



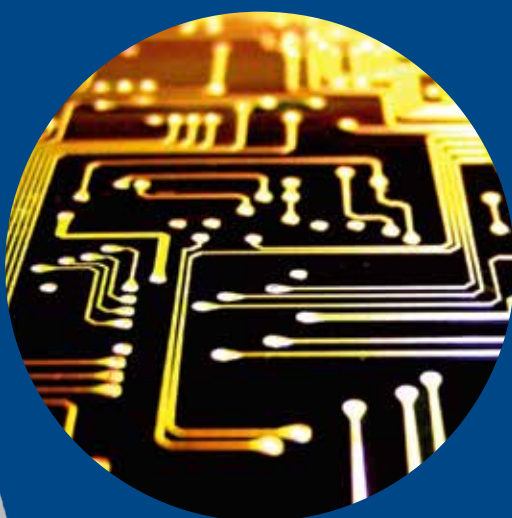
ANNUAL REPORT 2018



CAL-COMP ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED

SET TICKER : CCET
TWSE TICKER : 9105
<http://www.calcomp.co.th>

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FINANCIAL HIGHLIGHTS

BALANCE SHEET SUMMARY	2018	2017	2016
Cash and cash equivalents	4,058,440,027	3,854,386,733	3,839,016,064
Trade and other receivables	24,808,358,426	26,318,530,648	21,584,455,437
Inventories	17,053,078,152	11,143,245,463	10,436,738,352
Total current assets	47,558,052,491	42,177,175,783	37,083,134,215
Investment	1,657,803,449	1,084,021,232	1,042,581,076
Property, plant and equipment	14,763,384,222	16,182,357,176	16,669,756,255
Total assets	64,798,357,446	60,161,698,502	55,262,450,808
Short-term loan from financial institutions	14,796,493,053	15,326,228,459	7,634,814,386
Trade and other payables	25,206,433,719	21,809,192,579	22,034,661,541
Total current liabilities	40,551,736,086	37,574,338,215	33,012,082,369
Non-current liabilities	6,566,524,793	3,787,735,255	4,080,283,657
Total liabilities	47,118,260,879	41,362,073,470	37,092,366,026
Registered capital	4,979,068,075	4,756,390,249	4,756,390,249
Paid-up capital	4,554,643,575	4,554,643,575	4,552,093,575
Retained earnings	10,950,001,038	11,035,315,773	10,542,951,422
Total shareholders' equity	17,680,096,567	18,799,625,032	18,170,084,782
PROFIT & LOSS STATEMENT SUMMARY	2018	2017	2016
Sales	112,966,791,752	106,897,865,565	107,392,814,113
Total revenues	113,499,331,613	107,488,788,259	108,723,890,430
Cost of sales	107,611,727,125	101,016,218,656	101,247,588,831
Selling and administrative expenses	4,247,969,573	4,225,925,372	4,635,624,694
Loss on impairment of assets	284,105,922	26,000,000	15,995,100
Total expense	112,143,802,620	105,627,955,347	106,745,283,424
Net profit	231,560,737	900,246,879	1,123,723,714
KEY FINANCIAL RATIOS	2018	2017	2016
Liquidity Ratios			
Current Ratio (times)	1.17	1.12	1.12
Quick ratio (times)	0.75	0.82	0.80
Collection period (days)	83	82	89
Inventory turnover (days)	48	39	40
Payment period (days)	80	79	86
Cash cycle (days)	51	42	44
Profitability Ratios			
Gross profit margin (%)	4.74	5.50	5.72
Operating profit margin (%)	0.98	1.54	1.40
Net profit margin (%)	0.20	0.84	1.03
Return on equity (%)	1.27	4.87	6.22
Efficiency Ratios			
Return on total assets (%)	0.37	1.56	1.85
Return on fixed assets (%)	17.58	20.05	20.32
Total assets turnover (times)	1.81	1.85	1.77
Leverage Ratios			
Total liabilities / Total equity	2.67	2.20	2.04
Interest coverage Ratio (times)	1.49	2.86	3.94
Information on Shares (Baht)			
Book value per share	3.88	4.13	3.99
Earnings per share	0.07	0.21	0.26
Dividend per share	0.09	0.10	0.10

2018 MESSAGE FROM THE BOARD OF DIRECTORS



MR. HSU, SHENG-HSIUNG
Chairman



Year 2018 was a challenging year with several continuous global economic and political factors since mid-FY2016! According to IMF, the global growth has projected to a downward rate at 3.7% which meant a flat growth compared to year 2017. Further, the global economy is projected to grow at 3.5% in FY2019.

Apart from the above, the electronics sector itself also faced several challenges during year 2018. For one, the rapid evolution of the automotive industry and Internet of Things (IoT) sector during recent years are two key factors that have resulted in significant demand for electronics components which manufacturers are finding difficult to keep pace with it.

The intense demand for multi-layer ceramic capacitors (MLCCs), resistors, memory, and certain discrete among modern electronics products from the automotive industry, IoT and smart devices are elevated at much higher demand which therefore in resulting materials shortage or at longer lead times and higher cost among electronic industry. Most electronic manufacturers are impacted by either postponed production due to material shortage or stock up the materials in advance at higher overall cost in order to maintain the ongoing production, and the Company is unavoidable to experience similar concerns. However, the material shortage situation has gradually improved and shall resume back to supply and demand equilibrium in year 2019 and therefore shall lower the price to a reasonable range as well.

Another factor which impact companies worldwide is the fluctuated currency exchange during the year. As for Thai companies countrywide, the upside growth in Thailand's economic fundamentals, particularly through tourist and export sectors, and foreign investor speculation especially during the first half of year has significantly strengthened the Thai Baht currency within short period and subsequently hassled most companies' overall performance monetarily. In consider the foreign exchange currencies may still closely influenced by uncertainties derive from the trade wars and local economic factors which believes to be continuing for awhile, therefore after careful evaluation, the Company has resolved to adopt its functional currency to be US dollar in consider that the Company's main business and operation are nature in US dollar in recent years as well as to minimize the concern which in associated with foreign currency fluctuations onward.

Despite of all above, another factor which challenges most of the companies worldwide is in relation with the US-China trade war. Many factories are start seeking for alternative countries to relocate and the brand customers are now seeing the importance of outsourcing in different manufacturing location other than China or seeking for different EMS provider as backup solutions in respond to the possible long-term risks and tariff concern derived from the incident. While most EMS providers are urging search for the proper location and shifting to the South-East Asia in order to maintain their competitiveness and their customers, the Company which has settled in Thailand for more than 30 years and has facilities across all the continents has sees great opportunities through the global supply chain reshuffle and believes it will bring the Company to the new milestone in the following



MR. SHEN, SHYH-YONG
Vice Chairman



years. In fact, the Company's has approved two more factory expansion plans of total more than hundred thousand square meter in Thailand in order to support more of the incoming business demand in year 2019 and onward.

Meanwhile, the Company's own branding in 3D printer industry, XYZprinting, has continuously marked as the top first player in terms of the market shipment and is planning to take part in more high-end product types by introducing the first desktop full color FFF technologies and the industrial grade DLP printing engine, and has announced to the market its latest powder bed technologies of binder jetting and SLS models in 2018 which expect to be fully commercialized in 2019. As for the Company's own service robot business, New Era AI Robotic also has further extended its business in several countries including Taiwan, Philippines, Singapore, Hong Kong and Thailand during the year and is expect to reach out more potential sectors in the following year as well. In fact, a initial plan of 3 service robots will be stationed at the SM MegaMall under Philippine's largest consumer business group (SM Group) and is expecting to more widely apply in other shopping mall and community stores like 7-Eleven in 2019 onward as well. As for the Company's semiconductor business, the first generation of QBit's own designed System on Chip (SoC) for the printer product has launched in the market after 2 years of research and development and is scheduling for mass production by fourth quarter of 2019.

Overall, despite of all the challenges as well as the substantial currencies fluctuation during the year, the Company managed to committed an annual sales revenue at 113 Billion Baht at 6% of annual growth in year 2018 and is expecting to continuously grow in year 2019.

Outlook 2019, the Company believes it will be a busy year for both of its EMS and ODM businesses. Aside from the expansion for its EMS products due to higher demand and better margin from the existing and new incoming customers, which thanks to the opportunities draw from the trade wars, for both computer peripherals products and telecommunication products, the Company's ODM business including XYZprinting, New Era AI Robotics, HiMirror smart beauty products, QBit semiconductor and else shall each be expected to reach its new record after years of cultivating in the markets.

The Board has firm believe that the Company has continuously positioned a solid fundamental through its firmed reputation and relationship for its ODM/EMS market position which aims to receive more business demand derived from the market reshuffle as well as years of in depth cultivating for its own brand products which are set to position in its market after years of development. On behalf of the Board, we would like to show our deepest gratitude to the management team and all of our staffs for their unrelenting efforts to visualize and to accomplish the countless missions so the Company can steadily march toward its next goal. The Board would also like to extend our highest appreciation to our valuable customers, suppliers, partners, banks, government authorities and shareholder for their beliefs and confidence to the Company all these years, and that we are honored to serve as the Board of the Company together with our continual firm commitments to bring the Company step forward to the next era and onward!

CORPORATE **SOCIAL** RESPONSIBILITIES









GLOBAL

MANUFACTURING BASE

CAL-COMP ELECTRONICS (THAILAND) PCL

PRODUCT

DIVERSITY

CAL-COMP ELECTRONICS (THAILAND) PCL



BOARD OF DIRECTORS

1. MR. HSU, SHENG – HSIUNG

Position	: Chairman
Education	: Honorable Ph.D, National Taiwan Normal University, Taiwan
Work Experience	: 1989 - Present • Chairman of Cal-Comp Electronics (Thailand) PCL. 1992 - Present • Chairman of Kinpo Electronics, Inc. 1994 - Present • Chairman of Compal Electronics Inc. 2003 - Present • Director of Cal-Comp Optical Electronics (Suzhou) Co., Ltd. 2004 - Present • Chairman of Cal-Comp Electronics and Communications Co., Ltd. 2008 - Present • Director of Cal-Comp Technology (Suzhou) Co., Ltd. 2008 - Present • Director of Cal-Comp Electronics and Communications (Suzhou) Co., Ltd.
Securities holding (As of December 31, 2018)	:
Mr. Hsu, Sheng-Hsiung holds 19,161,090 shares and his spouse Mrs. Hsu, Tsai Li-Chu holds 17,283,768 shares.	
IOD Program	: Not attend the course from Thai Institution of directors yet..

2. MR. SHEN, SHYH – YONG

Position	: Vice Chairman
Education	: Doctor of Law, Whittier Law School , USA Master of Business Administration, University of Southern California, USA Bachelor of Public Administration, National Chengchi University, Taiwan
Work Experience	: 2004 - 2008 • Assistant Vice President of Cal-Comp Electronics (Thailand) PCL. 2008 - Present • Managing Director of Kinpo Electronics Inc. 2008 - Present • Vice Chairman of Cal-Comp Electronics (Thailand) PCL. 2008 - Present • Director and Managing Director of Cal-Comp Electronics and Communications Co., Ltd. 2008 - Present • Chairman and Managing Director of Cal-Comp Optical Electronics (Suzhou) Co., Ltd. 2008 - Present • Chairman and Managing Director of Cal-Comp Technology (Suzhou) Co., Ltd. 2008 - Present • Chairman and Managing Director of Cal-Comp Electronics and Communications (Suzhou) Co., Ltd. 2010 - Present • Director of Kinpo Electronics Inc. 2010 - Present • Chairman of Cal Comp (Malaysia) SDN. BHD. 2010 - Present • Chairman of Cal-Comp Precision (Singapore) Ltd. 2010 - Present • Director of Cal-Comp Precision (Malaysia) Sdn. Bhd. 2010 - Present • Director of Cal-Comp Precision (Thailand) Ltd. 2010 - 2017 • Chairman and Managing Director of Avaplas Precision Plastics (Shanghai) Co., Ltd. 2010 - Present • Chairman of Cal-Comp Precision (Dongguan) Ltd. 2010 - Present • Chairman of Cal-Comp Precision (Wujiang) Ltd. 2010 - Present • CEO and Director of Cal-Comp Electronics (USA) Co., Ltd. 2011 - Present • CEO of Cal-Comp USA (Indiana), Inc. 2011 - Present • CEO and Director of Cal-Comp USA (San Diego), Inc. 2011 - Present • Chairman of Cal-Comp Electronics de México Co., S.A. de C.V. 2012 - Present • Chairman of Cal-Comp Technology (Philippines), Inc. 2012 - Present • Director of Compal Electronics, Inc. 2013 - Present • Chairman of XYZprinting, Inc. 2014 - Present • Chairman of Kinpo Electronics (Philippines) Inc. 2015 - 2018 • Director of Dawning Leading Technology Inc. 2015 - Present • Director of Cal-Comp Holding (Brasil) S.A 2015 - Present • Director of Cal-Comp Industria De Semicondutores S.A. 2015 - Present • Vice Chairman of PChome (Thailand) Co., Ltd.

- 2015 - Present • Chairman of XYZprinting (Thailand) Co., Ltd.
- 2016 - Present • Chairman of CastleNet Technology Inc.
- 2016 - Present • Chairman of Cal-Comp Big Data Inc.
- 2016 - Present • Chairman of Cal-Comp Precision (Philippines) Ltd.
- 2016 - Present • Director of QBit Semiconductor Holding, Ltd.
- 2016 - Present • Chairman of QBitSemiconductor Inc.
- 2017 - Present • Director of Cal-Comp (India) Private Limited
- 2017 - Present • Chairman of New Era AI Robotic Limited
- 2018 - Present • Director of Cal-Comp Automation and Industrial 4.0 Service (Thailand) Co., Ltd.
- 2018 - Present • Chairman of ICKP (Beijing) Technology Development Co., Ltd.

Securities holding (As of December 31, 2018) :

Mr. Shen, Shyh-Yong holds 36,249,459 shares, his spouse Mrs. Hsu, Yung-Hsu holds 1,380,075 shares, minor child Hsu, Hsin-Yu and Shen, Pei-Chi each hold TDR for 32,571 shares.

IOD Program : Not attend the course from Thai Institution of directors yet

3. MR. KHONGSIT CHOUKITCHAROEN

Position : Managing Director

Education : Master of Business Administration, Pacific Western University, USA
Bachelor of Engineering, Feng Chia University, Taiwan

Work Experience :

- 2006 - Present • Director and Managing Director of Cal-Comp Electronics (Thailand) PCL.
- 2009 - Present • Director of Cal-Comp Optical Electronics (Suzhou) Co., Ltd.
- 2009 - Present • Director of Cal-Comp Electronics and Communications (Suzhou) Co., Ltd
- 2009 - Present • Director of Cal-Comp Technology (Suzhou) Co., Ltd.
- 2010 - Present • Director and Managing Director of Cal Comp (Malaysia) SDN. BHD.
- 2010 - Present • Director of Cal-Comp Precision (Singapore) Ltd.
- 2010 - Present • Director of Cal-Comp Precision (Malaysia) Sdn. Bhd.
- 2011 - Present • Director of Cal-Comp Electronics and Communications Co., Ltd.
- 2012 - Present • Director of Cal-Comp Precision (Thailand) Ltd
- 2012 - Present • Director and Managing Director of Cal-Comp Technology (Philippines), Inc.
- 2013 - Present • Director of XYZprinting, Inc.
- 2014 - Present • Director of Kinpo Electronics (Philippines), Inc.
- 2015 - Present • Director of Cal-Comp Holding (Brasil) S.A
- 2015 - Present • Director of Cal-Comp Industria De Semicondutores S.A.
- 2015 - Present • Director of XYZprinting (Thailand) Co., Ltd.
- 2016 - Present • Director of CastleNet Technology Inc.
- 2016 - Present • Director of Cal-Comp Precision (Philippines) Ltd.
- 2017 - Present • Director of Cal-Comp (India) Private Limited
- 2017 - Present • Director of New Era AI Robotic Limited
- 2018 - Present • Director of Cal-Comp Automation and Industrial 4.0 Service (Thailand) Co., Ltd.

Securities holding (As of December 31, 2018) : 1,522,181 shares.

IOD Program : Attended the Director Certification Program (DCP), class 47/2004

4. MR. HSU, SHENG-CHIEH

Position : Director

Education : Bachelor of Engineering, Tamkang University, Taiwan

Work Experience :

- 1989 - Present • Director of Cal-Comp Electronics (Thailand) PCL.
- 1994 - Present • Director of Kinpo Electronics, Inc.
- 1994 - 2015 • Supervisor of Compal Electronics, Inc.
- 2004 - Present • Director of Cal-Comp Electronics and Communications Co., Ltd.
- 2015 - Present • Director of Compal Electronics, Inc.

Securities holding (As of December 31, 2018) : 6,045,236 shares

IOD Program : Not attend the course from Thai Institution of directors yet.

5. MR. PAN HUNG-SHEN

Position	: Director
Education	: Master of Business Administration in Executive Management, Royal Roads University (Canada) Bachelor of Electronics Engineering China University of Science and Technology (Taiwan)
Work Experience	: 2014 - 2018 • Director of Cal-Comp Electronics (USA) Co., Ltd. 2014 - 2018 • Director of Cal-Comp USA (San Diego) Co., Ltd. 2014 - 2018 • Director of Cal-Comp Electronics de Mexico Co. SA de CV 2015 - 2018 • Senior Vice President of Kinpo Electronics, Inc. 2015 - 2018 • Director of Cal-Comp Precision (Thailand) Ltd. 2015 - 2018 • Director of Cal-Comp Precision (Dongguan) Ltd. 2015 - 2018 • Director of Cal-Comp Holding (Brasil) S.A. 2015 - 2019 • Director of Cal-Comp Electronics (Thailand) PCL. 2016 - 2019 • Vice Chairman and Chief Operating Officer of CastleNet Technology Inc. 2016 - 2019 • Director of CastleNet Technology (BVI) Inc. 2016 - 2019 • Director and Chief Operating Officer of Castlenet Technology Inc.(KunShan) 2017 - 2018 • Director of Cal-Comp (India) Private Limited 2017 - 2018 • Director of New Era AI Robotic Limited
Securities holding (As of December 31, 2018)	: 1,032,909 Shares
IOD Program	: Not attend the course from Thai Institution of directors yet.

6. MR.YU, SHIH-TUNG

Position	: Director
Education	: Master of Business Administration, Pacific Western University (USA) Bachelor of Electronics Engineering, Oriental Institute of Technology (Taiwan)
Work Experience	: 2007 - 2011 • General Manager of Acbel Electronic (Dongguan) Co., Ltd. 2012 - 2013 • Assistant Vice-President of Cal-Comp Electronics & Communications Co., Ltd. 2013 - Present • Vice-President of Cal-Comp Electronics & Communications Co., Ltd. 2013 - Present • Director of XYZprinting (Suzhou) Co., Ltd. 2016 - Present • General Manager of XYZprinting (Thailand) Co., Ltd. 2016 - Present • General Manager of XYZprinting Japan Inc. 2016 - Present • Director of Cal-Comp Electronics (Thailand) PCL. 2016 - Present • General Manager of XYZprinting Korea Inc. 2017 - Present • Director of Shanghai Chuang Ge Education Technology Co., Ltd. 2018 - Present • Vice Chairman of ICKP (Beijing) Technology Development Co., Ltd.
Securities holding (As of December 31, 2018)	: 2,520,998 shares, TDR 148,869 Shares. His spouse Mrs.Su, Ming-Ju holds 254,909 shares and TDR 55,103 shares.
IOD Program	: Not attend the course from Thai Institution of directors yet.

7. MR. ALAN CHI YIM KAM

Position	: Independent Director and Chairman of Audit Committee
Education	: Master of Business Administration, University of Denver, USA Bachelor of Business Administration, University of Denver, USA
Work Experience	: 2000 - Present • Independent Director and Chairman of the Audit Committee at Cal-Comp Electronics (Thailand) PCL. 2013 - Present • Independent Director and Chairman of the Audit Committee at Mega LifeSciences Public Company Limited 2013 - Present • Trustee Director and Chairman of the Investment Committee at Nambawan Superannuation Fund Limited, Papua New Guinea 2015 - Present • Director at Cal-Comp Holdings (Brazil) S.A., Sao Paulo, Brazil 2016 - Present • Chairman of the Board of Directors at Ticketmelon Company Limited 2017 - Present • Independent Director, Chairman of Audit Committee at TATA Steel (Thailand) Public Company Limited

Securities holding (As of December 31, 2018) : None

IOD Program :

- Director Certification Program (DCP 39/2004)
- Fellow Member 2004 & Chartered Director 2008
- Corporate Social Responsibility Program (CSR 1/2006)
- Chartered Director Class (CDC 2/2008)
- Corporate Governance for Capital Market Intermediaries Class (CGI 0/2014)
- Role of Chairman Program, (RCP 40/2017)
- Strategic Board Master Class (SBM 3/2018)

8. MR. WILLIAM HANG MAN CHAO

Position : Independent Director and Audit Committee

Education : Master of Business Administration Major in Finance and Marketing University of Chicago, USA
Bachelor of Science Major in Finance, Indiana University, USA

Work Experience :

1998 - 2010	• Managing Director of Wing Wah Advisory (Thailand) Limited
1999 - Present	• Director of Bangkok Garden Property Fund
2000 - Present	• Independent Director and Audit Committee of Cal-Comp Electronics (Thailand) PCL.
2000 - Present	• Director of City Realty Co., Ltd.
2009 - 2012	• Director of Libertas Co., Ltd.
2010 - Present	• Chairman of ADPV Technology Limited

Securities holding (As of December 31, 2018) : None

IOD Program :

- Attended DAP Program of IOD, Class 74/2008.
- Attended Director Certification Program (DCP), class 112/2009

9. MR. THANASAK CHANYAPOON

Position : Independent Director and Audit Committee

Education : Master degree in laws (LL.M. , University of Cambridge, UK
Master degree in laws (LL.M. in Business Laws), Chulalongkorn University
Certificate on American and International Laws, Dallas, USA
Bachelor degree in laws (LL.B. (Hons)), Chulalongkorn University

Work Experience :

2001 - 2003	• Managing Associate of Linklaters (Thailand) Co., Ltd
2003 - 2004	• Senior Associate of LawAlliance Limited
2004 - 2006	• Director of LawAlliance Limited
2006 - Present	• Managing Director of LawAlliance Limited
2008 - Present	• Director of Khao Soon Tungsten Mining Co., Ltd.
2008 - Present	• Director of Cal-Comp Electronics (Thailand) PCL
2009 - Present	• Special Lecturer at Faculty of Law, Chulalongkorn University and Faculty of Business Administration, Kasetsart University
2010 - Present	• Executive Director of Hillcrest Development (Samui) Company Limited
2011 - Present	• Executive Director of Hillcrest Resort (Samui) Company Limited
2011 - Present	• Independent Director and Audit Committee of Cal-Comp Electronics (Thailand) PCL
2013 - Present	• Supervisor of XYZprinting, Inc., Taiwan
2014 - Present	• Executive Director, Hillcrest Management (Samui) Company Limited
2015 - Present	• Director, Cal-Comp Holding (Brasil) S.A., Brazil
2016 - Present	• Director, Vana Nava Company Limited
2017 - Present	• Director, Pan Asia Metals Limited, Singapore

Securities holding (As of December 31, 2018) : None

IOD Program : Attended DAP Program of IOD, Class 73/2008

GENERAL INFORMATION

GENERAL INFORMATION OF THE COMPANY

Industry/Sector	: Technology / Electronic Components
Company	: Cal-Comp Electronics (Thailand) Public Company Limited
Business	: Manufacturer for electronics products. Main products are computer peripheral and telecommunication products.
Security Code	: - SET Ticker: CCET TB - TWSE Ticker: 9105 TT
Head office	: 191/54, 191/57 18th Fl., CTI Tower, Rachadapisek Road, Klongtoey, Bangkok 10110
Telephone	: 02-261-5033-36, 02-661-9381-83
Fax	: 02-661-9396
Home page	: http://www.calcomp.co.th
Registered number	: 0107543000023
Authorized Capital	: 4,979,068,075 Baht
Paid-up Capital	: 4,554,643,575 Baht as at December 31, 2018
Par value	: 1 Baht
Dividend Policy	: The Company has the dividend policy to pay not less than 30% of its Company consolidated net profit of each fiscal year after legal reserve. Provided that the rate of dividend payment will be subject to cash flows and investment plans of the Company and its subsidiaries, as well as regulatory restrictions and other requirements.
CCET location in Thailand	: (1) Samut Sakhon Factory 60 Moo 8, Sethakij Road, Tambon Klong Maduea, Amphoe Krathum Baen, Samut Sakhon, 74110, Thailand (2) Petchaburi Factory 138 Moo 4, Petchkasem, Tambon Sapang, Amphoe Khao-Yoi, Petchaburi, 76140, Thailand (3) Branch at Nakhonratsima Province 44/4 Moo 9, Tambon Sungnoen, Amphoe Sungnoen, Nakhonratsima 30170, Thailand (4) Branch at Petchaburi Province 91 Moo 4, Tambon Sapang, Amphoe Khao-Yoi, Petchaburi, 76140, Thailand

Note: investors can find additional information of the company from F56-1 on www.sec.or.th

SHAREHOLDING STRUCTURE AND MANAGEMENT

List of top 10 shareholders as of December 31, 2018

Group of shareholders	Nature of business	No. of shares	% of paid up capital
1. KINPO ELECTRONICS, INC. ⁽¹⁾	Manufacture of electronic products	1,839,526,249	40.39
2. FAR EASTERN INTERNATIONAL BANK ⁽²⁾	Depository of TDR	839,284,153	18.43
3. KINPO INTERNATIONAL (SINGAPORE) PTE LTD. ⁽¹⁾	-	300,788,019	6.60
4. COMPAL ELECTRONICS, INC. ⁽³⁾	-	239,630,886	5.26
5. MR. CHERN KUAN-JAN	-	214,223,612	4.70
6. MR. VITHIT PONGPIRODOM	-	147,501,087	3.24
7. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	-	68,268,750	1.50
8. THAI NVDR COMPANY LIMITED	-	52,843,285	1.16
9. MRS. CHARASSRI PONGPIRODOM	-	47,951,500	1.05
10. MR. SHEN, SHYH-YONG	-	36,249,459	0.80
TOTAL		3,786,267,000	83.13

Note : ⁽¹⁾ Kinpo Electronics, Inc. and its 100% owned subsidiary, Kinpo International (Singapore) Pte Ltd., hold totally 2,140,314,268 shares or 46.99%.

⁽²⁾ The depository of underlying share of Taiwan Depository Receipts (TDR).

⁽³⁾ As of December 31, 2018, Compal Electronics has holding the common share through KGI Asia Limited

CAPITAL STRUCTURE

SECURITIES OF THE COMPANY

1. Ordinary shares

The registered and paid-up capital as at December 31, 2018 :

The registered capital : Baht 4,979,068,075, comprising 4,979,068,075 ordinary shares with the par value per share of Baht 1.

The paid-up capital : Baht 4,554,643,575, comprising 4,554,643,575 ordinary shares with the par value per share of Baht 1.

2. Taiwan Depositary Receipts (TDRs)

As of December 31, 2018, there are 839,284,153 units of Taiwan Depositary Receipts (TDRs) underlying 839,284,153 ordinary shares or 18.43% of total paid up capital. The TDRs have been listed in Taiwan Stock Exchange with the code of 9105.TT. Depositary of TDRs for the underlying shares is Far Eastern International Bank. The redemption rate is 1 TDR for 1 ordinary share. The right to redeem can be used every day without expiry. TDRs are entitled the same rights as ordinary shares such as the rights to attend the meeting, rights to vote, rights to receive the dividend and right to subscribe the RO, etc. As of December 31, 2018, none of TDR holders have redeemed their TDR to be the common stock.

3. Warrant

CCET-WB

The Company issued the Employee Stock Option Plan (ESOP) by allotting the 200,000,000 units of 3 years warrants for the rights to buy ordinary shares to the selected employees of the Company and/or its subsidiaries since July 2, 2015 with the code of CCET-WB. The warrants can be exercised on the 10th of every 3 months after the first exercise date throughout the Term of the Warrants for 3 years and the first exercise date was start on July 2, 2016, and the last exercise data which also the expired date was on July 2, 2018.

As of July 2, 2018 which is the expired date, the Warrant holders (CCET-WB) total exercised 2,550,000 units and purchased the ordinary share of total 2,550,000 shares. There are portion of expired and unexercised warrants under CCET-WB of 197,450,000 units.

4. NVDR

As at December 31, 2018, there are 52,843,285 units of NVDRs of the Company, equivalent to 1.16% of the paid-up capital, underlying the same shares of ordinary share. The NVDR holders are entitled to the same rights of the underlying shares, but do not have the right to vote in the shareholders' meeting except in case of delisting. The ordinary shares will be used as the underlying for issuance of NVDRs. Consequently, the number of voting shares will decrease. Even the number of NVDRs is quite small; there may be some changes that the Company is not able to control.

INVESTMENTS

The name list of the company that CCET has invested more than 10% as the following:

1. Cal-Comp Optical Electronics (Suzhou) Company Limited

Cal-Comp Optical Electronics (Suzhou) Company Limited has a paid-up capital of CNY 547.15 million, operating as a manufacturer of electronics. The products cover computers sector and its operation runs in China. This subsidiary is 100% owned by the Company. The registered address is No.2288, Jiangxing East Road, Wujiang Economic Development Zone, Jiangsu, China.

2. Cal-Comp Electronics and Communications (Suzhou) Co., Ltd.

Cal-Comp Electronics and Communications (Suzhou) Co., Ltd. has paid-up capital of CNY 239.60 million, operating as a manufacturer of electronics products. The products cover computer peripheral and telecommunication sector and its operation runs in China. This subsidiary is 100% owned by the Company. The registered address is Wujiang Export Processing Zone, No. 688, Pangjin Road, Wujiang Economic Development Zone, Jiangsu Province, China.

3. Cal-Comp Technology (Suzhou) Co., Ltd.

Cal-Comp Technology (Suzhou) Co., Ltd. has paid-up capital of CNY73.05 million, operating as a manufacturer of electronics products. The products cover computer peripheral sector and its operation runs in China. This subsidiary is 100% owned by the Company. The registered address is Genway Factory, No 288, Shengpu Road, Export Processing Zone B, Suzhou Industrial Park, Jiangsu Province, China.

4. Cal-Comp Electronics and Communications Co., Ltd.

Cal-Comp Electronics and Communications Co., Ltd. has a paid-up capital of NTD 69.92 million, operating as a centre for R&D, sales, marketing, procurement, finance and business planning. This subsidiary is owned 100% by the Company. The registered address is 3F., No.99, Sec.5, Nanjing E. Rd., Songshan District, Taipei City 105, Taiwan

5. Logistar International Holding Company Limited

Logistar International Holding Company Limited has a paid-up capital of USD 30.05 million, operating as a holding company to support investment in foreign countries and to make out of the full potential for business operation and also to be a distributor of the products. Logistar International Holding Company Limited is owned 100% by the Company. The registered address is situated at Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands.

6. Cal Comp (Malaysia) SDN. BHD.

Cal Comp (Malaysia) SDN. BHD. has a paid-up capital of MYR 28.04 million, operating as a manufacturer of electronics products. The products cover computer peripheral sector and its operation runs in Malaysia. This subsidiary is 100% owned by the Company. The registered address is situated at Lot 711, Jalan Batu Tiga Lama, Sungairasah, Seksyen 16, 40200 Shah Alam, Selangor, Malaysia

7. Cal-Comp Electronics (USA) Co., Ltd.

Cal-Comp Electronics (USA) Co., Ltd. has a paid-up capital of USD 59.82 million, operating as a holding company. This subsidiary is 100% owned by the Company. The registered address is situated at 9877 Waples Street, San Diego, USA.

8. Cal-Comp USA (San Diego), Inc.

Cal-Comp USA (San Diego), Inc. has a paid-up capital of USD 0.86 million operating as a manufacturer of printed circuit board assemblies and running the business in America. The Company owns 100% of Cal-Comp USA (San Diego), Inc. indirectly through Cal-Comp Electronics (USA) Co., Ltd. The registered address is situated at 9877, Waples Street, San Diego, CA, USA.

9. Cal-Comp USA (Indiana), Inc.

Cal-Comp USA (Indiana), Inc. has a paid-up capital of USD 5.4 million operating as a manufacturer of printed circuit board assemblies and running the business in America. The Company owns 100% of Cal-Comp USA (Indiana), Inc. indirectly through Cal-Comp Electronics (USA) Co., Ltd. The registered address is situated at 1 Technology Way, Logansport, IN, USA.

10. Cal-Comp Precision (Singapore) Ltd.

Cal-Comp Precision (Singapore) Ltd. has a paid-up capital of SGD 10.86 million, operating as mould and plastic injection and running the business in Singapore. This subsidiary is 100% owned by the Company. The registered address is situated at 19 Changi South Street 1, #04-01 Changi South, Industrial Estate Singapore 486779.

11. Cal-Comp Precision (Thailand) Limited

Cal-Comp Precision (Thailand) Limited has a paid-up capital of Baht 2,210 million, operating as mould and plastic injection and running the business in Thailand. The Company owned 100% of Cal-Comp Precision (Thailand) Limited. The registered address is situated at No. 4 Moo 8, Sethakij Road, Tambon Klong Maduea, Amphoe Krathum baen, Samut Sakhon Province 74110.

12. Cal-Comp Precision (Malaysia) Sdn. Bhd.

Cal-Comp Precision (Malaysia) Sdn. Bhd. has a paid-up capital of MYR 11.97 million, operating as mould and plastic injection and running the business in Malaysia. The Company owns 100% of Cal-Comp Precision (Malaysia) Sdn. Bhd. indirectly through Cal-Comp Precision (Thailand) Ltd. The registered address is situated at PTD 37435 & PTD 37436, Jalan Perindustrian 3, Kawasan Perindustrian Fasa 2, 81400, Senai, Johor, Malaysia.

13. Cal-Comp Precision (Dongguan) Co., Ltd.

Cal-Comp Precision (Dongguan) Co., Ltd. has a paid-up capital of CNY 110.81 million, operating as mould and plastic injection and running the business in China. The Company owns 100% of Cal-Comp Precision (Dongguan) Co., Ltd. indirectly through Cal-Comp Precision (Thailand) Ltd. The registered address is situated at No. 417 Bldg 5, Zhenan Central Road, Shatou Village, Changan Town, Dongguan City, Guangdong, China.

