



# รายงานประจำปี | 2561 ANNUAL REPORT | 2018

รายงานความรับผิดชอบต่อสังคม  
Corporate Social Responsibility (CSR) Report

บริษัท แคปปิตอล เอ็นจิเนียริง เน็ตเวิร์ค จำกัด (มหาชน)  
CAPITAL ENGINEERING NETWORK PUBLIC COMPANY LIMITED

# ANNUAL REPORT 2018



Capital Engineering Network Public Company Limited

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### Importance information in term of financial

Operating Results (Million Baht)	2018	2017	2016
REVENUES			
Sales and Project	2,718	2,493	1,945
Other Income	551	88	36
Total Revenues	3,269	2,581	1,981
Profit (Loss)			
Earnings before Interest, tax, Depreciation and Amortization (EBITDA)	205	(115)	26
Earnings (Loss) before Income Tax	(52)	(355)	(209)
Net Earnings (Loss)	(120)	(310)	(163)
Net Earnings (Loss) - Equity Holders of the Company	133	(157)	(123)
<b>Financial Status (Million Baht)</b>			
Total Assets	5,864	6,053	5,928
Total Liabilities	2,047	2,137	1,922
Total Shareholders' Equity	3,817	3,916	4,005
Equity to the Company's Shareholders	2,594	2,473	2,444
<b>Per Share Data (Baht)</b>			
Par Value	1.00	1.00	1.00
Net Earnings (Loss)	0.18	(0.21)	(0.16)
Book Value	3.48	3.32	3.28
Market Price	1.05	1.51	2.12
<b>Financial Ratios (%)</b>			
<b>Profitability Ratios</b>			
Return on Equity	5.25	(6.37)	(4.92)
Return on Sales	4.90	(6.28)	(6.33)
Net Profit Margin	4.07	(6.14)	(6.22)
Return on Total Asset	2.23	(5.18)	(2.89)
<b>Investment Structure</b>			
Debt to Equity (Times)	0.54	0.55	0.48
Debt to Equity to the Company's Shareholders (Times)	0.79	0.86	0.79
<b>Growth Opportunities</b>			
Total Assets	(3.13)	2.11	10.69
Total Liabilities	(4.20)	11.17	70.75
Total Shareholders' Equity	(2.54)	(2.23)	(5.29)
Equity to the Company's Shareholders	4.89	1.19	(4.55)
Sales and Project	9.04	28.16	20.02

## Report from the Board of Directors

### To Shareholders

In the past year of 2018, as Thai economy is likely to continue expanding from last year due to main support of investment from government, exporting products growth beyond expectation and continuously expanding with the rate of 7% as best in 6 years therefore Thai economy of year 2019 will expand around 3.5-4.5 percent (main support of investment from government and private) which leads in various investment.

Year 2018, Board of Director and Executive realize on sustainable growth and keeping pace with changes in economic and social conditions including realizing importance of conducting business with regard to shareholders and all stakeholders that affect environmental. By this, subsidiaries uses management in term of environment ISO 14001 : 2015 and Quality Control ISO 9001 : 2015 as guideline continuously and also realized on Corporate Social Responsibilities (CSR) as well

Throughout operation of business; company and its subsidiaries is determine to expand business both long term and short term and still give priority to efficient cost management system and good quality management system including determine strategies and business plans in subsidiaries to be in the same direction in order to receive economic stimulus policies, including study new products for add value to company and its subsidiaries. The company and its subsidiaries has enter into anti-corruption as resolution from Private Sector Collective Action Coalition Against Corruption Council: CAC) No.4-2018 held on February 4, 2019 resolved Capital Engineering Network Public Company Limited become a member of the Thai Private Sector Collective Action Coalition in term of Anti – Corruption

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 in long term

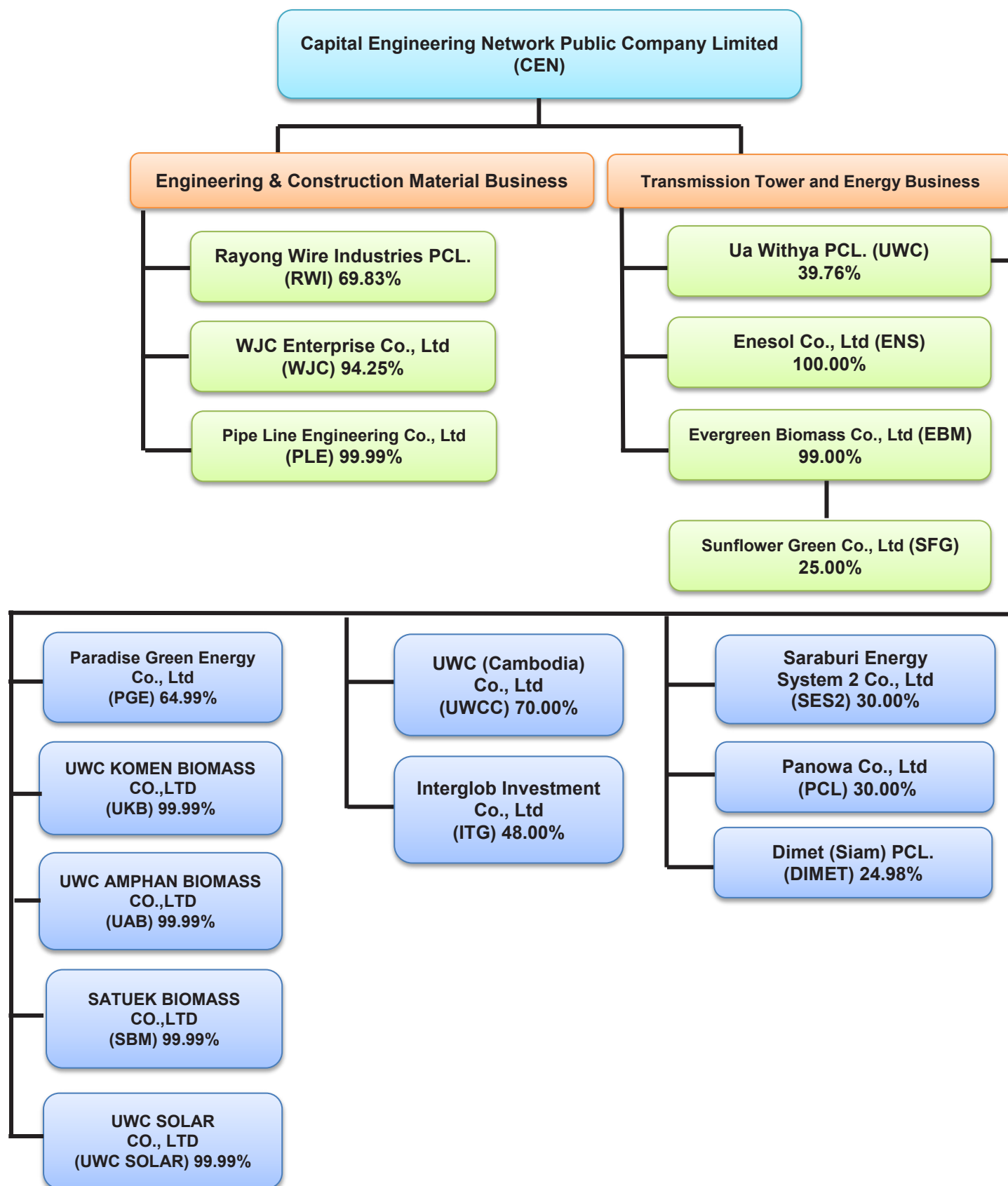


(Mr. Wutichai Leenabanchong)

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

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 39.76% 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 saleing transmission equipment. Moreover, UWC's subsidiary has strengthened its business by investing in renewable power plants since 2015.

**2. Rayong Wire Industries Public Company Limited (RWI)** CEN holds 69.83% of registered of Baht 450,000,000 with Baht 318,182,593 of paid up capital which consists of 636,365,186 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 thermal 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

Type of Business	Proceeding by	% of share holding	Year 2018	%	Year 2017	%	Year 2016	%
Business Investment	CEN		344.38	10.54	(31.27)	(1.22)	(36.08)	(1.83)
Steel Wire Business	RWI	69.83	1,105.24	33.81	944.54	37.03	608.32	30.71
Steel Structure Business; Design and Distributing main structure according to pattern	UWC	39.76	1,511.93	46.25	988.59	38.76	835.87	42.20
	And WJC	94.25						
Transmission Tower and Thermal Energy	ENS and subsidiaries of UWC	100.00 39.76	306.81	9.39	617.01	24.19	527.91	26.65
Contractor and Tunneling	PLE	99.99	0.36	0.01	0.04	0.00	0.01	0.00
Agriculture Business	Subsidiaries of UWC	25.84	0.06	-	31.64	1.24	44.95	2.27
<b>Total</b>			<b>3,268.78</b>	<b>100.00</b>	<b>2,550.55</b>	<b>100.00</b>	<b>1,980.98</b>	<b>100.00</b>

### 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 invested in energy business (renewable Energy) in year 2015.

Products and Services of UWC 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”.

2. Substation Steel Supporting (Substation Steel Structure – 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 (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 (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 sale to Provincial Electricity Authority which currently Power Plant of subsidiary has total capacity of 26.9 MW.

- **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 continuously with expertise team and efficiency in term of business operation. Moreover, UWC has focusing on producing quality products in accordance with standards by using modern computer system to design our products 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

- 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

In term of Electric Transmission Pole and Telecommunication Tower is a project work and will made contract before operation as period of operation equal to 6 months – 2 years. By this, delivery products on time is very importance for UWC operation because their customers has clearly period on delivered thus in the past UWC has delivered products on time and meet customers' needs as a result of work planning, production system which includes plan on reserving raw materials.

- **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 Government and Private Sector such as Electricity Generating Authority of Thailand (EGAT) and Provincial Electricity Authority (PEA)
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 sale 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 sale electricity is in accordance term and conditions that have signed contract with government

- **Sale 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 saleing 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 expansion of in term of power transmission system of Electricity Generating Authority of Thailand (EGAT) and Provincial Electricity Authority (PEA) which there are projects need to proceed according to plan of development capacity of year 2015-2036 (PDP 2015) references from information of EGAT which has approved projects in totaling of 20, during the progress of 16 projects, not yet implemented of 4 projects and pending for approval of 3 projects as follows:

1. Project of electric power transmission systems for Thepha Coal Power Plant Project (TPPP) which consists of transmission line with length of 150 Cycle-Kilometers, 1 place of construction on High Voltage Substation and 5 places of expansion of high voltage power station which money for investment of 7,480 Million Baht with expectation to be finished within year 2024.

2. Project of development on electric power transmission systems in order to reserve Special Economic Zones Stage 1 (SEZ1) and increasing of usage on electricity from entering into ASEAN Economic Community by construction/improvement of transmission line and substation 230 Kv. and 115 Kv. (in area of TAK and MUKDAHAN Province) with limitation of investment of 2,150 Million Baht as expected to complete within year 2024.

3. Project of electric power transmission systems for Major Private Producer Stage 3 (IPP3) in order to connect power plant project along with electrical system of EGAT and meet increasing demand of electricity in Eastern and Central regions with expectation to complete within year 2022.

Currently major manufacturer for transmission line (500 Kv) in Thailand only 5 manufacturers thus year 2018 subsidiary has capacity of market share of 30 percent.

#### 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 2018 price of steel and zinc are rising (beginning of year and decline during end of year) therefore effect cost of raw materials which cause changes in fluctuation of raw material price

- 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 – 2036 (PDF 2015)

#### Telecommunication Tower Industries

Telecommunication Tower industries is continue ongoing in order to serve customers with greater coverage and support 5G as will happened in the future

#### Factors impacting the business operation

Telecommunication Tower industries which use the same raw materials as High Voltage Transmission Tower industries therefore fluctuation in raw material price effects cost of production as well.

#### Demand for Telecommunication Tower

Demand for Telecommunication Tower is continuously growth from year 2017 however; growth rate may be different from previous 1-2 year.

#### 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”

#### 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 for replacement of 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, Romklao Road, Kwang Sansab, 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 sale 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 purchase raw materials from not less than 5 distributors however UWC could supply steel and type of steel as needed with the reasonable price by using price comparison. In the past year (beginning of year) UWC has purchases zinc from Padaeng Industry Public Company Limited and the end of year purchases from Sang Charoen Group.

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) 99.99% 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, 2018 –the company has during process work and expected to deliver all within year 2019 as follows

<b>Name of Project</b>	<b>Work Load</b>	<b>Unprocessed Value (Million Baht)</b>
High Voltage Transmission Tower (TL)	2,137	79.850
Telecommunication Tower (TC)	86	17.415
Substation Steel (ST)	2,639	178.652
General Steel (GF,BF)	4	0.059
<b>Total</b>	<b>4,866</b>	<b>275.976</b>

#### **Energy Business**

-None-

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

Its business is to produces and distributed pile electricity poles and welding wire as total production capacities in year 2018 of 72,000 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 produces and distributed of 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 intension 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. Apart from this, will focusing on management in term of inventory in order to have highest return for RWI.

- **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 5 percent of total sale of Pre-stressed Concrete

2. Foreign Customers

- 2.1 Sale 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 Prukha 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, RWI has play importance intention to long term relationship customers and good relationship customers thus new customers will focus on financial stability and has potential in the 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.

- **Sale and Distribution Channel**

1. Maintaining the distribution channel of subsidiaries by customer who have purchased a wire from subsidiary in year 2018 must be retained and year 2019 use of wire should not less than previous
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)**

**Steel Wires for Pre-stressed Concrete and Steel Wires Strand for Pre-stressed Concrete**

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 2018 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 2018 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 2018 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 2018 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 2018 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 2018, the production capacity is 72,000 tons per year.

In 2018, the subsidiary company utilized 70 percent of total capacity. The factory is run 20 hours per day.

In 2019, 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 2018, 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 2019, 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 sale electricity and thermal to The Siam Ceramic Group Industries Company Limited factory 1<sup>st</sup> Saraburi Province and 2<sup>nd</sup> project is investment projects and sale electricity and thermal energy to Sosuko Ceramic Public Company Limited (Nong Kae Factory 2)

Presently, ENS has implement of such projects and have experiences in production and distribution of electricity on such thermal energy for more than 10 years thus ENS has go through problems and obstacles and using their expertise to adjust same type of projects in order to expand business opportunities in following order.

- **Type of customers and 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 thermal and Steam by these industrials could reduce production cost by bring natural gas to Produce electricity, steam and thermal 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 sale electricity and thermal energy with fair price and benefit sharing with parties equally

- **Selling and Distribution Channel**

ENS distributes electricity and thermal 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 2019 after adjustment and increase of machinery WCJ has plans to produce contracture of 600 tons per month or 7,200 tons per year

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

Main raw materials on production is steel structure which mostly the owner

**Unprocessed work**

As at December 31, 2018 WJC has unprocessed work and expected to delivery within year 2019 as follow

Project's name	Work Load (Million Baht)	Value of work load Not deliver (Million Baht)
UWC - Transmission Line Tower (TL)	3.0	0.5
UWC – Telecom Tower (TC)	1.48	0.59

➤ **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 and 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.

**Products Procurement**

- **Impact on environmental**

-None-

**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 10 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



- **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.

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

- **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, 2018 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

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 for reserve raw material and left in stock (inventory) to be appropriate for price changes of raw material and project deliver to customers 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.

#### Energy Business

For business agreement of purchasing electricity with PEA and external customer there will be credited for 30 day - Without the risk of collecting debt from buyers 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.

#### 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 subsidiaries of UWC

- **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 but as same rules and regulations it may not yet conducive to above policies or need to changes or adjust rules from involved various government agencies such as authorization on purchasing electricity; procedure to apply for a factory license; Environmental Impact Assessment; Town Planning etc. 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, UWC has 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 company's' 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 aboard 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 SCG Ceramic Public Company Limited and Sosuko Company

Limited moreover subsidiary has not yet negotiate with other customers in order to build another power plant.

- **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)**

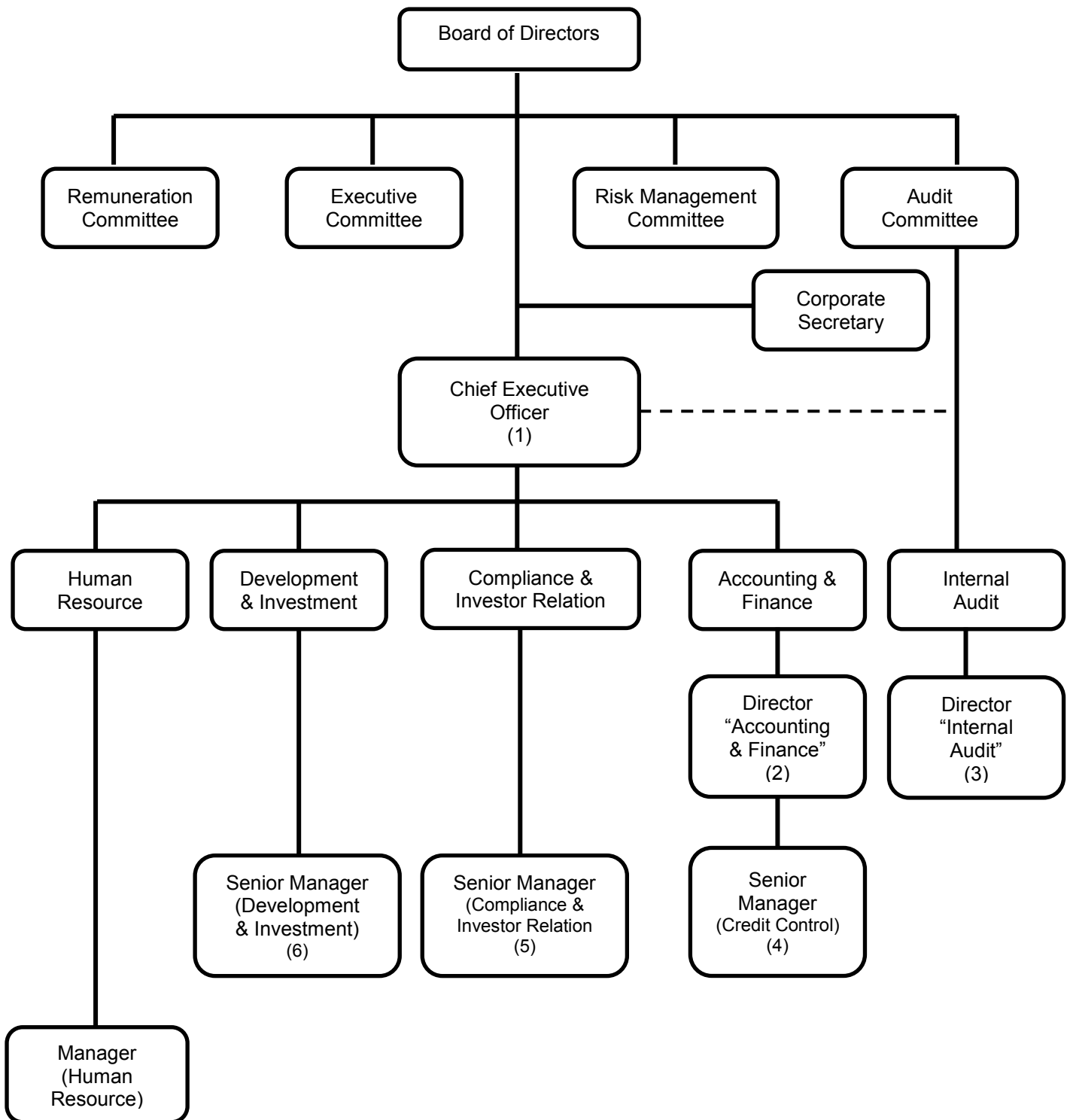
- **Risk of Fluctuation on price of raw materials**

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, 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.

## Organization Chart



**Remark:** No .1- No.6 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 28, 2018 as follows:

Name of Major Shareholders			Proportion of holding shares	
			Amount of Shares	%
1.	Mr. Chinchai Leenabanchong		110,885,700	14.88
2.	BNP PARIBAS SINGAPORE BRANCH		37,701,300	5.06
3.	Miss Chinree Leenabanchong		37,174,700	4.99
4.	Miss Chinsiree Leenabanchong		37,173,000	4.99
5.	Mr. Wutichai Leenabanchong		35,194,000	4.72
6.	Miss Chinrath Leenabanchong		32,747,700	4.40
7.	Mr. Chanachai Leenabanchong		30,904,500	4.15
8.	Mr. Jirawuth Kuwanan		20,555,500	2.76
9.	Mr. Komon Jungrungroeankrit		16,540,600	2.22
10.	Mr. Suraphon Taewaarksorn		16,190,000	2.17

#### Proportion of Holding Shares of all investor

1. As at December 31, 2018; the company has proportion of holding shares for all investor in totaling of 6.72 percent of issued shares and paid up shares which is more than rules as specified in corporate governance of Thai Listed Companies Association as company should has proportion of shareholding of all investor not more than 5 percent.

2. Investor could access information as at closing date of registration book from company's website [www.cenplc.com](http://www.cenplc.com) under section of investor relation in the title of major shareholders before date of 2019 Annual General Meeting of Shareholders

- Name of shareholders of subsidiaries

#### (1) Top 10 Major Shareholders of Ua Withya Public Company Limited as at December 28,2018

Name of Shareholders			Proportion of holding shares	
			Amount of Shares	%
1.	Capital Engineering Network Public Company Limited		5,233,003,750	36.76
2.	Mr. Nam Chonsaiphon		239,585,791	1.82
3.	Mr. Jirawuth Kuwanan		203,068,000	1.54



Name of Shareholders			Proportion of holding shares	
			Amount of Shares	%
4.	Mr. Chaiwat	Vichaiwuth	189,000,000	1.44
5.	Mr. Prakrit	Laohavisit	130,000,000	0.99
6.	Mr. Warawut	Yancharoen	122,379,743	0.93
7.	Mr. Praphon	Limthammahidsorn	109,000,000	0.83
8.	Mrs. Kanokwan	Yodwanith	100,000,000	0.76
9.	Mr. Vicharn	Lorsiripaibook	100,000,000	0.76
10.	Mrs. Chonrathorn	Khunparin	91,000,000	0.69

(2) **Top 10 Major Shareholders of Rayong Wire Industries Public Company Limited as at December 28, 2018**

Name of Shareholders			Proportion of holding shares	
			Amount of Shares	Amount of Shares
1.	Capital Engineering Network Public Company Limited		444,404,350	69.83
2.	LGT BANK (SINGAPORE) LTD		32,300,500	5.08
3.	Mr. Srisak	Suepakdee	8,822,700	1.39
4.	Mr. Praphat	Piyajaturawat	4,150,000	0.65
5.	Mr. Charnsak	Fungfu	3,900,000	0.61
6.	Mrs. Wanna	Arkkaneewanith	3,680,000	0.58
7.	Mr. Nam	Chonsaiphon	3,465,055	0.55
8.	Miss Jaithip	Pungarksorn	3,290,000	0.52
9.	Thai NDVR Company Limited		2,765,855	0.44
10.	Mr. Paiboon	Pungmeesri	2,400,000	0.38

- **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, 2018 the company has no cross-shareholding

- **Other issuance on securities**

-None-

- **Dividend Payment Policies**

**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	2018	2017	2016	2015	2014
Dividend Payment per share	0.00**	0.00	0.00	0.00	0.00
Net Profit (Loss) per share	0.4195	0.0093	(0.13)	(0.21)	0.21
Ration of Dividend Payment per Net Profit (%)	0.00	0.00	0.00	0.00	23.73

*Remark: \*\*Board of Directors meeting No.2-2019 held on March 21, 2019 has resolved to schedule 2018 Annual General Meeting of Shareholders on April 30, 2019 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**

Consists of Board of Directors, Audit Committee, Remuneration Committee, Risk Management Committee and Executive Committee including 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 2018, resolution from Board of Directors No.3-2018 held on May 15, 2018 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 2018, Board of Directors consists of 11 as follows:

	Amount of people			%
	Male	Female	Total	
Directors as Executives	3	2	5	45.45
Directors as Non-Executives	1	-	1	9.10
Independent Director	5	-	5	45.45
<b>TOTAL</b>	<b>9</b>	<b>2</b>	<b>11</b>	<b>100.00</b>

Board of Directors consists of 5 Independent Directors or equal to 45.45% of whole Committee which is more than 1 in 3 or 33.33% follows regulation from Capital Market Commission

### **Board of Directors**

As at December 2018 Board of Directors in totaling of 11 as shown in Certificate namely as follow:

Name of Director		Position	Appointed Date	Period holding position
1. Mr. Wutichai	Leenabanchong	Chairman	August 26, 2008	10 Year
2. Associate Professor Pusit	Lertwattanakul, PHD	Independent Director	August 26, 2008	10 Year
3. Mr. Jakkathan	Yothanan	Director Independent Director	August 26, 2008 February 6, 2009	10 Year 9 Year
4. Mr. Monthon	Chatuwatlopkul	Director	March 1, 2010	8 Year
5. Mr. Yanyong	Wattanawongpitak	Independent Director	December 24, 2012	6 Year
6. Mr. Theerachai	Leenabanchong	Director	March 27, 2013	5 Year
7. Miss Usara	Pattatung	Director	June 16, 2014	4 Year
8. Mr. Chatre	Sriutharawong	Independent Director	August 13, 2014	4 Year
9. Dr. Visit	Ongpipattanakul	Independent Director	August 15, 2015	3 Year
10. Asst.Prof.Dr. Suluck	Pattarathammas	Director	February 26, 2016	2 Year
11. Miss Laphassarin	Krai Wongwanitrun	Director	February 23, 2018	1 Year

Name of Director And Executives		Year 2017	Increase (decrease) Year 2018	Year 2018	
		Director/ Executive	Director/ Executive	Director/ Executive	%
1. Mr. Wutichai	Leenabanchong	30,956,000	4,238,000	35,194,000	4.72
2. Associate Professor Pusit	Lertwattanakul, PHD	-None-	-None-	-None-	
3. Mr. Jakkathan	Yothanan	-None-	-None-	-None-	
4. Mr. Monthon	Chatuwatlopkul	-None-	-None-	-None-	-
5. Mr. Yanyong	Wattanawongpitak	-None-	-None-	-None-	-
6. Mr. Theerachai	Leenabanchong	1,412,000	-None-	1,412,000	0.19
7. Miss Usara	Pattatung	-None-	-None-	-None-	-
8. Mr. Chatre	Sriutharawong	-None-	-None-	-None-	-
9. Dr. Visit	Ongpipattanakul	-None-	-None-	-None-	-
10. Asst.Prof.Dr. Suluck	Pattarathammas	-None-	-None-	-None-	-
11. Miss Laphassarin	Krai Wongwanitrun	-None-	-None-	-None-	
12. Mr. Khomwuthi	Pornnaradol	-None-	-None-	-None-	-
13. Mr. Mongkonsorn	Ponglumjeakngam	-None-	-None-	-None-	-
14. Mrs. Kenika	Ngamcharoensathaporn	-None-	-None-	-None-	-

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

- No.7, 11-14 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 Chatuwatlopkul or Miss Usara Pattatung or Mr. Theerachai Leenabanchong or Miss Laphassarin Krai Wongwanitrun 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.

### **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 lending and/or being a guarantor for the subsidiaries and/or affiliated companies with the amount beyond the authority of the Executive Committee.

12. 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.
13. To consider and approve of purchasing assets with the amount beyond the authority of Executive Committees and Chief Executive Officer.
14. To consider and approve of hiring for producing when it is beyond the Executive Committee and Chief Executive Officer.
15. 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.
16. To consider and approve of establishing new subsidiaries or investing in subsidiaries.
17. To consider and approve of establishing new affiliate companies or investing in affiliate companies.
18. 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.
19. To consider appointing of consultants to the Board of Directors and/or subcommittee in order to provide opinions on a specific subject.
20. To consider other subjects those are beyond the authorities of the Executive Committee, Chief Executive Officer or as seen appropriate by Executive Committee.

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.

#### **Audit Committee**

Audit Committee consists of Board of Directors which has qualification in relevant to announcement from The Stock Exchange of Thailand as every audit committee is independently and qualified by requirement of Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET) thus SET and SEC has roles, responsibilities and practical as independent organization which supports Board of Directors to supervise business in accordance with good corporate governance, eliminate conflict of interest, review financial report as propose to public and shareholders, review internal control system which includes internal control system and communication with company's auditors.

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:

<b>Name of Audit Committee</b>	<b>Position</b>	
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.

Audit Committee has schedule meeting regularly and report to Board of Director thus year 2018, the total of audit committee equal to 5 times by following details:

Meeting No.	Date	Importance matter in the meeting
1	January 30, 2018	<ul style="list-style-type: none"> <li>- Internal control system adequacy assessment form</li> <li>- Proposal on appointment of Auditor and their fees of year 2018</li> </ul>
2	February 23, 2018	<ul style="list-style-type: none"> <li>- To consider on review and commenting on the draft audit report of the auditor and financial statement of year 2018</li> </ul>
3	May 15, 2018	<ul style="list-style-type: none"> <li>- To consider on review and commenting on the draft audit report of the auditor and financial statement of quarter 1-2018</li> <li>- Acknowledgement on complaint in term of anti-corruption</li> </ul>
4	August 14, 2018	<ul style="list-style-type: none"> <li>- To consider on review and commenting on the draft audit report of the auditor and financial statement of quarter 2-2018</li> <li>- Acknowledgement on complaint in term of anti-corruption</li> </ul>
5	November 13, 2018	<ul style="list-style-type: none"> <li>- To consider on review and commenting on the draft audit report of the auditor and financial statement of quarter 3-2018</li> <li>- Acknowledgement on complaint in term of anti-corruption</li> </ul>

#### **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, provide channels for complaint and controlling on supervise the process of receiving complaints from employees which related improper financial statement or other businesses
5. To reviews any chances of fraud in business in relevant to anti-corruption and code of conduct
6. 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.
7. To review the connected Transactions, or the transactions that may lead to conflicts of interests to be in accordance to laws and Securities and Exchange ACT. By this, to make sure that are reasonable and highest benefit to company
8. To consider on disclose company information in case of related transaction or conflict of interest, acquisition of assets to be accurate
9. To review company system to have risk management as appropriate and effective
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

### 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 2018, resolution from Board of Directors No.3-2018 held on May 15, 2018 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	

Year 2018, Remuneration Committee has 1 meeting for considering of compensation for Remuneration Committee and chairman of Chief Executive Officer

### **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 fair 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 Executive Chairman/ Chief Executive Officer/ Managing Director and their compensation in order to propose the criteria to the Board for approval thus remuneration committee to consider and approve compensation for Executive Chairman / Chief Executive Officer / Managing Director
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

### **Risk Management Committee**

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

In year, 2018 resolution from Board of Directors meeting No.3-2018 held on May 15, 2018 has appointed Risk Management Committee which consists of all Independent Directors totaling of 3 people and 2 people are independent director as one year term of position

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

### **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 pay 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

### **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 2018, resolution from Board of Directors No.3-2018 held on May 15, 2017 and to appointed 5 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. Mr. Monthon	Chatuwatlopkul	Executive Director
4. Miss Usara	Pattatung	Executive Director
5. Miss Laphassarin	Krai Wongwanitrun	Executive Director

Year 2018, total number of meeting for executives equal to 10 times each meeting top management of company which is Chief Executive officer as holding position of Executive Chairman attended the meeting in order to listen business operation of company and its subsidiaries

#### **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.

#### **Chief Executive Officer**

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

In year 2018, resolution from Board of Directors meeting No.3-2018 held on May 15, 2018 has resolved approve to appoint Mr. Wutichai Leenabanchong to holds position of Chief Executive Officer

#### **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 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
17. To have authority to consider and approve borrowing credit limit or other credit related to normal business operation in amount for each item, not exceeding the amount that the Board of Directors has authorized
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 2018**

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>2018 Total Number of attendees</b>
2018 Annual General Meeting of Shareholders	1
Board of Director	6
Audit Committee	5
Executive Director	10
Remuneration Committee	1

<b>Name of Director</b>	<b>Attendance of the meeting / total attends (Time)</b>					
	<b>Annual General Meeting of Shareholders</b>	<b>Board of Directors meeting</b>	<b>Audit Committee Meeting</b>	<b>Executive Committee Meeting</b>	<b>Remuneration Committee Meeting</b>	<b>Risk Management Committee Meeting</b>
1. Mr. Wutichai Leenabanchong	1/1	6/6	-	10/10	-	-
2. Dr. Visit Ongpipattanakul	1/1	6/6	5/5	-	1/1	-
3. Associate Professor Dr.Pusit Lertwattanakul	1/1	*5/6	*4/5	-	-	-

Name of Director	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
4. Mr. Yanyong Wattanawongpitak	1/1	*5/6	*4/5	-	1/1	-
5. Asst.Prof.Dr. Suluck Pattarathammas	1/1	*4/6	-	-	-	-
6. Mr. Jakkathan Yothanan	1/1	6/6	-	-	1/1	-
7. Mr. Chatre Sriutharawong	1/1	6/6	-	-	-	-
8. Mr. Monthon Chatuwatlopkul <sup>1/</sup>	1/1	6/6	-	5/5	-	-
9. Mr. Theerachai Leenabanchong	1/1	6/6	-	*8/10	-	-
10. Miss Usara Pattatung	1/1	6/6	6/6	10/10	-	-
11. Miss Laphassarin Kraiwongwanitrungr <sup>2/</sup>	1/1	5/5	5/5	8/8	-	-

#### **Remark**

1/ Appointed as Executive from resolution from Board of Directors meeting No.3/2018 held on May 15, 2018

2/ Appointed as Director and Executive from resolution from Board of Directors meeting No.1-2018 held on February 23, 2018

\* 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, 2018 there are 6 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)
6. Miss Laphassarin Kraiwongwanitrungr		Senior Manager (Development and Investment)

#### **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. 1/2018 held on February 23, 2018 by approved by 2018 Annual General Meeting of Shareholders held on April 26, 2018 as totaling amount of Baht 3,500,000 which same amount when compared to year 2017 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) Monetary compensation**

###### **(1) Board of Director (every time attends)**

- Meeting allowance for Chairman equal to Baht 30,000 thus chairman whom normally receive monthly salary from company and its subsidiaries will receive Baht 20,000
- Meeting allowance for Director equal to Baht 15,000 thus director whom normally receive monthly salary from company and its subsidiaries will receive Baht 5,000

