for issuing by the Board of Directors on 23 February 2018.

## **2 Accounting policy**

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

### **2.1 Basis of preparation**

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention, except short-term investment (Note 2.6) and land (Note 2.9) as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two language, the Thai language statutory financial statements shall prevail.

## 2 Accounting policy (Cont'd)

### 2.2 Revised financial reporting standards, and related interpretations

Revised financial reporting standards and interpretations are effective for accounting periods beginning on or after 1 January 2017 and 2018.

The Group's management assessed and considered that the revised standards will not have a material impact on the Group.

### 2.3 Investments in subsidiaries, associates and interests in joint ventures

#### (1) Subsidiaries

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

The Group applies the acquisition method to account for business combinations, except business combination under common control. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A list of the Group's principal subsidiaries are set out in Note 13.



## 2 Accounting policies (Cont'd)

### 2.3 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

#### (2) Transactions with non-controlling interests

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

#### (3) Disposal of subsidiaries

When the Group ceases to have control it shall ceased to consolidate its subsidiaries. Any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

#### (4) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

#### (5) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

##### Joint operations

A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

##### Joint venture

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

A list of the Group's principal joint venture are set out in Note13.

## 2 Accounting policies (Cont'd)

### 2.3 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

#### (6) Accounting under equity method

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in associates is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduction of the ownership interest in an associate is recognised in profit or loss.

The Group's share of its associates post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in associates equals or exceeds its interest in the associates, together with any long-term interests that, in substance, form part of the entity's net investment in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

The Group determines at each reporting date whether there is any objective evidence that the investments in the associates are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit (loss) of associates in profit or loss.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### (7) Separate financial statement

In the separate financial statements, investments in subsidiaries and associates are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

### 2.4 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Thai Baht, which is the Company's functional and the Group's presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

## 2 Accounting policies (Cont'd)

### 2.4 Foreign currency translation (Cont'd)

#### (c) Group companies

The results and financial position of all of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

### 2.5 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statements of financial position, bank overdrafts are shown in current liabilities.

### 2.6 Investments

Investments other than investments in subsidiaries, associates and joint ventures are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments.

The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

1. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
2. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity.
3. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale.
4. Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available for sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

## 2 Accounting policies (Cont'd)

### 2.7 Trade and other receivables

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within administrative expenses.

### 2.8 Inventories

Inventories of the Group comprises raw materials (steel), industrial goods, agricultural products, biomass materials, factory supplies and work in progress.

Inventories are stated at the lower of either the cost and the net realisable value.

The cost of raw materials (steel), agricultural products, biomass materials, factory supplies and work in progress is determined by the weighted average method and the cost of industrial goods is determined by the first-in, first-out method.

The cost of finished goods comprises the purchase cost, conversion cost and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, the cost of goods is determined by the weighted average method, considered an appropriate cost allocation of production overheads. It is based on normal operating capacity.

Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

### 2.9 Property, plant and equipment

Land is shown at fair value, based on valuations by external independent valuers every 3 years. All other property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land are credited to other comprehensive income and shown as gain on asset revaluation in equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against gain on asset revaluation directly in equity; all other decreases are charged to profit or loss.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings and improvements	10 - 20 years
Hydroelectric power plants	15 years (Based on agreement)
Machinery and equipment	5 - 15 years
Tunnel boring machinery	
- Useful lives	5 - 15 years
Furniture, fixtures, and office equipment	5 - 10 years
Vehicles	5 years

## 2 Accounting policies (Cont'd)

### 2.9 Property, plant and equipment (Cont'd)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gain/loss - net' in profit or loss.

When revalued assets are sold, the amounts included in gain on asset revaluation are transferred to retained earnings.

### 2.10 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight line method to their residual values over their estimated useful lives, as follows:

Building	20 years
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Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

### 2.11 Goodwill

At the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

## 2 Accounting policies (Cont'd)

### 2.12 Intangible assets

#### Computer software licenses

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 - 10 years.

#### Cost of gas branch piping system

Cost of gas branch piping system have a finite useful life and are carried at cost less accumulated amortisation, and impairment (if any). Amortisation is calculated using the straight-line method to allocate the cost of gas branch piping system over their estimated useful lives of 15 years.

#### Right to sale under Power Purchase Agreement

The right to sale under Power Purchase Agreements arising on acquisitions of subsidiary is amortised over the periods of the Power Purchase Agreements, which are between 8 to 13 years. Amortisation is calculated using the straight-line method.

### 2.13 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### 2.14 Leases - Where a Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of land, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

#### Leases - Where a Group is the lessor

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.

## 2 Accounting policies (Cont'd)

### 2.15 Borrowing

Borrowing are recognised initially at fair value, net of transactions costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

#### Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 2.16 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries, associates and joint arrangements, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.



## 2 Accounting policies (Cont'd)

### 2.17 Employee benefits

#### Short-term employee benefits

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

#### Defined contribution plans

The Group participates in a provident fund, which is a defined contribution plan, the assets for which are held in a separate trustee-administered fund and are managed by a licensed Fund Manager. The Group has no legal or constructive obligations to pay further contributions once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### Retirement benefit

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually depends on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

### 2.18 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## 2 Accounting policies (Cont'd)

### 2.19 Share capital

Ordinary shares is classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any companies within the Group purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

### 2.20 Warrants

#### Group as an issuer

Warrants are issued to existing shareholders to subscribe for ordinary shares. Proceeds from issuing warrants (if any) net of related expenses are shown under "Warrants" in shareholders' equity when the warrants are issued. Proceeds from exercised warrants net of related expenses are shown under share capital.

### 2.21 Construction contract

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress and for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within 'trade and other receivables'.

The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

## 2 Accounting policies (Cont'd)

### 2.22 Revenue recognition

#### Sale of goods

Revenue is recognised in profit or loss when the significant risks and rewards of ownership are transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

#### Revenue from sale of electricity and heat energy

Revenue from sale of electricity and heat energy is recognised in profit or loss according to the term set out in the agreement to obtain the right of production and distribution of electricity and heat energy. The revenue from sale of electricity is calculated basing on the accepted actual delivered electricity shown on the meter and the average price of each month as set out in the agreement. The revenue from sale of heat energy is calculated basing on the accepted actual delivered heat energy shown on the meter at the price of natural gas purchased in each month as set out in the agreement.

#### Revenue from projects

Revenue from projects is recognised in statement of comprehensive income when the project are completely inspected by and delivered to the buyer at the Group's plant because the significant risks and rewards of ownership have been transferred to the buyer.

For the projects which included transportation to the customer, revenue is recognised in the statement of comprehensive income when the customer assigned the work and issued the invoice and delivery note (if any). Assigned work can be classified in proportion to its completion and delivery to the customer.

#### Revenue from tunnel boring

Revenue from tunnel boring includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will generated revenue and are reliable measured. As soon as the outcome of tunnel boring can be estimated reliably, revenue and costs from tunnel boring are recognised in the profit and loss at the stage of completion of the work and issuance of the invoice.

An expected loss on a tunnel boring contract and manufacturing services on that project are recognised immediately in profit or loss.

#### Rental income

Rental income is recognised in profit or loss according to the terms set out in the agreement, based on which the installations are due.

#### Interest income and other income

- Interest income is recognised using the effective interest method.
- Dividend income is recognised in profit or loss on the date the Group has the right to receive payments is established.
- Income from the sale of raw materials scrap (steel) is recognised when the process of bidding is completed.
- Discounts received, liable for compensation derived from the delay of work, under the agreement are recognised in the statement of income when receiving approval from the parties.
- Gain from derivative future contracts is recognised when gain (loss) is realised from settlement of derivative future contracts.
- Others revenues are recognised on accrual basis.

## **2 Accounting policies (Cont'd)**

### **2.23 Dividend distribution**

Dividend distribution to the Group's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Group's shareholders or board of directors.

## **3 Financial risk management**

### **Financial risk management policies**

The Group is exposed to normal business risks from changes in market interest rates risk, foreign exchange risk, credit risk, liquidity risk, and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

### **3.1 Interest rates risk**

Interest rates risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because certain borrowings have interest rates closed to the market rate and some are lower. The Group has not hold derivative financial instrument to manage risk that may incur from interest rate fluctuation.

### **3.2 Foreign exchange risk**

The Group is exposed to immaterial foreign currency risk relating to purchases which are denominated in foreign currencies. The Group does not enter into forward exchange contracts to hedge liabilities denominated in foreign currencies.

### **3.3 Credit risk**

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations, close follow up, and cash and cheque collections in advance before starting a project are performed on all customers requiring credit over a certain amount.

### **3.4 Liquidity risk**

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

#### 4 Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

The significant estimates and assumptions are outlined below:

**a) Business acquisition**

The Group determines the fair value of the net identifiable assets by using the purchase price allocation method. The goodwill is dependent on the fair value of the net assets acquired. The valuation methodology involves management's judgement, based on the inputs and assumptions in the model, which affect the valuation of goodwill.

**b) Estimated impairment of goodwill, property, plant and equipment and intangible assets**

The Group tests annually whether goodwill has suffered any impairment, in accordance with accounting policy stated in Note 2.11. The Group also considers impairment indicator for property, plant and equipment and intangible assets. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. The change in the assumption used would impact the recoverable amount.

**c) Allowance for doubtful accounts**

Allowances for doubtful accounts are intended to adjust the value of receivables for probable credit loss. The management uses judgment to establish reserves for estimated loss for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of percentage of revenues, analysis of debt aging, collection experience, and taking into account of change in the current economic environment. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable loss and adjustments to the allowances may therefore be required in the future.

**d) Useful lives for property, plant and equipment and intangible assets**

The annual depreciation charge is sensitive to the estimated useful lives and residual values allocated to each type of asset. Useful lives and residual values are assessed annually and change when necessary to reflect current situation on their remaining useful lives in light of technological change, prospective economic utilisation and physical condition of the assets concerned.

**e) Deferred tax**

Deferred tax assets and liabilities are recognised for temporary difference arising between tax bases of assets and liabilities and their carrying amount for accounting purposes as at the end of reporting date. Significant management judgment is used in considering whether it is highly probable that the Group will generate sufficient taxable profits from its future operations to minimize these deferred tax assets. The Group's assumptions regarding the future taxable profits and the anticipated timing of minimise of deductible temporary differences and significant changes in these assumptions from period to period may have a material impact on financial position and results of operations.

**f) Borrowings**

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate which the director's expect would be available to the Group at the end of reporting date. The change in the discount rate would impact the fair value of the borrowings.

#### 4 Critical accounting estimates and judgements (Cont'd)

##### g) Employee benefits

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for employee benefit include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of high-quality government bonds that are denominated in the currency in which the benefits will be paid.

Other key assumptions for employee benefits are based in part on current market conditions. Additional information is disclosed in Note 21.

##### h) Consolidation of the entity in which the Group holds less than 50%.

Management consider that the Group has de facto control of UWC even though it has less than 50% of the voting rights. The Group has control and power to govern the financial and operating policies of UWC and there is no history of other shareholders forming a group to exercise their votes collectively. Consequently, this investment has been classified as a subsidiary and consolidated to the Group's consolidated financial statements.

#### 5 Capital risk management

The Board's policy is to maintain a strong capital base so as to build investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as a result from operating activities divided by total shareholders' equity, excluding non-controlling interest, and also monitors the level of dividends paid to ordinary shareholders.

#### 6 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee who makes strategic decisions. The chief operating decision-maker review operating results in the same dimension as presented on the financial statements, principally based on profit (loss) after income tax.

##### By geographic area

Management considers that the Group operates in a single geographic area, namely in Thailand, and has, therefore, only one major geographic segment.

##### By business operation

The Group comprises the following main business segments:

Segment 1: represents the business of investing in other companies

Segment 2: represents the business of manufacturing and distributing prestressed concrete wire, prestressed concrete strand wire and welding wire

Segment 3: represents the business of manufacturing and distributing steel structures for transmission line towers, telecommunication towers, substation steel structures and industrial equipment, including the design and manufacture fabrication

Segment 4: represents the business of manufacturing and distributing electricity and heat energy

Segment 5: represents the business of construction and tunnelling

Other segments: represents the business of agricultural product

6 Segment information (Cont'd)

Financial information by business segments in the consolidated financial statements are as follows:

	Consolidated financial statements						Total Million Baht
	Segment 1 Million Baht	Segment 2 Million Baht	Segment 3 Million Baht	Segment 4 Million Baht	Segment 5 Million Baht	Other segment Million Baht	
<b>For the year ended 31 December 2016</b>							
Revenues	(7.61)	608.80	867.23	680.73	0.01	44.95	2,194.11
<u>Less</u> Revenue from inter-segment	(28.47)	(0.48)	(31.36)	(152.82)	-	-	(213.13)
Total revenues	(36.08)	608.32	835.87	527.91	0.01	44.95	1,980.98
Segment results	(63.56)	14.85	29.92	(55.98)	(33.22)	(52.35)	(160.34)
Discontinued operations	-	-	-	-	-	(2.51)	(2.51)
Segment fixed assets	4.69	232.94	344.44	892.28	94.25	228.95	1,797.55
Other assets							4,130.08
Consolidated total assets							5,927.63

	Consolidated financial statements						Total Million Baht
	Segment 1 Million Baht	Segment 2 Million Baht	Segment 3 Million Baht	Segment 4 Million Baht	Segment 5 Million Baht	Other segment Million Baht	
<b>For the year ended 31 December 2017</b>							
Revenues	163.72	944.89	1,094.08	635.51	0.04	31.64	2,869.88
<u>Less</u> Revenue from inter-segment	(194.99)	(0.35)	(105.49)	(18.50)	-	-	(319.33)
Total revenues	(31.27)	944.54	988.59	617.01	0.04	31.64	2,550.55
Segment results	(152.04)	81.23	30.18	(128.19)	(34.34)	(107.31)	(310.47)
Segment fixed assets	1.10	228.26	365.35	1,020.98	61.55	208.70	1,885.94
Other assets							4,167.03
Consolidated total assets							6,052.97



## 7 Fair value

### 7.1 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the financial assets and liabilities that are measured at fair value, excluding fixed deposits presented under held-to-maturity securities due within one year, at 31 December.