14. Cal-Comp Precision (Wujiang) Co., Ltd.

Cal-Comp Precision (Wujiang) Co., Ltd. has a paid-up capital of CNY 32.36 million, operating as mould and plastic injection and running the business in China. The Company owns 100% of Cal-Comp Precision (Wujiang) Co., Ltd. indirectly through Cal-Comp Precision (Thailand) Ltd. The registered address is situated at 2288, Jiangxing East Road, Wujiang Economic Development Zone, Jiangsu, China.

15. Cal-Comp Industria e Comercio de Eletronicos e Informatica Ltda

Cal-Comp Industria e Comercio de Eletronicos e Informatica Ltda has a paid-up capital of R\$ 165.02 million, operating as electronic manufacturing and running the business in Brazil. The Company owns 100% of this Company from direct investment and indirectly through Cal-Comp Holding (Brasil) S.A.. The registered address is situated at AV. Torquato Tapajos 7503, Galpao 1, Bairro Taruma, Manaus AM, Brazil CEP 69041-025

16. Cal-Comp Electronics de Mexico Co. SA de CV

Cal-Comp Electronics de Mexico Co. SA de CV has a paid-up capital of MXN 141.18 million, operating as electronic manufacturing and running the business in Mexico. The Company owns 100% of this Company. The registered address is situated at De Los Encinos 1080 Sin Number Paque Industrial Villa Florida Tamaulipas 88730.

17. Cal-Comp Technology (Philippines), Inc.

Cal-Comp Technology (Philippines), Inc. has a paid-up capital of PHP 1,700 million, operating as electronic manufacturing and running the business in Philippines. The Company owns 19.19% of this Company. The registered address is situated at Block 7, Lot 1, Main Boulevard, Lima Technology Center-Special Economic Zone, Lipa City, Batangas, Philippines.

18. Cal-Comp Holding (Brasil) S.A.

Cal-Comp Holding (Brasil) S.A. has a paid-up capital of R\$ 258.22 million, acquired by the transferring of investment in Cal-Comp Industria e Comercio de Eletronicos e Informatica Ltda in Brazil. The Company owned 99.99% of paid up capital of Cal-Comp Holding (Brasil) S.A. The registered address is situated at Rua Minas de Prata, 30, 16 andar, cj. 162 (altura da Av. Juscelino Kubitschek, 1700) Vila Olimpica, Sao Paulo Brazil CEP.: 04552-080

19. Cal-Comp Industria de Semicondutores S.A.

Cal-Comp Industria de Semicondutores S.A. has a paid-up capital of R\$ 75.08 million. The purpose of this investment is to expand the product line in semiconductor products in Brazil. The Company owned 58.03% of paid up capital of this Company indirectly through Cal-Comp Holding (Brasil) S.A. The registered address is situated at Avenida Torquato Tapajos N.7503, Galpao 2, Modulo 19-Parte, Bairro Taruma, Manaus AM, Brazil CEP.:69041-025

20. Cal-Comp Precision (Philippines) Ltd.

Cal-Comp Precision (Philippines) Ltd. has paid-up capital of PHP 2,464.57 million, operating as mould and plastic injection and running the business in Philippine, The Company owns 100% of this company indirectly through Cal-Comp Precision (Thailand) Ltd. The registered address is situated at LT.11Hy Dimacali Ave. Fpip II-SEZ STA. Anastacia Santo Tomas, Batangas, Philippines.

21. QBit Semiconductor Ltd.

QBit Semiconductor Ltd. has paid up capital of NTD 162.5 million, operating as electronic components manufacturing and international trading, The Company owned 100% of QBit Semiconductor Ltd. indirectly through QBit Semiconductor Holding, Ltd. The registered address is situated at 10F., No.99, Sec.5, Nanjing E. Rd., Songshan District, Taipei City 105, Taiwan.

22. QBit Semiconductor Holding, Ltd

QBit Semiconductor Holding, Ltd. has paid-up capital of USD 5 million, operating as a holding company to support investment in foreign countries. The Company owned 100% of this company. The registered address is situated at The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KYI-1208, Cayman Islands.

23. Cal-Comp Big Data, Inc.

Cal-Comp Big Data, Inc. has paid-up capital of NTD 650 million, operating as machinery manufacturing and International Trading. the Company owned 50% of this company. The registered address is situated at No.147, Sec. 3, Beishen Rd., Shenkeng Dist., New Taipei City 222, Taiwan (R.O.C.)

24. XYZprinting, Inc.

XYZprinting, Inc. has a paid-up capital of NTD 930 million, operating as a provider of 3D printing products and services. The Company owned 46.40% of paid up capital of XYZprinting, Inc. and the registered address is situated at 10F., No.99, Sec.5, Nanjing E. Rd., Songshan District, Taipei City 105, Taiwan

25. PChome (Thailand) Co., Ltd.

PChome (Thailand) Co., Ltd. has paid-up capital of THB 100 million, operating as a provider of E-commerce products and services. The Company owned 32.5% of paid up capital of PChome (Thailand) Co., Ltd. and the registered address is situated at 191/54, 191/5718th Fl., CTI Tower, Rachadapisek Road, Klongtoey, Bangkok 10110

26. Daviscomms (S) Pte Ltd.

Daviscomms (S) Pte Ltd. has paid up capital of USD 2,194,343 operating as a design, manufacturing and distribution of telecommunication related products and running the business in Singapore. The Company owns 20% of Daviscomms (S) Pte Ltd. indirectly through Cal-Comp Precision (Singapore) Ltd. The registered address is situated at Block 70, Ubi Crescent, Ubi Techpark, #01-07, Singapore 408570.

27. Metal Component Engineering Limited (“MCE”)

Metal Component Engineering Limited is listed in Singapore Stock Exchange (SGX-ST) has a paid up capital SGD 21.64 million and running business in Singapore. The Company has invested in MCE in order to improve management efficiency and vertical integration. The Company owns 10.11% of paid up capital of MCE and the registered address is situated at 10, Ang Mo Kio Street 65, Techpoint, #04-02, Singapore 569059.

28. Kinpo Group Management Service Co., Ltd.

Kinpo Group Management Service Co., Ltd. has a paid up capital of NTD 8 million, operating as a consultant company. The Company owns 12.5% of paid up capital indirectly through Cal-Comp Electronics and Communications Co., Ltd. and the registered address is situated at 10F., No.99, Sec.5, Nanjing E. Rd., Songshan District, Taipei City 105, Taiwan.

29. Cal-Comp (India) Private Limited

Cal-Com (India) Private Limited has a paid up capital of INR 32.23 million, operating as a design, manufacturing and distribution of telecommunication related products. The Company is owns 100% by the Company and the registered address is situated at No. 328, Aditya Arcade, 2nd Floor, 3rd A Cross Road, HIG, A Sector, Yelahanka New Town, Bangalore - 560064, Karnataka, India.

30. New Era AI Robotic Limited

New Era AI Robotic Limited has a paid up capital of USD 4 million, operating as a research and development of robotic innovation, The Company owned 50% of paid up capital of New Era AI Robotic Limited. and the registered address is situated at The Grand Pavilion commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands.

31. Shanghai Chuang Ge Education Technology Co., Ltd.

Shanghai Chuang Ge Education Technology Co., Ltd. has a paid up capital of CNY 5 million, operating as research and development especially in education and network field. The Company owned 43.53% of Shanghai Chuang Ge Education Technology Co., Ltd. indirectly through Cal-Comp Optical Electronics (Suzhou) Company Limited. and the registered address is situated at Room 1260, Building B, No. 2528 Panyuan Road, Chang-Xing Town, Chong-Ming District, Shanghai (Shanghai Tai he Economic Development Zone).

32. Cal-Comp Automation and Industrial 4.0 Service (Thailand) Co., Ltd.

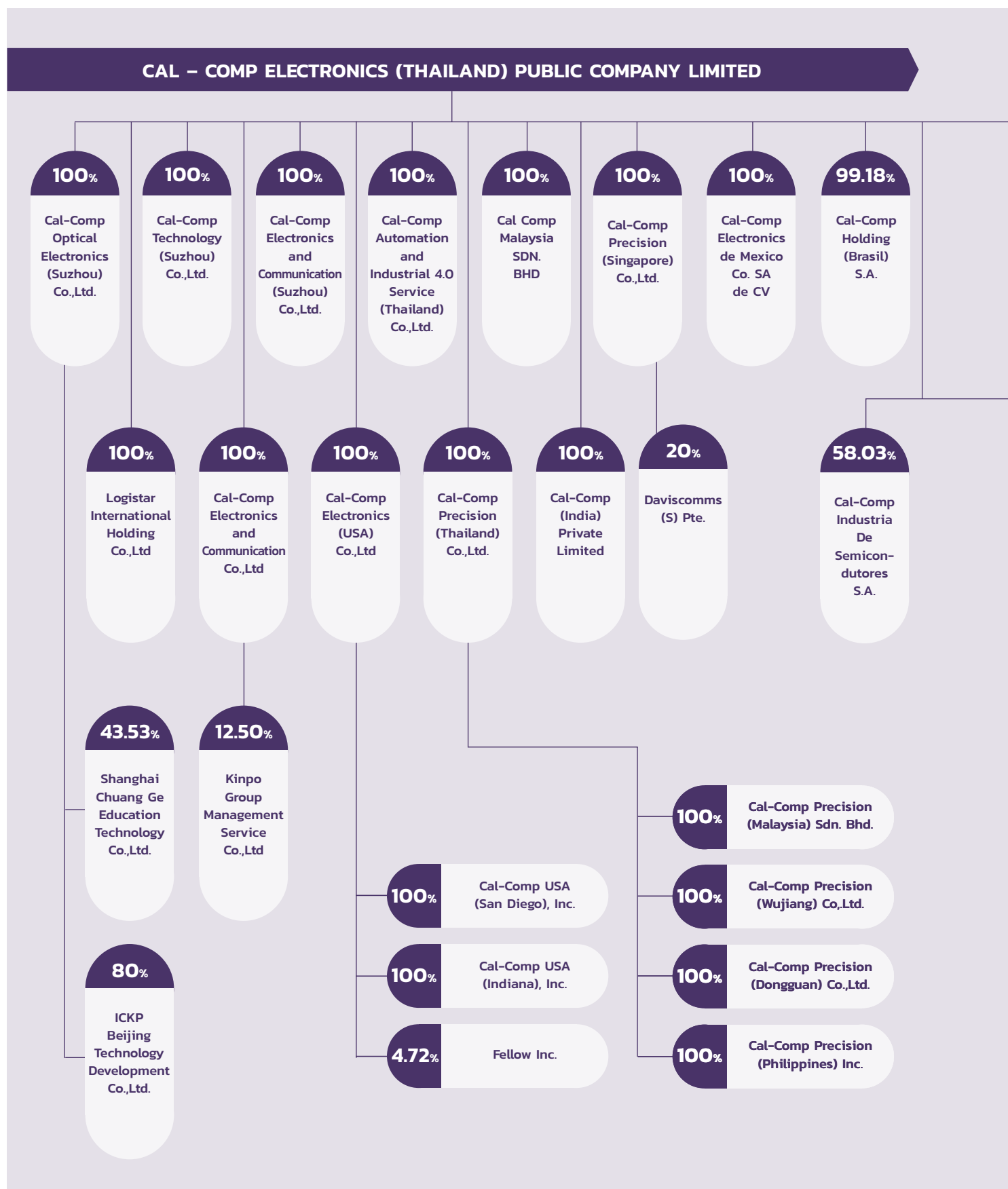
Cal-Comp Automation and Industrial 4.0 Service (Thailand) Co., Ltd. has a paid up capital of THB 100 million, operating as a provider of industry 4.0 solution service, industry robot arms solution, and customized automation solutions. The Company owned 100% of this company. The registered address is situated at 60 Moo 8, Sethakij Road, Tambon Klong Maduea, Amphoe Krathum Baen, Samut Sakhon, 74110, Thailand.

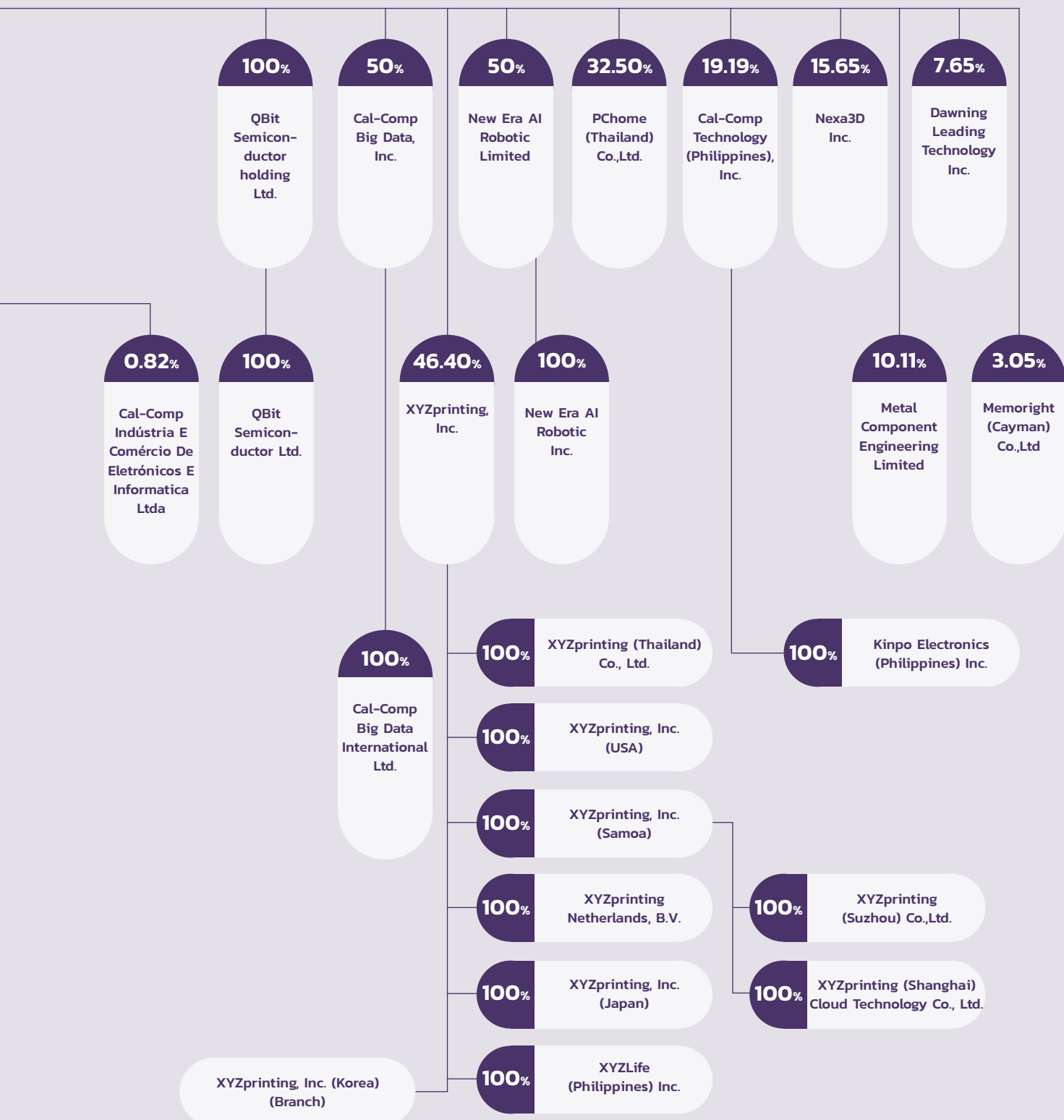
33. ICKP (Beijing) Technology Development Co., Ltd.

ICKP (Beijing) Technology Development Co., Ltd. has a paid up capital of CNY 10 million, operating as research and development especially in 3D printing, AI/Robotics, industrial 4.0 and IC design. The Company owned 80% of ICKP (Beijing) Technology Development Co., Ltd. indirectly through Cal-Comp Optical Electronics (Suzhou) Co., Ltd. and the registered address is situated at Twelve, 1209-1, 6 South Street, Zhongguancun, Haidian District, BeiJing.

THE GROUP STRUCTURE OF THE COMPANY

as of 31 December 2018





INVESTMENT POLICY AND BENEFITS DERIVED FROM INVESTMENT IN ANY ASSOCIATED COMPANY AND OTHER COMPANIES.

In an attempt to make investments in any subsidiary company, associated company and other companies, the Company will particularly take into account the possibility of generating proceeds and benefits to be obtained by the Company. The Company has established manufacturing facilities in China since 2003 as well as established manufacturing facilities in Malaysia and acquired new business in Singapore, Malaysia, USA, Brazil, Mexico and Philippines during 2010-2018 to leverage the low cost production and maintain the Company's competitive advantages while be able to address customer's need as well as the improving of vertical integration. As a result, the Company has expanded its customer base and operation scale to a world class EMS.

OTHER REFERENCE PARTIES

Shares and Warrants Registrar

: Thailand Securities Depository Co., Ltd.
93 The Stock Exchange of Thailand Building
Rachadapisek Road, Din Daeng, Bangkok 10400
Tel: (662) 009-9000
Fax: (662) 009-9991

Taiwan Depository Receipts (TDRs) Depositary

: Far Eastern International Bank
20F, No.207, Sec.2, Dunhua S. Rd., Da an Dist.,
Taipei City 106, Taiwan, R.O.C.
Tel : 886-2-2312-3636
Fax : 886-2-2388-8278

Auditor

: Ms. Runnapa Lertsuwankul
Certified Public Accountant (Thailand) No. 3516
EY Office Limited
193/136-137, Lake Rajada Office Complex,
Rachadapisek Road, Klongtoey, Bangkok 10110
Tel: (662) 264-0777
Fax: (662) 264-0789-90

NATURE OF BUSINESS OPERATION

Cal-Comp Electronics (Thailand) Public Company Limited ("The Company") was found with initial capital of Baht 125 million on 4 December 1989 in order to embark on electronics manufacturing services (EMS) business. At present, the Company has registered capital of Baht 4,979,068,075 and paid-up capital of Baht 4,554,643,575.

The Company is in Electronics Manufacturing Services (EMS) business, producing electronics products for major brands worldwide; for instance, Western Digital, Seagate, Hitachi, Toshiba, Verbatim, Advance Digital Broadcast, Technicolor, Pace, Hewlett Packard, Konica Minolta, Ricoh, Panasonic, Lexmark, Humax, Sharp, Nikon and else. The Company's products can mainly categorize into 2 groups as follows:

- Computer peripherals such as ink-jet printers, laser printers, multi-function printers, 3D printers, large format printer, main board, NAS, external hard disk drive and PCBA for hard disk drive, PCBA for TV, PCBA for digital camera, and SSD.
- Telecommunication products such as Set Top Box.

As of 31 December 2018, the Company has employees 24,367 globally, 1,234 in China, 16,207 in Thailand, 1,141 in Taiwan, 609 in Malaysia, 1,380 in Brazil, 518 in Mexico, 404 in USA, 54 in Singapore and 2,820 in Philippines.

The Company was awarded investment tax privileges type 5.4, 5.5, 5.6 and 5.7 for manufacturing electronics products and electronics components from Board of Investment (BOI) in which provided 6 tax incentive projects. In addition, Cal-Comp Precision (Thailand) Limited was awarded investment tax privileges for plastic components of electronics products from BOI in which provided 3 tax incentive project as well.

INCOME STRUCTURE

Divisions	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Computer Peripheral	77,171	71.66	78,814	73.32	82,247	72.66
Telecommunication Products	30,221	28.06	28,084	26.13	30,720	27.14
Total sales	107,392	99.72	106,898	99.45	112,967	99.80
Other revenue	303	0.28	590	0.55	227	0.20
Total revenue	107,695	100.00	107,488	100.00	113,194	100.00

PRODUCTION VOLUME

(Unit : Thousand Units)

Description	2016		2017		2018	
	Number	%	Number	%	Number	%
Production volume						
• Computer Peripheral	217,988	92.58	230,572	89.76	237,374	84.27
• Telecommunication Products	17,475	7.42	26,293	10.24	44,315	15.73
Total	235,463	100.00	256,865	100.00	281,689	100.00

The production of the Company and its subsidiaries utilizes labor for 1 round per day (8 hours per round). Overall, the Company averagely utilizes 75% 77% and 86% of the full capacity for year 2016, 2017 and 2018, respectively.

In order to improve the Company's manufacturing efficiency while maintain its existing competitiveness, the Company developed a series of system to monitoring the operation routine on daily basis. Four systems including production direct control system, manufacture on time systems, B2B procurement system, and digital center server system have formed a fine network to provide the Company and its customers most updated information in order to track and analyze potential issues.

Details of purchasing of local and foreign raw materials during 2016-2018

The Company has purchased raw materials through local and overseas suppliers. Below is the Company's consolidated purchase amount in million baht during 2016-2018

Order	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Domestic raw materials	12,871.78	12.97	17,414.21	17.06	13,488.44	12.81
Imported raw materials	86,396.80	87.03	83,679.67	82.94	91,779.00	87.19
Total	99,268.58	100.00	102,093.88	100.00	105,267.44	100.00

TYPES AND SOURCES OF ESSENTIAL MATERIALS

MATERIALS FOR INTERNAL COMPONENTS

Material	Description	Source of supply
Radio Components	Antenna, Balun and Bandpass filter, Transceiver, Tuner, Power amplifier, Resonator, Crystal.	Taiwan, Korea and China
Chip IC series	MCP, DSP, Audio amplifier, Memory, LCM driver, Power management, Media IC.	Singapore, Japan, Korea and the U.S.
Key Component	CPU, HD, Pens, LCM, Printer heads, Modulator	Thailand, Taiwan, China, Singapore and Japan
Other Components	Capacitor, Bead inductor, Vibration Motor, Speaker, Receiver, Microphone, Metal Dome, Switch, Connector, FPC, LED, Discrete, PCB, Res	Thailand, Taiwan, China, Singapore, Japan and the U.S.

MATERIALS FOR EXTERNAL COMPONENTS

Materials for external components are primarily the case of the products and other outside components as follows:

Material	Description	Source of supply
Adapter and Cables	Electric cable and adaptors	Thailand, Malaysia, China
Case	Plastics and plastic components	Thailand , Singapore, Malaysia and China
Packaging	Paper box, Poly foam, Plastic bags, Plastic tapes and Tag.	Thailand and China

MATERIAL SUPPLIERS

Key components will be procured according to customer's specification. The major shareholders and affiliates may be also be CCET's customers as well. The Company implements random sampling to investigate each raw material types and uses Vendor Quality Assurance system to certify the qualified suppliers. The Company will only place order to the qualified suppliers.

Moreover, there are 4 raw material suppliers established their manufacturing facilities inside the Company's productions zone which is called Value-Chain Partnership. This partnership allows CCET to control raw materials quality in real time and to reduce inventory spaces and to lower transportation costs. Those four suppliers do not hold shares of the Company, nor do them related to management of the Company. The aforementioned suppliers are as follows:

Suppliers	Raw material
1. Ever Jet Co., Ltd.	Plastic components
2. Allied Precision (Thailand) Co., Ltd.	Metal sheet
3. MCT (Thailand) Co., Ltd.	Metal sheet
4. Yiking Plastic Production Co., Ltd.	Plastic components

PURCHASING POLICY

The Company's purchasing policy is based upon the comparison of prices of raw materials quoted by each supplier, and punctual delivery of the supplier to each shipment and taking into account the maximum benefits to be obtained by the Company. In the purchasing process, the sales department and the production department will cooperate in planning the purchase of raw materials so as to ascertain the demands for each period and maintain the inventory at an appropriate level from time to time.

MATERIAL CHANGES IN 2018

- On 13 August, 2018, the Company has approved a new subsidiary investment in Cal-Comp Optical Electronics (Yueyang) Co.,Ltd. in China with the amount of not exceeding USD 20 million and 100% owned by the Company through its subsidiary. The purpose is mainly to manufacture for printers and other electronics products. The Company's subsidiary has already paid share capital amounting to CNY 136 million in January 2019.
- On 13 August, 2018, the Company has approved a newly joint venture investment in ICKP (Beijing) Technology Development Co.,Ltd. in China by the Company's subsidiary Cal-Comp Optical Electronics (Suzhou) Co.,Ltd and a non-related party in the amount of CNY 8 million. The purpose is for driving business opportunities in 3D printing, AI/Robotic, Industry 4.0 and IC design industry in China. The Company's subsidiary and the non-related party each held 80% and 20% shareholding respectively. The Company's subsidiary has fully subscribed the shares in Oct 2018.
- On 13 August, 2018, the company has approved a new subsidiary precision investment in Cal-Comp Precision (Yueyang) Co.,Ltd. in China with the amount not exceed CNY 10 million, and 100% owned by the Company indirectly through Cal-Comp Precision (Thailand) Ltd. The Company's subsidiary has paid share capital amounting to USD 1.35 million in January 2019.
- On November 12, 2018, the Company has approved its plant expansion in Petchaburi, Thailand with the approximately amount of THB 2,294 million. The purpose is for manufacturing the consumer electronics products, computer peripherals, telecommunication products and else. The project is on process.
- On November 12, 2018, the Company has approved the termination of its subsidiary Cal-Comp (India) Private Limited, 100% owned by the Company in consider the accomplishment of set-top-box project and to reduce the number of subsidiaries for more efficient operating strategies. The termination amount is INR 22.1 million. The project is on process.

INDUSTRY AND MARKET COMPETITION

EMS INDUSTRY OVERVIEW

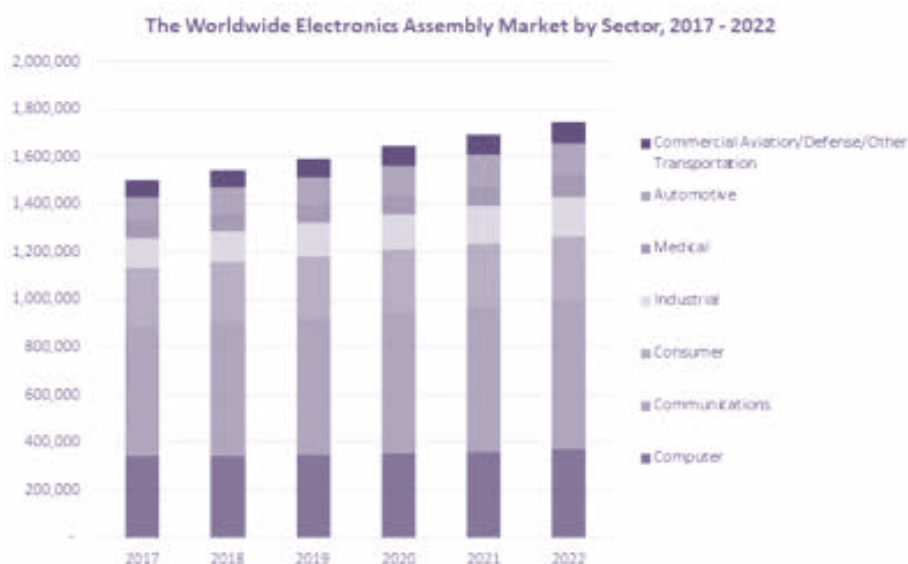
According to the latest market research report by Technavio, the global electronics manufacturing services market FY2018-FY2022 is expected to post a CAGR of near to 4% during the forecast period. However, the global Electronics Manufacturing Services (EMS) market shall have been continuously experiencing in several challenges which including but not limited to the innovation of automation technologies and the digitalization applications through manufacturing process which therefore scuffles the competitiveness among the EMS industry presently. Therefore, more and more manufacturers have shown increased spending on R&D so as to differentiate their products and/or service in order to attract new end-use applications and maintain its competitiveness during this challenging time.

The official term for the growing trend of automation and data exchange in manufacturing technologies goes by the name of Industry 4.0 which challenges companies to incorporate smart robots, human-robot collaboration, additive manufacturing, augmented reality, production simulation, immersive training, integration of the value chain, and decentralization and production steering to enable exponential growth and scalability in manufacturing.

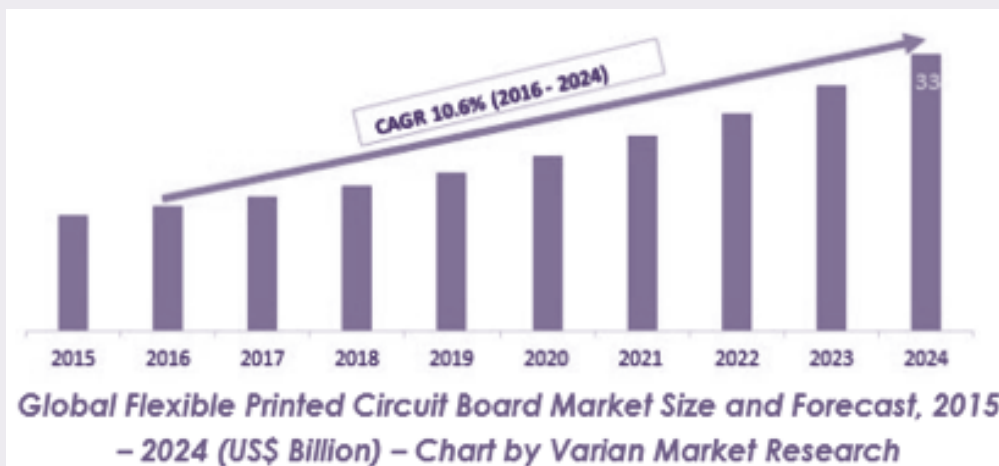
In fact, IDC has further predicted that the investments in such related smart technologies shall be reach USD 600 billion by FY2020 in the region of Asia Pacific where the global top tier EMS companies bases.

Aside from the factors of new manufacturing technologies which driving much changes among the EMS industry, the lead-times issue within the electronic component market also considered as another important factor which shall continuingly impact the overall EMS top line contribution in 2018 and shall be expected to continue for some time in FY2019 as well.

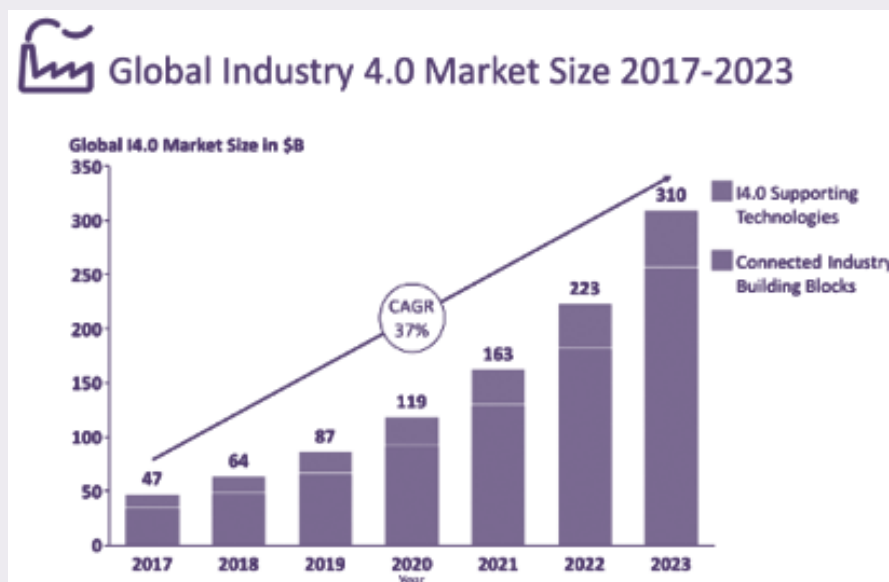
Furthermore, the Bore's research has shown the expansion in the EMS industry is mainly due to a huge growth in end-use segments such as the telecommunication sector, industrial sector, and medical markets. Among of all, communication and computer hardware sectors are considered the major end-use industries in EMS which hold around 65% of the demand.



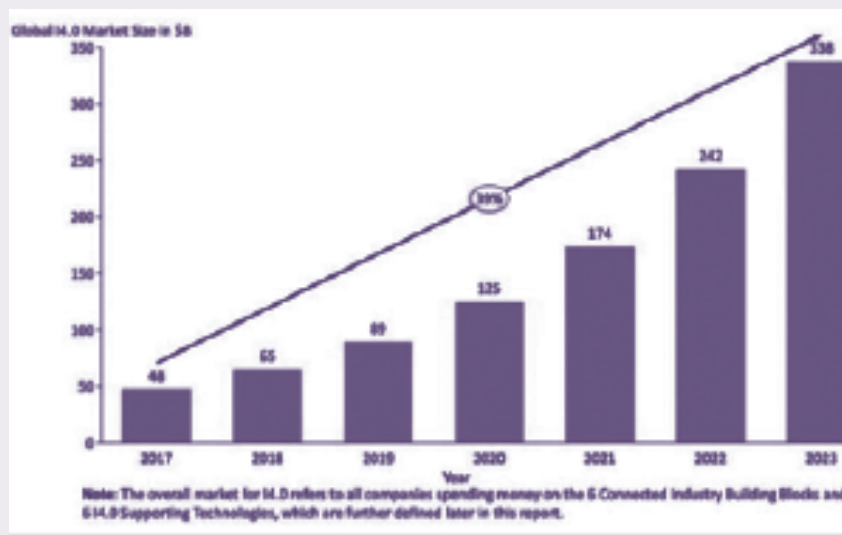
(Source: New Venture Research)



(Source: Varian Market Research)



(Source: IoT Analytics)



(Source: IoT Analytics)

STB & INTERNET-CONNECTED DEVICES INDUSTRY OVERVIEW

According to Market US research, the Global Set-Top Box Market was valued at USD 1,644.4 million in FY2018 and is projected to increase at a CAGR of 6.9% from FY2019 to FY2028.

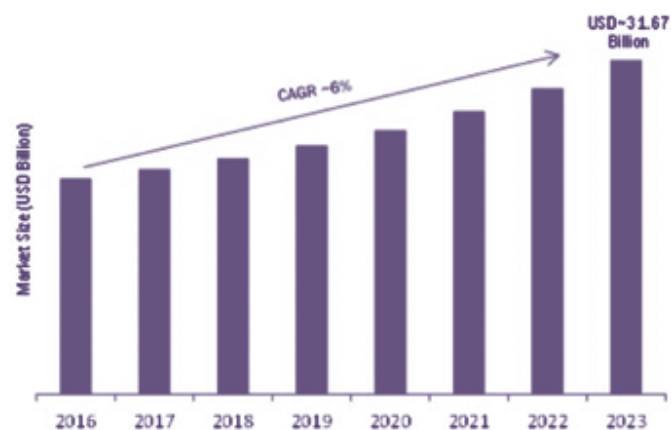
The increasing digitization of television networks is one of the significant transformations that the industry has gone through in recent years. Nowadays, the digitization is increasingly being adopted in cable networks which driven from the value added services such as channel pack subscription, interactive videos, HD channels, and video on demand.