###### **(2) Audit Committee (every time attends)**

- Meeting allowance for Chairman of Audit Committee equal to Baht 25,000
- Meeting allowance for Audit Committee equal to Baht 15,000

###### **(3) Remuneration Committee (every time attends)**

- Meeting allowance for Chairman of Remuneration Committee equal to Baht 25,000 thus chairman whom normally receive monthly salary from company and its subsidiaries will receive Baht 20,000
- Meeting allowance for Remuneration Committee equal to Baht 15,000 thus director whom normally receive monthly salary from company and its subsidiaries will receive Baht 5,000

###### **(4) Risk Management Committee (every time attends)**

- Meeting allowance for Chairman of Risk Management Committee equal to Baht 25,000 thus chairman whom normally receive monthly salary from company and its subsidiaries will receive Baht 20,000
- Meeting allowance for Risk Management Committee equal to Baht 15,000 thus director whom normally receive monthly payment will receive Baht 5,000

(5) Nomination Committee (every time attends)

- Meeting allowance for Chairman of Nomination Committee equal to Baht 25,000 thus chairman whom normally receive monthly salary from company and its subsidiaries will receive Baht 20,000
- Meeting allowance for Nomination Committee equal to Baht 15,000 thus director whom normally receive monthly salary from company and its subsidiaries will receive Baht 5,000

(6) Executive (every time attends)

- Meeting allowance for Executive Chairman equal to Baht 15,000 thus chairman whom normally receive monthly salary from company and its subsidiaries will not receive any compensation when attend the meeting
- Meeting allowance for Executive equal to Baht 10,000 thus executive whom normally receive monthly salary from company and its subsidiaries will not receive any compensation when attend the meeting

## 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 2018, Capital Engineering Network Public Company Limited has paid remuneration to directors of each committee in totaling of Baht 1,015,000. 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	120,000.-	-	-	-	-	120,000.-
2. Dr. Visit Ongpipattanakul - Director - Independent Director - Chairman of Audit Committee - Chairman of Remuneration Committee	90,000.-	-	125,000.-	25,000.-	-	240,000.-
3. Associate Professor Dr.Pusit Lertwattanakul - Director - Independent Director - Audit Committee	75,000.-	-	60,000.-	-	-	135,000.-
4. Mr. Yanyong Wattanawongpitak - Director - Independent Director - Audit Committee - Remuneration Committee - Risk Management Committee	75,000.-	-	60,000.-	15,000.-	-	150,000.-

Name/Position	Compensation (Baht)					
	Board of Director	Executive Board	Audit Committee	Remuneration Committee	Risk Management	TOTAL
5. Asst.Prof.Dr. Suluck Pattarathammas - Director - Chairman of Risk Committee	60,000.-	-	-	-	-	60,000.-
6. Mr. Jakkathan Yothanan - Director - Independent Director - Risk Management Committee	90,000.-	-	-	15,000.-	-	105,000.-
7. Mr. Chatre Sriutharawong - Director - Independent Director - Risk Management Committee	90,000.-	-	-	-	-	90,000.-
8. Mr. Monthon Chaturwallopkul - Director - Executive	30,000.-	-	-	-	-	30,000.-
9. Mr. Theerachai Leenabanchong - Director - Executive Director	30,000.-	-	-	-	-	30,000.-
10. Miss Usara Pattatung - Director - Executive Director	30,000.-	-	-	-	-	30,000.-
11. Miss Laphassarin Kraiwongwanitrun - Director - Executive Director	25,000.-	-	-	-	-	25,000.-
<b>TOTAL</b>	<b>715,000.-</b>	<b>-</b>	<b>245,000.-</b>	<b>55,000.-</b>	<b>-</b>	<b>1,015,000.-</b>

**b) The remuneration for Executives**

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

Total Amount	2018		2017	
	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	13.39	5	13.38

## **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.1-2018 held on February 22, 2018 by passed consideration from Board of Directors meeting No. 1-2018 held on February 22, 2018 and approved by 2018 Annual General Meeting of Shareholders held on April 25, 2018 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) Monetary compensation**

##### **(1) Board of Director (every time attends)**

- Meeting allowance for Chairman equal to Baht 30,000 thus chairman whom normally receive monthly salary from company and its subsidiaries will receive Baht 20,000
- Meeting allowance for Director equal to Baht 15,000 thus director whom normally receive monthly salary from company and its subsidiaries will receive Baht 5,000

##### **(2) Audit Committee (every time attends)**

- Meeting allowance for Chairman of Audit Committee equal to Baht 25,000
- Meeting allowance for Audit Committee equal to Baht 15,000

##### **(3) Remuneration Committee (every time attends)**

- Meeting allowance for Chairman of Remuneration Committee equal to Baht 25,000 thus chairman whom normally receive monthly salary from company and its subsidiaries will receive Baht 20,000
- Meeting allowance for Remuneration Committee equal to Baht 15,000 thus director whom normally receive monthly salary from company and its subsidiaries will receive Baht 5,000

##### **(4) Executive (every time attends)**

- Meeting allowance for Executive Chairman equal to Baht 15,000 thus chairman whom normally receive monthly salary from company and its subsidiaries will not receive any compensation when attend the meeting
- Meeting allowance for Executive equal to Baht 10,000 thus executive whom normally receive monthly salary from company and its subsidiaries will not receive any compensation when attend the meeting

#### **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 2018, Ua Withya Public Company Limited has paid remuneration to directors of each committee in totaling of Baht 1,650,000. The details are as follow:

Name/Position	Compensation (Baht)				
	Board of Director	Executive Board	Audit Committee	Remuneration Committee	TOTAL
1. Mr. Wutichai Leenabanchong - Chairman - Acting of Executive Chairman - Chairman of Remuneration Committee	105,000.-	-	-	-	105,000.-
2. Police Lieutenant Sivaraks Phinitcharomna - Director - Independent Director - Chairman of Audit Committee	90,000.-	-	300,000.-	-	390,000.-
3. Dr. Pianchai Thawornrat - Director - Independent Director - Audit Committee - Nomination and Remuneration Committee	90,000.-	-	165,000.-	15,000.-	270,000.-
4. Dr. Nathee Naktanasukanjn - Director - Independent Director - Audit Committee	90,000.-	-	180,000.-	-	270,000.-
5. Mr. Theerachai Leenabanchong - Director - Managing Director (Business Development and Corporate Affairs) - Executive	30,000.-	-	-	-	30,000
6. Mr. Monthon Chatuwallopkul - Director - Deputy Managing Director (Accounting and Finance, Corporate Management) - Executive - Nomination and Remuneration Committee	30,000.-	-	-	5,000.-	35,000.-
7. Mr. Surapat Chomrat - Director - Executive	90,000.-	120,000.-	-	-	210,000.-

Name/Position	Compensation (Baht)				
	Board of Director	Executive Board	Audit Committee	Remuneration Committee	TOTAL
8. Mr. Suthisak Tanachoteporamat - Director - Executive	90,000.-	120,000.-	-	-	210,000.-
9. Police Colonel Kowit Piromwong - Independent Director - Chairman - Chairman of Nomination and Remuneration Committee (resigned on February 22, 2018)	30,000.-	-	-	25,000.-	55,000.-
10. Mr. Peratus Dhanarachwattana - Director - Managing Director (Plant Operation) - Executive Director (resigned on June 1, 2018)	10,000.-	-	-	-	10,000.-
11. Mr. Atchada Kesornsook - Director - Executive Chairman (resigned on November 7, 2018)	20,000.-	-	-	-	20,000.-
12. Mrs. Jiraporn Laochareon - Director - Independent Director (resigned on November 13, 2018)	45,000.-	-	-	-	45,000.-
<b>TOTAL</b>	<b>720,000.-</b>	<b>240,000.-</b>	<b>645,000.-</b>	<b>45,000.-</b>	<b>1,650,000.-</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	2018		2017	
	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	10	20.08	9	17.65

**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.1/2018 held on February 21, 2018 and passed Board of Directors meeting No.1/2018 held on February 21, 2018 and approved by the



resolution from the 2018 Annual General Meeting of Shareholders held on April 26, 2018 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) Board of Director (every time attends)
  - Meeting allowance for Chairman equal to Baht 30,000 thus chairman whom normally receive monthly salary from company and its subsidiaries will receive Baht 20,000
  - Meeting allowance for Director equal to Baht 15,000 thus director whom normally receive monthly salary from company and its subsidiaries will receive Baht 5,000
- (2) Audit Committee (every time attends)
  - Meeting allowance for Chairman of Audit Committee equal to Baht 25,000
  - Meeting allowance for Audit Committee equal to Baht 15,000
- (3) Remuneration Committee (every time attends)
  - Meeting allowance for Chairman of Remuneration Committee equal to Baht 25,000 thus chairman whom normally receive monthly salary from company and its subsidiaries will receive Baht 20,000
  - Meeting allowance for Remuneration Committee equal to Baht 15,000 thus director whom normally receive monthly salary from company and its subsidiaries will receive Baht 5,000
- (4) Executive (every time attends)
  - Meeting allowance for Executive Chairman equal to Baht 15,000 thus chairman whom normally receive monthly salary from company and its subsidiaries will not receive any compensation when attend the meeting
  - Meeting allowance for Executive equal to Baht 10,000 thus executive whom normally receive monthly salary from company and its subsidiaries will not receive any compensation when attend the meeting

## **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 2018, Rayong Wire Industries Public Company Limited has paid remuneration to directors of each committee in totaling of Baht 840,000. 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	60,000.-	-	-	10,000.-	70,000.-

Name/Position	Compensation (Baht)				
	Board of Director	Executive Board	Audit Committee	Remuneration Committee	TOTAL
2. Mr. Worawit Siriwatwimon - Director - Independent Director - Chairman of Audit Committee - Chairman of Remuneration Committee	60,000.-	-	125,000.-	50,000.-	235,000.-
3. Mr. Wichain Sophanpanitkul - Director - Independent Director - Audit Committee - Remuneration Committee	60,000.-	-	75,000.-	30,000.-	165,000.-
4. Associate Professor Dr. Pison Udomworarath - Director - Independent Director - Audit Committee - Remuneration Committee	60,000.-	-	75,000.-	30,000.-	165,000.-
5. Mr. Monthon Chatuwatlopkul - Director	20,000.-	-	-	-	20,000.-
6. Mr. Theerachai Leenabanchong - Director	20,000.-	-	-	-	20,000.-
7. Mr. Pipit Jaovisidha - Director - Manager (Sale and Marketing) - Executive Director	20,000.-	-	-	-	20,000.-
8. Mr. Jesada Sornsuk - Director - Executive (resigned on February 21, 2018)	45,000.-	90,000.-	-	-	135,000.-
9. Mr. Suthin Phadetpai - Director - Executive - Managing Director (resigned on July 14, 2018)	10,000.-	-	-	-	10,000.-
<b>TOTAL</b>	<b>355,000.-</b>	<b>90,000.-</b>	<b>275,000.-</b>	<b>120,000.-</b>	<b>840,000.-</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	2018		2017	
	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	10.30	6	8.89

### 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. 1/2018 held on February 14, 2018 and approval from 2018 Annual General Meeting of Shareholders held on April 20, 2018 as following details.

(1) Chairman (every time attends)

- Meeting allowance for Chairman equal to Baht 30,000 thus chairman whom normally receive monthly salary from company and its subsidiaries will receive Baht 20,000

(2) Board of Director (every time attends)

- Meeting allowance equal to Baht 15,000 thus any director whom normally receive monthly salary from company and its subsidiaries will receive Baht 5,000

By this year 2018, Enesol Company Limited has paid remuneration to directors of each committee in totaling of Baht 135,000. The details are as follow:

Name/Position	Compensation of Director (Baht)
1. Mr. Wutichai Leenabanchong - Chairman	80,000.-
2. Mr. Monthon Chatuwallopkul - Director	20,000.-
3. Mr. Theerachai Leenabanchong - Director	20,000.-
3. Miss Laphassarin Kraiwongwanitrungrung (Appointed on February 21, 2018)	15,000.-
<b>TOTAL</b>	<b>135,000.-</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	2018		2017	
	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	2	2.70	3	4.74

#### **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. 1/2018 held on February 22, 2018 and approval from 2018 Annual General Meeting of Shareholders held on April 20, 2018 as following details.

(1) Chairman (every time attends)

- Meeting allowance for Chairman equal to Baht 10,000 thus chairman whom normally receive monthly salary from company and its subsidiaries will receive Baht 5,000

(2) Board of Director (every time attends)

- Meeting allowance equal to Baht 5,000 thus any director whom normally receive monthly salary from company and its subsidiaries will receive Baht 3,000

By this year 2018, 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>2018</b>		<b>2017</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	2.05	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. 1/2018 held on February 15, 2018 and approval from 2018 Annual General Meeting of Shareholders held on April 20, 2018 as following details.

- (1) Chairman (every time attends)
  - Meeting allowance for Chairman equal to Baht 10,000 thus chairman whom normally receive monthly salary from company and its subsidiaries will receive Baht 5,000
- (2) Board of Director (every time attends)
  - Meeting allowance equal to Baht 5,000 thus any director whom normally receive monthly salary from company and its subsidiaries will receive Baht 3,000

By this year 2018, 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 Chatuwatlopkul - Director	12,000.-
3. Miss Laphassarin Kraiwongwanitrueng - 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. 1/2018 held on February 16, 2018 and approval from 2018 Annual General Meeting of Shareholders held on April 20, 2018 as following details.

- (1) Chairman (every time attends)
  - Meeting allowance for Chairman equal to Baht 10,000 thus chairman whom normally receive monthly salary from company and its subsidiaries will receive Baht 5,000
- (2) Board of Director (every time attends)
  - Meeting allowance equal to Baht 5,000 thus any director whom normally receive monthly salary from company and its subsidiaries will receive Baht 3,000

By this year 2018, 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. Monthon Chatuwatlopkul - Director	12,000.-
4. Mrs. Kenika Ngamcharoensathaporn - Director	12,000.-
<b>TOTAL</b>	<b>56,000.-</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 6 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, 2018 Company and its subsidiaries has total of employees of 914

Details	CEN	UWC	RWI	ENS	WJC	PLE	EBM	TOTAL
Administration	18	128	50	5	10	-	-	211
Production	-	417	131	14	141	-	-	703
<b>Total</b>	<b>18</b>	<b>545</b>	<b>181</b>	<b>19</b>	<b>151</b>	<b>-</b>	<b>-</b>	<b>914</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 2018, company and its subsidiaries has paid compensation in term of salary, incentives, bonus and other compensations in totaling of 364.67 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 play 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 play 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 39.76 percent and has same Directors	- Service charge from internal audit	0.72	To achieve efficiency and effectiveness in the workplace. Moreover, in order to have good governance in subsidiaries
		- Service charge from internal audit (accrued)	0.19	
		- Received Interest	4.20	
		- Short Term Loans	120.00	
		- Accrued Interest	1.68	
		- Fees for using collateral	3.14	
		- Fees for using Collateral (accrued)	3.36	The company allows the subsidiary to sublease the space from the company for use as office space
		- Office Rental and Services	1.27	
		- Office Rental and Services (accrued)	1.32	
Rayong Wire Industries Public Company Limited (RWI)	Company holds 69.83 percent and has same Directors	- Service charge from internal audit	0.72	To achieve efficiency and effectiveness in the workplace. Moreover, in order to have good governance in subsidiaries
		- Service charge from internal audit (accrued)	0.19	
		- Office Rental and Services	1.27	The company allows the subsidiary to sublease the space from the company for use as office space
		- Office Rental and Services (accrued)	1.32	
Enesol Company Limited (ENS)	Company holds 100.00 percent and has same Directors	- Service charge from internal audit	0.36	To achieve efficiency and effectiveness in the workplace. Moreover, in order to have good governance in subsidiaries
		- Service charge from internal audit (accrued)	0.10	
		- Office Rental and Services	0.5	The company allows the subsidiary to sublease the space from the company for use as office space
Evergreen Biomass Company Limited (EBM)	Company holds 99.00 percent and has same Directors	- Short Term Loan (Payback within 1 year)	8.00	
		- Interest Receive - Accrued Interest Receive	0.35 0.21	Short term loans at MLR rate average from 3 financial institution of 1.75 per year

Related Companies	Relationship	Type of Transaction	Amount (Million Baht)	Necessity and reasonableness
WJC Enterprise Company Limited (WJC)	Subsidiary of UWC as holds 64.99 percent	- Short Term Loan (Payback within 3 months)	80.29	For liquidity in subsidiary by using as working capital and investment to reserve in the future
		- Interest Receive - Accrued Interest Receive	3.44 13.02	Short term loans at MLR rate average from 3 financial institution of 1.75 per year
		- Service charge from internal audit - Service charge from internal audit (accrued)	0.36 1.54	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 - Service charge from internal audit (accrued)	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	453.72	Normal business and trading securities in SET

## 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, year 2018 as agreed with resolution from Board of Directors meeting No.1-2019 held on February 26, 2019 by all 3 Audit Committees attends the meeting

Audit Committee has considered on adequacy of the internal control system in accordance to Assessment Form for Sufficiency of Internal Control System with 17 Principles and using COSO (The Committee of Sponsoring Organization of the Treadway Commission) all 5 elements such as Control Environment, Risk Assessment, Control Activities, Information & Communication and Monitoring Activities to consider manage within the organization with steps and work processes, communicate each other and follow up continuously thus Internal Audit has responsibilities to examine, assess and follow up and report directly to Audit Committee

Audit Committee has consider on importance issues, controlling point, evaluate the internal control system together and approve the internal control system's adequacy regarding defects found in various job activities complete consideration according to the established principles as complete consideration according to the established principles. Audit Committee has comments and give suggestion to executives in order to revise and follows any importance transaction in order to develop, improvement and proper operate which can be summarized 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



## 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 | Pattarathammas   | Chairman of Risk Management Committee |
| 2. Mr. Yanyong                     | Wattanawongpitak | Risk Management Committee             |
| 3. Mr. Chatre                      | Sriutharawong    | Risk Management Committee             |

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 Pattarathammas  
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

The company realized on remuneration for Directors and Top Executives therefore appoint Remuneration Committee to propose return policies, guideline of compensation for Board of Directors and Sub-Committee through Top Executives to be consistent with the duties and responsibilities in line with the company's performance and economic conditions

Year 2018, 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 to consider together with practice under equality, fairness and transparently in accordance to good corporate governance.

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



(Dr. Visit Ongpipattanakul)  
Chairman of Remuneration Committee

## Personal Information on 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	54	<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>		
					2018 – Present	Acting Managing Director	Rayong Wire Industries PCL.
					2008 – Present	Chairman	
					2014 - Present	Executive Chairman Remuneration Committee	
					Year 2018 (Feb) – Present	Chairman of Nomination and Remuneration	Ua Withya PCL.
					Year 2008-2018 (Feb)	Acting Executive Chairman Vice Chairman Executive Chairman	
					<b>Holds position in related companies in totaling of 11 places</b>		
					2008 – Present	Chairman	Enesol Co., Ltd
					2010 - Present	Chairman / Managing Director	Pipe Line Engineering Co., Ltd
					2012 – Present	Chairman	Evergreen Biomass Co., Ltd
					2013 – Present	Chairman	WJC Enterprise Co., Ltd
					2015 – Present	Chairman	Paradise Green Energy Co., Ltd
					2015 – Present	Chairman	UWC KOMEN BIOMASS Co., Ltd
					2015 – Present	Chairman	UWC SOLAR Co., Ltd
					2016 – Present	Chairman	UWC AMPHAN BIOMASS Co., Ltd
					2016 – Present	Chairman	SATUEK BIOMASS Co., Ltd
					2017 – Present	Director	UWC (Cambodia) Co., Ltd
					2017 – Present	Director	Interglob Investment Co., Ltd

Name-Surname/ Position	Age (Year)	Educational Qualification	Proportion of holding company's shares	Family relationship among Executives	Experiences		
					Period	Position	Company
2. Dr. Visit Ongpipattanakul Position: <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>	54	<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></ul> Directors Certification Program (DCF) No.185-2014	-None-	-None-	Holds position in listed companies in totaling of 1 place		
					Year 2011 – Present Director Trinity Watthana PCL.		
					Holds position in related companies –None-		
					Holds position in non-registered company in totaling of 1 place		
					Year 2010 – Present Director Managing Director Trinity Securities Co., Ltd		
Appointed Date: August 14, 2015							
3. Associate Professor Dr. Pusit Lertwattanaruk Position: <ul style="list-style-type: none"><li>• Director</li><li>• Independent Director</li><li>• Audit Committee</li></ul>	49	<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-	Holds position in listed companies –None-		
					Holds position in related companies –None-		
					Holds position in non-registered company –None-		
					Holds position in other company of 1 company		
					Year 2012 - Present Associate Dean for Administration Faculty of Architecture and Planning Thammasat University		
Appointed Date: August 26, 2008					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	53	<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>		
<b>5. Assistant Professor Dr. Suluck Pattarathammas</b> <b>Position:</b> <ul style="list-style-type: none"> <li>• Director</li> <li>• Chairman of Risk Management Committee</li> </ul> <b>Appointed Date:</b> February 26, 2016	53	<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 Thammaratirath 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
					<b>Holds position in other company in totaling 1 company</b>		
					Year 2018	Chancellor	Christian University (Nakornphathom Branch)

Name-Surname/ Position	Age (Year)	Educational Qualification	Proportion of holding company's shares	Family relationship among Executives	Experiences		
					Period	Position	Company
					Holds position in registered company –None-		
					Holds position in related company –None-		
<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	48	<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-	Holds position in non-registered company in totaling of 1 place		
					Year 2007 – Present		
					Managing Director		Puphar Inter Law Co., Ltd
<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	46	<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-	Holds position in registered company –None-		
					Holds position in related company –None-		
					Holds position in non-registered company in totaling of 1 place		
					Year 2012 – Present	Managing Director	Ruk Thai Intertrade Co., Ltd
					Year 2017 - Present	Consultant in term of Business Development	TECH NC Co., Ltd

Name-Surname/ Position	Age (Year)	Educational Qualification	Proportion of holding company's shares	Family relationship among Executives	Experiences		
					Period	Position	Company
8. Mr. Monthon Chatuwallopkul Position: <ul style="list-style-type: none"><li>• Director</li><li>• Executive Director</li><li>• Authorized Director</li></ul> Appointed Date: March 1, 2010	50	<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	Ua Withya PCL.
					Year 2014 - Present	Deputy to Managing Director	
						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 BIOMASS 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
<b>9. Mr. Theerachai Leenabanchong</b> <b>Position:</b> <ul style="list-style-type: none"> <li>• Director</li> <li>• Executive</li> <li>• Authorized Director</li> </ul> <b>Appointed Date:</b> March 27, 2013	47	<ul style="list-style-type: none"> <li>• Master of Business Administration Assumption University</li> <li>• Bachelor of Business Administration (Marketing) Assumption 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.104/2013</li> </ul>	1,412,000 shares Or 0.19%	Cousin with Mr. Wutichai Leenabanchong	<b>Holds position in listed companies which are subsidiaries in totaling of 2 places</b>		
					Year 2013 - Present	Director	Ua Withya PCL.
					Year 2015 - Present	Executive	
					Year 2016- Present	Managing Director	
					Year 2016 – Present	Director	Rayong Wire Industries PCL.
					<b>Holds position in listed companies in totaling of 1 place</b>		
					Year 2016 - Present	Director	Dimet (Siam) PCL.
					Year 2017 - Present	Executive	
					<b>Holds position in related companies in totaling of 10 places</b>		
					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 BIOMASS 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	

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	50	<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-	Holds position in listed companies which are subsidiaries in totaling of 1 place		
					Year 2017 - Present	Executive	Rayong Wire Industries PCL.
					Holds position in related company –None-		
					Holds position in non-registered company –None-		
<b>11. Miss Laphassarin Kraiwongwanitrungrong</b> <b>Position:</b> <ul style="list-style-type: none"> <li>• Director</li> <li>• Executive</li> <li>• Authorized Director</li> <li>• Senior Manager (Development &amp; Investment)</li> </ul> <b>Appointed Date:</b> February 23, 2018	33	<ul style="list-style-type: none"> <li>• Master of Business Administration Ramkhamhaeng University</li> <li>• Bachelor Degree (BA) Rajamangala University of Technology Krungthep</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.150/2018</li> </ul>	-None-	-None-	Holds position in listed companies -None-		
					Holds position in related companies in totaling 2 places		
					Year 2015 - Present	Director	Pipe Line Engineering Co., Ltd
					Year 2018 – Present	Director	Enesol Co., Ltd
					Holds position in non-registered company –None-		
					Year 2016- Present	Director	Logistic Co., Ltd
					Year 2018 – Present	Director	Laphassarin Business & Law Co., Ltd

Name-Surname/ Position	Age (Year)	Educational Qualification	Proportion of holding company's shares	Family relationship among Executives	Experiences		
					Period	Position	Company
<b>12. 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	50	<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>		
<b>13 Mr. Mongkonsorn Ponglumjeakngam</b> <b>Position:</b> <ul style="list-style-type: none"> <li>• Senior Manager (Credit Control)</li> </ul> <b>Appointed Date:</b> October 24, 2012	49	<ul style="list-style-type: none"> <li>• Master Degree In Business Administration Strayer College Virginia U.S.A.</li> <li>• Bachelor Degree In Business Administration Strayer College Virginia U.S.A.</li> </ul>	-None-	-None-	<b>Holds position in listed companies</b>		
					Year 2012 – Present	Senior Manager (Credit Control)	Capital Engineering Network PCL.
					<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
<b>14. Mrs. Kenika Ngamcharoensathaporn</b> <ul style="list-style-type: none"> <li>Senior Manager (Compliance and Investor Relation)</li> </ul> <b>Appointed Date:</b> November 1, 2013 <ul style="list-style-type: none"> <li>Corporate Secretary</li> </ul> <b>Appointed Date:</b> June 14, 2014	47	<ul style="list-style-type: none"> <li>Bachelor Degree in Accounting Bangkok University</li> </ul> <b>Training roles of Directors from Thai Institute of Director (IOD):</b> <ul style="list-style-type: none"> <li>Company Secretary Program (CSP) No.7/2004</li> </ul>	-None-	-None-	<b>Holds position in listed companies</b>		
					Year 2013 – Present	Senior Manager (Compliance and Investor Relation)	Capital Engineering Network PCL.
					<b>Holds position in related company 1 company</b>		
					Year 2015 – Present	Director	Evergreen Biomass Co., Ltd
					<b>Holds position in non-registered company –None-</b>		

**Remarks:**

1. Board of Directors No.1-11, Executives No. 10-14 and Corporate Secretary No.14
2. Authorized Director No. 1, 8-11
3. Proportion of holding shares not includes children because children not holding shares
4. Board of Directors and Executives in totaling of 14 people -No legal dispute
5. Board of Directors and Executives in totaling of 14 people -No history of criminal offense against property by fraud-
6. Board of Directors and Executives in totaling of 14 people -No references materials that cause conflict of interest with company in the past of year 2018

## Board of Directors

### Capital Engineering Network Public Company Limited



- |   |  |  |
|---|--|--|
| <p><b>1. Mr. Wutichai Leenabanchong</b></p> <p>Chairman of the Board<br/>Chairman of Executive Board<br/>Acting Chief Executive Officer</p>                         | <p><b>2. Dr. Visit Ongpipattanakul</b></p> <p>Director<br/>Independent Director<br/>Chairman of Audit Committee<br/>Chairman of Remuneration Committee</p> | <p><b>3. Associate Professor Dr. Pusit Lertwattanaruk</b></p> <p>Director<br/>Independent Director<br/>Audit Committee</p> |
| <p><b>4. Mr. Yanyong Wattanawongpitak</b></p> <p>Director<br/>Independent Director<br/>Audit Committee<br/>Remuneration Committee<br/>Risk Management Committee</p> | <p><b>5. Assistant Professor Dr. Suluck Pattarathammas</b></p> <p>Director<br/>Chairman of Risk Management Committee</p>                                   | <p><b>6. Mr. Chatre Sriutharawong</b></p> <p>Director<br/>Independent Director<br/>Risk Management Committee</p>           |
| <p><b>7. Mr. Jakkathan Yothanan</b></p> <p>Director<br/>Independent Director<br/>Remuneration Committee</p>   | <p><b>8. Mr. Monthon Chatuwatlopkul</b></p> <p>Director</p>  | <p><b>9. Mr. Theerachai Leenabanchong</b></p> <p>Director<br/>Executive Director</p>                                       |
| <p><b>10. Ms. Usara Pattatang</b></p> <p>Director<br/>Executive Director</p>  | <p><b>11. Ms. Laphassarin Kraiwongwanitrueng</b></p> <p>Director<br/>Executive Director</p>  |  |

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



- |   |   |   |
|---|---|---|
| <p><b>1. Mr. Wutichai Leenabanchong</b></p> <p>Chairman of the Board<br/>           Acting Chairman of Executive Board<br/>           Chairman of Nomination and Remuneration Committee</p> | <p><b>2. Police Lieutenant Sivaraks Phinitcharomna</b></p> <p>Director<br/>           Independent Director<br/>           Chairman of Audit Committee</p> | <p><b>3. Mr. Pianchai Thawornrat</b></p> <p>Director<br/>           Independent Director<br/>           Audit Committee<br/>           Nomination and Remuneration Committee</p>  |
| <p><b>4. Dr. Nathee Naktnasukanjn</b></p> <p>Director<br/>           Independent Director<br/>           Audit Committee</p>  | <p><b>5. Mr. Theerachai Leenabanchong</b></p> <p>Director<br/>           Managing Director<br/>           Executive Director</p>                          | <p><b>6. Mr. Monthon Chatuwallopkul</b></p> <p>Director<br/>           Deputy Managing Director<br/>           Executive Director<br/>           Nomination and Remuneration Committee<br/>           Company Secretary</p> |
| <p><b>7. Mr. Surapat Chomrat</b></p> <p>Director<br/>           Executive Director</p>  | <p><b>8. Mr. Suthitsak Tanachoteporamat</b></p> <p>Director<br/>           Executive Director</p>   |   |

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



- |   |  |  |
|---|--|--|
| <p><b>1. Mr. Wutichai Leenabanchong</b><br/> Chairman of the Board<br/> Chairman of Executive Board<br/> Acting Managing Director<br/> Remuneration Committee</p> | <p><b>2. Mr. Worawit Siriwatwimol</b><br/> Director<br/> Independent Director<br/> Chairman of Audit Committee<br/> Chairman of Remuneration Committee</p> | <p><b>3. Mr. Wichian Sopanpanichkul</b><br/> Director<br/> Independent Director<br/> Audit Committee<br/> Remuneration Committee</p> |
| <p><b>4. Associate Professor Pison Udomworarat</b><br/> Director<br/> Independent Director<br/> Audit Committee<br/> Remuneration Committee</p>                   | <p><b>5. Mr. Jesada Sornsuk</b><br/> Director<br/> Executive Director</p>  | <p><b>6. Mr. Monthon Chatuwallopkul</b><br/> Director</p>  |
| <p><b>7. Mr. Theerachai Leenabanchong</b><br/> Director</p>   | <p><b>8. Mr. Pipit Jaovisidha</b><br/> Director<br/> Executive Director<br/> Company Secretary</p>   |  |



### 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
4. **Ms. Laphassarin Kraiwongwanitrungrung**  
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 Kraiwongwanitrungrung**  
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>	: 1011 Supalai Grand Tower, 17 <sup>th</sup> Floor Rama III Road, Kwaeng Chongnonsi, Khet Yannawa, Bangkok 10120
<b>Registered Capital</b>	: Baht 1,117,712,067
<b>Paid Up Capital</b>	: Baht 745,141,929
<b>Share Value</b>	: Baht 1 per share
<b>Registered Number</b>	: 0107536000935
<b>Telephone</b>	: 0-2049-1041
<b>Fax</b>	: 0-2049-1045
<b>Website</b>	: www.cenplc.com

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

#### 1. Ua Withya Public Company Limited

<b>Nature of Business</b>	: Produces and Services (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)
<b>Number of Shares Company holds</b>	: Amount of 5,233,003,750 shares or 39.76 percent

#### 2. 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>	: 1011 Supalai Grand Tower, 17 <sup>th</sup> Floor Rama III Road, Kwaeng Chongnonsi, 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>	: 0-2049-1001
<b>Fax</b>	: 0-2049-1005-6
<b>Website</b>	: www.rwi.co.th

**Number of Shares Sold** : Registered of capital of Baht 450,000,000 and Paid up capital of Baht 318,182,593 which consists of 636,365,186 ordinary shares as par value of 0.50 Baht

**Number of Shares Company holds** : Amounting of 4,839,991 shares or 69.83 percent

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

**Name of company** : Enesol Company Limited

**Nature of Business** : Manufacturer and distributor of electrical and heat energy to SCG Ceramic Public Company Limited and Susoko Ceramic Company Limited

**Office Address** : 1011 Supalai Grand Tower, 17<sup>th</sup> Floor Rama III Road, Kwaeng Chongnonsi, Khet Yannawa, Bangkok 10120

**Telephone** : 0-2049-1041

**Fax** : 0-2049-1045

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

**Factory Address (Thai-German Ceramic Industries)** : 61 Moo 1 Nong Kae Industrial Estate Tambon 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 3,025,000 ordinary shares (par value of Baht 100)

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

### **4. 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

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

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

**Nature of Business** : Contractors and Tunneling

**Office Address** : 1011 Supalai Grand Tower, 17<sup>th</sup> Floor Rama III Road, Kwaeng Chongnonsi, Khet Yannawa, Bangkok 10120

**Telephone** : 0-2049-1041

**Fax** : 0-2049-1045

**Number of Shares sold** : Issued of common shares as 150,000,000 shares and paid up capital of Baht 144,000,000 consists of 1,500,000 ordinary shares as par value of Baht 100  
Baht or 150,000,000 Baht. Paid up capital equals to 1,440,000

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

**6. 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** : 1011 Supalai Grand Tower, 17<sup>th</sup> Floor Rama III Road, Kwaeng Chongnonsi, Khet Yannawa, Bangkok 10120  
**Telephone** : 0-2049-1041  
**Fax** : 0-2049-1045  
**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