	Consolidated financial statements			
	2017		2016	
	Level 1 Baht	Level 2 Baht	Level 1 Baht	Level 2 Baht
<b>Asset</b>				
Trading financial assets				
• Mutual Funds	-	8,242,687	-	71,575
• Equity securities	136,766,739	-	113,500,010	-
Available-for-sale financial assets				
• Mutual funds	-	480,740,408	-	141,125,349
<b>Total asset</b>	<b>136,766,739</b>	<b>488,983,095</b>	<b>113,500,010</b>	<b>141,196,924</b>

The Group reclassified available-for-sale investments gains of Baht 1,389,449 (2016: Baht 2,444,800) from other comprehensive income into profit or loss resulting from disposal of investments during the year.

	Separate financial statements			
	2017		2016	
	Level 1 Baht	Level 2 Baht	Level 1 Baht	Level 2 Baht
<b>Asset</b>				
Trading financial assets				
• Mutual Funds	-	8,242,687	-	71,575
• Equity securities	155,533,062	-	173,616,205	-
<b>Total asset</b>	<b>155,533,062</b>	<b>8,242,687</b>	<b>173,616,205</b>	<b>71,575</b>

There were no transfers between levels 1 and 2 during the year.

### 7.2 Valuation techniques used to derive Level 2 fair values

Level 2 Trading securities and available-for-sale equity securities are fair valued using a Net Asset Valuation ("NAV") approach as at period end date. The data is publicly available on the Thai Bond Market Association, which is calculated by fund manager of the mutual fund.

## 8 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cash on hand	1,362,731	917,950	729	521
Deposits held at call with banks - current and saving accounts	178,517,131	649,999,823	25,181,127	54,578,178
Short-term bank deposits	4,673,160	10,278,687	367,766	364,868
	<u>184,553,022</u>	<u>661,196,460</u>	<u>25,549,622</u>	<u>54,943,567</u>

During 2017, the interest rate on savings deposits at banks is ranged between 0.13% - 0.75% per annum (2016: 0.13% - 0.75% per annum).

The interest rate on short-term bank deposits is 0.80% - 1.38% per annum (2016: 0.80% - 0.95% per annum) and these deposits have maturities of 3 months.

## 9 Short-term investments

Short-term investments as at 31 December comprises of these followings:

	Consolidated financial statements			
	31 December 2017		31 December 2016	
	Cost Baht	Fair value Baht	Cost Baht	Fair value Baht
Trading securities	325,218,227	145,009,426	273,989,642	113,571,584
Available-for-sale securities	478,633,096	480,740,408	137,861,460	141,125,350
Held-to-maturity securities due within one year	4,330,296	4,330,296	75,891,346	75,891,346
	<u>808,181,619</u>	<u>630,080,130</u>	<u>487,742,448</u>	<u>330,588,280</u>

	Separate financial statements			
	31 December 2017		31 December 2016	
	Cost Baht	Fair value Baht	Cost Baht	Fair value Baht
Trading securities	343,984,550	163,775,749	334,105,837	173,687,780

Movements of short-term investments for the year then ended 31 December 2017 are as follows:

	Consolidated financial statements			
	Trading securities Baht	Available- for-sale securities Baht	Held-to-maturity securities due within one year Baht	Total Baht
Opening net book amount	113,571,584	141,125,350	75,891,346	330,588,280
Additions	222,489,131	511,760,000	82,858,254	817,107,385
Disposals	(155,012,776)	(172,676,555)	(154,431,015)	(482,120,346)
Revaluation	(33,631,588)	531,613	-	(33,099,975)
Loss on impairment of investment in trading securities	(2,406,925)	-	-	(2,406,925)
Interest income	-	-	11,711	11,711
Closing net book amount	<u>145,009,426</u>	<u>480,740,408</u>	<u>4,330,296</u>	<u>630,080,130</u>

9 Short-term investments (Cont'd)

Movements of short-term investments for the year then ended 31 December 2017 are as follows: (Cont'd)

	Consolidated financial statements			
	Trading securities Baht	Available- for-sale securities Baht	Held-to-maturity securities due within one year Baht	Total Baht
Cost	325,218,227	478,633,096	4,330,296	808,181,619
Unrealised gain (loss)	(180,208,801)	2,107,312	-	(178,101,489)
Fair value	145,009,426	480,740,408	4,330,296	630,080,130
				Separate financial statements
				Trading securities Baht
Opening net book amount				173,687,780
Additions				222,489,131
Disposals				(196,362,649)
Impairment loss on investment				(2,406,925)
Revaluation				(33,631,588)
Closing net book amount				163,775,749
				Separate financial statements
				Trading securities Baht
Cost				343,984,550
Unrealised loss				(180,208,801)
Fair value				163,775,749

The analysis of gain (loss) from investment is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Write-off warrants held as trading securities	(2,406,925)	-	(2,406,925)	-
Gain on sales of short-term investments	5,294,892	8,529,080	3,271,445	8,529,080
Gain on sales of subsidiary's warrants	-	-	170,376,837	9,007,385
Unrealised loss on revaluation of trading securities	(33,631,588)	(53,444,336)	(33,631,588)	(53,444,336)
Gain on disposal investment in joint venture	-	13,739,616	-	-
Gain (loss) on disposal investment in subsidiaries (Note 13.1)	-	(878,142)	17,399,811	2,383,621
	(30,743,621)	(32,053,782)	155,009,580	(33,524,250)

The Company recognised gain on disposal investment in subsidiaries amounting Baht 5.24 million, net of tax, and gain on sales of subsidiary's warrants amounting to Baht 169.38 million, net of tax (2016: Baht 7.21 million, net of tax) directly in equity attributed to the shareholders of the parent company in the consolidated financial statements.

10 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade receivables - third parties	790,271,130	493,869,553	84,178,921	84,178,921
<u>Less</u> Allowance for doubtful accounts	(105,566,088)	(129,658,902)	(84,178,921)	(84,178,921)
Trade receivables - third parties, net	684,705,042	364,210,651	-	-
Trade receivable - related parties (Note 29.5)	14,120,263	16,620,653	-	-
<u>Less</u> Allowance for doubtful accounts	(14,120,263)	(14,120,263)	-	-
Trade receivable - related parties, net	-	2,500,390	-	-
Other receivables - third parties	30,846,443	41,741,258	528,783	12,500
Other receivables - related parties (Note 29.5)	172,088,636	172,945,983	-	463,175
Accrued income - third parties	18,828,503	43,055,853	112,322	73,347
Accrued income - related parties (Note 29.5)	404,556	929,794	12,317,573	8,071,959
Prepaid expenses	34,626,741	33,813,054	431,121	497,140
	941,499,921	659,196,983	13,389,799	9,118,121

Outstanding trade accounts receivable as at 31 December 2017 and 2016 can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Third parties</b>				
Within credit terms	546,906,261	258,374,168	-	-
Overdue:				
Less than 3 months	125,796,395	110,448,429	-	-
3 - 6 months	11,946,361	14,027,825	-	-
6 - 12 months	1,947,141	1,354,043	-	-
Over 12 months	103,659,972	109,665,088	84,178,921	84,178,921
	790,256,130	493,869,553	84,178,921	84,178,921
<u>Less</u> Allowance for doubtful accounts	(105,551,088)	(129,658,902)	(84,178,921)	(84,178,921)
	684,705,042	364,210,651	-	-
<b>Related Company (Note 29)</b>				
Within credit terms	-	897,764	-	-
Overdue:				
Less than 3 months	-	447,592	-	-
3 - 6 months	-	1,155,033	-	-
6 - 12 months	-	-	-	-
Over 12 months	14,120,263	14,120,264	-	-
	14,120,263	16,620,653	-	-
<u>Less</u> Allowance for doubtful accounts	(14,120,263)	(14,120,263)	-	-
	-	2,500,390	-	-

11 Short-term loans

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Third parties				
- promissory notes	9,452,383	9,452,383	9,452,383	9,452,383
- short-term loans	8,850,000	8,850,000	8,850,000	8,850,000
<u>Less</u> Allowance for doubtful accounts	(18,302,383)	(18,302,383)	(18,302,383)	(18,302,383)
	-	-	-	-
Related parties (Note 29.6)				
- promissory notes	-	-	163,940,000	86,440,000
- short-term loans	8,858,890	12,500,000	-	-
<u>Less</u> Allowance for doubtful accounts	-	-	(39,900,000)	(31,900,000)
	8,858,890	12,500,000	124,040,000	54,540,000
	8,858,890	12,500,000	124,040,000	54,540,000

During the second quarter of 2017, the Company assessed the recoverability for loan to EBM and recognised doubtful debt amounting to Baht 8.00 million under "Other expenses" in the separate financial statements.

12 Inventories

	Consolidated financial statements	
	2017 Baht	2016 Baht
Raw material, net	385,833,414	339,101,759
Factory supplies, net	58,825,624	45,534,411
Work in progress	289,028,650	165,039,138
Finished goods, net	60,138,392	76,090,754
	793,826,080	625,766,062

Cost of inventories has been included in cost of sales, totalling Baht 1,296.78 million (2016: Baht 1,012.75 million).

### 13 Investments in subsidiaries, associate and interest in joint venture

#### 13.1 Investment in subsidiaries

Name of the entity	Type of business	Country of incorporation	Issued and paid-up share capital		Ownership interest	
			2017 Million Baht	2016 Million Baht	2017 %	2016 %
Direct shareholding						
1. Rayong Wire Industries Public Company Limited	Manufacturing and distributing prestressed concrete wire, prestressed concrete strand wire and welding wire	Thailand	303.02	300.10	72.18	74.24
2. Ua Withya Public Company Limited	Manufacturing and distributing industrial equipment and transmission line towers, telecommunication towers, and distributing substation steel structures	Thailand	1,316.25	1,316.25	39.23	39.23
3. Enesol Company Limited	Manufacturing and distributing electricity and heat energy	Thailand	302.50	302.50	100.00	100.00
4. Pipe Line Engineering Company Limited	Construction and tunnel	Thailand	144.00	144.00	99.99	99.99
5. Evergreen Biomass Company Limited	Distributing fuel for power plant	Thailand	50.00	50.00	99.00	99.00
6. WJC Enterprise Company Limited	Fabrication construction and design	Thailand	97.50	97.50	94.25	94.25
Indirect shareholding						
1. Paradise Green Energy Company Limited	Agricultural	Thailand	250.00	250.00	25.50	23.54
2. UWC Komen Biomass Co., Ltd.	Biomass power plant project	Thailand	240.00	240.00	39.23	39.23
3. UWC Solar Company Limited	Biomass power plant project	Thailand	18.25	18.25	39.23	39.23
4. Satuek Biomass Co., Ltd.	Biomass power plant project	Thailand	16.25	260.00	39.23	39.23
5. UWC Amphan Biomass Company Limited	Biomass power plant project	Thailand	9.38	150.00	39.23	39.23
6. Green Energy Plantation Company Limited	Manufacturing and selling Agricultural products	Thailand	0.10	-	21.58	-
7. UWC (Cambodia) Company Limited	Manufacturing and selling woodchips	Cambodia	US\$ 25,000	-	27.46	-

Indirectly hold through UWC

Movement in book value of investments in subsidiaries for the year then ended 31 December 2017 and 2016 are as follows:

	Separate financial statements	
	2017 Baht	2016 Baht
Opening balance	1,061,677,651	1,001,938,974
Additions	-	95,490,992
Disposals	(2,586,597)	(297,827)
Impairment loss on investments	(83,842,859)	(35,454,488)
Closing balance	975,248,195	1,061,677,651

**13 Investments in subsidiaries, associate and interest in joint venture (Cont'd)**

**13.1 Investment in subsidiaries (Cont'd)**

**Transactions incurred during 2017**

**Rayong Wire Industries Public Company Limited**

In the second quarter of 2017, the Company disposed 8,179,700 shares of RWI and received the proceeds amounting to Baht 19.99 million. The Company recognised gain on sale of investment amounting to Baht 17.40 million under "Gain (loss) from investment" in the separate financial statements. The Group recognised gain, net of tax amounting to Baht 5.24 million directly in equity attributed to the owners of the parent in consolidated financial statements.