According to Digital TV research, the global pay-TV business is expecting to gain 95 million new subscribers between 2017 and 2023 to reach a total global base to 1.1 billion, and IPTV platforms will be believed to gain most of the new subscribers within the next five years which taking about 81 million new users to overtake pay-TV satellite subscribers this year.

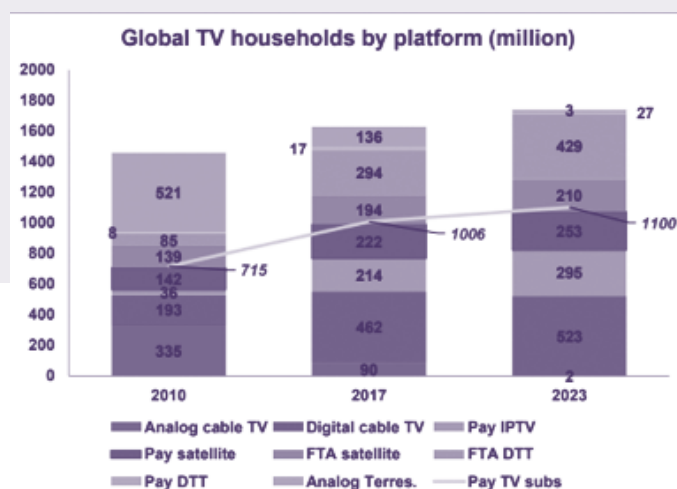
Aside from above digitalization trend, the growth of set-top-box industry also stems from opportunities in emerging markets, acquisition of key market competitors, and addition of features to STBs, such as HD functionality, security, and gateway abilities.

Moreover, it is believed that the HD and 4K Set-Top-Box Market will be dominating the economy with a substantial growth rate in the following few years, and that the rapidly modernizing industry substructure, the increased product commercialization, and the drifting demands of the HD Set-Top Box are expecting to boost the HD Set-Top Box industry to become more persuasive and considerably contribute in terms of global revenue contribution.

Global Set-Top Box Market



(Reference by: Market Research Future)



(Reference by: Digital TV Research)

STORAGE INDUSTRY OVERVIEW

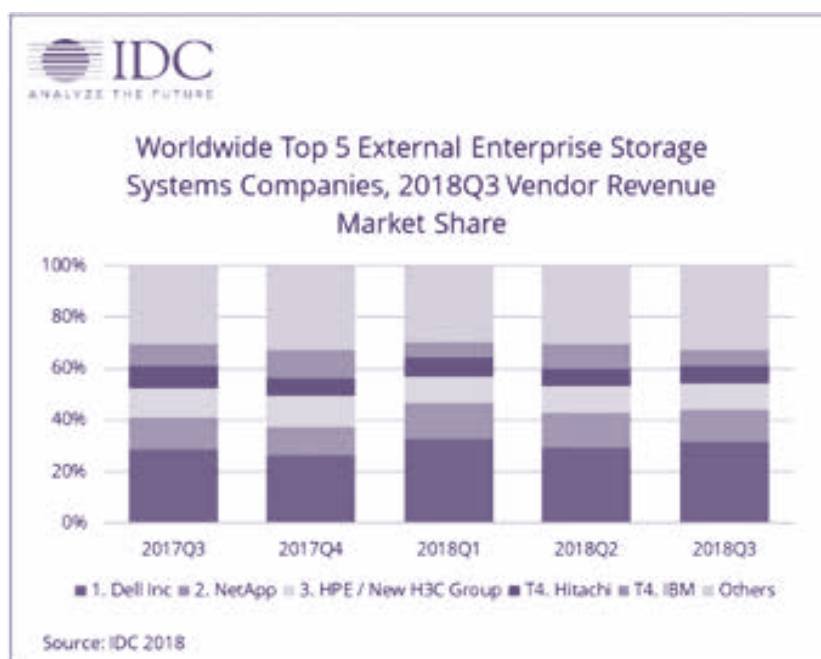
Hard Disk Drive ("HDD")

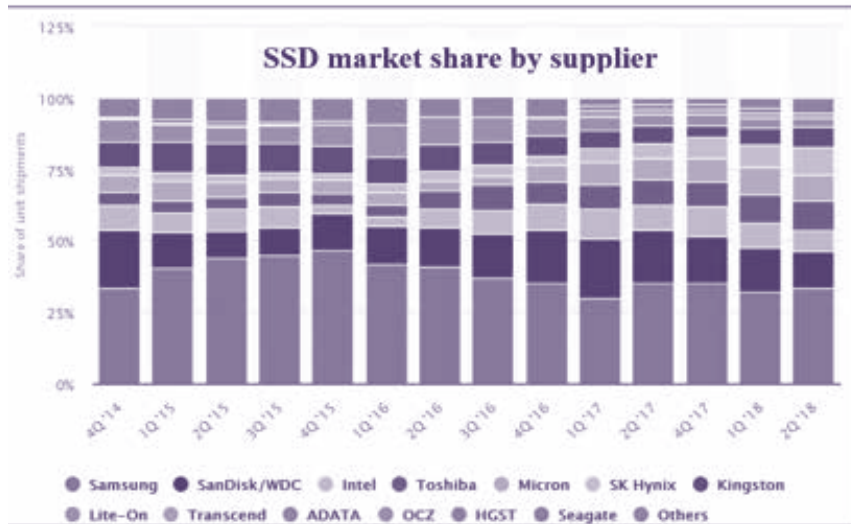
According to Gartner's research, HDDs units remained continuously in modest reduction due to the growing adoption of solid-state drives ("SSDs") in recent years. However, Gartner has raised its 4Q'18 forecast to reflect the growth of business-critical HDDs and the demand for higher capacity HDDs in all segments.

HDDs will remain a significant component of the data storage industry to accommodate the business-critical storage needs of enterprises, however, SSDs shall have made significant headway in the enterprise market by taking a major portion of the share in mission critical applications in recent years. On the other hand, although the adoption of SSDs will continue to slow down HDD unit shipments, growing demand for high-capacity and low-cost HDD storage, especially from cloud service provider customers, shall be expecting to help stabilize the revenue growth for the HDD industry for now. Aside from above, according to the ResearchAndMarket.com, the Solid State Drive ("SSD") Market was valued at USD 26.4 billion in 2017 and is expected to grow at a CAGR of 15.1% during the forecast period FY2018-FY2023 to reach USD 60.7 billion by 2023.

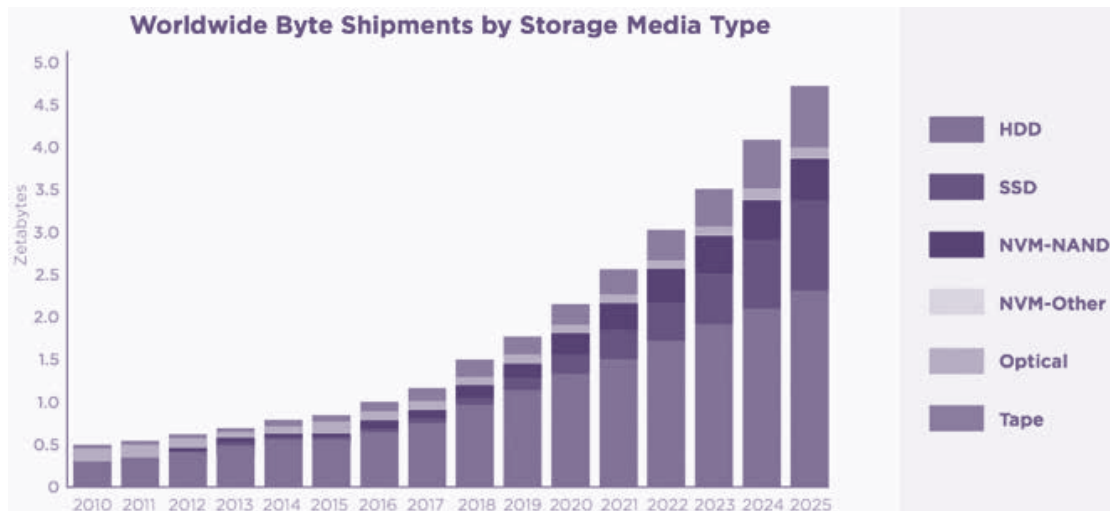
As data storage enters new applications and service new markets, new technology transitions are taking places in new formats and features in order to support the digital platforms to transform beyond traditional computing. Some of the significant trends driving the new generation of new data storage industry are the enterprise cloud services, big data business, Artificial Intelligence (AI) appliances, sensor networks and IoT applications, smart cities and connected vehicles, higher resolution content with 4K/8K resolution, and higher frame rate media and entertainment as well as virtual reality (VR), and augmented reality (AR) applications. Consequently, IDC has project an annual generation of 175 ZB of data storage by FY2023. Furthermore, in order to keep up with the storage demands stemming from the digitalization behaviors nowadays, IDC has projected that over 22ZB of storage capacity must ship across all media types from FY2018 to FY2025 with nearly 59% of that capacity supplied from the HDD industry.

On the other hand, IDC's research paper also remarked that the revenue generated by the group of original design manufacturers (ODMs) selling directly to hyperscale datacenters has increased 45.8% year-over-year in 3Q'18 to USD 3.9 billion which represents 27.7% of total enterprise storage investments during the period. In additional, the sales revenue of server-based storage sector have increased 10.1% year-over-year to USD 3.8 billion which represents 27.3% of total enterprise storage investments. Overall, the external storage systems market is aiming at roughly USD 6.3 billion worth during the period which shown a growth of 12.5% compared to 3Q'17 on year-over-year basis.





Source: Statista



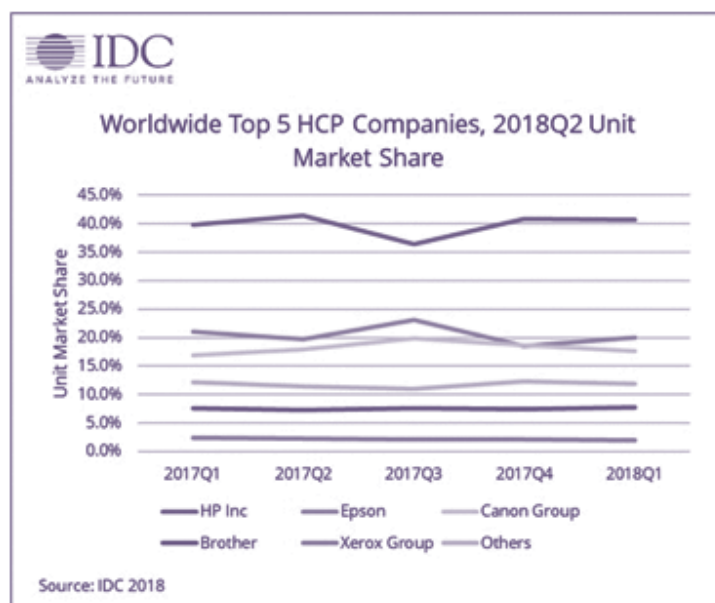
PRINTER INDUSTRY OVERVIEW

Hardcopy Peripherals

Accordingly to IDC's worldwide quarterly hardcopy peripherals tracker report, the worldwide hardcopy peripherals market has declined 1.2% YoY to approximately 25 million units shipped in the third quarter of 2018. Furthermore, both inject and laser unit shipments have been monitored a decline rate at 1.5% and 0.7% YoY respectively.

IDC further remarked that the Asia/Pacific (excluding Japan) (or called "APeJ") region has shown year-over-year growth in unit shipments for the fifth consecutive quarter which increasing 0.9% in third quarter of 2018 (3Q18), and among of all, China, India and Philippines are the top three contributors! In addition, the growth at APeJ region was largely driven by ink tank printers at 22.1% growth, and the ink tank has become the leading product in the inkjet market for APeJ at about 51.1% shares instead of ink cartridge as comparing to previous years.

On the other hand, the Color laser printer market has shown a year-over-year growth of 2.3% driven by strong performances from the 21-30 ppm and 31-44 pm devices. Four of the top 5 companies (in terms of units), including HP Inc., Canon Group, Brother, and Ricoh Group, recorded year-over-year expansion in color laser shipments.



3D PRINTER

Referring to the updates in Worldwide Semiannual 3D Printing Spending Guide published by the International Data Corporation (IDC), the global spending on 3D printing (including hardware, materials, software, and services) is expecting to hit USD13.8 billion in 2019 which shows an increase of 21.2% from 2018. Furthermore, IDC has forecast that the worldwide spending shall reach nearly USD22.7 billion with a five-year compound annual growth rate (CAGR) of 19.1% by 2022. Among of all, 3D printers and materials will together account for more than two-thirds of the total worldwide spending throughout the forecast period, reaching USD5.3 billion and USD4.2 billion respectively in 2019. Furthermore, services spending shall be expecting to reach USD3.8 billion in 2019 which continuously led by on-demand parts services and systems integration services. On the other hand, IDC further remarked the industries that will see the fastest growth in 3D printing spending over the five-year forecast will be healthcare sector and transportation sector at 29.8% and 28.3% CAGR respectively.

While IDC believes the United States will continuously be the largest spending total in 2019 by nearly USD5.0 billion followed by Western Europe at approximately USD3.6 billion and China at nearly USD2.0 billion, Latin America and China are expected to see the fastest spending growth over the five-year forecast period at 25.3% CAGR and 21.6% CAGR respectively. Moreover, five out of the nine geographic regions are expected to see compound annual growth rates greater than 20% over the forecast period.

Overall, in seeing that since the 3D printing technologies can simplified customizing products and reduced the development/manufacturing cost and time across wide range of industries, therefore, it is believed the global 3D printing market will show a strong growth in the following future.

2017 Rank	Company	2017 Units shipped	2017 Global unit share
1	XYZprinting	81,840	21%
2	Monoprice	80,156	20%
3	Prusa Research ***	39,264	10%
4	Wanhao	35,263	9%
5	FlashForge	19,829	5%

Top 5 Office 3D Printer Vendors (Context Table)

Chart 2: 2018 PERSONAL and PROFESSIONAL class Global 3D Printer Shipments



RISK FACTOR

CCET is committed in developing a comprehensive risk management system dedicated to the financial operation, economic condition, environment, and personnel criteria. Risks may affect our business operations are listed as below. However, this may not be an exhaustive list and unforeseen risks outside of our control may also impact the business operations.

1. RISK ASSOCIATED WITH OPERATION

1.1 Risks from obsolete inventory

The procurement and production plans are made based on customers' forecast and may subject to change in order to correspond to the sale conditions. CCET has selective teams and systems to constantly monitoring the demand and inventory level in order to respond customer's need efficiently.

Meanwhile, the Company has adopted make-to-order method as the manufacturing policy. The sales from OEM customers contributed the majority of CCET's sales and have limited risk of obsolete inventory. The obsolete ratio is at 1.61% as end of December 2018. On the other hand, ODM sale bear the inventory risk but is at lesser degree of impact since the revenue from ODM are minimal.

Additionally, the raw materials and obsolete inventories are evaluated from time to time and recorded according to accounting standard in order to reflect on time update condition. Further, the Company write off inventories that not be used for 2 year.

1.2 Risks from dependency upon major customers

CCET has established long term relationship with its customers by providing quality technical service and working closely as a team to continuously create competitive advantages for both. Meanwhile, the Company has also committed in expanding new customer base to mitigate the dependency on particular customer. At the same time, the Company has continued to develop new products as well broaden its market base by embarking on new industry in order to reduce the risk from dependency upon major customers.

1.3 Risks from influence of major shareholders toward management policy

At the present, the board of director of the Company has 3 directors, nominated by the major shareholder Kinpo Electronics, Inc. Nonetheless, Kinpo could not control a majority voting at the shareholder meeting that requires at least 75% of the majority vote in regards of special agenda that requires majority vote, except issues that the law or the memorandum of association of the Company has specified. As such, a minority shareholder is to be able to accumulate votes, to check and to balance the voting power of the major shareholder.

1.4 Risks from concentration of purchase and raw material quality

The Company has established procurement centre to ensure stability of shipping schedule among qualified suppliers while minimize risks bore by concentrate on particular supplier. Meanwhile, the Company has set up Quality Assurance Centre strictly examines the quality prior the production in order to secure CCET's profound quality reputation. In addition, materials which consigned by the customers will also following the company qualification procedure to minimize the burden occurred later in the manufacturing process.

1.5 Risk from the adequacy of working capital

Working capital is one important factor needed to be considered for business operations and company expansion since it will have direct impact on the Company's performance. The Company's working capitals came from operation, short-term and long-term loans from financial institutions. As of December 31, 2018, the Company had total borrowed through short-term and long-term loan of Baht 21,059.59 million which accounted of 44.70% of total liabilities. As at December 31, 2018, the credit facilities and long-term loan of the Company and its subsidiaries with have not been drawn down amounted to USD 709.81 million or approximately Baht 23,365.55 million. The Company believes this is sufficient to meet future business growth. However, the working capital needed in the future will be depend on the business expansion and M&A opportunity.

2. RISK ASSOCIATED WITH ECONOMIC CONDITION AND FINANCIAL MARKET

2.1 Risks from interest rate fluctuation

The Company exposure to potential risks in interest rate primarily through its cash at banks and borrowings. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, therefore the interest rate risk is expected to be minimal. Current interest rate is at 1.3% to 4.9%. Meanwhile, the Company had both long term and short term loan from financial institutions to secure company's regular operation.

2.2 Risks from foreign exchange volatility

The Company exposure to foreign currency risks mainly arise from trading transactions and borrowings that are denominated in foreign currencies. Consequently, the fluctuation in US dollar may adversely distress the financial performance. Nevertheless, the Company had managed the risks by using natural hedge method when it considers appropriate to minimize possible loss.

CCET is continuously monitoring the global economic and market movements with regards to the exchange rates with the aim of preventing potential loss.

3. RISK FROM NATURAL DISASTER

The Company sees potential risk and impact in relate to nature disaster incidents, and has set up prevention plan as well the employee emergency training on a regular basis. In addition to that, the Company's global manufacture facilities are well planned and be able to provide immediate support to the affected facility which not only counting for continuously customer support but also be able to minimize potential business loss due to natural disasters.

MANAGEMENT STRUCTURE

BOARD OF DIRECTORS

As of December 31, 2018, the Company's Board of Directors consists of the following members.

1	Mr. Hsu, Sheng-Hsiung	Chairman
2	Mr. Shen, Shyh-Yong	Vice Chairman
3	Mr. Khongsit Choukitcharoen	Managing Director
4	Mr. Hsu, Sheng-Chieh	Director
5	Mr. Pan, Hung-Shen	Director
6	Mr. Yu, Shih-Tung	Director
7	Mr. Alan Chi Yim Kam	Independent Director
8	Mr. William Hang Man Chao	Independent Director
9	Mr. Thanasak Chanyapoon	Independent Director

Remark:

Mrs. Sunadda Jaypong is the Corporate Secretary

AUTHORIZED DIRECTORS

The authorized directors are Mr. Hsu, Sheng-Hsiung and Mr. Shen, Shyh-Yong and Mr. Khongsit Choukitcharoen.

Either one of signature of authorized directors is authorized to sign on behalf of the Company with the Company's seal affixed.

Scope of authorities and duties of the Board of Directors

1. Duties of the Board of Directors

The Board of Directors has applied its knowledge, ability and experience to carefully perform its duties in the Company's interests in accordance with the Company's objectives, regulations and resolutions made to shareholders with the strong commitment to a practice of honest, straight-forwardness and carefulness toward a maximum extent of effort to maintain both the Company and shareholders' benefits.

2. Duties on the accountability to shareholders

The Board of Directors has to have consistently accountability to shareholders, protect the interests of shareholders and transparently disclose clear information to investors.

3. Review and approval of financial reports and changes in accounting policy

The Board of Directors is responsible for approving the financial reports that have been audited and/or reviewed by the auditor and the Audit Committee, and any changes in accounting policy.

4. Review and approval on appropriateness of business policies

The Board of Directors is responsible for reviewing and approving any appropriate policy, budget and direction of the Company's business operation and plans as proposed by the Management.

5. Supervision of Management

The Board of Directors is responsible for supervising the Management to efficiently perform in the line with the policy set and for informing the Management in preparing any material reports on the Company's business operation and other related party transactions in accordance with the rules and regulations of the Office of Security and Exchange Commission and the Stock Exchange of Thailand.

In cases of necessity, the Board of Directors will set third parties to give professional or technical advice on any matter, which may materially affect the Company's business.

6. Pursuance of internal control and audit system

The Board of Directors has to set up and maintain effective internal control system designed to provide the Management with reasonable assurance that transactions are recorded properly and accurately enough to ensure that the assets are safeguarded and that material frauds and malpractice are precluded. The Board of Directors also appointed the Audit Committee and the internal audit unit to examine the adequacy and the suitability of the internal control system of the Company.

7. Independent performance of non-management directors

The independent directors have their own discretion to make decision on any strategy, administration, appointment of directors and any other material matter affecting the benefits of the Company, including the sufficient and appropriate access to information technology concerning financial and business matters on the interest of the Company.

8. Ethics and etiquette

The Board of Directors prepares a compliance manual in relation to the ethics and etiquette of the Management and staff as guidelines for good and proper practice within the Company.

All aforementioned responsibilities can be enforced and approved by the Board of Directors except for the following items, which require shareholders' approval.

- In compliance with the law, requiring a shareholders' resolution
- Connected transactions as set out in SEC or by laws

The transactions in which any director has a material interest, directly or indirectly, or has a conflict of interest, the director(s) has no voting right on such transactions.

Authority, duty and responsibility scope of Chairman of the Board

1. To be responsible as the leader of the Board of Directors in monitoring and supervising the operations of the Board of Directors and other Committees to make them achieve the objectives pursuant to the specified plan.
2. Summon the Board of Directors meeting or may assign another person to act on own behalf.
3. Preside at the Board of Directors' meeting and the shareholders' meeting.
4. To have a casting vote in case of tied votes in the Board of Directors' meeting.

AUDIT COMMITTEE

As of December 31, 2018, the Company's Audit Committee consists of the following members.

- | | | |
|----|---------------------------|-----------------------------|
| 1. | Mr. Alan Chi Yim Kam | Chairman of Audit Committee |
| 2. | Mr. William Hang Man Chao | Audit Committee |
| 3. | Mr. Thanasak Chanyapoon | Audit Committee |

Remark

Mr. Alan Chi Yim Kam and Mr. William Hang Man Chao have the knowledge to review the financial statement.

Scope of authorities and duties of the Audit Committee

- (1) To review the Company's financial reporting process to ensure that it is accurate and adequate.
- (2) To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine and internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.
- (3) To review the Company's compliance with the law on securities and exchange, the Exchange's regulation, and the law relating to the Company's business.
- (4) 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.

- (5) To review the Connected Transactions or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable, and are reasonable and for highest benefit of the Company.
- (6) To prepare, and to disclose in the Company's annual report, an audit committee's report 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.
 - (h) Other truncations 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 the Company's board of directors.
- (7) To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

MANAGEMENT TEAM

As of December 31, 2018, the management comprises of 6 persons, as follows:

- | | |
|--------------------------------|--|
| 1. Mr. Khongsit Choukitcharoen | Managing Director |
| 2. Ms. Vipada Uadulyatham | Vice President of Administration |
| 3. Mr. Huang, Ko-Wei | Vice President of Manufacturing |
| 4. Mr. Wang, Wei-Chao | Vice President of Manufacturing |
| 5. Mr. Suphot Thaiking | Vice President of Manufacturing |
| 6. Ms. Luo, Chia-Chu | Vice President of Financial and Accounting |

Scope of authorities and duties of the Managing Director

1. Make a decision on important matters, set duties, objectives and direction of the Company's business policy including supervising overall operation performance, customer relation and marketing for businesses in foreign countries and being responsible to the Board of Directors.

The financial transactions such as guarantee debt and lending, the Managing Director do not have the authority to do so but should depend on the Board of Director's approval.

2. Approve annual budget of the Company
3. Approve credit limit given to customers, payment period, and product sales contracts including changes in trade conditions, making guarantee contracts and obsolete inventory management.
4. Have authorities to purchase permanent assets with the investment of no more than Baht 20 million.
5. Have authorities to invest in a new project with the investment of no more than Baht 20 million.
6. Set and approve standard of personnel management and of employees' salary adjustment.
7. Approve consultant appointment that is necessary to business operation
8. Perform any other duties related to the Company's general operation, not including operation of inter-related transactions and any transaction regarding purchase or disposal of material assets of the listed company according to the rules and regulations of the Stock Exchange of Thailand.

The above authorities, entitled to the Managing Director, have to follow the laws and bylaws of the Company. In case of any transaction, which affects or may affect on interest of the Managing Director or connected persons, Managing Director has no authority to approve it and has to propose the issue to the Board of Directors for consideration.

Besides, in case that the transactions incurred are inter-related or relate to purchase or disposal of material assets of the Company or its subsidiaries, these transactions are required to have approval from shareholders and/or to comply with the rules, conditions and procedures in the relevant regulations of the Stock Exchange of Thailand regarding these particular matters.

SELECTION OF DIRECTORS AND EXECUTIVES

The Company does not have any nomination committee to appoint the directors. However, according to the Company's guideline, the directors are selected by the Board of Directors by concerning on experience, vision, abilities and characteristics.

The Board of Directors

At annual General shareholders' meeting, the directors should resign from the Board at least one-third of the total number of directors. If the number of directors cannot be divided into exactly three parts, they should be retired by the number closest to one-third. And in case that any retired director is re-elected, a resolution of the shareholders' meeting will be required. At the time of candidate's nomination for the Board of Directors, the Company will prepare a list of details and information about such candidates for the shareholders' consideration, which have to follow the rules and procedures below.

1. One shareholder is entitled to one vote per share.
2. Each shareholder will exercise the right under item no.1 to elect one or more persons to be member of the Board of Directors, but cannot divide up his or her votes and allocate such vote for any one candidate.
3. The candidates obtaining the highest numbers of votes should be appointed directors, until all vacancies are filled. Should be a tied vote, the Chairman of the meeting shall have a casting vote.

In the event that the position of the Board of Directors is vacant whatever the reason is except when the term of the position is completed, the Board of Directors has to elect person(s) having proper qualifications and being not illegal according to the laws of public company. The vacant position will be filled in the next BOD's meeting, except the remaining term is less than 2 months. The elected person will be in the position for the rest of the term of the retired director. The resolution of the Board of Directors should get the voting of not less than three-fourth of the total number of the existing directors.

Audit Committee and independent directors

Shareholder will be able to appoint the Audit Committee and independent directors during shareholder's meeting. The term of the appointment is 3 years and can be re-elected after the term expired. The qualifications of the Audit Committee member and independent director are specified in the definition of "Audit Committee".

Definition of "Audit Committee" as the following:

1. Holding not more than 1% of the shares entitled to vote of the Company, subsidiary companies and its affiliated companies or conflicting juristic persons, shares held by related persons to be included in the calculation.
2. Not being a director who take part in the management; an employee; a staff; an advisor who receives a regular salary and is not in a position to exert control over the Company, its subsidiaries or fellow-subsidiaries or on any entity likely to give rise to a conflict of interest (at present, and in the two years prior to his appointment)
3. Does not have business dealings with the Company:
 - 3.1 Is not an auditor of the Company
 - 3.2 Does not provide other professional services to the Company such as legal or financial consultancy or appraisal worth more than Baht 2 million per year.

3.3 Does not have habitual related party transaction by way of rent or lease, whether as lesser or lessee, or real estate, or concerning assets/services or the receipt or provision of financial assistance with a value exceeding Baht 20 million or 3% of NTA, whichever is the lower, including transactions carried out in the one year prior to carrying out of any given transaction.

He must not have business relations as defined in 3.1 to 3.3 above at present, nor in the two years prior to his appointment except where there is necessary and proper reason and in any case not continuously or constantly. An Independent Director or Audit Committee Member may have relations that go beyond those stipulated while performing his office, but only after obtaining the unanimous prior approval of the Company's Board of Director and subject to the relationship being disclosed per Form 56-1, in the annual report and in the letter of invitation to the Shareholder's Meeting in the event that the Shareholders' Meeting is to be asked to renew the term of office of the Independent Director or Audit Committee Member concerned.

4. Not being a person related by blood or by registration under laws as father, mother, spouse, sibling or child of or the spouse of a child of an Administrator, major shareholder or other person in a position of authority or candidate as Administrator or person in a position of authority of the Company or any of its subsidiaries.
5. Has not been appointed to represent a Director or major shareholder or other shareholder that is a related party to a major shareholder.
6. Does not have any other characteristic limiting his independence.
7. An Independent Director having the characteristics set out in points 1 to 6 above may be given powers by the Board of Directors to decide on matters involving the Company, its subsidiaries, its joint ventures or fellow-subsidiaries or entities likely to have a conflict of interest on a collective decision basis.

MANAGEMENT'S REMUNERATION

Directors' remuneration for year 2018

Name	Remuneration	
	Bonus	Meeting Allowance
Mr. Hsu, Sheng-Hsiung	6,000,000	480,000
Mr. Shen, Shyh-Yong	8,000,000	360,000
Mr. Khongsit Choukitcharoen	1,200,000	180,000
Mr. Hsu, Sheng-Chieh	1,200,000	180,000
Mr. Pan, Hung-Shen	1,200,000	180,000
Mr. Yu, Shih-Tung	1,200,000	180,000
Mr. Alan Chi Yim Kam	1,200,000	180,000
Mr. William Hang Man Chao	1,200,000	180,000
Mr. Thanasak Chanyapoon	1,200,000	180,000
Total	22,400,000	2, 100,000

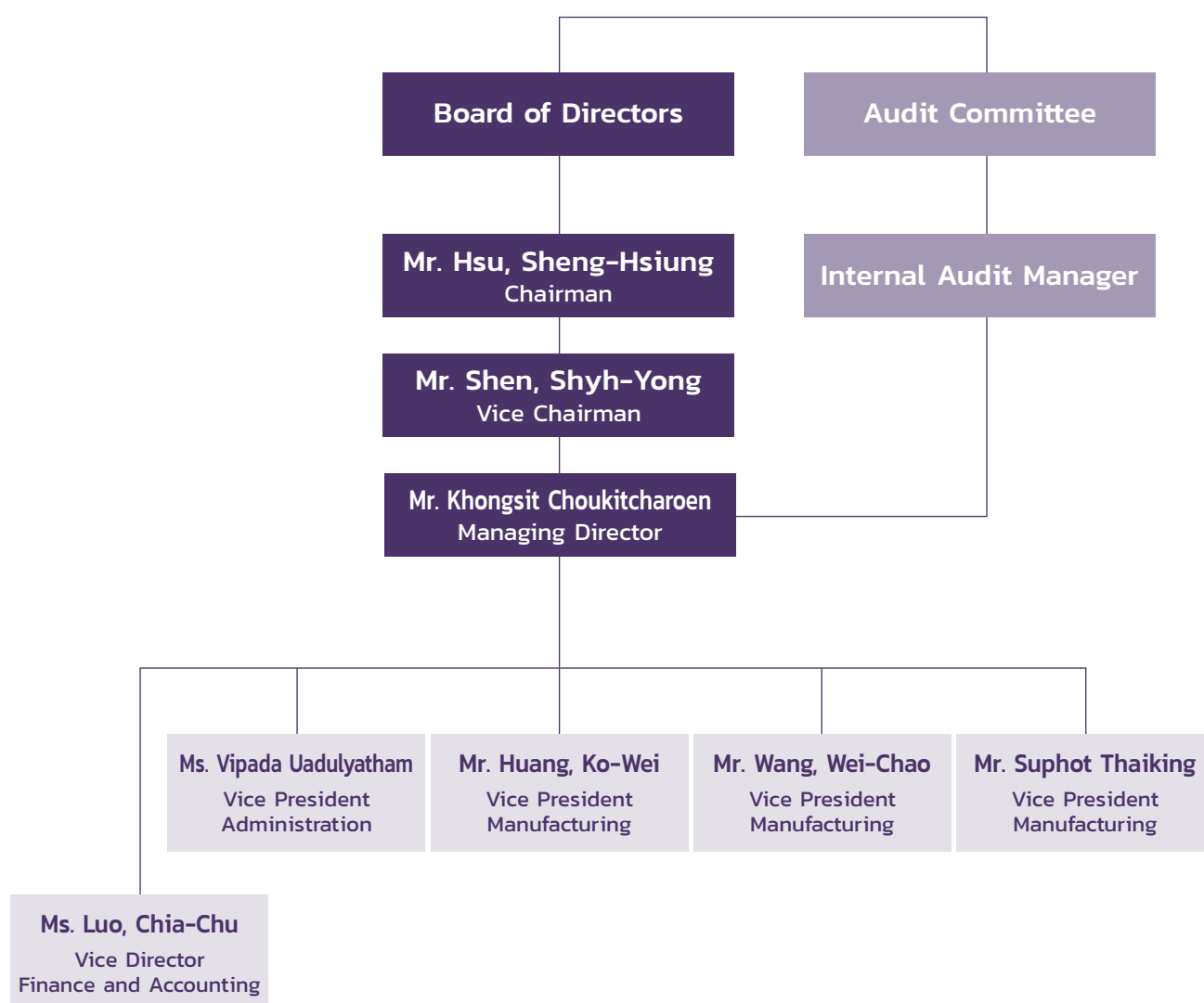
Remuneration of the Management

Remuneration of total 6 management members including salary and bonus is at total amount Baht 16.38 million in 2018.

Other benefits

The Company has issued the Warrants to Purchase New Ordinary Shares of Cal-Comp Electronics (Thailand) Public Company Limited (CCET-WB) to the Company's employees, and total amount of 6,5000,000 units has allocated to the Managements of the Company through 1st year allotment in 2015.

MANAGEMENT STRUCTURE



CORPORATE GOVERNANCE

The Company has initiated policies conforming to the Code of Best Practices of the directors of listed companies according to the procedures of the Stock Exchange of Thailand. The Company values the principle of good corporate governance, considering all stakeholders and society as a whole.

The Company has set the good corporate governance policy that has been approved by The Board of Directors as followings:

- Issued policy for the Rights and Equitable Treatment Shareholders and various groups of stakeholders.
- Managed through absolute responsibility and oversaw any conflict of interests by the Board of Directors.
- Verified financial statement and connected transaction with related parties through proper control and internal audit, which include business operation and risk management.
- Operated business with transparency and disclosure of information in an adequate, reliable and punctual manner.
- Performed under Code of Ethics by Directors and employees.

The following lists corporate governance policy reported in 5 separate categories, as mandated by the Stock Exchange of Thailand.