**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** : Dr.Suwatchai Meakhaamnouychai  
C.P.A. Registration No. 6638  
Deloitte Touche Tohmatsu Jaiyo Audit Company Limited  
11/1 AIA Sathorn Tower, 23-27 Floor, South Sathorn Road,  
Kwang Yannawa, Khet Sathorn, Bangkok 10120  
TEL: 0-2034-0000 FAX: 0-2034-0100

**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 2018, 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

In a meeting of Board of Private Sector Collective Action Coalition Against Corruption Council :CAC) No.4-2018 and on February 4, 2019 resolved Capital Engineering Network Public Company Limited certified as a member of Thailand's private sector –Collective Action Coalition Against Corruption Council

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) 049-1041 E-mail: [wutichai@cenplc.com](mailto:wutichai@cenplc.com)
- Corporate Secretary  
TEL: (02) 049-1041 Ext: 1021 E-mail: [kenika@cenplc.com](mailto:kenika@cenplc.com)

## Compliance with good corporate governance principles in other matters

Board of Director has priority on corporate governance by conducting the business ethically, respect the rights and be responsibilities to shareholders and stakeholders for beneficial on society, develop and reduce affect to society as well as create value for company and its subsidiaries so can be competitive with good business turnover and take long term affect into consideration. By this, be able to adapt under any chances which can categorize as follows:

### **Practice 1 Right of Shareholders**

The company has given a chance for shareholders to be in a part of corporate governance to comment on business operation by emphasis on good guidelines' for shareholders meeting in term of quality on invitation letter to Shareholders meeting, Minute of Shareholders' meeting, roles and attendance of chairman and sub-committee specified in the Minute of Shareholders' meeting order for shareholders acknowledge results of meeting and to verify the accuracy through Stock Exchange of Thailand (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 encourages 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)

## **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)

### **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](mailto:kenika@cenplc.com) or TEL (02) 049-1041 ext. 1021

### **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 2018, there is no Extraordinary Meeting of Shareholder.

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

1. The company has notify resolution from Board of Director meeting as schedule 2018 Annual General Meeting of Shareholders together with agendas and related information in both Thai and English version since February 23, 2018 which is 2 months in advance on company's website [www.cenplc.com](http://www.cenplc.com) and through SETSMART for shareholders beneficial to arrange their time to attend the meeting
2. Public invitation letter together right relate documents in both Thai and English version on company's website [www.cenplc.com](http://www.cenplc.com) on March 21, 2018 for more than 30 days before shareholders meeting date for shareholders to go through documents before attend the meeting
3. The company has assigned Thailand Securities Depository (company's securities registrar) to deliver invitation letter (includes related documents) before the shareholders meeting started however they has send the invitation letter (includes related documents) 22 days in advance (Postal Date April 4, 2018) for shareholders to go through documents



- In case there are foreign shareholders or any institution – company has send invitation letter together related documents (English version + Thai version) to encourage all types of shareholders including institution to attend the meeting
4. The company has advertised in newspaper called “Kaohoon” for 3 consecutive days (April 2 – 4, 2018) which is 24 days before date of shareholders meeting on notice to inform shareholders sufficiently in advance to prepare for the meeting
  5. The company opened a chance for shareholders to send any questions related to agendas in the meeting before date of shareholders’ meeting since March 24 – April 23, 2018 and submission procedure and invitation letter through following channels:
    - Company’s website [www.cenplc.com](http://www.cenplc.com)
    - E-mail: [Kenika@cenplc.com](mailto:Kenika@cenplc.com)
    - Registered Mail to  
Mrs. Kenika Ngamcharoensathaporn (Corporate Secretary)  
Capital Engineering Network Public Company Limited  
1011 Supalai Grand Tower, 17<sup>th</sup> Floor, Rama 3 Road,  
Chongnonsi, Yannawa and Bangkok 10120
- Year 2018 – There is no shareholders send question in advance
6. The company has provides facilities to shareholders who unable to join the meeting can give proxy to Independent Directors or any other person to attend the meeting on their behalf by using any proxy form (attached in invitation letter)
  7. 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.
  8. For every foreign shareholder including institution appointed custodian as depositary and take care of shares thus company is coordinator of documents and evidence to show in advance in order to make registration more convenient

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

1. The company has scheduled 2018 Annual General Meeting of Shareholders on Thursday 26 April 2018 at 2.00 pm, Convention Room, 33th Floor, Supalai Grand Tower, No.1011, Rama 3 Road, Chongnonsi, Yannawa, Bangkok 10120 which is the same building of company’s office however the company has policies to encourage and facilitate to shareholders including shareholders from institution whom attend the meeting. We have selected shareholder meeting venue which access to public transport to facilities shareholders to travelling attend the meeting
2. 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
3. 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
4. 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

2018 Annual General Meeting of Shareholders held on Thursday, April 26, 2018 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 in totaling of 1 person namely Miss Nuntika Rimviriyalert from Price Waterhouse Cooper ABAS Company Limited and 2018 Certified Public Account in totaling of 3 namely Dr. Suwatchai Meakhaamnouychai, Miss Kamolthip Rattananantawatee and Miss Orraya Tilokrattanakul and Legal Counsel (Mr. Nattawat Tumawong) from Banchong and Wittaya Law Office to attend the meeting as votes counting inspector for this meeting to be transparently, in accordance with law and company's Article of Association thus there is volunteer representing the rights of shareholders from Thai Investor Association for observation

1. Before started agendas 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

Results of voting in the meeting can be summarized as follows:

- 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
- Voting is done openly by having ballot for shareholders/proxies as company distribute ballot to shareholders / proxies started from beginning of the meeting 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

2. The company has process meeting respectively agenda as specify in invitation letter to shareholders no added or changes information without notices to shareholders and allocate time to be appropriately enough to present of issues in each agenda

If shareholders wish to add more agenda during the process of meeting apart from mentioned in the invitation letter then this must be approved from shareholders with the vote not less than 1 in 3 who have right to vote in the meeting

Year 2018, there are 3 shareholders questioned which Chairman and relevant Directors clearly respond to the questions thus company has noted in minute of meeting both questions – answers in writing

For year 2018 Annual General Meeting of Shareholders held on April 26, 2018 has conclude voting in each agenda as follow. The company has disclosed resolution of this meeting on company's website ([www.cenplc.com](http://www.cenplc.com))

Agenda	Agreed			Disagreed			Abstained			Voided Ballot		
	No	Shares	%	No	Shares	%	No	Shares	%	No	Shares	%
1-3	51	367,122,703	100.000	-	-	-	-	-	-	-	-	-
4	52	367,122,903	100.000	-	-	-	-	-	-	-	-	-
5	53	367,122,903	100.000	-	-	-	-	-	-	-	-	-
6-7	54	367,122,903	100.000	-	-	-	-	-	-	-	-	-

### **Importance agendas as appeared in Invitation Letter are 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 in accordance with policies and criteria for determining the remuneration. By this, company has proposed remuneration to shareholders meeting for approval annually which can be divided into compensation as money is the meeting allowances and no pay for other benefits and disclose remuneration individually in annual report as title of "Shareholding Structure and Management No.2 Management Structure as sub title of Remuneration of Directors and Executives" and Form 56-1 title of "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**

1. 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.

2. 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.

3. 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.

## 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 13, 2018
- Board of Directors, their mate and child under 20 holding shares together equals to 4.91% which is not more than 25% of shares sold
- Free Float equal to 73.42% 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 7.29% of total outstanding shares.

## Practice 2 To treat shareholders equally

The company has treat shareholders equally whether major shareholders, minor shareholders, every institute investor or foreigner which company gives importance and determine tools that encourage equality; irrespective of gender, age, race, nationality, religious beliefs, social status, disability or political opinion by determine process that facilitate shareholders to participate in the meeting without getting too much hassle and without restriction by follows:

### 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 2018, the company has 1 time of shareholders meetings held on Thursday, April 26, 2018 and totaling directors of 11 attended the meeting by assigned to Thailand Securities Depository (company's registrar) to deliver invitation letter to shareholders 22 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 2018 Annual General Meeting of Shareholders held on Thursday, April 26, 2018 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>2,982</b>	<b>745,141,378</b>	<b>100.00</b>
Shareholders attend the meeting	54	368,162,903	49.41
• Attend by themselves	23	50,362,250	6.76
• Proxies	31	317,800,653	42.65
<b>Proxies to Independent Director and Audit Committee</b>	<b>22</b>	<b>304,933,143</b>	<b>40.92</b>
<b>Proxies to others</b>	<b>9</b>	<b>12,867,510</b>	<b>1.73</b>

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

(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 2018 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 2018 Annual General Meeting of Shareholders and disclosed report of this and images through company's website within 14 days after meeting held with sufficient details as including questions – answers happened in the meeting. Moreover, shareholders whom unable to attend the meeting can check minute of the meeting from company's website thus company has published its shareholders meeting images on company's website as well.

## **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 2018, 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 2018, 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**

1. 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

2. 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.

3. 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.

4. 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 2018, 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 2018 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 2018 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 2018 company has omit dividend payment for year 2017 business operation which has net profit of 6.92 Million Baht due to company need to reserve cash for working capital and investment in some projects.

The company has informed business operation accurately every semester and disclosed when entering into related transaction under same conditions with external parties through SETSMART of The Stock Exchange of Thailand also company's website.

By this, every company shareholders has invited to 2018 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	121	76.10%
Training less than 6 hours	38	23.90%
<b>Total employee as end of 2018</b>	<b>159</b>	<b>100.00%</b>

Name of Training Program	Number of Hours
Conserve hearing danger of loud noise Year 2017	6
Safety Committee (Kor.Por.Or) Session 1	12
ISO 14001:2015	6
Safety Committee (Kor.Por.Or) Session 2	12

Name of Training Program	Number of Hours
Process Safety Management	18
Identification Hazards & Risk Assessment)	12
Productivity by 5S	6
Thai Financial Report Standards (TFRS) toward company risk management	6
Project to clarify the knowledge of Social Security Office	6
Technique for procurement to keep up and meet needs in 4.0 era	6
Safety Officer for Supervisor Level	12
Crane Operator overhead/ signal provider / Crane Operator	15
Safety Officer for Management Level	12
Progress Safety Management PSM	12
Health and Working Environment on Electricity, 2015 session 1	3
<sup>2</sup> Health and Working Environment on Electricity, 2015 session 2	3
General safety, health and environment in the workplace (new employee)	6
Safety Committee (Kor.Por.Or) Session 3	12
Boiler Controlling Operator	36
Mechanical Testing	6
Basic Fire Fighting	6
Anti-Corruption Policy Session 1-4 as 3 hours/session	12
Create Human Resource Development Plans and Prepare the training	6
Prepare the establishment regarding the compliance with the employment law for the disabled.	6
Prepare for the development of labor potential to increase capacity	6
Keep pace with environmental laws in the era of Thailand 4.0	6
I-EA-T new era, honest without corruption	3
Labor Law and Personnel Management	6
Fever, grievances, important laws in factory operations and building an environmental network	6
Project to prepare to comply with the Act for Promotion of the Department of Skill Development and E-service System	6
Sustainable solutions in the industry	6
Learn/doing cash flow	6
Laboratory certification Test according to standards ISO/IEC 17025:2017	12
<b>Total 33 Training Program</b>	<b>294</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 have communicated 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
UWC	100 but not more than 500	7	400	15	2	17
RWI	100 but not more than 500	7	159	12	1	13

Safety Officer	UWC			RWI		
	Amount			Amount		
	Male	Female	Total	Male	Female	Total
1. Jor.Por. (Executive Level)	11	3	14	5	2	7
2. Jor.Por. (Supervisor Level)	18	7	25	31	6	37
3. Jor.Por. (Professional Level)	1	1	2	1	-	1
<b>TOTAL</b>	<b>30</b>	<b>11</b>	<b>41</b>	<b>37</b>	<b>8</b>	<b>45</b>

Details	UWC	RWI
Accident statistics	31	10
Leave statistic due to sickness		
• Less than 3 days	7	8
• More than 3 days	14	2

**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 2018, 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

Boards of Directors play intention to relationship on building and taking care of customers therefore company and its subsidiaries holds honesty and fair for doing their business operation, not violate right of customers/ treat customers equally which base on fair competition for both parties

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 2018, 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 2018, 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 2018, 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 2018, 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 and good responsibilities among society continuously

Subsidiaries has certificate for work place of drug free 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 and its' subsidiaries has set policies to employee to user resource effectively in all process related business operation for highest return by taking environmental affect into consideration as define measurement to prevent and mitigate effect that may occur systematically

The company and its' subsidiaries using resources efficiently and effective in term of cost, control energy consumption and create awareness for organization and build employees to be involved in energy efficiency in all aspects such as electricity, oil and water supply continuously both workplace and home. Be aware on energy saving and to acknowledge effects of global warming

- 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 2018, 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 its subsidiaries has policies on anti-corruption by making “anti-bribery and anti-corruption policy” and practical on “business ethic” coupled with stakeholder to directors, executive and employees to get involve and practice honestly

The company and its subsidiaries has support on anti-corruption in all forms by prohibiting directors, executives and employees to accept and support all forms of corruption either directly or indirectly along with practice in accordance to related regulations, announcement of Law and rules

In a meeting of Board of Private Sector Collective Action Coalition Against Corruption Council :CAC) No.4-2018 and on February 4, 2019 resolved Capital Engineering Network Public Company Limited certified as a member of Thailand’s private sector –Collective Action Coalition Against Corruption Council

## **Training and Communication**

Year 2018; company and its’ subsidiaries has training and give knowledge to employees on policies and guidelines on anti-corruption including related information such as business ethic, gift and entertaining- every level of employees can access through various policies via internal communication system – company news board as well as communicating on anti-corruption among partners, business partners which include business agents through appropriate channels in order to acknowledge and practice together.

## **Guidelines for supervision and control to prevent and monitor fraud risks**

The company and its subsidiaries has practical related to supervision and control in order to prevent and monitor fraud risks can be summarized as follows:

1. Arrange reviews on internal control and risk management which cover every importance system such as procurement system, sales system and accounting system. By this, in order to prevent and follow risk from anti-corruption includes proposals regarding appropriate improvement guidelines
2. Provide communication channel for give any clues, violation of laws, regulations, article of association or any practice among anti-corruption (policies on protecting person who gives clues and keep a secret. There are measures to check and determine disciplinary action of relevant law firm the company will notify operation results to acknowledge in writing
3. Chief of the relevant department is responsible for following up, adjust or improve and errors and report to supervisor respectively

## **Guidelines for monitoring and evaluating performance in accordance to anti-corruption**

Board of Directors has assigned to Risk Management Committee to supervise and assess risk throughout the organization for support anti-corruption – consider each activity about risk, analyze, evaluate opportunities and impact. The results of assessment will help company to create a risk management plan and create appropriate risk control systems for changing environments

Board of Directors has determined guidelines for monitoring and evaluating compliance with anti-corruption policy as follows:

- 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 sup reviewing 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)



Year 2018, the company has practices and strictly complies with policy as results of no any abnormalities

#### **Policies and guidelines for giving or receiving gifts or other benefits**

1. The company and its subsidiaries has policies on receiving gifts or other benefits from those involve in business with company, executives and employees thus they may receive gifts as conventional without affecting any business decision which can be disclose and transparently
2. Such gift shall not be in cash or cash equivalent (eg; gift card/voucher)
3. In case cannot refuse and have to receive gift then need to report to supervisor and record all details on gift and send such gifts to Human Resource Department to be use as gift to employees or donate for charity as appropriate

Year 2018, the company has no gift or other benefits

#### **Whistle Blowing or complaint**

The company has good corporate governance and rights to employees to communicate, complaint when finding matter that may be fraud either direct or indirect- breaking law, business ethic or infringement as well as behavior that may be a problem or cause damage to the company or not being fair which includes any suggestion related to company's business operation. The company provides channels for reporting clues and complaints as follows

1. Through company's website [www.cenplc.com](http://www.cenplc.com)
2. Through Email / Telephone
  - Executive Chairman  
TEL: (02) 049-1041                      E-mail: [wutichai@cenplc.com](mailto:wutichai@cenplc.com)
  - Corporate Secretary  
TEL: (02) 049-1041 Ext: 1021      E-mail: [kenika@cenplc.com](mailto:kenika@cenplc.com)
3. Through via post
  - Mr. Wutichai Leenabanchong "Chairman and Executive Chairman" or
  - Mrs. Kenika Ngamcharoensathaporn "Corporate Secretary"  
Capital Engineering Network Public Company Limited  
1011 Supalai Grand Tower, 17<sup>th</sup> Floor, Rama 3 Road  
Chongnonsi, Yannawa, Bangkok 10120
4. Through via Facsimile: (02) 049-1045

Clues, complaints and suggestions will be considered and implemented as appropriate by considering on a case-by-case basis.

Board of Director has assigned Executive Chairman and/or Corporate Secretary is responsible to receive any complaints and recommendation of stakeholders to Executive Committee and/or Audit Committee and/or Risk Management Committee by investigate and report to Board of Directors respectively.

Year 2018, in the past company and its subsidiaries has no complaint on giving or receiving bribes for beneficial to company

#### **Whistle Blowing**

1. 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

2. 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

3. 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

4. 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 2018 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

#### **Practice 4: Disclosure and Transparency**

##### **Disclosure importance information**

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 2018, 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.

- **To report business operation quarterly** The company normally report business operation every quarter in case net profit in accordance to latest Financial Statement changes from Financial statement (same period of previous year) more than 20 percent then company will describe those changes through SETSMART (The Stock Exchange of Thailand) and company's website [www.cenplc.com](http://www.cenplc.com)

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 2018, 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 2018, Board of Director has resolved 1 related transaction which happened from subsidiaries as being accepting and/or 1 transaction 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 positon of directors, executives and Securities and Exchange Commission as following manner:

As measure and policies to comply with guideline set out as follow:

- 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 2018 – 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 2018, 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.

Year 2018 the company has disclosed details in Annual Report by separating as part of Corporate Social Responsibility (CSR) Report

**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 2018, 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

Apart from this, disclosure of financial statement and other information to The Stock Exchange of Thailand and Securities and Exchange Commission through various channel by accurate, complete and on time however the company disclose 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

**17. Public information and company’s news** through company’s website

### **Channel for dissemination of company information**

Disclosure of information accurately and transparently through provided channel for benefit to related person

1. There is Investor Relation Department – channel to communication with investor

The company has specify person who will be a center for disclosing importance information to investors and related person to facilitate any stakeholder

Kenika Ngamcharoensathaporn

Corporate Secretary, compliance and investor relation

TEL: (02) 049-1041 Ext: 1021 FAX: (02) 049-1045

E-mail: kenika@cenplc.com

2. The company and its subsidiaries has acknowledge, create understanding on subsidiaries' business e.g. student affairs access to entire system and visit factory (subsidiaries) thus executives will be an educator in order to understand basic aspects of production (from beginning till the end of production process)

3. Importance information as public on company's website are as follow:

- Shareholding Structure
- Organization Chart
- Article of Association
- Good Governance
- Anti-Corruption Policies
- Code of Conduct
- Employees Ethic
- Report Committees
- Social Responsibility Report
- Annual Report (Form 56-2) and Annual Registration Management (Form 56-1;Thai version only)
- Financial Statement every quarter

### **Practice 5: Responsibilities of Boards**

Board of Directors realizes that they have importance roles on good governance for highest return to company; understanding and responsibilities are key words. Roles of Board of Director, Audit Committee, Remuneration Committee, Risk Management Committee and Management should be clearly separated as ensure on such activities are legitimate

In order to practice their duties effectively; Board need to revise their structure by selecting any person with appropriate ability to hold the position of director, consideration on remuneration of director and propose to shareholder meeting for approval. Guidelines for the implementation of operations in subsidiaries as follows

#### **1. Board of Director Structure**

Board of Directors consists of knowledgeable person with abilities and experiences in many fields e.g. Engineering, Architecture, Economic, Business Administration, Accounting and Finance. All directors has passed training course from Thai Institute of Directors Association (IOD) Such individuals play an important role in determining company's policy with high-level executives on business planning in short term and long term through financing policies, risk management and organization overview

In year 2018, Board of Directors consists of 5 Committees as follows:

1. Board of Directors
2. Audit Committee
3. Remuneration Committee
4. Risk Management Committee
5. Executive Committee



The company has determine and separate power of each committee – importance issue need to passed approval of each committee (with specific duties) then propose Board of Director to take into consideration or acknowledge and to counterbalance and review for transparency and fairness to all related parties

After every shareholders meeting; Board of Directors will arrange a meeting to appoint a sub-committee for year 2018 Board of Directors meeting No.3-2018 held on May 15, 2018 resolve to appoint entire sub-committee in totaling of 4 committees 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, 2018 Board of Directors in totaling of 11 people

	Amount			%
	Male	Female	Total	
Director as Executive	3	2	5	45.45
Director as Non-Executive	1	-	1	9.10
Independent Director	5	-	5	45.45
<b>Total</b>	<b>9</b>	<b>2</b>	<b>11</b>	<b>100.00</b>

Board of Directors consists of 5 Independent Director of 45.45% 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

Year 2018 does not appear that company:

- Any acts that are serious contrary as against regulation from The Stock Exchange of Thailand and Securities and Exchange Commission
- Any acts against corruption or code of conduct
- In case there is resignation of director whom not hold executive position due to issue on corporate governance
- Negative reputation of company due to failure to oversee of Board

### Scope of authority of the Board of Directors

In accordance to company's Article Of Association; Director has responsibilities to decide, supervise business operation of company and comply with regulation which has specify authority and responsibilities as details on No.8.1 Board of Director and No.9.2 Sub Committee

### Criteria of Election and appointment of Board of Directors

Board of Directors has qualification, experiences as needs and no prohibits characteristics follows PUBLIC COMPANY LIMITED ACT B.E.2535 and Securities and Exchange ACT B.E 2535 and other related laws thus Directors must have sufficient time to devote their knowledge and ability to perform duties for the company. The company has rules on person who will be elected as company's director in accordance to Article of Association can be summarized as follow:

1. Director who appointed and relieve from Shareholders meeting as period of holding position in accordance to company's regulation when expiration of term then may re-elected unless position is vacant not by rotation then Board of Director will appoint appropriate person in replacement of vacant position



2. The nomination of persons to be elected at the shareholders' meeting in replacement of director who retire by rotation due to currently the company has nomination committee officially but in this nomination; Board of Directors are together for considering qualifications, experiences, specialize in vary kind of fields, vision and virtue, unblemished work history the propose to shareholder meeting for approval
3. In every Annual General Meeting of Shareholders there should be director relieve 1 in 3 if total number of directors cannot divided into 3 parts then give out by number nearest to third part
4. Election of Director by voting right separately – shareholders cannot split their vote
5. The person who have highest votes respectively will being elected as a director equal to the number of directors to be elected at that time ; any director who retied by rotation can be re-elected
6. Shareholders voting – one share = one vote

Year 2018, election of directors in replacement of rotation in 2018 Annual General Meeting of Shareholders held on April 26, 2018 in totaling of 3 names as follows:

1. Mr. Monthon Chatuwatlopkul
2. Asst.Prof.Dr. Suluck Pattarathammas
3. Mr. Chatre Sriutharawong

By this, resolution from 2018 Annual General Meeting of Shareholders approved to reappoint 3 mentioned directors for another term

#### Term of position for Director

1. Board of Directors are appointed from Annual General Meeting of Shareholders in accordance to company regulations as term of position equal to 3 years consistent to PUBLIC COMPANY ACT and when expiration of term then may re-elect. Moreover, Board of Directors to recruit and scrutinize right person to ensure that the person who will be a director of the company has knowledge and experience
2. The company has set age of directors and/or highest term to hold the position continuously by believing that the age or duration of office is not an obstacle If compared with knowledge, ability and each valuable experiences each person have. Moreover, those people might bring beneficial to company as trusted from Board of Directors and shareholders 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.
3. The company has set term of holding position for Audit Committee as well due to shareholder meeting has resolved to approve appointment of directors and audit committee
4. Board of Directors has information to compose consideration on recruitment of Independent Director who retired by rotation thus number of years of holding positions for consideration Both in the invitation to the meeting and the 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	10 Year
2. Mr. Jakkathan	Yothanan	August 26, 2008	10 Year
3.Mr.Yanyong	Wattanawongpitak	December 24, 2012	6 Year
4. Mr. Chatre	Sriutharawong	August 13, 2014	4 Year
5. Dr. Visit	Ongpipattanakul	August 14, 2015	3 Year

## Nomination Committee

Details shown in title of Recruitment and appointment of directors and top management

## Qualification of Directors

Details shown in title of Recruitment and appointment of directors and top management

## Criteria for selection of independent directors and nomination process

Board of Directors will design for selection of independent directors which is currently company has no nomination committee therefore selection process will be in accordance to rules and qualification from The Stock Exchange of Thailand and Market Supervisory Board then propose to Board of Director and shareholders meeting

## Determination of the number of listed companies that directors will serve as directors

- The company requires that each director to be a director of a listed company must not exceed 5 companies so that all directors have the intention and commitment to perform their duties as trusted from Board of Directors and shareholders
- Board of Directors has policies on formulate guideline for director or executive chairman in a group that has knowledge, ability and expertise in that business Also serve as a director subsidiary company

The company has disclosed names and details on holding position of each director in Form 56-1 and Annual Report

- For holding position of director in registered company more than 5 companies  
Year 2018, no director holding position of director in registered company more than 5 companies
- For Independent Director who holds the position of director in registered company not more than 3 companies  
Year 2018, no independent director holding position of director in registered company more than 3 companies
- For executive who holds the position of director in registered company not more than 2 companies  
Year 2018, Mr. Wutichai Leenabanchong is holding position of Acting Chief Executive Officer (holding position of director in registered company "our subsidiary") so in totaling he holds position of director in 2 listed 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.

## 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 2018, 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.

### **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)

### **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:

<b>Sub-Committees</b>	<b>Amount</b>	<b>Independent Directors</b>	<b>Directors as Non-Executive</b>	<b>Directors as Executives</b>
1. Audit Committee	3	3	-	-
2. Remuneration Committee	3	3	-	-
3. Risk Management Committee	3	2	1	-
4. Executive Committee	5	-	-	5

**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, year 2018 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.1-2018 held on February 27, 2018 (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.

- **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.

- **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.

### **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 in order to find the solutions and change operational strategies to suit changing situations

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 2018, 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.

The company has support directors, executive including executive to understand and practice according to business ethic and code of conduct by Board of Director to be used as good example for employees. Apart from this; in the orientation for directors and new employees is provide guideline and everyone need to signed in order to demonstrate as commitment to be guideline for practical in workplace

The company has Audit Committee and internal audit to check, follow the manual which is designated as an annual plan then report to Audit Committee to acknowledge together with suggestion and guidelines for correcting and preventing damage on a quarterly basis

### **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 2018, 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

Year 2018; Audit Committee has completely performed assigned duties from Board of Directors; there is an internal audit help to support those mission to achieve goals (internal auditor) is who has appropriate qualifications to perform the duties. As the results of assessment from internal control system that needs to be corrected including appropriate suggestion as management deems necessary for business operation thus propose to Board of Director in order to be in consideration quarterly.

Internal Audit will report the assessment and review internal audit control to Board of Director quarterly and year 2018 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 case when there is significant risk issues or unusual transaction then will take into consideration for level and size of damage as occur as organization can accepted by taking goals of organization into account

## **4. Boards Meeting**

1. 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.

2. 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.

3. 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.

Year 2018, voting for each agenda need to have 2 in 3 directors of total director



4. 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.

5. If there are any suspect or need more information from related person then Chief Executive Officer will request executives to clarified and in case directors need some information then could contact corporate secretary

6. Board of Directors have given chance to director (not executive) can have a meeting as among themselves as appropriate and acknowledge Board of Directors

7. Board of Directors has set 6 times for Board of Directors meeting which pursuant to Directors, the Company will advance. In case there is urgent cases then could call the meeting as appropriate

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

Year 2018, the meetings are as follows:

- Total number of meeting for Board of Directors equal to 6 times as number of time held meeting are reasonable and sufficient for the duties of the Board of Directors as the nature of the business and every directors who attend the meeting shall attend more than 80% of meeting
- Audit Committee and Internal Audit has schedule meeting with company's auditor quarterly together with inviting representatives from executives to attend the meeting. Year 2018, total number of meeting for Audit Committee equals to 5 times
- Audit Committee has a meeting with executive independently; decision and Suggestion arise from the meeting will acknowledge Board of Directors
- The company has policies for non-executive to called meeting and there is no meeting in year 2018

## 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

### Annual evaluation of Chief Executive Officer

Remuneration Committee will evaluate performance of Chief Executive Officer by the following manners

1. Leadership
2. Performance
3. Practice along with policies and strategy formulation

Year 2018, Remuneration Committee has evaluate Chief Executive Officer performance

## 6. Remuneration of Directors and Executives

Remuneration committee will consider appropriate amount of compensation from experiences, duties, scope, roles, participating and responsibilities of each director as comparing with similar industries and taking business growth into consideration and proposed to shareholders meeting for approval every year.

By this, 2018 Annual General Meeting of Shareholders which held on April 26, 2018 has approved remuneration fees not exceeding 3.5 Million Baht as increased when compared to 2017 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

Remuneration of executives is in accordance to rules and policies which will considers performance based on the roles, duties and responsibilities of each person

In year 2018, there is 1 times of remuneration committee meeting by set remuneration for Directors in year 2018 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

Board of Directors has giving importance to development of directors by encourage directors to attend the seminar or any course that useful in performing duties by focusing on the benefits of education, training that will develop directors in order to gain knowledge that is up to date in the competitive business situation all times also have policies to develop potential of personnel who are executives by providing training both inside and outside organization. In the past, company's directors have attend training program from Thai Institute of Director (IOD) as Securities and Exchange Commission (SEC) requires directors of listed companies must past at least 1 training course such as Director Accreditation Program (DAP) and Director Certification Program (DCP) apart from mentioned courses directors are also give importance to enter into other courses provided by IOD such as Roles of Compensation Committee Program (RCC), Company Secretary; by objective of to enhance professional leadership, have knowledge and understanding truly, prototype on driving organization for good corporate governance. However, every directors have past basic training course of directors; Director Accreditation Program

Year 2018, Directors and Executives has attends seminar as follows:

Director / Executive	Name of Seminar / Training / Joint Activities
Mr. Theerachai Leenabanchong	<ul style="list-style-type: none"> <li>- "Techniques for communicating with analysts for maximum value to listed companies" October 11, 2018 Market For Alternative Investment</li> <li>- "Direction of Thai Economic Year 2019" "Together is Power 2018: Connecting the future" November 22, 2018 By Dr. Kobsak Phutakul Minister of the Prime Minister's Office</li> </ul>
Miss Usara Pattatung	<ul style="list-style-type: none"> <li>- "Ready to handle importance changes related to Financial Report " December 17, 2018 By Stock Exchange of Thailand</li> <li>- " Submission of Annual Report in form of QR Code and Listed Company Solution" December 18, 2018 Thai Listed Companies Association</li> </ul>
Miss Laphassarin Kraiwongwanitrueng	<ul style="list-style-type: none"> <li>- "Director Accreditation Program (DAP)" 150/2018 July 23, 2018 Thai Institute of Director</li> </ul>

Director / Executive	Name of Seminar / Training / Joint Activities
Mr. Khomwuthi Pornnaradol	<ul style="list-style-type: none"> <li>- "Written Documents for anti-corruption measures in the organization" 2/2018 September 3-4, 2018 Federation of Accounting Profession</li> <li>- "Preparation to apply certificate from CAC" November 23, 2018 Thai Institute of Director</li> </ul>
Mrs. Kenika Ngamcharoensathaporn	<ul style="list-style-type: none"> <li>- "Preparation to apply certificate from CAC" November 23, 2018 Thai Institute of Director</li> <li>- "Submission of Annual Report in form of QR Code and Listed Company Solution" December 18, 2018 Thai Listed Companies Association</li> </ul>

- **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:

- 1. Guideline for Director**

- Securities and Exchange Commission ACT (No.4) 2008
- Charter on Board of Directors
- Certificate of registrations on public company limited
- Certificate of Company Registration and Objective of company
- Article of Association
- Policy manual on good corporate governance
- Policy manual on listed company directors of SEC

- 2. 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**

Board of Director realize that personnel who will enter into position of top management such as Chief Executive Officer, Managing Director of subsidiaries and Deputy To Managing Director - Is an important management position and driving the company towards the goal therefore one role of directors is supervision for nomination of such persons must be appropriate and clear. By considering

on knowledge, ability, experiences, determine the compensation structure and have an appropriate assessment and develop people to be in line with directions and strategies

- **Top Management**

Board of Directors realize a succession at executive level especially leadership of organization such as Chief Executive Officer, Managing Director of subsidiaries with objective on making confidence for investor, organization through employees somehow Board of Directors has prepared personnel to assign task in order for replacement position of top management and highest supervisor or all department

1. Define the explanation of word "Top Management" which relevant to organization's goals and strategy including specific qualification, knowledge and required skills
2. Selection of second level from top management with vision, knowledge and ability
3. Analyze qualification individually in order to find strength and other thing need to be improved

Board of Directors has meeting with executives, top management, secondary top management (succession plan) together with executive chairman by monthly - Meeting of the performance of the company and subsidiaries as part of supporting the succession plan

By this, executives has continuous monitor and evaluate on performance of individual who will be promoted to hold the position of executives thus to be consider and propose to Board of Director meeting for approval

- **Position of the highest supervisor**

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 Executives, Top Management and Secondary Top Management (succession plan) together with 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.

## **9. The process on Anti-Corruption**

Board of Directors continuously raising awareness and promoting good corporate governance culture to directors, executives and employees in order to access any risks happened in operation thus internal audit act as appraiser

In year 2018, Audit Committee has set up risk report on corruption in every quarter, showing no irregularities

The company has some communicated and public practice in accordance to business ethic and anti-corruption policies by following channels:

- Give orientation to new employees
- [www.cenplc.com](http://www.cenplc.com)
- Publicize through Brochures / Public Relation Board

In the process of expanding partners of company and its subsidiaries to a wider society in conducting business with transparency

## 10. Survey Results on Corporate Governance of Listed Companies

Year 2018, Thai Institute of Director jointly with Securities and Exchange Commission and Stock Exchange of Thailand announce survey results regarding corporate governance of listed companies for year 2018 in totaling of 657 companies by evaluating from 2017 Annual Report and information which revealed to public thus company The company received “very good” survey results.