In the second quarter of 2017, the non-controlling interest exercised the warrant (RWI-W1) of 5,823,339 units and paid all subscriptions amounting to Baht 9,331,743. The Group recognised loss, net of tax on change in controlling interest in subsidiary amounting to Baht 171,222 directly in equity attributed to the owners of the parent in the consolidated financial statements. After exercise the warrants, the Company's shareholding proportion in RWI reduced to 72.18% (31 December 2016: 74.24%).

**Ua Withya Public Company Limited**

In the second quarter of 2017, the non-controlling interest exercised the warrant (UWC-W2) of 42,608 units and paid all subscriptions amounting to Baht 4,260. After exercise the warrants, the Company's shareholding proportion in UWC remains 39.23% (31 December 2016: 39.23%). Even though the Group has investment in UWC at 39.23%; however, the Group has control and power to govern the financial and operating policies of UWC. Therefore, UWC is classified as subsidiary of the Group.

**Pipe Line Engineering Company Limited**

For the year ended 31 December 2017, the Company assessed the impairment of investment in PLE and recognised impairment loss amounting to Baht 34.40 million under "Other expenses" in the separate financial statements.

**Evergreen Biomass Company Limited**

For the year ended 31 December 2017, the Company assessed the impairment of investment in EBM and recognised impairment loss amounting to Baht 49.44 million under "Other expenses" in the separate financial statements.

**Green Energy Plantation Company Limited**

On 17 April 2017, UWC, a subsidiary of the Group, acquired GEP by investing in 20,000 ordinary shares at par value of Baht 5 per share, totalling Baht 55,000, representing ownership interest of 55.00%. The Group presented indirect ownership in GEP for 21.58%.

**Paradise Green Energy Co., Ltd.**

In the fourth quarter of 2017, UWC, a subsidiary of the Group, made additional investment in PGE amounting to Baht 13.43 million. Accordingly, the group's shareholding proportion in PGE increased to 25.50% (31 December 2016: 23.54%). The Group recognised loss on change in controlling-interest in subsidiary amounting to Baht 2.82 million directly in equity attributed to the owners of the parent in the consolidated financial statements.

**UWC (Cambodia) Company Limited**

In the second quarter of 2017, UWC, a subsidiary of the Group, acquired UWCC by investing in 1,000 ordinary shares totalling Baht 0.89 million, representing ownership interest of 70.00%. The Group presented indirect ownership in UWCC for 27.46%.



**13 Investments in subsidiaries, associate and interest in joint venture (Cont'd)**

**13.1 Investment in subsidiaries (Cont'd)**

**Transactions incurred during 2017 (Cont'd)**

**Satuek Biomass Company Limited**

On 10 March 2017, the Extraordinary General Meeting of the Shareholders of UWC No. 1/2017 has approved to reduce the number of the subsidiary, SATUEK's common share from 2,600,000 shares to 650,000 shares, Baht 100 per share. The reduction amount will be compensated with the deficits. The subsidiary completed the share reduction process and registered with the Ministry of Commerce on 19 May 2017.

On 7 June 2017, the Extraordinary General Meeting of the Shareholders of UWC No. 2/2017 has approved to reduce the number of the subsidiary, SATUEK's common share from 650,000 shares to 162,500 shares, Baht 100 per share. The reduction amount will be compensated with the deficits. The subsidiary completed the share reduction process and registered with the Ministry of Commerce on 17 July 2017.

**UWC Amphan Biomass Company Limited**

On 10 March 2017, the Extraordinary General Meeting of the Shareholders No. 1/2017 has approved to reduce the number of the subsidiary, UAB's common share from 1,500,000 shares to 375,000 shares, Baht 100 per share. The reduction amount will be compensated with the deficits. The subsidiary completed the share reduction process and registered with the Ministry of Commerce on 9 May 2017.

On 31 May 2017, the Extraordinary General Meeting of the Shareholders No. 2/2017 has approved to reduce the number of the subsidiary, UAB's common share from 375,000 shares to 93,750 shares, Baht 100 per share. The reduction amount will be compensated with the deficits. The subsidiary completed the share reduction process and registered with the Ministry of Commerce on 19 July 2017.

**Transactions incurred during 2016**

**Evergreen Biomass Company Limited**

On 21 January 2016, the Company paid-up the subscription 980,000 ordinary shares at Baht 5 per share, totaling Baht 4.90 million, where shareholders of non-controlling interest paid-up the partial of subscription totalling Baht 50,000.

In September 2016, EBM additional issued 4.00 million ordinary shares at par value of Baht 10 per share. The Company and the non-controlling interest paid-up the subscription amounting to Baht 39.60 million and Baht 0.40 million, respectively. In addition, the Company purchased EBM's shares from the non-controlling interest amounting to Baht 25,000 and paid-up the unpaid subscription to EBM amounting to Baht 75,000. Accordingly, the Company's shareholding portion in EBM increased to 99.00% (31 December 2015: 98.00%).

**Imperial Land Company Limited**

On 13 February 2015, the Extraordinary Meeting of Shareholders of UWC no. 1/2558 approved disposal of investment in IMP to EMC Plc., a related company, which is a related party transaction, representing 100.00% sales of paid-up capital in the subsidiary.

In October 2016, the Board of Directors Meeting of EMC approved payment of acquisition of IMP's shares. The transaction was completed in November 2016. The Group recognised gain from sale of investment of Baht 0.88 million under "Gain (loss) from investment" in the consolidated financial statements and ceased consolidating IMP since 1 November 2016.

**13 Investments in subsidiaries, associate and interest in joint venture (Cont'd)**

**13.1 Investment in subsidiaries (Cont'd)**

**Transactions incurred during 2016 (Cont'd)**

**Ua Withya Public Company Limited**

For the year ended 31 December 2016, the non-controlling interest exercised the warrant (UWC-W2) of 345,684 units and paid all subscriptions amounting to Baht 34,570. The Group recognised loss, net of tax on change in controlling interest in subsidiary amounting to Baht 17,464 directly in equity attributed to the owners of the parent in the consolidated financial statements.

After exercise the warrants, the Company's shareholding proportion in UWC remains 39.23% (31 December 2015: 39.23%). Even though the Group has investment in UWC at 39.23%; however, the Group has control and power to govern the financial and operating policies of UWC. Therefore, UWC is classified as subsidiary of the Group.

**Rayong Wire Industries Public Company Limited**

For the year ended 31 December 2016, the non-controlling interest exercised the warrant (RWI-W1) of 202,000 units and paid all subscriptions amounting to Baht 323,200. The Group recognised gain, net of tax on change in controlling interest in subsidiary amounting to Baht 137.60 directly in equity attributed to the owners of the parent in the consolidated financial statements. After exercise the warrants, the Company's shareholding proportion in RWI reduced to 74.24%. (31 December 2015: 74.26%).

In the fourth quarter of 2016, the Company disposed 955,400 shares of RWI and received proceed amounting to Baht 2.68 million. The Company recognised gain on sale of investment amounting to Baht 2.38 million under "Gain (loss) from investment in the separate financial statements". The Group recognised gain, net of tax amounting to Baht 1.90 million directly in equity attributed to the owners of the parent in consolidated financial statements.

Subsequently, the Company repurchased 995,100 shares of RWI amounting to Baht 2.31 million to maintain ownership interest in subsidiary.

**Enesol Company Limited**

For the year ended 31 December 2016, the Company has purchased ENS's shares from the non-controlling interest amounting to Baht 48.58 million. Accordingly, the Company's shareholding portion in ENS increased to 100.00% (31 December 2016: 90.04%).

**Pipe Line Engineering Company Limited**

The Company assessed the impairment of investment in PLE and recognised impairment loss amounting to Baht 35.45 million under "Other expenses" in the separate financial statements for the year ended 31 December 2016.

**13 Investments in subsidiaries, associate, and interest in joint venture (Cont'd)**

**13.1 Investment in subsidiaries (Cont'd)**

**Transactions incurred during 2016 (Cont'd)**

**UWC Komen Biomass Co., Ltd.**

On 21 September 2015, the subsidiary, UWC, acquired UKB by investing in 24,000,000 ordinary shares at par value of Baht 10 per share totalling Baht 240.00 million. The Group has ownership interest of 39.23% in UKB.

The Group completed measurement of fair value of identifiable assets acquired and liabilities assumed of UKB in the third quarter of 2016. In consideration of fair value of net assets, the Group determined the measurement of the identifiable assets and liabilities and considered the possibility that the Group received economic benefit reasonably.

The fair value of identifiable assets acquired and liabilities assumed from this acquisition was as follows:

	<b>Baht</b>
Trade and other receivables	586,008
Other current assets	1,376,773
Property, plant and equipment	360,137,314
Power purchase agreement	157,000,000
Trade and other payables	(17,900,644)
Other current liabilities	(471,084)
Current portion of liabilities under finance lease agreement	(1,180,985)
Deferred tax liabilities	(11,886,752)
Net fair value	487,660,630
<u>Less</u> Non-controlling interest	-
Net fair value acquired	487,660,630
Consideration paid	161,212,431
Cash paid for loan to the subsidiary	343,479,258
Cash received from the subsidiary on acquisition date	(20,654,625)
Net consideration paid	484,037,064
Gain from bargain purchase	3,623,566

The fair value of net identifiable assets and identifiable liabilities exceed the net consideration paid by Baht 3.62 million. It was recognised in the consolidated profit or loss as gain from bargain purchase under "Other income". The net consideration paid is lower than the fair value of net assets acquired due to the Group's negotiation capability.

### 13 Investments in subsidiaries, associate, and interest in joint venture (Cont'd)

#### 13.1 Investment in subsidiaries (Cont'd)

##### Transactions incurred during 2016 (Cont'd)

##### Paradise Green Energy Co., Ltd.

On 3 July 2015, the subsidiary, UWC, acquired PGE by investing in 24,000 ordinary shares at par value of Baht 100 per share totalling Baht 2.40 million. The Group has ownership interest of 23.54% in PGE. PGE additionally issued 2,460,000 ordinary shares at par value of Baht 100 per share. The subsidiary and non-controlling interest additionally invested 1,476,000 shares and 984,000 shares, respectively. PGE has called total subscription of Baht 147.60 million and Baht 98.40 million. There was no change in ownership interest.

The Group completed measurement of fair value of identifiable assets acquired and liabilities assumed of PGE in the third quarter of 2016. In consideration of fair value of net assets, the Group determined the measurement of the identifiable assets and liabilities and considered the possibility that the Group received economic benefit reasonably.

The fair value of identifiable assets acquired and liabilities assumed from this acquisition was as follows:

	<b>Baht</b>
Trade and other receivables	128,530
Other current assets	83,825
Property, plant and equipment	196,349,784
Other non-current assets	816,571
Trade and other payables	(696,033)
Other current liabilities	(371,345)
Net fair value	196,311,332
<u>Less</u> Non-controlling interest	(100,000,000)
Net fair value acquired	96,311,332
Consideration paid	150,000,000
Cash received from the subsidiary on acquisition date	(1,373,015)
Net consideration paid	148,626,985
The difference between consideration paid and fair value of net assets (Goodwill)	52,315,653

The purchase considerations exceed the fair value of net identifiable assets and identifiable liabilities of Baht 52.32 million was recognised as goodwill. The Group expects to receive future benefit from such investment by gaining know how of agricultural and development of product line in agriculture.

The Group recognises non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

13 Investments in subsidiaries, associate, and interest in joint venture (Cont'd)

13.1 Investment in subsidiaries (Cont'd)

Transactions incurred during 2016 (Cont'd)

Satuek Biomass Company Limited

On 15 February 2016, the subsidiary, UWC, invested in 2,600,000 ordinary shares at par value of Baht 100 per share. The Group has ownership interest of 39.23% in SATUEK.

The Group completed measurement of fair value of identifiable assets acquired and liabilities assumed of SATUEK in the fourth quarter of 2016. In consideration of fair value of net assets, the Group determined the measurement of the identifiable assets and liabilities and considered the possibility that the Group received economic benefit reasonably.

The fair value of identifiable assets acquired and liabilities assumed from this acquisition was as follows:

	<b>Baht</b>
Inventories	184,392
Other current assets	2,503,891
Property, plant and equipment	190,323,561
Power purchase agreement	140,989,304
Trade and other payables	(738,958)
Other current liabilities	(2,092,462)
Employee benefit obligations	(578,000)
Deferred tax liabilities	(24,367,294)
Net fair value	306,224,434
<u>Less</u> Non-controlling interest	-
Net fair value acquired	306,224,434
Consideration paid	167,383,269
Cash paid for loan to subsidiary	179,163,606
Cash received from the subsidiary on acquisition date	(325,903)
Net consideration paid	346,220,972
The difference between consideration paid and fair value of net assets (Goodwill)	39,996,538

The purchase considerations exceed the fair value of net identifiable assets and identifiable liabilities of Baht 40.00 million was recognised as goodwill. The Group expects to receive future benefit from such investment by gaining know how and readiness of power plant operation.

UWC Ampham Biomass Company Limited

On 15 February 2016, the subsidiary, UWC, has invested in 1,500,000 ordinary shares of UAB at par value of Baht 100 per share. The Group has ownership interest of 39.23% in UAB.

The Group completed measurement of fair value of identifiable assets acquired and liabilities assumed of UAB in the fourth quarter of 2016. In consideration of fair value of net assets, the Group determined the measurement of the identifiable assets and liabilities and considered the possibility that the Group received economic benefit reasonably.