1. THE RIGHTS OF SHAREHOLDERS

Basic shareholder rights are rights to buy/sell or transfer shares, share in the profit of the Company, obtain relevant and adequate information on the Company in a timely manner and on a regular basis, participate and vote in the shareholder meetings to elect or remove members of the board, appoint external auditor, and make decisions on any transactions that affect the Company such as dividend payment, amendment to the Company's articles of association or the Company's memorandum of association, capital increases or decreases, the approval of extraordinary transaction and approval on important transactions influencing directions of the Company.

In year 2018, besides the above-mentioned rights of the shareholders, the Company proceeded to carry out the necessary work which encourages shareholders to use their rights as the following:

1. In year 2018, the Company held Annual General Meeting of Shareholders on April 27, 2018 at Samut Sakhon Factory, the Conference Room of R&D Building 5th Floor, 60 Moo 8, Sethakij Road, Tambon Klong Maduea, Amphoe Krathum Baen, Samut Sakhon which has the voting according to the minutes. The Company delivered an invitation letter, the agenda of each meeting as well as supplementary documents to the shareholders no less than 14 days prior to the meeting date according to the laws through the Company's shares registrar.
2. Release the detailed information on agendas of the meeting of shareholders and post on the Company's website (www.calcomp.co.th) 30 days before the meeting date, this information is same with the documents that the Company distributed to shareholders. Moreover, the Company informed clarifying all shareholders to attend the meeting and the rights to vote on resolutions via SCP client of The Stock Exchange of Thailand.
3. Provide shareholders full rights to vote and in case of the shareholders who unable to attend the meetings are entitled to appoint a representative to attend the meeting.
4. The Company used the Barcode System in the Annual Shareholders' Meeting for shareholder registration and voting process in order to demonstrate voting transparency.
5. The Company held the meeting at a convenience location and set up a suitable meeting room for the shareholders. The Company also gave an opportunity to shareholders to express their question with the Company's Investor Relations Department before the meeting.

2. THE EQUITABLE TREATMENT OF SHAREHOLDERS

The Company gives the importance in the equitable treatment of shareholders to all shareholders.

1. The Company invited all shareholders of the Company to propose any matter that they deem significant to be included in an agenda of the Annual General Meeting of Shareholders 2018. The Company made announcement on the Company's website and the SCP Client of Stock Exchange of Thailand. Proposed agendas can be sent to the Company via Investor Relations Department's e-mail address at ir@calcomp.co.th or postal within specific period. For the Annual General Meeting of Shareholders 2018, no any agendas was proposed by shareholders.
2. The Company invited the shareholders to propose a qualified candidate for directorship for the Annual General Meeting of Shareholders 2018, the shareholders must be the Company's shareholder holding continuously minimum shares in an amount 0.05 percent of the total shares either by one or several shareholders combined. And, Shareholders must have held those shares continuously for at least 12 months by the date the shareholder nominates a qualified candidate. The Company had announced the qualification of candidate, the regulation and the support documents by posted on the Company's website for shareholders to study the detail information. The proposed a qualified candidate and supporting documents can be sent to the Company via Investor Relations Department's e-mail address at ir@calcomp.co.th or postal within specific period. For the Annual General Meeting of Shareholders 2018, no any candidate was proposed by shareholders
3. In case of the shareholders who are unable to attend the meetings are entitled to appoint representative e.g. Independent Director or a person to attend the meeting to act as their proxy by using proxy form sent to them along with the invitation of the meeting. The proxy forms can be downloaded from the Company's website.
4. On the Meeting of Shareholder, the chairman gives an opportunity to shareholders in auditing the Company's business operation, questioning, showing their opinions and giving advices and also uses this opportunity to clarify the performance, future outlook to make the shareholders better understand the Company's business. There is no limitation of late shareholders to attend the meeting and no other any agenda added without notifying shareholders.
5. In appointment director agenda, the Company gives the chance to the shareholders in voting by person in order to be transparent and more independent for election.
6. Allocate the rights to vote at the meetings according to the number of shares owned by each shareholder, allowing one share one vote and using the voting card on every agenda.
7. In the AGM meeting, the Company has completely recorded by writing the minutes of the meeting by separate voting point to Agreed, Disagreed and abstained of each agenda, attendant and absent list of director, voting process and Q&A in the meeting and also video recorded the entire meeting. The completed minutes of the meeting were post on the Company's website within 14 days after the meeting.
8. Established measures to control the usage and prevent the misuse of internal information (insider trading) for benefit of a person concerned by prohibit them from trading the Company securities for 30 days before financial statements released and at least 24 hours after the information is widely spread out to the public. The Company will remind directors, managements and person concerned before releasing financial statements. In case any directors and management staff sell or buy the Company securities, they are required to report the shareholdings to SEC within a 3-business day period for public disclosure.

3. ROLE OF STAKEHOLDERS

The Company pays attention to every stakeholder as stated in the following details:

1. Shareholders and Investors

The Company operates the business to for the benefit to all stakeholders. Moreover, the Company also set up policies to give rights to all shareholders and investors in acquiring the Company's information transparently and reliably.

2. Employee

The Company views the employees as a major asset and treats all employees fairly in welfare, benefit, environment, safety in working and health care for employees as follows:

- Provide lunch meal and dinner for the overtime employee.
- Give the incentive reward to the employees who come to work on time everyday.
- Provide the Provident Fund to the employees.
- Create environmental campaign in the factory and the office.
- Arrange the Annual Physical Check up to the employees.
- Provide the Nurse room in every factory to assure the emergency case for every employee.
- Operate the morning meeting to ensure the understanding in solving and increase the knowledge to the employees to do the right job at the first time. Moreover, the Company also has the inbound and outbound training to develop the working skill continuously.

Moreover, access to senior management is granted and expressed on the Employee Handbook.. "Whistle Blowers" will be properly protected and rewarded if their allegations are found to be true.

3. Customer

Customer information is treated as strictly confidential according to the Business Ethics in order to build the good and long standing relationship between the Company and the customers.

4. Supplier

The Company treats all suppliers as business partners, and works with all in building a long-term relationship.

5. Creditor

The Company conducts business according to the business agreement and gives accurate and factual information to all creditors.

6. Business Competitor

The Company commits to doing business in a fair and equitable manner.

7. Society

The Company realizes the safety of social and environment and the quality of life in society where the Company located, thus CCET intends to follow the law and regulation strictly and continuously supporting corporate Social Responsibilities Program.

8. Environment

The Company has set the environmental policy and everyday at CCET is regarded as worldwide environment day. Moreover, the Company also establishes the environment committee to reinforce the ideal of the employees participating in environmental perseverance both inside and outside the factory.

4. DISCLOSURE AND TRANSPARENCY

The Company ensures that all-important information relevant to the Company, both financial and non-financial, is disclosed correctly, accurately, on a timely basis and transparently through easy to access channels that are fair and trustworthy. The Company shall disclose the following information

1. Disclose duties and responsibilities of the Board of Directors and also reveal the attendance records and the report of the Board of Director. The Board of Directors is responsible for the Company's consolidated financial reports and financial information appearing in the annual reports. The financial statements are prepared based on the accounting standards generally accepted in Thailand by using the appropriate accounting policy.
2. The Company disclosed information on remuneration of all directors. The Company has established remuneration to the directors in a precise and transparent manner and submitted to the Annual General Shareholders' meeting for approval. The remuneration to the management must conform to the procedures and policies set by the Board of Directors, which must also coincide with the Company's performance and the performance of each management.
3. Disclose the policy environmental of the Company.
4. Disclose the policy on corporate governance complied with the policy.
5. The Company set up the Investor Relations. As a result, the Company emphasizes on disclosing information that is adequate, accurate, trustworthy, consistent, and punctual. Regarding the investor relations, the Company has designated an investor relation department to communicate with the shareholders, institutional investors, individual investors and financial analysts including the interested parties.

The Investor Relations representatives:

Ms. Jenny Chou

Investor Relations Manager

Tel. 0-2261-5033-36 Fax. 0-2661-9396

E-mail : yichunchou@calcomp.co.th Website : www.calcomp.co.th

Mrs. Sunadda Jaypong

Corporate Secretary

Tel. 0-2261-5033-36 Fax. 0-2661-9396

E-mail : sunadda@calcomp.co.th Website : www.calcomp.co.th

6. Disclose up-to-date information in both Thai and English version on the Company's website.

5. THE RESPONSIBILITIES OF THE BOARD

The Board of Directors plays an important role in corporate governance for the best interest of the Company. The Board is accountable to shareholders and independent of management. The number of directors is currently limited to nine members and divided to 2 committees, the Company's directors consist of 1 Executive Directors and 8 Non-Executive Directors.

The Chairman of the Company is not the same one as the Managing Director, and the duties and authorities of the Board of Directors and of the Managing Director are clearly separated. The Company has 3 independent directors who provide check and balance, independence and represent all minority shareholders.

The Board of Directors has appointed the Audit Committee to assist in the corporate governance of the Company. Name list, duties and authorities of the Audit Committee are as what mentioned in Management Structure part. The Audit Committee will arrange one meeting every 3 months.

Board of Directors' meeting

The Board of Directors arranges a meeting for every 3 months to consider the results of operation and the financial statements. Besides, the Board sets visions, goals, strategies, and provides policies to the Company, supervises and controls operation. Special meeting may be arranged if necessary, and an invitation letter with specific agenda will be sent to the Board of Directors 7 days prior to the meeting to give the Board of Directors an appropriate time period in investigation.

In 2018, the Company had arranged a total of 4 regular meetings. In each meeting, at least half of the directors must participate according to the Company's article. The Company's Board of Directors consists of the following members and meeting attendance.

Board Meeting

Name	Position	Meeting Attendance
1. Mr. Hsu, Sheng-Hsiung	Chairman	4/4
2. Mr. Shen, Shyh-Yong	Vice Chairman	4/4
3. Mr. Khongsit Choukitcharoen	Managing Director	4/4
4. Mr. Hsu, Sheng-Chieh	Director	3/4
5. Mr. Pan, Hung-Shen	Director	1/4
6. Mr. Yu, Shih-Tung	Director	4/4
7. Mr. Alan Chi Yim Kam	Independent Director	3/4
8. Mr. William Hang Man Chao	Independent Director	4/4
9. Mr. Thanasak Chanyapoon	Independent Director	4/4

Audit Committee Meeting

Name	Position	Meeting Attendance
1. Mr. Alan Chi Yim Kam	Independent Director and Chairman of Audit Committee	3/4
2. Mr. William Hang Man Chao	Independent Director and Audit Committee	4/4
3. Mr. Thanasak Chanyapoon	Independent Director and Audit Committee	4/4

When considering the matters presented to the Board, all member of the Board are allowed to express their opinions freely, resolutions are passed by majority vote, providing that one director is eligible for one vote. After the meeting, the secretary of the Board is responsible for preparing the minutes and certified the correctly by Chairman and Vice Chairman. The minutes must then be approved by next board meeting.

Leadership and Vision

The Company has set the vision to be the leader in Electronics Manufacturing Services (EMS) and provided the best service and total solution to the customers all over the world. The Board of Directors has participated in the set up of the Company's vision, mission, strategies, objectives business plan and budgets and also in supervising the Management to achieve the Company's goals within the budget.

Conflict of Interests

In case of the conflict of interests on the relevant topic, the Board of Directors and the Audit Committee will reasonably consider in that topic in according to the relevant rules and regulations of The Stock Exchange of Thailand. The price and conditions should be similar to Arm's Length Basis and has disclosed details, transaction value, and reason/necessity in connected transaction report.

Business Ethics

The Company has set rules on business ethics in the way that SET gave as a guideline for executives to perform. And these rules guide the executives and employees of the Company to follow carefully and regularly. The Company has employee handbook so as to set a standard for work, quality and practice.

Remuneration for Directors and Management

The Company has established remuneration to the directors in a precise and transparent manner and should be approved by shareholders' meeting.

Internal Control System

The Company recognizes the importance of internal control system at both the executive level and the operational level. The Company has proper guidelines and operation manuals for all its employee. The Company has an internal control system regarding the financial system to propose the financial reports to the supervisors.

Risk Management

The Audit Committee is responsible for considering the risk factor report of the Company by quarterly review and reporting to the Board of Directors in order to manage the risk factor that will impact to the Company.

Knowledge Development

The Company encourages the Board of Directors to attend seminars for knowledge development and continuously presents up-to-date information including SET, SEC and relevant organization newsletter to all levels of staff.

RELATED PARTY TRANSACTIONS

The relationship between the Company and the related parties are summarized below.

Name of related parties	Relationship with the Company
Kinpo Electronics, Inc.	Parent company
Logistar International Holding Co., Ltd.	Subsidiary
Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	Subsidiary
Cal-Comp Electronics & Communications Co., Ltd.	Subsidiary
Cal-Comp Technology (Suzhou) Co., Ltd.	Subsidiary
Cal-Comp Electronics and Communications (Suzhou) Co., Ltd.	Subsidiary
Cal-Comp (Malaysia) SDN. BHD.	Subsidiary
Cal-Comp Precision (Singapore) Limited	Subsidiary
Cal-Comp Industria e Comercio de Electronicos e Informatica Ltda.	Subsidiary
Cal-Comp Electronics de Mexico Co., S.A. de C.V.	Subsidiary
Cal-Comp Electronics (USA) Co., Ltd.	Subsidiary
Cal-Comp Precision (Thailand) Limited	Subsidiary
Cal-Comp Holding (Brasil) S.A.	Subsidiary
Qbit Semiconductor Holding Ltd.	Subsidiary
Cal-Comp (India) Private Limited	Subsidiary
Cal-Comp Automation and Industrial 4.0 Service (Thailand) Co., Ltd.	Subsidiary
Cal-Comp Precision (Malaysia) Sdn. Bhd.	Subsidiary (held by a subsidiary)
Cal-Comp Precision (Dongguan) Limited	Subsidiary (held by a subsidiary)
Cal-Comp Precision (Wujiang) Co., Ltd.	Subsidiary (held by a subsidiary)
Cal-Comp Precision (Philippines), Inc.	Subsidiary (held by a subsidiary)
Cal-Comp USA (Indiana), Inc.	Subsidiary (held by a subsidiary)
Cal-Comp USA (San Diego), Inc.	Subsidiary (held by a subsidiary)
Cal-Comp Industria de Semicondutores S.A.	Subsidiary (held by a subsidiary)
Qbit Semiconductor Ltd.	Subsidiary (held by a subsidiary)
ICKP (Beijing) Technology Development Co., Ltd.	Subsidiary (held by a subsidiary)
Cal-Comp Technology (Philippines), Inc.	Associate
XYZprinting, Inc.	Associate
PChome (Thailand) Co., Ltd.	Associate
Cal-Comp Big Data, Inc.	Associate
New Era AI Robotic Limited	Associate
Daviscomms (S) Pte Ltd.	Associate (held by a subsidiary)
Shanghai Chuang Ge Education Technology Co., Ltd.	Associate (held by a subsidiary)
XYZprinting Japan, Inc.	Subsidiary of an associate

Name of related parties

Relationship with the Company

XYZprinting, Inc. (SAMOA)	Subsidiary of an associate
XYZprinting, Inc. (USA)	Subsidiary of an associate
XYZprinting Netherlands B.V.	Subsidiary of an associate
XYZprinting (Suzhou) Co., Ltd.	Subsidiary of an associate
XYZprinting (Thailand) Co., Ltd.	Subsidiary of an associate
XYZprinting (Shanghai) Cloud Technology Co., Ltd.	Subsidiary of an associate
XYZlife (Philippines) Inc.	Subsidiary of an associate
Cal-Comp Big Data International Ltd.	Subsidiary of an associate
New Era AI Robotic Inc.	Subsidiary of an associate
Kinpo Electronics (Philippines), Inc.	Subsidiary of an associate
Cal-Comp Biotech Co., Ltd.	Subsidiary of the parent company
CastleNet Technology, Inc.	Subsidiary of the parent company
CastleNet Technology (BVI), Inc.	Subsidiary of the parent company
CastleNet Technology Incorporation	Subsidiary of the parent company
Crownpo Technology, Inc.	Subsidiary of the parent company
Dongguan Kaipo Electronics Co., Ltd.	Subsidiary of the parent company
Forward International Ltd.	Subsidiary of the parent company
Jipo Investment Co., Ltd.	Subsidiary of the parent company
Kinpo Electronics (China) Co., Ltd.	Subsidiary of the parent company
Kinpo International Ltd.	Subsidiary of the parent company
Kinpo International (Singapore) Pte. Ltd.	Subsidiary of the parent company
Lipo Holding Co., Ltd.	Subsidiary of the parent company
LIZ Electronics (Kunshan) Co., Ltd.	Subsidiary of the parent company
LIZ Electronics (Nantong) Co., Ltd.	Subsidiary of the parent company
Ranashe International Ltd.	Subsidiary of the parent company
Acbel Polytech Inc.	Related company
Ascendant Private Equity Investment, Ltd.	Related company
Dawning Leading Technology Inc.	Related company
Fellow Inc.	Related company
Kinpo Group Management Service Co., Ltd.	Related company
Instituto Cal-Comp De Tecnologia	Related company
Metal Component Engineering Limited	Related company
Memoright Memoritech Corporation	Related company
Mojoose Inc.	Related company
Nexa3D Inc.	Related company
Teleport Access Service, Inc.	Related company
Compal Electronics, INC.	Common directors

Remark : Kinpo Electronics, Inc. holding 100% in Kinpo International Ltd.
Kinpo Electronics, Inc. holding 22.68% in Acbel Polytech Inc.
Kinpo Electronics, Inc. holding 51.61% in Crownpo Technology, Inc.
Kinpo Electronics, Inc. holding 100% in Kinpo International (Singapore) Pte., Ltd.
Kinpo Electronics, Inc. holding 31.89% in CastleNet Technology Inc.

THE AMOUNT AND OUTSTANDING BALANCE OF THE RELATED PARTY TRANSACTIONS

Party which may have conflicts of interest	Relationship	Description of transactions	Amount for 2018 (MB)	Description	Necessity of and reason for transactions	The opinion of Audit Committee
1. Kinpo Electronics, Inc.	Major shareholder, holding 40.39% in the Company. It also has the common directors with the Company as follows: 1. Mr. Hsu, Sheng-Hsiung 2. Mr. Hsu, Sheng-Chieh 3. Mr. Shen, Shyh-Yong	(1) The Company - Purchase - A/P and Other A/P	0.55 0.0008	The Company purchased raw materials from to Kinpo Electronics, Inc.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice.
		(2) Cal-Comp Electronics and Communications Co., Ltd. - Other expense - A/P and Other A/P	82.38 0.16	Cal-Comp Electronics and Communications Co., Ltd. uses ERP system of Kinpo Electronics, Inc. to manage the material control, paid office rental fees and also use the project plan from Kinpo Electronics, Inc. Outstanding amount from previous sold of fixed assets to Kinpo Electronics, Inc.	The pricing will be contract price and the actual change will be subject to the employee headcount and actual expense. The conditions were in line with the normal business practice.	The transaction is normal business practice.
		- A/R and Other A/R	0.89		The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice.
		(3) Cal-Comp Electronics (USA) Co., Ltd. - A/R and Other A/R	0.14	Outstanding amount from previous sold of products to Kinpo Electronics, Inc.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice	The transaction is normal business practice.

Party which may have conflicts of interest	Relationship	Description of transactions	Amount for 2018 (MB)	Description	Necessity of and reason for transactions	The opinion of Audit Committee
		(4) QBit Semiconductor Ltd. - Other expense	7.18	Cal-Comp Electronics and Communications Co., Ltd. used ERP system of Kinpo Electronics, Inc. to manage the material control, paid office rental fees and also use the project plan from Kinpo Eletronics, Inc.	The pricing will be contract price and the actual change will be subject to the employee headcount and actual expense. The conditions were in line with the normal business practice.	The transaction is normal business practice.
2. Kinpo International Ltd.	A subsidiary of Kinpo Electronics Inc. it also has the common directors with the Company as follows: 1. Mr. Hsu, Sheng-Hsiung 2. Mr. Hsu, Sheng-Chieh 3. Mr. Shen, Shyh-Yong	(1) The Company - Purchase - A/P and Other A/P - Purchase of fixed assets - A/R and Other A/R	6.36 5.47 3.16 0.49	The Company Purchased raw materials from Kinpo International Ltd. The Company Purchased fixed assets from Kinpo International Ltd. under customer owner. Outstanding amount from previous sold of fixed assets to Kinpo International Ltd.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice. The price of the transaction was near to the market price and the conditions were in line with the normal business practice. The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice. The transaction is normal business practice. The transaction is normal business practice.
		(2) Logistar International Holding Co., Ltd. - Sales - A/R and Other A/R - Purchase - A/P and Other A/P	15.06 13.11 0.03 0.03	Logistar International Holding Co., Ltd. sold products to Kinpo International Ltd. Logistar International Holding Co., Ltd. sold of products to Kinpo International Ltd.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice. The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice. The transaction is normal business practice.

Party which may have conflicts of interest	Relationship	Description of transactions	Amount for 2018 (MB)	Description	Necessity of and reason for transactions	The opinion of Audit Committee
3. Acbel Polytech Inc.	Common Shareholders, Kinpo Electronics Inc. holding 22.68% in Acbel Polytech Inc. It also has the common directors with the Company, 1. Mr. Hsu, Sheng-Hsiung 2. Mr. Shen, Shyh-Yong	(3) Cal-Comp Electronics (USA) Co., Ltd. - A/R and Other A/R	0.15	Outstanding amount from previous sold of fixed assets to Kinpo International Ltd.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice.
		(1) The Company - Purchase - A/P and Other A/P	475.42 57.54	The Company Purchased raw materials from Acbel Polytech Inc.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice.
		(2) Cal-Comp Precision (Thailand) Ltd. - Sales - A/R and Other A/R	3.69 3.48	Cal-Comp Precision (Thailand) Ltd. has sold products to Acbel Polytech Inc.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice.
		(3) Cal-Comp Optical Electronics (Suzhou) Co., Ltd. - Purchase	4.91	Cal-Comp Optical Electronics (Suzhou) Co., Ltd. purchase raw material from Acbel Polytech Inc.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice.
		(4) Cal-Comp Holding (Brasil) S.A. - Purchase - A/P and Other A/P	83.50 20.32	Cal-Comp Holding (Brasil) S.A. purchase raw material from Acbel Polytech Inc.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice.

Party which may have conflicts of interest	Relationship	Description of transactions	Amount for 2018 (MB)	Description	Necessity of and reason for transactions	The opinion of Audit Committee
4. Kinpo Electronics (China) Co., Ltd.	The subsidiary company of Kinpo Electronics, Inc. It also has the common directors with the Company, 1. Mr. Hsu, Sheng-Hsiung 2. Mr. Hsu, Sheng-Chieh 3. Mr. Shen, Shyh-Yong	(5) Cal-Comp Electronics (USA) Co., Ltd. - Purchase - A/P and Other A/P	256.44 45.28	Cal-Comp Electronics (USA) Co., Ltd. purchased raw materials from Acbel Polytech Inc.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice.
		(6) Logistar International Holding Co., Ltd. - A/P and Other A/P	92.17	Advance amount from Acbel Polytech Inc. for purchased of fixed assets.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice.
		(1) The Company - Purchase - A/P and Other A/P	2.76 0.03	The Company purchased raw materials from Kinpo Electronics (China) Co., Ltd.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice.
		- Purchase of fixed assets	1.21	The Company purchased fixed assets from Kinpo Electronics (China) Co., Ltd.	The price of the transaction was the book value and near market value.	The transaction is normal business practice.
		(2) Logistar International Holding Co., Ltd. - Purchase - A/P and Other A/P	39.44 0.50	Logistar International Holding Co., Ltd. purchase raw materials from Kinpo Electronics (China) Co., Ltd.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice.

Party which may have conflicts of interest	Relationship	Description of transactions	Amount for 2018 (MB)	Description	Necessity of and reason for transactions	The opinion of Audit Committee
		(3) Cal-Comp Optical Electronics (USA) Co., Ltd. - Gain on disposal of fixed assets - A/P and Other A/P	3.00 7.32	Cal-Comp Optical Electronics (Suzhou) co., Ltd. has gain on disposal of fixed assets to Kinpo Electronics (China) Co., Ltd.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	Reasonable
		(4) Cal-Comp Precision (Thailand) Ltd. - Sales - A/R and Other A/R	98.01 27.33	Cal-Comp Precision (Thailand) Ltd. sold products to Kinpo Electronics (China) Co., Ltd.	The price of the transaction was close to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice.
		- Purchase of fixed assets	0.02	Cal-Comp Precision (Thailand) Ltd. purchase fixed asset to Kinpo Electronics (China) Co., Ltd.	The price of the transaction was the book value and near market value.	The transaction is normal business practice.
		- Other expense - A/P and Other A/P	21.85 7.86	A subsidiary of Cal-Comp Precision (Thailand) Ltd. (Cal-Comp Precision (Dongguan)) has paid back utilities expense which advanced support by Kinpo Electronics (China)	Contract price	The transaction is normal business practice.
		(5) Cal-Comp Electronics and Communications (Suzhou) Co., Ltd. - Sale of fixed assets - A/R and Other A/R	8.08 0.08	Cal-Comp Electronics and Communications (Suzhou) Co., Ltd. sold fixed assets to Kinpo Electronics (China) Co., Ltd.	The price of the transaction was the book value and near market value.	The transaction is normal business practice.

Party which may have conflicts of interest	Relationship	Description of transactions	Amount for 2018 (MB)	Description	Necessity of and reason for transactions	The opinion of Audit Committee
5. Kinpo Electronics (Philippines) Inc.	The subsidiary company of Kinpo Electronics, Inc. It also has the common directors with the Company, 1. Mr. Shen Shyh Yong 2. Mr. Khongsit Choukit-charoen	(1) The Company - Sale of fixed assets - A/R and Other A/R - Purchase - Other income	3.66 12.26 217.07 15.04	The Company sold fixed assets to Kinpo Electronics (Philippines) Inc. The Company purchased raw materials from Kinpo Electronics (Philippines) Inc. The Company has sold custom made automation and robot parts to Kinpo Electronics (Philippines) Inc.	The price of the transaction was the book value and near market value. The price of the transaction was near to the market price and the conditions were in line with the normal business practice. The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice. The transaction is normal business practice. The transaction is normal business practice.
		(2) Cal-Comp (Malaysia), SDN. BHD. - A/R and Other A/R	0.50	Outstanding amount of Cal-Comp Tachnogy (Philippines), Inc. sold custom made tooling to Kinpo Electronics (Philippines), Inc	The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice.
		(3) Cal-Comp Precision (Thailand) Ltd. - Sales - A/R and Other A/R	1,405.24 387.81	Cal-Comp Precision (Thailand) Ltd. sold products to Kinpo Electronics (Philippines) Inc.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice.
		- Purchase of fixed assets - AP and Other A/P	447.47 55.88	A Subsidiary of Cal-Comp Precision (Thailand) Ltd. (Cal-Comp Precision (Philippines) Inc.) purchased fixed assets from Kinpo Electronics (Philippines), Inc.	The price of the transaction was the book value and near market value.	The transaction is normal business practice.

Party which may have conflicts of interest	Relationship	Description of transactions	Amount for 2018 (MB)	Description	Necessity of and reason for transactions	The opinion of Audit Committee
		- Other expense	127.33	A Subsidiary of Cal-Comp Precision (Thailand) Ltd. (Cal-Comp Precision (Philippines) Inc. has paid office rental fees utilities expense support by Kinpo Electronics (Philippines), Inc.	Contact price	The transaction is normal business practice
		(4) Cal-Comp Electronics and Communications (Suzhou) Co., Ltd. - A/R and Other A/R	7.47	Outstanding amount of previous sold of fixed assets to Kinpo Electronics (Philippines), Inc.	The Price of the transaction was the book value and near market value.	The transaction is normal business practice
6. Metal Component Engineering Limited	Held by the company 10.11%	(1) Cal-Comp Optical Electronics (Suzhou) Co., Ltd. - Purchase - A/P and Other A/P	4.13 0.39	Cal-Comp Optical Electronics (Suzhou) Co., Ltd. purchased raw materials from Metal Component Engineering Limited.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice
7. XYZprinting, Inc.	Joint Venture by the Company and Kinpo Electronics, Inc. at 46.40% each. It also has the common directors with the Company. 1. Mr. Shen, Shyh-Yong 2. Mr. Khongsit Choukit-charoen	(1) The Company - Sales - A/R and Other A/R - Other Income	468.57 681.11 3.37	The Company sold products to XYZprinting, Inc. The Company sold custom made tooling and industrial devices to XYZprinting, Inc.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice. The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice. The transaction is normal business practice.
		(2) Logistar International Holding Co., Ltd. - Other expenses - A/P and Other A/P	72.84 8.21	Logistar International Holding Co., Ltd. has paid technical service fees to XYZprinting Inc. and its subsidiaries.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice.

Party which may have conflicts of interest	Relationship	Description of transactions	Amount for 2018 (MB)	Description	Necessity of and reason for transactions	The opinion of Audit Committee
		(3) Cal-Comp Electronics de Mexico Co. SA de CV - Sales - A/R and Other A/R	3.81 0.79	Cal-Comp Electronics de Mexico Co. SA de CV sold products to XYZprinting, Inc.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice.
		(4) Cal-Comp Electronics and Communications Co., Ltd. - Other expense - A/P and Other A/P	0.22 0.06	Cal-Comp Electronics and Communications Co., Ltd. paid equipment rental fees to XYZprinting, Inc.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice.
		- A/R and Other A/R	3.77	Outstanding amount from previous sold of fixed assets to XYZprinting, Inc.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice.
		(5) Cal-Comp Optical Electronics (Suzhou) Co., Ltd. - Sales	0.002	Cal-Comp Optical Electronics (suzhou) Co., Ltd. sold products to XYZprinting, Inc.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice.
		(6) Cal-Comp Precision (Singapore) Ltd. - Sales	0.39	Cal-Comp Precision (Singapore) Ltd. sold products to XYZprinting, Inc.	The price of the transaction was near to the market price and the conditions were the normal business.	The transaction is normal business practice.

Party which may have conflicts of interest	Relationship	Description of transactions	Amount for 2018 (MB)	Description	Necessity of and reason for transactions	The opinion of Audit Committee
		(7) Cal-Comp Electronics (USA) Co., Ltd. - A/R and Other A/R	26.37	Cal-Comp Electronics (USA) support advanced service payment for XYZprinting, Inc.	The price is depending on actual price and conditions were in line with the normal business practice.	The transaction is normal business practice.
		(8) QBit Semiconductor Holding Ltd. - Other expense - A/P and Other A/P	7.83 0.06	QBit Semiconductor Holding Ltd. cleared 3 rd party marketing service fee advanced paid by XYZprinting, Inc.	The price of the transaction was near to the market price and the conditions were in line with the normal business.	The transaction is normal business practice.
		(1) Cal-Comp Electronics and Communication Co., Ltd. - Other expenses	2.93	Cal-comp Electronics and Communications Co., Ltd. paid consultant fees to Kinpo Group Management Service Co., Ltd.	Contract price	Reasonable
8. Kinpo Group Management Service Co., Ltd.	Held by Cal-Comp Electronics and Communication Co., Ltd. 12.50%. It also has the common directors with the Company. 1. Mr. Hsu, Sheng-Hsiung 2. Mr. Shen, Shyh-Yong					
9. Save Com International, Inc.	The subsidiary company of Kinpo Electronics, Inc.	(1) Cal-Comp Electronics and Communication Co., Ltd. - Other expenses - A/P and Other A/P	1.71 0.28	Cal-Comp Electronics and Communication Co., Ltd. paid for telephone system to save com International, Inc.	The price is depending on actual price and conditions were in line with the normal business practice.	The transaction is normal business practice.

Party which may have conflicts of interest	Relationship	Description of transactions	Amount for 2018 (MB)	Description	Necessity of and reason for transactions	The opinion of Audit Committee
10. Dawning Leading Technology Inc.	Held by the Company 7.65%	(1) Cal-Comp Holding (Brasil) S.A. - Purchase - A/P and Other A/P - Other expense	14.38 3.83 4.27	Cal-Comp Holding (Brasil) S.A. purchase raw materials from Dawning Leading Technology Inc. Cal-Comp Holding (Brasil) S.A. Purchase custom made tooling from Dawning Leading Technology Inc.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice. The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice. The transaction is normal business practice.
11. Cal-Comp Big Data Inc.	Joint Venture by the Company and Kinpo Electronics, Inc. with shareholding at 50% each. It also has the common directors with the Company: 1. Mr. Shen, Shyh-Yong	(1) The Company - Sales - A/R and Other A/R (2) Cal-Comp Electronics and Communications Co., Ltd. - Other expenses - A/P and Other A/P	96.43 95.47 0.43 0.29	The Company sold product to Cal-Comp Big Data Inc. Cal-Comp Electronics and Communication Co., Ltd. has received technical service from Cal-Comp Big Data Inc.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice. The price is depending on actual price and conditions were in line with the normal business practice.	The transaction is normal business practice. The transaction is normal business practice.

Party which may have conflicts of interest	Relationship	Description of transactions	Amount for 2018 (MB)	Description	Necessity of and reason for transactions	The opinion of Audit Committee
12. CastleNet Technology Inc.	Common shareholders, Kinpo Electronics Inc. holding 31.89% in CastleNet Technology Inc., it also has the common directors with the Company, 1. Mr. Shen, Shyh-Yong 2. Mr. Khongsit Choukit-charoen 3. Mr. Pan, Hung Shen	(1) The Company - Sales - A/R and Other A/R	1,168.62 673.81	The Company sold product to CastleNet Technology Inc.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice.
		- Purchase - A/P and Other A/P	212.51 107.80	The Company purchase raw materials from CastleNet Technology Inc.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice.
		- Purchase of fixed assets	3.35	The Company purchase fixed assets from CastleNet Technology Inc.	The price of the transaction was the book value and near market value.	The transaction is normal business practice.
		(2) Cal-Comp Electronics and Communications Co., Ltd. - Other expense - A/P and Other A/P	0.05 0.05	Cal-Comp Electronics and Communications Co., Ltd. has received technical service from CastleNet Technology Inc.	The price is depending on actual price and conditions were in line with the normal business practice.	The transaction is normal business practice.
		(3) Cal-Comp (Malasia), SDN. BHD. - Sales of fixed assets - A/R and Other A/R	1.19 1.17	Cal-Comp (Malasia), SDN. BHD. sold fixed assets to CastleNet Technology Inc.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice.
		(4) Cal-Comp Precision (Thailand) Ltd. - A/R and Other A/R	0.03	Outstanding amount from previous sold of products to CastleNet Technology Inc.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice.