Score Range	Meaning
90-100	Excellent
80-89	Very Good
70-79	Good

### Criteria and weight use in assessment

Section	Criteria (No.)		Weight (%)	
	2018	2017	2018	2017
1. Right of Shareholders	32	32	15	15
2. To treat shareholders equally	19	19	10	10
3. Roles of stakeholders	29	29	20	20
4. Disclosure and Transparently	53	53	20	20
5. Responsibilities of Board	108	108	35	35
<b>TOTAL</b>	<b>241</b>	<b>241</b>	<b>100</b>	<b>100</b>

### Corporate Governance Assessment Results Details are as follows

Section	Year 2018 (%)	Year 2017 (%)
1. Right of Shareholders	96	96
2. To treat shareholders equally	91	91
3. Roles of stakeholders	93	90
4. Disclosure and Transparently	89	87
5. Responsibilities of Board	73	75
<b>Average Scores</b>	<b>85</b>	<b>84</b>

## 11. Bring good corporate governance of listed companies to be use

According to Securities and Exchange Commission (SEC) has issue Corporate Governance Code: CG Code) which will be used instead of regulatory principles for listed companies year 2012 of

Stock Exchange of Thailand to apply or explain with appropriate practices as beneficial to company and in accordance to announcement from Securities and Exchange Commission

Moreover, Board of Directors realized to be involved for developing corporate governance in accordance to CD Code year 2017 in totaling of 8 by follows:

<b>Code 1</b>	Establish Clear Leadership Role and Responsibilities of Board
<b>Code 2</b>	Define objective that Promote Sustainable Value Creation
<b>Code 3</b>	Strengthen Board Effectiveness
<b>Code 4</b>	Ensure Effective CEO and People Management
<b>Code 5</b>	Nature innovation and Responsibility Business
<b>Code 6</b>	Strengthen Effective Risk Management and Internal Control
<b>Code 7</b>	Ensure Disclosure and Financial Integrity
<b>Code 8</b>	Ensure Engagement and Communication with shareholders

The company has realized corporate governance by seeing that principles are beneficial to company in term of development so company has practices in accordance to CG Code as appropriate to business of company (most of data links from CG to CG Code) thus some topics are being study to be adapt and suitable to context of company; resolution from Board of Directors meeting No.1-2019 has resolved to adopt good corporate governance for listed companies year 2017 to be deployed according to company's business context and relevant to Securities and Exchange Commission regulations

Year 2018, The Company has practices in accordance to suggestion of IOD by considering the suitability of the company but there are still some things that company does not fulfill all the requirements, namely

1. **The company should give a chance to shareholders to propose agenda or send some question related to company in advance (before date of shareholders meeting)**  
Board of Directors has acknowledge and have comments that company has schedule agendas for shareholder meeting completely in accordance to company's Article of Association and give a chance to shareholders to send some question related to agenda in the meeting (as mentioned in invitation letter to shareholder meeting)
2. **The company should give a chance to shareholders to propose name of director before date of shareholders meeting**  
The company has acknowledged and has commented; that company has recruit people into position of Directors. Presently, is appropriate for the business of the company without any actions that are in conflict with the equitable treatment of shareholders
3. **The Company should have Social Responsibility report which can be includes in Annual Report or separated in accordance to Global Reporting Initiative (GRI)**  
The company has acknowledged and has commented which include in Annual Report
4. **The company should disclose details of remuneration for CEO**  
The company has acknowledged and has commented; currently there is no other compensation apart from remuneration for director
5. **Director should clearly specify the term of office of independent directors in the corporate governance policy by not more than 9 years without exception**  
The company has acknowledged and has commented; presently there are 2 people of Independent Director who holds the position more than 9 years however, Board of Directors seems that independent director are fully qualified according to qualification of independent director of company and requirement of Capital Market Supervisory



Board who is capable and independent expression includes well perform in term of independent director, have counterbalance in term of management, can examine as adhere under good corporate governance thus shareholders' meeting is the only person to approve election of directors and independent directors

**6. The company should set policies on minimum quorum number as voted in the Board of Directors' meeting that Must have at least 2 in 3 of the total number of directors**

The company has acknowledged and has commented; company has practices in accordance to Article of Association as directors should attend the meeting not less than half of total directors

**7. Board should provide evaluation on performance of Board and Sub-Committee by disclosing the process and criteria for assessment**

The company has acknowledged and has commented; Board of Directors has been approving from Board of Directors which has considered various features such as knowledge, abilities and experiences (in accordance to company's regulation, regulation from Stock Exchange of Thailand and Securities and Exchange Commission. Each director has practice according to company's regulation and charters strictly. Therefore ensuring that the work of each committee is in accordance with the principles of good corporate governance although there is no evaluation of the performance of the entire committee

**8. Board should arrange for an individual performance evaluation by disclosing the process and criteria for assessment**

The company has acknowledged and has commented; Board has considered various fields such as knowledge, abilities and experiences in accordance to rules of company and regulation from The Stock Exchange of Thailand and Securities and Exchange Commission. Each director has practice according to company's regulation and charters strictly. Therefore ensuring that the work of each committee is in accordance with the principles of good corporate governance although there is no evaluation of the performance of the entire individually

**9. Board should arrange for CEO performance evaluation**

The company has acknowledged and has commented; CEO has been approved by Board of Directors which has considered various features such as knowledge, abilities and experiences, leadership skills through organization and practical in term of CEO by using their experiences as recommend policy to the company Therefore ensuring that the operation relevant to understanding of good corporate governance strictly although there is no evaluation of performance for CEO

**10. Chairman should be independent director and should not be the same person of top management**

The company has acknowledged and has commented; Board of Directors meeting No.3-2018 has resolved to approve Mr. Wutichai Leenabanchong to hold the position of Chairman and Acting of Chief Executive Officer (authorized person as well). By this, company believe that chairman has practice his role by understanding on corporate governance strictly

**11. Board should schedule meeting for remuneration committee at least 2 times/year**

The company has acknowledged and has commented; Meeting for remuneration committee has held as appropriated

**12. Board should appoint nomination committee**

The company has acknowledged and has commented; selection process for directors The Board of Directors jointly considers individuals with various qualifications which are suitable for company business operation

**13. Board should appoint CG Committee**

The company has acknowledged and has commented; The Company has corporate secretary and compliance department which could be able to operate fully and in accordance to principles of good corporate governance and CG



# Corporate Social Responsibility



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## Message of Executive Chairman and Chief Executive Officer

Throughout business operation; company and its subsidiaries has committed to creating sustainable development in society through business activities of the company and its subsidiaries. By leading the sufficiency economy philosophy of His Majesty King Bhumibol Adulyadej as guideline to conduct the business operation by pay attention to management system and production process as use of resources most effectively and less effect to environmental, communicate with relevant people in order to understand in the same direction, to build strength and immunity for the company and its subsidiaries (taking stakeholders into account) with regard to stakeholders in all aspects, create value and benefits for both business and society at the same time

Year 2018, company and its subsidiaries doing business in order to create sustainable organization by promoting consciousness cultivation for employees to understand, executives have access to and jointly develop both in the organization, community and society. Therefore company and its subsidiaries realized on safety of production toward customers and environmental friendly; and from creating a clear business standard, maintain on standard of corporate government, policies on Anti - Corruption in corresponsive to “Good People, Product and Society” , linked to organization strategy

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 Acting of Chief Executive Officer

## Report Information

Capital Engineering Network Public Company Limited has prepare report on Corporate Social Responsibility (CSR Report) by clearly separated as the second year 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, 2018.

### 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 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 : 02-049-1041  
E-mail : kenika@cenplc.com

➤ **Capital Engineering Network Public Company Limited**


1011 Supalai Grand Tower, 17<sup>th</sup> Floor, Rama 3 Road,  
Chongnonsi, Yannawa, Bangkok 10120  
TEL : 02-049-1041  
FAX : 02-049-1045  
Website : <http://www.cenplc.com>




## The importance and participation with stakeholders






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.



### Overview of participation with stakeholders

Stakeholders	Communication Channels	Responding of Expectation
 Shareholders and Investors	<ul style="list-style-type: none"> <li>• Shareholders' meeting</li> <li>• Annual Report</li> <li>• Report on business operation quarterly, disclose information through SET system and company's website</li> <li>• Invertor Relation Department</li> <li>• Directly contact corporate secretary</li> </ul>	<ul style="list-style-type: none"> <li>• Taking care of shareholders according to corporate governance</li> <li>• Support every shareholders, group equally without deprive</li> <li>• Disclose importance transparently ( can examine) in both Thai and English version through provided channels</li> <li>• Clearly policies on dividend</li> <li>• Corporate business in accordance to corporate governance</li> </ul>

Stakeholders	Communication Channels	Responding of Expectation
 <p>Employees</p>	<ul style="list-style-type: none"> <li>• Meeting, Seminar, Training</li> <li>• Schedule activities such as sport Competition</li> <li>• Open for comments e.g. Posts Box</li> <li>• Public relations via voice and posted on announcement board</li> <li>• Electronic media such as Internet</li> <li>• Through supervisor according to line of work</li> </ul>	<ul style="list-style-type: none"> <li>• Establish code of conduct to employees</li> <li>• Supervise and promote quality and stability in life</li> <li>• Equal treatment to employee without discrimination on human right</li> <li>• Pay appropriate compensation and welfare</li> <li>• Promote education and advancement to employee in the fields</li> <li>• Provide communication channel on complain or suggest</li> <li>• Manage work safety and provide necessary facilities in performing duties</li> <li>• Continuously develop potential for employees</li> </ul>
 <p>Community And Social</p>	<ul style="list-style-type: none"> <li>• Communication projects in term of career, education and save environmental</li> <li>• Social activities for community to communicate</li> <li>• Energy conservation campaign protect the environment And efficient use of resources</li> <li>• Listen to comments and complaints</li> </ul>	<ul style="list-style-type: none"> <li>• Practice in accordance to corporate social responsibilities</li> <li>• Supporting community and society overall</li> <li>• Shares knowledge, organization skill to social in term of career</li> <li>• Project for community in term of career, education and save environmental</li> <li>• Anti – Corruption</li> <li>• Keep standard of environment to operate the business</li> </ul>
 <p>Partnership</p>	<ul style="list-style-type: none"> <li>• Explain and support partnership to acknowledge policies and code of conduct in order to operate the business</li> <li>• To visit partnership in order the exchange knowledge, experiences and expertise and listen to problems/suggestion</li> <li>• Fair and Equal</li> </ul>	<ul style="list-style-type: none"> <li>• Practice in accordance to commercial conditions and contract</li> <li>• Fairly completion</li> <li>• Communicate and notice partnership to acknowledge code of conduct in order to operate the business</li> <li>• Exchange knowledge, experiences and expertise</li> <li>• No accept any assets or other apart from commitment in contract</li> <li>• Considering on proper procurement according to regulation</li> </ul>

Stakeholders	Communication Channels	Responding of Expectation
 <p>Customer</p>	<ul style="list-style-type: none"> <li>• Meeting with customers</li> <li>• Communication channel through website/ Electronic Media / Visiting customers / Attend the expo</li> <li>• Survey of needs and satisfaction</li> <li>• Provide channel for customers to complain or suggest in order to improve operation</li> </ul>	<ul style="list-style-type: none"> <li>• Improvement on quality of product to be safe to customers</li> <li>• Innovate to add value on products and service continuously</li> <li>• Maintain customers confidentiality</li> <li>• Provide communication channel to customers to ask, suggest, comment and complaint</li> <li>• Bring any complaints or suggestion to adjust and develop on products in order to meet needs of customer</li> </ul>
 <p>Competitor</p>	<ul style="list-style-type: none"> <li>• Receive information from public</li> </ul>	<ul style="list-style-type: none"> <li>• Operate the business transparently under fairly trade and competition</li> <li>• Not seeking confidential information of competitor through dishonest</li> <li>• Not destroying reputation by accuse against competitors</li> </ul>
 <p>Trade Payable</p>	<ul style="list-style-type: none"> <li>• Annual Report / Responsibilities toward social, community and environment</li> <li>• Through relevant agencies and company's website</li> </ul>	<ul style="list-style-type: none"> <li>• Practice in accordance to inter-trade strictly</li> <li>• On time payment to creditor and as agreement as company use bank transfer method "media clearing" which facilitate creditors</li> </ul>
 <p>Government Agencies</p>	<ul style="list-style-type: none"> <li>• Request legal advice and taxation via phone And the website of the Revenue Department</li> <li>• Legal advice and practices related to operations from relevant government agencies, such as the Ministry of Labor Department of Business Development etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with various laws and regulations related to business operation correctly, transparently</li> <li>• Environmental quality control is better than the standard prescribed by law</li> <li>• Clarification of information with government agencies Fast and accurate supervision</li> </ul>
 <p>Media</p>	<ul style="list-style-type: none"> <li>• Interviewing and give information</li> </ul>	<ul style="list-style-type: none"> <li>• Promote good corporate image</li> <li>• Communicate accurate information, completely ignore false communications Distort the truth or immoral good</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 5 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 Directors (2 Independent Directors and 1 non-executive director) 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.

## **Policy and implementation of social responsibility**

### **1. 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.

#### **Overview of participation with stakeholders**

Board of Directors, Executives and employee has practices according to good corporate governance and follow up performance relevant to operation plans regularly

Year 2018, no situation was found that not relevant to policies and no any complaints from stakeholders

### **2. 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

#### **Competitor and/or creditor**

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 honesty 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

By this, company and its subsidiaries has provide channels to communicates and facilities partnership, customers and stakeholders can complaint and those complaints with fairness

#### **2.1 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 2018, executives and employees has not receive any gifts from trade partner

#### **2.2 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 2018, executives and employees has no process related intellectual property

#### **2.3 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

#### **2.4 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 environmentally friendly procurement of the company and its subsidiaries consists of Legal compliance Control of the production process to be environmentally friendly Energy management, water management, waste management, etc.

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

ISO 9001	ISO 14001
Partner evaluation standards	Partner evaluation standards
1. Quality control of raw material in accordance with standards 2. Deliver raw materials on time 3. Quality of raw material as required	1. Efficient use of resources 2. Waste separation/dumping accurate by type and location 3. There are protection system, contamination control waste to environment 4. Ways to control chemical, materials, raw material and hazardous materials 5. The delivery system uses vehicles that are in good condition and not pollute 6. Prepare for emergencies 7. Safety Health and workplace environment 8. Compliance with environmental regulation 9. Corporate in solving environmental problem 10. No complaints from stakeholders / related Person

#### **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.

#### **2.5 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 2018, 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.

### **3. 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 including no payment policy or any other payment to expedite the process or facilitate

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"

From the company joined the signing of the Collective Action Coalition of the Thai private sector in anti-corruption again on 2 July 2017. The company has provided a policy and guideline for anti-corruption and corruption and bribery for business benefits including disciplinary action to directors, executives and employees at all levels To cultivate good consciousness and discipline Have a moral Leading to a corporate culture

In year 2018, no any complaints in title of Anti-corruption or take any bribe for beneficial

#### **4. 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

#### **5. 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

Policies and Practices among employees to operate the business 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"

#### Recruiting and employment

Capital Engineering Network Public Company Limited Have a policy of recruiting and employment by adhering to the principles of knowledge, ability, fairness, equality, non-discrimination In terms of gender, race, religion, therefore giving importance to care and treatment of employees fairly and on basis of respect for human rights by promoting participation and developing creative thinking to create additional value for employees is an inspiration and a positive attitude towards work Resulting in the development of work to its full potential. The employment policy and labor management of the company Determined in accordance with the guidelines and standards of human rights including job law International standard criteria Company management policy and customer requirements

Year 2018, 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

#### Employment of people with disabilities

The company and its subsidiaries are aware of potential and capabilities of disabled. Therefore providing opportunities for disabled people who are ready to join the organization will makes people with disabilities proud and can reduce their dependence on society in another way. The rate of employment of the disabled person of subsidiary is in accordance with the law.

#### 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

### Welfare and other benefits

The company and its subsidiaries comply with laws related to labor and welfare, aims to encourage employees to have a good quality of life by providing welfare for employees at all levels appropriately In accordance with the job characteristics and social status, support, promote and play a role in organizing various activities as follows

### Enhancing the quality of life and working happily

#### 1. Happy Body

- Annual health checkup
- Substance abuse detection
- Arrange a nursing room and have a doctor



#### 2. Happy Heart

Encourage employee to be Generous to each other

- Blood Donation activities
- Activities supporting the product of the Koh Kok community
- Supporting the activities of Somdej Day Taksin the Great and the Red Cross
- Supporting the Bike Warm Irak activity



#### 3. Happy Society

Encourage love and unity Generous to the community that they work and live to have a good social and environment

- Sharing activities for society
- Children's Day Activity
- Loi Krathong tradition, Khlong Nam Hu community
- Moral Enhancement Project, sharing smiles, children and disadvantaged social families



#### 4. Happy Family

- Watering and blessing activities from adults



#### 5. Happy Relax

- Color Sports Event
- Singing Contest



#### Security Management occupational health and working environment

The Company and its subsidiaries pay attention to compliance with laws, safety and environment clearly and concretely. Including having a safety committee Occupational health and working environment (Kor.Por.Or) Is representative of employees in reporting and recommending measures or guidelines for correcting according to the law and working safety standards in order to ensure the safety of work of the recipient Mao and outsiders who come to work or come to use services in subsidiaries with the following actions

Safety, occupational health and working environment committee						
Subsidiaries	SET BY LAW		AMOUNT			
	Number of Employee	Number Director	Employee	Board of Director		
				Male	Female	Total
UWC	100 but not exceed 500	7	400	15	2	17
RWI	100 but not exceed 500	7	159	12	1	13

Safety Officers	UWC			RWI		
	Amount			Amount		
	Male	Female	Total	Male	Female	Total
1. Jor.Por as Executive Level	11	3	14	5	2	7
2. Jor.Por as Supervisor Level	18	7	25	31	6	37
3. Jor.Por as Professional Level	1	1	2	1	-	1
TOTAL	30	11	41	37	8	45

Details	UWC	RWI
Statistic of Accidents	31	10
Statistic of leave due to sickness		
- Less than 3 days	7	8
- More than 3 days	14	2

#### **Practice in accordance to law on safety and environment**

The Company and its subsidiaries strictly adhere to laws, regulations, and safety and environmental standards. By prescribing a practical guideline through the security policy occupational health and working environment and environmental policy of subsidiaries. There are follow-up checks to comply with laws, rules, regulations and safety standards that are relevant to business operations.

In 2018, there were no cases of violations of the safety and environmental laws and regulations.

#### **Creating safety awareness**

Subsidiaries cultivate safety awareness for employees at all levels by reviewing the roles of safety in the work safety officers, management levels and supervisors. Use of personal safety protection equipment Basic fire-fighting and fire evacuation



Organized the activity "Safety Week 2017"

#### **Measurement of work environment**

The subsidiary has measured the work environment including heat, light, noise, dust, concentration, chemicals or vapors in the work area. To control environmental quality to meet safety standards and held KYT activities every day before entering work



#### **Inspection of various devices To be safe**

The subsidiary has checked the safety of various work systems. By expert technicians to maintain these devices to meet safety standards such as the boiler and boiler systems that use liquid as a heat medium Overhaul crane





### **Chemical management in accordance with the law**

The subsidiary has controlled on use of chemicals in accordance with the law. To prevent harmful to workers' health and environmental impact by creating a safety data sheet (SDS) and informing the list of hazardous chemical names and details of the safety information of hazardous chemicals according to law. Clearly label the chemical container. With training on the correct and safe use of chemicals for workers. There are appropriate and sufficient personal safety protection devices for employees. Prepare control equipment for chemical spills. To reduce the impact on the environment including emergency drills in case of chemical spills continuously every year



### **Emergency Training**

Company and its 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.



## **6. 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	Internship Program - Chiangmai University - Kasembundit University - Kanchanaphisek Technical College Mahanakorn - Rayong Technical College - Rambhai Burni Rajabhat University - King Mongkut University of Technology North Bangkok (Rayong Campus) - Rajamangala University of Technology Isan - Suranaree University of Technology
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Society	<ul style="list-style-type: none"> <li>- Blood Donation</li> <li>- Pour water of revered elders for blessing at Mabthaphut Industrial Estate</li> <li>- Children's Day activities projects</li> <li>- CSR Project share spirit to society</li> <li>- Khlong Nam Hu Community Tradition Project</li> <li>- Koh Kok Community Product Support Project</li> <li>- Local Support Project organizes National Children's Day event</li> <li>- Project to support activities of King Taksin Day and the Red Cross</li> <li>- Project to support the activity of "Bike Oon Irak"</li> <li>- Project to promote morale, share smiles, children and families with disadvantaged society</li> </ul>
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#### **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 share spirit to society**

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 2018, The subsidiary organized a project to support the underprivileged and abandoned children. At the Chaiyapruke Foundation Nakhon Nayok Province



#### **Co-Sponsored Local Children's Day Program**

In 2018, the subsidiary joined the National Children's Day event at Non Khwang Subdistrict Administrative Organization, Ron Thong School, Don Mon School Buriram Province, Small Child Development Center, Noen Krapop Temple and Map Ta Phut Industrial Estate, Rayong Province



### **Complaint from community**

Company and its subsidiaries are aware 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

## **7. Environmental Management**

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 2018 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	Treatment System	Measure Unit	Standard	Measurement
1. Air Emission Quality Monitoring	1) Hydrogen Chloride (HCL)	Scrubber	mg / m <sup>3</sup>	200	7.098
	2) Phosphate	Scrubber	mg / m <sup>3</sup>	-	0.104
	3) Sulfur Dioxide (SO <sub>2</sub> )	-	ppm	60	<1.3
	4) Carbon monoxide (CO)	-	ppm	690	30.80
2. Working Area Air Quality Monitoring	1) Hydrogen Chloride	Scrubber	mg / m <sup>3</sup>	≤2	0.044
	2) Benzene	-	mg / m <sup>3</sup>	≤0.5	0.036
	3) Lead (Pb)	-	mg / m <sup>3</sup>	≤0.05	-
3. Sound Level Monitoring (8 hours working)	8 hrs. (Working hours)		dB(A)	≤90	85.6
	- 1 <sup>st</sup> Drawing	-	dB(A)	≤90	82.4
	- PCW1		dB(A)	≤90	84.0
	- PCW2		dB(A)	≤90	80.3



	Parameter	Treatment System	Measure Unit	Standard	Measurement
	- PCS1		dB(A)	≤90	81.0
	- PCS2		dB(A)	≤90	67.2
	- Wire Rod		dB(A)	≤90	80.9
	- Wire Mesh		dB(A)	≤90	75.8
	- Hard Draw Wire		dB(A)	≤90	86.0
	- Pickling				
4. Heat Stress Monitoring	- 1 <sup>st</sup> Drawing		Degree Celsius	Not more than	31.8
	- PCW1			32 °C	30.1
	- PCW2				30.4
	- PCS1				30.7
	- PCS2	-			30.7
	- Wire Rod				31.2
	- Wire Mesh				31.9
	- Hard Draw Wire				31.9
	- Pickling				31.8

### Chemicals in the atmosphere of UWC

The amount of chemical concentration in the working atmosphere

Measure Index	Unit	Results	Standard
Sodium Hydroxide	mg/m <sup>3</sup>	<0.40	2
Hydrogen Chloride	Ppm	0.016	C 5
Inhalable Dust	mg/m <sup>3</sup>	0.683	15
Zinc Oxide : Inhalable Dust	mg/m <sup>3</sup>	0.303	15

Remark: C = maximum hazardous chemical concentration limit at any time during work process

### Emission of waste air from ENS power plant

Air quality monitoring from the vent chimney According to the announcement of the Ministry of Natural Resources and Environment. The value does not exceed the standard as follows

Sources	Parameter	Unit	Measureable Quantity	Standard
SGI Chimney Fuel Natural Gas	Ø of the chimney	m	1.20	-
	Chimney Temperature	°C	507	-
	Speed of wind In chimney	m/s	3.67	-
	Air volume out from chimney	m <sup>3</sup> /min	248.91	-
	Content of Oxygen (O <sub>2</sub> )	%	16.8	-
	Content of Dust (TSP)	mg/m	5.3	60
	Sulfur Dioxide (SO <sub>2</sub> )	Ppm	<2.4	20
	Nitrogen Oxides in form of Nitrogen Oxides Gas (NO as NO <sub>2</sub> )	ppm	5.8	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 2018 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	8.9
2. Total Suspended Solids (TSS)	50 mg / l	<5.0
3. Total Dissolved Solid (TDS)	3,000 mg / l	1,117
4. Chemical Oxygen Demand (COD)	120 mg / l	<40
5. Zinc	5 mg / l	0.2

### RWI Wastewater Production System

Parameter	Wastewater Treatment	Standard Measurement from Industrial	Measure able 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
8. Color @ Original pH		≤600 ADMI	7.28
9. Color @ pH 7.0		≤600 ADMI	7.28

### 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 - Sort categories for resale	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. Lead gravel	- Bring back into new benefit	GS Electronic Metal Company Limited	

## **8. Business operations that affect social responsibility**

1. The company is being investigated by agency as having authority and duties of the company to violate law in relation to the 8 principles of significance.

-None-

2. The business of the company is part or alleged that is a negative effect on the society, the environment or does not comply with the 8 principles, especially in the case of appearing to the public. Moreover is a case that may affect the business, reputation or trust of the company significantly

-None-

## 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 2018 was 3,268.78 Million Baht or increased 687.49 Million Baht when comparing to the same period of year 2017 which was 2,581.29 Million Baht as increasing of 26.63 percent

Total sales of company and its subsidiaries was 1,688.47 Million Baht or increased 127.89 Million Baht or 8.20 percent when comparing to same period of year 2017 which was 1,560.58 Million Baht due to as follows:

- Subsidiary (Rayong Wire Industries Public Company Limited “RWI”) has total sales from selling its products in 2018 was 1,010.61 Million Baht or increased 85.09 Million Baht (9.19 percent) when comparing to the same period of year 2017 which was 925.52 Million Baht due to increase in sales volume as mainly from Prestressed Concrete Single Wire in the ratio of 49.68 percent and Wire Prestressed Concrete Strand in the ratio of 47.99 percent and other products of 2.34 percent of total sale
- Subsidiary (Enesol Company Limited “ENS”) has total income from selling electricity and heat energy in year 2018 was 237.64 Million Baht or decreased 0.25 Million Baht or 0.11 percent when comparing to same period of year 2017 as amount of 237.89 Million Baht
- 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 10.42 Million Baht as 0.89 Million Baht (7.87%) decreased when comparing the same period of year 2017 which was 11.31 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 7.96 Million Baht as 22.76 Million Baht (74.09%) decreased when comparing to same period of year 2017 which was 30.72 Million Baht
  - Revenue from investment in subsidiaries as concerning from selling electricity to PEA amounting of 422.87 Million Baht as 67.48 Million Baht (18.99%) increased when comparing to same period of year 2017 which was 355.39 Million Baht due to increase in sales volume
- The company and its subsidiaries has total revenue from services as amounting of 1,029.54 Million Baht or 97.41 Million Baht (10.45%) increased when comparing to same period of year 2017 which was 932.13 Million Baht due to UWC has more delivery to customers
- Profit from investment as amounting of 416.78 Million Baht (short term loans) of 10.76 Million Baht and unrealized profit from changes in fair value of investment of 406.02 Million Baht
- Other revenue in year 2018 of 134.00 Million Baht as 45.42 Million Baht (51.28%) increased when comparing to the same period of previous year of 88.58 Million Baht as following details:

Description	2018		2017		2016	
	MB	%	MB	%	MB	%
Profit from temporary investment	-	-	-	-	4.18	6.15
Revenue from selling scrap	53.33	39.80	49.83	56.25	24.56	36.13
Interest income	39.68	29.61	35.55	40.13	32.31	47.56
Revenue from Dividend receive	0.34	0.25	0.98	1.11	0.24	0.35
Other revenue	40.65	30.34	2.22	2.51	6.69	9.81
<b>TOTAL</b>	<b>134.00</b>	<b>100.00</b>	<b>88.58</b>	<b>100.00</b>	<b>67.98</b>	<b>100.00</b>

- The subsidiaries has revenue from selling scrap from raw materials in year 2018 as amounting of 53.33 Million Baht or 3.50 Million Baht increased due to more sale in wire scrap and more productivity
- The company and its subsidiaries has more receive interest in year 2018 of 39.68 Million Baht (interest receive from bank, deposit for guarantee equity trading, finance lease receivable of subsidiary (ENS))
- Company and its subsidiaries has other revenue in year 2018 of 40.65 Million Baht as subsidiary (ENS) received a refund from insurance because the business stopped

## **(2) Gross Profit**

In year 2018 the company and its subsidiaries has gross profit from selling products and services as amounting of 46.25 Million Baht or 1.70 percent decreased when comparing to same period of previous year which was 6.75 percent due to cost of raw materials (steel) increased more than prices same as electricity (more sale in electricity) but still have a burden on cost of power plant (Buriram Province) which cause loss (gross)

- Gross profit from RWI equal to 5.59 percent (increased when comparing the same period of previous year) which was 15.06 percent due to cost of raw material (steel) adjusted higher than selling price. In addition, the company has some deteriorated product management and have set up allowance for deteriorate products which cause company to have decline in gross profit
- Subsidiaries (UWC, WJC) has gross profit from services of 6.77 percent as decreased when comparing to same period of previous year which was 8.52 percent due decline project delivery to customers in year 2018

## **(3) Expenses**

Year 2018, total expenses of company and its subsidiaries for expense equal to 3,311.82 Million Baht as 381.86 Million Baht compared to year 2017 which was 2,929.96 Million Baht as 13.03 increased by following reasons

- Cost of goods sold of 1,711.87 Million Baht as 240.05 Million Baht (16.31%) increased when comparing to same period of previous year which was 1,471.82 Million Baht by fluctuation from sales volume and expenses in term cost from Power Plant in Buriram Province as more selling electricity.
- Cost for services of subsidiaries of 959.89 Million Baht as 107.16 Million Baht increased (12.57%) when comparing to same period of previous year which was 852.73 Million Baht by fluctuation from project deliver to customers
- Cost from selling of 45.80 Million Baht as 5.98 Million Baht increased when comparing to same period of previous year which was 39.82 due to more cost on sales volume and expenses for marketing promotion in oversea
- Administration expenses of 286.33 Million Baht as 45.99 Million Baht decreased when comparing to same period of previous year which was 240.33 Million Baht due to Paradise Green Energy Company Limited has recorded allowance for impairment of Fixed Assets of 49.38 Million Baht
- Other expenses of 243.39 Million Baht due to subsidiary (UWC) has impairment of goodwill of Paradise Green Energy Company Limited of 46.29 Million Baht, loss from impairment of intangible asset of 154.21 Million Baht and loss of investment in affiliated company of 42.89 Million Baht
- Cost of financial of 64.44 Million Baht as 7.62 Million Baht (13.42%) increased when comparing to same period of previous which was 56.81 Million Baht due to subsidiary has more loans from institution

**(4) Net Profit (Loss)**

- Year 2018 the company has total net loss of 133.07 Million Baht as 289.73 Million Baht increased when comparing to same period of previous which was 156.66 Million Baht due to unrealized profit on changes of goodwill (more investment)

**2. Financial Analysis**

As of December 31, 2018 company and its subsidiaries has total assets of 5,863.73 Million Baht as 189.24 Million Baht decreased when comparing to same period of previous year which was 6,052.98 Million Baht which came from the following reasons.

- Cash and equivalent to cash of 142.25 Million Baht as 42.30 Million Baht decreased from end of 2017 which was 184.55 Million Baht
- Short term loan of 916.28 Million Baht as 286.20 Million Baht increased from end of 2017 which was 630.08 Million Baht due to company and its subsidiaries has unrealized profit from changes of goodwill (more investment)
- Trade account receivable and other debtor of 897.87 Million Baht as 43.63 Million Baht increased from end of year 2017 which was 941.49 due to more revenue by increased in trade receivable of 99.79 Million Baht, more accrued income from outsider of 32.84 Million Baht, decline in trade account receivable (outsider) of 10.00 Million Baht, other debtor in related company (EMC) has payback to subsidiaries of UWC of 171.65 and decreased in prepaid expenses of 13.42 Million Baht
- Short term loans of 8.68 Million Baht as 0.18 Million Baht decreased as year 2017 as amount of 8.86 Million Baht
- Net inventory of 841.08 Million Baht as 47.25 Million Baht (5.95%) increased from end of year 2017 which was 793.83 Million Baht due to more in processing work of 88.92 Million Baht, more finished good of 20.56 Million Baht, good in transit of 33.81 Million Baht, less raw materials of 28.63 Million Baht, less factory material of 33.34 Million Baht thus subsidiary (UWC) has more work in process of 84.85 Million Baht but decrease in raw materials of 80.97 Million Baht and factory materials of 33.46 Million Baht). For RWI, more raw materials of 52.76 Million Baht and work in process of 2.82 Million Baht, finished good of 15.23 Million Baht and good in transit of 32.72 Million Baht
- Other current assets of 33.43 Million Baht as 13.59 Million Baht decreased compared from year 2017 which has amounting of 47.02 Million Baht due to decline in over-paid purchase tax
- Non-current assets that are classified as for sale assets of 152.17 Million Baht due to subsidiary (PGE) as subsidiary of UWC is in the process of selling property to a company which has the cost amounting of 173.37 Million Baht as recognize loss from impairment of assets of 21.20 Million Baht
- Bank deposit with obligation increase of 36.71 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 133.19 Million Baht as 11.11 Million Baht increased from end of year 2017 which was 122.08 Million Baht due to subsidiary (UWC) has loss from devaluation of investment in DIMET of 27.86 Million Baht and sharing loss of 9.36 Million Baht thus amount of sell investment of 42.10 Million Baht, loss from sell investment of 15.56 Million Baht and buy investment in affiliate company of 105.99 Million Baht
- Land, building and equipment of 1,625.01 Million Baht as decline of 260.93 Million Baht (13.84%) from year 2017 as amounting of 1,885.94 Million Baht from purchasing fixed assets of 84.32 Million Baht but decreased from depreciation of company and its subsidiaries of 143.52 Million Baht and decline from subsidiary (PGE) record impairment of machinery of 28.18 Million Baht
- Decrease in goodwill of 46.29 Million Baht due to impairment of goodwill of PGE
- Intangible asset of 174.23 Million Baht as decrease of 203.46 Million Baht or 53.87% when compared to year 2017 which has amounting of 377.69 Million Baht as purchased more during the year of 0.15 Million Baht and decline from amortization of 49.15 Million Baht and UWC had recorded allowance for impairment of right under power purchase agreement of 154.21 Million Baht
- Other Non-current assets of 74.05 Million Baht as 7.85 Million Baht decreased or 9.58 percent from end of year 2017 which was 81.90 Million Baht by increased from subsidiary (ENS) has



advance payment for equipment of 13.37 Million Baht and more from subsidiary (UWC) concerning company withholding tax refund for year 2018 and 2017 but decline in receiving withholding tax refund of year 2016 as amounting of 21.48 Million Baht.