13 Investments in subsidiaries, associate, and interest in joint venture (Cont'd)

13.1 Investment in subsidiaries (Cont'd)

**UWC Amphan Biomass Company Limited (Cont'd)**

The fair value of identifiable assets acquired and liabilities assumed from this acquisition was as follows:

	<b>Baht</b>
Other current asstes	328,196
Property, plant and equipment	223,057,903
Power purchase agreement	170,589,108
Trade and other payables	(616,252)
Other current liabilities	(308,992)
Liabilities under finance lease agreement	(2,670,736)
Emplyee benefit obligations	(217,000)
Deferred tax liabilities	(13,548,444)
Net fair value	376,613,783
<u>Less</u> Non-controlling interest	-
Net fair value acquired	376,613,783
Consideration paid	102,421,281
Cash paid for loan to subsidiary	281,236,414
Cash received from the subsidiary on acquisition date	(751,933)
Net consideration paid	382,905,762
The difference between consideration paid and fair value of net assets (Goodwill)	6,291,979

The purchase considerations exceed the fair value of net identifiable assets and identifiable liabilities of Baht 6.29 million was recognised as goodwill. The Group expects to receive future benefit from such investment by gaining know how and readiness of power plant operation.

13 Investments in subsidiaries, associate, and interest in joint venture (Cont'd)

13.2 Investment in associate

The details of interest in associate as follows:

Name of the entity	Type of business	Country of incorporation	Issued and paid-up share capital		Ownership interest	
			31 December 2017 Million Baht	31 December 2016 Million Baht	31 December 2017 %	31 December 2016 %
1. Dimet (Siam) Public Company Limited	Manufacturing and trading of external paint	Thailand	128.32	128.32	24.50	24.50
2. Ayutthaya Power Systems Company Limited	Waste-to-energy power plant	Thailand	13.75	-	30.00	-
3. Saraburi Energy Systems 2 Company Limited	Waste-to-energy power plant	Thailand	21.75	-	30.00	-
4. Interglob Investment Company Limited	Selling and rental real estate	Cambodia	US\$ 25,000	-	48.00	-

Movements of investment in associate can be analysed as follows:

	Consolidated financial statements Baht
<b>For the year ended 31 December 2017</b>	
Opening net book amount	227,212,163
Additions	11,880,034
Loss on impairment of investment in associate	(110,754,937)
Share of results	(6,261,215)
Closing net book amount	122,076,045

Transactions incurred during 2017

Ayutthaya Power Systems Company Limited ("APS")

On 30 November 2016, the subsidiary, UWC's Board of Directors Meeting 6/2559 approved the subsidiary to invest in 165,000 ordinary shares of APS at par value of Baht 25 per share totaling Baht 4.13 million, which represents ownership interest of 30.00%. The subsidiary completed the acquisition in February 2017.

Saraburi Energy Systems 2 Company Limited ("SES2")

On 30 November 2016, the subsidiary, UWC's Board of Directors Meeting 6/2559 approved the subsidiary to invest in 261,000 ordinary shares of SES2 at par value of Baht 25 per share totaling Baht 6.53 million, which represents ownership interest of 30.00%. The subsidiary completed the acquisition in February 2017.

Interglob Investment Company Limited ("IIC")

On 24 April 2017, the subsidiary, UWC, acquired IIC, a new established company, by investing in 1,000 ordinary shares totaling Baht 1.22 million, representing ownership interest of 48.00%.



13 Investments in subsidiaries, associate, and interest in joint venture (Cont'd)

13.2 Investment in associate (Cont'd)

Transactions incurred during 2016

Dimet (Siam) Public Company Limited ("DIMET")

On 9 July 2015, the Board of Directors Meeting 5/2558 approved the company to invest in 62,817,683 ordinary shares of DIMET at par value of Baht 3.60 per share totaling Baht 226.14 million, which represents ownership interest of 24.50%. The Company proceeded tender offering and completed the acquisition in January 2016.

Summarised financial information for associate

Set out below are the summarised financial information for the associates that are material to the Group. The information disclosed reflects the amounting presented in the financial statements of the relevant associates (not the Group's shares of those amounts). They have been amended to reflect adjustments made using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Summarised statement of financial position

	DIMET	
	31 December	
	2017	2016
	Baht	Baht
<b>Current</b>		
Cash and cash equivalents	6,272,825	30,135,890
Other current assets	136,330,792	135,929,848
Total current assets	142,603,617	166,065,738
Total current liabilities	(83,947,814)	(85,614,217)
<b>Non-current</b>		
Total non-current assets	55,656,054	57,853,114
Total other non-current liabilities	(6,355,620)	(7,175,972)
<b>Net assets</b>	107,956,237	131,128,663

Summarised statement of comprehensive income

	DIMET	
	For the year ended 31 December 2017	For the period from 12 June to 31 December 2016
	Baht	Baht
Revenue	302,536,273	305,256,703
Other income	2,025,437	2,509,496
Cost and expenses	(328,817,722)	(312,590,950)
Interest expense	(400,315)	(494,753)
Loss before income tax	(24,656,327)	(5,319,504)
Income tax revenue	2,464,960	630,444
Post-tax loss	(22,191,367)	(4,689,060)
Total comprehensive income	(22,191,367)	(4,689,060)

13 Investments in subsidiaries, associate, and interest in joint venture (Cont'd)

13.2 Investment in associate (Cont'd)

Reconciliation of summarised financial information

	DIMET	
	31 December	
	2017 Baht	2016 Baht
Opening net asset	131,128,663	135,817,723
Loss for the period	(22,191,367)	(4,689,060)
Closing net assets	108,937,296	131,128,663
Interest in associate (24.50%)	26,689,637	32,126,522
Fair value adjustment on acquisition date	195,085,641	195,085,641
Provision for impairment of investments in associate (Note 26)	(110,754,937)	-
Carrying value	111,020,341	227,212,163

13.3 Interest in joint venture

The detail of interest in joint venture as follows:

Name of the entity	Type of business	Country of incorporation	Issued and paid-up share capital		Ownership interest	
			2017 Million Baht	2016 Million Baht	2017 %	2016 %
Sunflowergreen Co., Ltd.	Wood chopping	Thailand	150.00	150.00	25.00	25.00

The Group indirectly holds this investment through EBM

Movements of interest in joint venture can be analysed as follows:

	Consolidated financial statements Baht
For the year ended 31 December 2017	
Opening net book amount	59,471,525
Less payable for subsidiary acquisition	(4,525,000)
Loss on impairment	(54,946,525)
Closing net book amount	-

During 2017, the authorised directors of SFG filed an unlawful registration of the change of the shareholder list and made EBM unlisted in the shareholder list. The subsidiary, EBM had filed a lawsuit against SFG and SFG's director, claiming violation of the shareholder agreement and asking for the damages and the interest in full amount. During the year, there was a negotiation between EBM and SFG's director. However, the negotiation did not success and SFG's director was default of payment as agreed. There is probable that the investment in joint venture cannot be recovered. As a result, The Group set up provision for impairment of investment in SFG in full amount.

13 Investments in subsidiaries, associate, and interest in joint venture (Cont'd)

13.3 Interest in joint venture (Cont'd)

Transactions incurred during 2016

Sunflowergreen Co., Ltd. ("SFG")

On 12 August 2016, the subsidiary, EBM, invested in 2,500,000 ordinary shares totalling Baht 45.25 million. The Group has considered the voting right of director and relevant information. Even though the Group has investment in SFG only at 25.00%, however; the Group has jointly control power together with the another joint venture. Therefore, the Group recorded investment in SFG as joint venture of the Group.

The Group is under purchase price allocation process to allocate difference in net fair value acquired and net consideration paid. The Group does not disclose detailed information of goodwill since the Group is in process of preparation of purchase price allocation.

In September 2016, SFG additional issued ordinary shares at par value of Baht 10 per share. EBM paid-up the subscription amounting to Baht 12.50 million to maintain the shareholding proportion at 25.00% in October 2016.

The fair value of EBM's interest for identifiable assets acquired and liabilities assumed from this acquisition are as follows:

	<b>Baht</b>
Cash and cash equivalents	20,937
Other current assets	14,735,879
Property, plant and equipment	78,496,100
Other non-current assets	4,675,725
Trade and other payables	(840,300)
Liabilities from finance lease	(841,121)
Deferred tax liabilities	(1,331,734)
Other current liabilities	(726,434)
Net fair value	94,189,052
<u>Less</u> Net fair value of joint venture	<u>(70,641,790)</u>
Net fair value acquired	23,547,262
Consideration paid	45,250,000
Fair value adjustment on acquisition date (Goodwill)	<u>21,702,738</u>

14 Investment property

	Consolidated and separate financial statements		
	Land Baht	Buildings Baht	Total Baht
<b>At 1 January 2016</b>			
Cost	415,473,522	940,000	416,413,522
<u>Less</u> Accumulated depreciation	-	(773,890)	(773,890)
<u>Less</u> Provision for impairment	(10,857,206)	-	(10,857,206)
Net book amount	<u>404,616,316</u>	<u>166,110</u>	<u>404,782,426</u>
<b>For the year ended 31 December 2016</b>			
Opening net book amount	404,616,316	166,110	404,782,426
Depreciation	-	(47,000)	(47,000)
Closing net book amount	<u>404,616,316</u>	<u>119,110</u>	<u>404,735,426</u>
<b>At 31 December 2016</b>			
Cost	415,473,522	940,000	416,413,522
<u>Less</u> Accumulated depreciation	-	(820,890)	(820,890)
<u>Less</u> Provision for impairment	(10,857,206)	-	(10,857,206)
Net book amount	<u>404,616,316</u>	<u>119,110</u>	<u>404,735,426</u>
<b>For the year ended 31 December 2017</b>			
Opening net book amount	404,616,316	119,110	404,735,426
Depreciation	-	(47,000)	(47,000)
Closing net book amount	<u>404,616,316</u>	<u>72,110</u>	<u>404,688,426</u>
<b>At 31 December 2017</b>			
Cost	415,473,522	940,000	416,413,522
<u>Less</u> Accumulated depreciation	-	(867,890)	(867,890)
<u>Less</u> Provision for impairment	(10,857,206)	-	(10,857,206)
Net book amount	<u>404,616,316</u>	<u>72,110</u>	<u>404,688,426</u>
Fair value at 31 December 2016	<u>415,798,850</u>	<u>1,008,000</u>	<u>416,806,850</u>
Fair value at 31 December 2017	<u>415,798,850</u>	<u>1,008,000</u>	<u>416,806,850</u>

The fair value is determined by an external independent value. Valuations were made on the basis of recent market transactions on arm's length terms. The fair value is within level 2 of the fair value hierarchy.

The Group's management is currently considering to use the land and building as investment in joint venture with another entity or developing such land to its maximum benefits.

As at 31 December 2017, certain investment properties are pledged as a collateral for borrowings from the financial institutions (Note 32).

15 Property, plant and equipment

	Consolidated financial statements							
	Revaluation	Cost						
		Land Baht	Buildings and improvements Baht	Machinery and equipment Baht	Tunnel boring machines Baht	Furniture, fixtures and office equipment Baht	Vehicles Baht	Work in process Baht
<b>At 1 January 2016</b>								
Cost/Revaluation amount	261,667,192	756,036,699	822,117,436	131,568,725	55,497,030	31,367,384	100,819,789	2,159,074,255
Less Accumulated depreciation	-	(358,091,305)	(492,145,731)	(5,487,037)	(44,416,175)	(21,633,131)	-	(921,773,379)
Less Allowance for impairment	-	(9,540,360)	(1,515,673)	-	-	(478,952)	-	(11,534,985)
Net book amount	261,667,192	388,405,034	328,456,032	126,081,688	11,080,855	9,255,301	100,819,789	1,225,765,891
<b>For the year ended 31 December 2016</b>								
Opening net book amount	261,667,192	388,405,034	328,456,032	126,081,688	11,080,855	9,255,301	100,819,789	1,225,765,891
Addition	-	12,832,371	11,968,544	-	7,230,981	11,070,275	245,048,266	288,150,437
Asset from acquisition of subsidiaries	79,502,200	165,771,895	163,289,390	-	216,599	4,601,380	-	413,381,464
Disposal, net	-	-	(40,538)	-	(1,309,612)	(3)	(1,488,000)	(2,838,153)
Write-off	-	-	-	-	(1,579)	-	-	(1,579)
Transfer in (out)	-	23,060,955	173,338,937	-	113,100	-	(196,512,992)	-
Depreciation	-	(31,287,388)	(55,880,779)	(31,834,488)	(4,313,882)	(3,587,112)	-	(126,903,649)
Net book amount	341,169,392	558,782,867	621,131,586	94,247,200	13,016,462	21,339,841	147,867,063	1,797,554,411
<b>At 31 December 2016</b>								
Cost/Revaluation amount	341,169,392	957,701,921	1,170,673,769	131,568,725	61,592,857	48,930,629	147,867,063	2,859,504,356
Less Accumulated depreciation	-	(389,378,694)	(548,026,510)	(37,321,525)	(48,576,395)	(27,111,835)	-	(1,050,414,959)
Less Allowance for impairment	-	(9,540,360)	(1,515,673)	-	-	(478,953)	-	(11,534,986)
Net book amount	341,169,392	558,782,867	621,131,586	94,247,200	13,016,462	21,339,841	147,867,063	1,797,554,411