Party which may have conflicts of interest	Relationship	Description of transactions	Amount for 2018 (MB)	Description	Necessity of and reason for transactions	The opinion of Audit Committee
13. Cal-Comp Technology (Philippines), Inc.	Joint Venture by the Company and Kinpo Electronics, Inc. through Kinpo International (Singapore) Pte. Ltd. at 19.19% and 80.81% respectively. It also has the common directors with the Company; 1. Mr. Shen, Shyh-Yong 2. Mr. Khongsit Choukit-charoen	(1) The Company - Sales - Sales of fixed assets - Gain on disposal of fixed assets - Other income - Purchase of fixed assets - A/P and Other A/P	0.99 1.15 0.76 1.20 23.80 23.70	The Company sold product to Cal-Comp Technology (Philippines) Inc. The Company sold fixed assets to Cal-comp Technology (Philippines), Inc. The Company sold custom made tooling to Cal-Comp Technology (Philippines) Inc. The Company purchased fixed assets from Cal-Comp Technology (Philippines), Inc.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice. The price of the transaction was the book value and near market value. The price of the transaction was near to the market price and the conditions were in line with the normal business practice. The price of the transaction was the book value and near market value practice.	The transaction is normal business practice. The transaction is normal business practice. The transaction is normal business practice. The transaction is normal business practice.
14. New Era AI Robotic Limited	Joint Venture by the Company and Kinpo Electronics, Inc. with Shareholding at 50% each. It also has the common directors with the Company; 1. Mr. Shen, Shyh-Yong 2. Mr. Khongsit Choukit-charoen	(1) Cal-Comp Precision (Thailand) Ltd. - Sales - A/R and Other A/R (2) Cal-Comp Precision (Singapore) Ltd. - sales	1.82 25.15 23.42	CAL-Comp Precision (Thailand) Ltd. sold product to New Era AI Robotic Limited. Cal-Comp Precision (Singapore) Ltd. sold products to New Era AI Robotic Limited.	The price of the transaction was near to the market price and the conditions were in line with the normal business practice. The price of the transaction was near to the market price and the conditions were in line with the normal business practice.	The transaction is normal business practice. The transaction is normal business practice.

Party which may have conflicts of interest	Relationship	Description of transactions	Amount for 2018 (MB)	Description	Necessity of and reason for transactions	The opinion of Audit Committee
15. Daviscomms (S) Pte Ltd.	Held by the subsidiary of the Company (Cal-Comp Precision (Singapore) Ltd.) 20%	(1) Cal-Comp Precision (Singapore) Ltd. - Dividend income	3.00	Cal-Comp Precision (Singapore) Ltd. received dividend income from investing in Daviscomma (s) Pte Ltd.	The dividend income is depended on the shareholding proportion in Daviscomma (s) Pte Ltd.	Reasonable

SUPPLY/MANUFACTURING AGREEMENT

Parties concerned	: Cal-Comp Electronics (Thailand) Public Company Limited and Kinpo Electronics, Inc. (a company incorporated under the laws of Taiwan).
Execution date	: April 1, 2004
Material subject	: The term of the agreement applies to each purchase by Kinpo to Cal-Comp of the goods and services as specifies in the Purchase Order and <ol style="list-style-type: none">1. Cal-Comp shall notify Kinpo in advance and in writing of any proposed change in method of producing or testing, subcontractors for producing, processing and testing, site of manufacture and labeling.2. All products shall meet the specifications and shall be subjected to quality control inspection by Cal-Comp in accordance with Cal-Comp's quality control standards. Cal-Comp shall permit Kinpo to review periodically Cal-Comp's production and quality control procedures and records and to visit Cal-Comp's facilities.
Expiry date	: The Agreement shall continue in full force and effect for one year. The agreement shall be renewed and effective for another one year if there is no objection before the end of the above effective period.

AGREEMENT FOR SHARING MIS SYSTEM (MANAGEMENT INFORMATION SYSTEM)

Parties concerned	: Cal-Comp Electronics and Communications Co., Ltd. And Kinpo Electronics, Inc.
Execution date	: January 1, 2018
Material subject	: Cal-Comp Electronics and communications Co., Ltd shared MIS resource and system from Kinpo Electronics Inc. to support operation and reporting system.
Expiry date	: December 31, 2018

AGREEMENT FOR PROFESSIONAL SERVICES

Parties concerned	: Cal-Comp Electronics and Communications Co., Ltd. and Kinpo Group Management Service Co., Ltd.
Execution date	: December 1, 2006
Material subject	: Kinpo Group Management Service Co., Ltd. provides Consultant Service for accounting, finance and tax planning to Cal-Comp Electronics and communication Co., Ltd
Expiry date	: The Agreement shall continue in full force if there is no objection before the end of the above effective period.

AGREEMENT FOR OFFICE LEASING

Parties concerned	: Cal-Comp Electronics and Communications Co., Ltd. and Kinpo Electronics Inc.
Execution date	: September 1, 2018
Material subject	: Cal-Comp Electronics and Communications Co., Ltd. has leasing office space from Kinpo Electronics Inc.
Expiry date	: August 31, 2019

CRITERIA OR STEPS IN APPROVING RELATED COMPANY TRANSACTIONS

The Board of Directors has appointed the Managing Director the authority to approve transactions with related parties under normal business conditions, which must conform to the regulation of Securities and Exchange Act and rules, notifications, and notice of the Stock Exchange of Thailand including the rules regarding the disclosures of related transactions, the acquisition or disposition of the material assets of the Company or its subsidiary company according to the generally accepted accounting standards in Thailand.

The assigned authority must conform to the laws and the Company's bylaws. In case that there is any transaction which has or may have the conflict of interests of Managing Director or related persons, the Managing Director has no rights to approve such transaction and has to propose such transaction to the Board of Directors for consideration.

Moreover, the related company transaction or the transaction related to the acquisition or disposition of the material assets of the Company or the subsidiary company, as the case may be, has to be approved by the shareholders' meeting and/or any action under the related regulations or methods to conform to the notifications of the SET.

POLICY AND TREND OF FUTURE RELATED COMPANY TRANSACTIONS

The Company's policy is to operate business for utmost benefits of the Company and its subsidiary companies. Under normal business operation, the Company and its subsidiary companies must incur into sales or service transactions with related companies. Therefore, the Company and its subsidiary companies will continue to have the related company transactions under the normal business conditions with the fair or market price, which is able to compare to the transaction with others.

METHOD TO PROTECT INVESTORS

To protect investors, if there is any related company transactions between the Company or the subsidiary company and the affiliate company, and the related parties in the future, these transactions must be considered by the Board of Directors, which has the Audit Committee giving the opinion for the necessity and the appropriateness of the transactions. Directors who have an interest in said transactions have no rights to vote on such matters. In the event that the Audit Committee doesn't have an expertise in the matter of such transactions, the Company will provide an independent expert or the Company's auditor to provide an opinion as to the necessity, reasons and decision by the Board of Directors or shareholders in making the transactions, as the case may be. The Company will also disclose the transactions in the notes of the Company's audited financial statements.

THE AUDIT COMMITTEE'S OPINION

The Audit Committee has considered the past and recently related company transactions of the Company, the subsidiary companies or the related parties and has the opinion that the Company has disclosed the information correctly and completely. Such transactions were under the normal business conditions with either the market price or close to the market price.

AUDIT COMMITTEE REPORT – 2018

CAL-COMP ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED (CCET)

The members of the Audit Committee at CCET were responsible in the monitoring of the financial well being of the Company and the internal audit functions of the company.

The Audit Committee has 3 Independent Directors. They are:

- | | |
|--------------------------|---------------------------------|
| 1. Alan Chi Yim Kam | Chairman & Independent Director |
| 2. William Hang Man Chao | Independent Director |
| 3. Thanasak Chanyapoon | Independent Director |

The Audit Committee had 4 meetings in 2018 plus various other meetings with external auditors, management and internal auditor.

The Audit Committee performed the following duties in the 2018 financial year:

Financial Statement – The Audit Committee reviewed the Reviewed and Audited statements of the company on a regular basis before submitting to the Board of Directors for approval. Consultations were made with management of the company on various occasions to assure that committee members are satisfied with the reporting of the statements. The Committee also reviewed the statements of its subsidiaries and affiliates. The Committee is satisfied that the financial presentation is accurate and they are in conformity with the regulations of the Stock Exchange of Thailand and Securities Exchange Commission of Thailand.

Internal Audit – Aside from approving the annual audit plan of the Internal Audit Department, the committee also hold regular meetings with the Internal Audit Department to discuss any outstanding issues related to the department's function. The Thai Internal Audit team has been working more closely with their counter parts overseas. Minor Audit Issues were discussed and addressed periodically.

External Auditors – The Audit Committee met with EY Office Limited, the company's external auditor on the Reviewed and Audited financial statements regularly. The committee also discussed the annual audit plan, matters of concern with external auditors. We are satisfied with the work of the External Auditors and we are pleased to recommend to the Shareholders on the renewal engagement of EY as External Auditors. Going forward, the Audit Committee & EY has also agreed for external auditors to report on "Key Audit Matters" and other important accounting issues on a quarterly basis prior to the board of directors meeting.

Risk Management – The Company continue to remain risk adverse while maintaining a policy of growth. The Audit Committee has ensured that senior and middle management continue to have sound financial practice in managing foreign currency exposure given the vast geographical business operation of the company, capital budgeting, material cost control, labor issues as well as safety standards.

Related Party Transaction – The Audit Committee has reviewed the connected party transactions of the Company, its subsidiaries and affiliates. It is satisfied that transactions are reasonable in the normal course of business.

Corporate Social Responsibilities – Cal-Comp continues to practice rigorous CSR in the past years. Cal-Comp awarded numerous scholarships to students in Samut Sakhon Province. The company also donate food supplies to children in the same province. It continues to take proactive measures in ensuring proper energy savings and waste management control in all of its factories operation in the US, Mexico, Brazil, Philippines and Malaysia as well as in Thailand. In addition, Cal-Comp made blood donations to the Thai Red Cross and Community's Environmental Sanitation Service in Petchaburi province.

Factories Visit

The Audit Committee members have over the course of the 2018 year visited the company's factories in Mahachai and Petchaburi. Audit Committee members were able to discuss the financial and accounting procedures, review the new factory operation and meet with management to have a better understanding of the business production lines and the new business model.

Finally, The Audit Committee like to thank the management team, internal audit staff and external auditors for their support in making the Committee's job pleasant and efficient throughout 2018.



Alan Chi Yim Kam
Independent Director
Chairman of the Audit Committee

INTERNAL CONTROL

The Board of Directors perceives that the internal control system of the Company and its subsidiaries is enough to retain the assets of the Company and its subsidiaries, concerning that the internal information will not be used on the executive's own benefits. Through the past, there was no flaw in the internal control system used.

1. ORGANIZATION AND ENVIRONMENT

The Company set the clear achievable and measurable goals, revised the operational goals, considered the possibility of the goal set along, and analyzed the reasonableness of incentives and employee compensation. The operation policy and procedures were written as a document precisely and able to prevent the dishonesty.

2. RISK MANAGEMENT

The important risk factors assessed by the Company are such as exchange rate risk, risk of reliance on a major customer, risk of working capital shortage. The Company specified the standard to follow the events perceived as the causes of risk. The following strategy will be applied every month to closely monitor the performance.

3. MANAGEMENT CONTROL

The Company clearly set the limits on authorities and authorities on cash approval of the executives in each level and the rules were written as a document such as the authorities of managing director specified in item 9, management.

4. INFORMATION TECHNOLOGY AND COMMUNICATION SYSTEM

The Company provided enough significant information to the Board of Directors, and also submitted an invitation letter or necessary document for the meeting for consideration prior to the meeting. The directors' meeting reports were recorded, and if there is any dispute on the resolution against the majority, the directors' opinion memos will be recorded as well. The document for accounting records were arranged and kept properly and there was no report of faults from the Auditor in the document arrangement.

5. FOLLOW-UP SYSTEM

If the operating results of the Company are different from the target goals, the Company will solve them within an appropriate period of time and will provide the investigation on operation, which is conformable to the internal control system. In this regard, the Audit Committee of the Company will observe on any difference every quarter of each year.

The Company has arranged the quarterly Audit Committee Meeting to approve the financial statements, internal audit control and related party transaction. The latest meeting was held on February 27, 2019, approved the financial statements, internal audit control and connected transaction for year 2018. The Audit Committee had considered that the internal control of the Company is on standard and the related party transactions is reasonable, the conditions were in line with the normal business practice and the price of the transaction was close to the market price.

DIRECTORS' REPORTING

The Board of Directors is responsible for the accuracy and completeness of the Company and its subsidiaries' financial statements. Accounting principles used and financial statements are in compliance with accounting standards and disclosed.

In order to ensure the effectiveness of internal control and audit system, the Audit Committee will regularly review the financial statement and internal control system. The Audit Committee report had already disclosed in annual report.

The Audit committee had clarified on internal audit with good management that can be confident for the financial statements of the Company and its subsidiaries as of 31 December 2018.



MR. HSU, SHENG-HSIUNG

Chairman



MR. SHEN, SHYH- YONG

Vice Chairman



MR. KHONGSIT CHOUKITCHAROEN

Managing Director

SOCIAL AND ENVIRONMENT RESPONSIBILITIES



The Company believes its environment, safety and pollution management practices should be complied with regulations in consideration that CCET is committed to prevent pollution, efficiently use the resources and continuously improve employee safety training. Furthermore, CCET realizes the success of the Company is not only measuring by operation results but also the responsibility to society and environment, therefore, the Company has determined to continue further contribution in year 2018 as the following:

SOCIAL

Donation to children for schools

The Company sees the importance of youth education therefore has arranged and donated stationeries, supplies, and food allowance to support students in Samut Sakhon Province areas more than 30 schools during January 11, 2018.

Mangrove planting project

The Company is aware of the importance of green environment and mangrove ecosystems. The Company's employees have participated with MaeKlong Customs House to afforest at Bang Khun Sai, Amphoe Ban Laem Phetchaburi Province on 20 May 2018.

Provide scholarship for student

The qualified and skilled engineers and technicians are particularly in demand by the electronics industry as well as many other industries! The Company therefore sees the needs to cooperate with schools in providing scholarships for students on June 7, 2018 in seeking to provide opportunities for better carrier futures.

Physical Health Check 2018

The Company believes employees' health is consider as an company's valuable asset. Therefore, the Company has arranged an annual physical examination for employees of all factories and community M. 8, Klong Maduea, Krathum Baen, Samut Sakhon province during December 7-8, 2018.

Green Industry Level 4 Award

The Company was awarded the Green Industry Level 4 with the Department of Industry on August 15, 2018, demonstrating continued social responsibility for a clean environment, safe and strengthening the relationship between the Company and the community in co-existence in society.

Blood Donation with Thai Red Cross

The Company has cooperated with Thai Red Cross to arrange blood donation every three months. The objective is to supporting health of blood donor and be a part of blood supply for the Thai Red Cross National Blood Centre. The amount of blood collected from each donor will be utilized in the medical field.

ITF Pro Circuit Tournament

The Company sees importance of Thai youth's competitiveness as well as to promote the awareness of the Kingdom of Thailand among the global stage, therefore has arrange an international tournament event through the tennis sport in seeking to provide opportunities for potential young players to enhance their skills and experiences through actual battles. The Company has cooperated with True Arena Hua Hin to arrange up to 9 tournaments from May to December 2018.

DEVELOPMENT POTENTIAL OF HUMANITY

The Company has launched a new project for developing Skill, Technology & Innovation ("STI"), that has been supported by The Board of Investment of Thailand ("BOI") and it will be starting from 2008 to 2018. The budget of this project is approximately Baht 150 million and there are 3 projects under this master plan, the details of each project summarize as the following:

1st Project

The Company has established a Research and Development Center for designing computer peripheral products in Thailand to upgrade local Engineer's capability on to international standard, and to produce better quality of the products and to meet the demand of the market.

2nd Project

The Company has coordinated with the education institutes such as King Mongkut's Institute of Technology Ladkrabang, Mahanakorn University of Technology, and NECTEC for the research on the Electronics and New Technology project. The project aims at supporting institute for proper technology and equipment development in order to enhance local engineer's professional knowledge as well as improvement in production efficiency

In addition, the Company offers scholarships to aforementioned institutes in the department of engineering in Bachelor and Master Degree to support potential local students who are enthusiasm in the said field.

3rd Project

The Company has cooperated with institute and organized High Technology Training Program to assist local engineers the opportunity to train and to practice in the said field overseas. Such program aims to provide potential students with global learning environment.

ENVIRONMENT

Regarding the environment, the Company realizes the importance of the environment and the responsibility for the environment and the effect of the environment that may harm the neighbor and the employees. The Company has the Environmental Policy as:

We, Cal-Comp, commit to the worldwide environmental policy, which state “The environment protection is the responsibility of human being” and every day at Cal-Comp is the worldwide environment day. Moreover, we have the additional policy as following:

1. Correcting and preventing the pollution, as well as, decreasing, treating and monitoring the waste of factories as state period time to conform to the legal and regulation are our commitment.
2. Energy saving is the must by recycle and energy consumable reduction to prevent the pollution.
3. Awareness training and environment knowledge training are given to the employees for efficient protection of environment.
4. Monitoring and improving the energy consumption continuously to optimize the benefit from energy is our mission of energy guardness.
5. Eliminate and reduce the hazard materials to environment as customer requirement is our commitment.

The above environment policy is our commitment and also the awareness throughout the Company by using several methods to achieve our policy and company's mission.

The Company has been committing to the policy and also training the employees to ensure the understanding and practical to commit of this policy.

The Company also appointed the environment committee to take responsibility in control, look after and service. Their responsibilities are as follows:

1. Establish the environment policy
2. Environment evaluation
3. Review environment evaluation result
4. Legal and other requirement selection
5. Establish the environment programs
6. Establish objectives and targets
7. Effectiveness of environment communication
8. Review environment management system

The committee set up the crucial point in environment management as:

- On behalf of Environment committee; all relevant functions must identify the aspect of air, wastewater and garbage to conforming to legal and regulation impacting to the interest parties before developing the environment system.
- Every function shall report the environment evaluation result for all aspects.
- Environment committee shall implement the risk assessment results from the past, present and future.
- The priority of correction shall prioritize as per the impact results from the risk assessment, as well as, the cost control and technique control.
- The advanced planning for the compliance activities and maintained when to implementing these activities. All aspects shall be reviewed every 4 months.

The Company also realizes the importance in communication about the environment to customers, employees, suppliers and relevant persons to inform the change of the rules and regulations. Moreover, the Company also has the environment training for the employees to work effectively and smoothly. The Company also has the evaluation for the effect of the environment by dividing every work in the factory to build the standard in control the trend that can harm the environment, checking the quality of the environment such as water, air, and sound according to the laws, arranging the emergency plan and also have the training to reduce the environmental harm. The Company also coordinates with the government to reduce the environmental effect by the Company received ISO 14001 Version 2015 certification from CISQ which result from the successful in implementing the ISO 14001 standard for Environmental Management System (EMS) at both Mahachai and Petchaburi plants.

REMUNERATION FOR AUDITOR

1. Audit fee

For year 2018 the Company has paid the audit fee of 3,940,000 Baht to EY Office Limited, Certified Public Accountant No. 3516 Ms. Rungrapa Lertsuwankul. The Audit fee for the period of year 2018 had been approved by the shareholder meeting, the remuneration of not exceeding Baht 3,940,000 per annum.

2. Other fee

-None-

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL STATEMENT SUMMARY

(Unit: MB)

Items	Audited		Audited		Audited	
	2016		2017		2018	
	Amount	%	Amount	%	Amount	%
Assets						
Cash and cash equivalents	3,839.02	6.95	3,854.39	6.41	4,058.44	6.26
Current investments	4.71	0.01	0.00	0.00	852.67	1.32
Trade and other receivables	21,584.46	39.06	26,318.53	43.75	24,808.36	38.29
Inventories	10,436.74	18.89	11,143.25	18.52	17,053.08	26.32
Advances payment for raw materials	197.56	0.36	113.56	0.19	78.28	0.12
Other current assets	1,020.65	1.85	747.46	1.24	707.23	1.09
Total current assets	37,083.13	67.10	42,177.18	70.11	47,558.05	73.39
Property, plant and equipment	16,669.76	30.16	16,182.36	26.90	14,763.38	22.78
Investments	1,042.58	1.89	1,084.02	1.80	1,657.80	2.56
Long-term loans to related parties	0.00	0.00	0.00	0.00	118.09	0.18
Other non-current assets	466.98	0.85	718.14	1.19	701.02	1.08
Total non-current assets	18,179.32	32.90	17,984.53	29.89	17,240.30	26.61
Total assets	55,262.45	100.00	60,161.70	100.00	64,798.36	100.00
Liabilities and shareholders' equity						
Short-term loans from financial institutions	7,634.81	13.82	15,326.23	25.48	14,796.49	22.83
Trade and other payables	22,034.66	39.87	21,809.19	36.25	25,206.43	38.90
Other current liabilities	3,342.61	6.05	438.92	0.73	548.81	0.85
Total current liabilities	33,012.08	59.74	37,574.34	62.46	40,551.74	62.58
Provision for long-term employee benefits	161.18	0.29	209.12	0.35	208.38	0.32
Deferred tax liabilities	49.40	0.09	49.07	0.08	37.59	0.06
Other non-current liabilities	3,869.71	7.00	3,529.54	5.87	6,320.55	9.75
Total non-current liabilities	4,080.28	7.38	3,787.74	6.30	6,566.52	10.13
Total liabilities	37,092.37	67.12	41,362.07	68.75	47,118.26	72.72
Shareholders' equity						
Issued and paid up share capital	4,552.09	8.24	4,554.64	7.57	4,554.64	7.03
Share premium	3,379.34	6.12	3,386.40	5.63	3,386.40	5.23
Capital reserve for share-based payment transactions	128.86	0.23	157.68	0.26	157.85	0.24
Retained earnings	10,542.95	19.08	11,035.32	18.34	10,950.00	16.90
Other components for shareholders' equity	(433.16)	(0.78)	(334.41)	(0.56)	(1,368.80)	(2.11)
Total shareholders' equity	18,170.08	32.88	18,799.62	31.25	17,680.10	27.28
Total liabilities and shareholders' equity	55,262.45	100.00	60,161.70	100.00	64,798.36	100.00

FINANCIAL STATEMENT SUMMARY (CONT.)

(Unit: MB)

Items	Audited		Audited		Audited	
	2016		2017		2018	
	Amount	%	Amount	%	Amount	%
Revenues						
Sales	107,392.81	98.78	106,897.87	99.45	112,966.79	99.53
Exchange gain	1,028.72	0.95	0.00	0.00	228.04	0.20
Gain on financial derivatives	0.00	0.00	0.00	0.00	77.13	0.07
Other income	302.36	0.28	590.92	0.55	227.37	0.20
Total revenues	108,723.89	100.00	107,488.79	100.00	113,499.33	100.00
Expenses						
Cost of sales	101,247.59	93.12	101,016.22	93.98	107,611.73	94.81
Selling and administrative expenses	4,643.42	4.27	4,239.10	3.94	4,247.97	3.74
Loss on impairment of assets	16.00	0.01	26.00	0.02	284.11	0.25
Exchange loss	838.28	0.77	346.64	0.32	0.00	0.00
Total expenses	106,745.28	98.18	105,627.96	98.27	112,143.80	98.81
Share of profit (loss) from investments in associates	(133.85)	(0.12)	(309.05)	(0.29)	(131.99)	(0.12)
Profit before finance cost and income tax expenses	1,844.75	1.70	1,551.79	1.44	1,223.53	1.08
Finance cost	467.99	0.43	542.24	0.50	818.90	0.72
Income tax expenses	253.04	0.23	109.30	0.10	173.07	0.15
Profit for the year	1,123.72	1.03	900.25	0.84	231.56	0.20
Earnings per share (Consolidated)		0.26		0.21		0.07
Earnings per share (Company Only)		0.26		0.21		0.07
Profit for the year (Company Only)		1,166.61		961.73		321.64
Dividend per share		0.10		0.10		0.09
Net cash from (used in) operation activities		10,945.70		(2,280.68)		2,698.43
Net cash used in investing activities		(2,543.43)		(2,570.94)		(3,177.73)
Net cash from financing activities		(7,834.59)		4,309.80		1,284.66
Net decrease in cash and cash equivalents		(84.91)		15.37		204.05
Total Dividend Amount		546.25		455.21		455.46
Depreciation and amortization (Consolidated)		2,262.86		2,344.65		2,363.28

FINANCIAL RATIOS

Items	2016	2017	2018
1. Liquidity ratio			
Current ratio (times)	1.12	1.12	1.17
Quick ratio (times)	0.80	0.82	0.75
Account receivable turnover (times)	4.10	4.46	4.42
Days receivable (days)	89	82	83
Inventory turnover (times)	9.10	9.36	7.63
Average selling period (days)	40	39	48
Account payable turnover (times)	4.27	4.61	4.58
Days payable (days)	86	79	80
Cash Cycle (days)	44	42	51
2. Profitability ratio			
Gross profit margin (%)	5.72	5.50	4.74
Operating profit margin (%)	1.40	1.54	0.98
Net profit margin (%)	1.03	0.84	0.20
Return on equity (%)	6.22	4.87	1.27
3. Efficiency ratio			
Return on assets (%)	1.85	1.56	0.37
Return on fixed assets (%)	20.32	20.05	17.58
Asset turnover (times)	1.77	1.85	1.81
4. Financial ratio			
Debt to equity ratio (times)	2.04	2.20	2.67
Interest coverage ratio (times)	3.94	2.86	1.49
Dividend payout ratio (%)	48.61	50.56	196.69
5. Per share data			
Book value per share (Baht)	3.99	4.13	3.88

ANALYSIS OF PERFORMANCE

OVERALL PAST PERFORMANCE

In 2018, the Company's industrial 4.0 strategy by implementing robot arms and automations onto its global production bases has shown improvement in overall efficiency as well as quality control. In addition, the Company's global strategy of operation base expansion together with implementation of vertical integration planned in Thailand and oversea has continuously taken into affect as scheduled. In present, the Company has the subsidiaries in Thailand, China, Taiwan, Malaysia, Singapore, USA, Mexico, Brazil, Philippines and India. All the operation bases are set up to support the business growth as well as its own new ODM products from both existing and new customers and also to reduce the cost in order to maintain its cost competitiveness among other competitors.

The summary of the performance of year 2016-2018 are as follows:

1. Sale revenues

The Company's sale revenue in 2016-2018 was at Baht 107,392.81 million, Baht 106,897.87 million, and Baht 112,966.79 million respectively. In 2018, the Company's sale revenue was increased by 5.68% from previous year. The increased of sales was mainly due to the increased in set-top-box products and computer peripherals such as hard disk drives and PCBA products as compared to previous year.

2. Cost of sales

The Company's cost of sales in 2016-2018 was at Baht 101,247.59 million, Baht 101,016.12 million, and Baht 107,611.73 million, which equivalent to 94.28%, 94.50%, and 95.26% of sale revenues respectively. The Company's gross profit margin was at 5.72%, 5.50%, and 4.74% respectively. The decreased gross profit margin was mainly due to differences in product mix and the impact from currencies appreciation as compared to previous year.

3. Selling and administrative expenses (SG&A)

The Company's SG&A in 2016-2018 was at Baht 4,643.42 million, Baht 4,239.10 million, and Baht 4,247.97 million which equivalent to 4.32%, 3.95%, and 3.76% of sale revenue respectively. The SG&A is within reasonable range which was mainly in related to the consolidated expense of supporting the Company itself and its overseas subsidiaries' operation as well as marketing and managing expense to support existing customers.

4. Profit

The Company's operating profit margin of 2016-2018 was at 1.40%, 1.54%, and 0.98% respectively. The operating profit margin decreased in 2018 mainly in related to the differences in products mix and the impact from currencies appreciation as compared to previous year.

During 2016-2018, the Company had net profit margin of Baht 1,123.72 million, Baht 900.25 million, and Baht 231.56 million which representing a net profit margin of 1.03 %, 0.84%, and 0.20% respectively. The Company's net profit decreased by 74.28% from year 2017. The decreased net profit was mainly impacted by the currencies appreciation especially during the first half of the year as compared to the same period of last year. However, the Company has continuing in enhanced its performance and has shown improvements under its business operation consideration for the second half of the year and is still aiming for an upgrade performance in the new coming years.

ANALYSIS OF FINANCIAL STATUS

Assets

The Company's total asset in 2016-2018 was at Baht 55,262.45 million, Baht 60,161.70 million, and Baht 64,798.36 million respectively. The increased Baht 4,636.66 million or 7.71% in year 2018 which was mainly come from the increased in inventories by 53.04% in responded to the Company and its subsidiaries' operation during the year as well as to support the onward production in the follow period.

1. Current assets

The Company's current asset in 2016-2018 was at Baht 37,083.13 million, Baht 42,177.18 million, and Baht 47,558.05 million which equivalent to 67.10%, 70.11%, and 73.39% of total assets respectively. In 2018, the Company's current asset increased by Baht 5,380.87 million or 12.76% was mainly due to the increased in inventories of Baht 5,909.83 million during the year.

1.1 Trade and other accounts receivable

The Company's trade and other accounts receivable in 2016-2018 was at Baht 21,584.46 million, Baht 26,318.53 million, and Baht 24,808.36 million respectively. In 2018, the trade and other accounts receivable decreased by Baht 1,510.17 million or 5.74% which was mainly in respond to the Company and its subsidiaries' operation during the year compared with previous year.

1.2 Inventory

The Company's inventory in 2016-2018 was at Baht 10,436.74 million, Baht 11,143.25 million, and Baht 17,053.08 million respectively. In 2018, the inventory increased by Baht 5,909.83 million or 53.04% as compared to previous year. The raw material was at Baht 8,540.30 million, Baht 8,488.51 million, and Baht 12,750.39 million respectively. In 2018, the raw material increased by 50.21% from 2017 and the major portion in the inventory sector is come from the raw materials which accounted 74.77% of the inventory and is considered reasonable proportion following COET's inventory policy.

2. Non-current assets

As at 31 December 2016-2018, the Company had total non-current assets of Baht 18,179.32 million, Baht 17,984.52 million, and Baht 17,240.30 million which represent 32.90%, 29.89%, and 26.61% of total assets respectively. In 2018, the Company's non-current assets has decreased by 4.14% compared to 2017 mainly due to decreased in property, plant, and equipment by 8.77% as a result of the Company's subsidiaries overseas has disposed unused assets and equipments to leverage the cost as well as depreciation following the accounting principles during the year.

Source of capital

Liabilities

As at 31 December 2016-2018, the Company had total liabilities of Baht 37,092.37 million, Baht 41,362.07 million, and Baht 47,118.26 million respectively. In 2018, the Company's total liabilities increased by 13.92% from 2017 mainly due to the increased in trade and other payables of Baht 3,397.24 million in responded to the Company and its subsidiaries' operation.

Equity

As at 31 December 2016-2018, the Company had total equity of, Baht 18,170.08 million, Baht 18,799.63 million, and Baht 17,680.10 million respectively. In 2018, the Company's equity decreased by Baht 1,119.53 million or 5.96% compared to 2017 mainly due to the increased in exchange differences on translation of financial statements in foreign currency of the Company of Baht 1,002.87 million during the year as compared.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CAL-COMP ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED

Opinion

I have audited the accompanying consolidated financial statements of Cal-Comp Electronics (Thailand) Public Company Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2018, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Cal-Comp Electronics (Thailand) Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cal-Comp Electronics (Thailand) Public Company Limited and its subsidiaries and of Cal-Comp Electronics (Thailand) Public Company Limited as at 31 December 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of Matter

I draw attention to Note 8 to the consolidated financial statements regarding the Company having substantial product sale and raw material purchase transactions with its subsidiaries and related companies. My opinion is not modified in respect of this matter.

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

Since the revenue from sales is the most significant amount in the statement of income and is also the key indicator of business performance on which the users of financial statement focus. In addition, the Company and its subsidiaries have sales with a number of customers and there are a variety of commercial terms. I have therefore considered the revenue recognition from sales as key audit matter and focused on the audit of occurrence and timing of revenue recognition from sales.

The following significant audit procedures were performed to examine recognition of revenue from sales.

- Assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select sales documents to assess whether revenue recognition was consistent with the conditions of the sales, and whether it was in compliance with the Company's policy.
- On a sampling basis, examining supporting documents for sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Company issued to its customers after the period end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period.

Allowance for doubtful accounts of trade and other receivables

Estimating the allowance for doubtful accounts of trade and other receivables, as disclosed in Note 9 to the consolidated financial statements, is an area of significant management judgement, particularly with regard to the estimate losses on outstanding receivables based upon, past collection history, aging profile of outstanding debts and the prevailing economic condition. Therefore, there is a risk that the allowance for doubtful accounts will be inadequate. I assessed and tested the internal controls of the Company relevant to the determination of allowance for doubtful accounts by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I assessed the method and the assumptions applied by management in determining such allowance for doubtful accounts. The procedures that I performed included:

- Gaining an understanding of the basis applied in determining the allowance for doubtful accounts and reviewing the consistency of the application of that basis, and the rationale for the recording of specific allowances.
- On a sampling basis, examining the accuracy of the calculation of trade and other receivables aging.
- On a sampling basis, examining the accuracy of the calculation of the allowance for doubtful accounts for trade and other receivables.
- Applying a sampling method to review the data used to calculate the age of trade and other receivables.
- On a sampling basis, examining the supporting documents and other relevant documents for payment transactions occurring during the year and performing subsequent receipt from debtors after the reporting period.

Allowance for diminution in value of inventories

Estimating the net realisable value of inventories, as disclosed in Note 10 to the consolidated financial statements, is an area of significant management judgement, particularly with regard to the estimation of provision for diminution in the value of obsolete inventory. This requires detailed analysis of the product life cycle and the competitive environment. Therefore, there is a risk with respect to the recognition of allowance for diminution in value of inventories will be inadequate.