### 3. Asset Quality

- **Net Account Receivable**

Year 2018, company and its subsidiaries has net account receivable of 690.30 Million Baht by whole from subsidiaries due to debtor of company amounting of 84.11 Million Baht by recorded as fully recorded as allowance for doubtful account which can be classify into life of debtor as follows:

Remaining Duration	2018		2017		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Debtor – Not Yet Due	382.62	48.07	546.91	67.99	259.27	50.79
Debtor – Overdue 0 – 6 months	300.79	37.79	137.74	17.13	126.08	24.70
6-12 months	6.63	0.83	1.95	0.24	1.35	0.26
More than 12 months	105.96	13.31	117.78	14.64	123.79	24.25
<b>Total</b>	<b>796.00</b>	<b>100.00</b>	<b>804.38</b>	<b>100.00</b>	<b>510.49</b>	<b>100.00</b>
Less – doubtful accounts	(105.70)	13.28	(119.67)	14.88	(143.78)	28.17
<b>Net Doubtful Accounts</b>	<b>690.30</b>	<b>86.72</b>	<b>684.71</b>	<b>85.12</b>	<b>366.71</b>	<b>71.83</b>

As December 31, 2018 Company and its subsidiaries has trade account receivable before deducted the doubtful account of totaling of 796.00 Million Baht and doubtful account of 105.70 Million Baht therefore total amount of account receivable equals to 690.30 Million Baht by not yet due debtor amounting of 382.62 Million Baht or equivalent to 48.07 percent, overdue debtor nor over 6 months amounting of 300.79 Million Baht or equivalent to 37.79 percent thus debtors of RWI as amounting of 65.70 Million Baht, UWC as amounting of 235.10 Million Baht. Overdue debtor 6-12 months as amounting of 6.63 Million Baht or equivalent to 0.83 percent as debtor overdue more than 12 months as amounting of 105.96 Million Baht or equivalent to 31.31 percent as company debtor amounting of 84.18 Million Baht (company has been prosecuted) and debtor of RWI as amounting of 2.30 Million Baht, debtor of subsidiary (UWC) of 18.89 Million Baht for allowance for doubtful account of 105.70 Million Baht (consists of allowance for doubtful account of company 84.11 Million Baht, subsidiary's debtor of 2.72 Million Baht "RWI" and "UWC" of 18.40 Million Baht as considered by executives as sufficient and appropriate amount.

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 2018, average duration of collecting money equals to 106 days which decreased when compared to year 2017 as average of 95 days as RWI 80 days and UWC 116 days respectively.

- **Net Inventories**

Total of net inventories equals to 841.08 Million Baht as 47.25 Million Baht increased or equivalent to 5.95 percent when compared to year 2017 by the following details:

Type of inventories	2018		2017		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Finished Goods	68.83	8.18	60.14	7.57	76.09	12.16
Work in process	378.95	45.06	289.03	36.41	165.04	26.37
Raw Material	334.92	39.82	385.83	48.61	339.10	54.19
Factories supplies	24.57	2.92	58.83	7.41	45.54	7.28
Good in Transit	33.81	4.02	-	-	-	-
<b>Total</b>	<b>841.08</b>	<b>100.00</b>	<b>793.83</b>	<b>100.00</b>	<b>625.77</b>	<b>100.00</b>

As at December 31, 2018 Company and its subsidiaries had net inventories equals to 841.08 Million Baht by proportion of finished goods as calculate to 8.18 percent, work in progress equals to 45.06 percent for proportion of raw materials equals to 39.82 percent and proportion of equipment equals to 2.92 percent and good in transit of 4.02 percent

If we consider on turnover of inventory will see that company and its subsidiaries has the rational from 34.13 ( Year 2017) and 41.44 ( Year 2018) times when compared to duration of average sale period equivalent to about 9 days as decreased when compared to year 2017 as average of 11 days. 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 2018 the company and its subsidiaries had cash and deposit money in the bank in totaling of 142.25 Million Baht as decreased 184.55 Million Baht (year 2017) which decreased of 42.30 Million Baht which consists of the following activities.

Transaction	Million Baht
Cash Flows from (used in) operating activities	102.45
Cash Flows from (used in) investing activities	(35.82)
Cash Flows from (used in) financing activities	(108.94)
<b>Cash or equivalent to cash (increase)</b>	<b>(42.31)</b>
Affect from exchange rate	0.01
<b>Cash at the end of year (loss)</b>	<b>42.30</b>

In the year 2018, the company and its subsidiaries had positive value of cash flow of 102.47 Million Baht due to business operation for year ended December 31, 2018 after adjustment of transaction which is not cash in revenue of 63.49 Million Baht, decreased in account receivable and other receivable of 82.31 Million Baht, decrease of accounts receivable under the financial lease agreement of 35.15 Million Baht, more inventory (left in stock) of 81.32 Million Baht, decrease in other current assets of 13.59 Million Baht and non-current asset of 15.03 Million Baht, more trade account payable and other payable of 63.49 Million Baht, decrease in revenue recognition of 28.14 Million Baht, employee benefit in term of retirement 5.59 Million Baht, more other current liabilities of 4.28 Million Baht, cash paid for interest of 54.43 Million Baht, cash paid for income tax of 45.54 Million Baht, interest received (cash) 13.09 Million Baht and receive refund of withholding tax of 21.48 Million Baht

In part of cash for investment activities has negative number of 35.82 Million Baht as came from company and its subsidiaries receive money from selling investment in trading securities of 156.93 Million Baht, subsidiaries (RWI, ENS) received money from selling available for sales securities 769.16 Million Baht the company has receive money from selling investment in holding mutual fund of 5.00 Million Baht, cash received from exercise of warrants (subsidiaries) of 9.74 Million Baht, cash receive sell investment (affiliated company) of 42.10 Million Baht, cash receive sell investment (subsidiaries company) of 9.33 Million Baht, cash receive from selling equipment of 0.01 Million Baht but there is paying cash in trading securities and warrants of 328.30 Million Baht, securities for sale of 463.97 Million Baht, holding securities until maturity of 4.16 Million Baht, cash paid for investment in subsidiaries of 25.80 Million Baht, subsidiary (UWC) paid for investment in affiliated company of 105.99 Million Baht and paid for purchase fixed asset of 70.17 Million Baht

Cash in part of financial activities has negative number of 108.94 Million Baht due to subsidiaries has short term loans from financial institution as amounting of 845.54 Million Baht, subsidiaries pay short term loans to financial institution as amounting of 791.70 Million Baht, subsidiary (UWC) has receive cash for issuance of debenture as amounting of 600 Million Baht and receive from short term loan to other as amounting of 80.00 Million Baht, subsidiary (RWI) receive money from issuance of ordinary shares (subsidiary) that received from non-controlling interest of 48.53 Million Baht, subsidiary (ENS) payback long term loans to financial institution as amounting of 24.96 Million Baht, subsidiary (UWC), payback for debenture of 800.00 Million Baht, repayments of short-term loans from other companies of 40.50 Million Baht, subsidiaries payback debts under financial lease agreement as amounting of 7.98 Million Baht, subsidiary (RWI) paid dividend to non-controlling stakeholder as amounting of 17.87 Million Baht thus from above reasons make cash and equivalent to cash decline of 42.31 Million Baht as at December 31, 2018 remaining cash equal to 142.25 Million Baht

## 5. Source of Funds

### • Liabilities

As the end of year 2018, total liabilities of company and subsidiaries equals to 2,046.98 Million Baht which 89.80 Million Baht increase when company year ended to year 2017 as amounting of 2,136.78 Million Baht due to increase from debenture, account payable and other creditors but decline in short and long term loans from financial institution and accrued income

Current assets in year 2018 equals to 1,154.37 Million Baht which 631.93 Million Baht decreased when compared to year 2017 as amounting of 1,786.30 Million Baht as main reason came from subsidiary (UWC) paid for debenture of 800 Million Baht, increased bank overdrafts and short-term loans from financial institutions of 54.86 Million Baht, more trade payable and other payable of 87.84 Million Baht (more trade payable (outsider) of 81.46 Million Baht and other payables of 35.22 Million Baht, decline in received of 10.11 Million Baht), decline accrued income tax of 16.89 Million Baht, debts under financial lease agreement at maturity within 1 year has decreased of 1.43 Million Baht, payable from purchase subsidiaries decline of 17.94 Million Baht

Other non-current liabilities in year 2018 as amounting of 892.61 Million Baht as increase of 542.13 Million Baht from year 2017 as amount of 350.48 Million Baht due to UWC has issuance of debenture of 600 Million Baht, debts under financial lease agreement decreased of 6.90 Million Baht due to payment according to contract, more deferred tax liabilities of 1.48 Million Baht, decline in accrued income of 28.14 Million Baht, increase in employee benefit obligation of 0.22 Million Baht and long term loan from financial institution of subsidiary (ENS) decrease of 24.96 Million Baht

### • Proportion of shareholders

As at December 31, 2018 Company had proportion of shareholders equals to 2,594.08 Million Baht as 120.99 Million Baht decreased when compared to December 31, 2017 of 2,473.09 Million Baht due to surplus from increase in change in proportion of subsidiaries and decline in loss from operation of subsidiaries

- **Sufficient Capital**

As at December 31, 2018 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, 2018, the company and its subsidiaries has debt to equity ratio equal to 0.79 times as increased when compared to year 2017 as of 0.86 times due to the reduction of total liabilities at the rate of 4.20 percent as main reason of decline in debenture and increase in proportion of holding shares of 120.99 Million Baht or 4.98 percent due to more profit from business operations.

- **Adequacy of liquidity**

As at December 31, 2018 – The company and its subsidiaries has ratio for liquidity of 2.62 times as decrease when company to year 2017 of 1.48 times thus expecting company and its subsidiaries has current asset for pay off current liabilities of 2.62 times

- **Ability to repay debts and fulfill importance information on loan**

As at December 31, 2018 – The Company and its subsidiaries has abilities to repay debts of 4.05 times as increased from year 2017 of (0.18) 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 SCG Ceramic Public Company Limited and selling electricity to Sosuko Ceramic 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 2018, 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	4/5
Associate Professor Dr.Pusit	Lertwattanakul	Audit Committee	4/5

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 and report those practical includes any suggestion to Board of Directors quarterly in order to proceed with matters that the Board of Directors deems appropriate which can summarized as follows:

### To review Financial Report

- Audit Committee has reviewed information of financial statement each quarter and 2018 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 includes disclosure of sufficient importance information in Note to Financial Statement as beneficial to users of financial statement. Apart from this, Audit Committee had 1 time meeting with auditor (no management) for discussion of audit plans, independence in performing duties and express opinion of auditors by giving importance to presentation of information correctly, completely, sufficiently

### 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 and show intention to participate in Anti – Corruption to increase effectiveness in corporate governance by files self-assessment in form of Anti – Corruption in order to get certified from Private Sector Collective Action Coalition Against Corruption (CAC)

#### **Practices in accordance to rules**

- Audit Committee has Reviews Company related to law abiding from Securities and Exchange Commission and The Stock Exchange of Thailand, regulations from Capital Market Supervisory Board and other relevant to business operation including obligations that the company has with third parties, Audit committee has no any issue that contradictory to law and requirements

#### **Related 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
- Audit Committee has comments and report to supervisor of accounting and finance; acquisition and disposition of assets happened, the company follows rules completely and correctly

#### **To maintain quality of Audit committee**

- Audit Committee has reviews its charters to be in accordance to current situations as approved by Board of Directors every year. Mentioned charter still complete and consistent to assigned duties and comments on those practical under Audit Committee Charter
- Audit Committee has reviews and evaluates performance in accordance to charters and good corporate governance as results Audit Committee has perform duties efficiently with independence in accordance to good practices and Audit Committee Charter which help to strengthen the good corporate governance system effectively.



- Audit Committee has prepare performing report to Board of Directors for acknowledgement quarterly thus year 2018 there are 4 reports in total

#### **External Auditors**

- Audit Committee has considered on independent evaluation and performance of auditors year 2018 and saw that the overall performance was satisfactory and compared auditor fee for year 2019 (proposed) which increased due to business operation of company and its subsidiaries includes current economic conditions to consider on proper remunerations

Audit Committee has comments to Board of Directors to approve from shareholders meeting of appointment of 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 2019 as remuneration fees of Baht 2,020,000 (Quarterly Financial Statement of company and Consolidated Financial Statement)

#### **Overall comments and concerns**

From duties of Audit Committee in year 2018 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, 2018 shows operating results, cash flow with reasonable accuracy accounting to basic accounting principles.



(Mr. Wutichai Leenabanchong)  
Chairman  
and Acting Chief Executive Officer

## **REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

### **TO THE SHAREHOLDERS AND BOARD OF DIRECTORS CAPITAL ENGINEERING NETWORK PUBLIC COMPANY LIMITED**

#### **Opinion**

We have audited the consolidated financial statements of Capital Engineering Network Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Capital Engineering Network Public Company Limited (the “Company”) which comprise the consolidated and separate statements of financial position as at December 31, 2018, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Capital Engineering Network Public Company Limited and its subsidiaries and of Capital Engineering Network Public Company Limited as at December 31, 2018 and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

#### **Basis for Opinion**

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

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

Key Audit Matters	Key Audit Responses
<p><b>Impairment on investments in subsidiaries in the separate financial statements and of intangible assets in the consolidated financial statements</b></p> <p>As there are certain subsidiaries having net loss continuously and substantial deficit as at December 31, 2018 which the Company's management consider as indicators of impairment on investments in the subsidiaries in the separate financial statements and on intangible assets of those subsidiaries in the consolidated financial statements. As such, the Company's management estimate realizable values of its investment in subsidiaries and of intangible assets of such subsidiaries for consideration of their losses on impairment. The realizable values are estimated at higher of their values in use and their fair values less costs to sell those assets. Values in use are estimated by exercising the Company's management judgment in connection with the judgement on significant assumptions to forecast the results of operations including costs of production and administration, long-term growth rate and weighted average cost of capital (discounted rate) of each subsidiary.</p> <p>We consider that the exercising of management's judgment relate to significant assumptions for estimation of losses on impairment on investments in subsidiaries in the separate financial statements and on intangible assets of those subsidiaries in the consolidated financial statements are key audit matters because of materiality of transactions and complexity of estimation of realizable values of the Company's investments in subsidiaries and of intangible assets of the subsidiaries in foreign countries.</p> <p>The accounting policies and disclosure of investments and impairment of investments in subsidiaries are in Notes 3.5, 3.10 and 12, and of intangible assets of the subsidiaries are in Notes 3.8, 3.10 and 15.</p>	<p>Key audit procedures were included:</p> <ul style="list-style-type: none"> <li>• Understanding the impairment consideration process and related internal control procedures.</li> <li>• Reviewing design and implementation of the internal control procedures related to impairment consideration process.</li> <li>• Performing substantive testing as follows: <ul style="list-style-type: none"> <li>- Understanding and evaluating the appropriateness of the methodology used to calculate the net realizable value of investments in subsidiaries, including examining the information in relation to the management consideration of impairment indicators for investments in subsidiaries.</li> <li>- Evaluating the reasonableness of key significant assumptions used in estimating future cash flow by using the our valuation specialist to determine independent estimates, analyzing sensitivity of key assumptions by comparing the assumptions with internal and external data for assessing the management's judgement to estimate future cash flow and considering the discount rate by analysis the average cost of capital and other information with other companies which can be compared as well as testing calculation of asset's recoverable amount based on financial model.</li> </ul> </li> </ul>

## Other Matter

The consolidated financial statements of Capital Engineering Network Public Company Limited and its subsidiaries and the separate financial statements of Capital Engineering Network Public Company Limited for the year ended December 31, 2017, presented herein as comparative information, were audited by other auditor, whose report thereon dated February 23, 2018 expressed an unmodified opinion on those statements.

## **Other Information**

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

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

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines 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, management is responsible for assessing the Group's 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 the 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. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we 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. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Dr. Suwatchai Meakhaamnouychai  
Certified Public Accountant (Thailand)

Registration No. 6638

**BANGKOK**

February 27, 2019

**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**



**CAPITAL ENGINEERING NETWORK PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2018**

UNIT : BAHT

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	8.1	142,252,204	184,553,022	8,124,914	25,549,622
Short-term investments	9	916,283,311	630,080,130	469,809,568	163,775,749
Trade and other current receivables	10.1	897,874,065	941,499,921	25,061,399	13,389,799
Current portion of receivables under finance lease agreements	10.2	38,064,192	35,147,008	-	-
Short-term loan	11	8,682,290	8,858,890	168,386,000	124,040,000
Inventories	12	841,076,118	793,826,080	-	-
Other current assets		33,434,473	47,023,383	4,698,750	3,874,913
Non-current assets classified as held for s	13	152,172,475	-	-	-
Total Current Assets		<u>3,029,839,128</u>	<u>2,640,988,434</u>	<u>676,080,631</u>	<u>330,630,083</u>
<b>NON-CURRENT ASSETS</b>					
Deposits used as collateral	33	255,939,694	219,233,024	-	-
Receivables under finance lease agreemer	10.2	159,766,452	197,830,644	-	-
Investments in subsidiaries	14.1	-	-	999,151,365	975,248,195
Investments in associates	14.2	133,187,199	122,076,045	-	-
Investments in joint ventures	14.3	-	-	-	-
Investment properties	15	402,981,826	404,688,426	402,981,826	404,688,426
Property, plant and equipment	16	1,625,013,547	1,885,938,651	5,144,452	1,096,101
Goodwill	17	-	46,288,517	-	-
Intangible assets	18	174,225,052	377,687,045	11,005	15,965
Deferred tax assets	19	8,738,140	76,337,792	2,936,803	72,384,897
Other non-current assets		74,046,286	81,906,172	2,419,797	1,419,737
Total Non-current Assets		<u>2,833,898,196</u>	<u>3,411,986,316</u>	<u>1,412,645,248</u>	<u>1,454,853,321</u>
<b>TOTAL ASSETS</b>		<u><u>5,863,737,324</u></u>	<u><u>6,052,974,750</u></u>	<u><u>2,088,725,879</u></u>	<u><u>1,785,483,404</u></u>

Notes to the financial statements form an integral part of these statements

**CAPITAL ENGINEERING NETWORK PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**AS AT DECEMBER 31, 2018**

UNIT : BAHT

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Bank overdrafts and short-term borrowings					
from financial institutions	20	380,369,239	325,510,525	-	-
Trade and other current payables	21	663,949,067	576,109,354	9,641,343	9,754,688
Short-term borrowing from other company	20	39,500,000	-	-	-
Current portion of long-term debentures	20	-	800,000,000	-	-
Current portion of long-term borrowings					
from financial institutions	20	24,520,000	24,960,000	-	-
Current portion of liabilities under					
finance lease agreement	22	7,032,987	8,114,431	-	-
Income tax payable		-	16,886,434	-	10,239,840
Other current liabilities		39,002,600	34,721,902	773,195	396,593
Total Current liabilities		<u>1,154,373,893</u>	<u>1,786,302,646</u>	<u>10,414,538</u>	<u>20,391,121</u>
<b>NON-CURRENT LIABILITIES</b>					
Long-term debentures	20	600,000,000	-	-	-
Long-term borrowing from financial institution	20	-	24,520,000	-	-
Liabilities under finance lease agreements	22	2,497,854	9,400,059	-	-
Deferred tax liabilities	19	201,572,574	200,092,793	-	-
Deferred income		31,843,130	59,985,841	-	-
Non-current provision for employee					
benefit obligations	23	56,700,722	56,484,592	6,005,605	5,356,785
Total Non-current Liabilities		<u>892,614,280</u>	<u>350,483,285</u>	<u>6,005,605</u>	<u>5,356,785</u>
<b>TOTAL LIABILITIES</b>		<u>2,046,988,173</u>	<u>2,136,785,931</u>	<u>16,420,143</u>	<u>25,747,906</u>

## CAPITAL ENGINEERING NETWORK PUBLIC COMPANY LIMITED

## STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2018

UNIT : BAHT

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
(CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
1,117,712,067 ordinary shares of Baht 1 each	24	<u>1,117,712,067</u>	<u>1,117,712,067</u>	<u>1,117,712,067</u>	<u>1,117,712,067</u>
Issued and paid-up share capital					
745,141,929 ordinary shares of Baht 1 each, fully paid	24	745,141,929	-	745,141,929	-
745,141,378 ordinary shares of Baht 1 each, fully paid	24	-	745,141,378	-	745,141,378
SHARE PREMIUM	24	891,305,114	891,304,563	891,305,114	891,304,563
RETAINED EARNINGS					
Appropriated - Legal reserve	26	45,397,932	29,769,475	45,397,932	29,769,475
Unappropriated		407,039,163	289,596,328	390,460,761	93,520,082
OTHER COMPONENTS OF EQUITY					
Unrealised gain on revaluation of land		90,194,118	90,194,118	-	-
Unrealised gain on revaluation of available-for-sale securities		433,494	1,315,224	-	-
Difference on translation of financial statements		66,141	(61,253)	-	-
Changes in controlling interest in subsidiaries		<u>414,498,180</u>	<u>425,834,102</u>	<u>-</u>	<u>-</u>
TOTAL ATTRIBUTIONS TO OWNERS					
OF THE PARENT		2,594,076,071	2,473,093,935	2,072,305,736	1,759,735,498
NON-CONTROLLING INTERESTS		<u>1,222,673,080</u>	<u>1,443,094,884</u>	<u>-</u>	<u>-</u>
TOTAL SHAREHOLDERS' EQUITY		<u>3,816,749,151</u>	<u>3,916,188,819</u>	<u>2,072,305,736</u>	<u>1,759,735,498</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u><u>5,863,737,324</u></u>	<u><u>6,052,974,750</u></u>	<u><u>2,088,725,879</u></u>	<u><u>1,785,483,404</u></u>

Notes to the financial statements form an integral part of these statements

**CAPITAL ENGINEERING NETWORK PUBLIC COMPANY LIMITED**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

UNIT : BAHT

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>REVENUES</b>					
Revenue from sales		1,688,472,199	1,560,583,461	-	-
Revenue from services		1,029,540,267	932,131,645	-	-
Gain from investment	9	416,775,787	-	350,529,165	155,009,580
Other income	27	133,996,704	88,578,178	65,050,238	8,714,840
Total revenue		<u>3,268,784,957</u>	<u>2,581,293,284</u>	<u>415,579,403</u>	<u>163,724,420</u>
<b>EXPENSES</b>					
	28				
Cost of sales		1,711,867,731	1,471,822,385	-	-
Cost of services		959,893,550	852,732,145	-	-
Selling expenses		45,798,976	39,820,742	-	-
Administrative expenses		286,326,160	240,326,534	33,558,840	37,286,690
Loss from investment	9	-	30,743,621	-	-
Other expenses		243,494,523	237,713,790	-	91,920,629
Finance costs		64,436,470	56,811,473	-	1,488,487
Total expenses		<u>3,311,817,410</u>	<u>2,929,970,690</u>	<u>33,558,840</u>	<u>130,695,806</u>
Share of loss on investments in associates	14.2	<u>(9,359,446)</u>	<u>(6,261,215)</u>	<u>-</u>	<u>-</u>
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>					
(EXPENSE) INCOME		(52,391,899)	(354,938,621)	382,020,563	33,028,614
INCOME TAX (EXPENSE) INCOME	19	<u>(67,929,817)</u>	<u>44,461,883</u>	<u>(69,451,427)</u>	<u>(26,110,360)</u>
<b>PROFIT (LOSS) FOR THE YEAR</b>		<u>(120,321,716)</u>	<u>(310,476,738)</u>	<u>312,569,136</u>	<u>6,918,254</u>

**CAPITAL ENGINEERING NETWORK PUBLIC COMPANY LIMITED**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

UNIT : BAHT

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Other comprehensive income (loss)</b>					
Items that will not be reclassified subsequently to profit or loss					
Actuarial losses	23	-	(8,316,383)	-	(55,524)
Gains on revaluation of land		-	54,122,900	-	-
<u>Less</u> Income tax effect		-	(9,161,303)	-	11,105
Items that will be classified subsequently to profit or loss					
Revaluation of available-for-sale securities		2,768,903	1,921,062	-	-
<u>Less</u> Reclassify of realised loss to profit or loss		(4,122,566)	(1,389,449)	-	-
Difference on translation of financial statements		322,488	(156,138)	-	-
Income tax relating to items that will be reclassified		270,730	(173,244)	-	-
OTHER COMPREHENSIVE INCOME (LOSS)					
FOR THE YEAR, NET OF TAX		(760,445)	36,847,445	-	(44,419)
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>					
FOR THE YEARS		(121,082,161)	(273,629,293)	312,569,136	6,873,835
<b>PROFIT (LOSS) ATTRIBUTABLE TO:</b>					
Owners of the Parent		133,071,292	(156,664,553)	312,569,136	6,918,254
Non-controlling interests		(253,393,008)	(153,812,185)	-	-
		(120,321,716)	(310,476,738)	312,569,136	6,918,254
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>					
<b>ATTRIBUTABLE TO:</b>					
Owners of the Parent		132,316,956	(142,520,811)	312,569,136	6,873,835
Non-controlling interests		(253,399,117)	(131,108,482)	-	-
		(121,082,161)	(273,629,293)	312,569,136	6,873,835
<b>EARNINGS (LOSS) PER SHARE</b>					
29					
Basic earnings (loss) attributable to					
owners of the parent per share		0.1786	(0.2102)	0.4195	0.0093
Diluted earnings (loss) attributable to					
owners of the parent per share		0.1786	(0.2246)	0.4195	0.0093

Notes to the financial statements form an integral part of these statements

**CAPITAL ENGINEERING NETWORK PUBLIC COMPANY LIMITED**  
**STATEMENTS OF SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Notes	Consolidated financial statements										UNIT : BAHT	
		Attributable to owners of the parent										Non-controlling interests	Total equity
		Issued and fully paid-up share capital	Share premium	Retained earnings	Other components of equity		Other components of equity		Changes in		Total owners of the parent		
				Appropriated - legal reserve	Unappropriated	Gain on land revaluation	Unrealised gain on revaluation of available-for-sale securities	Currency translation on financial statements	controlling interest in subsidiaries				
Beginning balance at January 1, 2017		745,141,378	891,304,563	29,423,562	449,745,668	73,208,187	957,286	-	254,171,526	2,443,952,170	1,561,520,774	4,005,472,944	
Changes in shareholders' equity for the year													
Gain on sales of subsidiary's warrants	9	-	-	-	-	-	-	-	169,417,722	169,417,722	-	169,417,722	
Disposal of investments in subsidiary		-	-	-	-	-	-	-	5,237,791	5,237,791	13,439,169	18,676,960	
Acquisition in subsidiary's shares by non-controlling interest through warrants exercise		-	-	-	-	-	-	-	(171,222)	(171,222)	9,550,031	9,378,809	
Addition of investment in subsidiaries by purchasing share from non-controlling interest		-	-	-	-	-	-	-	-	-	301,472	301,472	
Changes in controlling interest in subsidiaries		-	-	-	-	-	-	-	(2,821,715)	(2,821,715)	(10,608,080)	(13,429,795)	
Appropriation to legal reserve		-	-	345,913	(345,913)	-	-	-	-	-	-	-	
Total comprehensive income (loss) for the year		-	-	-	(159,803,427)	16,985,931	357,938	(61,253)	-	(142,520,811)	(131,108,482)	(273,629,293)	
Ending balance at December 31, 2017		745,141,378	891,304,563	29,769,475	289,596,328	90,194,118	1,315,224	(61,253)	425,834,102	2,473,093,935	1,443,094,884	3,916,188,819	

**CAPITAL ENGINEERING NETWORK PUBLIC COMPANY LIMITED**  
**STATEMENTS OF SHAREHOLDERS' EQUITY (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

UNIT : BAHT

Notes	Consolidated financial statements										Non-controlling interests	Total equity
	Attributable to owners of the parent					Other components of equity						
	Issued and fully paid-up share capital	Share premium	Retained earnings	Unappropriated	Other comprehensive income	Gain on land revaluation	Unrealised gain on revaluation	Unrealised gain on available-for-sale securities	Currency translation on financial statements	Changes in controlling interest in subsidiaries		
Beginning balance as at January 1, 2018	745,141,378	891,304,563	29,769,475	289,596,328	90,194,118	1,315,224	(61,253)	425,834,102	2,473,093,935	1,443,094,884	3,916,188,819	
Changes in shareholders' equity for the year												
Shares to be issued from exercise of warrants	14.1	551	-	-	-	-	-	(18,857,114)	(18,856,012)	67,081,437	48,225,425	
Disposal of investments in subsidiary		-	-	-	-	-	-	(191,980)	(191,980)	9,567,763	9,375,783	
Gain on sales of subsidiary's warrants	9	-	-	-	-	-	-	7,713,172	7,713,172	-	7,713,172	
Dividends paid by subsidiary		-	-	-	-	-	-	-	-	(17,867,423)	(17,867,423)	
Purchases subsidiary's shares	14.1	-	-	-	-	-	-	-	-	(25,804,464)	(25,804,464)	
Appropriation to legal reserve		-	15,628,457	(15,628,457)	-	-	-	-	-	-	-	
Total comprehensive income (loss) for the year		-	-	133,071,292	-	(881,730)	127,394	-	132,316,956	(253,399,117)	(121,082,161)	
Ending balance as at December 31, 2018	745,141,929	891,305,114	45,397,932	407,039,163	90,194,118	433,494	66,141	414,498,180	2,594,076,071	1,222,673,080	3,816,749,151	

Notes to the financial statements form an integral part of these statements



**CAPITAL ENGINEERING NETWORK PUBLIC COMPANY LIMITED**  
**STATEMENTS OF SHAREHOLDERS' EQUITY (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

UNIT : BAHT

	Separate financial statements				Total equity
	Issued and paid-up share capital	Share premium	Retained earnings Appropriated - legal reserve	Unappropriated	
Beginning balance at January 1, 2017	745,141,378	891,304,563	29,423,562	86,992,160	1,752,861,663
Changes in shareholders' equity for the year					
Current period legal reserve	-	-	345,913	(345,913)	-
Total comprehensive income for the year	-	-	-	6,873,835	6,873,835
<b>Ending balance at December 31, 2017</b>	<u>745,141,378</u>	<u>891,304,563</u>	<u>29,769,475</u>	<u>93,520,082</u>	<u>1,759,735,498</u>
Beginning balance at January 1, 2018	745,141,378	891,304,563	29,769,475	93,520,082	1,759,735,498
Changes in shareholders' equity for the year					
Issuance of ordinary Shares from exercise of warrants	551	551	-	-	1,102
Current period legal reserve	-	-	15,628,457	(15,628,457)	-
Total comprehensive income for the year	-	-	-	312,569,136	312,569,136
<b>Ending balance at December 31, 2018</b>	<u>745,141,929</u>	<u>891,305,114</u>	<u>45,397,932</u>	<u>390,460,761</u>	<u>2,072,305,736</u>

Notes to the financial statements form an integral part of these statements

**CAPITAL ENGINEERING NETWORK PUBLIC COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

UNIT : BAHT

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
	<b>Notes</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit (loss) before income tax expense		(52,391,899)	(354,938,617)	382,020,563	33,028,614
Adjustments for:					
Depreciation and amortization	28	192,713,727	183,429,725	1,058,651	2,411,443
Interest income	27	(39,683,424)	(35,552,904)	(8,272,229)	(4,661,375)
Interest expenses	28	64,436,470	56,811,473	-	1,488,487
Dividend income	27	(344,076)	(981,564)	(46,709,912)	(981,564)
Doubtful accounts (reversal)		(13,971,087)	(5,318,029)	(3,886,111)	(60,000)
Doubtful accounts on loans (reversal)	28	(9,452,383)	-	-	8,000,000
Loss of allowance for decline in value of inventories (reversal)	28	34,073,161	(1,896,876)	-	-
Loss on impairment of investment in subsidiary	28	-	-	-	83,842,859
Loss on impairment of fixed asset	16	49,377,727	22,402,859	-	-
Loss on impairment of intangible asset	18	154,205,810	-	-	-
Write-off equipment	16	-	125,546	71	77,770
(Gain) loss on disposal of equipment		(998,466)	(443,301)	(1,282,400)	-
Write-off warrants held as trading securities	9	-	2,406,925	-	2,406,925
Unrealized (gain) loss on change in fair value of trading securities		(405,977,462)	33,691,788	(339,786,781)	33,691,788
Unrealised gain on change in fair value of trading securities in mutual fund		(39,255)	(60,200)	(39,255)	(60,200)
Gain on sales of trading securities		(10,758,179)	(2,039,616)	(2,263,809)	(2,039,616)
(Gain) loss on sales of warrants held as trading securities		-	(726,346)	-	(726,346)
Gain on sales of trading securities in mutual fund		(891)	(934,497)	(891)	(505,483)
Gain on sales of subsidiary's warrants held as trading securities	9	-	-	(1,011,935)	(170,376,837)
Gain on sales of available-for-sale securities		(4,029,024)	(2,023,447)	-	-
Loss on sales of investments in associates		15,556,076	-	-	-
Gain on sales of investments in subsidiaries	9	(410,500)	-	(7,426,494)	(17,399,811)
Unrealised gain on exchange rate		1,854,722	(2,163,672)	-	-
Employee benefit obligations - Benefit expense	23	5,807,604	6,152,146	648,820	838,028
Share of result of investment - equity method	14.2	9,359,446	6,261,215	-	-
Loss on impairment of investment in joint venture	14	-	54,946,525	-	-
Loss on impairment of goodwill	17	46,288,517	52,315,653	-	-
Loss on impairment of investment in associate		27,860,932	110,754,937	-	-
		<u>63,477,546</u>	<u>122,219,723</u>	<u>(26,951,712)</u>	<u>(31,025,318)</u>