Capital Engineering Network Public Company Limited  
Notes to Consolidated and Separate Financial Statements  
For the year ended 31 December 2017

15 Property, plant and equipment (Cont'd)

	Consolidated financial statements							
	Revaluation	Cost						
	Land Baht	Buildings and improvements Baht	Machinery and equipment Baht	Tunnel boring machines Baht	Furniture, fixtures and office equipment Baht	Vehicles Baht	Work in process Baht	Total Baht
<b>For the year ended 31 December 2017</b>								
Opening net book amount	341,169,392	558,782,867	621,131,586	94,247,200	13,016,462	21,339,841	147,867,063	1,797,554,411
Addition	5,840,000	6,494,835	66,830,916	-	6,494,375	7,378,513	97,907,749	190,946,388
Disposal, net	-	-	(5)	-	(3)	(39,902)	-	(39,910)
Write-off	-	-	-	-	(125,546)	-	-	(125,546)
Transfer in (out)	-	36,796,312	196,916,639	-	1,068,133	-	(234,781,084)	-
Revaluation surplus	54,122,900	-	-	-	-	-	-	54,122,900
Depreciation	-	(34,418,560)	(79,023,972)	(10,299,069)	(5,631,990)	(4,719,462)	-	(134,093,053)
Impairment	-	-	-	(22,402,859)	-	-	-	(22,402,859)
Cumulative currency differences on translation	-	-	(23,680)	-	-	-	-	(23,680)
Net book amount	401,132,292	567,655,454	805,831,484	61,545,272	14,821,431	23,958,990	10,993,728	1,885,938,651
<b>At 31 December 2017</b>								
Cost/Revaluation amount	401,132,292	1,000,993,068	1,434,148,705	131,568,725	68,944,966	48,343,291	10,993,728	3,096,124,775
Less Accumulated depreciation	-	(423,797,254)	(626,801,548)	(47,620,594)	(54,123,535)	(23,905,349)	-	(1,176,248,280)
Less Allowance for impairment	-	(9,540,360)	(1,515,673)	(22,402,859)	-	(478,952)	-	(33,937,844)
Net book amount	401,132,292	567,655,454	805,831,484	61,545,272	14,821,431	23,958,990	10,993,728	1,885,938,651

In the fourth quarter of 2017, the Group's land was revalued by an external independent value. Valuations were made on the basis of recent market transactions on arm's length terms. The revaluation, net of tax was credited to other component of equity.

As of 31 December 2017, UWC's Land and buildings of Baht 275.05 million have been pledged for bank overdraft credit line and short-term borrowings from financial institutions (Note 32).

**15 Property, plant and equipment (Cont'd)**

Leased assets included above, where the Group is a lessee under a finance lease, comprise office appliance:

	<b>Consolidated financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>
Cost of assets under finance lease agreement	30,537,467	25,011,511
<u>Less</u> Accumulated depreciation	<u>(8,484,807)</u>	<u>(3,170,678)</u>
Net book amount	<u>22,052,660</u>	<u>21,840,833</u>

Depreciation of Baht 25.60 million (2016: Baht 18.57 million) was recorded in cost of goods sold and Baht 4.25 million (2016: Baht 3.73 million) was recorded in administrative expense.

The additions presented in the table include addition of assets under finance lease agreement where the Group is the lessee amount Baht 5.90 million (2016: 6.98 million).

If land was stated on the historical cost basis, the amounts would be as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
Cost	28,294,224	22,454,224	-	-
Net book amount	<u>28,294,224</u>	<u>22,454,224</u>	<u>-</u>	<u>-</u>

The fair value measurement information in accordance with TFRS 13 are given below.

**Fair value hierarchy**

	<b>Consolidated financial statements Fair value measurements at 31 December 2017 using</b>		
	<b>Quoted prices in active markets for identical assets (Level 1) Baht</b>	<b>Significant other observable inputs (Level 2) Baht</b>	<b>Significant unobservable inputs (Level 3) Baht</b>
Recurring fair value measurements			
Land	-	401,132,292	-

**Valuation techniques used to derive Level 2 fair values**

Level 2 fair values of land have been generally derived using the sales comparison approach performed by an asset appraiser of capital market who is authorised by the Securities and Exchange Commission. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square wah.

There were no changes in valuation techniques during the year.



15 Property, plant and equipment (Cont'd)

	Separate financial statements		
	Furniture, fixtures and office equipment Baht	Vehicles Baht	Total Baht
<b>At 1 January 2016</b>			
Cost	19,587,638	1,079,008	20,666,646
<u>Less</u> Accumulated depreciation	(15,623,863)	(405,939)	(16,029,802)
<u>Less</u> Provision for impairment	-	(478,952)	(478,952)
Net book amount	3,963,775	194,117	4,157,892
<b>For the year ended 31 December 2016</b>			
Opening net book amount	3,963,775	194,117	4,157,892
Addition	329,205	1,563,999	1,893,204
Write-off	(1,579)	-	(1,579)
Depreciation	(1,182,276)	(172,999)	(1,355,275)
Net book amount	3,109,125	1,585,117	4,694,242
<b>At 31 December 2016</b>			
Cost	19,922,048	2,643,008	22,565,056
<u>Less</u> Accumulated depreciation	(16,812,923)	(578,939)	(17,391,862)
<u>Less</u> Provision for impairment	-	(478,952)	(478,952)
Net book amount	3,109,125	1,585,117	4,694,242
<b>For the year ended 31 December 2017</b>			
Opening net book amount	3,109,125	1,585,117	4,694,242
Addition	82,104	-	82,104
Disposal, net	-	(1,320,761)	(1,320,761)
Depreciation	(2,095,128)	(264,355)	(2,359,483)
Net book amount	1,096,101	1	1,096,102
<b>At 31 December 2017</b>			
Cost	20,004,152	1,079,007	21,083,159
<u>Less</u> Accumulated depreciation	(18,908,051)	(600,054)	(19,508,105)
<u>Less</u> Provision for impairment	-	(478,952)	(478,952)
Net book amount	1,096,101	1	1,096,102

16 Goodwill

	Consolidated financial statements	
	31 December 2017 Baht	31 December 2016 Baht
<b>At 1 January</b>		
Cost	98,604,170	52,315,653
<b>Net book amount</b>	<b>98,604,170</b>	<b>52,315,653</b>
<b>For the year ended 31 December</b>		
Opening net book amount	98,604,170	52,315,653
Acquisition of subsidiary	-	46,288,517
Impairment loss	(52,315,653)	-
<b>Closing net book amount</b>	<b>46,288,517</b>	<b>98,604,170</b>
<b>At 31 December</b>		
Cost	98,604,170	98,604,170
<u>Less</u> Provision for impairment	(52,315,653)	-
<b>Net book amount</b>	<b>46,288,517</b>	<b>98,604,170</b>

During 2017, the Group recognised loss on impairment of goodwill of PGE amounting to Baht 52.32 million presented under “Other expense” in the consolidated profit or loss. This resulted from a downturn in the market and the operating results does not meet the expectation.

Goodwill is allocated to the cash-generating units (CGUs) identified according to business segment. A segment-level summary of the goodwill allocation is presented below.

	Consolidated financial statements
	Power plant Baht
Goodwill allocation	46,288,517

The recoverable amount of a CGUs is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The key assumptions used for value-in-use calculations are as follows:

	Power plant
Gross margin <sup>1</sup>	35.29%
Growth rate <sup>2</sup>	Nil
Discount rate <sup>3</sup>	7.75%
Recoverable amount of the CGUs (Baht Millions)	1,263.74

<sup>1</sup> Budgeted gross margin.

<sup>2</sup> Weighted average growth rate used to extrapolate cash flows beyond the budget period.

<sup>3</sup> Pre-tax discount rate applied to the cash flow projections.

These assumptions have been used for the analysis of each CGUs within the business segment.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

17 Intangible assets

	Consolidated financial statements			
	Right to use gas branch piping system Baht	Right to sale under power purchase agreements Baht	Software License Baht	Total Baht
<b>At 1 January 2016</b>				
Cost	6,288,111	157,000,000	9,939,497	173,227,608
<u>Less</u> Accumulated amortisation	(3,830,292)	(3,408,008)	(5,565,031)	(12,803,331)
Net book amount	<u>2,457,819</u>	<u>153,591,992</u>	<u>4,374,466</u>	<u>160,424,277</u>
<b>For the year ended 31 December 2016</b>				
Opening net book amount	2,457,819	153,591,992	4,374,466	160,424,277
Asset from acquisition of subsidiary	-	311,578,412	-	311,578,412
Additions	-	-	530,979	530,979
Amortisation	(419,208)	(44,172,844)	(1,096,999)	(45,689,051)
Net book amount	<u>2,038,611</u>	<u>420,997,560</u>	<u>3,808,446</u>	<u>426,844,617</u>
<b>At 31 December 2016</b>				
Cost	6,288,111	468,578,412	10,458,477	485,325,000
<u>Less</u> Accumulated amortisation	(4,249,500)	(47,580,852)	(6,650,031)	(58,480,383)
Net book amount	<u>2,038,611</u>	<u>420,997,560</u>	<u>3,808,446</u>	<u>426,844,617</u>
<b>For the year ended 31 December 2017</b>				
Opening net book amount	2,038,611	420,997,560	3,808,446	426,844,617
Additions	-	-	132,100	132,100
Amortisation	(419,207)	(48,047,992)	(822,473)	(49,289,672)
Net book amount	<u>1,619,404</u>	<u>372,949,568</u>	<u>3,118,073</u>	<u>377,687,045</u>
<b>At 31 December 2017</b>				
Cost	6,288,111	468,578,412	10,590,577	485,457,100
<u>Less</u> Accumulated amortisation	(4,668,707)	(95,628,844)	(7,472,504)	(107,770,055)
Net book amount	<u>1,619,404</u>	<u>372,949,568</u>	<u>3,118,073</u>	<u>377,687,045</u>
			Separate financial statements	
			Software License Baht	
<b>At 1 January 2016</b>				
Cost				24,800
<u>Less</u> Accumulated amortisation				(3,876)
Net book amount				<u>20,924</u>
<b>For the year ended 31 December 2017</b>				
Opening net book amount				20,924
Amortisation				(4,960)
Net book amount				<u>15,964</u>
<b>At 31 December 2017</b>				
Cost				24,800
<u>Less</u> Accumulated amortisation				(8,836)
Net book amount				<u>15,964</u>

## 18 Deferred income tax

The analysis of deferred tax assets and deferred tax liability is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Deferred tax assets:</b>				
Deferred tax asset to be recovered within 12 months	21,170,577	62,714,823	53,318,797	48,829,123
Deferred tax asset to be recovered more than 12 months	185,154,259	95,046,412	19,078,157	10,558,417
	<u>206,324,836</u>	<u>157,761,235</u>	<u>72,396,954</u>	<u>59,387,540</u>
<b>Deferred tax liabilities:</b>				
Deferred tax liability to be settled within 12 months	(16,850,818)	(16,467,466)	(12,057)	(395)
Deferred tax liability to be settled more than 12 months	(313,229,019)	(315,505,904)	-	-
	<u>(330,079,837)</u>	<u>(331,973,370)</u>	<u>(12,057)</u>	<u>(395)</u>
Deferred tax (liabilities) asset, net	<u>(123,755,001)</u>	<u>(174,212,135)</u>	<u>72,384,897</u>	<u>59,387,145</u>

The movement of deferred income tax account is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	(174,212,135)	(186,722,770)	59,387,145	48,119,225
Acquisition of subsidiary	-	(37,915,736)	-	-
Credited to profit or loss	74,009,328	52,261,566	12,986,647	11,245,437
(Charged) credited to other comprehensive income	(9,334,547)	443,006	11,105	22,483
Credit to other components of equity	(14,217,647)	(2,278,201)	-	-
At 31 December	<u>(123,755,001)</u>	<u>(174,212,135)</u>	<u>72,384,897</u>	<u>59,387,145</u>

The movement in deferred tax assets and liabilities during the year is as follows:

	Consolidated financial statements							
	Allowance for doubtful account Baht	Allowance for declining in value of inventory Baht	Allowance for impairment Baht	Property, plant and equipment fair value adjustment on consolidation Baht	Employee benefit obligations Baht	Loss carried forward Baht	Others Baht	Total Baht
<b>Deferred tax assets</b>								
At 1 January 2016	20,505,094	4,665,004	4,351,673	19,326,156	8,484,243	1,755,883	26,854,523	85,942,576
Acquisition of subsidiary	-	-	-	22,201,983	-	15,666,538	-	37,868,521
(Charged) credited to profit or loss	(677,755)	(946,010)	(1,294,207)	(3,597,296)	320,424	27,440,332	11,849,445	33,094,981
Credited to other comprehensive income	-	-	-	-	855,157	-	-	855,157
At 31 December 2016	19,827,339	3,718,994	3,057,466	37,930,843	9,659,822	44,862,753	38,704,018	157,761,235
(Charged) credited to profit or loss	(1,719,407)	(656,349)	(57,466)	(3,836,764)	(374,228)	27,272,203	26,272,337	46,900,326
Credited to other comprehensive income	-	-	-	-	1,663,275	-	-	1,663,275
At 31 December 2017	<u>18,107,932</u>	<u>3,062,645</u>	<u>3,000,000</u>	<u>34,094,079</u>	<u>10,948,869</u>	<u>72,134,956</u>	<u>64,976,355</u>	<u>206,324,836</u>