I assessed and tested the internal controls of the Company relevant to the determination of allowance for diminution in value of inventories by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I assessed the method and the assumptions applied by management in determining such allowance for diminution in value of inventories. The procedures that I performed included:

- Gaining an understanding of the basis applied in determining the allowance for diminution in value of inventories and reviewing the consistency of the application of that basis, and the rationale for the recording of specific allowance.
- Comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Comparing proceeds from sales transactions occurring after the date of the financial statements with the cost of inventory for each product line.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Rungnapa Lertsuwankul

RUNGNAPA LERTSUWANKUL

Certified Public Accountant (Thailand) No. 3516

EY Office Limited

Bangkok: 27 February 2019

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Assets					
Current assets					
Cash and cash equivalents	6	4,058,440,027	3,854,386,733	821,209,620	637,832,007
Current investments	7	852,665,186	-	-	-
Trade and other receivables	8, 9	24,808,358,426	26,318,530,648	16,609,806,323	21,827,166,913
Short-term loans to related party	8	-	-	-	243,859,500
Inventories	10	17,053,078,152	11,143,245,463	10,929,646,419	6,897,025,612
Advances payment for raw materials and molds		78,282,055	113,557,510	54,818,212	86,522,958
Other current assets	11	707,228,645	747,455,429	376,538,467	304,277,329
Total current assets		47,558,052,491	42,177,175,783	28,792,019,041	29,996,684,319
Non-current assets					
Restricted bank deposits		16,551,291	18,543,850	-	-
Investments in associates	12	1,121,635,172	418,375,417	1,028,930,722	275,883,277
Investments in subsidiaries	13	-	-	11,951,590,414	13,321,663,161
Other long-term investments	14	536,168,277	665,645,815	413,427,077	541,996,690
Other long-term receivables	8	-	-	2,738,864,866	-
Long-term loans to related parties	8	118,092,500	-	887,832,000	-
Investment properties	15	-	205,910,730	-	-
Property, plant and equipment	16	14,763,384,222	15,976,446,446	8,032,585,529	8,757,361,443
Goodwill		49,046,196	57,265,110	-	-
Intangible assets	17	112,842,395	63,644,092	-	-
Deferred tax assets	28	108,620,339	94,241,203	12,327,945	2,929,341
Plan assets for long-term employee benefits	23	52,105,248	21,640,515	-	-
Other non-current assets					
Land occupancy rights	18	64,904,394	94,906,520	-	-
Others		296,954,921	367,903,021	1,180,167	1,180,167
Total non-current assets		17,240,304,955	17,984,522,719	25,066,738,720	22,901,014,079
Total assets		64,798,357,446	60,161,698,502	53,858,757,761	52,897,698,398

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	19	14,796,493,053	15,326,228,459	12,587,458,981	12,605,899,213
Trade and other payables	8, 20	25,206,433,719	21,809,192,579	14,513,668,914	14,428,126,028
Income tax payable		86,814,940	73,676,532	8,254,609	5,386,847
Other current liabilities	21	461,994,374	365,240,645	32,350,920	28,727,781
Total current liabilities		40,551,736,086	37,574,338,215	27,141,733,424	27,068,139,869
Non-current liabilities					
Long-term loans	22	6,263,100,325	3,529,537,200	-	-
Provision for long-term employee benefits	23	208,379,411	209,124,308	182,797,060	186,655,128
Deferred tax liabilities	28	37,591,347	49,073,747	-	-
Other non-current liabilities		1,043,172	-	-	-
Provision for transaction under equity method of investments in associates	12	56,410,538	-	56,410,538	-
Provision for transaction under equity method of investments in subsidiaries	13	-	-	8,910,397,388	7,036,591,058
Total non-current liabilities		6,566,524,793	3,787,735,255	9,149,604,986	7,223,246,186
Total liabilities		47,118,260,879	41,362,073,470	36,291,338,410	34,291,386,055
Shareholders' equity					
Share capital	24				
Registered					
4,979,068,075 ordinary shares of Baht 1 each (31 December 2017: 4,756,390,249 ordinary shares of Baht 1 each)		4,979,068,075	4,756,390,249	4,979,068,075	4,756,390,249
Issued and fully paid-up share capital					
4,554,643,575 ordinary shares of Baht 1 each		4,554,643,575	4,554,643,575	4,554,643,575	4,554,643,575
Share premium		3,386,400,546	3,386,400,546	3,386,400,546	3,386,400,546
Capital reserve for share-based payment transactions	25	157,846,775	157,676,158	157,846,775	157,676,158
Capital surplus from change in shareholding in the subsidiaries		78,898,143	10,997,317	78,898,143	10,997,317
Retained earnings					
Appropriated - statutory reserve	26	511,111,587	511,111,587	511,111,587	511,111,587
Unappropriated		10,438,889,451	10,524,204,186	10,438,889,451	10,524,204,186
Other components of shareholders' equity		(1,560,370,726)	(538,721,026)	(1,560,370,726)	(538,721,026)
Equity attributable to owners of the Company		17,567,419,351	18,606,312,343	17,567,419,351	18,606,312,343
Non-controlling interests of the subsidiaries		112,677,216	193,312,689	-	-
Total shareholders' equity		17,680,096,567	18,799,625,032	17,567,419,351	18,606,312,343
Total liabilities and shareholders' equity		64,798,357,446	60,161,698,502	53,858,757,761	52,897,698,398

The accompanying notes are an integral part of the financial statements.

Directors

INCOME STATEMENT

For the year ended 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Revenues					
Sales	8	112,966,791,752	106,897,865,565	80,989,824,553	77,666,154,995
Service income		-	59,923,376	-	-
Exchange gains		228,035,027	-	280,430,725	146,095,567
Gain on financial derivatives		77,134,135	-	-	-
Other income	8	227,370,699	530,999,318	180,067,983	193,887,551
Total revenues		113,499,331,613	107,488,788,259	81,450,323,261	78,006,138,113
Expenses					
Cost of sales	8	107,611,727,125	101,016,218,656	78,597,217,175	74,979,499,888
Cost of service		-	13,175,920	-	-
Selling and distribution expenses		414,656,498	438,127,498	69,724,666	73,682,964
Administrative expenses	8	3,833,313,075	3,787,797,874	353,745,019	434,640,478
Loss on impairment of assets		284,105,922	26,000,000	284,105,922	26,000,000
Exchange losses		-	228,318,963	-	-
Loss on financial derivatives		-	118,316,436	-	-
Total expenses		112,143,802,620	105,627,955,347	79,304,792,782	75,513,823,330
Profit before share of loss from investments in associates					
and subsidiaries, finance cost and income tax expenses		1,355,528,993	1,860,832,912	2,145,530,479	2,492,314,783
Share of loss from investments in associates	12	(131,994,104)	(309,046,314)	(130,363,961)	(311,856,539)
Share of loss from investments in subsidiaries	13	-	-	(1,314,909,765)	(953,400,396)
Profit before finance cost and income tax expenses		1,223,534,889	1,551,786,598	700,256,753	1,227,057,848
Finance cost		(818,902,849)	(542,239,758)	(371,026,590)	(254,964,589)
Profit before income tax expenses		404,632,040	1,009,546,840	329,230,163	972,093,259
Income tax expenses	28	(173,071,303)	(109,299,961)	(7,586,552)	(10,365,352)
Profit for the year		231,560,737	900,246,879	321,643,611	961,727,907
Profit attributable to:					
Equity holders of the Company		321,643,611	961,727,907	321,643,611	961,727,907
Non-controlling interests of the subsidiaries		(90,082,874)	(61,481,028)		
		231,560,737	900,246,879		
Earnings per share					
30					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.07	0.21	0.07	0.21
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.07	0.21	0.07	0.21

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit for the year		231,560,737	900,246,879	321,643,611	961,727,907
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		(1,002,871,779)	144,144,063	-	-
Share of other comprehensive income from investments in associates	12	(12,244,873)	16,303,046	36,910,158	5,770,374
Share of other comprehensive income from investments in subsidiaries	13	-	-	(1,052,026,810)	154,676,735
Gain (loss) on change in value of available-for-sale investments		(8,166,310)	464,976	(8,166,310)	464,976
Reversal of unrealised gain on change in value of available-for-sale investments		-	(735,795)	-	(735,795)
Less: Income tax effect	28	1,633,262	54,164	1,633,262	54,164
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(1,021,649,700)	160,230,454	(1,021,649,700)	160,230,454
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Share of other comprehensive income from investments in subsidiaries	13	-	-	25,554,855	1,995,086
Actuarial gain (loss)	23	52,291,337	(13,980,251)	26,736,482	(15,975,337)
Less: Income tax effect	28	(3,785,325)	(173,947)	(3,785,325)	(173,947)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		48,506,012	(14,154,198)	48,506,012	(14,154,198)
Other comprehensive income for the year		(973,143,688)	146,076,256	(973,143,688)	146,076,256
Total comprehensive income for the year		(741,582,951)	1,046,323,135	(651,500,077)	1,107,804,163
Total comprehensive income attributable to:					
Equity holders of the Company		(651,500,077)	1,107,804,163	(651,500,077)	1,107,804,163
Non-controlling interests of the subsidiaries		(90,082,874)	(61,481,028)		
		(741,582,951)	1,046,323,135		

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended December 2018 December 2018

(Unit: Baht)

Consolidated financial statements											
Equity attributable to owners of the Company											
	Other components of shareholders' equity										
	Exchange differences on translation of financial statements in foreign currency					Other comprehensive income					
	Retained earnings			Share of other comprehensive income from investments in associates		Deficit on changes in value of available-for-sale investments		Total other components of shareholders' equity		Total equity attributable to owners of the Company	
	Capital surplus from change in shareholding in the subsidiaries	Appropriated - statutory reserve	Unappropriated								
Issued and fully paid-up share capital	Capital reserve for share-based payment transactions	Share premium									
4,552,093,575	128,863,185	3,379,337,046	511,111,587	10,031,839,835	(698,404,644)	(218,843)	(698,851,480)	17,915,291,065	254,793,717	18,170,084,782	
	-	-	-	961,727,907	-	(216,655)	160,230,454	961,727,907	(61,481,028)	900,246,879	
	-	-	-	(14,154,198)	144,144,063	(216,655)	160,230,454	146,076,256	-	146,076,256	
	-	-	-	947,573,709	144,144,063	(216,655)	160,230,454	1,107,804,163	(61,481,028)	1,046,323,135	
	-	-	-	(455,209,358)	-	-	-	(455,209,358)	-	(455,209,358)	
	-	-	-	-	-	-	-	29,807,473	-	29,807,473	

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended December 2018 December 2018

(Unit: Baht)

	Separate financial statements					Other components of shareholders' equity				
						Other comprehensive income				
						Share of other comprehensive income from	Deficit on changes in value of available-for-sale investments	Total other components of shareholders' equity		
	Issued and fully paid-up share capital	Share premium	Capital reserve for share-based transactions	Capital surplus from change in shareholding in the subsidiaries	Retained earnings	income from investments in associates and subsidiaries			Total shareholders' equity	
					Appropriated - statutory reserve	Unappropriated				
Balance as at 1 January 2017	4,552,093,575	3,379,337,046	128,863,185	10,997,317	511,111,587	10,031,839,835	(698,732,637)	(218,843)	(698,951,480)	17,915,291,065
Profit for the year	-	-	-	-	-	961,727,907	-	-	-	961,727,907
Other comprehensive income for the year	-	-	-	-	-	(14,154,198)	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	947,573,709	160,447,109	(216,655)	160,230,454	146,076,256
Dividend paid (Note 33)	-	-	-	-	-	(455,209,358)	160,447,109	(216,655)	160,230,454	1,107,804,163
Share-based payment transactions (Note 25)	-	-	29,807,473	-	-	-	-	-	-	(455,209,358)
Capital increase due to convert warrants to shares (Note 25)	2,550,000	7,063,500	(994,500)	-	-	-	-	-	-	29,807,473
Balance as at 31 December 2017	4,554,643,575	3,386,400,546	157,676,158	10,997,317	511,111,587	10,524,204,186	(538,285,528)	(435,498)	(538,721,026)	18,606,312,343
Balance as at 1 January 2018	4,554,643,575	3,386,400,546	157,676,158	10,997,317	511,111,587	10,524,204,186	(538,285,528)	(435,498)	(538,721,026)	18,606,312,343
Profit for the year	-	-	-	-	-	321,643,611	-	-	-	321,643,611
Other comprehensive income for the year	-	-	-	-	-	48,506,012	(1,015,116,652)	(6,533,048)	(1,021,649,700)	(973,143,688)
Total comprehensive income for the year	-	-	-	-	-	370,149,623	(1,015,116,652)	(6,533,048)	(1,021,649,700)	(651,500,077)
Dividend paid (Note 33)	-	-	-	-	-	(455,464,358)	-	-	-	(455,464,358)
Share-based payment transactions (Note 25)	-	-	170,617	-	-	-	-	-	-	170,617
Capital surplus from change in shareholding in the subsidiaries (Note 13)	-	-	-	67,900,826	-	-	-	-	-	67,900,826
Balance as at 31 December 2018	4,554,643,575	3,386,400,546	157,846,775	78,898,143	511,111,587	10,438,889,451	(1,553,402,180)	(6,968,546)	(1,560,370,726)	17,567,419,351

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH FLOWS

For the year ended December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit before tax	404,632,040	1,009,546,840	329,230,163	972,093,259
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	2,363,284,627	2,344,654,714	1,385,434,875	1,312,714,982
Allowance for doubtful accounts (reversal)	8,584,758	(31,398,206)	-	-
Reduction of inventories to net realisable value (reversal)	544,300	17,382,278	(157,055)	-
Loss (gain) on sales of equipment	(5,504,741)	11,534,209	(1,331,632)	(4,872,233)
Gain on sales of land occupancy rights	-	(2,485,154)	-	-
Gain on sales of other long-term investments	-	(311,673)	-	(311,673)
Loss on impairment of assets	284,105,922	26,000,000	284,105,922	26,000,000
Loss on write-off of expired warrants	-	735,795	-	735,795
Loss on sales of investment in trading securities	-	1,530,395	-	-
Share of loss from investments in associates	131,994,104	309,046,314	130,363,961	311,856,539
Share of loss from investments in subsidiaries	-	-	1,314,909,765	953,400,396
Long-term employee benefits expenses	34,276,807	36,548,637	23,161,914	23,683,200
Share-based payment transactions	170,617	29,807,473	-	3,416,979
Unrealised gain on current investments	(2,460,657)	-	-	-
Unrealised loss (gain) on financial derivatives	11,028,552	(20,090,448)	-	-
Unrealised loss on exchange	340,593,125	91,066,611	376,435,102	586,526,321
Interest income	(47,219,326)	(35,659,263)	(15,357,602)	(7,133,160)
Interest expenses	576,100,080	395,201,807	320,201,505	210,491,503
Profit from operating activities before changes in operating assets and liabilities	4,100,130,208	4,183,110,329	4,146,996,918	4,388,601,908
Operating assets (increase) decrease				
Trade and other receivables	861,192,845	(5,425,077,419)	1,971,100,056	(6,749,241,561)
Inventories	(5,983,979,983)	(733,790,485)	(4,032,463,752)	14,574,767
Advances payment for raw materials and molds	28,664,552	80,255,000	30,821,315	96,740,842
Other current assets	(12,662,571)	276,137,004	(96,054,363)	105,456,559
Operating liabilities increase (decrease)				
Trade and other payables	3,736,024,337	(253,094,741)	359,960,770	(776,107,502)
Other current liabilities	108,259,413	(290,632,604)	7,753,807	(107,633,952)
Provision for long-term employee benefits	(13,791,136)	(8,025,464)	(283,500)	-
Other non-current liabilities	1,043,172	-	-	-
Cash flows from (used in) operating activities	2,824,880,837	(2,171,118,380)	2,387,831,251	(3,027,608,939)
Cash received for interest	21,734,156	24,188,273	15,357,602	7,133,160
Cash paid for corporate income tax	(148,188,425)	(133,749,337)	(11,652,463)	(15,554,350)
Net cash flows from (used in) operating activities	2,698,426,568	(2,280,679,444)	2,391,536,390	(3,036,030,129)

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from investing activities				
Increase in current investments	(851,719,500)	-	-	-
Decrease in restricted bank deposits	521,652	6,885,216	-	-
Increase in short-term loans to related party	-	-	-	(67,666,600)
Increase in long-term loans to related parties	(124,456,250)	-	(653,503,000)	-
Increase in investments in associates	(3,937,181)	(249,518,060)	-	(244,202,743)
Increase in investments in subsidiaries	-	-	(100,000,000)	(17,601,700)
Increase in other long-term investments	(155,833,000)	(94,196,788)	(155,833,000)	-
Acquisition of investment properties	-	(79,702,997)	-	-
Acquisition of plant and equipment	(1,717,196,347)	(2,143,131,121)	(835,226,800)	(1,828,165,447)
Acquisition of intangible assets	(75,483,799)	(53,869,580)	-	-
Cash received for interest	25,485,170	11,470,990	-	-
Dividend received from associate	2,939,697	-	-	-
Dividend received from subsidiary	-	-	267,991,476	-
Proceed from sales of investment in trading securities	-	3,181,876	-	-
Proceeds from sales of investment in a subsidiary	-	-	-	69,068,314
Proceeds from sales of other long-term investments	-	2,084,465	-	2,084,465
Proceeds from sales of equipment	17,245,796	265,021,982	2,848,292	99,434,930
Proceeds from sales of land occupancy right	-	9,891,291	-	-
Decrease (increase) in other non-current assets	70,246,139	(249,052,968)	-	(42,000)
Decrease in cash from change investment in subsidiary to investment in associate	(365,540,799)	-	-	-
Net cash flows used in investing activities	(3,177,728,422)	(2,570,935,694)	(1,473,723,032)	(1,987,090,781)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(459,030,317)	7,614,623,993	38,545,847	5,854,283,692
Repayment of long-term loans	(159,941,275)	(6,084,685,500)	-	-
Cash receipt from long-term loans	2,909,660,243	3,650,811,300	-	-
Cash receipt from exercise of warrants	-	8,619,000	-	8,619,000
Interest expenses	(560,014,842)	(424,356,401)	(317,517,234)	(207,394,785)
Dividend paid	(455,464,358)	(455,209,358)	(455,464,358)	(455,209,358)
Increase in non-controlling interests of the subsidiary from establishment of a new subsidiary	9,447,400	-	-	-
Net cash flows from (used in) financing activities	1,284,656,851	4,309,803,034	(734,435,745)	5,200,298,549
Increase (decrease) in translation adjustment	(601,301,703)	557,182,773	-	-
Net increase in cash and cash equivalents	204,053,294	15,370,669	183,377,613	177,177,639
Cash and cash equivalents at beginning of year	3,854,386,733	3,839,016,064	637,832,007	460,654,368
Cash and cash equivalents at end of year (Note 6)	4,058,440,027	3,854,386,733	821,209,620	637,832,007
	-	-	-	-
Supplemental cash flows information				
Non-cash items consist of				
Purchases of plant and equipment that has not yet been paid	119,177,527	186,499,559	8,318,479	177,633,798
Sales of equipment that has not yet been received	44,501,318	18,315,598	24,365,554	20,629,695
Recalssify trade receivables to other long-term receivables	-	-	2,634,730,517	-
Reclassify short-term loans to related party to long-term loans to related parties	-	-	243,859,500	-

The accompanying notes are an integral part of the financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Cal-Comp Electronics (Thailand) Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2018

1. General information

Cal-Comp Electronics (Thailand) Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Kinpo Electronics, Inc., which was incorporated in Taiwan. The Company is principally engaged in the manufacture of electronic products, such as computer and computer peripheral, telecommunication equipment and automation equipment. The registered of the Company is at No. 191/54, 191/57, 18th Floor, CTI Tower, Rachadapisek Road, Kwang Klongtoey, Khet Klongtoey, Bangkok 10110. The Company has 4 branches in Thailand and is located at Samut Sakorn, Petchaburi and Nakhonratchasima.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Cal-Comp Electronics (Thailand) Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2018</u> (Percent)	<u>2017</u> (Percent)
<u>Held by the Company</u>				
Logistar International Holding Co., Ltd.	Group company's distributor	British Virgin Islands	100	100
Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	Manufacture of electronic products	The People's Republic of China	100	100
Cal-Comp Electronics & Communications Co., Ltd.	Purchasing material and research and development	Taiwan	100	100
Cal-Comp Technology (Suzhou) Co., Ltd.	Manufacture of electronic products	The People's Republic of China	100	100
Cal-Comp Electronics and Communications (Suzhou) Co., Ltd.	Manufacture of electronic products	The People's Republic of China	100	100
Cal-Comp Precision (Singapore) Limited	Manufacture and distributor of plastic components	Singapore	100	100
Cal-Comp (Malaysia) SDN. BHD.	Manufacture of electronic products	Malaysia	100	100
Cal-Comp Electronics (USA) Co., Ltd.	Manufacture of electronic products	United States of America	100	100
Cal-Comp Industria e Comercio de Electronicos e Informatica Ltda.*	Manufacture of electronic products	Brazil	1	1
Cal-Comp Electronics de Mexico Co., S.A. de C.V.	Manufacture of electronic products	Mexico	100	100
Cal-Comp Precision (Thailand) Limited	Manufacture and distributor of plastic components	Thailand	100	100
Cal-Comp Holding (Brasil) S.A.	Holding company	Brazil	100	100
Qbit Semiconductor Holding Ltd.	Holding company	Cayman Islands	100	100
Cal-Comp (India) Private Limited	Research and development of products	India	100	100
Cal-Comp Automotion and Industrial 4.0 Service (Thailand) Co., Ltd.	Provide service of design factory automation solution	Thailand	100	-
<u>Held by its subsidiaries</u>				
Avaplas Precision Plastics (Shanghai) Co., Ltd. (100% held by Cal-Comp Precision (Thailand) Limited)	Manufacture and distributor of plastic components	The People's Republic of China	-	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2018</u> (Percent)	<u>2017</u> (Percent)
Cal-Comp Precision (Malaysia) Sdn. Bhd. (100% held by Cal-Comp Precision (Thailand) Limited)	Manufacture and distributor of plastic components	Malaysia	100	100
Cal-Comp Precision (Dongguan) Limited (100% held by Cal-Comp Precision (Thailand) Limited)	Manufacture and distributor of plastic components	The People's Republic of China	100	100
Cal-Comp Precision (Wujiang) Co., Ltd. (100% held by Cal-Comp Precision (Thailand) Limited)	Manufacture and distributor of plastic components	The People's Republic of China	100	100
Cal-Comp Precision (Philippines), Inc. (100% held by Cal-Comp Precision (Thailand) Limited)	Manufacture and distributor of plastic components	Philippines	100	100
Cal-Comp USA (Indiana), Inc. (100% held by Cal-Comp Electronics (USA) Co., Ltd.)	Manufacturer of electronic products	United States of America	100	100
Cal-Comp USA (San Diego), Inc. (100% held by Cal-Comp Electronics (USA) Co., Ltd.)	Manufacturer of electronic products	United States of America	100	100
Cal-Comp Industria e Comercio de Electronicos e Informatica Ltda. (99% held by Cal-Comp Holding (Brasil) S.A.)	Manufacturer of electronic products	Brazil	99	99
Cal-Comp Industria de Semicondutores, S.A. (58% held by Cal-Comp Holding (Brasil) S.A.)	Manufacturer of electronic products	Brazil	58	58
Qbit Semiconductor Ltd. (100% held by Qbit Semiconductor Holding Ltd.)	Manufacturer of electronic products	Taiwan	100	100
ICKP (Beijing) Technology Development Co., Ltd. (80% held by Cal-Comp Optical Electronics (Suzhou) Co., Ltd.)	Manufacturer of electronic products	The People's Republic of China	80	-

- * Classified as investments in subsidiaries since the Company indirectly holds the investment in such company through Cal-Comp Holding (Brasil) S.A. with 99% of registered capital of Cal-Comp Industria e Comercio de Electronicos e Informatica Ltda. and the Company has control over such company.

The financial statements of the subsidiaries were prepared by the management of the subsidiaries and audited by their auditors, except the financial statements of Cal-Comp (India) Private Limited and Cal-Comp Automation and Industrial 4.0 Service (Thailand) Co., Ltd. which were prepared by the management, with no material effect to the financial statements.

- 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) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Company and its subsidiaries companies have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements present investments in subsidiaries and associates under the equity method.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018), which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this financial reporting standard to all contracts with customers unless those contracts fall within the scope of other standards. The financial reporting standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The financial reporting standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries expects the adoption of this financial reporting standard to result in the adjustment of shipping service. The Company and its subsidiaries consider that it may be necessary to exclude shipping service income from sales of goods in order to comply with the revenue category and source of income. Previously, shipping service income had been included in sales of goods.

(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries expects the early adoption of the set of TFRSs related to financial instruments starting from 1 January 2019 to result in the following adjustments.

- Trade and other receivables - The Company and its subsidiaries have to record allowance for doubtful accounts at an amount equal to lifetime expected credit loss. Previously, allowance for doubtful accounts was provided for estimated losses that might incur due to uncollectible receivables. The allowance was generally based on collection experiences and analysis of debt aging.
- Investment in equity instruments under available-for-sale - The Company and its subsidiaries have to record gain or loss from sales of investment in equity instruments in other comprehensive income. Previously, the Company recorded in profit or loss.
- Investment in non-marketable equity securities, which the Company classifies as other investments - The Company and its subsidiaries have to measure other investments at fair value. Previously, other investments were stated at cost net of allowance for impairment loss.

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rendering of services

Service income is recognised when services have been rendered.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

Expenses

Expenses are recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable, other receivables and allowance for doubtful accounts

Trade accounts receivable and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.4 Inventories

Finished goods and work in process are valued at the lower of cost (under the average method) and net realisable value. The cost of inventories includes all production costs and attributable factory overheads.

Raw materials, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- d) Investments in subsidiaries and associates are accounted for in the consolidated and separate financial statements using the equity method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Building	-	41 years
Building improvement for rent	-	11 years

Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.7 Property, plant and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and building improvements	-	1 - 51 years
Machinery and equipment	-	1 - 15 years
Molds and spare parts	-	1 - 10 years
Office furniture and equipment	-	2 - 20 years
Motor vehicles	-	3 - 11 years
Miscellaneous equipment and research and development equipment	-	1 - 20 years

Depreciation is included in determining income.

No depreciation is provided on land, land improvement, construction in progress and equipment under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.9 Intangible assets

Intangible assets of its subsidiaries which acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets of its subsidiaries which have finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible asset are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows.

	Useful lives
Land occupancy rights	- contract period of 50 years
Computer software design	- 3 years
Technical license fee	- 10 years

4.10 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company and its subsidiaries' cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company and its subsidiaries estimate the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.11 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.12 Long-term leases

Leases of property, plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

4.13 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period. Gains and losses on exchange are included in determining income.

4.14 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. In determining fair value less cost to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

4.15 Employee benefits

Short-term employee benefits

Salaries, wages, bonus and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

The liabilities under the defined benefit plan consist of the present value of the defined benefit obligation less fair value of plan assets.

Net interest recognised in profit or loss consists of the interest cost on the defined benefit obligation net with the interest income on plan assets which calculated using the same rate as the discount rate applying for the post-employment benefit obligation.

Actuarial gains and losses from determining the measurement of the defined benefit obligation and return of plan assets net from interest income on plan assets are recognised immediately in other comprehensive income.

4.16 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.17 Income tax

Income tax expense for the year comprises current and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.18 Derivatives

The Company and its subsidiaries use derivative financial instruments such as forward currency contracts, cross currency and interest rate swaps and currency option agreements to manage their risks associated with foreign currency and interest rate fluctuations.

Such derivative financial instruments are initially recognised at cost on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivative financial instruments as either assets or liabilities are recognised in the statement of financial position at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

The fair value of forward currency contracts, cross currency and interest rate swaps and currency option agreements are their quoted market price at the end of reporting period, being the present value of the quoted interest rate, forward price and option price.

4.19 Fair value measurement

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

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

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

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

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for diminution in value of inventory

The determination of allowance for diminution in the value of inventory requires the management to exercise judgement in estimating losses on outstanding inventories, based on the selling price expected in the ordinary course of business; minus selling expenses and provision for obsolete, slow-moving and deteriorated inventories, and taking into account the approximate useful life of each type of inventories and current changes in technology.

Impairment of equity investments

The Company and its subsidiaries treat available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the 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 property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require the 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.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plan

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and long-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

6. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Cash	2,186	2,306	253	263
Deposits at financial institutions	4,056,254	3,852,081	820,957	637,569
Total cash and cash equivalents	4,058,440	3,854,387	821,210	637,832

As at 31 December 2018, bank deposits in saving accounts and fixed deposits carried interests between 0.1 and 6.0 percent per annum (2017: between 0.1 and 8.3 percent per annum).

7. Current investments

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	2018		2017	
	Cost	Fair value	Cost	Fair value
Structured deposits	851,720	852,665	-	-
Total current investments	851,720	852,665	-	-

As at 31 December 2018, structured deposits carry interests between 1.0 and 4.3 percent per annum and are due in February and March 2019.

8. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with their related parties. Such transactions were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries and those related parties.

The relationship between the Company and the related parties are summarised below.

Name of related parties	Relationship with the Company
Kinpo Electronics, Inc.	Parent company
Logistar International Holding Co., Ltd.	Subsidiary
Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	Subsidiary
Cal-Comp Electronics & Communications Co., Ltd.	Subsidiary

Name of related parties	Relationship with the Company
Cal-Comp Technology (Suzhou) Co., Ltd.	Subsidiary
Cal-Comp Electronics and Communications (Suzhou) Co., Ltd.	Subsidiary
Cal-Comp (Malaysia) SDN. BHD.	Subsidiary
Cal-Comp Precision (Singapore) Limited	Subsidiary
Cal-Comp Industria e Comercio de Electronicos e Informatica Ltda.	Subsidiary
Cal-Comp Electronics de Mexico Co., S.A. de C.V.	Subsidiary
Cal-Comp Electronics (USA) Co., Ltd.	Subsidiary
Cal-Comp Precision (Thailand) Limited	Subsidiary
Cal-Comp Holding (Brasil) S.A.	Subsidiary
Qbit Semiconductor Holding Ltd.	Subsidiary
Cal-Comp (India) Private Limited	Subsidiary
Cal-Comp Automation and Industrial 4.0 Service (Thailand) Co., Ltd.	Subsidiary
Cal-Comp Precision (Malaysia) Sdn. Bhd.	Subsidiary (held by a subsidiary)
Cal-Comp Precision (Dongguan) Limited	Subsidiary (held by a subsidiary)
Cal-Comp Precision (Wujiang) Co., Ltd.	Subsidiary (held by a subsidiary)
Cal-Comp Precision (Philippines), Inc.	Subsidiary (held by a subsidiary)
Cal-Comp USA (Indiana), Inc.	Subsidiary (held by a subsidiary)
Cal-Comp USA (San Diego), Inc.	Subsidiary (held by a subsidiary)
Cal-Comp Industria de Semicondutores S.A.	Subsidiary (held by a subsidiary)
Qbit Semiconductor Ltd.	Subsidiary (held by a subsidiary)
ICKP (Beijing) Technology Development Co., Ltd.	Subsidiary (held by a subsidiary)
Cal-Comp Technology (Philippines), Inc.	Associate
XYZprinting, Inc.	Associate
PChome (Thailand) Co., Ltd.	Associate
Cal-Comp Big Data, Inc.	Associate
New Era AI Robotic Limited	Associate
Daviscomms (S) Pte Ltd.	Associate (held by a subsidiary)
Shanghai Chuang Ge Education Technology Co., Ltd,	Associate (held by a subsidiary)
XYZprinting Japan, Inc.	Subsidiary of an associate
XYZprinting, Inc. (SAMOA)	Subsidiary of an associate
XYZprinting, Inc. (USA)	Subsidiary of an associate
XYZprinting Netherlands B.V.	Subsidiary of an associate

Name of related parties	Relationship with the Company
XYZprinting (Suzhou) Co., Ltd.	Subsidiary of an associate
XYZprinting (Thailand) Co., Ltd.	Subsidiary of an associate
XYZprinting (Shanghai) Cloud Technology Co., Ltd.	Subsidiary of an associate
XYZlife (Philippines) Inc.	Subsidiary of an associate
Cal-Comp Big Data International Ltd.	Subsidiary of an associate
New Era AI Robotic Inc.	Subsidiary of an associate
Kinpo Electronics (Philippines), Inc.	Subsidiary of an associate
Cal-Comp Biotech Co., Ltd.	Subsidiary of the parent company
CastleNet Technology, Inc.	Subsidiary of the parent company
CastleNet Technology (BVI), Inc.	Subsidiary of the parent company
CastleNet Technology Incorporation	Subsidiary of the parent company
Crownpo Technology, Inc.	Subsidiary of the parent company
Dongguan Kaipo Electronics Co., Ltd.	Subsidiary of the parent company
Forward International Ltd.	Subsidiary of the parent company
Jipo Investment Co., Ltd.	Subsidiary of the parent company
Kinpo Electronics (China) Co., Ltd.	Subsidiary of the parent company
Kinpo International Ltd.	Subsidiary of the parent company
Kinpo International (Singapore) Pte. Ltd.	Subsidiary of the parent company
Lipo Holding Co., Ltd.	Subsidiary of the parent company
LIZ Electronics (Kunshan) Co., Ltd.	Subsidiary of the parent company
LIZ Electronics (Nantong) Co., Ltd.	Subsidiary of the parent company
Ranashe International Ltd.	Subsidiary of the parent company
Acbel Polytech Inc.	Related company
Ascendant Private Equity Investment, Ltd.	Related company
Dawning Leading Technology Inc.	Related company
Fellow Inc.	Related company
Kinpo Group Management Service Co., Ltd.	Related company
Instituto Cal-Comp De Tecnologia	Related company
Metal Component Engineering Limited	Related company
Memoright Memortech Corporation	Related company
Mojoose Inc.	Related company
Nexa3D Inc.	Related company
Teleport Access Service, Inc.	Related company
Compal Electronics, INC.	Common directors

Such significant transactions are summarised below.

(Unit: Million Baht)

	Consolidated		Separate		
	financial statements		financial statements		Transfer Pricing Policy
	2018	2017	2018	2017	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Sales	-	-	24,231	25,431	Agreed upon
Sales of fixed assets	-	-	-	24	At book value plus margin
Gain on sales of fixed assets	-	-	-	2	At book value plus margin
Dividend income	-	-	268	-	As declared
Other income	-	-	123	144	Contract price
Purchases of raw materials	-	-	7,163	4,350	Agreed upon
Purchases of fixed assets	-	-	108	947	Cost
<u>Transactions with associated companies</u>					
Sales	595	360	566	334	Agreed upon
Sales of fixed assets	1	-	1	-	At book value plus margin
Gain on sales of fixed assets	1	-	1	-	At book value plus margin
Dividend income	3	-	-	-	As declared
Other income	7	-	5	-	Contract price
Purchases of fixed assets	24	-	24	-	Cost
Other expenses	81	69	-	-	Contract price
<u>Transactions with related parties</u>					
Sales					
- Kinpo Electronics (China) Co., Ltd.	98	42	-	-	Agreed upon
- Kinpo International Ltd.	15	34	-	1	Agreed upon
- Kinpo Electronics (Philippines), Inc.	1,405	520	-	-	Agreed upon
- CastleNet Technology, Inc.	1,169	357	1,169	351	Agreed upon
- Others	4	2	-	2	Agreed upon
Sales of fixed assets					
- Kinpo Electronics (China) Co., Ltd.	8	2	-	-	At book value plus margin
- Kinpo International Ltd.	-	14	-	14	At book value plus margin
- Kinpo Electronics (Philippines), Inc.	4	9	4	1	At book value plus margin
- Others	1	3	-	-	At book value plus margin
Gain on sales of fixed assets	3	7	-	3	At book value plus margin
Other income	17	2	15	2	Contract price
Purchases of raw materials	1,101	1,201	698	853	Agreed upon
Purchases of fixed assets	8	93	7	31	Cost
Other expenses	248	276	-	-	Contract price

Major revenues of Logistar International Holding Co., Ltd. represent the sales of inventories, which are purchased from the Company and its subsidiaries, to the third parties.