## CAPITAL ENGINEERING NETWORK PUBLIC COMPANY LIMITED

## STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2018

UNIT : BAHT

		Consolidated financial statements		Separate financial statements	
	Notes	2018	2017	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)</b>					
Changes in operating assets and liabilities					
Trade and other current receivables (increase) decrease		82,310,327	(256,483,039)	(6,555,723)	(601,189)
Receivable under finance lease agreement (increase) decrease		35,147,008	(2,693,616)	-	-
Short-term loan decrease		5,576,272	-	-	-
Inventories increase		(81,323,199)	(169,985,477)	-	-
Other current assets (increase) decrease		13,588,910	(8,368,853)	(721,273)	(277,815)
Other non-current assets (increase) decrease		15,025,341	(10,764,122)	(1,000,060)	(577,880)
Trade and other payables increase (decrease)		63,487,030	234,723,179	(113,346)	(128,543)
Deferred income increase (decrease)		(28,142,711)	25,047,975	-	-
Employee benefit obligations - benefit payment	23	(5,591,474)	(6,588,718)	-	-
Other current liabilities increase (decrease)		4,280,698	6,094,486	376,602	(5,957)
Cash (used in) generated from operations		167,835,748	(66,798,461)	(34,965,512)	(32,616,702)
Interest received		13,093,901	35,382,065	3,166,353	1,050,886
Interest paid		(54,425,689)	(55,975,868)	-	(1,820,410)
Income tax refund received		21,483,264	21,456,240	-	-
Income tax paid		(45,535,153)	(48,489,693)	(10,345,737)	(28,857,167)
Net cash provided by (used in) operating activities		102,452,071	(114,425,717)	(42,144,896)	(62,243,393)

**CAPITAL ENGINEERING NETWORK PUBLIC COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

UNIT : BAHT

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
	<b>Notes</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Acquisition of trading securities		(315,617,305)	(73,692,733)	(23,472,070)	(73,692,733)
Acquisition of trading securities in mutual fund		-	(146,605,429)	-	(146,605,429)
Acquisition of warrants held as trading securities		(12,676,105)	(2,190,969)	(12,582,544)	(2,190,969)
Acquisition of held-to-maturity securities	9	(4,158,140)	(82,858,254)	-	-
Acquisition of available-for-sale securities	9	(463,970,000)	(511,760,000)	-	-
Acquisition of investments in subsidiary, net		(25,804,464)	(10,262,372)	(25,804,464)	-
Acquisition of investments in associate	14.2	(105,989,568)	(11,880,034)	-	-
Cash paid for short-term loans to related party	30.6	-	(9,347,802)	(58,746,000)	(82,500,000)
Acquisition of equipment		(70,168,033)	(192,471,587)	(5,055,113)	(82,104)
Acquisition of intangible assets	18	(152,330)	(132,100)	-	-
Proceeds from sales of trading securities		156,932,161	16,366,906	58,388,441	16,366,906
Proceeds from disposal of warrants held for trading		-	2,917,315	-	2,917,315
Proceeds from sale of available-for-sale securities		769,156,458	174,700,000	-	-
Proceeds from sales of trading securities' in mutual fund		5,000,000	293,431,017	5,000,000	139,000,000
Proceeds from disposals of subsidiaries warrants held for trading		9,735,025	-	9,735,025	211,726,710
Receipt from sale of investment in associate		42,101,960	-	-	-
Proceeds from sales of investment in subsidiary	14.1	9,327,788	-	9,327,788	19,986,408
Receipt from short-term loans	30.6	3,876,111	-	18,276,111	5,000,000
Proceeds from disposals of equipment		9,898	560,982	-	1,330,000
Proceeds from disposals of investment property		2,942,000	-	2,942,000	-
Dividends received	27	344,076	981,564	46,709,912	981,564
Increase in restricted cash		(36,706,670)	(39,708,024)	-	-
Net cash provided by (used in) investing activities		<u>(35,817,138)</u>	<u>(591,951,520)</u>	<u>24,719,086</u>	<u>92,237,668</u>

**CAPITAL ENGINEERING NETWORK PUBLIC COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

UNIT : BAHT

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>Notes</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Bank overdraft increase (decrease)		-	17,935,905	-	-
Proceeds from short-term borrowings from financial institutions		845,542,354	344,830,067	-	-
Proceeds from issuance of debentures		600,000,000	-	-	-
Proceeds from short-term loan from third party		80,000,000	-	-	-
Proceeds from sale of subsidiary's warrants		-	211,726,710	-	-
Proceeds from exercise of subsidiaries' warrants		1,102	-	1,102	-
Proceeds from issuing ordinary share of subsidiary paid by non-controlling interest		48,529,195	-	-	-
Proceeds from exercising warrants by non-controlling interest of subsidiary from issued shares	25	-	9,336,003	-	-
Proceeds from sale of investment in subsidiary with no loss control	14.1	-	19,986,408	-	-
Repayment to short-term loan to third parties		(40,500,000)	-	-	-
Repayment to short-term borrowings from financial institutions		(791,704,608)	(339,388,220)	-	(59,388,220)
Repayment to long-term borrowings from financial institutions		(24,960,000)	(24,960,000)	-	-
Repayment to debentures		(800,000,000)	-	-	-
Repayment to liabilities under finance lease agreements		(7,983,649)	(9,731,684)	-	-
Dividends paid		(17,867,423)	-	-	-
Net cash provided by (used in) financing activities		<u>(108,943,029)</u>	<u>229,735,189</u>	<u>1,102</u>	<u>(59,388,220)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(42,308,096)</b>	<b>(476,642,048)</b>	<b>(17,424,708)</b>	<b>(29,393,945)</b>
Cash and cash equivalents at beginning of the year		184,553,022	661,196,460	25,549,622	54,943,567
Effects of exchange rate		7,278	(1,389)	-	-
<b>Cash and cash equivalents at end of the year</b>		<u><u>142,252,204</u></u>	<u><u>184,553,023</u></u>	<u><u>8,124,914</u></u>	<u><u>25,549,622</u></u>

Notes to the financial statements form an integral part of these statements

**CAPITAL ENGINEERING NETWORK PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 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:

1011, 17<sup>th</sup> Floor, Supalai Grand Tower, Rama 3 Road, Chongnonsi, 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 excavation
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 agricultural
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 Plantation Company Limited (“GEP”) <sup>(1)</sup>	Manufacturing and selling agricultural products
13. UWCC (Cambodia) Company Limited (“UWCC”)	Manufacturing and selling woodchips

(1) As at April 30, 2018, Ua Withya Public Company Limited sold investments of Green Energy Plantation Company Limited of 11,000 shares at Baht 5 per share, totalling Baht 55,000, as a result, Green Energy Plantation Company Limited is not the Company’s subsidiary since such date.

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

- 2.1 The Group maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Generally.
- 2.2 The Group's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2017) "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2018 onward, and the Regulation of the Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statements (No.2) B.E. 2559" dated October 11, 2016.
- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies.
- 2.4 Basis of preparation of consolidation financial statements
  - a) The consolidated financial statements include the financial statements of Capital Engineering Network Public Company Limited ("the Company"), and the subsidiary companies ("the subsidiaries") (see Note 1).
  - b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
  - c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
  - d) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements. The consolidated financial statements for the years ended December 31, 2018 and 2017 were prepared by using the financial statements of its subsidiaries as of the same date.
  - e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.



## 2.5 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

## 2.6 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective.

### 2.6.1 Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2019.

#### New Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards, as follows:

#### **Thai Financial Reporting Standards (“TFRS”)**

TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 15	Revenue from Contracts with Customers

#### **Thai Financial Reporting Standard Interpretation (“TFRIC”)**

TFRIC 22	Foreign Currency Transactions and Advance Consideration
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There is the key change to the core principle of TFRS 15, which introduce a 5-step approach to revenue recognition, as follow:

Step 1 : Identify the contract(s) with a customer

Step 2 : Identify the performance obligations in the contract

Step 3 : Determined the transaction price

Step 4 : Allocate the transaction price to the performance obligations in the contract

Step 5 : Recognize revenue when (or as) the entity satisfies a performance obligation

Under TFRS 15, an entity recognizes revenue when a performance obligation is satisfied. TFRS 15 will supersede the Standards and Interpretations relating to revenue upon its effective date.

### Thai Financial Reporting Standards (TFRSs) Revised 2018

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards (TFRSs) Revised 2018 which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and reference to other TFRSs except following TFRSs, which there are revision or additional paragraph and accounting guidance.

Thai Accounting Standard No.28 (Revised 2018) “Investment in Associates and Joint Ventures” clarifies about the election of measurement an investment in an associate or a joint venture at fair value through profit or loss, and clarifies the consideration about the impairment of an investment in an associate or a joint venture. This accounting standard requires retrospective method for such amendment.

Thai Accounting Standard No. 40 (Revised 2018) “Investment Property” clarifies about transfers of investment property to, or from, other accounts when, and only when, there is a change in use. This accounting standard requires prospective method for such amendment.

Thai Financial Reporting Standard No.2 (Revised 2018) “Share-based Payment” adds the requirements, which require prospective method for the amendment as follows:

- 1) The requirement about treatment of vesting and non-vesting for a cash-settled share-based payment transaction
- 2) The requirement about share-based payment transactions with a net settlement feature for withholding tax obligations
- 3) The requirement about accounting for a modification of a share-based payment transaction that changes its classification from cash-settled to equity-settled

## 2.6.2 Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2020

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standard Group of Financial Instruments which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follows:

### **Thai Accounting Standards (“TAS”)**

TAS 32            Financial Instruments: Presentation

### **Thai Financial Reporting Standards (“TFRS”)**

TFRS 7            Financial Instruments: Disclosures

TFRS 9            Financial Instruments

### **Thai Financial Reporting Standard Interpretations (“TFRIC”)**

TFRIC 16          Hedges of a Net Investment in a Foreign Operation

TFRIC 19          Extinguishing Financial Liabilities with Equity Instruments

These TFRSs make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company’s business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These TFRSs will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

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

## **3. SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, all deposits at financial institutions and other short-term highly liquid investments with original maturities of three months from the date of acquisition excluding deposit at banks used as collateral.

### 3.2 Temporary investments

Temporary investments are investment in trading securities, available-for-sale securities, time deposits with maturity term over 3 months up to 12 months and held-to-maturity debt security due within 12 months and without obligation.

Investments in trading securities are carried at fair value. Realized gains and losses from the sales of trading securities and unrealized gain and loss on the changes in fair values are recognized as profit and loss in the statement of profit or loss and other comprehensive income.

Investments in available-for-sales securities are carried at fair value, differences between cost value and fair value of available-for-sales securities are recorded as unrealized gain (loss) on the changes in fair values of investments under shareholders' equity.

### 3.3 Trade receivables

Trade receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful debt 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 which recognized in profit or loss within administrative expenses.

### 3.4 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 realizable value.

The cost of raw materials (steel), agricultural products, biomass materials, factory supplies and work in progress is determined by the weighted average method. 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 realizable 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.

### 3.5 Investments in subsidiaries, associates and joint venture

#### (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. The Group 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-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 or other comprehensive income. 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 the Group 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 14.1

(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.

A list of the Group's principal associates are set out in Note 14.2

(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 Note 14.3

#### (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 and joint venture is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized 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 recognized in profit or loss.

Share of gain or of the Group's share of its associates and joint venture 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 and joint venture.

The Group determines at each reporting date whether there is any objective evidence that the investments in the associates and joint venture 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 recognizes the amount adjusted to share of profit (loss) of associates and joint venture in profit or loss.



## (7) Separate financial statement

In the separate financial statements, investments in subsidiaries, associates and joint venture are accounted for at cost less impairment (if any). Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

## 3.6 Property, Plant and Equipment

Land is shown at fair value, based on valuations by external independent valuers every 3 years. All other property 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 recognized 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 decreased against gain on asset revaluation directly in equity; all other decreases are charged to profit or loss and other comprehensive income in each year.

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	5 - 15 years
Furniture, fixtures, and office equipment	5 - 10 years
Vehicles	5 years

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.

### 3.7 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.

### 3.8 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.

### 3.9 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 in producing and distributing electricity and heat energy project is acquired by the Company and has a finite useful life. They are carried at cost less accumulated amortization (if any). Amortization on these assets is calculated using the straight line method 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.

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.

### 3.10 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.

### 3.11 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 assets 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.

### 3.12 Provision of employee benefit obligations

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 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.

Past service cost related to the plan amendment is recognized as an expense in the income statement when the plan amendment is effective.

### 3.13 Warrants

Warrants are issued to existing shareholders to subscribe for ordinary shares. Proceeds from issuing warrants (if any) are shown net of related expenses under the caption of “Warrants” in shareholders’ equity when the warrants are issued.

### 3.14 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).

### 3.15 Revenue and expenses recognition

#### Revenue from sales

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 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 profit or loss 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 statement of profit or loss and other comprehensive income 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.

### Other income and expense

Other income and expense are recognized on an accrual basis.

## 3.16 Taxation

Income tax expense comprises the sum amount of current tax in respect of the current year and deferred tax.

### - Current tax

Current tax represents tax currently payable which is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period.

- Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each of the end of reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset is recognized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the current tax asset against current tax liabilities and the Company intends to settle such current tax liability and asset on a net basis or intends to recognize the asset and settle the liability simultaneously.

Current and deferred tax are recognized as income or expense and included in profit or loss for the period.

### 3.17 Earnings (loss) per share

Earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to ordinary shareholders divided by the weighted average number of ordinary shares held by outsiders. In case of increase in share capital, the weighted average number of ordinary shares is calculated based on subscription of issued and paid-up share capital period. In case of decrease in share capital, the weighted average number of ordinary shares is calculated based on share capital decrease registration period. Diluted earnings (loss) per share is calculated based on assumption that all dilutive potential ordinary shares have been converted to ordinary shares.



### 3.18 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 consolidated 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 the end of reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognized in profit and loss, any exchange component of that gain or loss is recognized in profit and loss.

#### (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 profit or loss and other comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognized 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.

### 3.19 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of TFRS 2 (Revised 2017), leasing transactions that are within the scope of TAS 17 (Revised 2017), and measurements that have some similarities to fair value but are not fair value, such as net realizable value in TAS 2 (Revised 2017) or value in use in TAS 36 (Revised 2017).

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

### 3.20 Use of management's judgments and key sources of estimation uncertainty

The preparation of financial statements in conformity with Thai Financial Reporting Standard also requires the Group's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

Significant judgments and estimates are as follows:

#### Allowance for diminution in value of inventories

In estimating allowance for diminution in value of inventories, the management exercise judgments in order to estimate the loss amount that may incur from such inventories. The allowance for decline in net realizable value is considered based on the selling price expected in the ordinary course of business less the cost to make the sale and allowance for obsolete, slow-moving and deteriorated inventories, is estimated based on the approximate age of each type of inventory.

#### Investment property, property, plant and equipment and depreciation

In determining depreciation of investment property, property, plant and equipment, the management is required to make estimates of the useful lives and residual values of the investment property, property, plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review investment property, property, plant and equipment for impairment on a periodical basis and records impairment losses when it is determined that their assets recoverable amount is lower than the carrying amount. This requires judgment regarding forecast of future revenues and expenses relating to the assets subject to the review.

In determining the fair value disclosure of investment property, the management used the income approach supported by current and previous valuations by an independent appraiser. The key assumptions used in estimating the fair value are described in Note 15.

#### Goodwill and intangible assets

The initial recognition and measurement of goodwill and other intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

### **4. DISCLOSURE OF FINANCIAL INSTRUMENT INFORMATION**

The Group is exposed to normal business risks from changes in market interest rates risk, foreign exchange risk, market price risk of raw materials, 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.

#### 4.1 Interest rates risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from its borrowings. The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

The interest rates of interest-bearings financial liabilities as at December 31, 2018 and 2017 and the periods in which the borrowing mature or re-rate were as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
As at December 31, 2018				
	Interest rate (% per annum)	Within 1 year Baht	After 1 year but within 5 years Baht	Total Baht
Bank overdrafts and borrowings from financial institutions	4.00 - 7.43	380,369,239	-	380,369,239
Short-term borrowings from other companies	6.25	39,500,000	-	39,500,000
Long-term debenture	6.25	-	600,000,000	600,000,000
Long-term borrowings from financial institution	MLR-1	24,520,000	-	24,520,000
Liabilities under finance lease agreements	2.75 - 6.85	7,032,987	2,497,854	9,530,841
		<u>451,422,226</u>	<u>602,497,854</u>	<u>1,053,920,080</u>

CONSOLIDATED FINANCIAL STATEMENTS				
As at December 31, 2017				
	Interest rate (% per annum)	Within 1 year Baht	After 1 year but within 5 years Baht	Total Baht
Bank overdrafts and borrowings from financial institutions	4.00 - 7.43	325,510,525	-	325,510,525
Long-term debenture	5.40	800,000,000	-	800,000,000
Long-term borrowings from financial institution	MLR-1	24,960,000	24,520,000	49,480,000
Liabilities under finance lease agreements	2.75 - 6.85	8,114,431	9,400,059	17,514,490
		<u>1,158,584,956</u>	<u>33,920,059</u>	<u>1,192,505,015</u>

#### 4.2 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.

#### 4.3 Credit risk

The Company has a credit policy in place to make sure that sales of products and services are made to customer with an appropriate credit history based on credit evaluation. The Company also closely follows up its receivables. Most sales made require credit over a certain amount. At the reporting date the Company has no significant concentrations of credit risk. Cash transactions are limited to high credit quality financial institutions.

#### 4.4 Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operation. The Company invests excess liquidity in capital market to manage liquidity risk prudentially.

### 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

The Group's management has determined segment information in respect of the Group's business and geographic segments 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 board of directors that makes strategic decision. The chief operating decision-maker review operating results in the same dimension as presented on the financial statements, principally based on profit (loss) before 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

Financial information by business segments in the consolidated financial statements are as follows:

	Consolidated financial statements						
	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Other segment	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
For the year ended							
December 31, 2018							
Revenues	415.58	1,106.64	1,582.05	310.96	0.36	0.06	3,415.65
Less Revenue from inter-segment	(71.20)	(1.40)	(70.12)	(4.15)	-	-	(146.87)
Net revenues	344.38	1,105.24	1,511.93	306.81	0.36	0.06	3,268.78
Segment results	310.83	64.30	(447.86)	29.76	(8.17)	(1.25)	(52.39)
Segment fixed assets	5.16	231.77	1,505.81	2.21	54.20	0.09	1,799.24
Other assets							4,064.50
Consolidated total assets							5,863.74

	Consolidated financial statements						
	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Other segment	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
For the year ended							
December 31, 2017							
Revenues	163.72	944.89	1,094.08	635.51	0.04	31.64	2,869.88
Less Revenue from inter-segment	(194.99)	(0.35)	(105.49)	(18.50)	-	-	(319.33)
Net 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 December 31, 2018 and 2017 were as follows:

Consolidated financial statements				
2018		2017		
Level 1	Level 2	Level 1	Level 2	
Baht	Baht	Baht	Baht	
<b>Asset</b>				
Trading financial assets				
• Mutual Funds	-	3,282,833	-	8,242,687
• Equity securities	729,131,875	-	136,766,739	-
Available-for-sale financial assets	-	178,229,328	-	480,740,408
	<u>729,131,875</u>	<u>181,512,161</u>	<u>136,766,739</u>	<u>488,983,095</u>
Separate financial statements				
2018		2017		
Level 1	Level 2	Level 1	Level 2	
Baht	Baht	Baht	Baht	
<b>Asset</b>				
Trading financial assets				
• Mutual Funds	-	3,282,833	-	8,242,687
• Equity securities	466,526,735	-	155,533,062	-
	<u>466,526,735</u>	<u>3,282,833</u>	<u>155,533,062</u>	<u>8,242,687</u>

There were no transfers between levels 1 and 2 during the year.

The Group reclassified available-for-sale investments gains of Baht 4,122,566 (December 31, 2017: Baht 1,389,449).

### 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. SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION

8.1 Cash and cash equivalents as at December 31, 2018 and 2017 consist of the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash on hand	1,131,538	1,362,731	8,180	729
Deposits with banks - current and savings accounts	137,647,041	178,517,131	7,746,046	25,181,127
Short-term bank deposits	3,473,625	4,673,160	370,688	367,766
	<u>142,252,204</u>	<u>184,553,022</u>	<u>8,124,914</u>	<u>25,549,622</u>

As at December 31, 2018, the interest rate on short-term bank deposits was 0.80% - 1.38% per annum (December 31, 2017: 0.80% - 0.95% per annum) and these deposits have maturities within 3 months.

8.2 Non-cash transactions for the years ended December 31, 2018 and 2017 consist of the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Payable for purchase equipment	39,595,091	475,479	-	-
Finance lease of equipment	156,066	4,051,081	-	-

## 9. SHORT-TERM INVESTMENTS

Short-term investments as at December 31, 2018 and 2017 consist of the following:

	Consolidated financial statements			
	2018		2017	
	Cost Baht	Fair value Baht	Cost Baht	Fair value Baht
Trading securities	505,838,271	732,414,708	325,218,227	145,009,426
Available-for-sale securities	179,054,316	178,229,328	478,633,096	480,740,408
Held-to-maturity securities due within one year	5,639,275	5,639,275	4,330,296	4,330,296
	<u>690,531,862</u>	<u>916,283,311</u>	<u>808,181,619</u>	<u>630,080,130</u>

	Separate financial statements			
	2018		2017	
	Cost Baht	Fair value Baht	Cost Baht	Fair value Baht
Trading securities	309,423,812	469,809,568	343,984,550	163,775,749

Movements of short-term investments for the years ended December 31, 2018 and 2017 are as follows:

	Consolidated financial statements			Total
	Trading securities	Available-for-sale securities	Held-to-maturity securities due within one year	
	Baht	Baht	Baht	Baht
<b>For the year ended December 31, 2018</b>				
Beginning net book amount	145,009,426	480,740,408	4,330,296	630,080,130
Additions	328,293,410	463,970,000	4,158,140	796,421,550
Disposals	(146,904,845)	(765,127,434)	(2,861,129)	(914,893,408)
Change in fair value of investments	406,016,717	(1,353,646)	-	404,663,071
Interest income	-	-	11,968	11,968
Ending net book amount	<u>732,414,708</u>	<u>178,229,328</u>	<u>5,639,275</u>	<u>916,283,311</u>
<b>For the year ended December 31, 2017</b>				
Beginning 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)
Change in fair value of investments	(33,631,588)	531,613	-	(33,099,975)
Loss on impairment of investment	(2,406,925)	-	-	(2,406,925)
Interest income	-	-	11,711	11,711
Ending net book amount	<u>145,009,426</u>	<u>480,740,408</u>	<u>4,330,296</u>	<u>630,080,130</u>
	Consolidated financial statements			Total
	Trading securities	Available-for-sale securities	Held-to-maturity securities due within one year	
	Baht	Baht	Baht	Baht
<b>As at December 31, 2018</b>				
Cost	505,838,271	179,054,316	5,639,275	690,531,862
Unrealised gain (loss)	<u>226,576,437</u>	<u>(824,988)</u>	<u>-</u>	<u>225,751,449</u>
Fair value	<u>732,414,708</u>	<u>178,229,328</u>	<u>5,639,275</u>	<u>916,283,311</u>
<b>As at December 31, 2017</b>				
Cost	325,218,227	478,633,096	4,330,296	808,181,619
Unrealised gain (loss)	<u>(180,208,801)</u>	<u>2,107,312</u>	<u>-</u>	<u>(178,101,489)</u>
Fair value	<u>145,009,426</u>	<u>480,740,408</u>	<u>4,330,296</u>	<u>630,080,130</u>

	<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>
<b>Trading securities</b>		
Beginning net book amount	163,775,749	173,687,780
Additions	36,054,614	222,489,131
Disposals	(69,846,832)	(196,362,649)
Loss on impairment of investment	-	(2,406,925)
Change in fair value of investments	339,826,037	(33,631,588)
Ending net book amount	<u>469,809,568</u>	<u>163,775,749</u>

	<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>
<b>Trading securities</b>		
Cost	309,423,812	343,984,550
Unrealised gain (loss)	160,385,756	(180,208,801)
Fair value	<u>469,809,568</u>	<u>163,775,749</u>

Gain (loss) from investment for the years ended December 31, 2018 and 2017, can be analyzed as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Gain on sales of temporary investments	10,759,070	5,294,892	2,264,699	3,271,445
Gain on sales of subsidiary's warrants	-	-	1,011,935	170,376,837
Unrealised gain (loss) on revaluation of trading securities	406,016,717	(33,631,588)	339,826,037	(33,631,588)
Gain on disposal investments in subsidiaries (Note 14.1)	-	-	7,426,494	17,399,811
Loss on impairment in trading securities	-	(2,406,925)	-	(2,406,925)
	<u>416,775,787</u>	<u>(30,743,621)</u>	<u>350,529,165</u>	<u>155,009,580</u>

The Company recognised gain on disposal investment in subsidiaries amounting Baht 5.94 million, net of tax, (2018 : Baht 5.24 million, net of tax), and gain on sales of subsidiary's warrants amounting to Baht 0.81 million, net of tax, (2017: Baht 169.38 million, net of tax) directly in equity attributed to the shareholders of the parent company in the consolidated financial statements.

## 10. RECEIVABLES

10.1 Trade and other current receivables as at December 31, 2018 and 2017 consist of the following

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2018 Baht	2018 Baht	2018 Baht
Trade receivables - third parties	780,408,952	790,256,130	84,108,921	84,178,921
<u>Less</u> Allowance for doubtful accounts	<u>(105,700,264)</u>	<u>(105,551,088)</u>	<u>(84,108,921)</u>	<u>(84,178,921)</u>
Trade receivables - third parties, net	<u>674,708,688</u>	<u>684,705,042</u>	<u>-</u>	<u>-</u>
Trade receivable - related parties (Note 30.5)	15,590,445	14,120,263	-	-
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>(14,120,263)</u>	<u>-</u>	<u>-</u>
Trade receivable - related parties, net	<u>15,590,445</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other receivables - third parties	130,292,664	30,501,068	590,547	528,783
Other receivables - directors (Note 30.5)	2,704,317	-	-	-
Other receivables - related parties, net (Note 30.5)	777,809	172,434,011	-	-
Accrued income - third parties	51,671,471	18,828,503	63,096	112,322
Accrued income - related parties (Note 30.5)	923,186	404,556	24,056,876	12,317,573
Prepaid expenses	21,205,485	34,626,741	350,880	431,121
	<u>897,874,065</u>	<u>941,499,921</u>	<u>25,061,399</u>	<u>13,389,799</u>

Aging of outstanding trade accounts receivables as at December 31, 2018 and 2017 can be analyzed as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2018 Baht</b>	<b>2018 Baht</b>	<b>2018 Baht</b>
Third parties				
Within credit terms	367,027,487	546,906,261	-	-
Overdue:				
Less than 3 months	248,008,593	125,796,395	-	-
3 - 6 months	52,785,132	11,946,361	-	-
6 - 12 months	6,632,513	1,947,141	-	-
Over 12 months	105,955,227	103,659,972	84,108,921	84,178,921
	780,408,952	790,256,130	84,108,921	84,178,921
<u>Less</u> Allowance for doubtful accounts	(105,700,264)	(105,551,088)	(84,108,921)	(84,178,921)
	674,708,688	684,705,042	-	-
Related parties (Note 30.5)				
Within credit terms	15,590,445	-	-	-
Overdue:				
Over 12 months	-	14,120,263	-	-
	15,590,445	14,120,263	-	-
<u>Less</u> Allowance for doubtful accounts	-	(14,120,263)	-	-
	15,590,445	-	-	-

## 10.2 Receivables under finance lease agreements

Receivables under finance lease agreements as at December 31, 2018 and 2017 can be analyzed as;

	<b>Consolidated financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>
Due within 1 year	52,995,047	52,995,047
Due within 2 - 5 years	135,670,417	168,574,840
Due after 5 years	75,339,842	95,430,467
	264,005,306	317,000,354
<u>Less</u> Future financial costs of finance leases	(60,174,662)	(78,022,702)
	203,830,644	238,977,652
<u>Less</u> Allowance for doubtful accounts	(6,000,000)	(6,000,000)
	197,830,644	232,977,652

Presented in the statement of financial position as follows:

	<b>Consolidated financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>
Current portion of receivables under finance lease agreements	38,064,192	35,147,008
Receivables under finance lease agreements	159,766,452	197,830,644
	197,830,644	232,977,652

## 11. SHORT-TERM LOANS

Short-term loans as at December 31, 2018 and 2017 consist of the following

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Third parties				
- promissory notes	-	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	<u>(8,850,000)</u>	<u>(18,302,383)</u>	<u>(8,850,000)</u>	<u>(18,302,383)</u>
	-	-	-	-
Related parties (Note 30.6)				
- promissory notes	-	-	208,286,000	163,940,000
- short-term loans	8,682,290	8,858,890	-	-
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>(39,900,000)</u>	<u>(39,900,000)</u>
	<u>8,682,290</u>	<u>8,858,890</u>	<u>168,386,000</u>	<u>124,040,000</u>
	<u>8,682,290</u>	<u>8,858,890</u>	<u>168,386,000</u>	<u>124,040,000</u>

During the year of 2017, the Company assessed the recoverability for loan to subsidiary and recognised doubtful debt amounting to Baht 8.00 million under “Other expenses” in the separate financial statements.

## 12. INVENTORIES

Inventories as at December 31, 2018 and 2017 consist of the following:

	Consolidated financial statements	
	2018	2017
	Baht	Baht
Raw material	361,584,093	390,213,810
Factory supplies	24,590,589	57,928,478
Work in progress	378,953,963	290,032,458
Finished goods	95,872,057	75,308,190
Good in transit	33,805,433	-
	<u>894,806,135</u>	<u>813,482,936</u>
<u>Less</u> : Provision of reduction of inventory value	<u>(53,730,017)</u>	<u>(19,656,856)</u>
	<u>841,076,118</u>	<u>793,826,080</u>

The amounts of inventories recognized as an expense and was included in the cost of sales of goods for the years ended December 31, 2018 and 2017 were as follows:

	Consolidated financial statements	
	2018	2017
	Baht	Baht
Inventories recognized as an expense and include in cost of sales		
Cost of sale of goods	1,677,794,570	1,473,173,509
Loss on reduction of inventory value (reversal)	<u>34,073,161</u>	<u>(1,351,124)</u>
	<u>1,711,867,731</u>	<u>1,471,822,385</u>

### 13. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

In October 2018, a subsidiary entered into an agreement to sell a part of land, building and machinery with the cost of Baht 173.37 million to a company at the price of Baht 152.17 million, therefore, as at December 31, 2018, the Group reclassified to be non-current assets classified as held for sale and recognized as a loss from impairment of those assets amounting to Baht 21.20 million in the statement of profit or loss and other comprehensive income for the year ended December 31, 2018.

### 14. INVESTMENTS IN SUBSIDIARIES, ASSOCIATE AND INTEREST IN JOINT VENTURE

#### 14.1 Investment in subsidiaries

The details of investment in subsidiaries as follows:

Name of the entity	Type of business	Country of incorporation	Issued and paid-up share capital		Ownership interest	
			2018 Million Baht	2017 Million Baht	2018 %	2017 %
Direct shareholding						
1. Rayong Wire Industries Public Company Limited	Manufacturing and distributing restressed concrete wire, restressed concrete strand wire and welding wire	Thailand	318.18	303.02	69.83	72.18
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	39.76	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



Name of the entity	Type of business	Country of incorporation	Issued and paid-up share capital		Ownership interest	
			2018	2017	2018	2017
			Million Baht	Million Baht	%	%
Indirect shareholding by Ua Withya Public Company Limited						
1. Paradise Green Energy Company Limited	Agricultural	Thailand	250.00	250.00	25.84	25.50
2. UWC Komen Biomass Co., Ltd.	Biomass power plant project	Thailand	240.00	240.00	39.76	39.23
3. UWC Solar Company Limited	Biomass power plant project	Thailand	18.25	18.25	39.76	39.23
4. Satuek Biomass Co., Ltd.	Biomass power plant project	Thailand	16.25	16.25	39.76	39.23
5. UWC Amphan Biomass Company Limited	Biomass power plant project	Thailand	9.38	9.38	39.76	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 woodchip	Cambodia	US\$ 25,000	US\$ 25,000	27.83	27.46

Movement in book value of investments in subsidiaries for the years then ended December 31, 2018 and 2017 are as follows:

	Separate financial statements	
	2018 Baht	2017 Baht
Beginning balance	975,248,195	1,061,677,651
Additions	25,804,464	-
Disposals	(1,901,294)	(2,586,597)
Impairment loss on investments	-	(83,842,859)
Ending balance	<u>999,151,365</u>	<u>975,248,195</u>

## Transactions incurred during 2018

### Rayong Wire Industries Public Company Limited

During March 2018, the non-controlling interest of Rayong Wire Industries Public Company Limited exercised the warrant (RWI-W1) of 10,280,300 units and paid all subscriptions amounting to Baht 16,448,480. The Group recognised gain, net of tax on change in controlling interest in subsidiary amounting to Baht 172 directly in equity attributed to the shareholders' equity of the parent company in the consolidated financial statements.

During July 2018, the non-controlling interest of Rayong Wire Industries Public Company Limited exercised the warrant (RWI-W1) of 20,050,447 units and paid all subscriptions amounting to Baht 10,025,224. The Group recognised gain, net of tax on change in controlling interest in subsidiary amounting to Baht 24.10 million directly in equity attributed to the shareholders' equity of the parent company in the consolidated financial statements.

During the year of 2018, the Company acquired investments in Rayong Wire Industries Public Company Limited of 12,824,100 shares in the amount of Baht 21.66 million from the non-controlling interest.

During the year of 2018, the Company disposed 5,833,300 shares of Rayong Wire Industries Public Company Limited and received proceed amounting to Baht 9.33 million. The Company recognised gain on sale of investment amounting to Baht 7.43 million in the separate financial statements. The Group recognised loss, net of tax amounting to Baht 0.19 million directly in equity attributed to the owners of the parent in the consolidated financial statements.