18 Deferred income tax (Cont'd)

The movement in deferred tax assets and liabilities during the year is as follows: (Cont'd)

	Consolidated financial statements - restated				
	Investments in subsidiaries Baht	Power purchase agreement Baht	Surplus from revaluation Baht	Others Baht	Total Baht
<b>Deferred tax liabilities:</b>					
At 1 January 2016	(165,328,977)	(30,960,131)	(45,155,639)	(31,220,599)	(272,665,346)
Acquisition of subsidiary	-	(75,784,257)	-	-	(75,784,257)
Credited to profit or loss	9,633,052	8,834,568	-	698,965	19,166,585
Charged to other comprehensive income	-	-	-	(412,151)	(412,151)
Charged to other components of equity	(2,278,201)	-	-	-	(2,278,201)
At 31 December 2016	(157,974,126)	(97,909,820)	(45,155,639)	(30,933,785)	(331,973,370)
Acquisition of subsidiary	-	-	-	-	-
(Charged) credited to profit or loss	29,049,834	9,609,599	-	(11,550,431)	27,109,002
Credited to other comprehensive income	-	-	(10,824,580)	(173,242)	(10,997,822)
Charged to other components of equity	(9,536,617)	-	-	(4,681,030)	(14,217,647)
At 31 December 2017	(138,460,909)	(88,300,221)	(55,980,219)	(47,338,488)	(330,079,837)
<b>Deferred income tax - net</b>					
At 31 December 2016					(174,212,135)
At 31 December 2017					(123,755,001)

	Separate financial statements			
	Allowance for doubtful account Baht	Employee benefit obligations Baht	Others Baht	Total Baht
Deferred tax assets				
At 1 January 2016	16,847,784	624,635	30,646,931	48,119,350
(Charged) credited to profit or loss	(9,000)	245,528	11,009,179	11,245,707
Credited to other comprehensive income	-	22,483	-	22,483
At 31 December 2016	16,838,784	892,646	41,656,110	59,387,540
(Charged) credited to profit or loss	(12,000)	167,605	12,842,704	12,998,309
Credited to other comprehensive income	-	11,105	-	11,105
At 31 December 2017	16,826,784	1,071,356	54,498,814	72,396,954

Separate financial statements	
	Fair value adjustments Baht
<b>Deferred tax liabilities</b>	
At 1 January 2016	(125)
Charged to profit or loss	(270)
At 31 December 2016	(395)
Charged to profit or loss	(11,662)
At 31 December 2017	(12,057)

Presentation of statement of financial position are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>As at 31 December</b>				
Deferred tax assets	76,337,792	79,503,802	72,384,897	59,387,145
Deferred tax liabilities	(200,092,793)	(253,715,937)	-	-
Deferred income tax - net	(123,755,001)	(174,212,135)	72,384,897	59,387,145

## 18 Deferred income tax (Cont'd)

Deferred income tax assets are recognised for tax loss carried forwards only to the extent that recognised of the related tax benefit through the future taxable profits is probable.

The Group did not recognise deferred income tax assets of Baht 95.72 million in respect of tax loss carried forward approximately Baht 478.58 million. A summary of the tax loss carried forward and the expiry dates are set out below:

<u>Expiry year</u>	<u>Consolidated financial statements Baht Million</u>
2018	24.42
2019	33.07
2020	50.03
2021	89.74
2022	281.32
	<u>478.58</u>

## 19 Borrowings

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017 Baht</u>	<u>2016 Baht</u>	<u>2017 Baht</u>	<u>2016 Baht</u>
<b>Current</b>				
Bank overdrafts	17,935,905	-	-	-
Bill of exchanges	-	197,909,316	-	-
Short-term loans from financial institutions	307,574,620	105,117,280	-	59,720,143
Total bank overdrafts and short-term loans from financial institutions	325,510,525	303,026,596	-	59,720,143
Current portion of long-term borrowings				
- Debenture	800,000,000	-	-	-
- Bank borrowings	24,960,000	24,960,000	-	-
- Liabilities under financial lease agreements	8,114,431	9,549,734	-	-
Total current borrowings	<u>1,158,584,956</u>	<u>337,536,330</u>	<u>-</u>	<u>59,720,143</u>
<b>Non-current</b>				
Debentures	-	800,000,000	-	-
Long-term loans from financial institution	24,520,000	49,480,000	-	-
Liabilities under financial lease agreements	9,400,059	13,644,662	-	-
Total long-term borrowings	<u>33,920,059</u>	<u>863,124,662</u>	<u>-</u>	<u>-</u>
	<u>1,192,505,015</u>	<u>1,200,660,992</u>	<u>-</u>	<u>59,720,143</u>

Short-term borrowings of UWC amounting to Baht 45.40 million (31 December 2016: Baht 45.40 million) are secured by the land, buildings and cash deposits of the Group (Note 32).

**19 Borrowings (Cont'd)**

Movement of borrowings for the year ended 31 December 2017 can be analysed as follows:

	<b>Consolidated financial statements</b>
	<b>Baht</b>
Opening balance	874,440,000
Repayments	(24,960,000)
Closing balance	849,480,000

The interest rate exposure on the borrowings is as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
Borrowings:				
- at fixed rates	862,405,674	859,720,143	-	59,720,143
- at floating rates	67,415,905	317,746,453	-	-
Total borrowings	926,821,579	1,177,466,596	-	59,720,143

The interest rates at the statement of financial position date were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 %</b>	<b>2016 %</b>	<b>2017 %</b>	<b>2016 %</b>
- Bank overdrafts	MOR	-	-	-
- Bill of exchange	-	5.30 - 5.75	-	-
- Denbeture	5.40	5.40	5.40	5.40
- Short-term borrowing from financial institutions	4.00 - 7.43	4.00 - 7.68	-	4.00
- Long-term loan from financial institutions	MLR - 1	MLR - 1	-	-
- Liabilities under financial lease agreements	2.75 - 6.85	5.00 - 6.85	-	-

The carrying amounts and fair values of certain long-term borrowings are as follows:

	<b>Consolidated financial statements</b>			
	<b>Book Value</b>		<b>Fair Value</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
Long-term loans from financial Institution	24,520,000	49,480,000	24,520,000	49,480,000

The fair values are based on discounted cash flows using a discount rate based on the borrowing rate which the management expects would be available to the Group at the statement of financial position date. The carrying amounts of bank overdrafts, bill of exchange and short-term borrowings approximate their fair values.



## 19 Borrowings (Cont'd)

Maturity of long-term borrowings (exclude liabilities under finance lease) is as follows:

	Consolidated financial statements	
	2017 Baht	2016 Baht
Within 1 year	824,960,000	24,960,000
Later than 1 year but not later 5 years	24,520,000	849,480,000
	<u>849,480,000</u>	<u>874,440,000</u>

Finance lease liabilities - minimum lease payments are as follows:

	Consolidated financial statements	
	2017 Baht	2016 Baht
Due within 1 year	8,208,263	9,561,696
Later than 1 year but not later 5 years	9,361,958	13,654,053
	<u>17,570,221</u>	<u>23,215,749</u>
<u>Less</u> Future finance charges on finance leases	<u>(55,731)</u>	<u>(21,353)</u>
Present value of finance lease liabilities	<u>17,514,490</u>	<u>23,194,396</u>

### Credit Facilities

As at 31 December 2017, the Group has available unused letters of credit for purchase of goods and raw materials amounting to Baht 894.70 million (31 December 2016: Baht 1,340.00 million).

## 20 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade payable - third parties	389,072,658	174,465,950	-	-
Accrued expenses - third parties	55,229,537	69,569,471	3,889,875	4,064,059
Accrued expenses - related parties (Note 29.7)	450,000	-	-	-
Revenue received in advance - third parties	42,363,039	5,128,019	-	-
Amount due to third parties	29,077,317	35,974,117	5,792,206	5,792,205
Amount due to related parties - (Note 29.7)	13,803	-	-	-
Other payables - directors (Note 29.7)	207,887	56,730	72,607	26,967
Payable for subsidiary acquisition	59,695,113	70,416,555	-	-
	<u>576,109,354</u>	<u>355,610,842</u>	<u>9,754,688</u>	<u>9,883,231</u>

21 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Liabilities in the statement of financial position				
Post-employment benefits	56,484,592	48,604,780	5,356,785	4,463,233
Expenses in the statement of comprehensive income				
Post-employment benefits	6,152,146	6,523,097	838,028	580,397
Remeasurement loss recognised in other comprehensive income	8,316,383	3,523,457	55,524	112,417
	14,468,529	10,046,554	893,552	692,814

Movement in the defined benefit obligation are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	48,604,781	44,161,372	4,463,233	3,770,419
Employee benefit obligations from subsidiaries acquisition	-	795,000	-	-
Current service cost	4,589,247	4,740,220	678,132	414,265
Interest cost	1,562,899	1,782,877	159,896	166,132
Remeasurement loss recognised in other comprehensive income	8,316,383	3,523,457	55,524	112,417
	63,073,310	55,002,926	5,356,785	4,463,233
Benefits paid	(6,588,718)	(6,398,146)	-	-
At 31 December	56,484,592	48,604,780	5,356,785	4,463,233

The principal actuarial assumptions used were as follows:

	2017 Baht	2016 Baht
Discount rate	2.71% - 3.08%	2.72% - 3.48%
Future salary increases	5.09% - 8.39%	5.75% - 8.41%
Turnover rates	5.00% - 31.00%	0.00% - 31.00%
Mortality rates	100.00% of TMO17	100.00% of TMO08
Disable rates	10.00% of TMO17	10.00% of TMO08

21 Employee benefit obligations (Cont'd)

	Consolidated financial statements					
	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2017	2016	2017	2016	2017	2016
Discount rate	0.50%	0.50%	Decrease by 0.05%	Decrease by 3.47%	Increase by 0.05%	Increase by 7.42%
Salary growth rate	0.50%	0.50%	Increase by 0.05%	Increase by 3.49%	Decrease by 0.09%	Decrease by 6.59%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Changes in bond yields A decrease in Government bond yields will increase plan liabilities.

The weighted average duration of the defined benefit obligation is 11 - 24 years.

Expected maturity analysis of undiscounted retirement as follows:

	Consolidated financial statements				
	Less than a year Baht	Between 1-5 years Baht	Between 6-10 years Baht	Over 10 years Baht	Total Baht
At 31 December 2017 Retirement benefits	6,866,361	23,188,066	39,943,763	86,892,337	156,890,527
At 31 December 2016 Retirement benefits	6,835,535	19,232,291	40,852,548	59,599,001	126,519,375

	Separate financial statements				
	Less than a year Baht	Between 1-5 years Baht	Between 6-10 years Baht	Over 10 years Baht	Total Baht
At 31 December 2017 Retirement benefits	-	-	6,252,969	6,862,824	13,115,793
At 31 December 2016 Retirement benefits	-	-	9,188,452	5,908,034	15,096,486

22 Share capital and share premium

	Consolidated and Separate financial statements			
	Number of shares Share	Ordinary shares Baht	Share premium Baht	Total Baht
<b>Authorised share capital</b>				
At 1 January 2017	1,117,712,067	1,117,712,067	-	1,117,712,067
At 31 December 2017	1,117,712,067	1,117,712,067	-	1,117,712,067
<b>Issued and paid-up share capital</b>				
At 1 January 2017	745,141,378	745,141,378	891,304,563	1,636,445,941
At 31 December 2017	745,141,378	745,141,378	891,304,563	1,636,445,941

## 23 Warrants

### Ua Withaya Public Company Limited

#### Warrants No.2 (UWC-W2)

On 3 April 2015, UWC issued warrants to offer to its existing shareholders detailed as follows:

Type of warrants	:	Issued in the names of respective holder and negotiable.
Term of warrants	:	4 years from the issuing and offering date
Number of warrants	:	Unit 5,540,154,997
Ratio	:	Old ordinary share per 1 warrant
Offering price	:	Baht 0 per unit
Exercise ratio	:	1 warrant per 1 ordinary share (which will be changeable)
Exercise price	:	Baht 0.1 per share (which will be changeable)
Exercise date	:	On the last business day of March and September of each year, throughout the term of the warrants
Last exercise date	:	29 March 2019

Movement of warrants to purchase ordinary share is as follows;

	<b>Consolidated financial statements</b>
	<b>Warrants</b>
Opening balance	5,539,809,313
<u>Less</u> Exercised warrants during the year	<u>(42,608)</u>
Closing balance	<u>5,539,766,705</u>

In March 2017, there are 42,608 UWC-W2 warrants indicated to be exercised. Exercise price of these warrants amounting to Baht 4,260 were already received and share issuance process were completed in April 2017.