The balances of the accounts as at 31 December 2018 and 2017 between the Company, its subsidiaries and those related companies are as follows:

		(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<u>Trade and other receivables - related parties (Note 9)</u>					
Subsidiaries		-	-	3,367,978	7,331,102
Associates		861,259	691,679	798,316	668,135
Related companies		1,120,678	538,701	686,932	285,747
Total trade and other receivables - related parties		1,981,937	1,230,380	4,853,226	8,284,984
<u>Other long-term receivables - related parties (Note 9)</u>					
Subsidiaries		-	-	2,738,865	-
Total other long-term receivables - related parties		-	-	2,738,865	-
<u>Trade and other payables - related parties (Note 20)</u>					
Subsidiaries		-	-	644,786	1,035,530
Associates		33,795	6,200	23,704	-
Related companies		424,161	534,015	199,227	201,235
Total trade and other payables - related parties		457,956	540,215	867,717	1,236,765
<u>Advance received for purchases of mold - related parties (Note 21)</u>					
Associates		-	1,788	-	-
Related companies		-	10,964	-	-
Total advance received for purchases of mold - related parties		-	12,752	-	-

During the current year, the Company entered into an agreement with Cal-Comp Industria e Comercio de Electronicos e Informatica Ltda. and Cal-Comp Electronics (USA) Co., Ltd. whereby the Company has no intention to recall debts amounted to USD 45 million and USD 40 million from these companies within 5 years which is effective from 1 January 2018. Therefore, the Company reclassified these trade receivables to other long-term receivables.

Short-term loans to related parties

As at 31 December 2018, the balance of short-term loans between the Company and a related party and the movement are as follows:

		(Unit: Thousand Baht)			
		Separate financial statements			
Short-term loans	Related by	Balance as at 1 January 2018	Decrease	Translation adjustment	Balance as at 31 December 2018
Cal-Comp Industria de Semicondutores S.A.	Subsidiary (held by a subsidiary)	243,860	(243,860)	-	-
		243,860	(243,860)	-	-

Short-term loans to Cal-Comp Industria de Semicondutores S.A. were denominated in US dollar currency and due in June 2018. However, during the first quarter of the current year, the Company entered into a loan agreement with Cal-Comp Industria de Semicondutores S.A. to postpone the due date for 5 years which is effective from 1 January 2018. Therefore, the Company reclassified these short-term loans to long-term loans to related parties.

Long-term loans to related parties

As at 31 December 2018, the balance of long-term loans to related parties and the movement are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements			
Long-term loans	Related by	Balance as at		Translation	Balance as at
		1 January		adjustment	31 December
		2018	Increase		2018
XYZprinting, Inc.	Associate	-	124,456	(6,363)	118,093
		-	124,456	(6,363)	118,093

During the current year, XYZprinting, Inc. obtained long-term loans from Cal-Comp Optical Electronics (Suzhou) Co., Ltd., its subsidiary in the People's Republic of China. Such long-term loans were denominated in CNY currency on which interest is charged at the rate of 2.05% per annum and are due in January 2023.

(Unit: Thousand Baht)

		Separate financial statements			
Long-term loans	Related by	Balance as at		Translation	Balance as at
		1 January		adjustment	31 December
		2018	Increase		2018
Cal-Comp Industria de Semicondutores S.A.	Subsidiary (held by a subsidiary)	-	243,860	(1,724)	242,136
Cal-Comp Precision (Philippines), Inc.	Subsidiary (held by a subsidiary)	-	653,201	(7,505)	645,696
		-	897,061	(9,229)	887,832

During the current year, Cal-Comp Precision (Philippines), Inc., its indirect subsidiary in Philippines, obtained long-term loans from the Company totaling USD 20 million. Such loans carry the interest at the rate with reference to one year USD London Interbank Offer Rate ("LIBOR") plus 1.05% and are due in August 2023.

Directors and management benefits

During the years ended 31 December 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to its directors and management as below.

	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
	2018	2017	2018	2017
Short-term employee benefits	75	82	28	28
Post-employment benefits	1	1	-	-
Share-based payments	-	2	-	-
Total	76	85	28	28

9. Trade and other receivables

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2018	2017	2018	2017
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	1,313,365	987,899	4,098,992	5,496,629
Past due				
Less than 1 month	251,865	87,793	174,961	37,134
1 - 2 months	87,903	27,547	60,670	54,674
2 - 3 months	80,837	23,173	141,249	70,698
3 - 6 months	116,602	56,539	198,969	177,545
6 - 12 months	40,293	13,674	43,196	596,860
Over 12 months	2,591	-	31	1,796,836
Total trade receivables - related parties	1,893,456	1,196,625	4,718,068	8,230,376

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	19,397,461	19,772,819	10,016,599	9,715,244
Past due				
Less than 1 month	1,454,331	1,841,752	969,828	1,417,799
1 - 2 months	460,306	845,887	249,383	834,656
2 - 3 months	14,775	375,080	2,899	355,160
3 - 6 months	105,769	345,214	369	342,891
6 - 12 months	331	11,127	66	11,002
Over 12 months	68,375	36,867	67,312	33,853
Total	21,501,348	23,228,746	11,306,456	12,710,605
Less: Allowance for doubtful accounts	(53,468)	(44,986)	(49,924)	(34,404)
Total trade receivables - unrelated parties, net	21,447,880	23,183,760	11,256,532	12,676,201
Total trade receivables, net	23,341,336	24,380,385	15,974,600	20,906,577
<u>Other receivables</u>				
Other receivables - related parties	88,481	33,755	135,158	54,608
Other receivables - unrelated parties	1,378,541	1,904,391	500,048	865,982
Total other receivables	1,467,022	1,938,146	635,206	920,590
Total trade and other receivables, net	24,808,358	26,318,531	16,609,806	21,827,167

The balances of above other receivables - unrelated parties as at 31 December 2018 and 2017 represent suspense accounts receivable set up for the expense which can be passed on to customers or vendors apart from buying and selling prices and for raw materials which were purchased from suppliers and the inventories to which engineering or component changes have been made. The Company and its subsidiaries set up these suspense accounts while awaiting the return of the raw materials from the creditors.

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2018	2017	2018	2017	2018	2017
Finished goods	2,148,908	2,086,259	(93,378)	(81,543)	2,055,530	2,004,716
Work in process	421,513	229,628	-	-	421,513	229,628
Raw materials	12,935,846	8,686,660	(185,457)	(198,146)	12,750,389	8,488,514
Goods in transit	1,825,646	420,387	-	-	1,825,646	420,387
Total	17,331,913	11,422,934	(278,835)	(279,689)	17,053,078	11,143,245

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2018	2017	2018	2017	2018	2017
Finished goods	1,270,037	790,816	(61,852)	(62,009)	1,208,185	728,807
Work in process	13,568	7,138	-	-	13,568	7,138
Raw materials	9,135,902	5,853,124	(84,605)	(84,605)	9,051,297	5,768,519
Goods in transit	656,596	392,562	-	-	656,596	392,562
Total	11,076,103	7,043,640	(146,457)	(146,614)	10,929,646	6,897,026

During the current year, the Company and its subsidiaries recorded the reducing cost of inventories to net realisable value of Baht 19 million (2017: Baht 17 million) which represent as part of cost of sales and in addition, the Company and its subsidiaries reversed the write-down of cost of inventories by Baht 20 million (2017: None) and reduced the amount of inventories recognised as expenses during the year.

11. Other current assets

The balances as at 31 December 2018 and 2017 consist of:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Receivable - molds	136,094	61,557	109,586	49,793
Value added tax	241,054	395,545	184,891	196,573
Financial derivative assets				
record at fair value	2,084	20,091	-	-
Others	327,997	270,262	82,061	57,911
Total	707,229	747,455	376,538	304,277

12. Investments in associates

12.1 Details of associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost method		Carrying amount based on the equity method	
			2018	2017	2018	2017	2018	2017
			(%)	(%)				
Daviscomms (S) Pte Ltd.*	Design and manufacturing of telecommunication products	Singapore	20.00	20.00	95,896	96,579	88,306	137,177
Shanghai Chuang Ge Education Technology Co., Ltd.**	Research and development especially in education and network field	The People's Republic of China	43.53	46.90	8,739	5,315	4,398	5,315
XYZprinting, Inc.	Trading 3D printer	Taiwan	46.40	46.40	-	461,799	-	107,514
PChome (Thailand) Co., Ltd.	E-commerce service provider	Thailand	32.50	32.50	32,500	32,500	14,479	20,212
Cal-Comp Big Data, Inc.	Manufacturing of medical equipment and providing service of data processing and provision service	Taiwan	50.00	50.00	-	351,776	-	95,559
New Era AI Robotic Limited	Holding company	Cayman Islands	50.00	50.00	-	67,735	-	52,598
Cal-Comp Technology (Philippines), Inc.	Manufacturing of electronic products	Philippines	19.19	-	790,091	-	1,014,452	-
Total					927,226	1,015,704	1,121,635	418,375

* (held by Cal-Comp Precision (Singapore) Limited)

** (held by Cal-Comp Optical Electronics (Suzhou) Co., Ltd.)

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements					
			Shareholding percentage		Cost		Carrying amount based on the equity method	
			2018	2017	2018	2017	2018	2017
			(%)	(%)				
XYZprinting, Inc.	Trading 3D printer	Taiwan	46.40	46.40	-	461,799	-	107,514
PChome (Thailand) Co., Ltd.	E-commerce service provider	Thailand	32.50	32.50	32,500	32,500	14,479	20,212
Cal-Comp Big Data, Inc.	Manufacturing of medical equipment and providing service of data processing and provision service	Taiwan	50.00	50.00	-	351,776	-	95,559
New Era AI Robotic Limited	Holding company	Cayman Islands	50.00	50.00	-	67,735	-	52,598
Cal-Comp Technology (Philippines), Inc.	Manufacturing of electronic products	Philippines	19.19	-	790,091	-	1,014,452	-
Total					822,591	913,810	1,028,931	275,883

The Company presented the negative investment value based on equity method as “Provision for transaction under equity method of investments in associates” was detailed as follows:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidate and separate financial statements					
			Shareholding percentage		Cost		Carrying amount based on the equity method	
			2018	2017	2018	2017	2018	2017
			(%)	(%)				
XYZprinting, Inc.	Trading 3D printer	Taiwan	46.40	46.40	461,799	-	26,137	-
Cal-Comp Big Data, Inc.	Manufacturing of medical equipment and providing service of data processing and provision service	Taiwan	50.00	50.00	351,776	-	1,976	-
New Era AI Robotic Limited	Holding company	Cayman Islands	50.00	50.00	67,735	-	28,298	-
Total					881,310	-	56,411	-

12.2 Share of comprehensive income and dividend received

During the years ended 31 December 2018 and 2017, the Company and its subsidiaries recognised their share of profit or loss from investments in associates in the consolidated financial statements and the separate financial statements as follows:

(Unit: Million Baht)

Company's name	Consolidated financial statements			
	Share of profit (loss) from investments in associates		Share of other comprehensive income from investments in associates	
	2018	2017	2018	2017
Daviscomms (S) Pte Ltd.	3	3	(49)	10
Shanghai Chuang Ge Education Technology Co., Ltd.	(5)	-	-	-
XYZprinting, Inc.	(139)	(94)	6	6
PChome (Thailand) Co., Ltd.	(6)	(6)	-	-
Cal-Comp Big Data, Inc.	(102)	(195)	5	(2)
New Era AI Robotic Limited	(78)	(17)	(3)	2
Cal-Comp Technology (Philippines), Inc.	195	-	29	-
Total	(132)	(309)	(12)	16

(Unit: Million Baht)

Company's name	Separate financial statements			
	Share of profit (loss) from		Share of other	
	investments in associates		comprehensive income from	
	investments in associates		investments in associates	
	2018	2017	2018	2017
XYZprinting, Inc.	(139)	(94)	6	6
PChome (Thailand) Co., Ltd.	(6)	(6)	-	-
Cal-Comp Big Data, Inc.	(102)	(195)	5	(2)
New Era AI Robotic Limited	(78)	(17)	(3)	2
Cal-Comp Technology (Philippines), Inc.	195	-	29	-
Total	(130)	(312)	37	6

During the current year, the subsidiary received dividend income from Daviscomms (S) Pte Ltd. amounting to USD 0.1 million or approximately Baht 3 million (2017: there was no dividend income from associates).

12.3 Summarised financial information about material associates

Summarised information about financial position

	(Unit: Million Baht)							
	XYZprinting, Inc.		Cal-Comp Big Data, Inc.		New Era AI Robotic Limited		Cal-Comp Technology (Philippines), Inc.	
	2018	2017	2018	2017	2018	2017	2018	2017
Current assets	1,085	1,538	293	619	57	125	6,557	-
Non-current assets	335	314	60	53	30	7	4,579	-
Current liabilities	(1,473)	(1,596)	(346)	(425)	(143)	(30)	(5,829)	-
Non-current liabilities	(3)	(6)	(11)	(38)	-	-	(21)	-
Net assets	(56)	250	(4)	209	(56)	102	5,286	-
Shareholding percentage (%)	46.40	46.40	50.00	50.00	50.00	50.00	19.19	-
Share of net assets	(26)	116	(2)	105	(28)	51	1,014	-

Summarised information about comprehensive income

	(Unit: Million Baht)							
	For the year ended 31 December							
	XYZprinting, Inc.		Cal-Comp Big Data, Inc.		New Era AI Robotic Limited		Cal-Comp Technology (Philippines), Inc.	
	2018	2017	2018	2017	2018	2017	2018	2017
Revenue	741	941	-	368	24	4	13,421	-
Profit (loss)	(300)	(209)	(205)	(389)	(156)	(33)	1,016	-
Other comprehensive income	(4)	13	(3)	(3)	(1)	3	10	-
Total comprehensive income	(304)	(196)	(208)	(392)	(157)	(30)	1,026	-

The Company and its subsidiaries recorded investments in associates based on the basis of financial information provided by those companies' management. Due to time constraints, those companies' management cannot provide the financial information which were audited by external auditors. However, the financial information of XYZprinting, Inc., Cal-Comp Big Data, Inc., New Era AI Robotic Limited and Cal-Comp Technology (Philippines) Inc. were audited by its auditor.

On 12 May 2017, a meeting of the Board of Directors of the Company resolved to approve an investment in New Era AI Robotic Limited, a newly associate in Cayman Islands. During the year 2017, the Company paid for share capital in such company amounting to USD 2 million, or approximately Baht 68 million in order to support robotics technology and relevant business development.

On 13 November 2017, a meeting of the Board of Directors of the Company resolved to approve the following matters.

- Approve an additional investment in XYZprinting, Inc., its associate in Taiwan, of approximately TWD 165 million for the purpose of business expansion. During the year 2017, the Company already paid an additional investment in such company.
- Approve the disposal by Cal-Comp Precision (Singapore) Limited, its subsidiary in Singapore, of the investment in Daviscomms (S) Pte Ltd., an associate of such company. Currently, it is in the process of operation.

During the year 2017, Cal-Comp Optical Electronics (Suzhou) Co., Ltd., a subsidiary in the People's Republic of China, invested in Shanghai Chuang Ge Education Technology Co., Ltd., a newly established associate company in the People's Republic of China in the amount of CNY 1 million, or approximately Baht 5 million, for the purpose of being a research and development entity and expanding a distribution channel of 3D printer. Subsequently, during the current year, the subsidiary additionally invested in Shanghai Chuang Ge Education Technology Co., Ltd. totaling CNY 0.8 million or approximately Baht 4 million. However, the subsidiary paid for additional shares in the proportion lower than its previous shareholding percentage. Therefore, the proportion of shares held by the subsidiary decreased from 46.90% to 43.53%.

13. Investments in subsidiaries

13.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

							(Unit: Thousand Baht)	
Company's name	Paid-up capital		Shareholding		Cost		Carrying amount based on	
			percentage				the equity method	
	2018	2017	2018	2017	2018	2017	2018	2017
			(%)	(%)				
Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	CNY 547.15 million	CNY 547.15 million	100	100	1,945,781	1,945,781	4,035,082	3,859,536
Cal-Comp Electronics & Communications Co., Ltd.	TWD 69.92 million	TWD 69.92 million	100	100	204,835	204,835	158,208	372,412
Cal-Comp Technology (Suzhou) Co., Ltd.	CNY 73.05 million	CNY 73.05 million	100	100	338,568	338,568	841,955	803,126
Cal-Comp Electronics and Communications (Suzhou) Co., Ltd.	CNY 239.60 million	CNY 239.60 million	100	100	1,125,509	1,125,509	39,762	128,789
Cal-Comp Precision (Singapore) Limited	SGD 10.86 million	SGD 10.86 million	100	100	964,009	964,009	292,384	334,498
Cal Comp (Malaysia) SDN. BHD.	MYR 28.04 million	MYR 28.04 million	100	100	282,294	282,294	1,588,858	1,405,542
Cal-Comp Electronics (USA) Co., Ltd.	USD 60.00 million	USD 60.00 million	100	100	1,905,959	1,905,959	419,813	597,389
Cal-Comp Industria e Comercio de Electronicos e Informatica Ltda.*	BRL 165.02 million	BRL 165.02 million	1	1	22,660	22,660	12,184	10,981
Cal-Comp Electronics de Mexico Co., S.A. de C.V.	MXN 141.18 million	MXN 141.18 million	100	100	310,125	310,125	488,157	393,459
Cal-Comp Technology (Philippines), Inc.	PHP 212.71 million	PHP 212.71 million	-	100	-	156,938	-	795,314
Cal-Comp Precision (Thailand) Limited	Baht 2,210.07 million	Baht 2,210.07 million	100	100	2,082,320	2,082,320	2,143,062	2,059,781
Cal-Comp Holding (Brasil) S.A.	BRL 258.22 million	BRL 258.22 million	100	100	2,544,789	2,544,789	2,221,149	1,941,280
Qbit Semiconductor Holding Ltd.	USD 0.59 million	USD 0.59 million	100	100	-	174,359	-	80,374
Cal-Comp (India) Private Limited	INR 32.23 million	INR 32.23 million	100	100	17,602	17,602	12,407	16,766
Cal-Comp Automation and Industrial 4.0 Service (Thailand) Co., Ltd.	Baht 100.00 million	-	100	-	100,000	-	100,126	-
Translation adjustment					-	-	(401,557)	522,416
Total					11,844,451	12,075,748	11,951,590	13,321,663

* Classified as investments in subsidiaries since the Company indirectly holds the investment in such company through Cal-Comp Holding (Brasil) S.A. with 99% of registered capital of Cal-Comp Industria e Comercio de Electronicos e Informatica Ltda. and the Company has control over such company.

The Company presented the negative investment value based on equity method as “Provision for transaction under equity method of investments in subsidiaries” was detailed as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Carrying amount based on the equity method	
	2018	2017	2018	2017	2018	2017	2018	2017
			(%)	(%)				
Logistar International Holding Co., Ltd.	USD 30.05 million	USD 30.05 million	100	100	1,077,604	1,077,604	8,846,777	7,036,591
Qbit Semiconductor Holding Ltd.	USD 0.59 million	USD 0.59 million	100	100	174,359	-	63,620	-
Total					1,251,963	1,077,604	8,910,397	7,036,591

13.2 Share of comprehensive income and dividend received

During the years ended 31 December 2018 and 2017, the Company recognised their share of profit (loss) from investments in subsidiaries in the separate financial statements as follows:

Company's name	(Unit: Thousand Baht) Separate financial statements			
	Share of profit (loss) from investments in subsidiaries		Share of other comprehensive income from investments in subsidiaries	
	2018	2017	2018	2017
Logistar International Holding Co., Ltd.	(1,844,705)	(916,845)	34,519	610,679
Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	175,546	(71,534)	(278,244)	(140,609)
Cal-Comp Electronics & Communications Co., Ltd.	53,787	33,781	6,420	(6,726)
Cal-Comp Technology (Suzhou) Co., Ltd.	38,829	(50,286)	(50,451)	(24,149)
Cal-Comp Electronics and Communications (Suzhou) Co., Ltd.	(89,027)	(42,409)	(9,542)	150,086
Cal-Comp Precision (Singapore) Limited	6,517	29,201	(50,675)	(6,669)
Cal Comp (Malaysia) SDN. BHD.	183,316	189,732	(40,624)	13,876
Cal-Comp Electronics (USA) Co., Ltd.	(168,382)	(254,729)	(12,063)	(67,533)
Cal-Comp Industria e Comercio de Electronicos e Informatica Ltda.	11,573	1,056	(500,869)	(209,454)
Cal-Comp Electronics de Mexico Co., S.A. de C.V.	94,698	19,738	(4,709)	(13,416)

(Unit: Thousand Baht)

Company's name	Separate financial statements			
	Share of profit (loss) from investments in subsidiaries		Share of other comprehensive income from investments in subsidiaries	
	2018	2017	2018	2017
Cal-Comp Technology (Philippines), Inc.	-	167,236	-	(65,138)
Cal-Comp Precision (Thailand) Limited	83,281	(17,758)	(80,817)	(67,149)
Cal-Comp Holding (Brasil) S.A.	289,918	60,359	(39,254)	-
Qbit Semiconductor Ltd.	-	(13,971)	-	(4,753)
Qbit Semiconductor Holding Ltd.	(146,028)	(86,135)	1,863	(11,233)
Cal-Comp (India) Private Limited	(4,359)	(836)	(2,026)	(1,140)
Cal-Comp Automation and Industrial 4.0 Service (Thailand) Co., Ltd.	126	-	-	-
Total	(1,314,910)	(953,400)	(1,026,472)	156,672

During the current year, the Company received dividend income from Cal-Comp Electronics & Communications Co., Ltd. amounting to TWD 252 million or approximately Baht 268 million (2017: there was no dividend income from subsidiaries).

13.3 Details of investment in subsidiary that has material non-controlling interests

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year	
	2018	2017	2018	2017	2018	2017
	(%)	(%)				
Cal-Comp Industria de Semicondutores S.A.	41.97	41.97	103	193	(90)	(61)

13.4 Summarised financial information that based on amounts before inter-company elimination about subsidiary that has material non-controlling interest

Summarised information about financial position of Cal-Comp Industria de Semicondutores S.A.

	(Unit: Million Baht)	
	2018	2017
Current assets	214	149
Non-current assets	749	969
Current liabilities	478	612
Non-current liabilities	257	-

Summarised information about comprehensive income of Cal-Comp Industria de Semicondutores S.A.

	(Unit: Million Baht)	
	For the year ended 31 December	
	2018	2017
Revenue	440	394
Profit (loss)	(214)	(146)
Other comprehensive income	-	-
Total comprehensive income	(214)	(146)

Summarised information about cash flow of Cal-Comp Industria de Semicondutores S.A.

	(Unit: Million Baht)	
	For the years ended 31 December	
	2018	2017
Cash flow used in operating activities	(1)	(87)
Cash flow from (used in) investing activities	1	(9)
Cash flow from financing activities	-	70
Net decrease in cash and cash equivalents	-	(26)

On 26 February 2014, a meeting of the Board of Directors of the Company resolved to approve the merger of the Company's subsidiaries in the People's Republic of China, Cal-Comp Technology (Suzhou) Co., Ltd. and Cal-Comp Electronics and Communications (Suzhou) Co., Ltd., and is in the process of operation.

On 26 February 2016, a meeting of the Board of Directors of the Company resolved to approve a restructure of Precision group. The Company will sell its investment in Cal-Comp Precision (Singapore) Limited, its subsidiary in Singapore, to Cal-Comp Precision (Thailand) Limited, its subsidiary in Thailand, in order to improve efficiency of long-term business operation and is in the process of operation.

On 12 May 2016, a meeting of the Board of Directors of the Company resolved to approve an investment in Cal-Comp (India) Private Limited, a newly establish company in India, with the amount not exceeding USD 2 million for the purpose of being a research and development entity. During the year 2017, the Company paid for share capital in such company in the amount of USD 0.5 million, or approximately Baht 17.6 million.

On 22 February 2017, a meeting of the Board of Directors of the Company resolved to approve the following investments.

- Approve an investment in Cal-Comp Automation and Industrial 4.0 Service (Thailand) Co., Ltd., a company newly established in Thailand, in the amount not exceeding Baht 100 million to expand the business in to factory automation solution business. During the current year, the Company has paid for the share capital in such company in the amount of Baht 100 million.
- Approve an additional investment in Logistar International Holding Co., Ltd., its subsidiary in British Virgin Islands, with the amount not exceeding USD 10 million for a purpose of business operation in the future. It is in the process of operation.

On 12 May 2017, a meeting of the Board of Directors of the Company resolved to approve additional investment in Qbit Semiconductor Holding Ltd., its subsidiary in Cayman Islands, with the amount not exceeding USD 10 million and after the capital injection, the Company will have percentage of shareholding not less than 55% and it is in the process of operation.

During the current year, Cal-Comp Technology (Philippines), Inc., its subsidiary in Philippines, increased its registered share capital through the issuance of additional ordinary shares. However, the Company waived its right to subscribe the new ordinary shares of the subsidiary. Kinpo International (Singapore) Pte. Ltd., a subsidiary of the parent company, exercised the right to subscribe such shares. As a result, the Company's shareholding percentage in Cal-Comp Technology (Philippines), Inc. decreased from 100% to 19.19% and the Company had loss control over such company starting from 1 January 2018. Therefore, the Company reclassified investment in Cal-Comp Technology (Philippines), Inc. from investments in subsidiaries to investments in associates and recognised capital surplus from change in shareholding in the subsidiaries amounting to Baht 68 million in the statement of changes in shareholders' equity.

On 13 August 2018, a meeting of the Board of Directors of the Company resolved to approve the following investments.

- Approve an investment in YueYang Cal-Comp Electronics Co., Ltd., a newly subsidiary in the People's Republic of China, in the amount not exceeding USD 20 million, for a purpose of expanding its business related to the manufacturing of printers and other electronic products. Currently, the investment process is being carried out.

- Approve an investment by Cal-Comp Optical Electronics (Suzhou) Co., Ltd., its subsidiary in the People's Republic of China, in 80% of registered share capital of ICKP (Beijing) Technology Development Co., Ltd., a company newly established in the People's Republic of China, in the amount not exceeding CNY 8 million for a purpose of expanding the business related to 3D Printing, AI/Robotic, Industry 4.0 and IC design industry. During the current year, the subsidiary has already paid for share capital amounting to CNY 8 million or approximately Baht 38 million.
- Approve an investment by Cal-Comp Precision (Thailand) Limited, its subsidiary in Thailand, in Yue Yang Cal-Comp Precision Co., Ltd. a new subsidiary in the People's Republic of China, in the amount not exceeding CNY 10 million for a purpose of expanding the business related to the molding of high precision plastic parts. Currently, the investment process is being carried out.

During the current year, Avaplas Precision Plastics (Shanghai) Co., Ltd., its indirect subsidiary in the People's Republic of China, was dissolved in order to decrease unnecessary expenses of the Group and to improve the operational efficiency.

On 12 November 2018, a meeting of the Board of Directors of the Company resolved to approve the closing down of Cal-Comp (India) Private Limited, its subsidiary in India, in order to decrease unnecessary expenses of the Group and to improve the operational efficiency.

14. Other long-term investments

(Unit: Thousand Baht)								
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements			
					Investments			
			2018	2017	Cost method		Fair value	
			(%)	(%)	2018	2017	2018	2017
Metal Component Engineering Limited	Manufacturing of electronic products	Singapore	10.11	10.11	35,269	35,269	26,558	34,725
Less: Unrealised loss on changes in the value of investments					(8,711)	(544)		
					26,558	34,725		
Kinpo Group Management Service Co., Ltd.*	Consulting business	Taiwan	12.50	12.50	1,054	1,095		
Memoright Memortech Corporation	Manufacturing of electronic products	Cayman Islands	3.05	3.05	31,990	31,990		
Less: Allowance for impairment of investment					(31,990)	(15,995)		
					-	15,995		
Dawning Leading Technology Inc.	Manufacturing of electronic products	Taiwan	7.65	9.03	491,277	491,277		
Less: Allowance for impairment of investment					(260,241)	-		
					231,036	491,277		
Mojoose Inc.**	Design of electronics parts	United States of America	-	-	56,787	57,192		
Fellow Inc.***	Design robot	United States of America	4.72	4.72	64,900	65,362		
Nexa3D Inc.	3D Printing technology	United States of America	15.65	-	155,833	-		
Total other long-term investments					536,168	665,646		

* (held by Cal-Comp Electronics & Communications Co., Ltd.)

** (held by Logistar International Holding Co., Ltd.)

*** (held by Cal-Comp Electronics (USA) Co., Ltd.)

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Separate financial statements			
					Investments			
					Cost method		Fair value	
			2018	2017	2018	2017	2018	2017
			(%)	(%)				
Metal Component Engineering Limited	Manufacturing of electronic products	Singapore	10.11	10.11	35,269	35,269	26,558	34,725
Less: Unrealised loss on changes in the value of investments					(8,711)	(544)		
					26,558	34,725		
Memoright Memortech Corporation	Manufacturing of electronic products	Cayman Islands	3.05	3.05	31,990	31,990		
Less: Allowance for impairment of investment					(31,990)	(15,995)		
					-	15,995		
Dawning Leading Technology Inc.	Manufacturing of electronic products	Taiwan	7.65	9.03	491,277	491,277		
Less: Allowance for impairment of investment					(260,241)	-		
					231,036	491,277		
Nexa3D Inc.	3D Printing technology	United States of America	15.65	-	155,833	-		
Total other long-term investments					413,427	541,997		

On 13 November 2017, a meeting of the Board of Directors of the Company approved an investment in Nexa3D Inc., a company located in United States of America, for a purpose of expanding the 3D printing technology partnership. During the current year, the Company invested in such company in the amount of USD 5 million or approximately Baht 156 million.

During the current year, King Yuan Electronics Co., Ltd., a company listed on the Stock Exchange of Taiwan and a major shareholder of Dawning Leading Technology Inc., announced a merger with Dawning Leading Technology Inc. by repurchasing shares from minority shareholders with a price of TWD 3 per share. The Company, a minority shareholder who holds 17,528,425 shares in Dawning Leading Technology Inc., believes that offering price of such shares is inappropriate. Therefore, the Company proposes the repurchasing price to the potential buyer at TWD 12.50 per share which the Company believes that it is a fair price. Dawning Leading Technology Inc. has been merged into King Yuan Electronics Co., Ltd., which has applied to the Court to decide on the fair price of such repurchasing price.

The Company hired the independent appraiser to appraise the fair value of Dawning Leading Technology Inc. as of 31 October 2018. The fair value of the share was between TWD 8.79 - 15.10 per share according to the valuation report dated 30 November 2018.

As at 31 December 2018, the Company adjusted its investment in Dawning Leading Technology Inc. to recoverable amount from sale of shares (TWD 12.50 per share) and recognised loss on impairment of investment amounting to Baht 260 million in the income statement.

15. Investment properties

The net book value of investment properties as at 31 December 2018 and 2017 is presented below:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2018	2017
Cost	-	228,294
Less: Accumulated depreciation	-	(22,383)
Net book value	-	205,911

A reconciliation of the net book value of investment properties for the years 2018 and 2017 is presented below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2018	2017
Net book value at beginning of year	205,911	152,257
Acquisitions during the year	-	79,703
Depreciation for the year	-	(7,653)
Decrease from change in status of investment in subsidiary to associate	(205,911)	-
Translation adjustment	-	(18,396)
Net book value at end of year	-	205,911

As at 31 December 2017, the fair value of the investment properties amounted to Baht 257 million (2018: None). The fair value of the above investment properties has been determined based on valuation performed by an independent valuer using the replacement cost approach.

15.1 Investment properties for rent under operating lease

The subsidiary has an operating lease agreement in respect of the lease of buildings and building improvement for rent. The terms of the agreement is 3 years. As at 31 December 2018 and 2017, future minimum rental income to be generated under this operating lease is as follows:

(Unit: Million Baht)		
Consolidated financial statements		
	2018	2017
Less than 1 year	-	47
In over 1 and up to 3 years	-	20

16. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements								
	Land and land improvements	Buildings and buildings improvements	Machinery and equipment	Molds and spare parts	Office furniture and equipment	Motor vehicles	Construction in progress and equipment under installation	Total
Cost								
1 January 2017	625,550	8,646,308	13,150,141	2,968,869	2,119,503	62,054	1,141,007	28,713,432
Additions	-	126,341	643,856	999,037	241,804	-	326,993	2,338,031
Disposals	-	(17,285)	(438,122)	(104,631)	(118,526)	-	-	(678,564)
Transfers in (out)	4,769	65,826	52,726	244,591	337,212	1,472	(748,933)	(42,337)
Translation adjustment	(1,393)	(145,237)	(339,948)	(16,605)	(41,632)	(1,447)	(36,434)	(582,696)
31 December 2017	628,926	8,675,953	13,068,653	4,091,261	2,538,361	62,079	682,633	29,747,866
Additions	-	30,855	232,539	292,287	139,450	2,010	1,003,926	1,701,067
Disposals	-	-	(143,105)	(65,634)	(69,991)	(3,100)	(2,306)	(284,136)
Decrease*	-	-	(129,666)	(42,020)	(36,465)	-	-	(208,151)
Transfers in (out)	-	32,501	686,401	212,465	7,526	2,574	(992,662)	(51,195)
Translation adjustment	(1,963)	(232,169)	(377,190)	(161,095)	(67,698)	(2,069)	(17,961)	(860,145)
31 December 2018	626,963	8,507,140	13,337,632	4,327,264	2,511,183	61,494	673,630	30,045,306
Accumulated depreciation								
1 January 2017	-	2,062,105	6,494,844	2,209,382	1,388,073	34,311	-	12,188,715
Depreciation for the year	-	420,128	1,176,595	432,526	280,789	5,691	-	2,315,729
Depreciation on disposals	-	(16,824)	(414,435)	(13,837)	(115,509)	-	-	(560,605)
Translation adjustment	-	(45,379)	(129,216)	(13,991)	(16,556)	(484)	-	(205,626)
31 December 2017	-	2,420,030	7,127,788	2,614,080	1,536,797	39,518	-	13,738,213
Depreciation for the year	-	398,381	1,168,039	499,895	266,394	5,468	-	2,338,177
Depreciation on disposals	-	-	(131,404)	(62,676)	(68,650)	(3,100)	-	(265,830)
Decrease*	-	-	(46,105)	(29,647)	(20,571)	-	-	(96,323)
Translation adjustment	-	(77,120)	(154,489)	(180,396)	(51,276)	(2,241)	-	(465,522)
31 December 2018	-	2,741,291	7,963,829	2,841,256	1,662,694	39,645	-	15,248,715
Allowance for impairment loss								
31 December 2017	-	23,333	9,873	-	1	-	-	33,207
31 December 2018	-	23,333	9,873	-	1	-	-	33,207
Net book value								
31 December 2017	628,926	6,255,923	5,940,865	1,477,181	1,001,563	22,561	682,633	15,976,446
31 December 2018	626,963	5,765,847	5,373,803	1,486,008	848,488	21,849	673,630	14,763,384
Depreciation for the year								
2017 (Baht 2,150 million included in manufacturing cost, and the remaining balance is in selling, distribution and administrative expenses)								2,315,729
2018 (Baht 2,135 million included in manufacturing cost, and the remaining balance is in selling, distribution and administrative expenses)								2,338,177

* Decrease from change in status of investment in subsidiary to associate.