As a result of exercising warrants and sale of investment, the Company's shareholding proportion in Rayong Wire Industries Public Company Limited decreased to 69.83%.

#### **Ua Withya Public Company Limited**

During the year of 2018, the Company acquired investments in Ua Withya Public Company Limited of 69,000,000 shares in the amount of Baht 4.14 million from the non-controlling interest, the Company's shareholding proportion in Ua Withya Public Company Limited remains 39.76%. Even though the Company has investment in Ua Withya Public Company Limited at 39.76%; however, the Company has control and power to govern the financial and operating policies of Ua Withya Public Company Limited. Therefore, Ua Withya Public Company Limited is classified as subsidiary of the Company.

Investments in two subsidiaries were guaranteed for issuing debentures of Ua Withya Public Company Limited (Notes 20 and 33.6).

#### **Transactions incurred during 2017**

##### **Rayong Wire Industries Public Company Limited**

During the year 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.

During the year 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%.

### **Ua Withya Public Company Limited**

During the year 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 Ua Withya Public Company Limited remains 39.23%. Even though the Group has investment in Ua Withya Public Company Limited at 39.23%; however, the Group has control and power to govern the financial and operating policies of Ua Withya Public Company Limited. Therefore, Ua Withya Public Company Limited is classified as subsidiary of the Group.

### **Pipe Line Engineering Company Limited**

For the year ended December 31, 2017, the Company assessed the impairment of investment in Pipe Line Engineering Company Limited and recognized impairment loss amounting to Baht 34.40 million under "Other expenses" in the separate financial statements.

### **Evergreen Biomass Company Limited**

For the year ended December 31, 2017, the Company assessed the impairment of investment in Evergreen Biomass Company Limited and recognized impairment loss amounting to Baht 49.44 million under "Other expenses" in the separate financial statements.

### **Green Energy Plantation Company Limited**

On April 17, 2017, Ua Withya Public Company Limited acquired Green Energy Plantation Company Limited by investing in 11,000 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 Green Energy Plantation Company Limited for 21.58%.

### **Paradise Green Energy Co., Ltd.**

During the year of 2017, Ua Withya Public Company Limited made additional investment in Paradise Green Energy Company Limited amounting to Baht 13.43 million. Accordingly, the group's shareholding proportion in Paradise Green Energy Company Limited increased to 25.50%. The Group recognized 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**

During the year of 2017, Ua Withya Public Company Limited acquired UWC (Cambodia) Company Limited by investing in 1,000 ordinary shares totalling Baht 0.89 million, representing ownership interest of 70.00%. The Group presented indirect ownership in UWC (Cambodia) Company Limited for 27.46%.

Details of non-wholly owned subsidiaries that have material non-controlling interests as at December 31, 2018 and 2017 were as follows:

Name of the companies	Incorporation	Proportion of ownership interests and voting rights held by non-controlling interests		Comprehensive income (loss) allocated to non-controlling interests for the years ended December 31,		Accumulated non-controlling interests as at December 31,	
		2018	2017	2018	2017	2018	2017
		(%)	(%)	Baht	Baht	Baht	Baht
Rayong Wire Industries Public Company Limited	Thailand	69.83	72.18	15,591,325	22,495,427	342,712,782	272,996,844
Ua Withya Public Company Limited	Thailand	39.76	39.23	(268,112,604)	(175,115,586)	885,759,940	1,158,429,250
Total						<u>1,228,472,722</u>	<u>1,431,426,094</u>

The summarized financial information prepared by the Group's management account before intragroup eliminations of each non-wholly owned subsidiary that has material non-controlling interests for the years ended December 31, 2018 and 2017 were as follows:

	Rayong Wire Industries Public Company Limited		Ua Withya Public Company Limited	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
<b>Condensed statements of financial position as at December 31,</b>				
Current assets	1,056,594,898	953,131,032	1,371,588,303	1,391,702,492
Non-current assets	428,496,758	402,237,122	1,704,762,985	2,169,513,057
Current liabilities	(400,840,269)	(316,587,252)	(926,467,090)	(1,571,747,844)
Non-current liabilities	(18,648,833)	(9,678,871)	(674,071,280)	(90,889,685)
Total attributions to owners	(744,110,263)	(742,805,846)	(1,463,546,554)	(1,853,347,797)
Non-controlling interests	(321,492,291)	(286,296,185)	(12,266,364)	(45,230,223)
<b>Condensed statements of profit or loss and other comprehensive income for the years ended December 31,</b>				
Revenue	1,106,632,411	947,593,697	1,512,268,815	1,371,224,623
Expenses	<u>(1,053,760,934)</u>	<u>(866,733,068)</u>	<u>(1,935,494,613)</u>	<u>(1,644,795,822)</u>
Profit (loss) for the year	52,871,477	80,860,629	(423,225,798)	(273,571,199)
Other comprehensive income (loss)	<u>(666,890)</u>	<u>(617,124)</u>	<u>460,696</u>	<u>37,627,591</u>
Total comprehensive income (loss) for the year	<u>52,204,587</u>	<u>80,243,505</u>	<u>(422,765,102)</u>	<u>(235,943,608)</u>
<b>Condensed statements of cash flows for the years ended December 31,</b>				
Net cash provided by (used in) operating activities	(26,437,706)	10,869,265	218,560,122	(89,448,146)
Net cash provided by (used in) investing activities	19,902,004	(330,114,068)	(153,592,534)	(237,369,471)
Net cash provided by (used in) financing activities	38,731,427	274,161,810	(99,109,050)	(42,717,615)
Effect of exchange changes	<u>(1,953,441)</u>	<u>-</u>	<u>7,278</u>	<u>(1,389)</u>
Net increase (decrease) in cash and cash equivalents	<u>30,242,284</u>	<u>(45,082,993)</u>	<u>(34,044,184)</u>	<u>(369,536,621)</u>

## 14.2 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	
			December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
			Million Baht	Million Baht	%	%
1. Dimet (Siam) Public Company Limited	Manufacturing and trading of external paint	Thailand	268.95	128.32	24.98	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	21.75	30.00	30.00
4. Panova Company Limited	Waste-to-energy power plant	Thailand	23.18	-	30.00	-
5. Interglob Investment Company Limited	Selling and rental real estate	Cambodia	US\$ 25,000	US\$ 25,000	48.00	48.00

Movements of investment in associate for the years ended December 31, 2018 and 2017 consist of the following:

	Consolidated financial statements	
	2018 Baht	2017 Baht
Beginning balance	122,076,045	227,212,163
Increase in investments	105,989,568	11,880,034
Disposal of investments	(42,101,960)	-
Adjustment of allowance for impairment of investment	(27,860,932)	(110,754,937)
Loss from disposal investments	(15,556,076)	-
Share of loss for the year	(9,359,446)	(6,261,215)
Ending balance	<u>133,187,199</u>	<u>122,076,045</u>

## **Transactions incurred during 2018**

### **Ayutthaya Power Systems Company Limited (“APS”)**

On January 17, 2018, the Board of Directors’ meeting of Ayutthaya Power Systems Company Limited passed a resolution to call up the capital additionally of Baht 10 per share (which was called up of Baht 25 per share in prior period). Ua Withya Public Company Limited paid the subscription of Baht 1.65 million on January 19, 2018. Subsequently, on July 12, 2018, Ua Withya Public Company Limited exchanged the shares of Ayutthaya Power Systems Company Limited of 165,000 shares, totaling Baht 5.78 million with the shares of Panova Company Limited of 231,000 shares, totaling Baht 5.78 million and invested to acquire shares of Panova Company Limited of 47,144 shares, totaling Baht 1.18 million, totaling 278,144 shares and Baht 6.95 million. The proportion of shareholding is 30% of issued shares and paid up of the Company.

### **Dimet (Siam) Public Company Limited (“DIMET”)**

During the year of 2018, Ua Withya Public Company Limited invested to acquire shares of Dimet (Siam) Public Company Limited of 4,410,000 shares, totaling Baht 9.46 million, and on July 5, 2018, the Company invested to acquire shares of Dimet (Siam) Public Company Limited together with warrants of 93,700,000 shares, totaling Baht 93.70 million.

During the year of 2018, the Company sold shares and warrants of Dimet (Siam) Public Company Limited of 26,569,900 shares, totaling Baht 44.37 million and of 83,039,400 rights totaling Baht 13.29 million, respectively. Ua Withya Public Company Limited recognized loss on sales of investment in associate amounting to Baht 15.56 million in the statement of profit or loss and other comprehensive income for the year ended December 31, 2018.

## **Transactions incurred during 2017**

### **Ayutthaya Power Systems Company Limited (“APS”)**

On November 30, 2016, Ua Withya Public Company Limited’s Board of Directors Meeting 6/2016 approved the subsidiary to invest in 165,000 ordinary shares of Ayutthaya Power Systems Company Limited at par value of Baht 25 per share totaling Baht 4.13 million, which represents ownership interest of 30.00%. Ua Withya Public Company Limited completed the acquisition in February 2017.

### **Saraburi Energy Systems 2 Company Limited (“SES2”)**

On November 30, 2016, Ua Withya Public Company Limited Board of Directors Meeting 6/2016 approved the subsidiary to invest in 261,000 ordinary shares of Saraburi Energy Systems 2 Company Limited at par value of Baht 25 per share totaling Baht 6.53 million, which represents ownership interest of 30.00%. Ua Withya Public Company Limited completed the acquisition in February 2017.

### Interglob Investment Company Limited (“IIC”)

On April 24, 2018, Ua Withya Public Company Limited acquired Interglob Investment Company Limited a new established company, by investing in 1,000 ordinary shares totaling Baht 1.22 million, representing ownership interest of 48.00%.

#### Details of material associate

The summarized financial information of the material associate represents amounts shown in the associate’s financial statements prepared in accordance with TFRSs and adjusted by the Group for equity accounting purposes for the year ended December 31, as follows:

#### Dimet (Siam) Public Company Limited

	<b>2018 Baht</b>	<b>2017 Baht</b>
Assets	<u>428,112,655</u>	<u>198,259,671</u>
Liabilities	<u>(88,997,817)</u>	<u>(90,303,434)</u>
Revenue	<u>295,590,138</u>	<u>302,536,273</u>
Profit for the year	<u>(34,918,540)</u>	<u>(22,191,367)</u>

Reconciliation of the above summarized financial information to the carrying amount of the interest in an associated company recognized in the consolidated financial statements, is as follows:

	<b>2018 Baht</b>	<b>2017 Baht</b>
Net assets of the associate	339,114,838	107,956,237
Proportion of the Group’s ownership interest in Dimet (Siam) Public Company Limited (%)	<u>24.98</u>	<u>24.50</u>
Carrying amount of the Group’s interest in Dimet (Siam) Public Company Limited	<u>84,710,887</u>	<u>26,449,278</u>

#### Aggregate information of an associate that is not individually material

	<b>2018 Baht</b>	<b>2017 Baht</b>
The Group’s share of loss for the years ended December 31,	<u>(637,539)</u>	<u>(824,330)</u>



### 14.3 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	
			2018 Million Baht	2017 Million Baht	2018 %	2017 %
Sunflowergreen Co., Ltd.	Wood chopping	Thailand	180.00	150.00	20.83	25.00

The Group indirectly holds this investment through Evergreen Biomass Company Limited

Movements of interest in joint venture for the year ended December 31, 2018 and 2017 can be analysed as follows:

	Consolidated financial statements	
	2018 Baht	2017 Baht
Beginning Balance	59,471,525	59,471,525
<u>Less</u> payable for subsidiary acquisition	(4,525,000)	(4,525,000)
Adjustment of allowance for impairment of investment	(54,946,525)	(54,946,525)
Ending balance	-	-

#### Transaction incurred during 2018

During the year of 2018, a criminal case that Evergreen Biomass Company Limited filed a lawsuit against Sunflower Green Company Limited is still in the process of appointing prosecution witnesses and defendants. For civil cases, the court of first instance ruled that Sunflower Green Company Limited returned the Company's shares in shareholder list (Bor Or Jor 5) of Sunflower Green Company Limited.

During the year of 2018, Sunflower Green Company Limited has registered the capital increase from the Baht 150 million to Baht 180 million without informing the Group, causing the investment proportion decrease to 20.83%. Evergreen Biomass Company Limited then filed a lawsuit against Sunflower Green Company Limited and the director because of committing an offense under the Act on Offenses relating to Registered Partnerships.

#### Transaction incurred during 2017

During the year of 2017, the authorised directors of Sunflower Green Company Limited filed an unlawful registration of the change of the shareholder list and made Evergreen Biomass Company Limited unlisted in the shareholder list. The subsidiary, Evergreen Biomass Company Limited had filed a lawsuit against Sunflower Green Company Limited and Sunflower Green Company Limited'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 Evergreen Biomass Company Limited and Sunflower Green Company Limited's director. However, the negotiation did not success and Sunflower Green Company Limited'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 Sunflower Green Company Limited in full amount.

## 15. INVESTMENT PROPERTY

Investment property consist of the following:

**As at December 31, 2018**

	Consolidated and separate financial statements			
	Balance as at January 1, 2018 Baht	Addition Baht	(Disposal) Baht	Balance as at December 31, 2018 Baht
Cost				
Land	415,473,522	-	(1,659,600)	413,813,922
Building	940,000	-	-	940,000
Total cost	416,413,522	-	(1,659,600)	414,753,922
Accumulated depreciation				
Building	(867,890)	(47,000)	-	(914,890)
Total accumulated depreciation	(867,890)	(47,000)	-	(914,890)
<u>Less</u> Allowance for impairment - land	(10,857,206)	-	-	(10,857,206)
<b>Investment Property</b>	<b>404,688,426</b>			<b>402,981,826</b>

**As at December 31, 2017**

	Consolidated and separate financial statements			
	Balance as at January 1, 2017 Baht	Addition Baht	(Disposal) Baht	Balance as at December 31, 2017 Baht
Cost				
Land	415,473,522	-	-	415,473,522
Building	940,000	-	-	940,000
Total cost	416,413,522	-	-	416,413,522
Accumulated depreciation				
Building	(820,890)	(47,000)	-	(867,890)
Total accumulated depreciation	(820,890)	(47,000)	-	(867,890)
<u>Less</u> Allowance for impairment - land	(10,857,206)	-	-	(10,857,206)
<b>Investment Property</b>	<b>404,735,426</b>			<b>404,688,426</b>

**Depreciation for the years ended December 31,**

2018	<b>Baht</b>	<b>47,000</b>
2017	<b>Baht</b>	<b>47,000</b>

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 and amount as at December 31, 2018 and 2017 was Baht 416,806,850.

The Group's management is currently considering to use the land and building as investment with another entity or developing such land to its maximum benefits.

As at December 31, 2018 and 2017, certain investment properties are pledged as a collateral for borrowings from the financial institutions (Notes 20 and 33.4).

## 16. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

As at December 31, 2018

	Consolidated financial statements				Balance as at December 31, 2018 Baht
	Balance as at January 1, 2018 Baht	Addition Baht	(Disposal) Baht	Transfer in/ (out) Baht	
Cost					
Land and Land improvement					
Original cost	105,482,833	940,939	-	(76,277,096)	30,146,676
Appraised value	295,649,459	-	-	-	295,649,459
Buildings and Building improvement	1,000,993,068	6,310,455	-	(35,293,988)	972,009,535
Machinery and equipment	1,434,148,705	32,904,850	(3,844,747)	(78,110,972)	1,385,097,836
Tunnel boring machines	131,568,725	-	-	-	131,568,725
Office equipment, furniture and fixtures	68,944,966	11,146,456	(9,493,958)	(113,927)	70,483,537
Vehicles	48,343,291	903,517	(15,083)	-	49,231,725
Total cost	<u>3,085,131,047</u>	<u>52,206,217</u>	<u>(13,353,788)</u>	<u>(189,795,983)</u>	<u>2,934,187,493</u>
Accumulated depreciation					
Land improvement					
Original cost	(438,169)	(805,809)	-	-	(1,243,978)
Buildings and Building improvement	(423,359,085)	(39,108,596)	-	5,762,176	(456,705,505)
Machinery and equipment	(626,801,548)	(84,609,148)	3,634,508	31,828,552	(675,947,636)
Tunnel boring machines	(47,620,594)	(7,342,838)	-	-	(54,963,432)
Office equipment, furniture and fixtures	(54,123,535)	(6,304,374)	9,338,130	78,119	(51,011,660)
Vehicles	(23,905,349)	(5,344,975)	15,078	-	(29,235,246)
Total Accumulated depreciation	<u>(1,176,248,280)</u>	<u>(143,515,740)</u>	<u>12,987,716</u>	<u>37,668,847</u>	<u>(1,269,107,457)</u>
Asset under construction	<u>10,993,728</u>	<u>32,114,017</u>	<u>(92,837)</u>	<u>(20,964,681)</u>	<u>22,050,227</u>
<u>Less</u> Allowance for impairment	<u>(33,937,844)</u>	<u>(28,178,871)</u>	<u>-</u>	<u>-</u>	<u>(62,116,715)</u>
<b>Property, plant and equipment</b>	<u><u>1,885,938,651</u></u>				<u><u>1,625,013,548</u></u>

As at December 31, 2017

	Consolidated financial statements				Balance as at December 31, 2017 Baht
	Balance as at January 1, 2017 Baht	Addition Baht	(Disposal) Baht	Transfer in/ (out) Baht	
Cost					
Land and Land improvement					
Original cost	105,742,115	5,840,000	-	-	111,582,115
Appraised value	235,427,277	54,122,900	-	-	289,550,177
Buildings and Building improvement	957,701,921	6,494,835	-	36,796,312	1,000,993,068
Machinery and equipment	1,170,673,769	66,830,916	(272,619)	196,916,639	1,434,148,705
Tunnel boring machines	131,568,725	-	-	-	131,568,725
Office equipment, furniture and fixtures	61,592,857	6,494,375	(210,399)	1,068,133	68,944,966
Vehicles	48,930,629	7,378,513	(7,965,851)	-	48,343,291
Total cost	<u>2,711,637,293</u>	<u>147,161,539</u>	<u>(8,448,869)</u>	<u>234,781,084</u>	<u>3,085,131,047</u>
Accumulated depreciation					
Buildings and Building improvement	(389,378,694)	(34,418,560)	-	-	(423,797,254)
Machinery and equipment	(548,026,510)	(79,023,972)	248,934	-	(626,801,548)
Tunnel boring machines	(37,321,525)	(10,299,069)	-	-	(47,620,594)
Office equipment, furniture and fixtures	(48,576,395)	(5,631,990)	84,850	-	(54,123,535)
Vehicles	(27,111,835)	(4,719,462)	7,925,948	-	(23,905,349)
Total Accumulated depreciation	<u>(1,050,414,959)</u>	<u>(134,093,053)</u>	<u>8,259,732</u>	<u>-</u>	<u>(1,176,248,280)</u>
Asset under construction	<u>147,867,063</u>	<u>97,907,749</u>	<u>-</u>	<u>(234,781,084)</u>	<u>10,993,728</u>
Less Allowance for impairment	<u>(11,534,986)</u>	<u>(22,402,858)</u>	<u>-</u>	<u>-</u>	<u>(33,937,844)</u>
<b>Property, plant and equipment</b>	<u><b>1,797,554,411</b></u>				<u><b>1,885,938,651</b></u>

Depreciation for the years ended December 31,

2018	<b>Baht</b>	<u>143,515,740</u>
2017	<b>Baht</b>	<u>134,093,053</u>

For the year ended December 31, 2018, 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 at December 31, 2018, Ua Withya Public Company Limited's Land and buildings of Baht 273.10 million (December 31, 2017 : Baht 275.05 million) have been pledged for bank overdraft credit line and short-term borrowings from financial institutions (Notes 20 and 33.5).

Land, building and machine which ownership of a subsidiary were guaranteed for issuing debentures of Ua Withya Public Company Limited (Notes 20 and 33.6)

Leased assets included above, where the Group is a lessee under a finance lease, comprise office appliance:

	Consolidated financial statements	
	2018 Baht	2017 Baht
Cost of assets under finance lease agreement	30,207,233	30,537,467
Less accumulated depreciation	<u>(13,146,784)</u>	<u>(8,484,807)</u>
Net book amount	<u>17,060,449</u>	<u>22,052,660</u>

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>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Cost	28,294,224	28,294,224	-	-
Net book amount	28,294,224	28,294,224	-	-

The fair value measurement information in accordance with Thai Financial Reporting Standard No. 13 “Fair Value Measurement” are given below.

### **Fair value hierarchy**

	<b>Consolidated financial statements Fair value measurements at December 31, 2018 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	-

	<b>Consolidated financial statements Fair value measurements at December 31, 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.

**As at December 31, 2018**

	Separate financial statements			
	Balance as at January 1, 2018	Addition	(Disposal)	Balance as at December 31, 2018
	Baht	Baht	Baht	Baht
Cost				
Office equipment, furniture and fixtures	19,992,152	5,055,113	(8,536,501)	16,510,764
Vehicles	1,079,007	-	-	1,079,007
Total cost	21,071,159	5,055,113	(8,536,501)	17,589,771
Accumulated depreciation				
Office equipment, furniture and fixtures	(18,896,052)	(1,006,691)	8,536,430	(11,366,313)
Vehicles	(600,054)	-	-	(600,054)
Total accumulated depreciation	(19,496,106)	(1,006,691)	8,536,430	(11,966,367)
Less Allowance for impairment	(478,952)	-	-	(478,952)
<b>Property, plant and equipment</b>	<b>1,096,101</b>			<b>5,144,452</b>

**As at December 31, 2017**

	Separate financial statements			
	Balance as at January 1, 2017	Addition	(Disposal)	Balance as at December 31, 2017
	Baht	Baht	Baht	Baht
Cost				
Equipment, furniture and fixtures	19,910,048	82,104	-	19,992,152
Vehicles	2,643,008	-	(1,564,001)	1,079,007
Total cost	22,553,056	82,104	(1,564,001)	21,071,159
Accumulated depreciation				
Equipment, furniture and fixtures	(16,800,924)	(2,095,128)	-	(18,896,052)
Vehicles	(578,939)	(264,355)	243,240	(600,054)
Total accumulated depreciation	(17,379,863)	(2,359,483)	243,240	(19,496,106)
Less Allowance for impairment	(478,952)	-	-	(478,952)
<b>Property, plant and equipment</b>	<b>4,694,241</b>			<b>1,096,101</b>

**Depreciation for the years ended December 31,**

2018	<b>Baht</b>	<b>1,006,691</b>
2017	<b>Baht</b>	<b>2,359,483</b>

## 17. GOODWILL

Goodwill as at December 31, 2018 and 2017 consist of the following:

	<b>Consolidated financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>
Cost	98,604,170	98,604,170
<u>Less</u> provision for impairment	<u>(98,604,170)</u>	<u>(52,315,653)</u>
<b>Net book amount</b>	<b>-</b>	<b>46,288,517</b>

During the year of 2018, the Group recognized loss on impairment of goodwill of UWC Amphan Biomass Company Limited and Satuek Biomass Company Limited amounting to Baht 46.29 million presented under “Other expenses” in the consolidated financial statements.

During the year of 2017, the Group recognized loss on impairment of goodwill of Paradise Green Energy Company Limited amounting to Baht 52.32 million presented under “Other expenses” in the consolidated financial statements.

The recoverable amount of the 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 5 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 CGUs operates.

## 18. INTANGIBLE ASSET

Intangible asset consist of the following:

As at December 31, 2018

	<b>Consolidated financial statements</b>			
	<b>Balance as at January 1, 2018 Baht</b>	<b>Addition Baht</b>	<b>(Disposal)/ (Transfer out) Baht</b>	<b>Balance as at December 31, 2018 Baht</b>
Cost				
Right to use gas branch piping system	6,288,111	-	-	6,288,111
Right to sale under power purchase agreements	468,578,412	-	-	468,578,412
Software License	10,590,577	152,330	(644,675)	10,098,232
Total cost	<u>485,457,100</u>	<u>152,330</u>	<u>(644,675)</u>	<u>484,964,755</u>
Accumulated amortization				
Right to use gas branch piping system	(4,668,707)	(419,207)	-	(5,087,914)
Right to sale under power purchase agreements	(95,628,844)	(48,047,992)	-	(143,676,836)
Software License	(7,472,504)	(683,788)	387,149	(7,769,143)
Total accumulated amortization	<u>(107,770,055)</u>	<u>(49,150,987)</u>	<u>387,149</u>	<u>(156,533,893)</u>
<u>Less</u> Allowance for impairment	<u>-</u>	<u>(154,205,810)</u>	<u>-</u>	<u>(154,205,810)</u>
<b>Intangible asset</b>	<b><u>377,687,045</u></b>			<b><u>174,225,052</u></b>



**As at December 31, 2017**

	Consolidated financial statements		
	Balance as at January 1, 2017 Baht	Addition Baht	(Disposal) Baht
Cost			
Right to use gas branch piping system	6,288,111	-	-
Right to sale under power purchase agreements	468,578,412	-	-
Software License	10,458,477	132,100	-
Total cost	<u>485,325,000</u>	<u>132,100</u>	<u>-</u>
Accumulated amortization			
Right to use gas branch piping system	(4,249,500)	(419,207)	-
Right to sale under power purchase agreements	(47,580,852)	(48,047,992)	-
Software License	(6,650,031)	(822,473)	-
Total accumulated amortization	<u>(58,480,383)</u>	<u>(49,289,672)</u>	<u>-</u>
<b>Intangible asset</b>	<u>426,844,617</u>		<u>377,687,045</u>
<b>Amortization for the years ended December 31,</b>			
2018			<b>Baht</b> 49,150,987
2017			<b>Baht</b> <u>49,289,672</u>

**As at December 31, 2018**

	Separate financial statements		
	Balance as at January 1, 2018 Baht	Addition Baht	(Disposal) Baht
Cost			
Software License	36,800	-	-
Total cost	<u>36,800</u>	<u>-</u>	<u>-</u>
Accumulated amortization			
Software License	(20,835)	(4,960)	-
Total accumulated amortization	<u>(20,835)</u>	<u>(4,960)</u>	<u>-</u>
<b>Intangible asset</b>	<u>15,965</u>		<u>11,005</u>

**As at December 31, 2017**

	Separate financial statements		
	Balance as at January 1, 2017 Baht	Addition Baht	(Disposal) Baht
Cost			
Software License	36,800	-	-
Total cost	<u>36,800</u>	<u>-</u>	<u>-</u>
Accumulated amortization			
Software License	(15,875)	(4,960)	-
Total accumulated amortization	<u>(15,875)</u>	<u>(4,960)</u>	<u>-</u>
<b>Intangible asset</b>	<u>20,925</u>		<u>15,965</u>
<b>Amortization for the years ended December 31,</b>			
2018			<b>Baht</b> 4,960
2017			<b>Baht</b> <u>4,960</u>

## 19. DEFERRED TAX

Deferred tax assets and liabilities as at December 31, 2018 and 2017 consist of the following:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Deferred tax assets	8,738,140	76,337,792	2,936,803	72,384,897
Deferred tax liabilities	(201,572,574)	(200,092,793)	-	-
	<u>(192,834,434)</u>	<u>(123,755,001)</u>	<u>2,936,803</u>	<u>72,384,897</u>

Movements of deferred tax assets and liabilities for the years ended December 31, 2018 and 2017 are as follows:

As at December 31, 2018

	Consolidated financial statements			
	Balances as at January 1, 2018 Baht	Recognized profit or loss Baht	Recognized in Other Comprehensive Income (loss) Baht	Recognized in shareholders' equity directly Baht
	Balances as at December 31, 2018 Baht			
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	18,107,932	45,912	-	-
Allowance for obsolete of inventory	3,062,645	7,029,887	-	-
Allowance for impairment	3,000,000	-	-	-
Property, plant and equipment fair value adjustment on consolidation	34,094,079	(3,836,762)	-	-
Non-current provision for employee benefit obligations	10,948,869	(261,031)	-	-
Loss carried forward	72,134,956	(3,494,188)	-	-
Others	64,976,355	(41,621,193)	-	-
Total	<u>206,324,836</u>	<u>(42,137,375)</u>	<u>-</u>	<u>-</u>
<b>Deferred tax liabilities</b>				
Investment in subsidiaries	(138,460,909)	(240,606)	-	1,820,312
Power purchase agreement	(88,300,221)	9,609,599	-	-
Revaluation surplus on land	(55,980,219)	-	-	-
Others	(47,338,488)	(38,235,373)	104,010	-
Total	<u>(330,079,837)</u>	<u>(28,866,380)</u>	<u>104,010</u>	<u>1,820,312</u>
<b>Net</b>	<u>(123,755,001)</u>	<u>(71,003,755)</u>	<u>104,010</u>	<u>1,820,312</u>

As at December 31, 2017

	Consolidated financial statements				
	Balances as at January 1, 2017 Baht	Recognized profit or loss  Baht	Recognized in Other Comprehensive Income (loss) Baht	Recognized in shareholders' equity directly Baht	Balances as at December 31, 2017 Baht
<b>Deferred tax assets</b>					
Allowance for doubtful accounts	19,827,339	(1,719,407)	-	-	18,107,932
Allowance for obsolete of inventory	3,718,994	(656,349)	-	-	3,062,645
Allowance for impairment	3,057,466	(57,466)	-	-	3,000,000
Property, plant and equipment fair value adjustment on consolidation	37,930,843	(3,836,764)	-	-	34,094,079
Non-current provision for employee benefit obligations	9,659,822	(374,228)	1,663,275	-	10,948,869
Loss carried forward	44,862,753	27,272,203	-	-	72,134,956
Others	38,704,018	26,272,337	-	-	64,976,355
Total	<u>157,761,235</u>	<u>46,900,326</u>	<u>1,663,275</u>	<u>-</u>	<u>206,324,836</u>
<b>Deferred tax liabilities</b>					
Investment in subsidiaries	(157,974,126)	29,049,834	-	(9,536,617)	(138,460,909)
Power purchase agreement	(97,909,820)	9,609,599	-	-	(88,300,221)
Revaluation surplus on land	(45,155,639)	-	(10,824,580)	-	(55,980,219)
Others	(30,933,785)	(11,550,431)	(173,242)	(4,681,030)	(47,338,488)
Total	<u>(331,973,370)</u>	<u>27,109,002</u>	<u>(10,997,822)</u>	<u>(14,217,647)</u>	<u>(330,079,837)</u>
<b>Net</b>	<u>(174,212,135)</u>	<u>74,009,328</u>	<u>(9,334,547)</u>	<u>(14,217,647)</u>	<u>(123,755,001)</u>

As at December 31, 2018

	Balances as at January 1, 2018 Baht	Separated financial statements Recognized profit or loss Baht	Recognized in Other Comprehensive Income (loss) Baht	Balances as at December 31, 2018 Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	16,826,784	(5,000)	-	16,821,784
Non-current provision for employee benefit obligations	1,071,356	129,764	-	1,201,120
Others	54,498,814	(37,507,765)	-	16,991,049
Total	<u>72,396,954</u>	<u>(37,383,001)</u>	<u>-</u>	<u>35,013,953</u>
<b>Deferred tax liabilities</b>				
Allowance for revaluation of trading securities	<u>(12,057)</u>	<u>(32,065,093)</u>	<u>-</u>	<u>(32,077,150)</u>
Total	<u>(12,057)</u>	<u>(32,065,093)</u>	<u>-</u>	<u>(32,077,150)</u>
<b>Net</b>	72,384,897	(69,448,094)	-	2,936,803

**As at December 31, 2017**

	<b>Balances as at January 1, 2017 Baht</b>	<b>Separated financial statements Recognized profit or loss Baht</b>	<b>Recognized in Other Comprehensive Income (loss) Baht</b>	<b>Balances as at December 31, 2017 Baht</b>
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	16,838,784	(12,000)	-	16,826,784
Non-current provision for employee benefit obligations	892,646	167,605	11,105	1,071,356
Others	41,656,110	12,842,704	-	54,498,814
<b>Total</b>	<b>59,387,540</b>	<b>12,998,309</b>	<b>11,105</b>	<b>72,396,954</b>
<b>Deferred tax liabilities</b>				
Allowance for revaluation of trading securities	(395)	(11,662)	-	(12,057)
<b>Total</b>	<b>(395)</b>	<b>(11,662)</b>	<b>-</b>	<b>(12,057)</b>
<b>Net</b>	<b>59,387,145</b>	<b>12,986,647</b>	<b>11,105</b>	<b>72,384,897</b>

The Company has used tax rate of 20% for the corporate income tax calculation for the years ended December 31, 2018 and 2017 and the deferred tax calculation as at December 31, 2018 and 2017.