### Rayong Wire Industries Public Company Limited

#### Warrants No.1 (RWI-W1)

On 30 April 2015, the Annual General Meeting of Shareholders No. 1/2015 has approved issuance of warrants to existing shareholders. The issuance process was completed on 30 September 2015. In addition, the meeting approved capital increase from Baht 300.00 million to Baht 450.00 million by issuing new ordinary shares of 300,000,000 shares, at par value of Baht 0.50, to support exercise of warrants RWI-W1. The Company registered the increase in capital as approved with the ministry of commerce on 7 July 2015.

Type of warrants	:	Issued in the names of respective holder and negotiable.
Term of warrants	:	3 years from the issuing and offering date (offering date 30 September 2015)
Number of warrants	:	299,982,259 units
Ratio	:	2 ordinary shares per 1 warrant
Offering price	:	Baht 0 per unit
Exercise ratio	:	1 warrant per 1 ordinary share (which will be changeable)
Exercise price	:	Baht 1.60 per share
Exercise date	:	Every 15th of March, June, September and December of each year, throughout the term of the warrants.
Last exercise date	:	29 June 2018

Warrants is approved as securities in MAI on 13 July 2015.

23 Warrants (Cont'd)

Rayong Wire Industries Public Company Limited (Cont'd)

Warrants No.1 (RWI-W1) (Cont'd)

Movement of warrants to purchase ordinary shares is as follows:

	<b>Consolidated financial statements</b>
	<b>Warrants</b>
Opening balance	299,780,159
<u>Less</u> Exercised warrants during the year	<u>(5,832,339)</u>
Closing balance	<u>293,947,820</u>

In June 2017, there are 5,832,339 RWI-W1 warrants indicated to be exercised. Exercise price of these warrants amounting to Baht 9,331,743 were already received and share issuance process were completed in June 2017.

Capital Engineering Network Public Company Limited

Warrants No.4 (CEN-W4)

On 14 November 2016, the Board of Director Meeting no.6/2016 has approved issuance of warrants to existing shareholders. The meeting have also approved capital increase from Baht 745,141,378 to Baht 1,117,712,067 by issuing new ordinary shares of 372,570,689 shares, at par value of Baht 1.00, to support exercise of warrants CEN-W4.

Type of warrants	: Issued in the names of respective holder and negotiable.
Term of warrants	: 2 years from the issuance date. Date of issuance is on 23 December 2016 and Maturity date is on 22 December 2018.
Number of warrants	: 372,366,551 units
Ratio	: 2 ordinary shares per 1 warrant
Offering price	: Baht 0 per unit
Exercise ratio	: 1 warrant per 1 ordinary share (which will be changeable)
Exercise price	: Baht 2.00 per share
Exercise date	: Last business day of March, June, September and December of year 2018. (Provided that the first exercise date shall be on 30 March 2018)
Last exercise date	: 21 December 2018

First trading date is on 19 January 2017.

Movement of warrants to purchase ordinary shares is as follows:

	<b>Warrants</b>
Opening balance	372,366,551
Closing balance	<u>372,366,551</u>

**24 Legal reserve**

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	29,423,562	29,423,562	29,423,562	29,423,562
Appropriation during the year	345,913	-	345,913	-
At 31 December	29,769,475	29,423,562	29,769,475	29,423,562

The Public Companies Act B.E. 2535, section 116 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any) until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

**25 Other Income**

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Gain on sales of short-term investments	-	4,182,533	-	-
Sale of scrap from raw materials	49,824,859	24,563,371	-	-
Interest income	35,552,904	32,309,996	4,661,375	8,425,042
Dividend income	981,564	240,000	981,564	10,568,008
Gain on sale of assets	443,301	267,121	-	-
Other	1,775,550	6,423,482	3,071,901	6,926,131
	88,578,178	67,986,503	8,714,840	25,919,181

**26 Expense by nature**

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Raw material and consumables used	1,818,420,496	1,431,136,248	-	-
Staff costs	310,984,353	264,575,628	10,702,824	11,011,712
Repair and maintenance expenses	10,462,570	7,407,901	-	-
Depreciation and amortisation	183,429,725	172,639,700	2,411,443	1,406,151
Finance costs	56,811,473	65,246,594	1,488,487	2,682,624
Doubtful accounts	4,735,220	11,062,077	-	-
Reversal of allowance for doubtful accounts	(10,053,249)	(2,555,711)	(60,000)	(60,000)
Allowance for declining in value of inventories (reversal)	(1,896,876)	283,687	-	-
Utility expenses	51,492,458	37,873,925	-	-
Director remunerations (Note 29.3)	41,293,844	38,447,794	11,137,795	9,876,383
Transportation expenses	23,950,433	16,552,699	-	-
Other expense				
- Loss on disposal of equipment	-	-	77,770	-
- Doubtful accounts on loans (Note 11)	-	9,475,508	8,000,000	21,475,508
- Loss on impairment non-current assets (Note 15)	22,402,859	599,951	-	518,443
- Loss from exchange rate	(2,706,184)	(976,388)	-	-
- Loss on impairment of investments in subsidiaries (Note 13.1)	-	-	83,842,859	35,454,488
- Loss on impairment of investments in associate (Note 13.2)	110,754,937	-	-	-
- Loss on impairment of investments in Joint venture (Note 13.3)	54,946,525	-	-	-
- Loss on impairment in goodwill (Note 16)	52,315,653	-	-	-
Others	171,882,832	135,377,410	13,094,628	15,202,808
Total	2,899,227,069	2,187,147,023	130,695,806	97,568,117

27 Income taxes

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current income tax expense	(29,547,445)	(3,596,474)	(39,097,007)	-
Deferred income tax (Note 18)	74,009,328	52,261,566	12,986,647	11,245,437
Income tax	<u>44,461,883</u>	<u>48,665,092</u>	<u>(26,110,360)</u>	<u>11,245,437</u>

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Group as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Profit (loss) before tax	(354,938,621)	(211,516,393)	33,028,614	(105,173,186)
Tax calculated at a tax rate of 20% (2016: 20%)	70,987,724	42,303,279	(6,605,723)	21,034,637
Tax effect of:				
Income not subject to tax	12,887,250	3,559,226	100,313	2,603,756
Expenses not deductible for tax purpose	(65,708,631)	(13,255,156)	(20,073)	(262,959)
Tax losses for which no deferred income tax asset was recognised	(2,039,580)	(14,576,467)	-	(12,129,997)
Temporary different which was not set up deferred tax asset	(6,499,415)	-	(21,359,766)	-
Utilisation of previously unrecognised tax losses	33,059,647	-	-	-
Utilisation of previously unrecognised tax losses	<u>1,774,888</u>	<u>30,634,210</u>	<u>1,774,889</u>	<u>-</u>
Income tax	<u>44,461,883</u>	<u>48,665,092</u>	<u>(26,110,360)</u>	<u>11,245,437</u>



## 28 Earnings per share

Basic earnings per share is calculated by dividing the gain (loss) attributable to owners by the weighted average number of ordinary shares in issue during the period.

The diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has dilutive potential ordinary shares that are warrants (Note 23).

### 28.1 Basic earnings per share

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>For the year ended 31 December</b>				
Profit (loss) from continuing operations attributable to owners of the parent (Baht)	(156,664,549)	(122,212,751)	6,918,254	(93,927,749)
Loss from discontinued operations attributable to owners of the parent (Baht)	-	(986,319)	-	-
Profit (loss) attributable to owners of the parent (Baht)	(156,664,549)	(123,199,070)	6,918,254	(93,927,749)
Weighted average number of ordinary shares (Shares)	745,141,378	745,141,378	745,141,378	745,141,378
Basic earnings per share (Baht)				
From continuing operations	(0.2102)	(0.1640)	0.0093	(0.1261)
From discontinued operations	-	(0.0013)	-	-

### 28.2 Diluted earnings per share

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>For the year ended 31 December</b>				
Profit (loss) from continuing operation attributable to owners of the parent (Baht)	(156,664,549)	(122,212,751)	6,918,254	(93,927,749)
Adjustment for: Effect from warrants issued by subsidiaries (Baht)	(10,666,144)	(2,621,389)	-	-
Loss from continued operations used to determine diluted loss per share (Baht)	(167,330,693)	(124,834,140)	6,918,254	(93,927,749)
Loss from discontinued operation attributable to owners of the parent (Baht)	-	(986,319)	-	-
Adjustment for: Effect from warrants issued by subsidiaries (Baht)	-	(192,691)	-	-
Loss from discontinued operations used to determine diluted loss per share (Baht)	-	(1,179,010)	-	-
Weighted average number of ordinary shares for diluted earnings per share (Shares)	745,141,378	745,352,785	745,141,378	745,352,785
Diluted earnings per share (Baht)				
From continuing operations	(0.2246)	(0.1675)	0.0093	-
From discontinued operations	-	(0.0016)	-	-

## 29 Related party transactions

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

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

The Company is incorporated in Thailand and listed on the Stock Exchange of Thailand. Key shareholder is Leenabanchong family holding shares in the Company totalling 34.71% of issued and paid-up share capital.

Relationship with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Company were as follows:

Name of entities	Country of incorporation	Natures of relationship
<b>Subsidiaries</b>		
1. Rayong Wire Industries Public Company Limited	Thailand	72.18% shareholding and some common directors
2. Ua Withya Public Company Limited	Thailand	39.23% shareholding and some common directors
3. Enesol Company Limited	Thailand	100.00% shareholding and some common directors
4. Pipe Line Engineering Company Limited	Thailand	99.99% shareholding and some common directors
5. Evergreen Biomass Company Limited	Thailand	99.00% shareholding and some common directors
6. WJC Enterprise Company Limited	Thailand	94.25% shareholding and some common directors
7. Paradise Green Energy Company Limited	Thailand	25.50% indirectly owned subsidiary through Ua Withaya Public Company Limited
8. UWC Komen Biomass Company Limited	Thailand	39.23% indirectly owned subsidiary through Ua Withaya Public Company Limited
9. UWC Solar Company Limited	Thailand	39.23% indirectly owned subsidiary through Ua Withaya Public Company Limited
10. Satuek Biomass Company Limited	Thailand	39.23% indirectly owned subsidiary through Ua Withaya Public Company Limited
11. UWC Amphan Biomass Company Limited	Thailand	39.23% indirectly owned subsidiary through Ua Withaya Public Company Limited
12. Green Energy Plantation Company Limited	Thailand	21.58% indirectly owned subsidiary through Ua Withaya Public Company Limited
13. UWC (Cambodia) Company Limited	Cambodia	27.46% indirectly owned subsidiary through Ua Withaya Public Company Limited
<b>Joint venture</b>		
14. Sunflowergreen Co., Ltd.	Thailand	A joint venture of Evergreen Biomass Company Limited at 25.00%

**29 Related party transactions (Cont'd)**

Relationship with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Company were as follows: (Cont'd)

Name of entities	Country of incorporation	Natures of relationship
<b>Associate</b>		
15. Dimet (Siam) Public Company Limited	Thailand	An associate company of Ua Withaya Public Company Limited at 24.50%
16. Ayutthaya Power Systems Company Limited	Thailand	An associate company of Ua Withaya Public Company Limited at 30.00%
17. Saraburi Energy Systems 2	Thailand	An associate Company of Ua Withaya Public Company Limited at 30.00%
18. Interglob Investment Company Limited	Cambodia	An associate Company of Ua Withaya Public Company Limited at 48.00%
<b>Other related companies</b>		
19. EMC Public Company Limited	Thailand	Related company by shareholding
20. Directors	Thailand	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)

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sales of goods	Cost plus margin at the rate of 10.00% - 25.00%
Revenue from projects	Contract price
Management fee	Contract price
Rental income	Contract price (Cost plus margin at the rate of 10.00% - 25.00%)
Fee income from use of assets as collateral for credit facilities	2.00% per annum of mortgaged value
Interest income	The amount approved by the Company's directors, based on borrowing cost of the Company
Purchase and sale equity securities	Market price
Dividends income	The amount approved by the Company's shareholders
Director and management benefit expenses representing salary, meeting allowance, per-diam and bonus	The amount approved by the Company's directors and shareholders

## 29 Related party transactions (Cont'd)

The following transactions were carried out with related parties:

### 29.1 Revenue

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Subsidiaries</b>				
Revenue from rental income	-	-	211,680	211,680
Internal audit	-	-	2,760,000	3,120,000
Interest income	-	-	4,246,391	3,419,862
Dividend income	-	-	-	10,328,008
<b>Related companies</b>				
Revenue from projects	-	5,513,074	-	-
Interest income	7,924,565	5,693,131	-	4,495,270

### 29.2 Expenses

	Consolidated financial information		Separate financial information	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Other related companies</b>				
Purchase Goods / Service	42,250	-	-	-

### 29.3 Director remunerations

(included in "Selling expenses" and "Administrative expenses")

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Key management personnel</b>				
Short-term employee benefits	38,708,997	36,514,677	10,567,304	9,357,357
Retirement benefits	2,584,847	1,933,117	570,491	519,026
	<u>41,293,844</u>	<u>38,447,794</u>	<u>11,137,795</u>	<u>9,876,383</u>

## 29 Related party transactions (Cont'd)

The following transactions were carried out with related parties: (Cont'd)

### 29.4 Short-term investments (included in "trading securities")

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>A related company</b>				
Equity securities	99,157,804	93,070,822	117,924,127	153,187,018