(Unit: Thousand Baht)

Separate financial statements

	Land and land improvements	Buildings and buildings improvements	Machinery and equipment	Molds and spare parts	Office furniture and equipment	Motor vehicles	Construction in progress and equipment under installation	Total
Cost								
1 January 2017	538,304	5,012,844	5,708,933	2,522,558	834,584	20,687	480,456	15,118,366
Additions	-	40,485	740,489	950,036	99,614	-	212,611	2,043,235
Disposals	-	(54)	(504,503)	(27,311)	(82,518)	-	-	(614,386)
Transfers in (out)	-	21,575	193,009	167,709	656	-	(427,009)	(44,060)
31 December 2017	538,304	5,074,850	6,137,928	3,612,992	852,336	20,687	266,058	16,503,155
Additions	-	4,278	52,747	262,356	48,980	-	348,747	717,108
Disposals	-	-	(89,390)	(28,082)	(29,785)	-	-	(147,257)
Transfers in (out)	-	-	40,790	233,007	-	-	(324,992)	(51,195)
31 December 2018	538,304	5,079,128	6,142,075	4,080,273	871,531	20,687	289,813	17,021,811
Accumulated depreciation								
1 January 2017	-	1,214,001	3,397,488	1,799,310	485,423	4,155	-	6,900,377
Depreciation for the year	-	270,751	558,433	397,331	83,901	2,299	-	1,312,715
Depreciation on disposals	-	(54)	(404,776)	(13,734)	(81,941)	-	-	(500,505)
31 December 2017	-	1,484,698	3,551,145	2,182,907	487,383	6,454	-	7,712,587
Depreciation for the year	-	271,474	552,157	471,381	88,125	2,298	-	1,385,435
Depreciation on disposals	-	-	(87,352)	(25,124)	(29,528)	-	-	(142,004)
31 December 2018	-	1,756,172	4,015,950	2,629,164	545,980	8,752	-	8,956,018
Allowance for impairment loss								
31 December 2017	-	23,333	9,873	-	1	-	-	33,207
31 December 2018	-	23,333	9,873	-	1	-	-	33,207
Net book value								
31 December 2017	538,304	3,566,819	2,576,910	1,430,085	364,952	14,233	266,058	8,757,361
31 December 2018	538,304	3,299,623	2,116,252	1,451,109	325,550	11,935	289,813	8,032,586
Depreciation for the year								
2017 (Baht 1,212 million included in manufacturing cost, and the remaining balance is in selling, distribution and administrative expenses)								1,312,715
2018 (Baht 1,292 million included in manufacturing cost, and the remaining balance is in selling, distribution and administrative expenses)								1,385,435

As at 31 December 2018, certain machinery, equipment and office equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 3,733 million (2017: Baht 2,724 million) (Separate financial statement: Baht 2,521 million, 2017: Baht 2,062 million).

17. Intangible assets

The carrying amount of intangible assets as at 31 December 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Patents	Customer list	Computer software design	Technical license fee	Total
<u>Cost</u>					
As at 1 January 2017	863,501	123,974	14,589	16,409	1,018,473
Additions	-	-	17,215	36,654	53,869
Write-off	(863,501)	-	-	-	(863,501)
Translation adjustment	-	(10,898)	(441)	(791)	(12,130)
As at 31 December 2017	-	113,076	31,363	52,272	196,711
Additions	-	-	15,337	60,146	75,483
Translation adjustment	-	(800)	(1,376)	(2,714)	(4,890)
As at 31 December 2018	-	112,276	45,324	109,704	267,304
<u>Amortisation</u>					
As at 1 January 2017	863,501	123,974	260	1,017	988,752
Amortisation for the year	-	-	14,268	4,783	19,051
Amortisation on write-off	(863,501)	-	-	-	(863,501)
Translation adjustment	-	(10,898)	762	(1,099)	(11,235)
As at 31 December 2017	-	113,076	15,290	4,701	133,067
Amortisation for the year	-	-	14,815	8,420	23,235
Translation adjustment	-	(800)	(760)	(280)	(1,840)
As at 31 December 2018	-	112,276	29,345	12,841	154,462
<u>Net book value</u>					
As at 31 December 2017	-	-	16,073	47,571	63,644
As at 31 December 2018	-	-	15,979	96,863	112,842

18. Land occupancy rights

The balance represents the rights to use public property in the People's Republic of China of two subsidiaries. These land occupancy rights have a period of 50 years.

(Unit: Thousand Baht)

	Consolidated financial statements
<u>Cost</u>	
As at 1 January 2017	134,509
Disposals	(7,406)
Translation adjustment	(5,492)
As at 31 December 2017	121,611
Decrease from change in status of investment in subsidiary to associate	(25,638)
Translation adjustment	(5,565)
As at 31 December 2018	90,408
<u>Accumulated amortisation</u>	
As at 1 January 2017	25,167
Amortisation for the year	2,221
Translation adjustment	(684)
As at 31 December 2017	26,704
Amortisation for the year	1,873
Decrease from change in status of investment in subsidiary to associate	(1,587)
Translation adjustment	(1,486)
As at 31 December 2018	25,504
<u>Net book value</u>	
As at 31 December 2017	94,907
As at 31 December 2018	64,904

19. Short-term loans from financial institutions

Short-term loans from financial institutions of the Company and its subsidiaries consist of loans from both local banks and overseas financial institutions in both Baht currency and foreign currencies. The loans are mainly repayable within 3 months, and carry interest rates of 1.3 - 4.9 percent per annum (2017: 1.5 - 3.8 percent per annum).

20. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Trade payable - related parties	254,402	324,443	651,267	1,119,183
Trade payable - unrelated parties	22,954,067	19,997,386	13,226,267	12,887,391
Advance from related parties	203,554	215,772	216,450	117,582
Accrued interest expenses	26,148	10,062	8,928	6,243
Accrued expenses	1,287,300	1,074,150	265,011	272,192
Other payables	480,963	187,380	145,746	25,535
Total trade and other payables	25,206,434	21,809,193	14,513,669	14,428,126

The outstanding balance of above other payables represents accounts payable suspense for goods sales which subject to changes in price, specifications and other components.

21. Other current liabilities

The balance as at 31 December 2018 and 2017 consist of:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Advances received from customers				
for purchase of molds	167,864	146,919	948	7,085
Money received from customers				
pending for clear	18,262	117,139	7,326	11,793
Value added tax payable	76,486	39,300	-	176
Financial derivative liabilities record				
at fair value	711	7,689	-	-
Others	198,671	54,194	24,077	9,674
Total	461,994	365,241	32,351	28,728

22. Long-term loans

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2018	2017
Long-term loans from financial institutions	6,263,100	3,529,537
Less: Current portion	-	-
Long-term loans - net of current portion	6,263,100	3,529,537

Movements of long-term loans account during the year 2018 and 2017 are below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
Balance as at beginning year	3,529,537	6,449,517
Additional drawdown during the year	2,909,660	3,650,811
Repayment during the year	(159,941)	(6,084,686)
Translation adjustment	(16,156)	(486,105)
Balance as at end of year	6,263,100	3,529,537

On 23 March 2017, the Company and Logistar International Holding Co., Ltd., its subsidiary (Co-Borrowers), entered into a 3-year syndicated loan agreement with financial institutions for a facility of USD 216 million and the loan is extendable for another two years. The purpose of the loan is to repay the previous long-term loan and to increase the working capital to support business operations. The co-borrowing loan carries interest at the reference rate as stipulated in the agreement plus margin and shall be repaid on the maturity date (3 years from the first borrowing date). During the current year, the subsidiary drawdown loan totaling USD 80 million or approximately Baht 2,585 million.

The co-borrowing loan agreement contains covenants as specified in the loan agreement that, among other things, require the Company and its subsidiary to maintain certain current ratio and financial debt ratio according to the agreement.

On 12 April 2018, Cal-Comp Precision (Philippines), Inc., an indirect subsidiary of the Company, entered into 3-year loan agreement with a financial institution for a facility of USD 12 million. The purpose of the loan is to increase the working capital to support business operations. The loan carries interest at the reference rate as stipulated in the agreement plus margin and shall be repaid on the maturity date (within 3 years from the first borrowing date). The Company has issued a letter of support to the financial institution for the credit facilities. During the current year, such indirect subsidiary drawdown loan totaling USD 10 million or approximately Baht 324 million.

As at 31 December 2018, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to USD 30 million (2017: USD 108 million).

23. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Defined benefit obligation at beginning of year	522,486	481,653	186,655	146,997
Fair value of plan assets at beginning of year	(335,002)	(338,645)	-	-
Provision for long-term employee benefits				
at beginning of year	187,484	143,008	186,655	146,997
Recognise in profit or loss:				
Current service cost	40,058	31,770	24,486	18,603
Interest cost	9,365	9,056	5,539	5,080
Past service cost	(11,854)	-	(6,863)	-
Recognise in other comprehensive income:				
Actuarial (gains) losses arising from				
Demographic assumptions changes	(13,654)	4,512	(13,625)	4,167
Financial assumptions changes	(7,625)	28,144	(7,934)	15,822
Experience adjustments	(21,020)	(17,715)	(5,177)	(4,014)
Benefits paid during the year	(21,078)	(10,778)	(284)	-
Decrease from change in status of				
investment in subsidiary to associate	(616)	-	-	-
Translation adjustments	(11,509)	(4,156)	-	-
Defined benefit obligation at end of year	149,551	183,841	182,797	186,655
Decrease in fair value of plan assets	6,723	3,643	-	-
Provision for long-term employee				
benefits at end of year	156,274	187,484	182,797	186,655

Long-term employee benefit expenses included in the profit or loss was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Cost of sales	22,097	20,259	19,575	19,251
Selling, distribution and administrative expenses	15,472	20,567	3,587	4,432
Total expenses recognised in profit or loss	37,569	40,826	23,162	23,683

The Company and its subsidiaries expect to pay approximately Baht 18.6 million of long-term employee benefits during the next year (Separate financial statements: Baht 1.8 million) (2017: Baht 9.9 million, Separate financial statements: Baht 2.0 million).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 13 years (Separate financial statements: 18 years) (2017: 15 years, Separate financial statements: 18 years).

The change in the fair value of plan assets is as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2018	2017
Fair value of plan assets at beginning of year	335,002	338,645
Expected return	3,292	4,277
Contributions	13,431	7,755
Benefits paid during the year	(20,718)	(10,508)
Actuarial gains (losses)	9,992	(961)
Translation adjustments	(12,720)	(4,206)
Fair value of plan assets at end of year	328,279	335,002

The above plan asset of an overseas subsidiary is a deposit at an overseas financial institution.

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	1.0 - 8.8	1.0 - 6.8	3.3	3.0
Future salary increase rate	3.0 - 6.0	3.0 - 6.0	6.0	6.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below:

	(Unit: Million Baht)			
	Consolidated financial statements			
	2018		2017	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(33)	35	(37)	40
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%
Salary increase rate	73	(65)	79	(71)

(Unit: Million Baht)

	Separate financial statements			
	2018		2017	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%
Discount rate	(15)	16	(16)	18
Salary increase rate	35	(29)	36	(30)

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour 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 not less than 400 days' compensation at the latest wage rate. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits of Baht 59 million (Separate financial statements: Baht 59 million). The Company and its subsidiaries will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.

24. Share capital

On 27 April 2018, the 2018 Annual General Meeting of the Company's shareholders resolved to approve the change in the registered share capital of the Company as follows.

- To approve the decrease in the registered share capital of the Company from Baht 4,756,390,249 to Baht 4,752,093,575 by cancelling shares remaining from the allotment of stock dividend for the second half of the year 2014 in the amount of 4,296,674 shares, at a par value of Baht 1 each.
- To approve an additional registered share capital of the Company from Baht 4,752,093,575 to Baht 4,979,068,075 in order to support the newly issuance of warrants under Employees Stock Option Plan (CCET-WC) amounting to 225,000,000 shares and to support the right adjustment under Employees Stock Option Plan (CCET-WB) amounting to 1,974,500 shares through the issue of 226,974,500 shares with a par value of Baht 1 each.

In addition, the Company registered the change in the registered share capital with the Ministry of Commerce on 28 May 2018.

25. Warrants

On 2 July 2015, the Company allotted warrants under Employee Stock Option Plan (CCET-WB) to employees of the Company and its subsidiaries for 200,000,000 units. The details are as follows:

No. of securities offered:	200,000,000 units
No. of shares reserved for exercise:	200,000,000 shares
Term:	3 years from the issuance date of warrants
Offering date:	Within 1 year from the date of the approval of issuance of CCET-WB by the shareholder's meeting
Expiry date:	3 years from the offering date
Offering price:	0 Baht per unit
Exercise price:	3.38 Baht per share
Exercise ratio:	1 ordinary share per 1 warrant. The exercise ratio may be changed following the conditions for adjustment of right.
Allotment method:	70% of total issued warrants of 140,000,000 units will be allotted directly to the employees of the Company and its subsidiaries on the offering date, and 30% of total issued warrants of 60,000,000 units will be allotted through intermediary for future allotments after 2 years from the offering date.
Lock-up period:	70% of total issued warrants of 140,000,000 units will be allotted directly to employees as at the offering date. The warrants not exceeding 50% of the allocated portion shall be subject to 1 year of the offering date and the remaining allocated portion shall be exercisable after 2 years of the offering date. The Company will make a written agreement pertaining to the lock-up period with all allotted employees. 30% of total issued warrants of 60,000,000 units allotted through intermediary shall be subject to a 2 year lock-up period after the offering date.

The estimated fair value of each share option granted is Baht 0.39. This was calculated using the Binomial formula. The model inputs were the share price at price determination date of Baht 3.18, exercise price of Baht 3.38, expected volatility of 29.75% - 30.00%, expected dividend yield of 4.25%, life of warrants of 3 years, and a risk-free interest rate of 1.55%. However, the Company cancelled total warrants (CCET-WB) to purchase ordinary shares of the Company as the exercise period ended on 2 July 2018.

As at 31 December 2018 and 2017, the Company and its subsidiaries have capital reserve for share-based payment as follow:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2018	2017
Capital reserve for share-based payment transactions - parent company	107,867	107,867
Capital reserve for share-based payment transactions - subsidiaries	49,980	49,809
	<u>157,847</u>	<u>157,676</u>

During the year 2017, the warrant holders exercised their rights (CCET-WB) to purchase ordinary shares of 2,550,000 warrants at an exercise price of Baht 3.38 each, totaling Baht 8.6 million.

On 27 April 2018, the 2018 Annual General Meeting of the Company's shareholders approved the issuance of warrants under Employees Stock Option Plan (CCET-WC) to employees of the Company and its subsidiaries for 225,000,000 units and it is in the process of issuance of warrants.

26. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

27. Expenses by nature

Significant expenses classified by nature are as follow:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements*		financial statements	
	2018	2017	2018	2017
Salaries and wages and other employee benefits	7,030,829	7,108,027	2,542,110	2,748,221
Depreciation	2,340,049	2,323,730	1,385,435	1,312,715
Amortisation expenses	23,235	20,924	-	-
Loss on impairment of assets	284,106	26,000	284,106	26,000
Exchange loss	-	228,319	-	-
Rental expenses from operating lease agreements	308,074	303,641	1,300	1,263
Raw materials and consumables used	103,179,088	96,842,976	74,372,519	70,420,468
Changes in inventories of finished goods and work in process	254,534	740,385	485,651	113,000

* Expenses before elimination from the consolidated financial statements

28. Income tax/deferred tax assets (liabilities)

Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on the taxable profits from the non-promoted activities determined in accordance with tax legislation. Income tax of the overseas subsidiaries is provided for in the accounts based on the taxable profits determined in accordance with tax legislation of their countries.

Income tax expenses for the years ended 31 December 2018 and 2017 are as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Current income tax:				
Current income tax charge	145,057	101,655	14,521	9,546
Deferred tax:				
Relating to origination and reversal of temporary differences	28,014	7,645	(6,934)	819
Income tax expenses reported in income statement	173,071	109,300	7,587	10,365

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Deferred tax relating to				
Loss on changes in value of				
available-for-sale investments	1,633	54	1,633	54
Actuarial gain	(3,785)	(174)	(3,785)	(174)
Total	(2,152)	(120)	(2,152)	(120)

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Accounting profit before tax	405	1,010	317	972
Applicable tax rate	17 - 30%	5 - 41%	20%	20%
Accounting profit before tax multiplied by				
income tax rate	221	263	63	194
Effect of promotional privileges (Note 29)	(397)	(447)	(397)	(447)
Decrease in deferred tax assets	36	10	7	1
Unrecognised temporary differences and				
unused tax losses	13	42	335	252
Others	300	241	-	10
Income tax expenses reported in				
income statement	173	109	8	10

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Deferred tax assets				
Allowance for doubtful accounts	2,646	628	2,646	628
Loss on changes in value of available-for-sale investments	1,742	109	1,742	109
Actuarial losses	2,730	1,197	899	67
Unrealised loss on exchange	1,821	6,028	-	-
Accumulated depreciation - Machinery	15,307	8,779	3,303	1,043
Provision for long-term employee benefits	3,320	956	3,320	956
Unused tax losses	71,095	47,586	-	-
Others	12,352	37,816	418	126
Total	111,013	103,099	12,328	2,929
Deferred tax liabilities				
Actuarial gains	10,137	3,571	-	-
Unrealised gain on exchange	29,847	51,081	-	-
Accumulated depreciation - Machinery	-	3,280	-	-
Total	39,984	57,932	-	-

As at 31 December 2018, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 8,736 million (Separate financial statements: Baht 6,073 million) (2017: Baht 8,407 million, Separate financial statements: Baht 5,391 million), on which deferred tax assets have not been recognised as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

Details of expiry date of unused tax losses are summarised as below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
31 December 2018	-	178,414	-	-
31 December 2019	109,156	134,136	-	-
31 December 2020	124,716	147,097	-	-
31 December 2021	249,195	261,711	-	-
31 December 2022	96,537	239,890	-	-
31 December 2023	111,562	-	-	-
31 December 2031	139,894	140,890	-	-
31 December 2032	229,818	231,455	-	-
31 December 2033	335,045	337,431	-	-
31 December 2034	319,858	322,136	-	-
31 December 2035	327	329	-	-
31 December 2036	211	213	-	-
Total	1,716,319	1,993,702	-	-

In addition, a subsidiary in Brazil and Singapore has unused tax losses with no expiry date amounting to Baht 933 million (2017: Baht 1,023 million). These subsidiaries are able to utilise the tax losses until they are fully utilised.

As at 31 December 2018, the total amount of temporary difference associated with investments in subsidiaries and associate for which deferred tax liabilities have not been recognised, is Baht 4,316 million (2017: Baht 4,391 million).

29. Promotional privileges

The Company has received promotional privileges from the Board of Investment, for the manufacture of electronics and electronics equipment. Under certain significant conditions, the significant privileges of the Company are summarised as follows:

Details						
1. Certificate No.	1041(1)/2553	1042(1)/2553	1701(2)/2554	1701(2)/2554	60-0577-0-00-1-0	60-0584-0-00-1-0
2. The significant privileges are						
2.1 Exemption of corporate income tax for profit from promotional privileges and exemption of income tax on dividends paid from the income of the operations throughout the period in which the corporate income tax is exempted.	8 years	8 years	8 years	5 years	5 years	8 years
2.2 Exemption of import duty on machinery as approved by the board.	Granted	Granted	Granted	Granted	Granted	Granted
2.3 Exemption of import duty on raw materials and significant supplies used in export production for a period of (year) from the first import date.	Granted (1 year)	Granted (5 years)	Granted (1 year)	Granted (1 year)	Granted (1 year)	Granted (5 years)
2.4 A fifty percent reduction of the normal rate of corporate income tax on profit derived from the promoted activity for a period of five years after the expiration of the above corporate income tax exemption period.	Granted	Granted	Non-granted	Non-granted	Non-granted	Non-granted
2.5 Permission to double deduct the costs of transportation, electricity and water supply for a period of ten years, commencing as from the date of first earning operating income.	Granted	Granted	Non-granted	Non-granted	Non-granted	Non-granted
3. Date of first earning operating income	1 Apr 2011	6 Jan 2012	1 Jan 2013	3 Jan 2013	3 Jan 2018	No revenue

The Company's operation revenues for the years ended 31 December 2018 and 2017, divided between promoted and non-promoted operations, are summarised below.

(Unit: Million Baht)

	Promoted operations		Non-promoted operations		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Revenues from domestic sale	1,775	911	45	12	1,820	923
Revenues from export sale	69,905	74,631	9,265	2,112	79,170	76,743
Total revenues	71,680	75,542	9,310	2,124	80,990	77,666

30. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following tables set forth the computation of basic and diluted earnings per share:

Consolidated financial statements						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
2018	2017	2018	2017	2018	2017	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per shares						
Profit attributable to equity holders of the Company	321,644	961,728	4,554,644	4,552,632	0.07	0.21
Effect of dilutive potential ordinary shares						
Warrants	-	-	-	-	-	-
Diluted earnings per shares						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	321,644	961,728	4,554,644	4,552,632	0.07	0.21
Separate financial statements						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
2018	2017	2018	2017	2018	2017	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per shares						
Profit attributable to equity holders of the Company	321,644	961,728	4,554,644	4,552,632	0.07	0.21
Effect of dilutive potential ordinary shares						
Warrants	-	-	-	-	-	-
Diluted earnings per shares						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	321,644	961,728	4,554,644	4,552,632	0.07	0.21

No calculation of diluted earnings per share for the years ended 31 December 2017 were required for warrant since the exercise price and the fair value of the warrant were higher than the average market price of the Company's ordinary shares and no calculation of diluted earnings per share for the years ended 31 December 2018 were required for warrants due to the expiration of warrants on 2 July 2018.

31. Segment information

Operating segment information is reported in a manner consistent with the internal reports of the Company and its subsidiaries that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocate of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and have three reportable segments which are computer peripheral, telecommunication products and service income.

No operating segment have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segment is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2018 and 2017, respectively.

(Unit: Million Baht)

For the year ended 31 December 2018						
	Computer peripheral	Telecommunication products	Service income	Total reportable segments	Eliminations	Consolidated financial statements
Revenues						
Revenues from external customers	70,710	38,970	-	109,680	-	109,680
Inter-segment revenues	38,187	1,703	-	39,890	(36,603)	3,287
Total revenues	108,897	40,673	-	149,570	(36,603)	112,967
Results						
Segment profit	3,806	1,134	-	4,940	-	4,940
Interest income						47
Other income						180
Reduce cost of inventories to net realisable value						(1)
Depreciation and amortisation						(230)
Administrative expenses						(3,296)
Loss on impairment of assets						(284)
Share of loss from investments in associates						(132)
Finance cost						(819)
Profit before income tax expenses						405
Income tax expenses						(173)
Profit for the year						232

(Unit: Million Baht)

For the year ended 31 December 2017						
	Computer peripheral	Telecommunication products	Service income	Total reportable segments	Eliminations	Consolidated financial statements
Revenue						
Revenues from external customers	68,880	36,469	60	105,409	-	105,409
Inter-segment revenue	35,207	640	-	35,847	(34,298)	1,549
Total revenue	104,087	37,109	60	141,256	(34,298)	106,958
Results						
Segment profit	4,661	783	47	5,491	-	5,491
Interest income						36
Other income						495
Reduce cost of inventories to net realisable value						(17)
Depreciation and amortisation						(195)
Administrative expenses						(3,806)
Loss on impairment of assets						(26)
Loss on financial derivatives						(118)
Share of loss from investments in associates						(309)
Finance cost						(542)
Profit before income tax expenses						1,009
Income tax expenses						(109)
Profit for the year						900

Geographic information

Revenue from external customers is based on locations of the Company and its subsidiaries which are summarised as follow:

	(Unit: Million Baht)	
	2018	2017
Revenue from external customers		
Thailand	56,878	52,354
British Virgin Islands	28,370	30,248
The People's Republic of China	433	267
Brazil	8,773	7,422
Malaysia	11,536	11,512
Philippines	1,565	1,320
United States of America	5,118	3,713
Others	294	122
Total	112,967	106,958
Non-current assets (other than financial instruments, deferred tax assets and net defined benefit assets)		
Thailand	10,744	11,017
The People's Republic of China	2,282	2,479
Brazil	1,396	1,817
Malaysia	378	485
Others	2,280	2,071
Total	17,080	17,869

Major customers

For the year 2018, the Company and its subsidiaries have revenue from three major customers in amount of Baht 25,054 million, Baht 20,016 million and Baht 11,938 million (2017: Baht 27,200 million, Baht 25,509 million and Baht 13,774 million), arising from sales by the computer peripheral and telecommunication products segments.

32. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The fund is monthly contributed to by employees, at the rate of 2 percent of their basic salaries. The fund, which is managed by TISCO Securities Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2018, the Company contributed Baht 2 million (2017: Baht 2 million) to the fund.

33. Dividends

Dividend	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2016	Annual General Meeting of the shareholders on 21 April 2017	182	0.04
Interim dividends for 2017	Board of Directors' Meeting on 10 August 2017	273	0.06
Total		455	0.10
Final dividends for 2017	Annual General Meeting of the shareholders on 27 April 2018	182	0.04
Interim dividends for 2018	Board of Directors' Meeting on 13 August 2018	273	0.06
Total		455	0.10

34. Commitments and contingent liabilities

34.1 Capital commitments

As at 31 December 2018, the Company and its subsidiaries had outstanding commitments of Baht 92 million, JPY 2 million, CNY 1 million and PHP 585 million (Separate financial statements: Baht 63 million), relating to the construction of factory building and acquisition of machinery (2017: Baht 8 million, USD 23 million, JPY 78 million, CNY 2 million and PHP 18 million (Separate financial statements: Baht 6 million)).

34.2 Operating lease commitments

As at 31 December 2018 and 2017, future minimum lease payments required under these non-cancellable operating leases agreements of the Company and its subsidiaries were as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<u>Payable</u>				
In up to 1 year	231	210	17	16
In over 1 to 5 years	281	403	-	-
Over 5 years	7	-	-	-

34.3 Other commitments

As at 31 December 2018, the Company had outstanding commitment of TWD 30 million, MYR 22 million and INR 104 million in respect of uncalled portion of investments in three subsidiaries (2017: TWD 30 million, PHP 2 million, MYR 22 million and INR 104 million in respect of uncalled portion of investments in four subsidiaries).

34.4 Agreements for hire of production of molds

As at 31 December 2018, the Company had outstanding commitments of Baht 5 million and USD 3 million with overseas suppliers in respect of agreements for hire of production of molds (2017: Baht 3 million and USD 7 million).

34.5 Guarantees

As at 31 December 2018, the Company and its subsidiaries had outstanding bank guarantees of approximately Baht 355 million and MYR 1 million (Separate financial statements: Baht 350 million) (2017: Baht 329 million, PHP 10 million and MYR 1 million (Separate financial statements: Baht 324 million)) issued by the banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business.

35. Fair value hierarchy

As at 31 December 2018 and 2017, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)				
Consolidated financial statements				
As at 31 December 2018				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Structured deposits	-	852,665	-	852,665
Available-for-sale investments				
Equity instruments	26,558	-	-	26,558
Derivatives				
Foreign currency forward contracts	-	2,084	-	2,084
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	711	-	711

(Unit: Thousand Baht)				
Consolidated financial statements				
As at 31 December 2017				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Equity instruments	34,725	-	-	34,725
Derivatives				
Foreign currency forward contracts	-	20,091	-	20,091
Assets for which fair value are disclosed				
Investment properties	-	-	256,667	256,667
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	7,689	-	7,689

	(Unit: Thousand Baht)			
	Separate financial statements			
	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Equity instruments	26,558	-	-	26,558

	(Unit: Thousand Baht)			
	Separate financial statements			
	As at 31 December 2017			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Equity instruments	34,725	-	-	34,725

Valuation techniques and inputs to Level 2 valuation

The fair value of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies and yield curves of the respective currencies.

36. Financial instruments

36.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, loans, investments, short-term loans, trade and other payables and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable and other receivable and loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loans, as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks and borrowings. Most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

As at 31 December 2018					
Consolidated financial statements					
	Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
Financial assets					
Cash and cash equivalents	1,215	2,841	2	4,058	0.1 - 6.0
Structured deposits	-	853	-	853	1.0 - 4.3
Trade and other receivables	-	-	24,808	24,808	-
Restricted bank deposits	-	17	-	17	0.0 - 1.7
Available-for-sale investments	-	-	27	27	-
Long-term loans to related parties	118	-	-	118	2.05
	1,333	3,711	24,837	29,881	
Financial liabilities					
Short-term loans from financial institutions	-	14,796	-	14,796	1.3 - 4.9
Trade and other payables	-	-	25,206	25,206	-
Long-term loans	-	6,263	-	6,263	1.4 + 3 month LIBOR rate, 3.5 - 3.9
	-	21,059	25,206	46,265	

(Unit: Million Baht)

As at 31 December 2017

Consolidated financial statements

	Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
Financial assets					
Cash and cash equivalents	1,314	2,538	2	3,854	0.1 - 8.3
Trade and other receivables	-	-	26,319	26,319	-
Restricted bank deposits	-	19	-	19	1.0 - 1.8
Available-for-sale investments	-	-	35	35	-
	1,314	2,557	26,356	30,227	
Financial liabilities					
Short-term loans from financial institutions	-	15,326	-	15,326	1.5 - 3.8
Trade and other payables	-	-	21,809	21,809	-
Long-term loans	-	3,530	-	3,530	2.4 - 2.9
	-	18,856	21,809	40,665	

(Unit: Million Baht)

As at 31 December 2018

Separate financial statements

	Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
Financial assets					
Cash and cash equivalents	1	820	-	821	0.1 - 0.8
Trade and other receivables	-	-	16,610	16,610	-
Available-for-sale investments	-	-	27	27	-
Other long-term receivables	-	-	2,739	2,739	-
Long-term loans to related parties	242	646	-	888	2.5, 1 year USD LIBOR + 1.05%
	243	1,466	19,376	21,085	
Financial liabilities					
Short-term loans from financial institutions	-	12,587	-	12,587	2.2 - 2.8
Trade and other payables	-	-	14,514	14,514	-
	-	12,587	14,514	27,101	

(Unit: Million Baht)

As at 31 December 2017					
Separate financial statements					
	Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
Financial assets					
Cash and cash equivalents	1	637	-	638	0.1 - 0.4
Trade and other receivables	-	-	21,827	21,827	-
Short-term loans to related parties	244	-	-	244	2.5
Available-for-sale investments	-	-	35	35	-
	245	637	21,862	22,744	
Financial liabilities					
Short-term loans from financial institutions	-	12,606	-	12,606	1.9 - 2.5
Trade and other payables	-	-	14,428	14,428	-
	-	12,606	14,428	27,034	

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arise mainly from trading transactions and borrowings that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	2018	2017	2018	2017	2018	2017
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency units)	
<u>Due within 1 year</u>						
USD	645	691	551	664	32.45	32.68
JPY	-	166	27	38	0.29	0.29

Foreign exchange contracts outstanding are summarised below.

As at 31 December 2018					
Foreign currency	Bought	Sold	Contractual exchange rate		Contractual maturity date
	amount	amount	Bought	Sold	
	(Million)	(Million)			
<u>Subsidiary</u>					
USD	116	-	1 USD against 3.87 - 3.88 BRL	-	January - February 2019

As at 31 December 2017					
Foreign currency	Bought	Sold	Contractual exchange rate		Contractual maturity date
	amount	amount	Bought	Sold	
	(Million)	(Million)			
<u>Subsidiary</u>					
USD	127	-	1 USD against 3.27 - 3.32 BRL	-	January - February 2018

Fair values of foreign exchange contracts outstanding above are summarised in Note 11 and Note 21.

36.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or carrying interest at rates closed to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

37. Capital management

The primary objectives of the Company Group's capital management is to ensure that it has appropriate capital structure, in order to support its business and maximise shareholder value. As at 31 December 2018, the Group's debt-to-equity ratio was 2.68:1 (2017: 2.22:1) and the Company's was 2.07:1 (2017: 1.84:1).

38. Events after the reporting period

38.1 On 27 February 2019, a meeting of the Board of Directors of the Company passed a resolution to propose to the Annual General Meeting of shareholders to be held in April 2019 that a dividend of Baht 0.03 per share, or a total of Baht 137 million, be paid to the shareholders in respect of the 2018 profit.

Such dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

38.2 On 27 February 2019, a meeting of the Board of Directors of the Company resolved to approve the following matters.

- To approve an additional investment in Qbit Semiconductor Holding Ltd., its subsidiary in Taiwan, at the amount not exceeding USD 3 million for a purpose of business operation in the future. It is expected that such investment will be completed in the second quarter of the year 2019.
- To approve the change in functional currency of the Company from Baht to USD.

39. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 27 February 2019.

Investor may additionally obtain the information of the issuing company from its annual filing (Form 56-1) showing in www.sec.or.th or in the website of Cal-Comp Electronics (Thailand) Public Company Limited.
www.calcomp.co.th

CCET

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