The income tax (expense) income for the years ended December 31, 2018 and 2017 can be reconciled to the accounting profit as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Current tax	(3,073,941)	29,547,445	-	39,097,007
Adjustments of income tax of prior year	-	-	3,333	-
Deferred tax	71,003,755	(74,009,328)	69,448,094	(12,986,647)
<b>Income tax (expense) income</b>	<b>67,929,814</b>	<b>(44,461,883)</b>	<b>69,451,427</b>	<b>26,110,360</b>

The income tax (expense) income for the years ended December 31, 2018 and 2017 can be reconciled to the accounting profit as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Profit (loss) before income tax expense				
- For income tax exemption business	(415,957,414)	(160,055,591)	-	-
- For non-income tax exemption business	363,565,515	(194,883,030)	382,020,563	33,028,614
Total profit before income tax expense	<u>(52,391,899)</u>	<u>(354,938,621)</u>	<u>382,020,563</u>	<u>33,028,614</u>
Income tax calculated at 20% (for non-income tax exemption business)	72,713,103	(38,976,606)	76,404,113	6,605,722
Effect of income and expenses that are not income and expenses in determine taxable profit	7,742,866	(1,491,373)	(6,956,019)	19,504,638
Effect of expenses that are deducted as taxable expenses more than accounting expense	(6,575,368)	(3,993,904)	-	-
Utilization of unused loss carried forward for non-income tax exemption business	(5,957,120)	-	-	-
Adjustments of income tax of prior year	3,333	-	3,333	-
Income tax (expense) income	<u>67,929,814</u>	<u>(44,461,883)</u>	<u>69,451,427</u>	<u>26,110,360</u>

## 20. BANK OVERDRAFT, BORROWINGS AND DEBENTURES

Bank overdraft, borrowings and debentures as at December 31, 2018 and 2017 consist of the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Current</b>				
Bank overdrafts	17,388,160	17,935,905	-	-
Short-term loans from financial institutions	362,981,079	307,574,620	-	-
Total bank overdrafts and short-term loans from financial institutions	380,369,239	325,510,525	-	-
Short-term borrowing from other company	39,500,000	-	-	-
Current portion of debenture	-	800,000,000	-	-
Current portion of long-term loan from financial institution	24,520,000	24,960,000	-	-
Total current borrowings	<u>444,389,239</u>	<u>1,150,470,525</u>	<u>-</u>	<u>-</u>
<b>Non-current</b>				
Debentures	600,000,000	-	-	-
Long-term loans from financial institution	-	24,520,000	-	-
Total long-term borrowings	<u>600,000,000</u>	<u>24,520,000</u>	<u>-</u>	<u>-</u>
	<u>1,044,389,239</u>	<u>1,174,990,525</u>	<u>-</u>	<u>-</u>

- (1) As at December 31, 2018, short-term borrowings from financial institution of Rayong Wire Industries Public Company Limited amounting to Baht 317.63 million (December 31, 2017 : Baht 262.18 million) are in US dollar currency and Baht currency. The principal due within 6 months from transaction date and interest payment period settled by the financial institution. Short-term borrowings carried interest at the rates between 2.40% to 3.20% per annum (December 31, 2017 : between 1.80% to 2.80% per annum). The borrowings are liability under trust receipts for purchasing raw material from oversea.
- (2) As at December 31, 2018, short-term borrowings from financial institutions of Ua Withya Public Company Limited amounting to Baht 52.42 million (December 31, 2017 : Baht 45.40 million) are secured by the land, buildings and cash deposits of Ua Withya Public Company Limited (Notes 16 and 33).
- (3) Short-term borrowing from other companies amounting to Baht 39.50 million has maturity in January 2019, and has the interest rate at 6.25% per annum.
- (4) As at December 31, 2018, borrowing from financial institution of Enesol Company Limited, a subsidiary, of Baht 24.52 million (December 31, 2017 : Baht 49.48 million) represents loan to construct project a Hydroelectric power plant and purchase machinery for such power plant. Interest is charged at MLR minus 1.00% per annum. The repayment of monthly installment will be amounting to Baht 2.08 million. The remaining will be repaid fully within December 31, 2019. The borrowing is guaranteed by the machinery of the power plant project and deposit at bank of Enesol Company Limited (Notes 33.2 and 33.3), investment properties of the Company (Notes 15 and 33.4) and director of the Company.
- (5) The debentures of Baht 600 million are due within January 2020 and carry interest at the rate of 6.25% per annum which guarantee by land, building and machine of a subsidiary and investments in two subsidiaries (Note 33.6). Moreover, under the terms of issued debentures, Ua Withya Public Company Limited must comply with certain conditions, including maintaining debt to equity ratio at the rate precribed in the condition.

Movement of long-term borrowings from financial institutions for the years ended December 31, 2018 and 2017 can be analysed as follows;

	<b>Consolidated financial statements</b>	
	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>
Beginning balance	849,480,000	874,440,000
Issued new debentures	600,000,000	-
Repaid borrowings / Redeemed debentures	(824,960,000)	(24,960,000)
Ending net book	<u>624,520,000</u>	<u>849,480,000</u>

As at December 31, 2018, the Group has available unused letters of credit for purchase of goods and raw materials amounting to Baht 118.78 million (December 31, 2017 : Baht 894.70 million).

## 21. TRADE AND OTHER CURRENT PAYABLES

Trade and other payables as at December 31, 2018 and 2017 consist of the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Trade payable - other companies	470,533,948	389,072,658	-	-
Accrued expenses - other companies	54,928,192	55,229,537	3,614,544	3,889,875
Accrued expenses - related companies (Note 30.7)	-	450,000	-	-
Unearned income - other companies	32,246,573	42,363,039	-	-
Other payable - other companies	64,303,683	29,077,317	5,989,893	5,792,206
Other payable - related companies (Note 30.7)	22,203	13,803	-	-
Other payables - directors (Note 30.7)	169,356	207,887	36,906	72,607
Payable for subsidiary acquisition	41,745,112	59,695,113	-	-
	<u>663,949,067</u>	<u>576,109,354</u>	<u>9,641,343</u>	<u>9,754,688</u>

## 22. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

Liabilities under finance lease agreements represent liabilities from the lease of vehicles. As at December 31, 2018 and 2017, the future lease payments are summarized as follows:

	<b>Consolidated financial statements</b>			
	<b>Minimum lease payments</b>		<b>Present value of minimum lease payments</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Not later than 1 year	8,574,469	8,208,263	7,032,987	8,114,431
Later than 1 year but not later than 5 years	<u>1,402,819</u>	<u>9,361,958</u>	<u>2,497,854</u>	<u>9,400,059</u>
	9,977,288	17,570,221	9,530,841	17,514,490
<u>Less</u> future finance charges on finance lease agreement	<u>(446,447)</u>	<u>(55,731)</u>	-	-
Present value of liabilities under finance lease agreement	<u>9,530,841</u>	<u>17,514,490</u>	<u>9,530,841</u>	<u>17,514,490</u>

Presented in the statement of financial position as follows:

	<b>Consolidated financial statements</b>	
	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>
Current portion of liabilities under finance lease agreements	7,032,987	8,114,431
Liabilities under finance lease agreements	<u>2,497,854</u>	<u>9,400,059</u>
	<u>9,530,841</u>	<u>17,514,490</u>



## 23. NON-CURRENT PROVISION FOR EMPLOYEE BENEFIT OBLIGATIONS

The Group operate non-current provision for employee benefit obligations due upon retirement under the Thai Labor Protection Act, which are considered as unfunded defined benefit plans.

Movements of non-current provision for employee benefit obligations for the years ended December 31, 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Non-current provision for employee benefits at beginning of year	56,484,592	48,604,781	5,356,785	4,463,233
Included in profit or loss				
Current service cost	4,576,638	4,589,247	490,362	678,132
Interest cost	1,230,966	1,562,899	158,458	159,896
Included in other comprehensive income				
Actuarial loss	-	8,316,383	-	55,524
Benefit paid during the year	(5,591,474)	(6,588,718)	-	-
Non-current provision for employee benefits at ending of year	<u>56,700,722</u>	<u>56,484,592</u>	<u>6,005,605</u>	<u>5,356,785</u>

The amounts are recognized in statement of profit or loss and other comprehensive income for non-current provision for employee benefit obligations for the years ended December 31, 2018 and 2017 as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Cost of sale	1,665,544	2,724,442	-	-
Selling expenses	1,103,502	2,377,784	-	-
Administrative expenses	3,038,558	1,049,920	648,820	838,028
	<u>5,807,604</u>	<u>6,152,146</u>	<u>648,820</u>	<u>838,028</u>

Principal actuarial assumptions for non-current provision for employee benefit obligations as at December 31, 2018 and 2017 as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	% p.a.	% p.a.	% p.a.	% p.a.
Discount rate	2.39 - 3.40	2.39 - 3.40	2.71	2.71
Future salary increase rate	3.73 - 8.39	3.73 - 8.39	5.09	5.09
Turnover rate	0 - 31	0 - 31	0 - 29	0 - 29
Mortality rate	100 of TMO17	100 of TMO17	100 of TMO17	100 of TMO17
Disable rate	10 of TMO17	10 of TMO17	10 of TMO17	10 of TMO17

The result of sensitivity analysis for significant assumptions that affect the present value of the non-current provision for employee benefit obligations as at December 31, 2018 and 2017 are summarized as follows:

	Consolidated financial statements		Separate financial statements	
	Increase 0.50% % p.a.	Decrease 0.50% % p.a.	Increase 0.50% % p.a.	Decrease 0.50% % p.a.
<b>As at December 31, 2018</b>				
Discount rate	(3.48)	3.70	(4.04)	4.26
Salary increase rate	3.98	(3.78)	4.57	(4.37)
Turnover rate	(8.63)	7.88	(9.28)	1.40
<b>As at December 31, 2017</b>				
Discount rate	(3.51)	3.73	(4.52)	4.78
Salary increase rate	3.53	(3.36)	4.58	(4.38)
Turnover rate	(6.45)	8.56	(9.30)	1.39

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 (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statement of financial position.

Expected maturity analysis of undiscounted retirement benefits:

	Consolidated financial statements				
	Less than a year Baht	Between 2 - 5 years Baht	Between 6 - 10 years Baht	Over 10 years Baht	Total Baht
<b>As at December 31, 2018</b>					
Retirement benefits	6,508,699	23,404,832	38,355,909	64,438,963	132,707,953
<b>As at December 31, 2017</b>					
Retirement benefits	6,861,432	23,115,980	37,515,279	72,076,696	139,524,387
	Separate financial statements				
	Less than a year Baht	Between 2 - 5 years Baht	Between 6 - 10 years Baht	Over 10 years Baht	Total Baht
<b>As at December 31, 2018</b>					
Retirement benefits	-	-	8,829,368	4,286,425	13,115,793
<b>As at December 31, 2017</b>					
Retirement benefits	-	-	6,252,969	6,862,824	13,115,793

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act, which is in the process of being announced in the Royal Gazette. The new Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered an amendment to post-employment benefits plan. The Group will reflect the effect of such change by recognizing past service cost as an expense in the income statement of the period in which the law is effective.

## 24. SHARE CAPITAL AND SHARE PREMIUM

Share capital and share premium as at December 31, 2018 and 2017 consist of the following:

	Consolidated and Separate financial statements			
	Number of shares Shares	Ordinary Shares Baht	Share Premium Baht	Total Baht
<b>Authorised share capital</b>				
As at January 1, 2018	<u>1,117,712,067</u>	<u>1,117,712,067</u>	<u>-</u>	<u>1,117,712,067</u>
As at December 31, 2018	<u>1,117,712,067</u>	<u>1,117,712,067</u>	<u>-</u>	<u>1,117,712,067</u>
<b>Issued and paid-up share capital</b>				
As at January 1, 2018	745,141,378	745,141,378	891,304,563	1,636,445,941
Issuance of ordinary shares from exercise of warrants	<u>551</u>	<u>551</u>	<u>551</u>	<u>1,102</u>
As at December 31, 2018	<u>745,141,929</u>	<u>745,141,929</u>	<u>891,305,114</u>	<u>1,636,447,043</u>

## 25. WARRANTS

### Capital Engineering Network Public Company Limited

#### Warrants No.4 (CEN-W4)

On November 14, 2017, the Board of Director Meeting No. 6/2017 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 December 23, 2017 and Maturity date is on December 22, 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 March 30, 2018)
- Last exercise date : December 21, 2018
- First trading date is on January 19, 2018.

Movements of warrants to purchase ordinary shares for the years ended December 31, 2018 and 2017 as follows:

	<b>Consolidated and separate financial statements</b>	
	<b>2018</b>	<b>2017</b>
	<b>Shares</b>	<b>Shares</b>
Beginning balance	372,366,551	372,366,551
<u>Less</u> Exercised warrants during the year	(551)	-
End of exercise warrant	<u>(372,366,000)</u>	<u>-</u>
Ending balance	<u>-</u>	<u>372,366,551</u>

On warrant exercise date in December 2018, there are 551 CEN-W4 warrants indicated to be exercised. Exercise price of these warrants amounting to Baht 1,102 were already received and share issuance process were completed in December 2018.

## 26. LEGAL RESERVE

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a legal reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The legal reserve is not available for dividend distribution. At present, the legal reserve has fully been set aside. For the years ended December 31, 2018 and 2017, the Company appropriate the legal reserve as follows:

	<b>Consolidated and separate financial statements</b>	
	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>
Beginning balance	29,769,475	29,423,562
Appropriation during the year	<u>15,628,457</u>	<u>345,913</u>
Ending balance	<u>45,397,932</u>	<u>29,769,475</u>

## 27. OTHER INCOME

Other income for the years ended December 31, 2018 and 2017 consist of the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Sale of scrap from raw materials	53,326,501	49,824,859	-	-
Interest income	39,683,424	35,552,904	8,272,229	4,661,375
Dividend income	344,076	981,564	46,709,912	981,564
Gain on sale of assets	1,293,650	443,301	1,282,400	-
Other	<u>39,349,053</u>	<u>1,775,550</u>	<u>8,785,697</u>	<u>3,071,901</u>
	<u>133,996,704</u>	<u>88,578,178</u>	<u>65,050,238</u>	<u>8,714,840</u>

Dividend income amounting to Baht 46.71 million for the year ended December 31, 2018 is the dividend received from Rayong Wire Industries Public Company Limited (“subsidiary”) which on April 26, 2018, at the subsidiary’s Annual General Meeting of Shareholder, the meeting approved payment of dividends for the operation results of 2017 in the rate of Baht 0.106 per share for the share of 606.03 million shares total amounting to Baht 64.23 million. The dividend was paid to shareholders on May 25, 2018.

## 28. EXPENSE BY NATURE

Expense by nature for the years ended December 31, 2018 and 2017 consist of the following:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Raw material and consumables used	2,003,030,779	1,818,420,496	-	-
Staff costs	331,810,086	310,984,353	9,424,272	10,702,824
Repair and maintenance expenses	21,186,707	10,462,570	-	-
Depreciation and amortisation	192,713,727	183,429,725	1,053,691	2,411,443
Finance costs	64,436,470	56,811,473	-	1,488,487
Doubtful accounts	547,216	4,735,220	-	-
Reversal of allowance for doubtful accounts	(18,006,375)	(10,053,249)	(3,886,111)	(60,000)
Allowance for declining in value of inventories (reversal)	22,712,827	(1,896,876)	-	-
Utility expenses	79,163,626	51,492,458	-	-
Director remunerations (Note 30.3)	36,234,733	41,293,844	10,450,042	11,137,795
Transportation expenses	36,458,857	23,950,433	-	-
Other expense				
- Doubtful accounts on loans (Note 11)	-	-	-	8,000,000
- Loss on impairment of fixed assets (Note 16)	49,377,727	22,402,858	-	-
- Loss on impairment of intangible assets (Note 18)	154,205,810	-	-	-
- Loss from exchange rate	459,203	(2,706,184)	-	-
- Loss on impairment of investments in subsidiaries (Note 14.1)	-	-	-	83,842,859
- Loss on impairment of investments in associate (Note 14.2)	27,860,932	110,754,937	-	-
- Loss on impairment of investments in joint venture (Note 14.3)	-	54,946,525	-	-
- Loss on impairment of goodwill (Note 17)	46,288,517	52,315,653	-	-
- Loss on disposal of investments in associate (Note 14.2)	15,556,076	-	-	-
Others	247,780,492	171,882,832	16,516,946	13,172,398
Total	<u>3,311,817,410</u>	<u>2,899,227,068</u>	<u>33,558,840</u>	<u>130,695,806</u>

## 29. EARNINGS (LOSS) PER SHARE

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

The diluted earnings (loss) 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)

### 29.1 Basic earnings (loss) per share

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>For the year ended December 31,</b>				
Profit (loss) attributable to the parent company (Baht)	133,071,292	(156,664,553)	312,569,136	6,918,254
Weighted average number of ordinary shares (Shares)	745,141,395	745,141,378	745,141,395	745,141,378
Basic earnings (loss) per share (Baht)	0.1786	(0.2102)	0.4195	0.0093

### 29.2 Diluted earnings (loss) per share

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Profit (loss) attributable to the parent company (Baht)	133,071,292	(156,664,553)	312,569,136	6,918,254
Adjustment for:				
Effect of profit (loss) from warrants issued by subsidiaries (Baht)	-	(10,666,144)	-	-
Profit (loss) used to determine diluted earnings (loss) per share (Baht)	<u>133,071,292</u>	<u>(167,330,697)</u>	<u>312,569,136</u>	<u>6,918,254</u>
Weighted average number of ordinary shares for diluted earnings (loss) per share (Shares)	745,141,395	745,141,378	745,141,395	745,141,378
Diluted earnings (loss) per share (Baht)	0.1786	(0.2246)	0.4195	0.0093

### 30. 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	69.83% shareholding and some common directors
2. Ua Withya Public Company Limited	Thailand	39.76% 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	25.84% indirectly owned subsidiary through Ua Withaya Public Company Limited
8. UWC Komen Biomass Company Limited	Thailand	39.76% indirectly owned subsidiary through Ua Withaya Public Company Limited
9. UWC Solar Company Limited	Thailand	39.76% indirectly owned subsidiary through Ua Withaya Public Company Limited
10. Satuek Biomass Company Limited	Thailand	39.76% indirectly owned subsidiary through Ua Withaya Public Company Limited
11. UWC Amphan Biomass Company Limited	Thailand	39.76% 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 <sup>(1)</sup>
13. UWC (Cambodia) Company Limited	Cambodia	27.73% indirectly owned subsidiary through Ua Withaya Public Company Limited

(1) As at April 30, 2018, Ua Withaya Public Company Limited sold investments of Green Energy Plantation Company Limited of 11,000 shares at Baht 5 per share, totalling Baht 55,000, as a result, Green Energy Plantation Company Limited is not the Company's subsidiary since such date.



Name of entities	Country of incorporation	Natures of relationship
<b>Joint venture</b>		
14. Sunflowergreen Co., Ltd.	Thailand	A joint venture of Evergreen Biomass Company Limited at 25.00%
<b>Associate</b>		
15. Dimet (Siam) Public Company Limited	Thailand	An associate company of Ua Withaya Public Company Limited at 24.98%
16. Ayutthaya Power Systems Company Limited	Thailand	An associate company of Ua Withaya Public Company Limited at 30.00% <sup>(1)</sup>
17. Saraburi Energy Systems 2	Thailand	An associate Company of Ua Withaya Public Company Limited at 30.00%
18. Panova Company Limited	Thailand	An associate Company of Ua Withaya Public Company Limited at 30.00% <sup>(1)</sup>
19. Interglob Investment Company Limited	Cambodia	An associate Company of Ua Withaya Public Company Limited at 48.00%
<b>Other related companies</b>		
20. EMC Public Company Limited	Thailand	Related company by shareholding
21. 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)

- (1) On July 12, 2018, Ua Withya Public Company Limited exchanged the shares of Ayutthaya Power Systems Company Limited of 165,000 shares, totalling Baht 5.78 million with the shares of Panova Company Limited of 231,000 shares, totaling Baht 5.78 million and invested to acquire shares of Panova Company Limited of 47,144 shares, totaling Baht 1.18 million, totaling 278,144 shares and Baht 6.95 million. The proportion of shareholding is 30% of issued shares and paid up of such company.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sales of goods	Cost plus margin of the rate of around 10.00% - 25.00%
Revenue from services	Contract price
Internal audit fee	The amount approved by the Company's directors
Rental income	Contract price (Cost plus margin at the rate of around 10.00% - 25.00%)
Fee income from use of assets as collateral for credit facilities	0.50 - 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 of equity securities	Market price
Dividends income	The amount approved by the shareholders of the Company
Director and management benefit expenses representing salary, meeting allowance, per-diam and bonus	The amount approved by the Company's directors and shareholders

The following transactions were carried out with related parties:

### 30.1 Revenues

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Subsidiaries</b>				
Rental income	-	-	2,578,320	211,680
Internal audit fee	-	-	2,670,000	2,760,000
Fee income	-	-	3,137,260	-
Interest income	-	-	7,996,383	4,246,391
Dividend income	-	-	46,365,836	-
<b>Related companies</b>				
Project income	28,931,340	-	-	-
Interest income	-	7,924,565	-	-

### 30.2 Expenses

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Related companies</b>				
Purchase of goods	2,160,120	42,205	-	-

### 30.3 Director remuneration

(include in “Selling expenses” and “Administrative expenses”)

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Director remuneration</b>				
Short-term benefit	33,449,148	38,708,997	9,983,039	10,567,304
Post-employment benefits	2,665,585	2,584,847	467,003	570,491
	<u>36,114,733</u>	<u>41,293,844</u>	<u>10,450,042</u>	<u>11,137,795</u>

### 30.4 Temporary investments

(included in “Trading securities”)

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Related company</b>				
Equity securities	453,722,360	99,157,840	463,859,153	117,924,127

Movement of temporary investments for the years ended December 31, 2018 and 2017 consist of the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Beginning Balance - Net	99,157,804	93,070,822	117,924,127	153,187,018
Additions	14,189,839	41,990,087	14,189,839	41,990,087
Disposal	-	-	(8,629,529)	(41,349,873)
Write-off (Note 9)	-	(2,406,925)	-	(2,406,925)
Fair value adjustment	340,374,717	(33,496,180)	340,374,716	(33,496,180)
Ending Balance - Net	<u>453,722,360</u>	<u>99,157,804</u>	<u>463,859,153</u>	<u>117,924,127</u>

### 30.5 Trade and other current receivables

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Trade accounts receivable</b> (Note 10.1)				
Related companies	15,590,445	14,120,263	-	-
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>(14,120,263)</u>	<u>-</u>	<u>-</u>
	<u>15,590,445</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other receivables</b> (Note 10.1)				
Directors	2,704,317	2,348,340	-	-
Related companies	777,809	170,085,671	-	-
	<u>3,482,126</u>	<u>172,434,011</u>	<u>-</u>	<u>-</u>
<b>Accrued income</b> (Note 10.1)				
Subsidiaries	-	-	24,056,876	12,317,573
Related companies	923,186	404,556	-	-
	<u>923,186</u>	<u>404,556</u>	<u>24,056,876</u>	<u>12,317,573</u>

### 30.6 Short-term loans to related parties

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Subsidiaries	-	-	208,286,000	163,940,000
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>(39,900,000)</u>	<u>(39,900,000)</u>
Subsidiaries - Net	-	-	168,386,000	124,040,000
Related companies	8,682,290	8,858,890	-	-
	<u>8,682,290</u>	<u>8,858,890</u>	<u>168,386,000</u>	<u>124,040,000</u>

The movements of short-term loans for the years ended December 31, are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Beginning Balance	8,858,890	12,500,000	124,040,000	54,540,000
Additions	-	9,347,802	45,746,000	82,500,000
Repayment	-	-	(1,400,000)	(5,000,000)
Doubtful debt for loan to subsidiary	-	-	-	(8,000,000)
Transfer to short-term loans to third parties	-	(12,500,000)	-	-
Unrealised loss on exchange rate	(176,000)	(488,912)	-	-
Ending balance	<u>8,682,890</u>	<u>8,858,890</u>	<u>168,386,000</u>	<u>124,040,000</u>

### Transaction incurred during 2018

During the year of 2018, the Company provided short-term loan amounting to Baht 40.00 million to Ua Withya Public Company Limited. The loan is dominated in Thai Baht and is due at call carries interest rate 4.00% per annum, to WJC Enterprise Company limited amounting to Baht 4.55 million. The loan is dominated in Thai Baht and is due at call which carries interest rate 4.00% per annum and to Pipe Line Engineering Company Limited amounting to Baht 1.20 million. The loan is dominated in Thai Baht and carries interest rate 4.00% per annum.

During the year of 2018, the company received the repayment of the principal of loan from Pipe Line Engineering Company Limited full amounting to Baht 1.20 million and from WJC Enterprise Company Limited amounting to Baht 0.20 million.

### Transaction incurred during 2017

The Company provided short-term loan to WJC Enterprise Company limited amounting to Baht 54.54 million. The loan is dominated in Thai Baht and is due at call which carries interest rate 4.00% per annum.

During the year of 2017, the Company provided short-term loan amounting to Baht 80.00 million to Ua Withya Public Company Limited. The loan is dominated in Thai Baht and is due within 4 months which carries interest rate 4.20% per annum and to WJC Enterprise Company Limited amounting to Baht 2.50 million. The loan is dominated in Thai Baht and is due within 3 months which carries interest rate MLR-1.75% per annum.

During the year of 2017, the company received the repayment of the principal of loan to Evergreen Biomass Company Limited amounting to Baht 5.00 million.

The Company assessed the recoverability for remaining balance of loan to Evergreen Biomass and recognised doubtful debt amounting to Baht 8.00 million under “Other expenses” in the separate statement of income.

### 30.7 Trade and other current payable

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Accrued expense				
- related companies	-	450,000	-	-
Other payable				
- related companies	22,203	13,803	-	-
Other payable - directors	169,356	207,887	36,906	72,607
	<u>191,559</u>	<u>671,690</u>	<u>36,906</u>	<u>72,607</u>

### 30.8 Commitments with related parties

As at December 31, 2018, the Company had commitment related to the guarantee and pledge its assets as collateral for credit facilities of subsidiaries with financial institutions.

## 31. PROMOTIONAL PRIVILEGES

### Rayong Wire Industries Public Company Limited

Rayong Wire Industries Public Company Limited received promotional privileges from the Board of Investment on June 29, 2012 for manufacturing of steel wire and steel wire mesh. Under the promotional privileges, Rayong Wire Industries Public Company Limited 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 February 13, 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. Rayong Wire Industries Public Company Limited must comply with the conditions and restrictions provided in the promotional certificates.

### Enesol Company Limited

Enesol Company Limited received promotional privileges from the Board of Investment on June 7, 2011 for manufacturing electricity. Under the promotional privileges, Enesol Company Limited 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 June 30, 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 June 29, 2025). Enesol Company Limited must comply with the conditions and restrictions provided in the promotional certificates.

### **UWC Komen Biomass Company Limited (Formerly : TRC Clean Energy Company Limited)**

UWC Komen Biomass Company Limited received promotional privileges from the Board of Investment on May 21, 2008 for generating electricity from biomass. Under the promotional privileges, UWC Komen Biomass Company Limited 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 October 11, 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. UWC Komen Biomass Company Limited must comply with the conditions and restrictions provided in the promotional certificates.

### **Satuek Biomass Company Limited**

Satuek Biomass Company Limited received promotional privileges from the Board of Investment on November 18, 2003 for generating electricity. Under the promotional privileges, Satuek Biomass Company Limited 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 January 21, 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 Biomass Company Limited must comply with the conditions and restrictions provided in the promotional certificates.

### **UWC Amphan Biomass Company Limited**

UWC Amphan Biomass Company Limited received promotional privileges from the Board of Investment on November 28, 2005 for generating electricity. Under the promotional privileges, UWC Amphan Biomass Company Limited 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 January 31, 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. UWC Amphan Biomass Company Limited 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:

	<b>For the year ended December 31, 2018</b>		
	<b>Promoted activity</b>	<b>Non-promoted activity</b>	<b>Total</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Revenue from sales	774,193,404	914,278,795	1,688,472,199
Revenue from services	-	1,029,540,267	1,029,540,267
Profit (loss) from investment	-	416,775,787	416,775,787
Other income	19,746,706	114,249,998	133,996,704
Total	<u>793,940,110</u>	<u>2,474,844,847</u>	<u>3,268,784,957</u>

	For the year ended December 31, 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	<u>725,493,654</u>	<u>1,825,056,009</u>	<u>2,550,549,663</u>

### 32. COMMITMENTS

The future aggregate minimum lease payment under non-cancellable operating leases as at December 31, 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Within 1 year	11.60	6.36	6.93	0.79
Later than 1 year but not later than 5 years	14.40	7.61	8.66	0.58
Later than 5 years	2.97	4.00	-	-
	<u>28.97</u>	<u>17.97</u>	<u>15.59</u>	<u>1.37</u>

The future aggregate payment for other commitments as at December 31, 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Bank guarantees	36.43	60.25	-	-
Legal consultant fee	-	0.55	-	-
Repair and maintenance agreements	196.73	117.78	-	-
Unused letters of credit for goods and raw materials	406.97	274.71	-	-
	<u>640.13</u>	<u>453.29</u>	<u>-</u>	<u>-</u>

### 33. PLEDGED ASSETS

33.1 As at December 31, 2018, bank deposits of Rayong Wire Industries Public Company Limited amounting to Baht 194.90 million (December 31, 2017: Baht 168.90 million) are pledged as collateral for credit facilities of Rayong Wire Industries Public Company Limited:

- short-term and long-term borrowings (Note 20)
- letters of guarantee
- credit facilities and liability under trust receipt for purchasing raw material.



- 33.2 As at December 31, 2018 and 2017, the machinery for a production project for electricity and heat energy of Enesol Company Limited according to the agreement with Thai-German Ceramic Industry Public Company Limited, is used as collateral for a long-term borrowing from a domestic financial institution pursuant to the mortgage agreements (Note 20).
- 32.3 As at December 31, 2018, bank deposits of Enesol Company Limited amounting to Baht 7.50 million (December 31, 2017 : Baht 7.61 million) was pledged as collateral for the Enesol Company Limited's borrowings from a domestic financial institution (Note 20).
- 33.4 As at December 31, 2018 and 2017, certain investment properties of the Company are pledged as collaterals for credit facilities of Enesol Company Limited (Notes 15 and 20)
- 33.5 As at December 31, 2018, land and buildings of Ua Withya Public Company Limited amounting to Baht 273.10 million (December 31, 2017: Baht 275.05 million), together with an indemnity right from related insurance of such plant are mortgaged as collateral for bank overdrafts and short-term borrowings from a domestic financial institution (Notes 16 and 20). Bank deposits of Ua Withya Public Company Limited amounting to Baht 52.42 million (December 31, 2017 : Baht 42.42 million) are pledged as collateral for bidding projects.
- 33.6 On January 2018, Ua Withya Public Company Limited, a subsidiary of the Group, issued debentures which are non-subordinated, unsecured with a debenture holder's representative in the name-registered certificate totalling Baht 600 million. The Company offered these debentures to the general public. The debentures bear interest rate at the fixed rate of 6.25% per annum, and redemption date on January 2020. As at issue date, the Company guaranteed debentures with pledges are as follows:
- 1.) Land and building owned by UWC Komen Biomass Company Limited (Ua Withya Public Company Limited's subsidiary) has an appraisal value of Baht 77.90 million (Notes 16 and 20).
  - 2.) Machine which owned by UWC Komen Biomass Company Limited (Ua Withya Public Company Limited's subsidiary) has an appraisal value of Baht 317.39 million (Notes 16 and 20).
  - 3.) The shares of 24 million shares of UWC Komen Biomass Company Limited (Ua Withya Public Company Limited's subsidiary) owned by Ua Withaya Public Company Limited, a subsidiary of the Group, with a par value of Baht 10 per share, totalling Baht 240 million (Notes 14.1 and 20).
  - 4.) The shares of 330 million shares of Rayong Wire Industries Public Company Limited owned by the Company with a par value of Baht 2 per share, totalling Baht 660 million (Notes 14.1 and 20).

33.7 As at December 31, 2018, bank deposits of Pipe Line Engineering Company Limited amounting to Baht 0.50 million was pledged for receivable collateral as tunnel service agreement with a company. (December 31, 2017 : Nil)

33.8 As at December 31, 2018, bank deposits of Satuek Biomass Company Limited amounting to Baht 0.60 million was pledged for using electricity.

#### **34. APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements have been approved by an authorized director of the Company for issuing on February 27, 2019.

## Remuneration fee of Auditor

### 1. Audit Fee

Year 2018, DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT COMPANY LIMITED (“DELOITTE”) as company and its subsidiaries auditors by following details

No.	Name of Company	Amount (Baht)
1.	Capital Engineering Network Public Company Limited	1,800,000.-
2.	Rayong Wire Industries Public Company Limited	1,600,000.-
3.	Ua Withya Public Company Limited	1,700,000.-
4.	Enesol Company Limited	760,000.-
5.	WJC Enterprise Company Limited	740,000.-
6.	Pipe Line Engineering Network Public Company Limited	310,000.-
7.	Evergreen Biomass Company Limited	300,000.-
8.	UWC KOMEN BIOMASS Company Limited	750,000.-
9.	UWC AMPHAN BIOMASS Company Limited	580,000.-
10.	SATUEK BIOMASS Company Limited	580,000.-
11.	Paradise Green Energy Company Limited	580,000.-
12.	UWC SOLAR Company Limited	110,000.-
<b>TOTAL</b>		<b>9,810,000.-</b>

By this, Deloitte Touche Tohmatsu Jaiyos Audit Company Limited and auditors as non-director, employees or any other positions in accordance to section 112 of PUBLIC COMPANY LIMITED ACT BE 2535 which includes no relationship and no interest among company, subsidiaries, executives, major shareholders or related person thus auditor are independence and get approval from Securities and Exchange Commission. Apart from this, company does not use any other professional services from Deloitte Touche Tohmatsu Jaiyos Audit Company Limited

Incidentally, Directors and Executives never be employees or partner or any other related to Deloitte Touche Tohmatsu Jaiyos Audit Company Limited during the past 2 years

### 2. Non-audit fee

The company and its subsidiaries has no other fee

# **Vision**

To be the leading holding company that seeks investments of high business potential and growth opportunities through employing comprehensive expertise, technology capability and management skill to improve business performance; and to generate a superior sustainable investment return for shareholders.

# **Mission**

1. Creating excellent investments by focusing on companies in engineering & construction material business and transmission tower & energy business.
2. Assessing and selecting investments through a business strategy that seeks business prospects and optimal opportunities to invest.
3. Strengthening company's core purpose through a systematic approach of analyzing, selecting, managing, supervising and following investments; and combined with essential business factors, to manage risk and to generate a healthy return on invested capital.
4. Contributing resources in research and development to enhance new business opportunities that will generate promising investment returns.
5. Seeking and obtaining low cost of capital when possible.
6. Operating a business based on principles of good corporate governance by treating all stakeholders with fair, transparent and anti-corruption practice.
7. Responsible for shareholders' and stakeholders' rights by enhancing business value that can generate superior returns and create real growth in values for shareholders and stakeholders in the long run.



**บริษัท แคปปิตอล เอ็นจิเนียริ่ง เน็ตเวิร์ค จำกัด (มหาชน)**

1011 อาคารศุภาลัย แกรนด์ ทาวเวอร์ ชั้น 17 ถนนพระราม 3 แขวงช่องนนทรี เขตยานนาวา กรุงเทพฯ 10120

1011 Supalai Grand Tower Building, 17th Fl., Rama3 Rd., Chongnonsi, Yannawa, Bangkok 10120

Tel. : +66 2049 1041-3 Fax : +66 2049 1045 E-mail : [info@cenplc.com](mailto:info@cenplc.com) [www.cenplc.com](http://www.cenplc.com)