The movements of short-term investments for the year then ended 31 December 2017 are as follows:

	Consolidated financial statements Baht	Separate financial statements Baht
Opening net book amount	93,070,822	153,187,018
Additions	41,990,087	41,990,087
Disposal	-	(41,349,873)
Write-off (Note 9)	(2,406,925)	(2,406,925)
Fair value adjustment	(33,496,180)	(33,496,180)
Closing net book amount	99,157,804	117,924,127

### 29.5 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Trade accounts receivable (Note 10)</b>				
Related companies	14,120,263	16,620,653	-	-
<u>Less</u> Allowance for doubtful account	(14,120,263)	(14,120,263)	-	-
	-	2,500,390	-	-
<b>Other receivables (Note 10)</b>				
Directors	2,348,340	2,860,312	-	463,175
Related companies	170,085,671	170,085,671	-	-
	172,434,011	172,945,983	-	463,175
<b>Accrued income (Note 10)</b>				
Subsidiaries	-	-	12,317,573	8,071,959
Related companies	404,556	929,794	-	-
	404,556	929,794	12,317,573	8,071,959

## 29 Related party transactions (Cont'd)

The following transactions were carried out with related parties: (Cont'd)

### 29.6 Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Subsidiaries	-	-	163,940,000	86,440,000
<u>Less</u> Allowance for doubtful account	-	-	(39,900,000)	(31,900,000)
Subsidiaries, net	-	-	124,040,000	54,540,000
Related companies	8,858,890	12,500,000	-	-
	<u>8,858,890</u>	<u>12,500,000</u>	<u>124,040,000</u>	<u>54,540,000</u>

The movements of short-term loans for the year ended 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening balance	12,500,000	76,660,000	54,540,000	107,760,000
Additions	9,347,802	119,775,988	82,500,000	15,900,000
Repayment	-	(183,935,988)	(5,000,000)	(57,120,000)
Doubtful debt for loan to subsidiary	-	-	(8,000,000)	(12,000,000)
Transfer to short-term loans to third parties	(12,500,000)	-	-	-
Unrealised loss on exchange rate	(488,912)	-	-	-
Closing balance	<u>8,858,890</u>	<u>12,500,000</u>	<u>124,040,000</u>	<u>54,540,000</u>

#### Transaction incurred during 2017

During the year of 2017, the Company provided short-term loan amounting to Baht 80.00 million to UWC. The loan is dominated in Thai Baht and is due within 4 months which carries interest rate 4.20% per annum. The Company provided short-term loan amounting to Baht 2.50 million to WJC. The loan is dominated in Thai Baht and is due within 3 months which carries interest rate MLR-1.75% per annum.

In the second quarter of 2017, the company received the repayment of the principal of loan to EBM amounting to Baht 5.00 million.

The Company assessed the recoverability for remaining balance of loan to EBM and recognised doubtful debt amounting to Baht 8.00 million under "Other expenses" in the separate financial information.

#### Transaction incurred during 2016

In the third quarter of 2016, the Company received the repayment of the principal loan to Thansettakij Co., Ltd. amounting to Baht 57.12 million.

The Company assessed the recoverability for loan to WJC and recognised doubtful debt amounting to Baht 12.00 million under "Other expenses" in the separate financial statements for the year ended 31 December 2016.

In the first quarter of 2016, a subsidiary, UWC, provided short-term amounting to Baht 119.78 million to a related company. The loan is dominated in Thai Baht and is due within 6 - 12 months, carrying interest rate 5.00% - 6.00% per annum. UWC received full payment within the year.

## 29 Related party transactions (Cont'd)

The following transactions were carried out with related parties: (Cont'd)

### 29.7 Amount due to related parties

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Accrued expense				
- related companies	450,000	-	-	-
Amount due to related parties	13,803	-	-	-
Other payable - directors	207,887	56,730	72,607	26,967
	<u>671,690</u>	<u>56,730</u>	<u>72,607</u>	<u>26,967</u>

### 29.8 Commitments with related parties

As at 31 December 2017, the Company had commitment related to its subsidiaries which are summarised as follows:

The guarantee of credit facilities for subsidiaries as follows:

Ua Withya Public Company Limited	not exceeding Baht 130 million
Enesol Company Limited	not exceeding Baht 350 million
Pipe Line Engineering Company Limited	not exceeding Baht 150 million
Evergreen Biomass Company Limited	not exceeding Baht 150 million
WJC Enterprise Company Limited	not exceeding Baht 150 million

The use of the Company's assets to be pledged as collateral for credit facilities of subsidiaries (Note 34) as follows:

Enesol Company Limited	not exceeding Baht 350 million
Pipe Line Engineering Company Limited	not exceeding Baht 150 million
Evergreen Biomass Company Limited	not exceeding Baht 150 million
WJC Enterprise Company Limited	not exceeding Baht 150 million

## 30 Dividends

### Transactions incurred during 2016

#### Subsidiaries - Ua Withya Public Company Limited

At the subsidiary's Annual General Meeting of Shareholder on 28 April 2016, the meeting approved payment of dividends for the operation results of 2015 amounting to Baht 26.32 million to the shareholders listed in the register on 12 May 2016. The dividend was paid to shareholders on 27 May 2016. The Company had recorded dividend received amounting to Baht 10.33 million and recognised under "Other income" in the separate financial statements and eliminated the transaction in the consolidated financial statements.



### 31 Commitments

The future aggregate minimum lease payment under non-cancellable operating leases are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Within 1 year	6.36	8.92	0.79	3.16
Later than 1 year but not later than 5 years	7.61	11.25	0.58	1.38
Later than 5 years	4.00	-	-	-
	17.97	20.17	1.37	4.54

The future aggregate payment for other commitments are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Bank guarantees	60.25	30.56	-	-
Purchase of shares agreement	-	7.85	-	7.85
Legal consultant fee	0.55	0.55	-	-
Repair and maintenance agreements	117.78	152.87	-	-
Unused letters of credit for goods and raw materials	274.71	1,340.00	-	-
	453.29	1,531.83	-	7.85

### 32 Pledged assets

32.1 As at 31 December 2017, bank deposits of RWI amounting to Baht 168.90 million (31 December 2016: Baht 168.90 million) are pledged as collateral for credit facilities of the subsidiary:

- a) short-term and long-term borrowings;
- b) letters of guarantee; and
- c) credit facilities and liability under trust receipt for purchasing raw material.

32.2 As at 31 December 2017, the machinery for a production project for electricity and heat energy of ENS according to the agreement with Thai-German Ceramic Public Company Limited, is used as collateral for a borrowing from a domestic financial institution pursuant to the mortgage agreements.

32.3 As at 31 December 2017, bank deposits of ENS amounting to Baht 7.61 million was pledged as collateral for the borrowings from a domestic financial institution.

32.4 As at 31 December 2017, certain investment properties of the Company are pledged as collaterals for credit facilities of RWI and ENS.

32.5 As at 31 December 2017, property and plant of UWC which carrying value of Baht 275.05 million (31 December 2016: Baht 253.96 million), together with an indemnity right from related insurance of such plant are mortgaged as collateral for a short-term borrowings from a domestic financial institution. Bank deposits of UWC amounting to Baht 42.42 million are pledged as collateral for bidding projects.

### 33 Promotional privileges

#### **Rayong Wire Industries Public Company Limited**

RWI received promotional privileges from the Board of Investment on 29 June 2012 for manufacturing of steel wire and steel wire mesh. Under the promotional privileges, RWI received the exemption from corporate income tax from the promoted activities for the period of 8 years from the date income is first derived, which is 13 February 2013 and the reduction of 50% from regular corporate income tax including the deduction of annual net losses arising during the privilege period from net profit for a period of 5 years from the end of the privilege period. RWI must comply with the conditions and restrictions provided in the promotional certificates.

#### **Enesol Company Limited**

ENS received promotional privileges from the Board of Investment on 7 June 2011 for manufacturing electricity. Under the promotional privileges, ENS received the exemption from corporate income tax from the promoted activities for the period of 8 years from the date income is first derived, which is 30 June 2012 and the reduction of 50% from regular corporate income tax including the deduction of annual net losses arising during the privilege period from net profit for a period of 5 years from the end of the privilege period of 8 years (expired on 29 June 2025). ENS must comply with the conditions and restrictions provided in the promotional certificates.

#### **UWC Komen Biomass Company Limited (Formerly : TRC Clean Energy Company Limited)**

UKB received promotional privileges from the Board of Investment on 21 May 2008 for generating electricity from biomass. Under the promotional privileges, UKB received the exemption from corporate income tax from the promoted activities for the period of 8 years from the date income is first derived, which is 11 October 2011 including the deduction of annual net losses arising during the privilege period from net profit for a period of 5 years from the end of the privilege period. UKB must comply with the conditions and restrictions provided in the promotional certificates.

#### **Satuek Biomass Company Limited**

SATUEK received promotional privileges from the Board of Investment on 18 November 2003 for generating electricity. Under the promotional privileges, SATUEK received the exemption from corporate income tax from the promoted activities for the period of 8 years from the date income is first derived, which is 21 January 2006 and the reduction of 50% from regular corporate income tax including the deduction of annual net losses arising during the privilege period from net profit for a period of 5 years from the end of the privilege period. SATUEK must comply with the conditions and restrictions provided in the promotional certificates.

### 33 Promotional privileges (Cont'd)

#### UWC Amphan Biomass Company Limited

UAB received promotional privileges from the Board of Investment on 28 November 2005 for generating electricity. Under the promotional privileges, UAB received the exemption from corporate income tax from the promoted activities for the period of 8 years from the date income is first derived, which is 31 January 2008 and the reduction of 50% from regular corporate income tax including the deduction of annual net losses arising during the privilege period from net profit for a period of 5 years from the end of the privilege period. UAB must comply with the conditions and restrictions provided in the promotional certificates.

Income from promoted and non-promoted activities for the Company comprises the following:

	For the year ended 31 December 2016		
	Promoted activity Baht	Non-promoted activity Baht	Total Baht
Revenue from sales	382,720,464	721,035,871	1,103,756,335
Revenue from services	-	7,878,075	7,878,075
Other income	12,972,038	11,554,001	24,526,039
Total	395,692,502	740,467,947	1,136,160,449

	For the year ended 31 December 2017		
	Promoted activity Baht	Non-promoted activity Baht	Total Baht
Revenue from sales	703,364,186	857,219,275	1,560,583,461
Revenue from services	3,466,668	928,664,977	932,131,645
Profit (loss) from investment	-	(30,743,621)	(30,743,621)
Other income	18,662,800	69,915,378	88,578,178
Total	725,493,654	1,825,056,009	2,550,549,663

### 34 Event after the reporting period

On January of 2018, UWC, a subsidiary of the Group, issued and offered the unsubordinated and guaranteed debentures with a debenture holders' representative in the named-registered certificate debentures publicly for Baht 600 million. The debentures are due within January 2020 and carry interest at the rate of 6.25% per annum. UWC, a subsidiary of the Group, guaranteed debentures with pledges of the following:

- 1.) Land and building owned by UKB (UWC's subsidiary) has an appraisal value of Baht 77,896,000.
- 2.) Machine which owned by UKB (UWC's subsidiary) has an appraisal value of Baht 317,391,000.
- 3.) 23,998,000 Shares of UKB (UWC's subsidiary) owned by UWC, a subsidiary of the Group, with par value of Baht 10 each, totalling Baht 239,980,000 has a carrying value as at 31 December 2016 of Baht 154,319,987.
- 4.) 330,000,000 Shares of RWI owned by the Company with par of Baht 2 each, totalling Baht 660,000,000.

For using investment in RWI owned by the Company as collateral of debentures, UWC, a subsidiary of the Group, guaranteed the Company with pledges of the following:

- 1.) Land and building owned by UAB (UWC's subsidiary) has an appraisal cost of Baht 44,125,044.
- 2.) Machine owned by UAB (UWC's subsidiary) has a carrying value as at 31 December 2017 of Baht 54,527,000.
- 3.) Land and building owned by SATUEK (UWC's subsidiary) has an appraisal value of Baht 134,841,000.
- 4.) Machine which owned by SATUEK (UWC's subsidiary) has a carrying value as at 31 December 2017 of Baht 54,527,000.

On 21 February 2018, the Board of Director meeting no.1 / 2018 of RWI had passed a resolution approving RWI to pay the dividend from the operating results of 2017, to the shareholders listed in the register on 8 March 2018. Dividends were announced at the rate of Baht 0.106 per share totalling Baht 64.24 million. Dividends will be paid on 25 May 2018.

## Remuneration fee of Auditor

### 1. Audit Fee

The company and subsidiaries as paid to auditor as following details.

- Company auditors, in the past fiscal year have paid amounting of Baht 12,230,000.
- Audit Account, person or any related business to auditor in the past fiscal year as paid amounting of Baht 0.

### 2. Non-audit fee

The company and subsidiaries has not paid remuneration of other services.

- The company has paid amounting of 0 Baht to auditor of company and Baht 0 in any arising from agreement as not complete services in the past fiscal year.
- Office of Auditor affiliation of person or undertaking concerned with external auditor and audit office in the past account period of Baht 0 and need to pay for future due to agreement for unfinished work in past account period of Baht 0.



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